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OPEN AND EMBEDDED INSURANCE 2024

Insight Report

OPEN & EMBEDDED INSURANCE OBSERVATORY

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Introduction

One year ago, in our 2022 Report, we looked at the transformative potential of embedded insurance, and how insurers and enablers should prepare themselves for the race to become leaders in this space.

After one year, the transformative potential of embedded insurance has started deploying its effects. The embedded insurance model is particularly timely. In the evolving landscape of our society and economy, there is an unmistakable trend toward increasing digitalization and integration. End consumers are swiftly embracing technological advancements, and micro and small-sized businesses are demonstrating a burgeoning interest in seamless access to insurance services. The embedded insurance model, that by adopting the lens of an insurance provider we have renamed B2P2C distribution (Business-to-Partner-to-Customer), has never been as important as it is today. At the same time, the embedded insurance market is still evolving rapidly, with new opportunities arising from new digital platforms and marketplaces, just to mention two. Digital is making embedding insurance into non-insurance value propositions easier and cheaper to deploy.

As so, we are firmly convinced that embedded insurance will be the key growth opportunity for the insurance industry for the next decades, capable of solving a long-standing issue of the insurance industry: growth. Based on OECD data, in the last 11 years the insurance market in major western economies grew (net of inflation) at an average annual rate of 0,25%. Not enough, both from an insurance standpoint and, more importantly, from a customer standpoint: the less a society and an economy are insured, the less they are resilient and capable to innovate. Embedded insurance is poised to change this, by making insurance closer to customers and more easily accessible. And we know from extensive market studies that maximizing a product or service's mental and physical availability is a prerequisite for growing its penetration. There are challenges to overcome nonetheless. To unlock the embedded insurance potential, non-insurance brands need to extensively adopt B2P2C insurance differentiation as a strategic pillar. And insurance players need to maintain embedded insurance as a strategic pillar for growth, and learn to best engage and pitch to those non-insurance brands – a kind of company they are not used to dealing with. Insurance players also need to equip themselves with new differentiating capabilities and to develop platform infrastructures, that let them deploy different operational models and governance models to run embedded insurance programs in different markets with the same degree of agility and efficacy.

Hope you will enjoy the read.

Warmest regards,

Yuri Poletto
Founder and Director, Open and Embedded Insurance Observatory

Insurance has a growth issue and customer acquisition through embedded insurance is the solution

Have you ever met an insurance CEO who was not interested in sales growth, or at least in preventing losses? Growth is an essential part of the market economy and of our business culture, and the main reason why every company wants to grow is related to fixed cost: companies can see their profits skyrocket if they increase sales, while profits can collapse due to small sales losses.

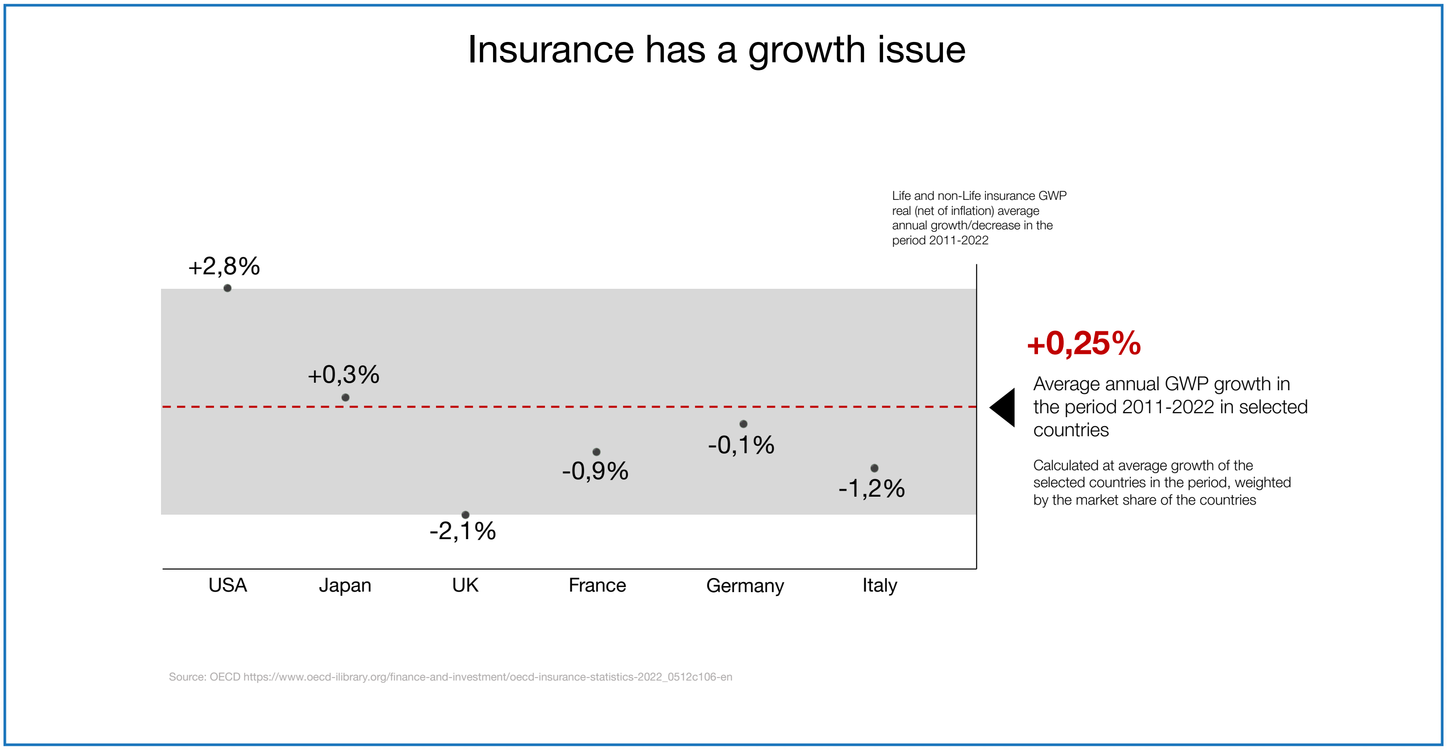
But how do companies grow? A starting point to understanding this is to look at how a company's sales volumes (its market share) and number of buyers (its market penetration) are connected. A company's sales volume depends on two things: how many people buy its products and services, and how often they buy. Hence, two companies that theoretically have equal market share can significantly differ in terms of number of buyers, if the one with fewer buyers experiences more frequent purchases.

But this only happens in theory. Extensive market research conducted by Professor Byron Sharp, one of the most influential marketing experts of this century, and the Ehrenberg-Bass Institute for Marketing Science proves that in a wide array of product categories, markets and countries (insurance and financial services included), brands with about equal market share have more or less equal market penetration, which means that they must experience a similar rate of sales. Research has also discovered that brands with different market share have different market penetration, while their purchase rate doesn't markedly change, which suggests that loyalty doesn't vary much.

What about cross-selling? In the insurance industry it's widely viewed as the path to growth: you already have a relationship with these buyers, why not try to sell them more policies? That's an absolutely reasonable strategy, except cross-selling is not a factor able to substantially increase sales. Insurance companies in Western markets have an average per-customer product density (number of policies per customer) of between 1.2 and 1.5[6], both in Life and Non-Life, and the small differences that exist reflect the market share (companies with bigger market share on average also benefit from slightly higher cross-selling rates). The substantial lack of difference in cross- and up-selling success among insurance companies suggests that dramatically changing cross- and up-selling performance is difficult and expensive. The main reason for this is that insurance companies already benefit from high customer loyalty: if we look at retention rates, we see that insurance is one of the top three industries in this regard, with an average retention rate of 83% (the top two are Media and Professional Services, with an average of 84%[4]).

Improving this already high loyalty rate is challenging and costly, and is not a guarantee of sales growth. In Italy, for example, one of the Western countries with the highest insurance loyalty rates, in the last 10 years the insurance market has registered a retention rate of between 95% and 97%, but the Italian insurance market is among the worst performing in terms of growth.

Insufficient GWP growth rate is not just an Italian issue. Pressure for growth in the insurance industry has climbed over the past decade, with GWP growth remaining flat across the main Western markets. For six insurance markets in main advanced economies, in the last 11 years, GWP grew in real terms (net of inflation) at an average annual rate of 0.25% (see Image 1). »



Due to the nature of insurance business, new customer acquisition can lead to weakening risk selection rigor which, in the short term, may have a negative impact on the P&L of insurance carriers. Insurers have traditionally mitigated growth ambitions with profitability (for those like me who have worked in the sales department of insurance companies, 'profitable growth' has always been a golden rule). To do this, insurers have always seen the retention of their best clients and the conversion of low-buyers into heavy-buyers through cross-selling and up-selling as their main growth strategy, together with M&A. To do this, they have heavily invested in loyalty incentives for their main distribution partners (profit sharing and variable commissions for their agents and brokers), and in customer retention tools like CRM systems. As we have seen, this has worked out perfectly in retaining business but, unfortunately, this has not contributed to generating growth.

Don't get us wrong; we are not here to poke holes in the way insurance business works, nor are we suggesting loyalty, retention and up-/cross-selling be cast aside. Loyalty is an absolutely fundamental metric in insurance, but while it promises to be a guardian of profitability, it doesn't substantially contribute to growth. Viewing insurance growth as a pure retention and cross-/up-selling game is far too narrow, and there is much more to do to increase insurance penetration.

However, there are some questions we need to consider: Is it realistic to think that this already extremely elevated retention rate can further increase? Is it realistic to imagine that increasing this rate by a few base points can make any substantial difference in terms of growth? Based on data and pure logic, it seems reasonable that the answer is no. As demonstrated by the work of Professor Sharp, increase in penetration is the main driver of commercial success. Sharp demonstrates that penetration brings with it greater loyalty and a reduced churn rate. Growth in market share comes by increasing popularity, while loyalty alone has a marginal impact on the generation of new business.

How insurance brands grow

Let's imagine an insurance market with 1,000 customers and three brands: brand A with a 50% market share (500 customers), brand B with 30% (300 customers) and brand C with 20% (200 customers). Let's assume that the average retention rate in this market is 87% (the actual insurance average global retention rate). This means that every year 13% (130) customers are up for acquisition.

Now let's assume that company A puts together a plan to increase its retention rate by 10% – a challenging target to achieve that requires big investments on several fronts (loyalty incentives, investments in CRM » and customer satisfaction KPIs). Through this measure, company A can gain 8.5 customers (a 1.7% increase in the customer base). This is the most company A can gain from improving retention by 10%, yet every year in the market there are 130 customers up for acquisition – 15 times more, a much bigger opportunity. Insurance marketers are often surprised by how low their average purchase frequency metric is, and they conclude that this means there is plenty of scope to easily increase this metric. Few appreciate that this average is still much greater than their average buyer, and that the calculation of the average doesn't include all those who did not buy a single insurance policy from them.

Now, let's imagine an insurance market with 1,000 customers and two scenarios: insurance market A with a 50% average retention rate, where every year 50% of the existing customers (500) are up for acquisition, and insurance market B with an 83% retention rate, where every year only 17% customers (170) are up for acquisition. What do the simple maths tell us? The learning is that the bigger the retention rate, the smaller the growth opportunity for every company in the market with existing customers.

We have two interesting points here:

1. Reducing defection rates is neither easy nor cheap, and the growth potential from new customer acquisition doesn't factor in the potential gains from reducing defection.
2. In any given market, the higher the retention rate, the lower the growth opportunity with existing customers. Hence, in defining the growth strategy of a company operating in a market with a big retention rate (like insurance), emphasis should be placed on enlarging the market size (that is, in the insurance case, insuring non-insured or underinsured customers) rather than in increasing loyalty.

This is, in our opinion, where embedded insurance can change the game. Making insurance available to large customer bases through embedded insurance partnerships enlarges insurers' ability to reach the mass market and explore the full potential of market growth.

The rationale behind embedded insurance

The rationale behind embedded insurance rests on the premise that non-insurance brands can enhance their profitability through the sale of insurance products, while insurance providers can access new markets by leveraging non-insurance brands' customer base, thereby avoiding incurring supplementary expenses related to sales forces. In essence, this approach capitalizes on economies of scope, wherein the collective array of products contributes to a reduction in the average total cost of distribution.

To realize synergy, insurance providers and their distribution partners are required to pool resources that can be efficiently utilized across various product categories without incurring additional costs. Embedded insurance renders product diversification effective when rooted in the shared and recurring utilization of proprietary knowledge or an indivisible physical asset: as the array of promoted products expands, a greater number of individuals can be reached per unit of cost. As an example of how economies of scope apply to embedded insurance, in the UK the cost to acquire a new micro-enterprise online with traditional digital marketing tools is, on average, in the range of £200 while, through an embedded partnership, the cost is 75% lower (in the range of £50[1]). To understand where this comes from, here are some of the most expensive keywords in digital advertising[16]:

Rank	Keyword	Cost-per-Click
#1	Insurance	$54,91
#2	Gas/Electricity	$54,62
#3	Attorney	$47,70
#4	Mortgage	$47,12
#5	Claim	$45,51
#6	Loans	$44,28

All of the main insurance groups are actively investing in building the capabilities required to deploy embedded insurance and new distribution partnerships. Year after year, a growing number of non-insurance brands are increasingly adopting diversification strategies that have financial services and insurance at their core. »

Selected examples of embedded insurance platforms launched by incumbent insurance players

Company: Chubb

Platform name: Chubb Studio
Year launched: 2020

Value proposition: Digital platform that allows Chubb's distribution partners digital access to Chubb's products, services and claims

Link: https://studio.chubb.com/connect/

Company: Admiral, Admiral Pioneer

Platform name: Connect by Admiral
Year launched: 2023

Value proposition: Digital platform that makes it easy to plug embedded insurance into non-insurance brands' value propositions

Link: https://www.admiralpioneer.com/connect-by-admiral

Company: Gallagher Re

Platform name: Gallagher Re Emmersa
Year launched: 2023

Value proposition: Specialized insurance service, solely focused on partnering with industry to monetize the insurance impact of technological change. The Emmersa team is uniquely positioned to build end-to-end embedded programs for companies seeking to leverage technology and data to create new revenue streams through the distribution of insurance products

Link: https://www.ajg.com/gallagherre/emmersa/

Company: Zurich

Platform name: Zurich eXchange
Year launched: 2023

Value proposition: Global API marketplace that brings together the best services from across the Zurich Group, enabling faster integration and more efficient collaboration throughout the company and with customers and partners

Link: https://api.zurich.com/en

Examples of big non-insurance brands that have adopted embedded insurance diversification with success

BMW Financial Services now has a portfolio of over 4 million insurance policies, a 25% growth since 2015[8]

Volkswagen Financial Services now has a portfolio of over 6 million insurance policies, a 33% growth since 2015[9]

Automaker Stellantis aims to generate over €4 billion from affinity insurance by 2030[17]

British Gas Insurance Services, which offers a series of home-related protection products and services, registered a £863 million GWP in 2021, with 7,2 million policies in force[10].

BestBuy, one of the largest consumer electronics retailers in the USA, earned over $725 million in revenue from the sale of extended warranties, which contributed to 9% of net earnings for the company in 2022

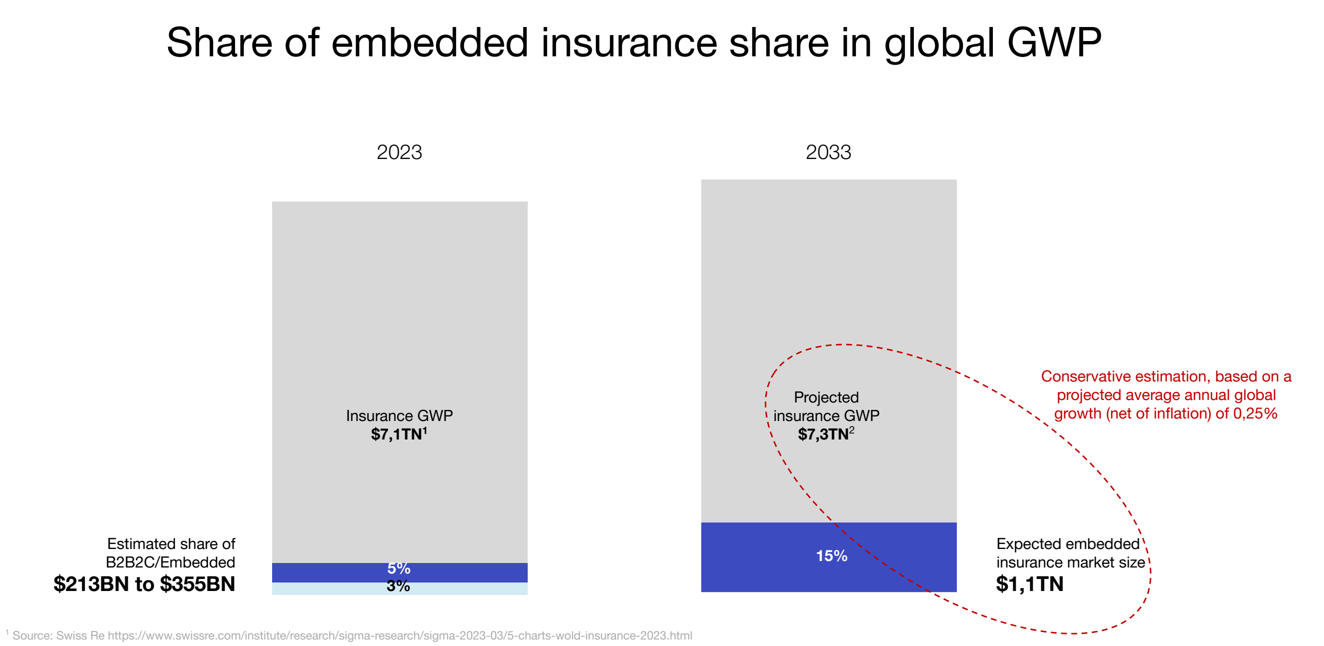
Mercado Libre, a leading Latin American e-commerce giant, surpassed 5 million insurance clients in 2023

El Corte Ingles, the largest department store in Spain, has an insurance portfolio exceeding €1 billion GWP

Contribution of embedded insurance to insurance GWP

Estimating the contribution of embedded insurance to the global insurance GWP is an exercise that can be done with the adoption of a proxy. Embedded insurance is quite a new market that sits on the solid foundations constituted by B2B2C distribution and affinity distribution, two labels that refer to insurance distributed to groups of individuals through business distribution partners. B2B2C/affinity distribution currently represents between 3% and 5% of global GWP.

Traditional B2B2C partners in affinity programs are entities like banks, car dealers, associations, retail stores, utilities and telcos. Today, driven by several factors, including the widespread adoption of the internet, cloud and mobile, easier integrations facilitated by APIs, and a shift in brands' centrality, with new digital brands that have outpaced traditional high-street brands in building strong and data-rich relationships with their customers, insurers expect a growth in the market share of B2B2C distribution thanks to embedded insurance. Based on our proprietary data, insurers anticipate that embedded insurance (including existing B2B2C/affinity business and excluding bancassurance) can increase its share in GWP by up to 15% in the next 10 years. »



[1] Source: Swiss Re https://www.swissre.com/institute/research/sigma-research/sigma-2023-03/5-charts-wold-insurance-2023.html

New avenues for growth

To further explore this opportunity, we will now look at two use cases of embedded insurance: the home and assistance ecosystem, and B2B platforms and marketplaces.

The Home and Assistance ecosystem

Home insurance is a mainstream insurance product, but despite its widespread popularity, it has a significant growth potential: the home insurance market is expected to grow 70% by 2030, from the current €230 billion in GWP to €400 billion globally; and, in Europe, from the current €80 billion in GWP to €140 billion.

Given the proliferation of product and service providers in the home 'ecosystem' and the interrelated points and engagement that they are able to create with customers, opportunities to embed home-related insurance products has caught the attention of the largest insurance groups.

We have identified eight macro-categories of distribution partners for embedded insurance in the home and assistance ecosystem that offer opportunities to distribute home-related insurance in the main 'moments' of the home lifecycle.

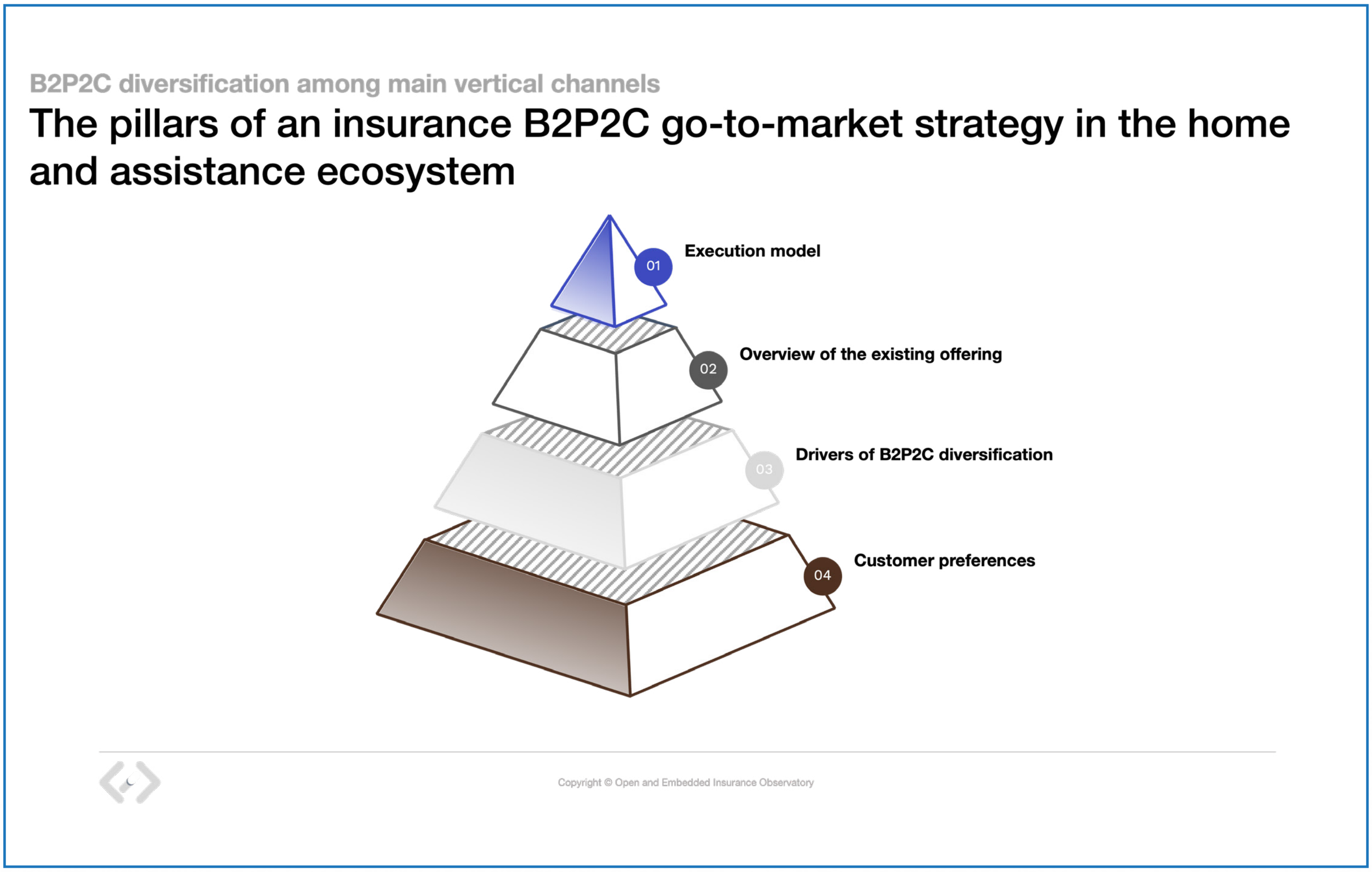
Overview of the existing offering

Moment in the home lifecycle

	When you rent/buy	When you live	When you sell/move
Financial services	V	V	V
Retail and e-commerce		V	
Telcos		V	
Home security and smart home		V	
Consumer electronics		V	
Property services and mortgage brokers	V	V	V
B2B software and services	V	V	V

These categories present different kinds of opportunities from an insurer's perspective. Telcos and utilities offer access to large customer bases and big datasets, while retailers and e-commerce companies are often recognized for being strong brands and, particularly e-commerce companies, for offering great user experiences that can be leveraged from an embedded insurance perspective.

A successful embedded insurance proposition in the home and assistance ecosystem is based on four pillars. »



Customer preferences. Consumers want a simple and understandable home insurance proposition, with some add-ons (like concierge services) to make life easier.

Distribution partners' **drivers of B2P2C diversification**. Companies operating in the eight categories present significant space for embedded insurance opportunities since embedding insurance represents a strategic opportunity for all of them. By offering insurance, financial services providers can gain new revenues that can help alleviate the pressure on margins created by fintechs, and offer a more streamlined mortgage experience. For retailers and e-commerce providers, embedded protection plans instill trust in their products by ensuring that they make things right if something goes wrong with the delivery of the product or with the product itself. Recent research by Assurant reveals that by offering an embedded protection plan, retailers and e-commerce companies can increase a consumer's purchase intent by 25%.

Product offering. A wide range of home-related insurance products are currently offered via embedded partnerships. Financial services providers currently offer the widest array of products:

» Home insurance

» Device protection insurance

» Renters insurance

» Pet insurance

» Cash coverage

» Identity theft

» Bicycle insurance

» Private liability

» Legal expenses

» Condo insurance »

Consumer electronics manufacturers and renters show a narrower appetite for insurance and are currently mainly focused on device protection plans.

Execution model. There are currently three execution models for embedded insurance in the home and assistance ecosystem:

- *Bundled:* insurance is included in service plans subscribed to by the end customer
- *Transactional:* insurance is offered contextually (in real-time) during the commercial transaction of another product or service, or in a post-sale moment
- *Marketplaces:* insurance is included in digital stores where distribution partners can select and embed it in their own marketplace, where customers can choose from a range of products/services

These execution models are deployed adopting six main insurer-distributor service/operating models: lead generator, reseller, co-owned proposition/partnership, brokerage, MGA, and captive.

We have analyzed over 150 embedded insurance cases in the home and assistance ecosystem, and have reported below on selected cases:

1.

Insurance provider:
Honey insurance

Distribution partner:
Bank of Queensland

Distribution partner category:
Financial services provider

Country:
Australia

Insurance product:
Active home insurance

Description: Honey provides Australians with unique value by offering smart home sensors to help avoid household accidents that often lead to claims, like fire, theft and water damage. BOQ embed insurance into the banking experience for the 400,000 BOQ retail banking customers, and help protect their most valuable assets.

2.

Insurance provider:
Allstate, services by SquareTrade (an Allstate company)

Distribution partner:
The Home Depot

Distribution partner category:
Retailer

Country:
USA

Insurance product:
Product protection

Description: The Home Depot is a home improvement retailer. Its extended protection covers major appliances, outdoor power equipment, grills, power tools, home electronics, and other items purchased in-store or online.

3.

Insurance provider:
Homesite

Distribution partner:
Zillow

Distribution partner category:
Real estate/letting agency

Country:
USA

Insurance product:
Renters insurance

Description: Zillow moved beyond a lead-gen partnership with Leaselock and created its own insurance agency to directly work with Homesite (a subsidiary of American Family Insurance). Renters can now purchase a policy through the Zillow app or website at key points in their journey – whether it's when they sign their lease or after they've settled into their new place.

4.

Insurance provider:
Porch group

Distribution partner:
Homeowners of America

Distribution partner category:
Property and home service providers

Country:
USA

Insurance product:
Home insurance

Description: Porch Group provides a moving concierge service to homebuyers and homeowners, helping them save time and make better decisions on critical services, including insurance, warranty, moving, security, TV/internet, home repair and improvement, and more. Through Elite Insurance, an owned insurance agency, Porch Group also offers motor, liability and jewelry insurance from multiple carriers like Nationwide, Travelers, Progressive and Hippo. »

B2B platforms and marketplaces for Micro and SMEs

To understand the role embedded insurance can play, it is helpful to first look at the broader micro and small and medium-sized enterprises ecosystem within which insurance fits (in this chapter we will refer to this segment with the acronym MSMEs). MSMEs are the backbone of the global economy: they represent over 95% of all businesses in the world and over 50% of employment worldwide.

MSMEs also represent a relevant part of the global insurance GWP: they account for about 53% of total commercial insurance. Mid-sized enterprises' premiums are growing faster, with a 5% global average CAGR in the last five years.

MSMEs are extremely relevant in the global economy and in the overall insurance business but, at the same time, they are highly underserved by the insurance industry, which causes a protection gap that is estimated to be between 50% and 70% globally, depending on the geographies. There are a series of limitations and rigidities, both on the demand and supply side, at the origin of the MSME protection gap.

On the supply side:

» *MSMEs are considered too small and diverse to be addressed in a scalable way.* Due to their low and unpredictable revenue, they encounter difficulties in securing priority from conventional insurers and brokers. For insurers, the dilemma lies in managing the cost of serving MSME customers in light of the high diversity, uncertain transaction size and associated risks.

» *Assessing MSMEs risk is cumbersome.* Assessing the risk for MSMEs has proven challenging for insurers due to insufficient documentation, the inability to provide collateral upfront, and the absence of structured insight into their financial standing.

» *Insurers find it challenging to build a compelling value proposition for MSMEs.* The transformation necessitates a fundamental re-evaluation of insurers' current approach to digital insurance. Mere facilitation of digital access to existing products falls short of addressing the persistent challenges faced by traditional insurers when catering to MSMEs. These challenges encompass high acquisition and servicing costs, outdated risk and needs assessments and an overall mismatch in product suitability. This misalignment between traditional insurance offerings and MSME needs has opened opportunities for insurtech companies, rapidly gaining traction among entrepreneurs seeking solutions to their problems. Key elements such as digital acquisition, end-to-end digital customer journeys, and products tailored to specific segments become crucial.

On the demand side:

» *The insurance customer experience for MSMEs is not working.* The process of obtaining a quote and finalizing coverage is often sluggish, demanding the repetition of information gathering in different phases of the customer journey, which causes a sharp decrease in the number of conversions compared to applications. The data collected may be outdated and unreliable, primarily due to its self-reported nature. Whether conducted online or offline, the involvement of multiple parties results in a disjointed experience. Unfortunately, the unsatisfactory journey extends beyond the purchase stage; customer support and claims processes are equally known for their arduous nature.

» *MSMEs are a variegated universe.* The classification of 'small commercial' encompasses a broad and diverse range, with varying needs and expectations. A sole trader and a company with 20 employees and multiple locations are both typically considered 'small' by insurers, but there is actually a big range of risk and price differences between them. In the US, within the category 'Building' there are 30 different types of business, while in Italy within the category 'Commercio' (Commerce) there are 525 different types of business. However, insurers frequently offer uniform solutions that may not cater to these diverse needs.

The MSME landscape is undergoing a significant transformation driven by the rise of new needs, pain points and preferences. A generational shift is changing the preferences and behaviors of organizations of any size. We live in an era in which companies created and run by people born before the digital age are going to be progressively run and replaced by companies run by digital natives. This new generation of MSMEs are used to working with digital platforms and marketplaces to supply financial and insurance products and services: today, platform penetration among MSMEs already ranges between 75% and 85%[11]. »

MSMEs today can be created and get a bank account and any insurance without visiting a lawyer, a bank branch or an insurance broker. Platforms like Shopify, Intuit Quickbooks and Amazon offer MSMEs payment processing, point-of-sale systems, loans and any other online financial services they need to operate their business.

MSMEs today are shifting attention from saving money to saving time. They are realizing they spend too much time on 'run the business' activities, and are looking to maximize time spent on core, 'grow the business' activities[7]. To do this, they are increasingly willing to adopt new solutions, like buying more products and services from one single trusted provider, and financial services and insurance are no exception.

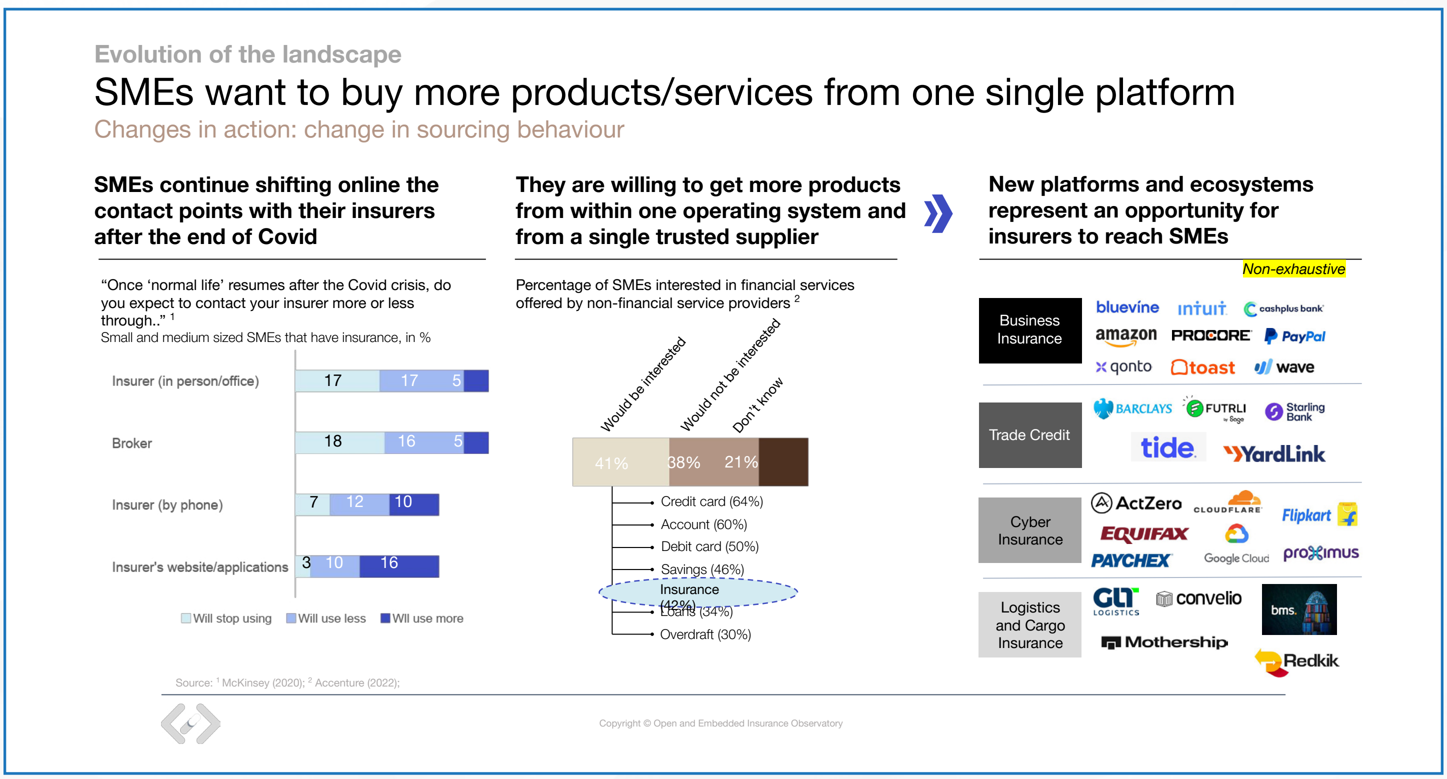
These macro trends are changing the MSME landscape. Having experimented in their private life, founders of companies of any size are increasingly driving their companies to adopt B2B e-commerce to source products and services. New technological advancements in credit underwriting, marketplace infrastructure software, digital payments and checkouts are among the conditions that are enabling the growth of B2B e-commerce. In a matter of just a few years, B2B e-commerce will become one of the main channels to reach MSMEs, alongside platforms.

MSMEs of all sizes are shifting the contact points with their service providers online, insurance included – and are willing to get more products and services from within one operating system and from a single trusted provider.

Today, new platforms and ecosystems represent an unmissable opportunity for insurers to reach MSMEs: they are the place where MSMEs run their businesses and generate and share data.

The top five platforms alone represent a potential $10,1 billion GWP opportunity[12] for insurers, given the customer base they can provide access to: PayPal has 35 million MSME merchants, Amazon 10 million, Stripe three million, Square two million and Shopify two million[13]. Four out of five – PayPal, Amazon, Square and Shopify – already offer embedded insurance to their MSME customers.

In 2022, Aon entered into a partnership with PayPal to facilitate swift and straightforward access to insurance for millions of PayPal's small business customers in the US. The process is seamless – utilizing Aon's CoverWallet solution on the PayPal Commerce Platform, the 35 million MSMEs connected to PayPal can effortlessly purchase insurance with just a few clicks. Through the sharing of transaction information for individual SMBs, PayPal collaborates with Aon to enhance the accuracy of insurance quotes provided to PayPal customers via CoverWallet. Consequently, this online insurance service exceeds the convenience offered by traditional insurance distribution and allows Aon and insurers to enter new markets and categories of MSMEs by compensating for a lack of knowledge on those companies with the data that PayPal can supply. »



Adding to existing complexity, the MSME segment is becoming more variegated with the rise of a new breed of micro- and small companies operating in the so-called creator, passion and gig economies. These are digital native (often one individual only) companies, with a peculiar set of expectations from their financial services providers. The gig economy is dominated by freelancers and independent contractors performing temporary, short-term assignments. Those companies typically run a labor-based (drivers, food delivery) or an asset-based model (like those that rent and/or sell unused assets on platforms like Airbnb and eBay). The gig economy business model relies on digital platforms that provide a secure place to match supply and demand. It is estimated that between 30% and 40% of the workforce in the US is participating in the gig economy, which means a potential customer base of 50 to 67 million micro- and one-man companies.

Passion and creator economy enterprises can be viewed as the MSME equivalents within the retail sector for Gen Z. This market emerged as a result of the digital tools that allow creative expression, personal branding, remote work and global distribution. Likewise for the gig economy, new digital platforms allow the matching of people with a skill or a passion and willing to monetize from it, with other people who might want to learn or experience what they do. This is one of the fastest growing types of MSME: it's estimated to be worth more than $100 billion, with more than 50 million people worldwide operating in these markets.

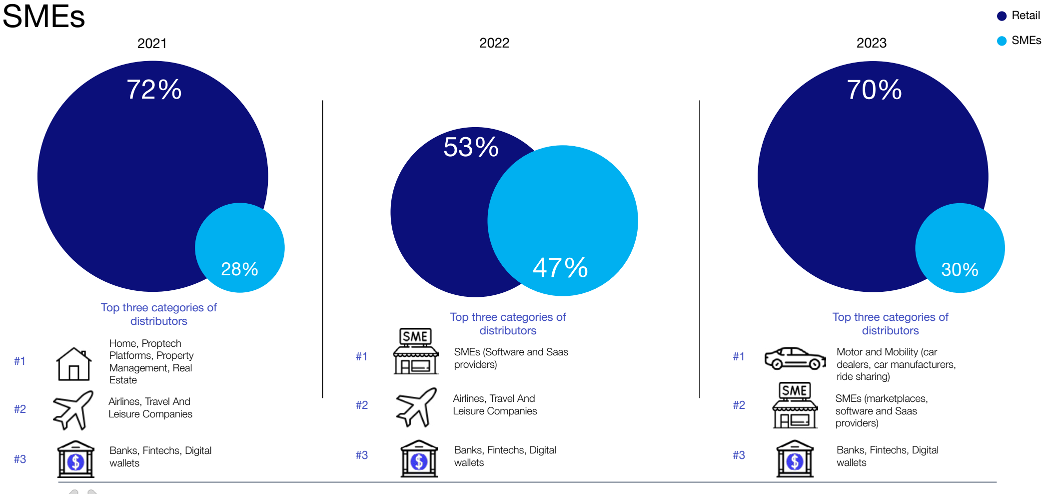
Both gig and creator/passion economy companies are heavily underserved by the traditional insurance industry, and given the centrality of digital platforms in running those businesses, embedded insurance is the most suited model to serve them. Wolt is a Finnish technology company operating in the gig economy and known for its local commerce platform. Wolt's platform makes it easy for customers to order whatever they need on one app, for merchants to make additional sales, and for couriers to make meaningful earnings flexibly.

Wolt operates in 25 countries and hundreds of cities, and currently has more than 180,000 courier partners to whom it offers two types of insurance coverage. The first is accident cover that includes 'the broad spectrum of risks that couriers face', and the second is a third-party liability program. By providing these two types of cover to its couriers, Wolt is filling a gap in the market, as 'it's virtually impossible for an individual courier partner to go and get that type of coverage elsewhere, particularly if their mode of transportation is an e-vehicle, a bike, or just delivering on foot'. In most Wolt countries, the only component of insurance that courier partners are responsible for themselves is the mandatory motor insurance. This is understandable given that riders and drivers use their own vehicles. But incidents that occur after they set foot outside of that vehicle and attempt to deliver the order to the customer are covered through Wolt.[14]

Commercial lines, traditionally considered too complex for the B2B2C/embedded insurance model, are now one of the core markets that insurers and reinsurers are willing to grow with embedded insurance. This is thanks to a series of factors, including advancements in technologies that make it possible to embed insurance into the workflows of software used by MSMEs, and changes in MSMEs' needs and purchase behaviors. Indeed, 30% of the new embedded insurance partnerships we analyzed in 2023 are addressed to MSMEs, which makes MSMEs the second largest target market for embedded insurance after motor and mobility. »

Avenues for growth

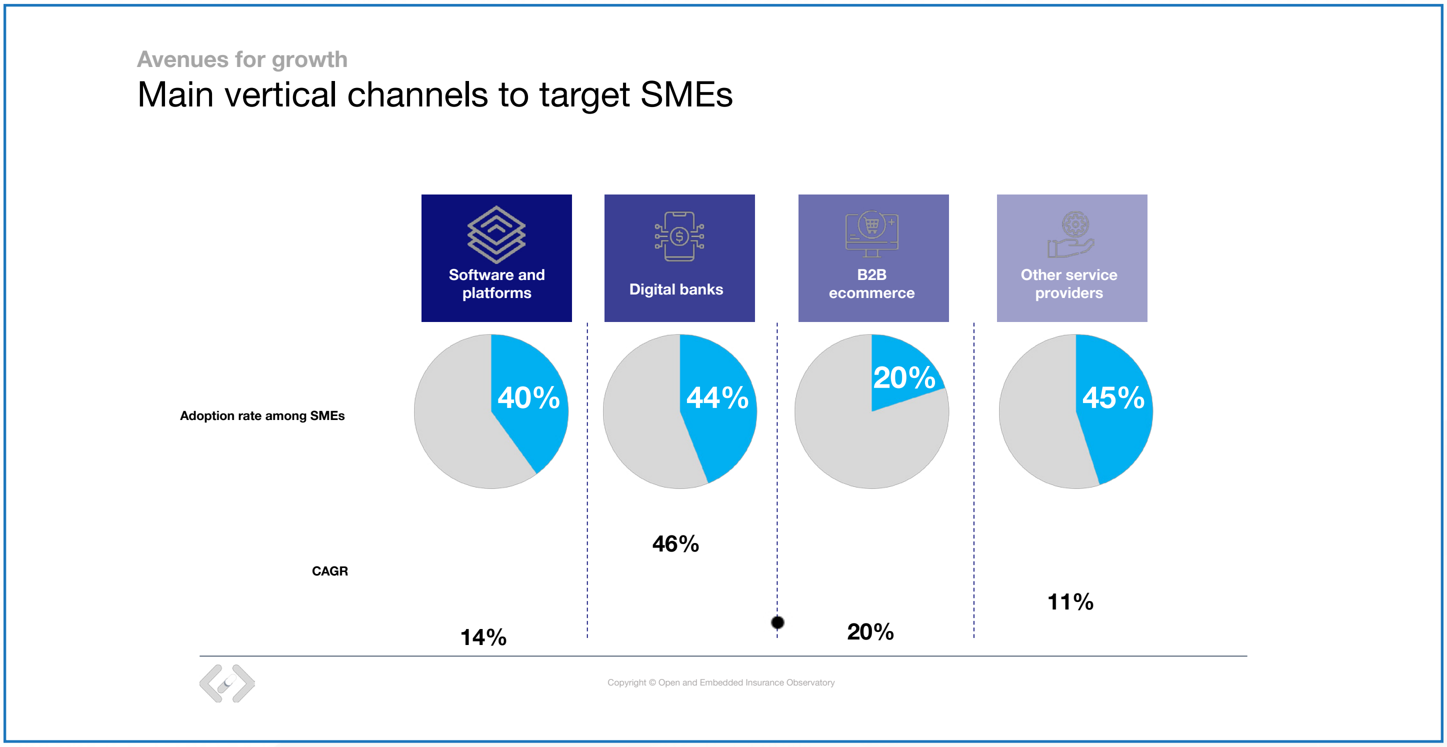
Trend: nearly one-third of new embedded insurance partnerships target SMEs



From our analysis of hundreds of partnerships in this domain, conducted over the past 18 months, it emerges that embedded insurance for MSMEs is a variegated universe with multiple players and a wide array of channels and deployment models.

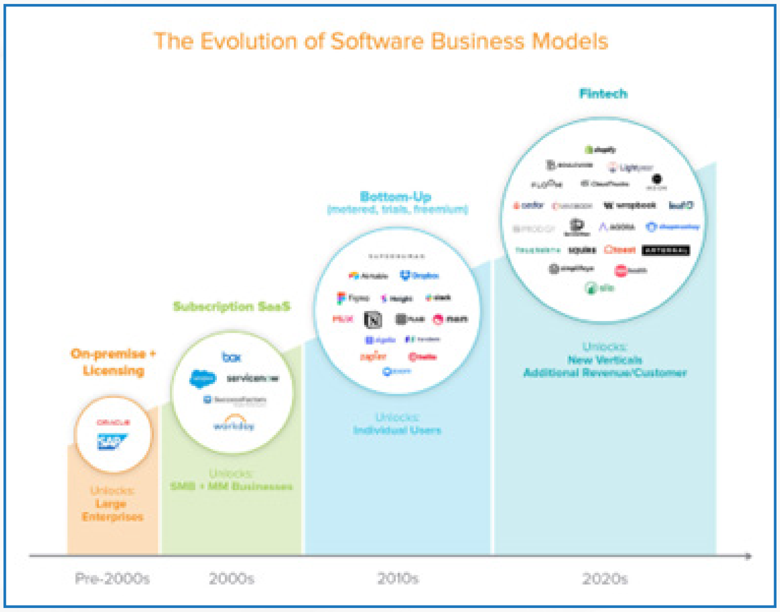
There are four macro vertical markets where embedded insurance is currently offered to MSMEs:

» Software and platforms
» Banks and fintechs
» B2B e-commerce
» Other service providers



Software and platforms

Every decade, software distribution and selling evolves. Today, software companies are evolving their model by embedding financial and insurance services into their core value proposition, which presents the opportunity to increase revenue and unlock new verticals. This is thanks to new fintech and insurtech enablers that have made it possible for software businesses to add financial and insurance services alongside their core software product. »



Source A16Z[15]

Partnering with B2B software companies to offer embedded insurance to their MSME users presents certain complexities, particularly if they operate in broad horizontal ecosystems. With software companies serving large horizontal markets, it may be challenging to come up with an embedded solution. In order to align demand and supply, the broker/enabler needs to represent multiple insurance companies to offer a broad enough underwriting appetite to align with that very broad horizontally class-oriented ecosystem. Even the largest insurance carriers often don't have a broad enough product and underwriting appetite for the breadth of a horizontal MSME ecosystem. It's difficult for a single entity to serve a giant ecosystem in an embedded fashion, because that entity only represents the products that it wants to sell and, based on our experience, these normally represent less than one-quarter of the whole ecosystem.

It is not surprising then, that the wave of adoption of embedded finance and insurance is happening in vertical markets. Vertical software companies create software for a specific industry, such as retail, restoration or construction. From the embedded insurance standpoint, B2B software verticalization can occur in terms of:

- *Target market:* companies like Toast (restaurant), The Home Depot (home improvement) and Procore (construction) already have embedded insurance businesses in place.
- *Products offered:* products like product liability, third-party liability, workers' compensation and cyber insurance have proved to represent a good market fit for non-insurance brands like Amazon, Google and ADP.

American insurtech AP Intego, now part of NEXT Insurance, is a pioneer in this space. It didn't intentionally develop embedded insurance technology. In 2010, it developed software to calculate and collect premiums on a pay-as-you-go basis for a workers' compensation program. The software connected with a payroll company to get the information required to calculate the workers' compensation premium. The premium was collected on a pay cycle basis. This is beneficial for MSMEs because they can split the premium on a pay cycle basis rather than paying it in a unique solution at the end of the year. AP Intego started working with big companies like Paychex and ADP, operating MSME software like time, attendance, and payroll. AP Intego found that selling insurance was a logical addition and saw the opportunity to offer those capabilities to other companies like ADP and Paychex to get new MSME leads for their workers' compensation programs. There were many other similar, smaller companies out there, so AP Intego harnessed the opportunity to partner with payroll companies to source MSME clients. It started working with companies like Gusto, Toast, Intuit, and business really took off with the Intuit partnership. It represents multiple insurance companies and multiple products and came up with an embedded solution that offers an elegant buying experience.

AP Intego was acquired in 2021 by NEXT Insurance, which is currently one of the most successful companies in this space, with distribution partners like Gusto, Toast, Square, Amazon and The Home Depot. NEXT Insurance, of which embedded insurance represents an important part of its business, has over 420,000 MSMEs (40% of whom are first-time buyers of commercial insurance) and a GWP in excess of $800 million.

Data is the fuel for MSME embedded insurance

Clearly, growth alone would not be sufficient to make embedded insurance an interesting opportunity to grow the MSME book of business. Indeed, insurers are not used to automating or delegating key insurance functions to third parties when it's about commercial lines risks. Given the peculiarity of the insurance business, it is paramount that the growth opportunity represented by embedded insurance is accompanied by the possibility to access data that enables a proper understanding of the new risks arising through embedded partnerships. If we look at the most adopted use cases of embedded insurance in this segment, we will see that insurers' privilege opportunities with distribution partners can, thanks to their role in the value chain, grant access to insurance-related data. Integrating with payroll software is a perfect example, as they offer the best possible view over the workforce. Other examples are:

- *Cyber:* In 2021, Allianz Global Corporate & Specialty (AGCS), the corporate insurance arm of Allianz SE, and Munich Re collaboratively introduced a cutting-edge commercial cyber risk insurance product named 'Cloud Protection +'. This partnership delivers a sophisticated insurance offering specifically tailored for clients utilizing Google Cloud and enrolled in Google's recently launched 'Risk Protection Program'. This program comprises two integral components: Risk Manager, a novel tool facilitating the assessment of a customer's security risk posture on the cloud, and Cloud Protection +, an innovative cyber insurance solution designed » exclusively for Google Cloud customers. Within the framework of Cloud Protection +, eligible clients are presented with a new form of coverage against cyber incidents occurring within their corporate environment and those associated with Google Cloud. Initially targeted at US-based Google Cloud users, the global availability of this solution may be extended at a later stage, contingent upon underwriting eligibility. By partnering with Google, AGCS and Munich Re, valuable insights can be obtained on a company's cybersecurity posture that other distribution frameworks can't offer.

» *Trade credit:* In 2023, Atlax 360, a multinational company specialized in B2B credit risk and Munich Re, acting through its corporate venture Talaria, launched Flexible Credit Insurance Cover, a frictionless embedded trade credit insurance. The smart portfolio cover is embedded into Yndika – a platform for Order to Cash process optimization with advanced risk management capabilities. The solution offers a real-time risk assessment on a debtor but also on a single invoice level that is available both for the customer and the insurer. The result is professional risk management and fair pricing according to the risk.

» *Cargo:* Launched in 2021, Otonomi is a parametric insurance platform driven by data. It offers protection to air freight forwarders by addressing gaps, swiftly managing risks, and is adaptable to cover economic losses arising from delays in the air cargo industry. Leveraging data from OAG, Otonomi can enhance the precision of delay assessments and determine optimal pricing and risk management strategies for its clients, taking into account real-time market fluctuations. The collaboration with OAG grants Otonomi rapid access to cloud-stored, high-quality aviation data, seamlessly integrating it into its parametric air freight product. This access to a comprehensive data footprint allows Otonomi to effectively address the challenges faced by its clients.

» *Accounting and ERP software:* These provide embedded insurance providers with a privileged view of the financial dynamics of a business. An average accounting or ERP software uses the following data:

  o Sales tracking
  o Invoices tracking
  o Time tracking
  o Income & expenses tracking
  o GST & VAT
  o Inventory
  o Receipts
  o Bank feeds
  o Reporting/Forecasting
  o CRM
  o Expense management
  o Pay employees/Payroll

But do/want/can B2B software companies share data with their embedded insurance partner? This is how Gusto works with NEXT Insurance:

How workers' compensation works in Gusto

When you set up workers' compensation insurance in Gusto, we collect various business, employee, and payment information. This information is securely shared with NEXT Insurance, who works with insurance providers to get you the best quote and enroll you in a new policy without ever leaving Gusto.

After your workers' compensation policy is set up, Gusto sends your payroll information to NEXT Insurance every time you run payroll. NEXT Insurance uses the payroll amount to calculate the workers' compensation premium charge, make the necessary payments to carriers, and submits all the paperwork. Below are a few other advantages to signing up for workers' compensation with Gusto:

» Simple sign up through your Gusto account
» Instant online estimated quotes viewed through your Gusto account
» Finalize a policy with electronic signatures
» Pay-as-you-go payment method, where you pay exact amounts throughout the year based on actual payrolls run through Gusto
» Reduced audit bills by having payroll information sync directly to your insurance carrier
» Billing for both workers' compensation and payroll
» Email notifications reminding you of important dates and to-do items
» No additional fees for setting up workers' compensation through Gusto

All information about your company's workers' compensation that Gusto has on file can be found by clicking the 'Taxes & compliance' tab and selecting the 'Stay compliant' tab. Invoices can be found by clicking 'Settings' and then selecting 'Plan & billing'.

Source: https://support.gusto.com/article/100012056100000/Set-up-Workers-Compensation-with-NEXT-Insurance

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Board advisor at the Open and Embedded Insurance Observatory

Maximizing insurance personalization with embedded insurance and digital insurance-powered ecosystems

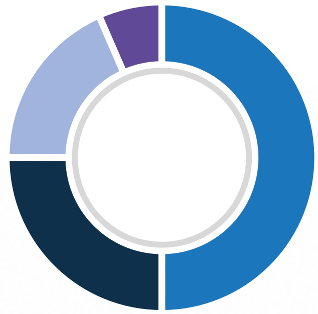
Insurance companies have underwriting capacity, risk analysis capabilities and insurance products. But – with the exception of those selling directly on or offline – insurance companies do not have distribution.

End users do not look to buy insurance. They look to acquire items or services – and might consider taking up insurance along with them, where it is embedded within the same user journey.

Distributors aim for new streams of income, while better catering to the needs of their end user within their own ecosystem.

Taking all these things into consideration, embedded insurance makes for an apt solution – from both a supply and demand perspective. However, embedded insurance still has some way to go before fulfilling its potential of offering a truly seamless user experience, bringing value add in each case, and there being no question for consumers as to why they'd need the cover being offered – across any distribution channel for any underlying product. »

A survey published by ReMark in December 2022[1] underlines that journey.



49.4% It was too expensive

26.0% I didn't need it

17.4% I prefer to buy from my insurer

7.2% I had a previous bad experience

% of respondents who refused to purchase embedded insurance

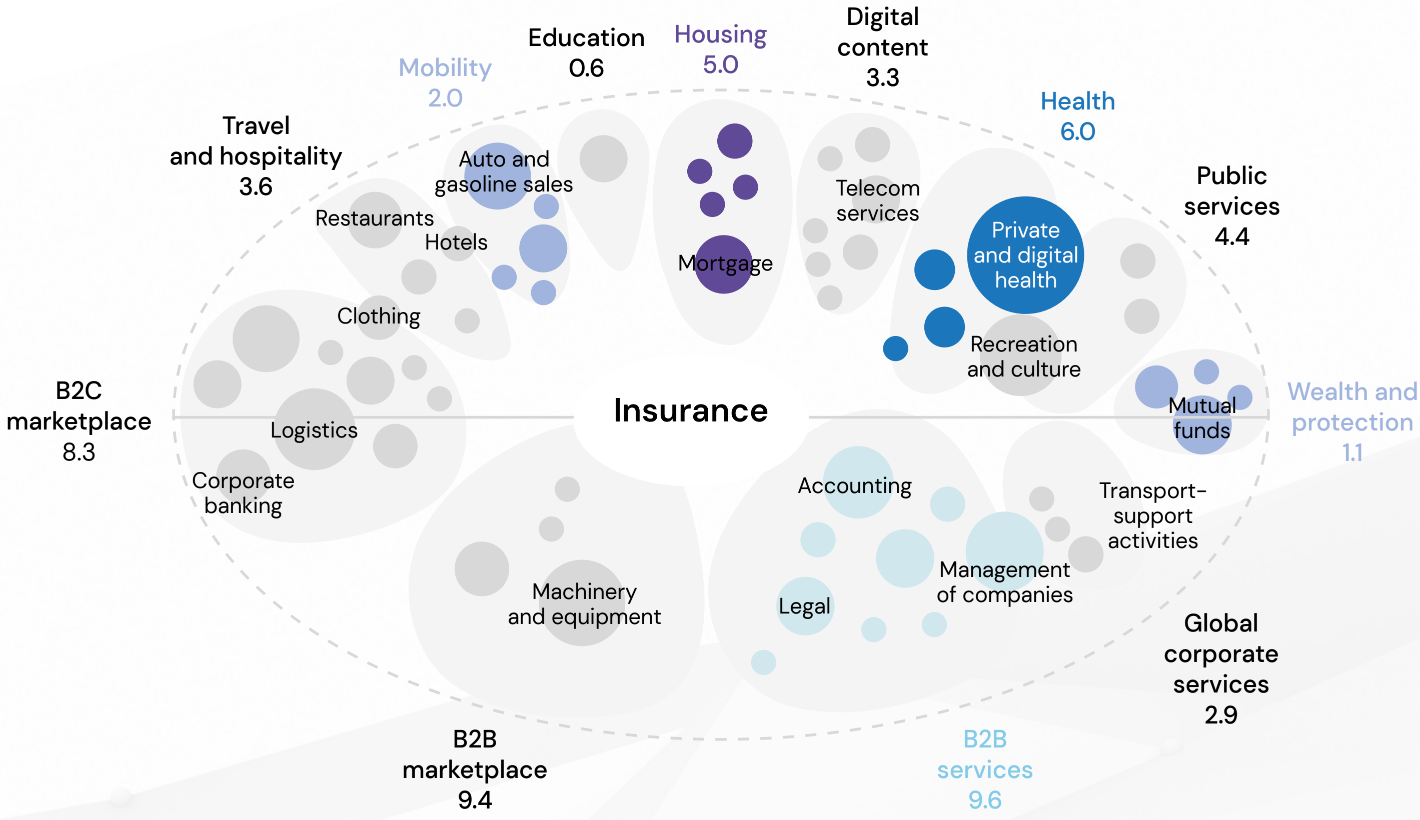
Q: Why did you refuse it?

Selling insurance embedded within any distribution is not enough to meet customer expectations. Convenience may not equate with value. As the above results infer, embedded insurance still must be relevant rather than redundant.

Relevance comes from personalization. The right product, at the right time, the right way, fitting with what one may need at that very moment in time, hassle free, no questions asked. The best way to execute on that personalization is to harness data collected during prior steps in the user journey. Travel insurance does that well. Through buying your flight tickets, you get offered, no questions asked, the exact insurance fitting with your destination and duration, your age and gender, your departure date, your fellow travellers and their age and gender, and your main reason for travel (business, winter sports, leisure, or other). We cannot always say the same about other types of embedded insurance, however, where the end user has to key in all their information (once again) to fulfil the insurance enrolment form.

This is the promise of embedded insurance sold through an ecosystem approach, though – where, at every step in the value chain, more data is being collected to eventually be harnessed within the next step in the value chain, to develop better personalization. »

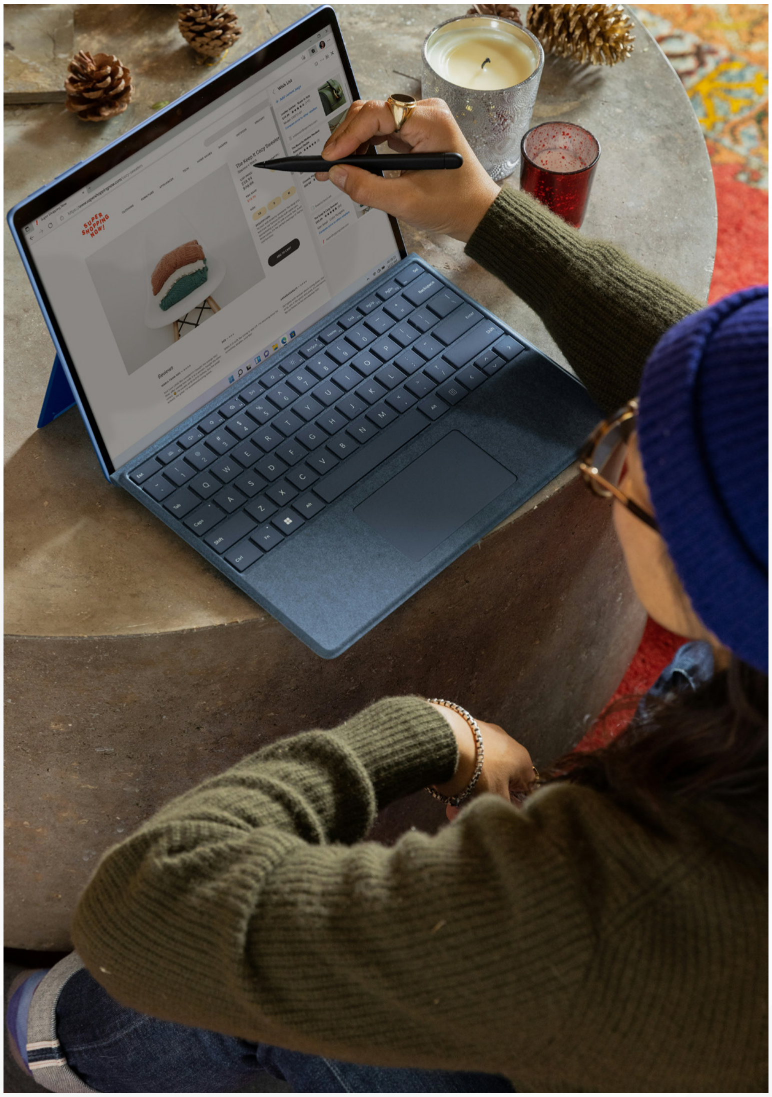
Ecosystem illustration, estimated total sales in 2025, $ trillion



Circle sizes show approximate revenue pool sizes. Additional ecosystems are expected to emerge in addition to those depicted; not all industries or subcategories are shown.

McKinsey&Company

Source: IHS World Industry Service; Panorama by McKinsey; McKinsey analysis



If an ecosystem approach appears obvious to better fulfil the needs of all parties on the supply and demand side, it still may not always be within reach. Meanwhile, there are ways to improve customer experience and personalization – if not making it seamless, certainly making it as close to this as possible. And generative AI can further help the personalized user experience.

Customer experience matters, since we know it correlates with Net Promoter Score, and promoters are four times more likely to buy an insurance product than a detractor[2].

A first step would be to better understand and anticipate end users' needs and wants. Harmonya[3] is a technology-driven company that comes to mind when looking to give a voice to your product – incorporating consumers', brands' and retailers' perspectives to collect metrics on your product performance versus others, and identify market opportunities to embedded and beyond. Harmonya syphons the web for millions of reviews to infer meaning and actionable outcome. It makes netnography[4] effective for product design and improving user experience, notably for embedded distribution. »

A second step would be to better recommend the right insurance, to the right person, the right way – through an embedded distribution journey. Zelros[5] does just that. Recommendation engines are ubiquitous in the way we shop. That is how Amazon, Netflix, Spotify and YouTube know what we are prone to like. With Zelros this can be used for an insurance purpose. By integrating context, lifestyle, location, demographic information and product features, clients are offered a relevant insurance, building on any piece of data they may have shared at any moment in time with the insurance company or distributor.

A third step would be to start engaging in a conversation with your end users, while limiting distribution expenses through conversational AI. Liveperson[6] is one of the technological solutions an insurance company can use to balance quality personalized interaction with scalability. Conversational AI can be used pre and post-enrolment and at the time of a claim, through omnichannel communication platforms, to fit with the way end users want to communicate at different times of the day; such as starting a conversation on WhatsApp while commuting, and finishing it online later during the day via their web-based application.

All these solutions lead to improved digital engagement, conversion, retention rates, and upsell lift in double digits. And for players interested first and foremost in their retention of customers acquired notably via embedded distribution, refocus.ai[7] would detect the ones more likely to cancel.

For the bottom line, technological solutions are also available to better select or deselect end users looking to purchase notably via embedded distribution. Pinpoint[8] would provide an estimated loss ratio and risk score applicable so far – to home, auto and small business insurance, per potential client at the point of quote, with only a name and address.

An ecosystem approach is the preferred avenue to leverage data and deliver the promise of convenience and personalization of embedded insurance. But here, we have also shared some other technological solutions available to drive insurers' NPS, UX, top and bottom line via embedded distribution and beyond.

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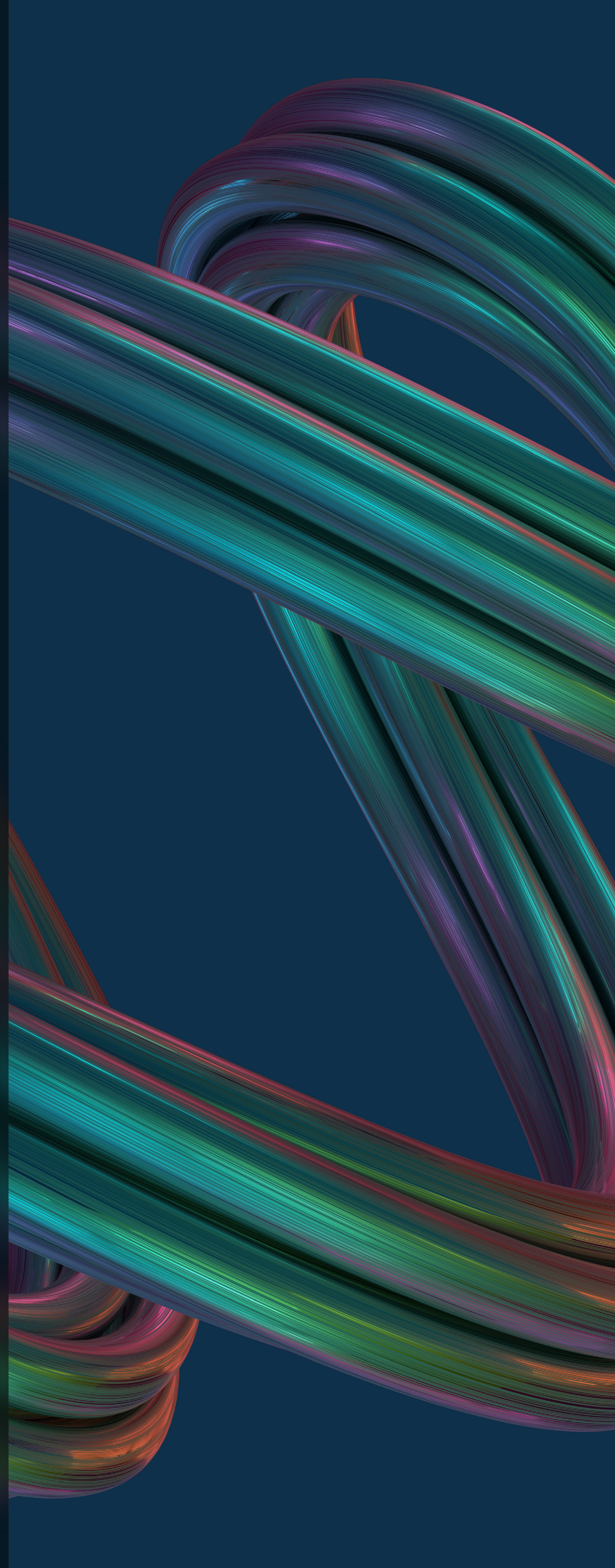
> embedded insurance still has some way to go before fulfilling its potential of offering a truly seamless user experience, bringing value add in each case, and there being no question for consumers as to why they'd need the cover being offered.



Pierfrancesco Ricca, Global Head of Affinity Partnerships, wefox Group

1

What are the opportunities still unexplored by insurers in affinity?

The current changes in the market demand - with the consumer increasingly looking for tailored products that are easy to purchase, affordable, and modular - represent a **powerful impetus for innovation** in the affinity business and help explain why embedded insurance, affinity partnerships and ecosystem models are gaining traction. Not surprisingly, embedded insurance is a **$3 trillion market opportunity**. Integrating insurance offerings within their customer engagement efforts not only helps businesses respond to these ever-changing expectations but also enables them to enhance loyalty, access data, increase their revenues and differentiate themselves. Similarly, insurers can potentially benefit from reduced distribution costs reaching a broader audience, increased access to data for improving **product innovation**, and minimized underwriting risks. From my perspective, in this rapidly evolving scenario, one key opportunity for all stakeholders is to form **complex and strategic Affinity partnerships** involving multiple insurers, products, omnichannel programs, and a multichannel approach with players such as telco and utilities. For insurers, this involves viewing these brands not merely as distribution channels for their products, but as **co-creators** in shaping innovative solutions and delivering enhanced experiences for the end customer. Such partnerships - especially if they're digitally integrated or, in other words, embedded - can truly capture a new generation of insurance customers, keep pace with acceleration, improve **speed-to-market**, and make customer journeys more **seamless**. But beyond complexity, there must be a return to **simplicity**, especially as insurance is generally still a grudge purchase. Partners can really come together and offer an innovative process for insurance distribution while moving toward making insurance products easier to understand, simpler to use, and that truly resonate with the individual. But multifaceted partnerships call for an **orchestrator**. That's why modular and scalable technologies - which can facilitate the end-to-end delivery of insurance solutions, covering sales, policy administration, reporting, and claims management for multiple insurers, products, channels, languages, and currencies - will play a pivotal role in accelerating growth and making these collaborations successful. Technology is enabling a re-configuration of the insurance value chain. To conclude, in the future, complex ecosystems based on partnerships and powered by technology have the potential to make a difference in the market. Ultimately, all these **disruptive trends** will benefit the customer by providing greater choice, improved transparency and more flexible pricing.

2

'Affinities' are traditionally based on employment, age and passions. How do you see the concept of "affinity" evolving, and what'do insurance providers need to do to keep pace?

Traditionally, 'affinities' refers to any insurance, linked to a service, solution or product distributed by a partner company, which is not the main customer´s purchase motive. I generally prefer to use a broader view and consider 'affinity' to any service, solution or product that is wefox

distributed by a player (the 'affinity Partner') whose core business is not insurance. These partnerships effectively address unserved or high-potential niches. What we are witnessing in the market is a shift away from one-to-one acquisition, towards an **embedded ecosystem solution**. Therefore not only do I see this concept evolving into embedded insurance - in which the underwriting journey of the policy becomes almost indistinguishable from the purchase itself - but I also believe this will gradually encompass more sectors, individuals, and stakeholders to create compelling new protection solutions and, ultimately, close protection gaps. If we consider integrated insurance solutions, in automotive for instance, OEMs are looking at embedded insurance as just one element of a **broader network of services**, including payments, maintenance offerings, and mobility subscriptions, rather than traditional ownership models. Insurance could potentially become instant, contextually linked with the main purchase. In my view the **next generation of Affinity insurance** will go far beyond the simple mobile car or motor coverage; on the contrary, it will increasingly evolve and involve other communities, industries - such as mobility, connections, and commodities - and even touchpoints (both digital and physical). For Affinity businesses, this necessitates the creation of an internal team that mirrors the diverse composition of the market they cater to. In this competitive arena, ecosystem development will accelerate. Likewise, Insurers will find themselves having to find the right partner, which is critical because **trust, reliability, and credibility** will be key success factors in the affinity era. Co-opetition, collaboration and integration are a prerogative to consider, particularly because each party involved brings unique strengths, including extensive customer relationships and rich data stores. Furthermore, insurtechs can play a part in helping them distribute their existing products through new channels more effectively. All players involved should develop a high degree of agility, reflected in the ability to rapidly recognize and respond to trends, and to check continuously on the alignment of services with customer needs.

3

What are your expectations for this plenary meeting?

The London Plenary Meeting is one the foremost events for all insurance innovators.

I expect an insightful exchange of information, views, and use cases about Affinity and embedded insurance. I'm delighted to have the opportunity to illustrate **the wefox vision** about Affinity and hear the thoughts and insights of other leaders and realities that are challenging the insurance market. I look forward to learning about innovations, and success stories and actively participating in the **panel discussion** about the evolving role of insurers, brokers, and distribution partners. It will be an exceptional opportunity to deep dive into the impact of digitalization in the industry, the challenges ahead as well as the growth drivers in the Affinity space.

To me, the future of insurance will require **new forms of collaboration** and new technological capabilities and tailored insurance solutions. It's an honour to be part of such inspiring discussions revolving around these topical subjects.

Inter

views

Interview

Unlocking the embedded insurance opportunity

Dr Jens Schädler

Chief Executive Officer, Europe

bolttech

What key factors do you attribute to bolttech´s continuing and growing success as a global insurance ecosystem?

We are extremely thrilled and proud of the success we've had, and what we have managed to achieve so far for the industry, as we continue to enhance our technology-enabled insurance ecosystem to make buying and selling insurance more efficient. Our success stems from the collective efforts of several key factors.

First and foremost, our team is strongly driven by our vision to connect people with more ways to protect the things they value. That has been instrumental in serving as a purpose for what we do and also why we do it.

We also have to attribute our growth and international scale to our strong global partnerships.

Our insurance ecosystem now connects more than 700 distribution partners and over 230 insurers across the world. We've enjoyed collaborative relationships with some of the most exciting and game-changing businesses worldwide. In Europe, WINDTRE, Salt, Drei, Samsung and Amplifon are some of the brands we partner with to offer embedded device protection insurance to customers in the region.

We also can't talk about our success without mentioning our customers. We have been able to communicate and work with our customers to understand the problems they face when purchasing insurance, allowing us to develop unique, modular solutions that can best meet their needs.

Last but certainly not least, our growth is also driven strongly by our diverse and talented team of 1,500+ around the world. Our talented team consists of both insurance experts and technology experts, building an unrivalled platform to facilitate powerful new ways to distribute insurance.

What overriding principles/ attributes do you look for in your insurtech and fintech partners?

We are very intentional about making sure that we have established the right partnerships with businesses that share the same values as us in driving innovation and leveraging technology for better customer value propositions. In particular, we are very keen to work with partners for whom we can strengthen their core business through our product and service offerings.

As an example, sustainability has been a hot topic for most of our partners. We work with telecom operators who have strong commitments to ESG targets and, hence, have focused their business model to improve the circular economy for the devices they sell, so as to reduce electronic waste.

With our broad device lifecycle portfolio, we design innovative solutions that foster the circular economy and also create stronger customer loyalty. This allows our partners to achieve their goals while concurrently accelerating profitable growth and competitive differentiation. »

What do you see as some of the key trends and developments shaping the insurance landscape?

We expect more insurtechs and insurers to increasingly collaborate as much as they will compete. We believe that this 'coopetition', driven by the rise of ecosystems, will be key to better meeting customers' needs and strengthening relationships. We believe this is key to unlocking the embedded insurance opportunity, as insurance carriers and non- insurance businesses work together to enhance the insurance purchase experience for customers.

This is why ecosystems are a huge part of our growth strategy – working with partners across different industries, providing a one-stop shop for everything they may need in order to distribute insurance. By connecting the supply and demand side of insurance distribution with technology, insurers that integrate their products into our ecosystem can achieve instant scale by accessing new distribution channels and reaching customer segments that they could never have easily reached on their own. Any businesses, including non-insurance businesses, looking to distribute insurance can seamlessly add insurance products for their customers at the right point of purchase for an even better experience. Finally, customers can enjoy more choice and convenience.

It has been encouraging to see ecosystems gaining the attention and market traction they deserve, and this will only continue to shape the insurance landscape going forward.

What do you think will be the next generation of game-changing technology in insurance? How do you see technology shaping the insurance industry over the next 5-10 years?

In my view, **artificial intelligence** (AI) is definitely the game-changing technology to watch over the next few years. When it comes to insurance, AI has the potential to transform every piece of the insurance value chain – from how we understand and underwrite risks and claims automation, which are already happening, to reinventing the roles of agents. In fact, research has shown that many players are already looking into the development of possible AI solutions for their businesses.

As a digital native, our team is focused on leveraging AI technology in highly strategic ways. Whether it's using the technology to automate and improve claims processing, risk assessment and underwriting capabilities, or tapping into new AI initiatives to unlock new revenue streams and roll out customer-centric product offerings, we are making great strides in harnessing the power of AI on many different fronts. Further, our advanced AI and machine learning capabilities are continuously evolving to drive deeper insights, intelligent decision-making, and better business outcomes. Ultimately, it all comes back to helping people protect the things they truly value – an area where AI and machine learning can play significant roles – with bolttech serving as a catalyst towards embracing AI in insurance. »

bolttech

Where do you see the key growth verticals and market opportunities for embedded insurance?

As an insurtech that truly believes in the power of embedded insurance, it has been exciting for us to see the model getting strong traction these past few years. While it isn't new, embedded insurance is still an area to watch because of its relatively early stage and huge potential. As noted in the *Embedded Insurance 2.0* report by Aperture, over US$5 trillion could be distributed by non-insurance businesses globally through embedded capabilities in less than 10 years, making up 16% of the forecast global insurance spend – as compared to just 1% in 2022.

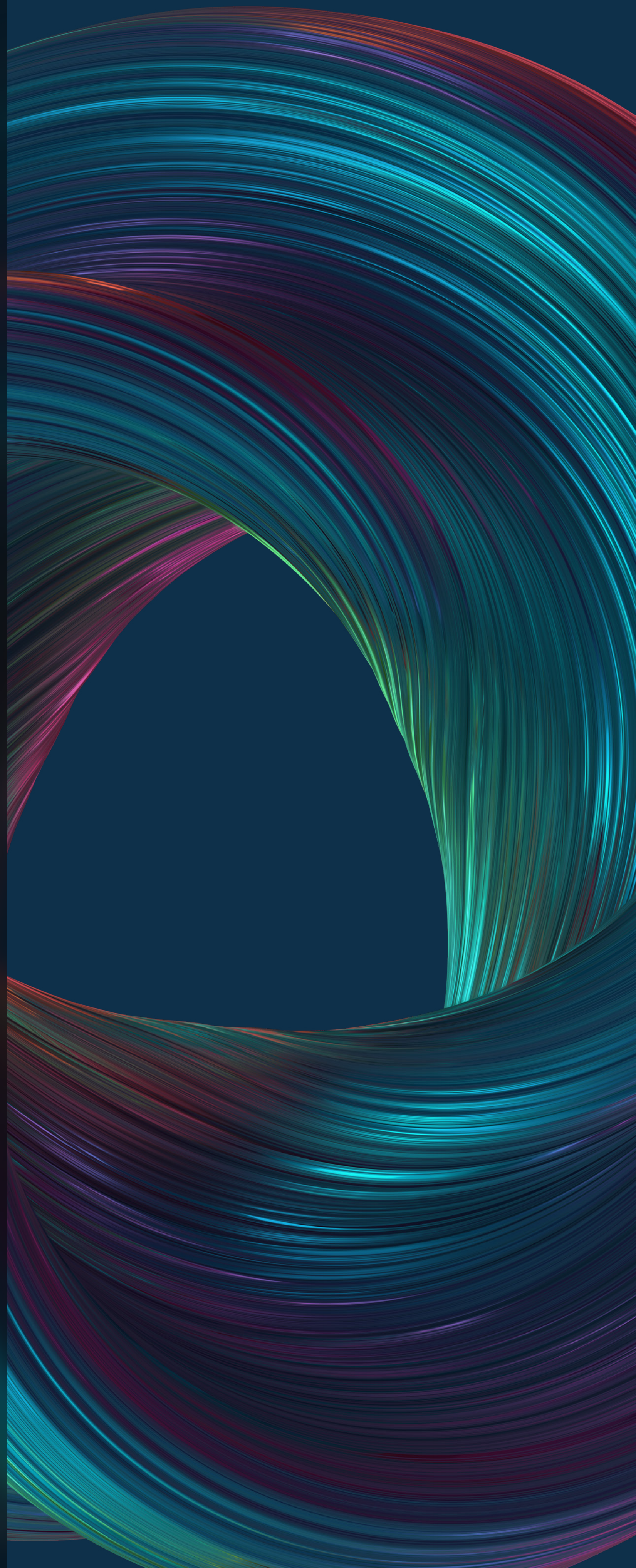
The next phase of embedded propositions is going beyond what the industry currently thinks of as embedded – a simple single-product offering tagged onto a purchase journey. We see the next phase as realising the potential to innovate. In this phase, insurtechs can help to personalise the full customer purchasing experience, including customizing products to their preference, adding more value with modular benefits and services, receiving adjacent product offers, or even flexible payment options.

For bolttech, our role is as an enabler of the industry – not a disruptor – to support our partners, and enable their brands, with a full suite of capabilities and services to ensure they meet their customers' insurance and protection needs. We receive keen interest from telecom operators as well as financial services providers who are looking for new pockets of growth to monetize their customer base. For example, we recently launched our digital platform with Orange Spain, one of the innovators of telco assurance, to enable them to integrate insurance offers into different customer journeys and drive growth within their strong customer base.

Ultimately, as customers demand more convenience and efficiency, and as technology advances, the evolution of embedded insurance will provide more flexibility, relevance and choice to meet these new and more complicated needs, and close the protection gap.

> *AI has the potential to transform every piece of the insurance value chain – from how we understand and underwrite risks and claims automation, which are already happening, to reinventing the roles of agents.*

> *By connecting the supply and demand side of insurance distribution with technology, insurers that integrate their products into our ecosystem can achieve instant scale.*



bolttech and Orange Seguros: revolutionizing insurance distribution

Partner name	Orange Mediacion Seguros
Industry & sector	Telecommunications
Business description	Telco insurance agency
Form of partnership	SaaS agreement
Products, services and solutions	SaaS insurance distribution platform
Business impact & proof points	» A fully white-labeled Orange Seguros insurance service on website, which is exclusively powered by bolttech's Insurance Exchange. » Onboarded one insurance carrier seamlessly, whilst simultaneously ensuring all regulatory and compliance requirements were in place for Orange seguros. » Available to all Orange brand customers in Spain.

The insurance industry is undergoing a significant transformation, with traditional insurance channels maturing and becoming saturated. The cost of customer acquisition is going up, loyalty is going down, and loss ratios are increasing. As a result, insurers are moving into new distribution channels, including telco assurance.

While insurance might not be new in the telecom space, as portfolios grow to incorporate device protection into their offerings, new lines of insurance products are now gaining momentum within their mature core business. As telcos explore consumers' digital lifestyle beyond traditional devices, insurance seems to be a good fit within their diversification strategy, allowing them to explore new revenue streams and increase customer retention. In parallel, consumers are increasingly adopting new channels to purchase services such as insurance as long as it's integrated into a broader and meaningful ecosystem.

Challenge

Insurance distribution doesn't come without its challenges: it requires professionals with know-how and the appropriate set of skills in the insurance field, the right insurance partners to provide products that fit customers' needs and the right technology providers to make sure distribution channels are perfectly integrated and optimized – and customers have the appropriate support throughout the life of the policy.

Orange had foreseen this market opportunity when they created their own insurance mediation agency with its own team, granting them regulatory knowledge and capacity and long-lasting relationships with insurance carriers. However, they were lacking the technological capability to orchestrate the interaction with consumers, insurers, and distribution channels.

The challenge was to find a platform that could seamlessly integrate insurance products from multiple carriers into various distribution channels while serving the needs of Orange's customers and their business goals. »

Solution

bolttech solved the problem by developing a proprietary SaaS platform that integrated Orange's distribution channels and insurance carriers' products. The platform is cost-efficient, scalable, and offers multi-carrier solutions and omnichannel integrations. The front end and emission distribution platform are configured and instantiated in AWS, compatible with multiple devices, languages, and currencies, and grade AA accessibility design. The platform also features an optimized 'white label' digital funnel through the application of integrated conversion rate optimization tools.

To further improve customer experience, the platform incorporates online self-service, by integrating the single sign-on module – providing a seamless journey in which the end customer has access to their information in one place. Once available, consumers will be allowed to buy new insurance plans, manage their current plans, access their insurance documentation, and manage their privacy preferences.

Simultaneously, the platform will integrate with telesales channels, providing an agent portal where B2B user profiles can manage their customer wallet and sell insurance in one place.

By using a cost-efficient and scalable modular building, the platform offers a comprehensive technological solution allowing for fast growth and multi-market integration. The platform is helping telcos and other industry partners to seamlessly integrate insurance into their distribution channels and add new revenue streams to their business model. It has also helped insurers find new distribution channels, making it a perfect business fit.

Overall, the insurance industry is becoming an increasingly important part of telcos' diversification strategies, as they seek to capitalise on the growing demand for digital insurance products and services.

bolttech's SaaS platform is accelerating and revolutionizing that trend by multiplying opportunities for partners and making insurance distribution seamless, hassle free and transparent.

Partner's testimonial

Cristina García – Director of TelcoInsurance at Orange Spain.

In its multiservice strategy, Orange is committed to diversification that adds value, making new products and services available to its customers that complement and enrich its offering as a premium telecommunications operator.

The Orange Group has become one of the first telecommunications groups in the world to enter into the insurance sector. And it does so through Orange Seguros, an insurance mediation agency that markets exclusive insurance policies for Orange customers.

The transformation in the Spanish insurance market is also characterized by a focus on user-centric experiences, with an emphasis on simplicity, transparency, and customization. Orange, with its experience in digitalization, can design digital onboarding flows that prioritize the user experience, making it easy for customers to understand their coverage, customize their policies, and complete the purchase process online. This aligns with the preferences of modern consumers who are increasingly seeking convenient, transparent, and personalized solutions.

Orange has entered the insurance market in Spain by leveraging their expertise in data analytics, digital capabilities, and customer relationships. This has allowed us to offer innovative insurance products and services that cater to the evolving needs of consumers. The convenience of digital onboarding flows, mobile-first approaches, and flexible payment options, such as monthly payments, have resonated with customers, leading to a higher adoption rate.

And to make all this possible, we have been the first company in Spain deploying bolltech´s platform, a cutting-edge technology that is providing us with high integration speed and scalability with insurance companies, allowing us to adapt to new ways of buying and selling insurance in the world of the new digital society.

An international approach to insurance

Michael Bongartz
Chief Commercial Officer
ELEMENT Insurance AG

Where are ELEMENT's operations based, and what markets do you currently operate in?

ELEMENT's headquarters are in Berlin and the company currently operates across the EU.

What makes ELEMENT unique as an insurance platform provider?

ELEMENT positions itself as the go-to B2B2X partner in seamlessly delivering insurance solutions across Europe.

As a fully fledged insurer, ELEMENT is licensed to operate as a risk carrier and offer white-label insurance solutions across Europe. Combined with a state-of-the-art technological platform, ELEMENT offers unique advantages for its partners with respect to speed, flexibility, reliability and efficiency.

BaFin-licensed, ELEMENT provides EU-wide insurance capacity to our partners via Freedom of Service (FOS). Thus, our pan-European capabilities allow us to be the 'one-stop-shop' for partners to do business and scale across multiple European countries simultaneously.

In addition, ELEMENT operates on a modern and modular digital architecture, provides a team of highly experienced experts and possesses a strong delivery and execution culture. Thus, partners can integrate our insurance solutions into their embedded – or other – distribution channels in a highly flexible way, with a so-far unmet speed and efficiency, and rely on ELEMENT´s capabilities and expertise.

What does it mean to be a change leader in today's digital insurance marketplace?

ELEMENT serves as a compelling example of an insurer moving towards a more international approach to insurance.

In the current landscape, when we look at pan-European solutions, insurers often operate with local products, regional or national entities and technical platforms that need to be aligned when providing insurance solutions across EU markets.

For B2B partners looking for fast and hassle-free insurance solutions across the EU, ELEMENT can be instrumental in facilitating their expansion. »

What does it take to be an agile insurer providing capacity in the embedded insurance space? Where do you see new capacity coming from, in future years, in the embedded insurance space?

To be an agile insurer providing capacity in the embedded insurance space, several key success factors and capabilities are required:

Speed (fast time to market):

from initial discussions, through product development, to the launch phase, ensuring minimal time to market is a key success factor, especially in the embedded insurance space. At ELEMENT, our speed is enabled through our modern technological set-up, our project-driven working approach and close and continuous exchange with our business partners.

Flexibility & Efficiency:

embedded insurance solutions require customized product solutions, seamless integration into partner processes, i. e. customer journeys; as well as highly efficient operating models. With our modular product set-ups, state-of-the-art interfaces and highly automated and digitally supported processes, ELEMENT provides a clear advantage for its partners.

Reliability:

for players in the embedded space, there is a clear need for reliability of insurance solutions from two perspectives – both covered by ELEMENT:

- o Reliability with respect to the regulatory and legal compliance of insurance solutions offered
- o Reliability with respect to technology, i.e. functionality, stability and performance, as well as security

The embedded insurance space is poised for significant growth, and insurance capacity is needed. Of course, traditional insurers will continue to provide capacity to players (e.g., tech companies, start-ups, intermediaries) in the embedded space. In addition, players like ELEMENT can leverage their unique capabilities for pan-European solutions and thereby provide additional capacity in close cooperation with reinsurers.

Recognizing the demand for a pan-European strategy rather than addressing individual markets, we have proactively positioned ourselves to underwrite business in all 27 EU member states. This approach allows us to offer a comprehensive solution for those seeking to navigate the complexities of the EU insurance space seamlessly.

How do you see consumers' experience of insurance changing over the next five years?

There is a trend that can already be experienced today and will become even stronger in the future. Let's face it: in the retail insurance market, especially in embedded insurance, the insurance product itself will be a commodity.

For consumers, the difference will come from the 'packaged solution' they can buy and use. This includes questions like: How easy can I understand and buy the insurance offering?, How easy can I interact with my insurer?, How fast do I get a response in case of a problem or claim?

As a consequence, digitalization and the automation of processes that are key to building a superior customer experience (in a cost-efficient way) – will be key success factors in the coming years.

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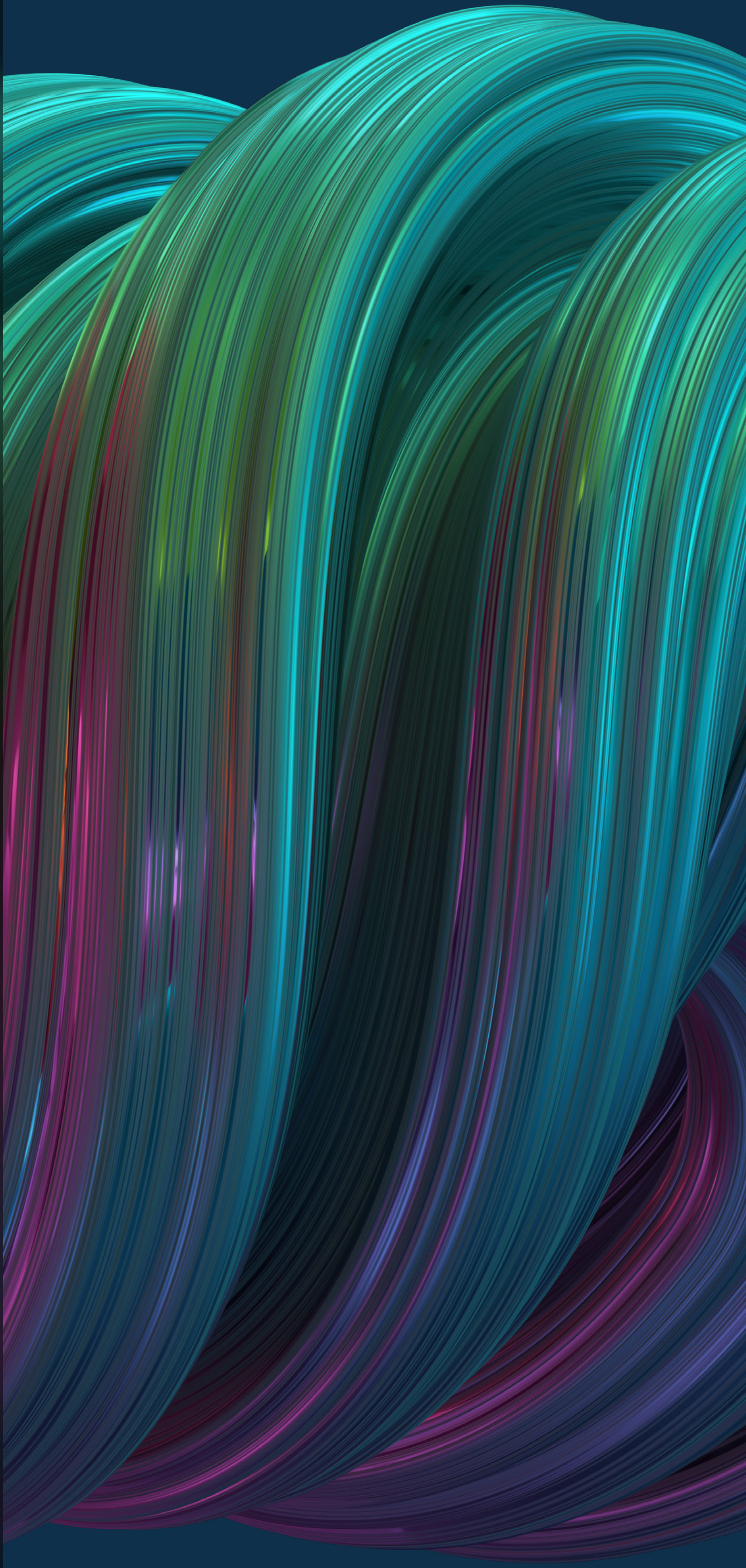


Interview

On a mission to deliver impactful insurance

Franck Pivert

VP Revenue

Wakam

Wakam is a mission-driven company. How do your values shape your interactions with partner companies when it comes to creating a fairer playing field in the embedded insurance space?

Indeed, Wakam is a mission-driven company. Our corporate mission is to enable transparent and impactful insurance for all our ecosystem: reinsurers and distributors, but also end consumers. Concretely, what does it mean?

To achieve this goal of impact and transparency, we have defined **commitments** that are at the heart of our processes and **that impact our interactions with our partners.** To name just two:

- When we launch a new partnership we make sure that **all our contractual documents are written in plain language** to ensure that the product cover and exclusions are easy to read and understandable by everyone.

  We assist partners in transforming their contractual documents into clear language for end users. Our lawyers, product managers and writers trained in plain language are an integral part of the project teams that support our partners.

  We modulate the 'degree of adaptation' of contractual documents, according to the partners' constraints and objectives. We offer either a 'light' or 'total' transformation of the contractual documents. Making a document readable for the final policyholders involves both the content and its design.

- We also **ensure a fair split of value between the stakeholders** for all our new partnerships: we exclude too-high commission levels and, more recently, we ensure that loss ratios are not too low and that our products provide protective and useful coverage (so giving back value » to the end consumers) – so you can imagine that the relationships with our partners have been impacted! Such commitments imply that from time to time, we turn away businesses that do not meet our policy standards, even if the potential partnership is attractive.

But I believe that enforcing these new standards on the market is a good thing to do, that we shake things up, and that this should help embedded insurance to take off even faster.

As we move towards embedding more complex insurance products, how can insurance distributors maintain transparency, and why is this so important?

For us, transparency means no hidden costs, no drawn-out processes, but especially no confusing terms and conditions as I mentioned before! **So the more complex the product becomes, the more important it is to have clear and plain language** for the T&Cs, and the use of an objective assessment tool. For that, we have developed a 'Lisiscore' to analyze the clarity of »

contractual documents. This label measures the ease of understanding of a text in real time and gives a readability score between 0 and 100, depending on the complexity of the text. It is based on the most recent research in the fields of psycholinguistics, cognitive psychology and clear writing.

Besides, embedded insurance allows businesses to offer insurance that is perfectly aligned with their core product or service offering – **providing customers with the option to purchase cover that is relevant and easily accessible, for simple as for complex products.**

What do you see as the key benefits to partnering with claims experts to manage this side of Wakam's embedded insurance business – as opposed to bringing this functionality in-house?

At Wakam, we have made the choice to externalize most of the claims handling to third party administrators. First of all, **it gives us access to the best specialists in the market,** whatever the nature of the insurance or the customer journey. Also, it **allows us to launch activities in a new country and a new market very quickly,** most specifically in the case of a pan-European partnership.

In addition, regular control over the performance and customer-centricity of our partners enables us to ensure the quality of the service we provide. You just need to define clear SLAs according to your priorities. Finally, it gives us visibility over the different customer services tools available and enables us to choose the partner that suits us best depending on the needs and expectations of the end customers.

How do you see Wakam's role as an underwriter developing in the coming years, and how will this shape your business model?

Wakam has clearly become an underwriting company, with one third of our recruitment over the past two years dedicated to actuaries. We now have a team of 90 people led by Karl Gray our CUO, with specialized underwriters understanding the specificities of the different European markets and LoBs we operate in; and with strong product knowledge, to make sure we design bespoke solutions and not standard products.

Real-time and flexible pricing adapted to the needs of each customer is key for embedded insurance. That's why our IT and underwriting teams have developed APIs that allow customers to receive a quote instantly and based on their unique needs. This also helps us to monitor the portfolios live, and quickly decide on a mitigation plan when needed. This allows us to take risks and continuously test new segments: for instance, Wakam is one of the first insurers to have fully addressed the needs of the gig economy by insuring usage as well as just property.

Finally, as a mission-driven company, our underwriters make sure the client gets a fair price for its warranties, as I explained earlier. »

How do you see embedded insurance shaping consumers' attitudes towards insurance as the industry develops?

In the age of convenience, embedded insurance is fulfilling consumer expectations.

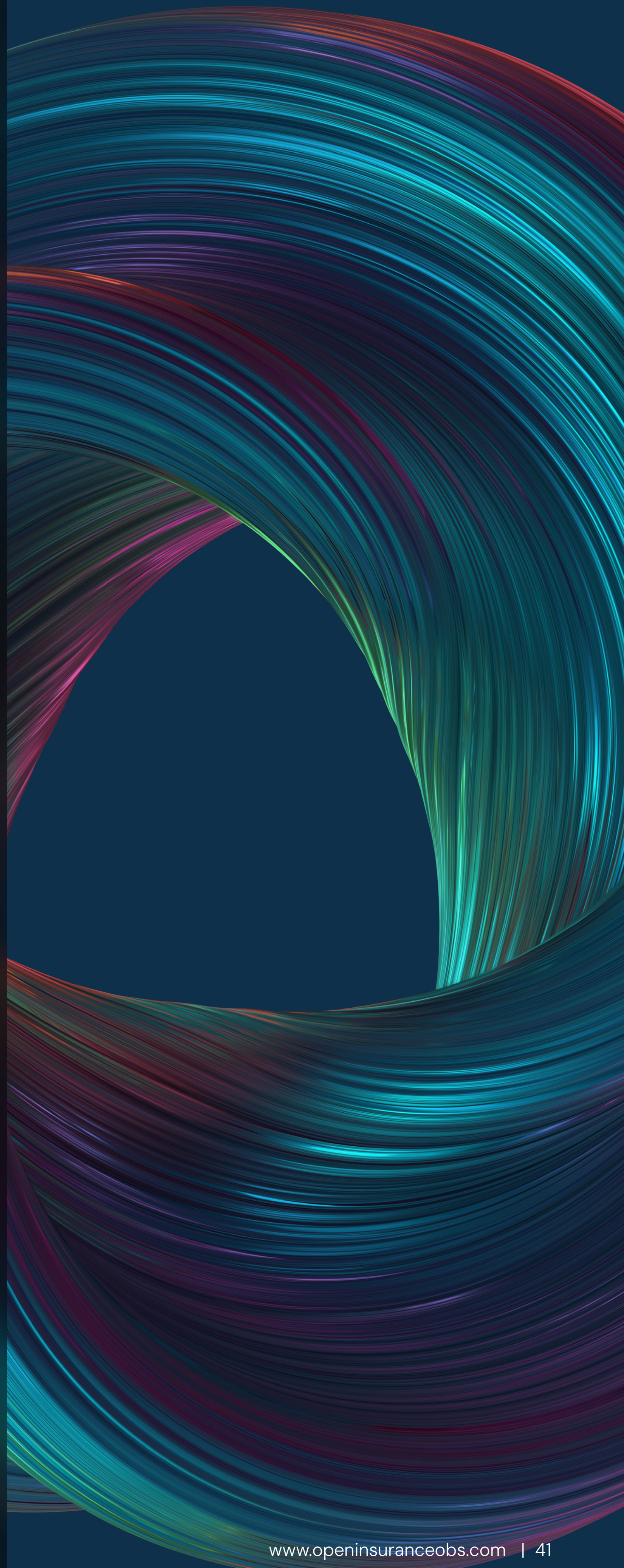
Today, consumers of all ages expect the 'Amazon experience' of finding, purchasing and acquiring goods and services quickly and within just a few clicks – and insurance is no exception. With growing numbers of digital natives and customers comfortable with online insurance purchasing, embedded insurance providers have responded by developing digital products and services that are simple and convenient. Technology has revolutionized people's experience with insurance and helped to change the way it is perceived.

Demand for insurance is growing, with the pandemic further shifting insurance purchasing online. There has never been a better time for companies that haven't traditionally offered insurance, to include it in their value proposition: **37% of 18-34 year-old UK customers would consider subscribing from their trusted brands in the future; and 56% stated that being offered embedded insurance in the purchasing process improved a brand's image*.**

Embedded insurance places the offer of insurance protection seamlessly into a customers' purchasing journey – providing personalized, simple and transparent cover that is presented at the moment it is front of the customers' mind. This creates a great opportunity for all non-insurance specialists to generate additional revenues and even more: **+60% of online shoppers say insurance offered at checkout would increase their odds of making the purchase, so it helps incrementing core sales*.**

* Wakam online survey conducted in April 2023 with 2,000 UK customers.

> *56% of 18-34 year-old UK customers stated that being offered embedded insurance in the purchasing process improved a brand's image.*



Interview

Accessibility and usability of vertical and non-insurance players' data: the challenges and opportunities

Dr Massimo Cavadini

Senior Executive Partner, Global Leader of Insurance Solutions, Global Consulting

Munich Re

The data from non-insurance brands contains useful information for an insurer, but there are obstacles to accessing and using it. Could you elaborate on this?

Data represents a key differentiator for the embedded insurance business model. A non-insurance industry player (let's call it a vertical) who wants to tap into insurance could – in principle – leverage its own client data for insurance purposes, generating a clear competitive advantage over traditional insurers. However, the usage of data could be challenging. Regulatory frameworks (e.g., GDPR in Europe) limit the power of leveraging non-insurance data for insurance purposes.

Another challenge arises when it comes to the accessibility of this data and its availability. If a vertical collects data for its own business model, it will not necessarily make this data available to adjacent business models (e.g., insurance) due to internal governance and different business priorities. The quality of this data must also be considered: as it has been structured for purposes other than insurance, it may prove difficult to use. Lastly, customer acceptance plays an important role. To convince customers to share their data, the insurance proposition developed by the vertical should provide a tangible advantage, e.g., a cheaper price, a better product or an enhanced customer experience.

Can you provide us with examples of how this information can replace and enhance the datasets usually used by insurance providers?

Let's consider the mobility business as an example. We can see a common trend worldwide. The OEMs are trying to enter into the insurance business by leveraging the car and customer behaviour data they collect to give them a competitive advantage. This data is normally collected for engineering and customer services purposes, which is the core business model of any OEM. However, the moment an OEM decides to tap into insurance, » this data could in principle be used to improve risk segmentation and lead to new products being built or even a new integrated customer journey – in turn representing a threat for traditional players.

What are the biggest challenges you see in the data strategy for embedded insurance?

One of the biggest challenges we see when it comes to embedded insurance lies in the insurance domain knowledge – or the lack of it by non-insurance players. Usually, the distributor or vertical who owns the customers lacks insurance expertise and has the tendency to measure success in terms of conversion rate and volume rather than risk segmentation and profitability, which is at the core of the insurance/reinsurance interest.

Understanding the right data to use, how to clean and normalize this data for insurance purposes, and how to define the right KPIs requires strong insurance domain expertise, which is not always available within the verticals. The entire data strategy should be rethought in terms of insurance priorities (profitability driven), which could conflict with a purely non-insurance view (volume driven). Here, partnering with a reinsurer could be extremely beneficial to align the interest.

Among the existing opportunities in the embedded insurance space, which are the most promising?

Mobility, as mentioned before, is an area in constant evolution. Customers are moving away from owning a car towards a subscription model where insurance can be embedded in the monthly payment. Although such sales via OEMs are still limited at the moment, the potential there is huge. The triangulation of insurance/reinsurance/OEM could bring successful business cases to life.

At Munich Re, how do you help insurers and verticals to make use of this data?

We do believe in the opportunity offered by embedded insurance, which is projected to reached $500 billion in GWP by 2030 and will contribute significantly to reducing the protection gap and helping customers receive better insurance products.

As a reinsurer, we play the role of an orchestrator, bringing capacity coupled with insurance expertise to our partners and co-developing with them new distribution models across different industries – from OEMs to mobility providers and utility players.

At Global Consulting, the consulting arm of Munich Re, we have strong expertise within the primary insurance value chain, including product development, pricing sophistication, analytics and claims. Teaming up with the vertical, we help co-create a solid insurance proposition aligning mutual interests in terms of volumes and profitability.

Usually, the distributor or vertical who owns the customers lacks insurance expertise and has the tendency to measure success in terms of conversion rate and volume rather than risk segmentation and profitability, which is at the core of the insurance/reinsurance interest.

Interview

Proactive insurance for today's digital savvy consumers

Gianluca De Cobelli
Co-Founder & CEO
YOLO Group

You've made some interesting new partnerships recently – what product lines is Yolo predominantly focussed on, and what type of companies do you partner with?

Acting both as a technological enabler and a digital insurance broker, we partner with a wide range of companies including banks, telcos, utilities and retailers, some of which are leaders in their sectors. In H1 2023, we closed 10 new B2B2C partnership agreements, reaching 58 total active partnerships. Our partners have a large customer base, for whom we create personalized insurance solutions, for each customer segment.

A key consideration is the level of digitalization of our partners' final clients; if they are digitally savvy, they're naturally more likely to purchase insurance services online. Moreover, if our partner already offers a smooth UX experience, it's easier to embed an insurance product without being perceived as intrusive in the customer journey.

What do you see as the key societal and technological trends shaping the insurance industry today?

New technologies, such as open insurance, IoT and AI are driving insurers towards a service-based model where non-insurance players distribute white-labelled insurance products to their clients. More and more insurtechs and incumbents are working together in the context of business transformation, thus creating value for both parties – and for customers.

One of the most common forms that this collaboration is taking is the adoption of digital platforms for policy purchases and insurance process automation. Beyond the fear of disintermediation, agents and brokers are realising that a wider product offering – including native digital products – can positively impact the sustainability of their business in the long run.

As more consumers move online, the insurance industry is increasingly relying on data analytics for creating new products and business lines. In parallel, given the amount of sensitive personal information insurers collect, cybercrime has become a serious threat and therefore the level of attention towards cybersecurity is rapidly growing.

At the same time, with new advancements in technology comes the urge to hire and retain human intellectual capital, especially technically skilled talent – although insurers claim there is a shortage of such talent. »

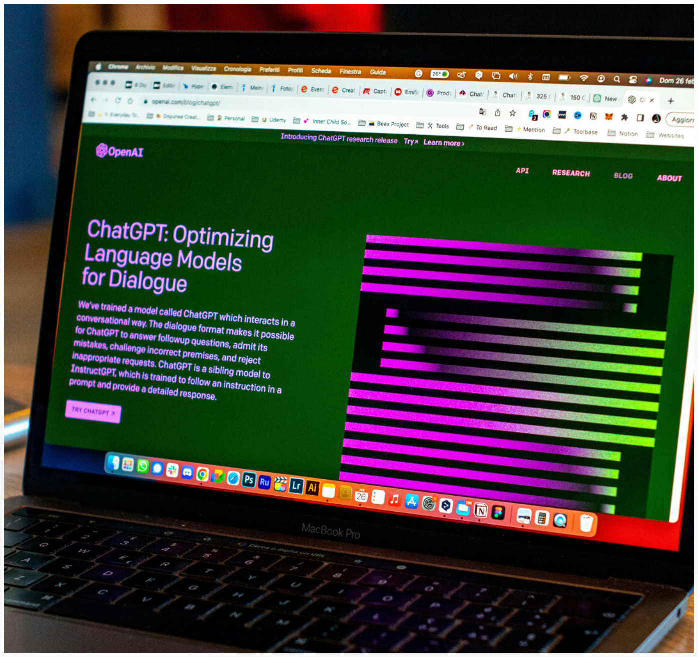
Finally, as part of a global phenomenon, ESG concerns arising from customers and regulators are challenging insurers to create innovative products, fuelling growth and attracting new client segments.

As increasing amounts of consumer data is harnessed to provide tailored insurance solutions, how can the insurtech industry ensure optimal data protection for all parties?

The insurance industry has historically been used to collecting demographic or behavioural data to assess risk and set premiums. The interaction between different data sources is transforming the way insurance services are distributed thanks to new technologies. Indeed, the ability to access and manage data in real time allows insurance companies to move from a traditional static approach to the customer, to a more dynamic and proactive one.

Today, the challenge for insurance companies is to interpret data in order to create predictive tools that can make specific phases of the insurance process more efficient and improve the level of service offered to the end customer, while preserving consumer interests and ownership.

In debates on the future evolution of the European insurance industry, there is an increasing focus on the need for regulatory or supervisory measures to facilitate an appropriate data ecosystem. Greater data sharing and openness, while respecting data protection and competition rules, could arguably enable the insurance industry to fully embrace data-driven innovation by, for instance, creating innovative products. It is key that final customers are fully aware of what data they are sharing and for what purpose, as with every transaction, click, or movement they make online, a rich digital footprint is generated.



How do you see the role of embedded insurance growing within the wider insurance marketplace, and what do you think will lead this growth?

A growing number of insurance companies are making embedded insurance a strategic priority, investing in technological and professional capabilities to exploit this opportunity. This happens in a variety of ways, from light and tactical approaches to acquisitions of specialised players. Embedded insurance is certainly one of the most promising components of the insurance market, although it is not yet mainstream in insurance distribution.

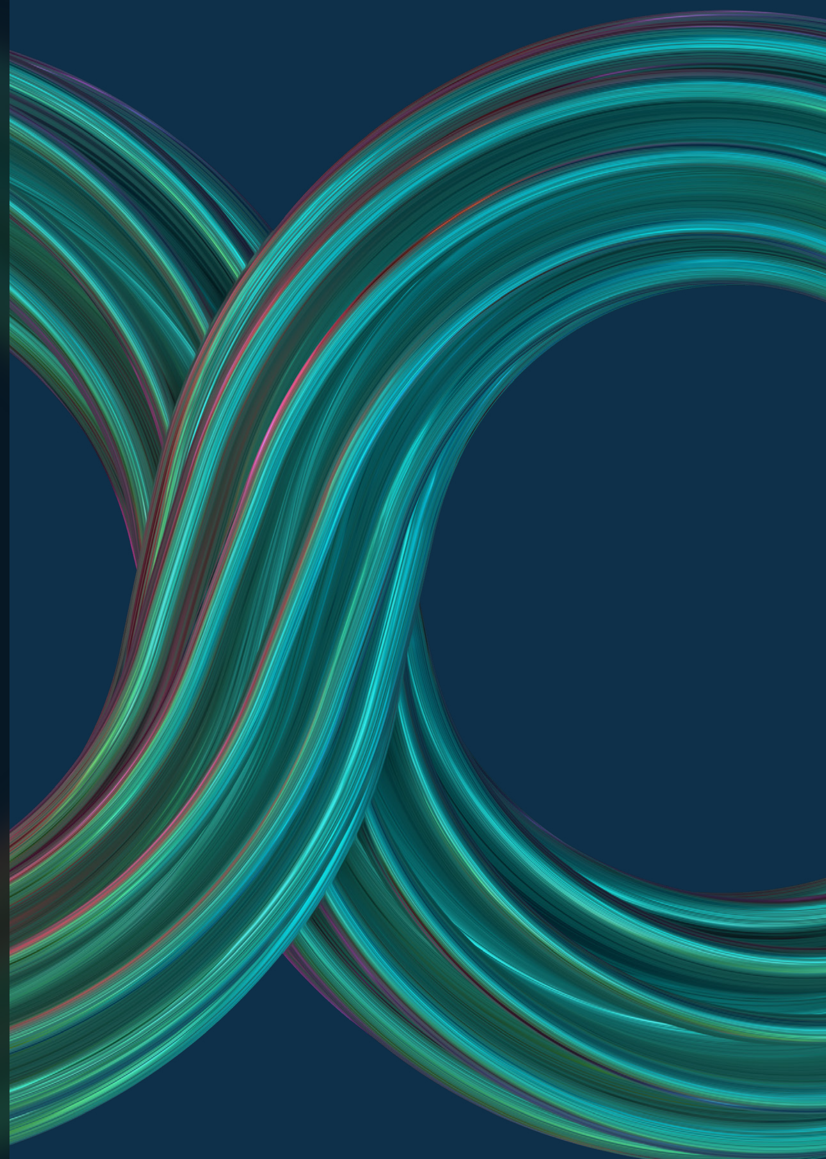
E-commerce is one of the driving sectors for the spread of embedded insurance models, as it can count on a large digital customer base. Rather than acting as minor distribution channels for insurers, these players are willing to take control of the product and the overall experience. IoT applications, connected devices, wearable devices for health monitoring, home automation and smart cars are crucial to enable the integration of insurance products based on user data.

How is Yolo expanding its product and solutions offering, and what's in the pipeline for Yolo?

Our best performing product lines are those related to leisure time activities, including event protection that offers a refund in the event of cancellation, ski or sport insurance that covers weekends in the snow or outdoor sport activities. Pet insurance continues to perform well in line with previous years, while car insurance has recently been boosted thanks to the expansion of the YOLO Insurance Network, our digital platform specifically designed for agents and brokers.

We are now launching a new home product with innovative features like a monthly duration, the possibility to change guarantees and coverage levels at each monthly recurrence, and the opportunity to select additional digital services linked to the main insurance product.

> *The interaction between different data sources is transforming the way insurance services are distributed thanks to new technologies.*



Interview

Viola Zsédely-Takács

Business Development Director, New Growth Engines

Ageas

Valér Merényi

Strategic Program Director, Business Lead

Ageas

Creating the partnerships of the future

Vision: To become the partner of choice for digital platforms, enabling access to new growth markets and creating new roads to the customer for the long-term.

Ageas has a strong record in working with intermediaries and in partnership mode – how do you see the future of insurance distribution?

Valér: Within Ageas, we tend to think beyond the parameters of intermediaries when we consider the future of distribution. We also think about 'partnerships' – our DNA. While we continue to invest and remain committed to physical distribution – including bancassurance, brokers and agents – we recognise that increased digitization keeps us close to the customer and creates long-term growth opportunities.

Through our Impact24 strategic plan, we're pursuing all routes to the customer, including ecosystems and digital platforms. We're evolving from a pure insurance provider to an insurance collaborator. Our goal over time is to become the partner of choice for digital platforms, replicating the success we have traditionally enjoyed as the partner of choice in bancassurance.

Ageas has made impressive developments in its digital transformation journey – what's your vision when it comes to preparing for the future of insurance?

Viola: The world is moving more and more in the direction of 'open insurance'. In mature markets, we are seeing successful examples of insurance offered on platforms where the customer is already engaged and active. Insurance is bought there in a more contextual way, reflecting the way people live, how they transact and make purchases every day, even 'on the go': the essence of embedded insurance.

It's about creating simplicity and convenience in a safe environment. It's about reach and accessibility, offering the right product at the right time to the right customer, and providing a personalized experience. »

What do you look for in your digital platform partners?

Viola: It's fair to say there are some common 'must haves'. Our ideal strategic partner enjoys a large digital customer base with engaging digital journeys where our products can be seamlessly embedded in a meaningful way. They are a co-investor in the business long-term, but also a co-developer as we experiment together over time.

Scale and exclusivity matter, as ticket sizes tend to be smaller, so working with one or two exclusive partners is desirable. But there is scope for many other smaller partners too. Some are more transient in nature, providing both parties short-term opportunities to experiment. Others may allow us to reach new customers and parts of society difficult to penetrate.

Valér: It's not just what we look for in a partner, but also what partners want from us. This new generation of partners look for signs of customer obsession, agility and speed, a customizable and flexible product portfolio (fit for purpose), an impeccable reputation, and an entrepreneurial team.

How is Ageas working in the embedded insurance space and what lines of insurance are you focused on?

Valér: Predictably, our embedded insurance journey kicked off with digital banca, as this plays to our strengths and core expertise. Targeting retail and SME clients, our initial product focus was on Credit Life. From banca, we progressed to fintechs and e-wallet providers, working alongside new partners. And with experience in e-commerce and telcos too, today we are active in both Life and Non-Life segments.

Viola: Success is dependent on two prerequisites. Firstly, you need to master the key capabilities allowing you to deliver a customized product that's seamlessly embedded into the customer journey. Ageas partnered with eBaoTech Corporation for the necessary tech and integration capabilities to accelerate our digital transformation.

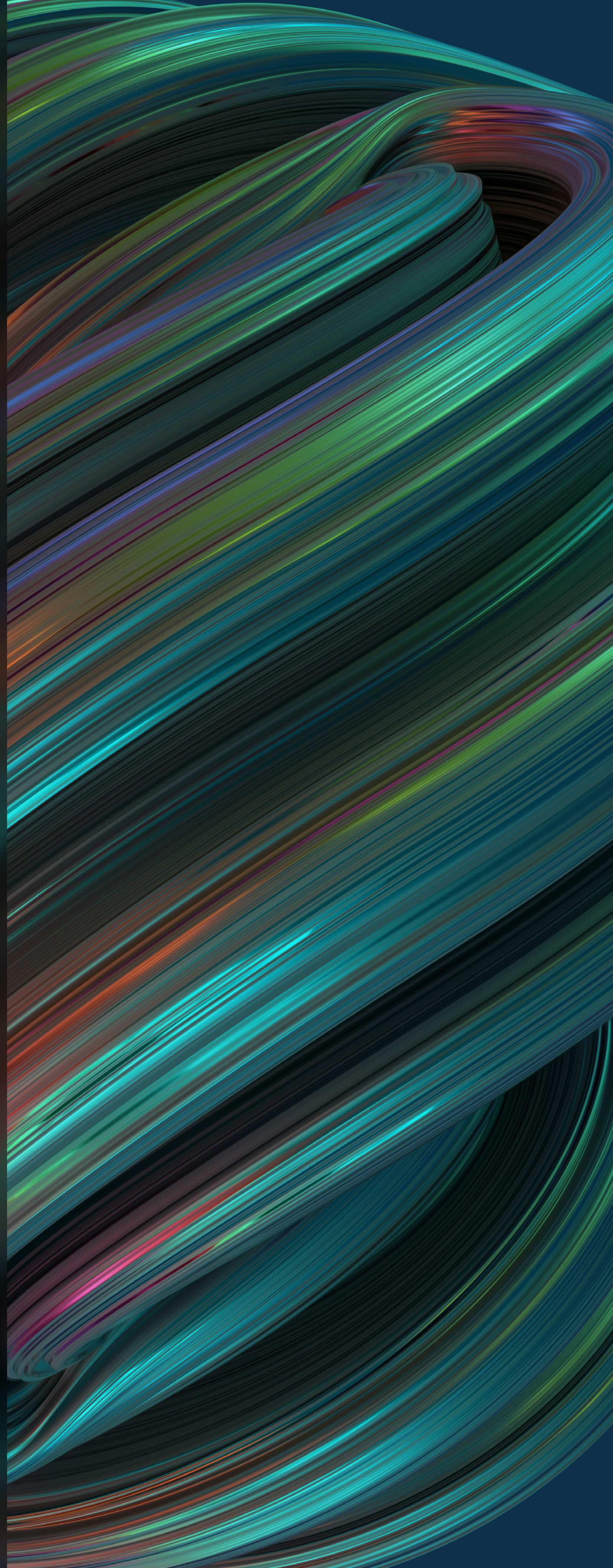
Secondly, solutions need to be developed at a swift pace and reach scale. Consequently, the knowhow and assets we develop need to be easily transferable to a new market, a new partner, and other products. This mindset of reusability enables our expansion across Asia and into Europe.

How do you see the trajectory of embedded insurance, and what is predominantly driving this?

Viola: Embedded insurance is here to stay, and it will become a significant channel. Digital, mobile apps and online tools are pervasive in our everyday interactions and purchases. We trust these channels with our money and our lives, so embedded insurance is entirely logical in this context, though not a given. Ultimately, it's all about customer adoption – and there is still a way to go there.

Valér: We are now past the set-up phase and we want to scale up our efforts from Asia to Europe and from Life to Non-Life products. After digital banca, e-commerce and telcos, we aspire to include other verticals over time, such as health and travel.

> *we're pursuing all routes to the customer, including ecosystems and digital platforms. We're evolving from a pure insurance provider to an insurance collaborator.*



India: Our flagship country for embedded insurance

At Ageas Federal Life Insurance (AFLI) – our Life business in India – we have built 'the foundations of a new distribution channel'.

Providing the perfect conditions for embedded insurance, India is a market of scale, high digital adoption, open finance regulation, and high growth rates.

The set-up

Through AFLI, we established the key capabilities for the embedded business: reviewing underwriting, simplifying products, adapting pricing, designing customer journeys, and implementing a flexible and agile middle office for the digital platform's business with eBaoTech.

The first achievement was embedding Credit Life coverage into the digital loan journey of our bancassurance partner, Federal Bank – quickly reaching peak attachment rates of 20%, even with a competing product embedded in the same journey.

Scaling up

Through an API management portal, we developed a pipeline of potential partners to scale up this new channel. By re-using existing digital assets as much as possible, we reduced our time to market, as well as costs. Today, we are live with seven new partners, embedding micro Credit Life coverage into micro-loan journeys.

As we continue to grow our business with these partners through continuous improvements in the customer journey, we are exploring new partners, new products, and new markets.

Live for 12 months

10+ partners

> 375k policies sold

20% peak attachment rate

Interview

Building the future of SME insurance

Henry Newby
Partnerships Director
Superscript

superscript

As a digital-only insurer, how are you meeting – and exceeding – shifting client/ customer expectations around insurance purchasing? Is the future of insurance purely digital?

In the new convenience economy, customers expect to be able to purchase anything they want in a few clicks. Our digital-first approach, which combines proprietary triaging technology with a unique multi-carrier model, puts us in a unique position to meet these customer expectations, serving quality insurance products at a fair price, in a matter of a few clicks.

But that doesn't serve everyone. We believe that small businesses need choice in how they purchase insurance – this means providing a smooth, quick, and easy digital journey to some, and providing advice through human brokers to others.

How is embedded insurance allowing online businesses and retailers to add to their value proposition, and how do you see this trend developing in business insurance?

As our case study with CyberSmart illustrates (see below), embedded insurance allows digital businesses, retailers, banks, and others to deliver services that sit outside of their core proposition through an integrated, seamless journey at the point of purchase – without having to leave the website or fill in a raft of new forms. This gives customers more reason to shop with their chosen providers; knowing they have protection for the services, products, or activities they purchase naturally included.

Moving forward, insurance providers will look to work more closely and collaboratively with their partners – sharing more data and integrating their technology more deeply in the purchase journey to provide genuinely personalized covers while taking the burden of work off the endcustomer in the delivery of insurance. »

How are you using customer insights to create – and develop – your innovative product offering?

The SME economy is such a fragmented, complex, and diverse ecosystem that it is important all profiles of customers are catered for with our product offerings. Some are more costconscious, some would rather pay annually or monthly, some want expert advice, where others want their insurance sorted in a few clicks.

That's why, as a data-driven and customer-led business, we adopt a blended mix of basic research, applied research and experimental development across the core functions of our business. This blend allows us to unlock richer and deeper customer insights that identify opportunities and challenges along the customer journey which, in turn, dictates any changes/amendments to products, including UX, pricing and available covers.

How is Superscript preparing for the benefits of open finance/open insurance – and how do you see it enhancing your broking and underwriting capabilities?

Open finance will provide us with greater access to data, which will help us build more personalized and bespoke experiences for our customers. It will also foster deeper, more technical, and more integrated solutions with partners.

Enriched, real-time data will feed through automatically and help us deliver insurance to customers that is shaped around them, without them having to leave third-party websites, without the need to spend any time filling out the forms.

How do you plan to grow your embedded partnership capabilities in the coming years?

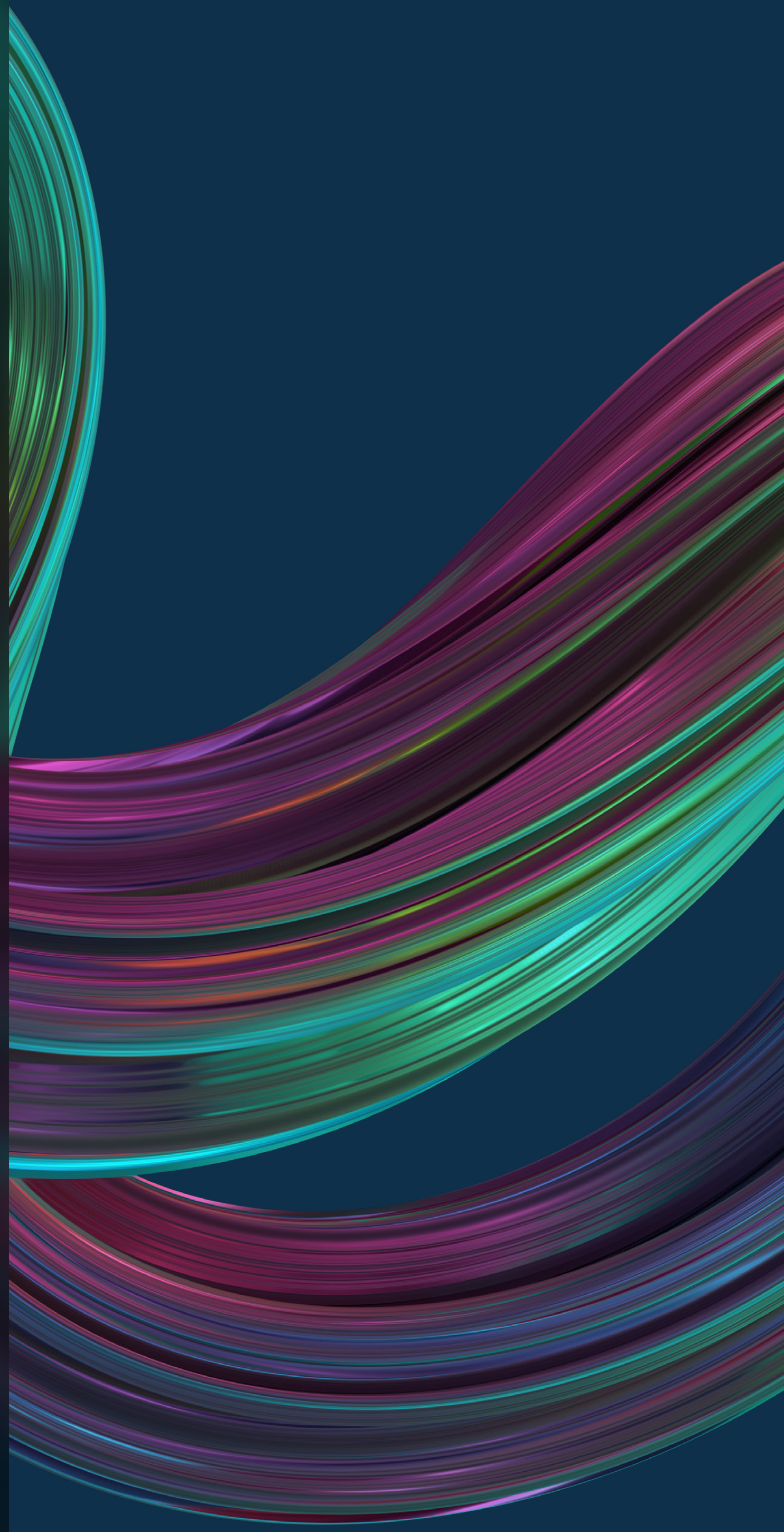
The two main focuses will be on expanding our distribution footprint and technological capabilities.

We want to be the leading global SME insurance provider, and embedded partnerships with the biggest and best B2B brands in the business is what will help us achieve that. So, we are focusing on not only reaching more deeply into our own customer base through existing partnerships, but also exploring new opportunities across European and international markets. We meet these opportunities by being genuinely collaborative with our partners, to ensure we deliver the best-in-class, transparent, embedded insurance model – constantly optimising performance and governance programs.

Meanwhile, we'll be continuing to optimise our unmatched customer journey – building deeper, richer integrations and embedded insurance solutions with our partners, not only by leveraging our own market-leading data capabilities but our partners' as well.

> *We're moving to a more integrated model with significant data sharing between the partners to ensure a genuinely seamless experience for the customer*

> *insurance providers will look to work more closely and collaboratively with their partners – sharing more data and integrating their technology more deeply in the purchase journey to provide genuinely personalised covers.*



How embedded insurance is helping Superscript supercharge growth

See how Superscript is implementing a best-in-class embedded insurance solution with a market-leading distribution partner to capture more of its potential base.

Superscript x CyberSmart

CyberSmart is a leading cybersecurity provider for small businesses and the leading certification body for the UK Cyber Essentials programs. Like Superscript, it is a scale-up in growth mode, having recently secured $15.4 million in its Series B funding round; building out a range of comprehensive, compelling, and cost-effective cybersecurity propositions for small businesses.

With nearly a third (32%) of businesses reporting a cyber attack last year, holistic protection combining both treatment and prevention is essential.

The challenge for CyberSmart

Cyber Essentials is a UK government-backed information assurance scheme launched in 2014, operated in conjunction with the National Cyber Security Centre. It encourages businesses to adopt good practices in information security.

Obtaining Cyber Essentials certification demonstrates an organisation's commitment to security and protecting their data. Evidence has shown that businesses that achieve Cyber Essentials can protect against 80% of cyberattacks.

Upon certification, organisations can opt in to a basic level of cyber insurance. CyberSmart was looking for an insurance partner with the technical capabilities and product specialities to provide a more embedded insurance solution for their Cyber Essential customers than was previously available.

The embedded insurance solution and implementation

Superscript and CyberSmart worked together to develop a bespoke Cyber Essentials insurance product with a £25k cover limit.

Crucially, the insurance is delivered to customers via a seamless experience on the CyberSmart platform, wrapped up as part of the Cyber Essentials certification journey. At no point are customers taken to another website – they just need to tick a box to opt in for the (free) insurance. This removes any friction from the purchase journey and prevents churn as a result.

APIs and data sharing

The tick of the box triggers an entirely behind-the-scenes automated process, which sees the customer automatically become insured by Superscript without any more time or effort.

Using an API, the data flow sends relevant customer data fields from the Cyber Essentials form to Superscript's systems, which in turn automatically populates the relevant data fields necessary to take out an insurance policy, and triggers said policy to go live.

Once the policy is live, the customer is automatically sent a welcome email with their policy number, documents, and customer portal login details – allowing them to manage their cover continuously.

How has this embedded insurance solution supported growth?

Since the implementation of the embedded insurance solution, CyberSmart has become one of Superscript's most reliable and high-performing distribution partners, consistently delivering high volumes of new customers to Superscript. Meanwhile, 40-50% of CyberSmart's new Cyber Essentials customers actively opt in for insurance, demonstrating the high additional value this solution brings for CyberSmart's customers.

With the success of the initial launch, Superscript and CyberSmart have taken the partnership to the next level – identifying opportunities for deeper integration, collaboration, and mutual growth. This has resulted in the launch of additional insurance products with enhanced offerings – including a £100k cover limit product – across other aspects of CyberSmart's proposition, all contained as part of the same embedded service.

Interview

Opening up new insurance possibilities through the power of data

Jason Wilby
Joint CEO
Open

What insurance lines are Open focussed on, and what differentiates Open as an Insurance-as-a-Service provider?

Open's primary lines of business are car, home, landlords and travel insurance. Our key differentiator is the speed with which we can bring new partnerships to market. Our technology enables us the flexibility to build and design products that provide maximum partner benefit by being able to execute and iterate rapidly, all without sacrificing any quality in the user experience or product design. We aren't aware of a competitor that has been able to essentially launch a multi-line insurance brand within 10 weeks, as we did with Bupa in Australia.

How do you see the role of non-insurance brands continuing to shape insurance distribution?

Historically, insurance solutions and products have been designed primarily with the risk carrier in mind. The entrance of non-insurance brands into insurance distribution channels is helping to redefine customer value, prioritise user experience and, as we do at Open, make products that are more personal and that can have a positive impact on the world around us.

This is putting pressure on incumbents large and small to rethink the way they design their own products, and creating new competition within the market.

Ultimately, the consumer wins by having more players in this space and by being able to access insurance offers that are personalized and relevant to them.

How is digital insurance meeting evolving customer expectations, and how do you think digital – and specifically embedded – insurance will shape the consumer experience of insurance in the coming years?

We think we're starting from a low bar when it comes to expectations for insurance products, which presents companies like Open with a fantastic opportunity. The major benefit of digital insurance solutions – and the data platforms that power and underpin them – is flexibility and personalisation. We can be much more flexible in our coverage options and in the ways consumers can engage with our product or service i.e. through self-service claims management conducted via a smartphone app or web app.

As customers experience more embedded insurance opportunities (as long as they are truly personalized and frictionless), it will raise their expectations across all transactions where a protection product might be required or desired. We hope it will also start to change customer perceptions of insurance generally, by convincing customers of the inherent social good that insurance creates, as well as helping to plug the hole of under insurance. »

The major benefit of digital insurance solutions – and the data platforms that power and underpin them – is flexibility and personalisation.

How do you see telematics and connected devices shaping future insurance solutions?

Today, our flagship product is a usage-based car insurance product, so we definitely see the value in leveraging behavioural and 'real-world' data to improve insurance outcomes, whether that's through more intuitive pricing, in-the-moment offers or pre-empting perils.

The true value of connected devices, we believe, comes in their ability to predict incidents before they happen, which will ultimately force insurers away from risk transfer business models and towards a risk prevention and mitigation model. This will present new challenges to all players in the insurance market as they look to develop new revenue streams to balance a potential decrease in premium income.

How is Open preparing for the future of insurance?

Open believes that embedded is the future of insurance, so in many ways we are already prepared for what the next five to 10 years holds for the industry. We've built an insurance platform that can harness the full power of data held throughout the insurance ecosystem (whether that be underwriting data, brand partner data, or Open's own data) – to drive real value for consumers.

We continue to grow our product portfolio in areas where we see opportunity to provide maximum benefit for consumers. We also strongly believe in the growing role organisations have in protecting and preserving the world around us, and will continue to make investments in social and environmental projects that align with our values through our Impact work.

> *The entrance of 'non-insurance' brands into insurance distribution channels is helping to redefine customer value, prioritise user experience and, as we do at Open, make products that are more personal and that can have a positive impact on the world around us.*

Open and Bupa:
a winning migration programme

We launched four products into the market in 10 weeks with Bupa and now, with Open, they have seen a significant increase in their new business sales.

A winning customer experience

In February 2022, Open was chosen over the previous incumbent and all the large insurers in Australia to provide general insurance products to Bupa customers in Australia.

Integration and live in 10 weeks

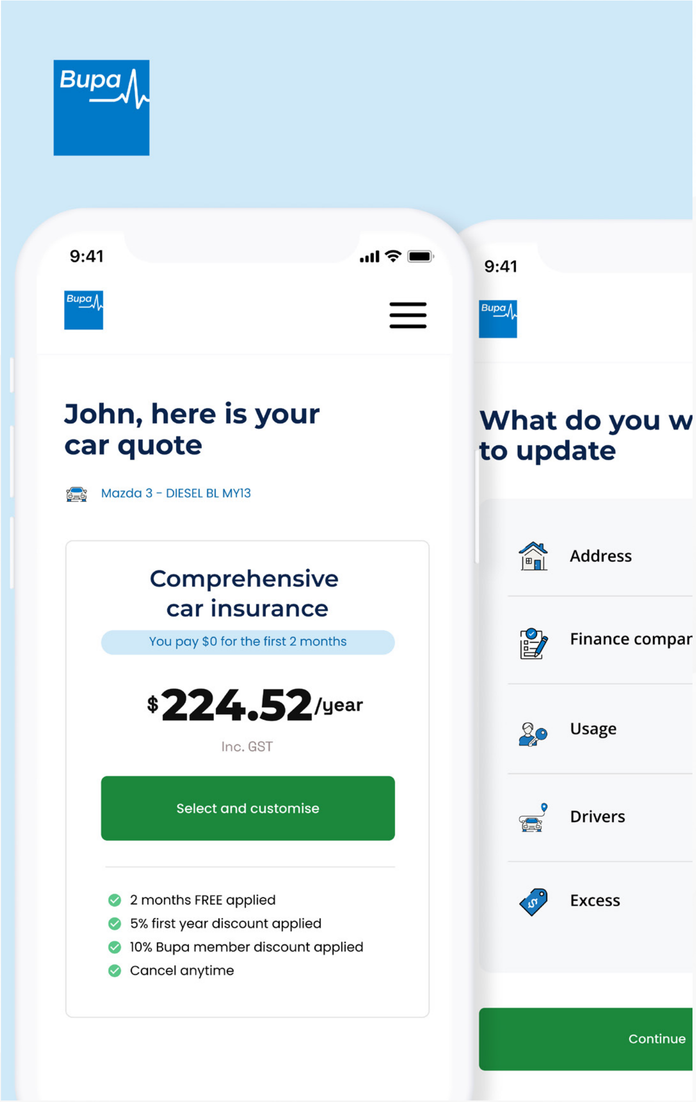
We integrated our car, home, landlords and travel products into the Bupa digital and agent-assisted experiences in just 10 weeks.

Migrating existing customers

We developed an analytics-driven migration program and integrated with the previous underwriter to drive personalized communications and sales experiences for migrating customers.

Data-driven customer offers

We now continuously iterate on experience to improve sales and have seen almost double the sales compared to the previous underwriter.



The future is open

Insurely gives an insight into the transformative potential of FIDA for the insurance industry – and the benefits for companies that embrace its full capabilities

FIDA, or Financial Data Access Regulation, is a proposed regulatory framework operating within the broader context of financial services – which aims to use open finance to promote better and broader access to individual and business customer data across a wide range of financial services. Open finance expands upon the experience of open banking by extending data sharing and collaboration beyond payments accounts and services to include various financial products and sectors like insurance, pensions, loans, investments, and savings.

FIDA is designed to facilitate greater transparency and accessibility to financial data. It enables the sharing and access of personal financial data across different sectors, with the aim of enhancing understanding and facilitating more informed decision making in the financial sector for customers. While citizens benefit from this increased transparency, FIDA's overarching goal is to create an interconnected financial ecosystem that encourages competition and innovation across the financial industry. The industry will benefit just as much as citizens, if not more.

The financial industry revolution

The connection between open finance and open insurance lies in their shared goal of revolutionizing the financial industry through transparency, collaboration and consumer-centricity. Open finance, as an overarching concept, builds on the experience of open banking and extends beyond traditional banking services. It encompasses various financial products and sectors, including insurance and pensions, with the aim of creating an interconnected ecosystem. An ecosystem that empowers consumers by offering personalized financial services, seamless integration and holistic financial management. Open finance essentially serves as the foundation upon which open insurance and other financial innovations are built.

Open insurance is part of the open finance ecosystem that specifically focuses on transforming the insurance industry. Both promote transparency, interoperability and a consumer-centric approach. Open insurance enables the secure sharing of insurance-related data, giving consumers access to a comprehensive view of their insurance policies, coverage and claims history. It also fosters collaboration between traditional insurers and insurtech start-ups, leading to the development of innovative insurance products and personalized services. »

> *One of the immediate and transformative impacts of FIDA is the improvement and redefinition of customer experience.*

The impact of FIDA

FIDA will be a game-changer for companies operating within the open insurance sector. The implications are far-reaching, with a potential for profound benefits that extend to both industry players and consumers. One of the immediate and transformative impacts of FIDA is the improvement and redefinition of customer experience. The framework will empower organizations to access real-time customer data, paving the way for a level of personalization that previously wasn't possible. As companies harness these capabilities to respond to customer inquiries and offer tailor-made solutions, increased satisfaction and loyalty is expected as a result.

With the ability to access to real-time data, companies will be able to offer more personalized products and services that align with consumers' increasing needs – and expand their acquisition of new customers. The implementation of FIDA will equip companies with the tools to gain new insights into customer behaviors, preferences and market trends. With this knowledge, organizations can refine their product offerings and adjust their pricing models to adapt with evolving customer demands.

A knock-on effect of FIDA will be the benefits that insurers will reap through broader standardization of their customer data systems and structures. Low data standardization within insurance has been a major driver of low digitalization and innovation in this sector. It is impossible for companies working with innovative insurance products to scale their solutions across all of Europe, when each market and company views the same data very differently. By standardizing customer data, insurers will be able to collaborate more quickly with insurtechs who now only have one harmonized customer data model around which to build innovative products and services – lowering implementation costs while simultaneously increasing innovations using customer data.

In essence, companies that embrace FIDA and harness its capabilities are well-positioned to gain a competitive edge within the open finance field. They can do this by providing better customer experiences, coming up with new and creative products, and improving their internal processes. FIDA emerges as a catalyst, creating a mutually beneficial scenario where industry innovation and competitiveness thrive, ultimately benefiting both the sector and consumers alike.

> *FIDA's overarching goal is to create an interconnected financial ecosystem that encourages competition and innovation across the financial industry.*

A catalyst for positive change

Martin J. Gylfe
CEO & Co-founder
Insurely

Insurely provides real-time access to insurance and pension policy data through its platform. How does this model help insurers and banks to better meet their customers' needs?

By already offering ready-to-use use cases with access to real-time policy data, we enable insurers and banks to create more personalized and transparent interactions with their customers. The use cases in open finance have positive effects for both consumers, who experience a greater transparency, but also for companies, who experience for example better conversion and less churn.

Our solution contributes to consumers getting the right information at the right time, leading to more accurate offers and increased understanding from the consumer's side. In a rapidly evolving industry, we serve as a catalyst for positive change, helping insurers and banks better align with their customers' ever-changing needs.

Our client base includes a diverse range of institutions, spanning insurance companies, retail banks, brokers, comparators, neoinsurers, and neobanks. With an omni-channel approach, we seamlessly integrate online solutions with offline sales support, catering to both tech-savvy consumers and those who prefer a more traditional advisory approach.

What part has Insurely played in helping to shape forthcoming legislation around open finance and open insurance?

In the development of upcoming legislation concerning open finance and open insurance, our primary goal has been to advocate for increased transparency and the protection of consumer rights in this evolving landscape. We believe that empowering consumers with better access to information and enhancing their understanding of their financial options will be essential for promoting inclusivity in the financial landscape. Consumers should have easy and free access to their financial and insurance data, electronically, and it should be made available in real time. This ensures that consumers are in control of all their data, enabling them to make informed choices about their financial life.

We have consistently supported the idea that data sharing by financial and insurance providers should only occur with explicit permission and upon request, initiated from the consumer themselves. In this context, we have emphasized the importance of not imposing charges on TTPs for collecting consumer data since it is likely that TTPs will have large operational costs for structuring and handling data according to high standards of security and integrity. This is rooted in our belief that such charges hinder innovation and will potentially create barriers for consumers. Additionally, we have advocated for user-friendly features such as permission dashboards to further empower consumers. These tools offer a clear overview of their data-sharing permissions, making the process more accessible and transparent. »

During the past two years, we have been very engaged with EU policymakers ahead of the publication of FIDA by the European Commission. We met regularly with EU officials, supporting them with our fresh views as a company already implementing open finance use cases, and collaborated with Members of the European Parliament to organize an event, in the European Parliament, on 'Open Finance at the benefit for consumers'. We remain very active in Brussels by providing all the support needed to EU policymakers to get FIDA right. We are dedicated to continuing our contribution to a regulatory framework that prioritizes consumer benefits, transparency, and inclusivity in the financial and insurance sectors, ultimately creating a more fair and accessible financial environment for everyone.

Insurely has always had great foresight on the open finance and open insurance space. How will new legislation provide a better insurance experience for consumers?

Open insurance, as part of the open finance ecosystem, is positioned to contribute to a well-needed transformation in the insurance industry that is very aligned with our vision. A new legislation within this space is a significant milestone in realizing its benefits for consumers.

With the implementation of a new legislation, consumers can look forward to a substantially improved insurance experience. This legislation paves the way for a more transparent and accessible insurance landscape, where consumers can easily access and share their insurance-related data securely, in real time. This means they can gain a comprehensive understanding of their policies, coverage and claims history, empowering them to make more informed decisions.

The synergies between open banking, open finance and open insurance is reshaping the entire financial landscape. Open banking served as a catalyst for this broader open finance regulation, which now encompasses insurance, pensions, savings and various other financial sectors. This evolution toward open finance is a significant win for consumers, as it enhances competition, fosters innovation and ultimately places the power back into their hands.

What type of partners do you work with in the embedded insurance space, and what sort of impact on insurance sales do you see this type of insurance having, in the coming years?

In the embedded insurance space, we mainly focus on areas where it would add value for the consumer to use the data from a current insurance policy as part of the sales journey. Typically, we handle the collection of data from the insured's current insurance company, autofill that data to the customer journey to get a quick and seamless quotation, and potentially compare the current insurance policy with the offer from the embedded insurance partner.

A notable trend is to embed insurance sales in a banking or personal finance app side by side with other relevant personal finance overviews, perhaps by starting with an overview of the policies that the customer currently has – and driving sales from there. We've seen a significant increase in conversion rates among customers who are able to compare their existing insurance policies with potential new options, suggesting that an ability to make informed comparisons will be a powerful driver of sales.

The data collected from consumers during the process offers valuable insights for retargeting efforts, particularly in cases where insurance contracts can only be modified around their expiration dates. This data-driven approach allows our partners to effectively tailor insurance offerings to meet individual needs and preferences. Looking ahead, we believe that in-line insurance comparison within embedded flows will become the industry standard over time.

How do you see API-based financial data sharing impacting the distribution of protection products, such as insurance and pensions?

We believe that this real-time data sharing will break down barriers for consumers when making informed decisions regarding their financial products, such as when switching to a provider that best fits their needs – and will contribute to an increased general understanding of insurance covers, especially from a personal finance management perspective. Ultimately, this will create a healthier and more competitive financial space, centered around serving consumers' needs.

This technology will advance the trend towards a more digital distribution of financial products, aligning the financial industry with the expectations of the growing volume of digitally native consumers, now the largest generational demographic. Greater standardization and digital accessibility within the financial sector will mean that a broader set of consumers will, for the first time, find financial products understandable, accessible, and manageable.

> *Looking ahead, we believe that in-line insurance comparison within embedded flows will become the industry standard over time.*

Interview

The new face of virtual care: generative AI, human-centric care, and on-demand access

Kim-Fredrik Schneider
CEO
Abi Global Health

What trends has Abi seen around insurers embedding telehealth services into their offering, and what has been the impetus behind these trends?

I think it's interesting to start with the impetus, which is essentially twofold. First, with the rise in usage of telemedicine because of Covid, suddenly a lot of underlying features have become visible. They were essentially not visible when people weren't using the services. And those underlying features are really driving the trends. They are essentially that telemedicine is a lot more expensive than anybody realized and that it doesn't scale well.

We're seeing a lot of insurance companies having buyer's remorse for having purchased what appeared to be a relatively cheap bullet point on their marketing material. And then suddenly people are using it and they're realizing that it's costing a lot more money than they expected and not having the impact on claims that they had expected.

And then the other big trend that we're seeing is related to the second macro issue, which is that there's been a lot of pressure in the venture capital space over the last year, which means that these inefficient telemedicine models are no longer being subsidized by venture capital in the way they were before. And that has led to a lot of companies raising prices – including the prices charged to their insurance clients.

What was already costing more if it was priced in a way that wasn't immediately apparent to the insurance company, is now very apparent with the increased prices. Obviously, there have been significant financial issues with some particular telemedicine companies, which has impacted their ability to service certain insurance clients as well.

All of this has led to insurance companies reevaluating their telemedicine strategy and looking for solutions that deliver more – more value for less cost – and that deploy technology in new ways.

Do you think that the capabilities of telehealth and telemedicine are adapting quickly to changing times and consumer needs?

Despite advances in technology and AI, I see mostly the same thing that's existed for a really long time. Again, virtual care platforms are being used a lot more, but I don't see any radical shift. There is certainly more availability of some additional services. The existing models are getting a little bit more interesting, but we need to see radical changes in the fundamental set-up of most telemedicine services. »

What are the key ways in which generative AI is enhancing telehealth and, in turn, bringing increased benefits for insurers?

If we go back to the way that AI has been deployed traditionally within telemedicine models, it's normally been a front door to what is essentially a very traditional, old-fashioned way of conducting medical consultations. And it's been a bit of a flimsy front door. It hasn't been very effective at delivering impact. I'm referring specifically to symptom checkers. These have a history of not delivering much in the way of results if placed in front of a traditional telemedicine consultation.

We set up our dedicated lab in 2020 and from what we've seen within our business is that when applied correctly, it can have a radical impact on quality and cost. So, it really delivers on the promise of technology, which is better service.

And the key there is deploying technology in a variety of ways across the patient journey, not just as a front door, but embedded into the entire patient journey; but doing so in a way that keeps the healthcare professional front and centre and is not intrusive to the patient. Again, this is one of the weak points of traditional symptom checkers – there's just too much interaction with the robot, which people find very annoying. And the key is to put the healthcare professionals front and centre and use the AI in the background to enhance the process.

What other features of modern telehealth provision make it such an attractive solution for insurers?

I don't think that most telemedicine models are attractive for insurers. I think that insurers are increasingly realizing that they're not attractive. But the challenge they have is that now they're expected. Penetration is now high enough for telemedicine that insurance customers expect telemedicine to be attached to their insurance product. And it looks like a deficiency if it's not attached. So, it used to be an enhancement if you did have it. Now it's a deficiency if you don't have it.

This comes back to this question of, How can we find models that are more sustainable and more scalable? And, again, we're able to do something there, which few other companies are – and that is to provide a highly scalable solution due to the unique way that we engage with healthcare professionals to deliver more value for money through integrating AI into the process.

And I think that in terms of the features that make it an attractive solution, all insurance companies are looking for three things. They're looking for better customer engagement. The way that telehealth can deliver that is by making sure that those solutions are available where the customer is. That means embedding into whatever channels they're already using and that might be the insurer's app, WhatsApp, Messenger, SMS, or it might be the insurer's website. But it's critical, in our view, that services are embedded in the place where people are already going. There's no new process of signing up, no new app to download.

The second thing insurers are looking for is product differentiation. And, again, now that telemedicine is seen as standard, the question is, Can you deliver a different kind of telemedicine experience that still differentiates your product? There are a very limited number of options that are actually different from the traditional approach. In our view, that means having things like text or micro consultations, and very quick and efficient access to prescriptions, which are things we're able to deliver in a radically new way from the traditional approach.

And, finally, insurance companies are interested in the impact on loss ratios, and that's where these kinds of highly efficient, easy-to-use approaches have a much bigger impact on loss ratios, because the ROI is far greater. That is because, for a lower price point, you're able to deliver a significant reduction in claims and in-person medical treatment. But, again, that only happens when it's radically more convenient for the patient, not a little bit more convenient, but a lot more convenient.

What is Abi's USP in the global telehealth marketplace?

I think that we are able to address the two biggest challenges of the moment in that we're able to deliver more access to healthcare for less overall cost. And that really is the dream that all insurers should be trying to achieve, which is in all the services they deliver, in all their interactions with customers – they should be trying to generate more value. In so doing, they reduce costs – and not reduce costs by offering less; but reduce costs by offering more. And again, that is the promise of technology, and that's a promise that Abi delivers on.

> *Penetration is now high enough for telemedicine that insurance customers expect telemedicine to be attached to their insurance product.*

Interview

A lifetime partner for delivering value through innovation

Gonzalo Rodriguez

Head of Group B2B2C Partnerships

Generali

Generali operates a unique distribution model in terms of its dominant use of agents. How has this model been beneficial to you in the embedded insurance space – and assisted in your aim to be a lifetime partner for your customers?

The narrow definition of 'embedded insurance' is when insurance is offered to you as a convenient 'add on' while you're buying something else, like a product or a service. However, the level of embedded insurance integration in the customer journey can vary in practice. In many cases, agents and brokers can also play a central role in contextual offers.

At Generali, we recognize the value of our unmatched distribution network as a strategic asset and we liaise among our network around the adoption of technology, and explore new ways to participate in an innovative distribution model. A 'phygital' approach with well-designed lead-generation programs and online-to-offline (O2O) strategies can drive commercial success while reinforcing Generali's commitment to being a lifetime partner to our customers and partners.

To fully leverage this advantage, we believe there are a few things to consider. We need to share our vision with them and communicate the benefits to customers when creating new cross-selling opportunities. We must align incentives by rewarding them to 'go the extra mile', emphasizing the importance of their relational role. We also need to design a role that focuses on nurturing customer relations with transparent visibility for each touchpoint. Lastly, we need to design the go-to-market strategy around them, to provide a frictionless sales process.

How do you work with your distribution partners to ensure value and transparency for the end customer, as well as value for the distribution partner beyond commissions?

Customers are now seeking the best combination of convenience, flexibility, price, and trust. Embedded models allow for higher accessibility to insurance, reducing distribution costs and enabling micro-insurance. But embedded offerings need to represent clear value to customers, preserving their awareness and risk mitigation approach. Insurance should provide people with the peace of mind to plan beyond their day-to-day activities, protect against financial hardship, and help build financial resilience in an unpredictable world.

Our Generali 'Lifetime Partner 24: Driving Growth' strategy drives us to be more of a lifetime partner for our customers, delivering value and transparency through innovation. For instance, Generali Vitality is a wellness program that encourages and rewards members for healthy lifestyle behaviors. The program incentivizes users to take actions to know and improve their health (e.g., health checks, physical activity) and earn points for these. These points allow users to earn rewards in the form of vouchers, cashback, » or discounts from

partners such as Apple, Amazon, and Expedia. Weekly and monthly points targets motivate users to stay active for the benefit of their health.

Embedded insurance is moving insurance from a 'push' purchase to a 'pull' purchase. How is Generali helping to make this a reality?

We are helping to make embedded insurance a reality by working with different businesses and platforms that provide products or services requiring or benefiting from insurance protection, including e-commerce, travel, mobility, health, and lifestyle. Our current strategy – Lifetime Partner 24: Driving Growth – is centered on becoming a more customer-focused and data-driven innovator. It reaffirms the strategic importance of Generali to develop the B2B2C business – with embedded insurance and the growth of our active presence in digital ecosystems being part of it. Here are some examples of different verticals:

- Mobility – Generali has undertaken ambitious mobility projects in collaboration with leading OEMs and innovative players to offer a seamless and convenient customer experience. Also, to tailor products and services to customer needs and preferences by leveraging data and analytics through telematics.
- Travel – Europ Assistance, the assistance and travel insurance company within the Generali Group, has partnered with Airbnb to expand the AirCover program. The objective was to launch a comprehensive travel insurance product for Airbnb guests worldwide, providing a straightforward policy that's easy to understand and purchase in just 60 seconds.

Going forward, what do you see as the key technologies and tech-related progressions that will further shape the embedded insurance marketplace?

Embedded insurance is constantly evolving, and recent expansions in the embedded insurance ecosystem highlight the need for advanced technology to augment insurers' infrastructure and platforms, addressing diverse demands.

Consumers who are tech-savvy want speed and convenience, and they demand more integrated experiences. The right embedded insurance technology solutions have APIs that provide quick, real-time answers to complex questions, thereby enhancing the speed of service that customers require.

The agility of integrations with partners and embedders is critical to providing the speed of service that customers demand. However, not all APIs are created equal, and technological advancements such as GenAI, ML, and blockchain will further streamline the integration process.

This will not only improve the customer experience but also facilitate more comprehensive risk management and personalized coverage options. With real-time risk assessment, pricing, and claims management, insurers will be able to offer more affordable price targets.

For example, GenAI can help embedders and customers during the sales process by simplifying complex data into easy-to-understand language, providing a more personalized and automated experience. It can also streamline the underwriting process, which helps assess product strategies and underwriting standards, and minimize losses, ultimately resulting in more affordable price targets.

How is Generali preparing for the future of embedded insurance?

We foresee a significant trend in the expansion of embedded insurance beyond the traditional domains and across various industries. The future of embedded insurance looks promising, with several exciting developments on the horizon.

We anticipate strong growth from this distribution channel in the coming years, especially with the implementation of our RedClick project. This project will provide significant benefits for our partners and ensure a consistent customer experience on a global scale, which will support our efforts in multi-country deals.

> *Embedded insurance is constantly evolving, and recent expansions in the embedded insurance ecosystem highlight the need for advanced technology to augment insurers' infrastructure and platforms.*

Arti

cles

The role of APIs in powerful partner integrations

Tommaso Giovannini
Area Manager
Mia-Platform

The embedded insurance paradigm is becoming increasingly relevant and is establishing itself as a new way to share data and services with partners to create new value propositions. The recent EIOPA consultations have highlighted that stakeholders in the insurance sector are in favour of a regulatory framework – similar to that of the PSD2 of the financial sector – which regulates the exposure of data and services by various market players.

The key enabling technologies for this new framework are, for sure, APIs. First of all, they are standard and reusable IT components that can greatly reduce the time to market of digital initiatives. They are also the key technology that has the potential to connect business and IT areas. Thanks to APIs, a new dialogue between these two areas is possible, which also allows faster application development. And finally, APIs are fundamental to enabling partnerships and opening up new sales channels.

So, the first step in the implementation of embedded insurance is a so-called 'digital experience layer'. The most effective way to connect company channels with core insurance systems is to make all company data and services available through APIs. A powerful tool in this scenario is the external API portal with the API catalog. It is a tool to enable a self-service integration from the partner ecosystem, containing all the technical documentation that clearly explains how to use an API and try it out in a sandbox environment.

But an API layer isn't enough, as companies still struggle to properly manage and govern APIs. The external API portal is just one step in a more complex API lifecycle, because companies need to catalog the APIs but also to modify, improve, compose, and make different versions of them, governing the evolution of these tools.

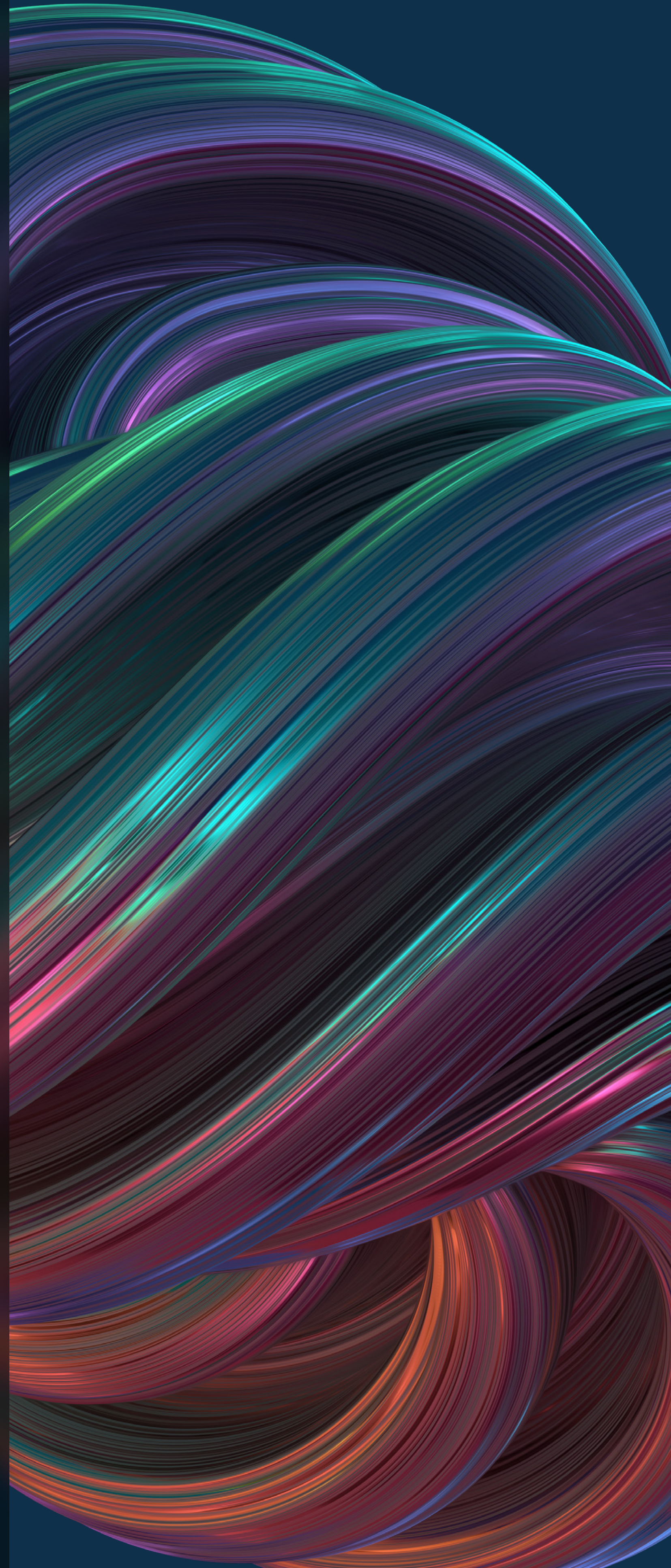
Secondly, if the API layer is directly connected to the systems of record, the performance and the availability of the data and services provided by these APIs are strictly dependent on the performance and availability of these legacy systems. This often determines a poor user experience for partners and developers.

To solve these problems, companies need two additional layers. The first one is a data integration layer, aimed at combining data from the company systems with external data sources and decoupling them from the B2B and B2C channels. It allows a greater performance on the response times from digital channels, internal portals, and partner systems. It is, thus, possible to build single views of aggregated data (such as the user-centric single view or the product-centric ones), which are updated in real-time and provided to different channels or connected partners with exceptional performance, lightening the load and costs of maintaining company IT management systems.

Subsequently, thanks to a layer of composable insurance products, it is possible to quickly assemble – through a no-code interface – customized product offerings for the whole partner ecosystem. For instance, it is possible to create a bundle of Non-Life products for a telco partner with certain coverages, another one for a motor partner with other coverages, and so on. As a result, companies can streamline collaborations with partners, thereby cutting down on the time and expenses associated with initiating new collaborations.

With this new approach, based on the concept of fast data, modularity, and personalized composition, it is possible to integrate all partners quickly, satisfying the different needs that are requested.

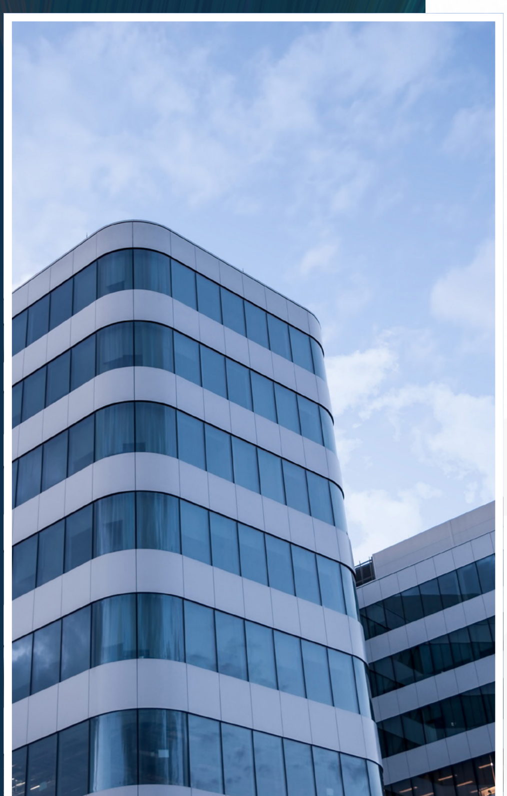
> *APIs are fundamental to enabling partnerships and opening up new sales channels.*



Article

Harnessing the power of mobility data to drive profits for car dealerships and improve CX

Igor Valandro
Co-founder
Fit2You Broker
CEO
Air-Connected Mobility



The world of mobility is undergoing profound and rapid change. The rate at which technological innovation – and more specifically data-led technology – is driving transformation is accelerating, and all mobility players, from fleet managers to local governments, as well as infrastructure developers, are struggling to keep up. The same, of course, applies to dealers and other consumer-facing players in the automotive sector. Despite the challenges, there are plenty of opportunities for dealers that are willing to harness the power of data and invest in innovation.

Opportunities for dealerships

New data-driven technologies offer the potential to revolutionise road transport – making it safer, more sustainable and more customer friendly. Indeed, connected infrastructure, V2X, automated vehicles, intelligent transport systems and telematics have already crossed over into the real world from what was once the realm of science fiction.

At the same time, consumers have become accustomed to increasingly personalized digital experiences. From e-commerce apps offering personalized shopping recommendations to algorithms keeping us glued to the television with tailored suggestions, consumers have never been more aware of their power. However, this is not the case in the insurance sector, with the J.D. Power *2023 US Auto Insurance Study* revealing that satisfaction with auto insurance has dropped 12 points (on a 1,000-point scale) year over year – the largest decline in the past 20 years[1]. Although insurance policyholders want access to companies that offer them products that deeply understand their individual needs and personal situation, this is clearly nowhere near the norm.

Leveraging this understanding can be turned into critical, almost immediate benefits by savvy dealers that offer flexible, digital Finance and Insurance (F&I) products[2]. Unfortunately, when they come to insure their new car, far too many insurance buyers still encounter inadequately trained staff offering unattractive generic products with little or no personalization.

The power of tailor-made insurance products

To make insurance offerings more appealing – thereby increasing profit margins for dealers – versatile, flexible and, above all, customizable insurance products are required. Products based on customer profiles, geolocation and even individual driving behaviours are becoming increasingly popular, as they offer tailored solutions to problems (such as insuring a car in a high-risk area), or simply more competitive pricing based on a more careful driving style. »

In addition to personalized products, another key element in improving the user experience is the accessibility of the offering. Allowing customers to purchase insurance when and where they choose is a significant incentive in a world that is rapidly evolving. Consumers can now buy groceries, tickets to events and health consultations online from the office or their home, so bringing the automotive insurance experience closer to this golden standard is paramount.

Insurance anywhere

Time is more valuable than ever, whether at home or in the dealership. Hence, offering customers freedom of choice and mobility even when it comes to buying insurance is proof of respect. Flexibility, customization, and mobility are all keywords for a service tailored to today's and tomorrow's customers who do not want to feel unduly pressured and prefer making informed choices at their own pace. This might be at home from the sofa, as they wait for a doctor's appointment or directly in the dealership, while they are devoting time and attention to everything car related. They may prefer to do this over their smartphone, the telephone or in person. Simplifying the customer's life, making purchasing easy and devoid of time or device constraints, means creating new growth opportunities for the dealership. Providing a seamless customer experience, where the customer can purchase insurance at the time of vehicle purchase, is a significant step in this direction.

Digital insurance allows consumers to take out or renew insurance contracts and make payments remotely and across a number of household devices like smartphones in just a few minutes. From the comfort of home, while travelling, at the dealership, or during a lunch break, getting insured needs to become easy and fast. Thanks to digital signature services, it is also possible to finalize a contract from home without printing it out and mailing it back, receiving policy terms via email and confirming customers' identity through a secure OTP code sent via SMS. This is also an important measure in helping dealers go paperless and reduce their carbon emissions. »

The future of insurance is embedded

Embedded insurance is a form of digital insurance that bundles up policies with other products as an add-on. For car buyers, the insurance product is thus a feature of their car purchase, serving as an added-value benefit, but also taking the hassle out of selecting and purchasing insurance independently. Leading dealerships and groups worldwide are embracing this philosophy, fostering customer loyalty and expanding their business horizons by offering embedded insurance with vehicle purchases. In fact, a recent report by Conning predicted that embedded insurance could exceed $70 billion in premiums by 2030[3].

Car and motorcycle buyers are a captive audience that needs a real-time insurance purchase to take their vehicle home and effectively enjoy their big-ticket purchase. As a result, they are highly incentivized to complete the insurance transaction at the time of purchase with an embedded offering. Digital auto insurance can be discussed at any point in the customer journey, but the most common time is usually after the customer has accepted a vehicle offer and before entering the F&I office. If an insurance solution integrates with F&I, it also allows an F&I manager to see if the customer has made a saving and, if so, to further customize the suggested products with cross-selling opportunities. Savvy sales consultants have also been known to use insurance savings to salvage a sale by regaining the attention of a wavering customer.

Savings on insurance can translate into higher budgets for the vehicle. By giving customers the option to select the most cost-effective insurance package for them, more budget can be allocated for a more significant vehicle or for other additional services offered by the dealer. »

Micro-products to enhance the offering

There are various ways in which data can drive personalization to support dealers in offering additional products. In addition to products tailored to specific driving behaviours, duly monitored and tracked by black boxes and ad hoc algorithms, experienced brokers should be comparing products from across a range of insurers and developing new personalized products that respond to market demand. In fact, participation in usage-based insurance programs has more than doubled since 2016, with 17% of auto insurance customers now participating in such programs. Price satisfaction among customers participating in these programs is 59 points higher on average than among non-participants, according to recent reports[1].

Traditional insurance policies, for example, typically do not cover the 'new' value of a vehicle after the first 12 months. However, thanks to new and flexible micro-products, it is possible to extend this coverage for additional months, effectively prolonging the 'new' value. Another opportunity is that, typically, parent companies and captives do not offer roadside assistance for used vehicles – a service that could be highly convenient for those living in remote areas or frequently travelling for work. Thanks to micro-products, this benefit can now be extended to used car drivers. Finally, in a market where ordering a new vehicle requires a waiting period of three to seven months, the insured consumer requires more alternatives, including access to a replacement vehicle in case of theft or damage.

Based on our extensive experience in the automotive and insurance sectors within the Valandro Group, Fit2You Broker conducted a comparative study of insurance products currently on the market, identifying a series of additional micro-products based on qualitative considerations. These products have been well-received by consumers and can provide dealers with the opportunity to strengthen their relationship with customers, fostering loyalty and opening up new financial growth opportunities from their F&I department.

Leveraging new mobility data sources

Motor insurance companies are also trying to find new ways to adapt to the evolving market landscape, capitalizing on opportunities stemming from the increased digitalization of the automotive sector and the growing number of connected cars on the road. Most vehicles sold today carry some form of connectivity, thus collecting and sharing vast amounts of real-time data through integrated devices such as black boxes, or drivers' mobile phones. This data offers an almost limitless range of business opportunities for the development of a new generation of insurance products, ranging from hyper-personalized policies – based on not just what, but also how, you drive or where you live – to timely roadside assistance in case of breakdown or accident.

New F&I solutions, such as micro-products, can be combined with an existing policy, for example – allowing the dealership to continue working with its captive and financial institutions without jeopardizing their established goals. This provides an additional upgrade option that increases sales opportunities and earnings. At the same time, the end customer receives a more comprehensive and personalized offer, filling minor gaps in the current market offering, which do not go unnoticed by an increasingly educated and demanding consumer.

As vehicle companies prepare to take more direct control over vehicle sales and supply challenges continue to loom, dealers will need to focus their efforts on creating margins through F&I products, workshop services, and through growing and developing customer loyalty. »

The value of the auto insurance market

The embedded insurance market alone was worth approximately $1.8 trillion in 2022 and is forecast to grow by a further £1.2 trillion within the next decade[4]. At the same time, the potential of mobility technology is growing and will further revolutionize the automotive sector. The digital distribution of insurance products can generate new sources of income based on the provision of highly personalized and flexible add-on components compared to the traditional offering, such as extended warranties for used vehicles or enhanced protection.

As technology allows third parties to integrate insurance products at any time, they can now offer customers greater flexibility, choice, and personalization. It's important to note that this increased flexibility also means that insurance products currently developed and tested by start-ups in this environment are more relevant to today's needs.

For dealers, this new approach to insurance allows them to offer a more complete and personalized package, increasing sales and revenue opportunities while solidifying relationships with old and new customers. Dealers can also offer additional services, such as an extended warranty or roadside assistance for used vehicles, a service traditionally not offered by insurance.

Working with a partner that can help harness the power of mobility data from multiple sources – ranging from IoT to connected infrastructure, vehicles and customer handsets – can prove of critical importance for businesses wanting to grasp the power of embedded insurance, making it an appealing and efficient tool to insure consumers and also reveal new business opportunities that were unthinkable just a few years ago.

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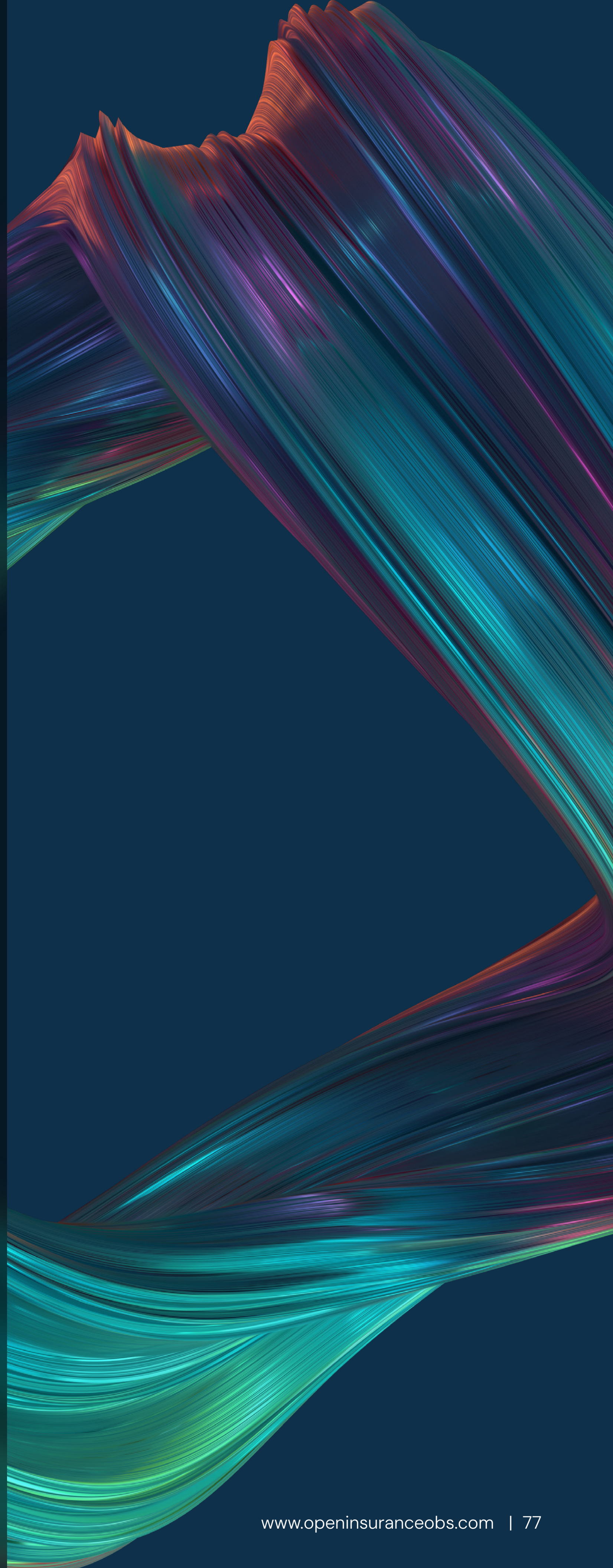
> *there are plenty of opportunities for dealers that are willing to harness the power of data and invest in innovation*



Facing new challenges in the automotive sector

- Nuove Soluzioni S.r.l.

Nuove Soluzioni S.r.l. is a company primarily engaged in car sales, established in 2007, with a strong focus on B2B. Historically, the company's main market consisted of small and medium-sized car dealerships. Access to large lots and the synergies built up over the years with manufacturers and major distributors allowed the company to offer new products at highly competitive prices. Moreover, an extensive logistics network made it possible for them to distribute vehicles throughout Italy and abroad.

However, the past two years have witnessed a rapid evolution in the automotive sector. This evolution is due to both a shortage of components and vehicles, causing delays in the delivery of new cars, and an increased push towards digitalization by the market and consumers. In this new context, under the forward-thinking guidance of its two owners, Nuove Soluzioni S.r.l. took significant steps to adapt to a rapidly evolving automotive market. To further solidify this essential journey, Nuove Soluzioni S.r.l. turned to Fit2You Broker, which has expertise in both the insurance and automotive sectors, to provide its customers with digital and customized insurance products tailored to their needs.

New business projects

In a world where accessing surplus vehicles from parent companies will no longer be possible due to the lack of products and highly conservative commercial strategies, Nuove Soluzioni S.r.l. recently launched AutoEmotion, a brand that addresses the need to expand its market offerings. For this new project, the company has decided to increase its presence in the retail market for end customers and further enhance short and long-term rental services for both businesses and individuals. The company also has a strong footprint in fleet management, a competence developed over several years.

New collaborations

Since 2017, Fit2You has been supporting Nuove Soluzioni S.r.l. with tailored insurance products for fleets and individuals. The group will continue to offer the company traditional car liability insurance and theft coverage, but in the future, new innovative micro-products will be introduced, such as GAP coverage, allowing motorists to purchase additional coverage for their vehicles' new value beyond the third year.

Additionally, all vehicles are equipped with Air-Connected Mobility-branded black boxes. These boxes are designed to track driving behaviour, geolocate the vehicle, and protect it from theft.

A shared passion for cars

The Nuove Soluzioni S.r.l. team shares a strong passion for cars, leading to the creation of Italcar Motorsport, a team competing in the MitJet Italy championship with vehicles featuring tubular frames, rear-wheel drive, and front-mounted engines, specifically developed for racing and part of the Ligier group.

The racing cars on the track are highly performant and essentially identical, differing only in terms of suspension set-ups. Teamwork and sporting spirit are the core values of this sport, ensuring results determined by the drivers' skills and the supporting team. The shared propensity for teamwork, both in business and in sports, unites Nuove Soluzioni and Fit2You, strengthening the partnership and providing fertile ground for growth and the exploration of new opportunities in the automotive world.

By LUCA ENGOLLI
Board Member - Nuove Soluzioni S.r.l.

Tailored sales and better margins

- Segreto Automobili

Segreto Automobili was established in 2011 in Cambiago, Italy, with the explicit goal of creating a unique centre for customers to independently explore car options, guided by a single sales consultant dedicated to assisting them in choosing the right vehicle and any related services. In this centre, drivers can choose from various models and brands, such as Dacia, Renault, Fiat, or Mercedes, independently. Offering customers the opportunity to see many vehicles in one place is undoubtedly efficient, but more importantly, the support of a consultant capable of understanding the real needs of the driver and suggesting customized solutions is key.

"Often, customers come to our consultants with preconceptions that limit their choices without a valid reason," explains Gianluca Segreto, owner of Segreto Automobili. "These could be mistaken expectations about a specific vehicle's fuel efficiency or cost, which, when corrected, allow the customer to go home with the perfect vehicle. The role of the consultant is also to truly understand what the customer needs, which vehicle best suits their requirements and lifestyle, and guide their choices."

A consultative business model

"We don't have 'salespeople' in the strictest sense of the word, but experienced consultants who get to know and understand the customer to recommend the best vehicle," continues Segreto. "Each customer is paired with a single consultant as their unique and trusted point of contact."

Fit2You has been an integral part of this personalized business model from the very beginning. "Fit2You has always positioned itself as one of the most reliable companies to collaborate with," Segreto says. "Their practical management and problem-solving abilities demonstrated by the team show their real commitment to supporting us and our customers."

The Fit2You difference

While many companies offer their insurance products, Fit2You has consistently shown a willingness to support Segreto in every situation, even when there are challenges to overcome. This personalized service is at the core of Fit2You's ethics, which is built on the principles of customization and tailor-made service. "This way, it becomes easy to reassure the customer that, thanks to Fit2You, they have had positive experiences in case of a claim," says Segreto. "We feel comfortable recommending them to customers we support, well beyond the simple sale, throughout the entire lifespan of the vehicle."

In particular, Segreto recounts a case where an insurer had prematurely terminated an agreement: "Unfortunately, we had sold multi-year policies to customers who now needed to be insured on brand new policies. Fit2You took care of re-insuring each customer, relieving us of the burden and providing excellent service to our customers, fostering loyalty in a challenging situation. Service guarantee, responsiveness, and professionalism: Fit2You provides us with the security of significant support in a market context where, without adequate insurance partners, there is a risk of losing a substantial share of the market."

By GIANLUCA SEGRETO
Owner - Segreto Automobili

Fund

ings

Fundings and investments

Category - Insurtech

Bharatsure

Jan,24

Insurtech start-up Bharatsure raised $1 million (approximately 8.3 crore) in a funding round led by Capital-A, with participation from Grip Invest, existing investor Inflection Point Ventures, Dexter Ventures, HEM Angels, and We Founder Circle. The Mumbai-based company had previously raised $1.2 million in February 2022, primarily from its existing investors. According to Bharatsure, its services include comprehensive assistance with identifying insurance partners, product pricing, payments, operations, and claims. The infrastructure also drives embedded insurance and healthcare use cases for customers, with a particular emphasis on group health insurance.

Stage - Seed	Amount - USD 1 million

Igloo

Dec,23

Igloo, an insurtech company, closed a Pre-Series C funding round worth $36 million. The global investment firm Eurazeo, through its insurtech fund backed by the insurer BNP Paribas Cardif, led the investment. The company's valuation has increased by 50 per cent as it gains significant business momentum in 2023 and approaches profitability in 2024.

Stage - Pre-Series C	Amount - USD 36 million

Next Insurance

Nov,23

Next Insurance, a prominent insurtech start-up, received a $265 million strategic investment from Allstate and Allianz. The investment is expected to boost Next's growth, risk retention, and profitability while also strengthening the company's reinsurance relationship with Allianz Re. This is part of Next Insurance's long-term digital transformation strategy aimed at the small business market.

Stage - Strategic equity investment	Amount - USD 265 million

Inclusivity Solutions

Oct,23

Inclusivity Solutions, an insurtech start-up, secured a $1.5 million extension round, with the goal of expanding to at least 12 African markets by the end of 2024. Goodwell Investments led this round, which also led the Series A round in 2019. The start-up embeds insurance solutions into platforms and services that consumers already use through their various partners. According to Inclusivity Solutions, it currently serves over two million customers across eight African markets.

Stage - Extension round	Amount - USD 1.5 million

Matic
Oct,23

Matic Insurance extended its Series B round by $20 million. TruStage Ventures, Assurity Ventures, Venice Investments, Bayshore Capital, Fenway Summer, MTech Capital, Nationwide Ventures, and Allstate Strategic Ventures participated in the $17 million Series B equity round led by IA Capital Group and Cultivation Capital. Matic also increased the size of its credit facility by $3 million, bringing new liquidity to $20 million.

Stage - Series B	Amount - USD 20 million

Authentic
Sep,23

Slow Ventures led a $5.5 million seed round for Authentic, a New York City-based embedded insurance start-up focused on small businesses. Authentic provides captive insurance, a type of self-insurance used by an estimated 90% of the Fortune 500 due to tax advantages and flexibility in underwriting a wide range of risks.

Stage - Seed	Amount - USD 5.5 million

Kayna
Sep,23

Kayna, an Irish insurance start-up, raised €1 million in pre-seed funding from Delta Partners and MiddleGame Ventures, with participation from Aperture and InsurTech Fund. The funding comes as the company ramps up its market development efforts in the United Kingdom and the United States. Kayna, founded in 2021, enables embedded insurance via vertical SaaS platforms. It was created in collaboration with Aviva in the Founders Factory Venture Studio.

Stage - Pre-seed funding	Amount - EUR 1 million

Qover
Jul,23

Qover raised $ 30 million in a Series C funding round. The investment will accelerate the company's growth, enable it to continue orchestrating innovative solutions, launch even more successful partnerships and move it one step closer to becoming profitable in its mission to build a global safety net that safeguards everyone, everywhere. A diverse group of investors, including Alven, Anthemis, Kreos Capital, and Zurich Global Ventures, participated in the Series C up-round funding. Their belief in Qover's strategic vision demonstrates the company's ability to drive long-term growth and enable brands to orchestrate insurance through technology. The funding will allow Qover to accelerate its expansion efforts, accelerate technological development, and facilitate strategic partnerships.

Stage - Series C	Amount - USD 30 million

Hepster
Jul,23

Hepster, a German insurance start-up, raised €10 million in equity and debt. Element Ventures, Seventure Partners, and Claret Capital Partners are among the investors. Hepster, which was founded in 2016, aspires to be Europe's leading embedded insurance provider. It claims to have developed 500 different insurance products in collaboration with over 2,500 partners. It also has a direct-to-consumer offering, including bike and gadget insurance. The start-up, which operates in Germany, Austria, and France, claims to have served over 250k customers since its inception.

Stage - Equity and debt	Amount - EUR 10 million

Raincoat
Jun,23

Raincoat raised $6.5 million in seed funding, bringing the company's total funding to $11 million. Two Sigma Ventures led the funding round, which also included European VC firm Mundi Ventures, Revolution's Rise of the Rest Seed Fund, and EleFund. Raincoat, a team of ~ 20, was founded in 2019 with the goal of providing automated insurance solutions that allow financial institutions, governments, and insurers to provide immediate payouts in the event of climate events and natural disasters. Its embedded parametric insurance model allows distribution channels to provide protection against the occurrence of a specific event based on fixed parameters such as the magnitude of the event–rather than the magnitude of losses incurred.

Stage - Seed	Amount - USD 6.5 million

Insify
Jun,23

Insify, an Amsterdam-based insurtech firm, raised an additional $10.7 million in its Series A funding round. Insify is a forward-thinking start-up that aims to change the business insurance landscape by making it more accessible to freelancers and small to medium-sized enterprises (SMEs). According to TechCrunch, latest round of funding was led by Munich Re Ventures, the venture capital arm of the well-known reinsurance firm. Insify had previously formed an alliance with Munich Re for its insurance products.

Stage - Series A	Amount - USD 10.7 million

bolttech
May,23

bolttech raised $196 million in its most recent funding round. The expanded Series B round raisesd the valuation of the insurance-technology company by approximately $100 million. Tokio Marine, Japan's first insurance company, and MetLife, through its subsidiary MetLife Next Gen Ventures, led the funding. Other participants included existing and new shareholders, as well as Malaysia's sovereign wealth fund, Khazanah Nasional.

Stage - Series B	Amount - USD 196 million

Obie
May,23

Leading insurtech start-up Obie raised $25.5 million in a Series B funding round, which was led by Battery Ventures and included participation from Brick and Mortar VC, DivcoWest, and a number of real estate funds and investor groups.

Stage - Series B	Amount - USD 25.5 million

Korint
Apr,23

Insurtech Korint secured investment from 360 capital.

Stage - Pre seed	Amount - EUR 2 million

coincover
Feb,23

Protection and insurance-backed guarantees for cryptocurrency investors.

Stage - Series B	Amount - USD 30 million

Medigo
Mar,23

Claims management based on data and AI for health insurers.

Stage - Series A	Amount - USD 2 million

Flock
Feb,23

On-demand fleet insurance.

Stage - Series B	Amount - USD 38 million

Vertical Insure

Feb,23

Vertical Insure, an embedded insurance platform for platforms, raised an additional $2 million in seed funding, bringing its total seed funding raised since inception to $6 million. Greenlight Re Innovations led the additional funding, with Groove Capital, Daren Cotter, and other strategic angel investors joining.

Stage - Seed	Amount - USD 2 million

Coverdash

Jan,23

After raising over $2.5 million in seed capital, Coverdash, which provides insurance to small businesses, e- commerce merchants, and gig-economy workers, launched its embedded, digital insurance for small businesses in all 50 states of the US. Investors such as AXIS Digital Ventures, Tokio Marine Future Fund (affiliated with World Innovation Lab), Expansion VC, and Cameron Ventures also participated in the round, which was led by Bling Capital. Strategic angel investors included Steve Shenfeld, CEO of MidOcean Partners, Garrett Koehn, president of CRC Insurance, and Greg Hendrick, CEO of Vantage Risk.

Stage - Seed	Amount - USD 2.5 million

Garantme

Jan,23

Unpaid rent warranty provider for owners.

Stage - Series B	Amount - EUR 15 million

TONI Digital

Jan,23

White label insurance solution.

Stage - Series B	Amount - USD 12 million

Superscript

Jan,23

Business insurance provider and tech platform for small businesses.

Stage - Series B	Amount - GBP 45 million

Category - Microinsurance provider

MIC Global

Jan,24

Microinsurance provider MIC Global raised $6 million in a seed funding round led by Launchpad Capital, with participation from Greenlight Re, Ironsides Partners, and existing investors. MIC Global provides embedded microinsurance products to underserved and unserved individuals, as well as micro, small, and medium-sized businesses. The company operates in 17 countries and offers coverage for income loss, everyday risks, and identity theft.

Stage - Seed	Amount - USD 6 million

Category - Insurance

Bikmo

Oct,23

Bikmo, a specialist cycle and e-mobility insurer based in the United Kingdom, raised £3.4 million in a Series A extension funding round led by Puma Private Equity. According to Bikmo, the new funding will aid in the company's European expansion and product innovation. Because of its newly developed API technology, it can deliver embedded insurance solutions through retail, manufacturing, and other partners, allowing them to integrate the product into their customer journeys and maximise conversions. Bikmo has delivered its first fully embedded insurance solution in Germany with BuyCycle and is concentrating on integrating embedded solutions with new and relevant existing partners.

Stage - Series A	Amount - GBP 3.4 million

Assureful

Oct,23

Assureful, the first insurance provider designed specifically for Amazon and e-commerce sellers, announced the completion of a $1.5 million pre-seed funding round led by Markd. Greenlight Re Innovations also participated in the round. Assureful is the first insurance provider to integrate with major e-commerce marketplaces such as Amazon, Walmart, and eBay, as well as platforms such as Shopify, BigCommerce, and WooCommerce, to provide customized embedded usage-based and monthly billed insurance premiums based on sellers' actual sales volume and product categories.

Stage - Pre-seed funding	Amount - USD 1.5 million

Canopy Connect

Oct,23

Canopy Connect, the leading platform for collecting, verifying, and monitoring insurance information, announced the completion of a $6.5 million Series A funding round. The new funding will allow Canopy Connect to accelerate growth, increase product velocity, and build on the platform's success, which currently powers over 3,500 companies across a wide range of industries. The round was led by Nevcaut Ventures, with participation from Elefund, Nimble Partners, LocalGlobe, 9Yards Capital, Global FinTech Venture Partners, and others. Canopy Connect has seen increased adoption within insurance carriers, embedded insurance companies, digital wallet apps, and other insurtech companies over the last 18 months to remove friction from acquiring and verifying insurance information via AP.

Stage - Series A	Amount - USD 6.5 million

Hippo Holdings' Spinnaker Insurance

Jun,23

Spinnaker Insurance Company, a fully owned subsidiary of Hippo Holdings, has announced a significant stride in the insurance industry, unveiling the successful sponsorship of a catastrophe bond from Mountain Re Ltd. The catastrophe bond, termed as the Series 2023-1, represents a value of $110m, exhibiting a 10% increase from the initial transaction target of $100m. GC Securities, a division of MMC Securities LLC, was instrumental in this transaction, acting as the sole structuring agent and bookrunner.

Amount - USD 110 million for debut catastrophe bond

Category - Cybersecurity innovator

Guardz
Dec,23

Guardz, a cybersecurity innovator known for its distinct approach to protecting small businesses, raised $18 million in a Series A funding round. The round was led by Glilot+, Glilot Capital Partners' early growth fund, with participation from existing investors Hanaco Ventures, iAngels, and GKFF Ventures. They were joined by new investors, ClearSky. This achievement follows Guardz's initial $10 million seed funding, bringing their total funding to date to $28 million.

Stage - Series A	Amount - USD 18 million

Category - Cyber warranty start-up

Cork
May,23

Cork, a California-based cyber warranty company, closed a $6 million seed funding round with DVx Ventures as the lead investor. Cork was founded in 2022. The business provides financial security from cyber risks. In the wake of security incidents, Cork's platform provides MSPs (managed services providers) and their clients with almost immediate financial coverage and settlements.

Stage - Seed	Amount - USD 6 million

Category - Fintech

PhonePe
Mar,23

PhonePe, one of India's largest fintech platforms, raised an additional $ 200 million (approximately Rs 1,649 crore) in primary capital from Walmart, valued at $ 12 billion pre-money. The funds will be used to develop improved insurtech services.

Stage - Primary capital	Amount - USD 200 million

Category - All-in-one vacation rental software and management system

Hostaway
Jun,23

Hostaway raised $175 million in a funding round led by PSG. Hostaway, founded in 2015, is an all-in-one vacation rental software and management system that assists property managers in scaling and growing their businesses. Its clients collectively manage over 100,000 properties in over 100 countries. When it comes to insurance integrations, Safely, InsuraGuest and CheKin are part of the Hostaway Marketplace.

Stage - Strategic Growth Capital	Amount - USD 175 million

Embedded insurance for SMEs: opportunities with vertical SaaS, digital platforms and marketplaces

As part of the Observatory's 2023 webinar series, Yuri Poletto, Observatory Founder, hosted a discussion around embedded insurance offerings for small and medium-sized enterprises (SMEs) with experts in this field. Globally, this sector is heavily under- or uninsured, and is considered a big growth opportunity for providers of embedded insurance. SMEs are increasingly searching out digital insurance, and they're looking for this insurance in environments they know well and trust – such as from their Software-as-a-Service (SaaS) provider or other marketplaces.

With today's technology allowing for insurance to be embedded into these environments, it's possible to create powerful data-sharing synergies between these platforms and insurers. This webinar explored the future potential and benefits that we're starting to see – for both SMEs and the entire insurance ecosystem – thanks to these new insurance distribution partnerships.

Transforming small business insurance with data + tech

Kicking off the webinar was a keynote presentation from Kit Lewin, former Global Insurance Lead at **Codat,** who explored the opportunities for data and technology to transform small business insurance. The fact that around 50% of SMEs are underinsured shows the impact of insurance not serving small businesses well, began Kit. The other 50% are overinsured, he said, meaning few SMEs have the right cover for their business.

Looking at a few key statistics, Kit showed that only 20% of SMEs updated their cover to reflect changes as a result of the pandemic, showing apathy and a lack of understanding around their insurance cover. 43% of UK SMEs bought their last policy via a digital channel, demonstrating a major move towards digital. And 66% of SMEs are keen to pay for their insurance on a monthly basis, showing businesses are looking for more flexible and customer-centric cover.

Quoting a McKinsey report that said 'carriers have a once-in-a-generation opportunity to make inroads in the SME segment, with a fresh set of propositions and a customer-centric approach', Kit said that embedded insurance is inevitably going to play a major role in this shift. "In effect, the traditional approach to SME insurance is no longer relevant in a world that is continually turbulent and to SMEs that are increasingly more digital," said Kit.

Looking at findings from a recent Codat report that surveyed 500 SMEs in the US about their software use, attendees then learned that the average SME is using over 40 pieces of software to run their business – predominantly financial software. Embedding insurance into these software platforms represents a huge opportunity for insurers in terms of distribution, but also from an underwriting perspective, thanks to the access they gain to user data. Consider that there are 20 million SMEs using accounting software in the US alone, and three million in the UK. Then consider that this is just one area of opportunity for embedding insurance and you start to see the scale of the opportunities that exist.

Embedded insurance for SMEs is behind the curve for a number of reasons, predominantly because SME risks are complex and continuously evolving. But open APIs are now giving access to data and allowing for the creation of connected and fully embedded protection products. There is also more interest from platforms and marketplaces in prioritizing insurance distribution as a means of adding value for customers and creating new revenue streams. And regulatory shifts are making access to insurance markets a little easier for ecosystem players. »

There are three key ways to leverage data and tech – and properly transform small business insurance for the better, said Kit:

- *Make insurance more accessible, relevant and customer centric for SMEs.* This will happen by creating a simpler buying process, offering new propositions, and selling through digital channels that are relevant and flexible for today's SMEs. At the same time, the expense of serving small businesses will be greatly reduced.
- *Create digital distribution opportunities.* For example, if you take the five biggest commerce platforms globally, the merchants selling via these platforms represent a $10.1 billion GWP opportunity to the insurance market.
- *Transform underwriting and pricing.* Take the opportunity to leverage the data and tech that sits within these platforms to build new and more relevant insurance products – and drive real differentiation.

The different guises of embedded SME insurance

In the next keynote presentation, Henry Newby, Partnerships Director at **Superscript**, provoked thought around what is considered as 'embedded insurance' in the SME space – across SaaS, digital platforms, and marketplaces – by looking at a series of use cases to highlight existing examples in this sector:

Hiscox and FreeAgent

This partnership between an insurer and an accounting software platform has been in place in the UK for a number of years. Users of the platform can access a small business insurance offer from Hiscox within the platform. The user provides some consent, and their data is shared with the insurer, giving Hiscox the ability to price insurance and offer it to that user. The user can then configure the cover, and when they purchase a policy, the documents are held within platform's environment.

Next Insurance and Intuit QuickBooks

Another example in the accounting software space, this insurance offer has been in place for a long time. However, its latest play allows QuickBooks users to purchase insurance without leaving the platform's environment – so it very much has the look and feel of an embedded offering.

Superscript and Urban

The partnership between Superscript and this vertical SaaS platform (in the health and beauty space) has been in place for a number of years. Beauty therapists who are added to Urban's platform need to evidence that they have the requisite insurance in place. If they already have insurance, they simply upload copies of their existing cover. If they don't, then a Superscript offer gets put in front of them.

Shipsurance and Shopify

This is a nice example, said Henry, of where an insurance product has been embedded in a third-party digital platform as part of an existing user flow. It provides the ability for people to add shipping insurance when going through the user flow of Shopify.

Falvey Insurance Group and MyCarrier

Users of this shipping management platform have the ability to opt in to an integrated cargo insurance solution as part of their customer flow.

Steadily and Guestly

As part of the user flow on this property rental platform, customers can opt in to damage protection cover. And an integrated landlord proposition is available to those managing short-term rentals on the platform.

Superscript and Starling Bank

Business banking customers get access to the Starling marketplace via the bank's app, where there's a wide variety of products and services, including a number of insurance providers. When a customer goes through a quote journey with one of the providers, Starling passes on the customer information needed for the quote journey via an API integration to prepopulate fields. If the customer purchases, a level of information is retuned through same API and presented back within the app.

There's a question mark, said Henry, over whether this is truly an example of an embedded insurance proposition. It's a very neat tech integration, with some element of information being passed and serviced in the other partner's environment. But where this example differs is this it's not necessarily sitting as part of a core banking flow. It's perhaps, therefore, no more than an affiliate marketing opportunity.

Start-up pitches

Kayna

Paul Prendergast
CEO & Co-Founder at Kayna

Kayna offers an embedded insurance infrastructure, enabling personalized insurance distribution through vertical SaaS platforms. The company saw that all the data they needed to price risk properly and offer personalized insurance to small businesses was in these platforms. It also saw that there was a huge problem with underinsurance in the small business marketplace. Lots of small businesses experienced business interruption issues as a result of Covid; and with irrelevant and inadequate insurance cover, many of these businesses were in trouble.

Business software is also moving quickly, showed Paul, with several vertical SaaS unicorns now in the US and elsewhere. Taking just five current vertical SaaS platforms – Mews, ServiceTitan, Toast, Glofox and MindBody – these represent $1.1 billion in insurance market opportunities.

Vertical SaaS platforms need new ways to monetise customers, and they want to solve the insurance problem for their customers, at the same time increasing stickiness so customers don't have to leave their platform to get cover. With vertical SaaS platforms already generating strong revenue from embedded fintech, the next logical step is embedded insurance. In fact, said Paul, some vertical SaaS platforms have already built insurance organisations themselves, as they were unhappy with what's on offer in the market.

"Our big belief is that embedded insurance is not about treating the platform as just a dumb channel to get to the customer," concluded Paul. "We're looking at using the data on the platform to be able to provide the right insurance on day one; and then, over the lifetime of the policy, as the business' needs change over time, the insurance will change with the policy."

Juanmi Lopez, Chief Executive Officer at Cober.io

Cober's solution is insurance for e-commerce entities. The company's mission is to help e-commerce businesses to create new revenue streams through embedded insurance, while allowing these businesses to protect their revenue against internet outages. In 2022, this kind of outage resulted in $10 billion in losses for e-commerce businesses.

E-commerce is a multi-billion-dollar marketplace and provides huge opportunity in Europe and also Latin America, said Juanmi. Taking the pet market as an example of an embedded insurance opportunity, Juanmi showed that in Spain in 2022, consumers spent more on pet products and services (EUR 4.3 billion) than on beer, wine and 'food and goods for babies' combined. Cober's business model is indexed to revenue, so Juanmi showed how this works in a B2C and a B2B2C context, earning revenue as a proportion of an e-commerce platform's GMV or their GWP. »

Panel discussion:
a deep-dive on embedded insurance for SMEs

Looking first at the opportunities for embedded insurance provided by new distribution channels, compared to more traditional channels, Andrew Holdway, Head of Distribution Partnerships, EMEA, **Swiss Re,** said these include efficiencies, growth and ultimately profitability. Embedded insurance attempts to turn a grudge buy into a buying experience where the customer sees an immediate need for the protection of insurance – within their current customer experience or journey – therefore leading to a policy purchase that is relevant and makes immediate sense. This leads to a better engaged customer, and in turn to healthier retention rates.

This more positive customer interaction leads to a higher propensity to buy, so higher conversion rates. Plus, efficient digital channels mean a lower customer acquisition cost and greater efficiencies over the lifecycle of the policy. "We need to make sure renewals are as simple and efficient as acquisitions," said Andrew.

Scale can also be achieved more quickly with embedded propositions, and more meaningful, profitable, commercialized portfolios built. "SME portfolios have always been the linchpin of balancing those more volatile commercial lines portfolios with more stable predictable results; therefore, having a larger more stable foundation of SME businesses can unlock additional growth strategies in the larger and more complex business lines," Andrew explained.

Looking at meeting the needs of sub-contractors in the construction space, Jason Wexler, Head of Insurance Underwriting at **Procore Technologies** said the SME opportunity is 'tremendous'. In the US, there are over a million sub-contractors in the SME space, and in Europe there are almost three million. Contractors are keen purchasers of insurance, but they are still largely underinsured or have 'grossly deficient' cover.

"A lot of contractors describe getting insurance like going to the dentist – it's something they have to do, they don't want to do, and it's quite painful," said Jason. So, his company is trying to make the insurance purchasing experience frictionless and simple, with the help of an automated underwriting process. Key to this is the robust data that's available from an embedded insurance partnership. The company also aims to ensure contractors have sufficient insurance for their specific contracts and job sites. This, in turn, helps them to grow their business.

Joel Lagan, Director of Business Development at **Planck** spoke about access to data in embedded insurance partnerships. "The need to provide data at the point of sale is critical," he began. Data in persistent data sets is not sufficient. As AI takes on more of the role of traditional underwriters, structured and unstructured data from third-party vendors will play an increasing role – and it's up to the risk-taking entity to determine what data is key.

"I see an expansive world in data – Planck is constantly moving out the boundaries of what's important in the underwriting process," said Joel. "What we determine as important in underwriting risk, will change." At the same time, the SME might not know what they want from insurance – the risk carriers need to rethink what they offer SMEs, by anticipating evolving needs of workers in new sectors such as the gig economy, and creating value for these customers, while providing peace of mind.

Looking at the success of embedded banking services for SMEs, Paul Staples, Group Head of Embedded Banking at **ClearBank**, said this needs to be looked at from two angles. In a B2C context, we're seeing positive green shoots, with success stories including Mindful and Toast. In the B2B context, KYC checks and onboarding processes are much more complicated, as is the evolving regulatory framework.

"As a result of this uncertainty, there is nervousness about doing embedded banking," said Paul. "So, the BaaS industry is working with regulators to promote embedded banking – so when regulation stabilizes and there's more future certainty, more green shoots will emerge."

Watch the full webinar online here

"Scale can also be achieved more quickly with embedded propositions, and more meaningful, profitable, commercialized portfolios built."

2023 Observatory Webinar Series

Transforming personal lines insurance with embedded experiences

As part of the Observatory's 2023 webinar series, Yuri Poletto, Observatory Founder, hosted a webinar with global industry experts that explored how embedded insurance is fulfilling demand and improving experiences across the insurance landscape. From increased focus on digital channels to heightened customisation and an improved customer journey, the discussion looked at key embedded insurance trends in the personal lines segment, and how these are enabling customers to have a better online insurance experience through the brands they know and trust.

Discovering lifetime partners

The discussion began with Gonzalo Rodriguez, Head of Group B2B2C Partnerships, **Generali,** exploring how digital is transforming customer expectations. He highlighted the importance of digital channels, with nearly half (45 per cent) of global customers preferring to make policy changes online or via an app. There is also great demand for real-time, with 51 per cent of US customers willing to pay a fee if it means they can receive an instantaneous insurance pay-out.

Another element of the digital experience that consumers want is personalization. Indeed, 76 per cent of global consumers get frustrated when they don't find this. Rodriguez also highlighted the importance of environmental, social and governance (ESG) credentials, with 76 per cent of global consumers ready to discontinue their relationship with companies that threaten the environment, employees or the community in which they operate.

Delving into how all of this is shaping the design of new solutions and engagement models, Rodriguez said: "There are five elements of modern insurance: convenience, fairness, flexibility, functionality and social responsibility. Customers are increasingly looking for the best combination of these factors and embedded insurance is emerging as a solution, making insurance accessible and affordable."

Rodriguez sees an opportunity for consumers to be accessed through innovative new models and distribution channels. Importantly, these need to be appropriate distribution channels with a high degree of trust and affordability – and embedded insurance is an important tool here. Generali and MC Sonae have partnered to democratize access to health and wellbeing in Portugal. To do so, they have created a brand called KeepWells that reflects the key principles of modern insurance, providing an embedded essential offer for free to all Continente Card holders.

Building a new model

Next, Chris Pedak, CEO of **L'AMIE direkt,** highlighted embedded insurance's key strengths: it offers – at the right time and in the right place – what customers are interested in and what they need. He compared insurance to a necessary evil in consumers' minds – it's something that nobody wants but everyone needs. In fact, said Pedak, around 85 per cent of consumers don't value traditional insurance products and services.

American philosopher Richard Buckminster Fuller said: "You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete." This rings true with insurance, said Pedak, which is why L'AMIE direkt created immersive travel insurance with services and notifications to assist customers and improve the insurance experience for them. Testament to this immersive, seamless and affordable travel insurance is that 40 per cent of people who have purchased travel insurance with L'AMIE direkt are first time insurance buyers.

"If you build easy, adaptive models that help people, the embedded model can win and will succeed in the future," continued Pedak. "With the help of big data and artificial intelligence (AI), it's making people's lives convenient and comfortable, and fitting into lifestyles." Of course, challenges are unavoidable and a big one here is tech-related ethical concerns and ensuring people are protected. Another is digital humanism: "In the digital age, insurance should serve people rather than people serving insurance. Let's work for the benefit of people," Pedak concluded. »

Entering the embedded insurance market

Patryk Nowak, Senior Consultant for **Sollers Consulting,** and Aleksandra Kowalczyk, Travel Insurance and Affinity LoB Director for **SIGNAL IDUNA Polska,** were next to present. They discussed the importance of planning strategic steps to seize the huge opportunity presented by embedded insurance, diving into the strategic process:

» First, select an industry and look for a platform; look for niches.

» Look closely at the customers of these ecosystems and set up a case for serving their insurance needs.

» The next step is to gain strategic focus by creating a shortlist of partners.

» Then, it's time to build the value proposition. Importantly, this must be viable and compelling enough to support the business case.

» Establish some ground rules for the partnership.

» Look at what tech is required.

» Build a partnership with the MVP (minimum viable product) approach in mind.

» Finally, launch, scale up and operate in the market.

A distributor POV

Next up to present was Vanessa Lederfarb, AVP, Partnerships Digital Small Business at CHUBB, who discussed embedded insurance from the point of view of the distributor. Kangaroo, a security company, noted a need for packet theft protection and found a partner to work with to launch a unique product – a Porch Protection Plan. The company began with a 25-per-cent attach rate and, through optimized messaging, was able to boost this to 70 per cent. This led Kangaroo to consider that perhaps insurance and security are more closely connected than they realised.

The company posited that the likelihood is that if someone purchases a device from Kangaroo, they have a lower home insurance rate – and so the company implemented home insurance quotes into their app, with the potential for customers to save up to $350 on their policy, with the security essentially paying for itself. "Carriers want to access a low-risk customer," Altrichter stated. "They want access to our customer because they know they're considered low risk from the get go. This helps them increase customer acquisition and access to data." »

Panel session: challenges and opportunities in the personal lines space

Reflecting on challenges, Paulina Bukaty, Senior Underwriter at **QBE Re**, highlighted the changing way insurance is purchased. "Historically, this was a very labour intensive and time-consuming process, and sometimes involved a trusted insurance broker that you could turn to for help with your coverage needs – things have changed since then," Bukaty stated. "Customer buying behaviour has evolved, driven by increased digitization and greater pressure on margins, and consumers are expected to understand the insurance they have or need."

Bukaty believes this has created an information gap as very few people are aware of their protections, and there is a need for the industry to work together to identify how this can be solved, and also look at it from a regulatory perspective. "This is where embedded and open insurance can play a key role in solving some of these issues and empowering the customer to make better informed decisions at the point of purchase," she highlighted.

Luis Dominguez, Head of Insurance Exchange Europe at **bolttech**, then considered the ways in which data is being used to enhance the user experience. This includes a more personalized coverage offering, and a more contextualized and convenient experience, as well as being useful in distribution. »

"That's consumer centricity and it's exactly what I think the industry should strive towards with the help of open insurance data solutions."

Eric Schuh, former Member of the Management Board (Vorstand), Chief Insurance Officer and CFO, **ELEMENT Insurance AG**, commented that ELEMENT became a carrier in order to speed up their offering: "If you cannot carry the risk yourself, it takes much longer to launch the product. You need certain end-to-end capabilities. You need to offer a seamless experience to your partners, especially if you're talking about embedded insurance – these are powerful platforms where the customers or ecosystems expect something to work seamlessly."

When it comes to data, Eric continued, the paradox is that you get the data from these platforms but usually it's not the exact data that you need to make a decision from an insurance company's perspective. "You need to be flexible enough to use that data in real time and dynamically, to create an insurance product that is also dynamic, because you need to be able to issue a policy in real-time."

Bukaty then weighed in on open insurance and the opportunities it can unlock: "It allows consumers to better understand their current insurance position and they could do that by collecting their real-time policy details and identifying any coverage gaps, thereby allowing them to make more informed decisions, whether or not they need the additional coverage that's being offered to them. That's consumer centricity and it's exactly what I think the industry should strive towards with the help of open insurance data solutions."

Considering the true meaning of embedded insurance, Dominguez said that it starts with the perception of the consumer. "When it comes to insurance distribution, it is about the relevant protection, so when you embed a relevant protection into the customer journey the experience is better," he stated.

Joyce Segall, Global Head, Insurance Innovation & Strategy at **Pattern Insurance**, added that one of the great things about a truly embedded experience is that much of the information that's needed to provide an insurance offer resides in that channel and that also makes it a great customer experience: "We don't need to re-ask the questions. We know who they are, we know the price of what they're buying, where they're headed to, or other pieces of information and that adds to the customer experience and the value of embedding the product," she concluded.

Watch the full webinar online here

"When it comes to insurance distribution, it is about the relevant protection, so when you embed a relevant protection into the customer journey the experience is better."

Tesla Insurance: riding out the auto insurance revolution

When Tesla launched an auto protection product for its cars in California in August 2019, it set out to create an insurance business that was 'much more compelling than anything else out there'. Since then, it's been on a wild ride

Heading in the right direction

Now available in 12 US states, with plans to eventually roll out their auto cover nationwide – as well as internationally – Tesla's grand ambitions are only to be expected from such a forward-thinking organisation. Despite a few well documented bumps in the road, early figures show the insurance business is making great progress.

Direct written premiums (DWP) from Tesla Inc.'s MGA partners more than doubled in 2022 compared to the previous year – reaching $242.9 million. In addition to the car manufacturer's MGA relationships, it also launched Tesla Insurance Services Inc. in 2022, which generated a DWP of $12.7 million during the last nine months of that year. And reported a DWP of around $14.0 million during the first three months of 2023 alone.

Tesla's in-house insurance company has, furthermore, seen its direct incurred loss ratio fall every quarter since its launch. Since the second quarter of 2022 when the insurer first started reporting premiums, it has realised a 42-point improvement – to reach a direct loss ratio of 95.6% during the first quarter of 2023. Auto physical damage (APD) accounted for a 408% loss ratio on its private auto insurance – but despite this, the combined liability lines loss ratio was just 22.2% in that same quarter[1].

This is impressive, considering that in the wider context of the US private auto insurance market, the worst underwriting results in two decades were reported in 2022. In this year, for the auto insurance market as a whole, the net combined ratio for the sector, when excluding policyholder dividends, was 111.8%, according to an S&P Global Market Intelligence review. The same review predicted that this insurance line should be close to breakeven in 2024 and see a sub-100% combined ratio in 2025[2]. All in all, it's fair to say the Tesla insurance journey has started strong.

An uphill climb

That said, the electric-vehicle maker's foray into insurance hasn't all been smooth running. Although customers are generally delighted with the low premiums for Tesla insurance, there have been reports of difficulties reaching customer service representatives when it comes time to make a claim, long wait times for repairs and payouts, and problems reporting claims in the app[3].

Many of these aren't just Tesla problems, however. In recent years, most car manufacturers around the globe have been plagued with supply chain issues and labour shortages that have resulted in delays in getting new parts. Added to this has been a larger volume of APD claims in the US due to growing numbers of weather and climate disasters in the country.

In line with this, in an analysis of data from state insurance departments in the US, consumers' top insurance complaint in 2023 was claims handling delays[4]. According to the data, a huge 70.9% of closed insurance complaints in that year involved claims handling. The data also shows that in 2021-2022, complaints about claims payments not being made promptly rose 52.3%.

The insurance line responsible for the biggest source of complaints? Private passenger auto insurance. »

Offering its own, more affordable auto insurance to customers has been a game-changing move for Tesla – whose car production tripled between 2019 and 2022[5].

Heading in the right direction

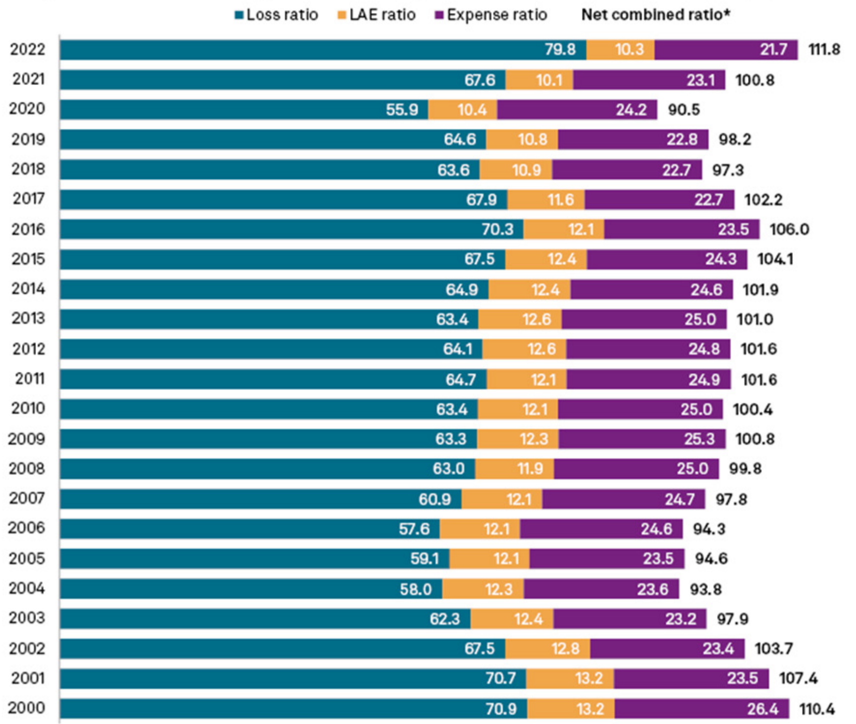
Tesla launched an insurance product as a way of stopping prospective customers walking away from a car sale due to the astronomical cost of its insurance cover. Insurance cover for electric vehicles is, of course, high due to their more costly parts, especially the batteries. Offering its own, more affordable auto insurance to customers has been a game-changing move for Tesla – whose car production tripled between 2019 and 2022[5].

Non-insurance brands embedding insurance offerings into their sales process is gaining momentum in all areas of retail and e-commerce. And this is serving as a wake-up call to the insurance industry.

As Chris Moore, Head of UK-based insurer Apollo ibott 1971, commented on a Tesla Insurance post on LinkedIn recently: "This is a warning to the insurance industry that I believe we need to take note of. For a long time, insurance companies were the custodians of risk data and companies had to come to us to understand their true cost of risk. That position is rapidly changing as digitally advanced companies arguably have much more data on their business and the risks they face than insurers. We must continue to innovate and ensure that products are fit for purpose and comprehensively cover the exposures company face. Otherwise, we will see more companies building their own insurance solutions."

Despite hitting a few roadblocks, Tesla Insurance will undoubtably continue its expansion and trajectory of underwriting success. Elon Musk actually predicted that his company's insurance sales would account for 30-40% of the value of the Tesla car business, back in 2020. Considering the company is currently valued at over $700 billion, that's no small slice of the auto insurance pie.

US private auto industry recorded large net combined ratio in 2022 (%)



Data compiled April 28, 2023.
LAE = loss adjustment expense.
* Combined ratios displayed are before policyholder dividends.
Data reflects the aggregation of all individual property and casualty filers that submit regulatory statements to the National Association of Insurance Commissioners.
Based on information contained within the Insurance Expense Exhibit of the annual NAIC statutory property and casualty statement filings. US filers only. May include business written outside of the US if reported on NAIC statements.
Source: S&P Global Market Intelligence.
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Abi Global Health

AI in virtual care: a paradigm shift in healthcare cost management

Abi Global Health share their insights on how new models of telehealth, based on AI-empowered human consultations, are changing the game for insurers in terms of ROI, claims costs, and customer engagement

The doubling of life expectancy over the past two centuries has undeniably contributed to the upward trajectory of healthcare costs. With longer lifespans comes greater instances of chronic illnesses and age-related conditions, leading to a surge in healthcare utilisation and expenses.

This demographic shift places immense pressure on health insurers, who are tasked with containing escalating costs for clients while maintaining high-quality care for network members. But new technology and AI-based solutions are providing them with innovative and cost-effective solutions.

Better for less

As Abi Global Health CEO Kim-Fredrik Schneider discussed at the 2023 ITC DIA event in Barcelona, before the Industrial Revolution, if you wanted something 'better', you had to pay more for it. Due to technological advancements, that started to change – and now you can purchase products and services that are better and cost-effective. Today, with further developments in technology such as AI, this new paradigm is more prevalent than ever – and the insurance and healthcare space is no exception.

Unfortunately, many health insurers are stuck in an outdated mindset – they think the way to improve loss ratios is to give people less. Claims management is set up in a way that members are given less if insurers want to make more money.

Historically, any reduction in healthcare costs achieved by insurers, translated into diminished benefits for policyholders – such as limitations in coverage, increased out-of-pocket expenses, and restricted access to certain services. However, the emergence of AI in virtual care has revolutionised this archetype, enabling insurers to enhance customer value while actively curbing healthcare expenditures.

AI creates better efficiencies across the patient journey and gives customers better access to healthcare. By analysing historical medical data and patient records, AI algorithms empower healthcare professionals (HCPs) to quickly and accurately provide diagnoses and personalized care pathways.

At Abi Global Health, a multi-channel approach to delivering AI-enabled care and on-demand access to HCPs allows users to have direct access to virtual care any time, anywhere. Their model not only drives member engagement for insurers, but significantly reduces medical costs through early intervention and the avoidance of additional care costs. This efficiency has allowed them to hold prices constant, even in the face of inflation. »

Not all virtual care solutions are created equally

In the context of helping reduce healthcare costs and meeting evolving customer needs, current models of telemedicine are not working. Symptom checkers, for example, are not always very accurate, as they only cover a portion of medical queries from patients, and there's no evidence that they are trusted enough by users to effectively change their behaviour in a way that promotes better patient outcomes.

Models based on call centres are expensive to run, so these costs are passed on down the value chain. And models based on video consultations allocate the same amount of HCPs' time for the consultation slots as in-person visits, so aren't creating efficiencies for HCPs or cost benefits for insurers.

In fact, insurers are now realising that these models are actually increasing healthcare costs due to growing demand for the telehealth solutions they are providing their customers; and, in turn, putting more stress on healthcare systems.

And these models are also not meeting customers' evolving expectations around timely access to care that meets their exact needs. As such, these traditional models of telemedicine don't provide the promised return on investment for insurers.

Thankfully, with the evolving role of AI in healthcare ecosystems, there are new ways of providing virtual care services that not only reduce costs for insurers, but provide additional – and 'delightful' – benefits for customers. This is what Abi Global Health is able to achieve through its proprietary on-demand virtual care platform that uses technology to support HCPs with every customer query. »

The human touch

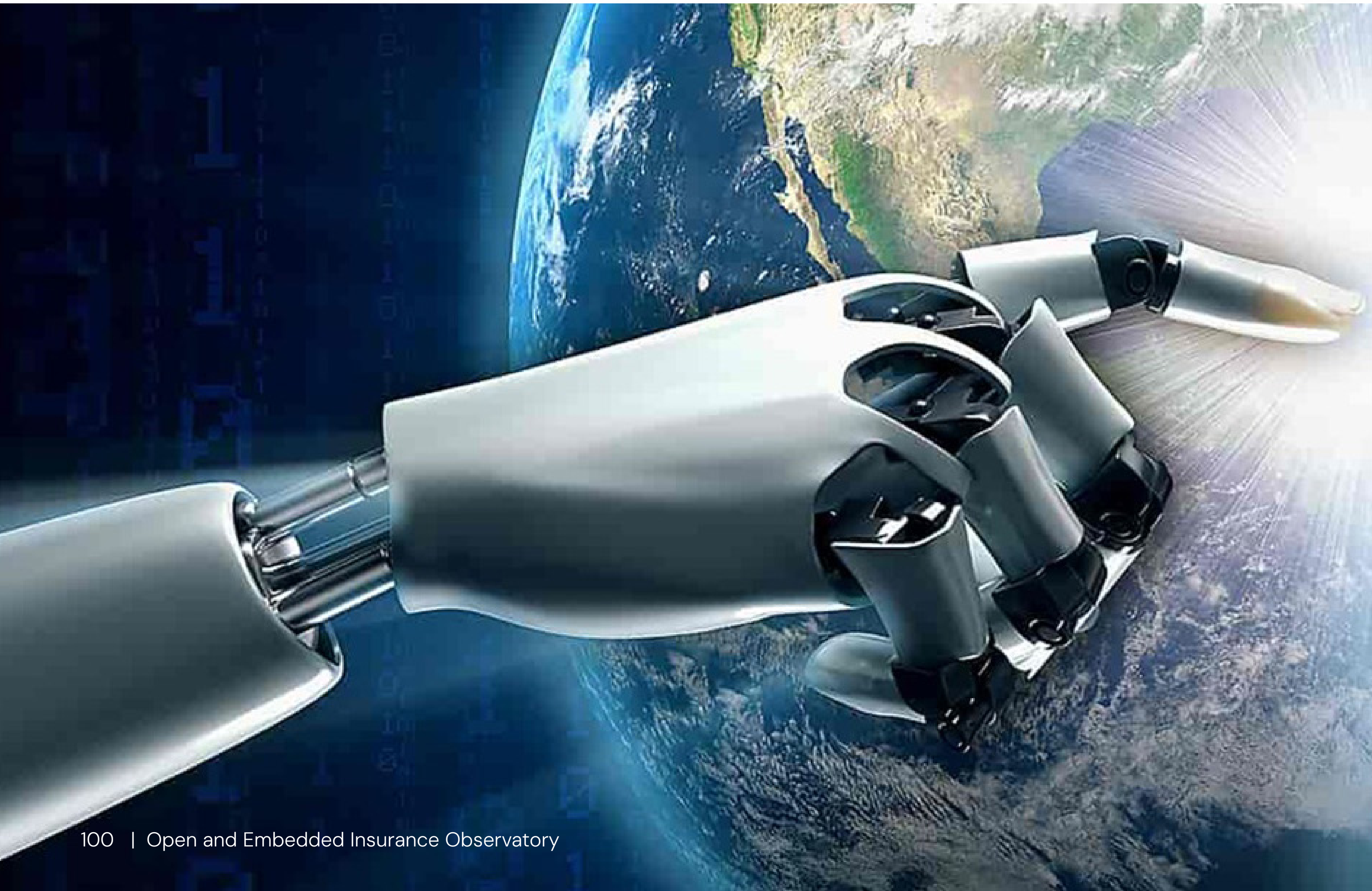
The Abi Global Health solution uses generative AI to make medical consultations more efficient and deliver a more reliable customer experience. Its medical network of local doctors across the globe are empowered by AI-driven processes to provide users with swift access to appropriate care.

These processes harness a number of techniques, including Natural Language Processing (NLP), which extracts key information from the patient's symptoms, medical history, and the consultation dialogue. If the consultation is conducted via voice, speech recognition algorithms are used to convert the spoken language into text, enabling NLP analysis. Computer vision algorithms can be also applied to analyse medical images and clinical test results, providing valuable information to help HCPs make more informed decisions about the patient's care.

At the same time, Machine Learning (ML) algorithms are used to analyse the extracted information and generate a comprehensive patient profile. This profile may also include demographics, risk factors, previous medical history, and relevant symptoms.

Finally, the platform matches the patient profile with the most suitable HCP in Abi Global Health's extensive global network, based on their expertise, predicted availability and the patient's specific needs. This allocation engine means that users can connect with a doctor in 40 seconds – 24 hours a day, seven days a week.

There's no need to wait days or weeks for an appointment, like with traditional telehealth models. And users have answers to any type of medical query at their fingertips. This is because the Abi Global Health solution can be easily integrated into the platforms already utilised in customers' everyday lives – like WhatsApp or SMS – and there is no need to download an additional app. These platforms give access to Abi Global Health's on-demand, messaging-based 'microconsultations'. Even in times where there are surges in requests for care, there is no interruption to service. This is because automated load balancing ensures exceptional service levels at any volume. »



Nothing without trust

The success of a virtual care platform also comes down to patient trust. Keeping HCPs central to the entire concept of virtual care is vital for securing users' trust and providing accountability. This is because AI alone cannot be held accountable for the advice given to patients. But in conjunction with the expertise of a human HCP, accountability for the medical care provided can be allocated to an individual doctor or nurse.

AI that works alongside real doctors fosters trust by enhancing the accuracy of diagnoses and treatment recommendations, bolstering consumer confidence. At the same time, the AI element helps to ensure optimal governance and improved patient outcomes – as AI can monitor patient interactions, ensure compliance and data privacy, improve decision making by giving HCPs up-to-date medical information and evidence-based recommendations, and ensure quality of care is maintained.

The Abi Global Health model is, thus, not about replacing doctors; it's about driving efficiencies in care delivery and patient support, while reducing administration time and costs, and allowing HCPs to focus on the patient. This reduces costs by streamlining healthcare delivery. AI-powered care also aids in the early detection of disease and in proactive interventions, preventing costly complications and hospitalisations.

The confluence of longevity, rising healthcare costs and technological advancements has compelled health insurers to reassess their strategies. The future of healthcare coverage is no longer dictated by the trade-off between cost containment and reduced benefits – but by increased cost reduction in tandem with added value for policyholders. And at the heart of this is AI-empowered human-centric medical consultations.

> *The future of healthcare coverage is no longer dictated by the trade-off between cost containment and reduced benefits – but by increased cost reduction in tandem with added value for policyholders.*

Contri

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Yuri Poletto

Founder of the Open and Embedded Insurance Observatory | Advisor to Boards and Leadership teams on insurance innovation

A 20 years' experience in the insurance industry, gained both within insurance companies (Assicurazioni Generali, Reale Mutua and Aviva) and collaborating with insurers, reinsurers, insurtechs, research and consulting companies as an Advisor on insurance innovation.

A solid knowledge of the insurance business and insurtech. A global professional network, gained through an international working experience in Italy, Ireland, and the UK.

My experience in a nutshell:

» 10 years within multinational insurance companies, covering roles with an increasing level of responsibility in the Underwriting and Sales/Distribution departments

» 2 years as Founder of an insurtech startup

» 8 years as an advisor on insurance innovation, working both with industry players and service providers

» In 2021 I have founded the Open & Embedded Insurance Observatory, a global initiative with over 30 members from North America, Europe and Asia. Purpose of the observatory is to build and grow the largest knowledge base on open and embedded insurance, and to promote and facilitate their adoption in the market.

https://www.openinsuranceobs.com/
https://www.wechangeinsurance.com/
https://insurtechitaly.com/

Sarah Watson

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Having worked in a publishing and events capacity within the global travel insurance industry for over 20 years, Sarah is a seasoned writer, editor and content creator.

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Member

Profiles

Member Profiles

Admiral

Year founded - 1991

HQ - Cardiff, UK

Countries/Regions of operation -

Over 9 million customers in 5 markets - France, Italy, Spain, UK and USA; with offices also in Canada, India and Gibraltar

Main embedded focus -

Personal lines

Main distribution channels -

Car subscription platforms and Online Travel Agents

Main partners for embedded insurance business -

Wagonex, LuckyTrip

Baoba

Year founded - 2022

HQ - Toronto, Ontario, Canada

Countries/Regions of operation -

USA, Canada, Budapest

Main embedded focus -

Commercial lines

Main distribution channels -

Online Travel Agencies and airlines, insurance companies, financial companies and credit card providers, entertainment and event companies

Main partners for embedded insurance business -

Continental Assist, CHERRISK by Uniqa

bolttech

Year founded - 2020

HQ - Singapore

Countries/Regions of operation -

Operational in 30 markets with 3 tech hubs and 4 regional offices across three continents: North America, Asia and Europe

Main embedded focus -

Personal and commercial lines

Main distribution channels -

bolttech works with partners across insurance, financial services and banking, telecommunications, e-commerce, retail and more

Main partners for embedded insurance business -

Over 700 distributor partnerships, including Back Market, Fnac, Allianz, HKT, Home Credit, PayMaya, Progressive, Salt, Samsun, Wind Tre

Chubb

Year founded - 1985

HQ - Zürich, Switzerland

Countries/Regions of operation -

Chubb has operations in 54 countries and territories. The company's locations are in North America, EMEA, Asia and Latin America

Main embedded focus -

Personal and commercial lines

Main distribution channels -

Digital platforms, telecommunications, travel entities, financial institutions, retail

Main partners for embedded insurance business -

Betterfly, Nubank, American Express, DBS, Mercado Libre, Rappi

Member Profiles

Companjon
Year founded - 2020

HQ - Dublin, Ireland

Countries/Regions of operation -

European Economic Area (EAA)

Main embedded focus -

Personal lines; modern lifestyle insurance solutions

Main distribution channels -

Travel, mobility, fintech, telco, and e-commerce

Main partners for embedded insurance business -

Bunq

ELEMENT
Year founded - 2017

HQ - Berlin, Germany

Countries/Regions of operation -

Germany, Austria, Ireland, Finland, with strong focus on international expansion

Main embedded focus -

Personal lines

Main distribution channels -

MGA servicing

Main partners for embedded insurance business -

Warranty Expert, Hepster, Panda, Vodafone, Volkswagen Financial Services, Die Bayerische, Bavaria Direkt, 1&1, Signal Iduna

Fit2You

Year founded - 2014

HQ - Milan, Italy

Countries/Regions of operation -

Italy

Main embedded focus -

Automotive insurance

Main distribution channels -

Digital and within dealerships

Main partners for embedded insurance business -

AXA Insurance, UCA, Verti, Tua Insurance, Revo

Gallagher

Year founded - 1927

HQ - Illinois, USA

Countries/Regions of operation -

USA, Canada, South America, Carribean, APAC, Indonesia, Norway, Sweden, Switzerland, MENA

Main embedded focus -

Personal and commercial lines

Main distribution channels -

Large corporates, platforms, technology companies, premier brands, embedded finance, traditional MGAs insurtech MGAs, select carriers, reinsurers

Member Profiles

Hiscox

Year founded - 1901

HQ - Hamilton, Bermuda

Countries/Regions of operation -

3,000 staff across 14 countries, and 34 offices across Asia, Europe, Bermuda, UK and USA

Main embedded focus -

SMEs

Main distribution channels -

Direct to consumer/partnerships

Main partners for embedded insurance business -

FreeAgent

Insurely

Year founded - 2018

HQ - Stockholm, Sweden

Countries/Regions of operation -

Focus markets are Sweden, Norway, Denmark, Baltics, France, with wider European expansion in progress

Main distribution channels -

Insurely partnes with insurance companies, banks, and other types of digital platforms

Main partners for embedded insurance business -

Preglife, Evident Life, Blipp, Bliwa, Nordnet, SEB, ManyPets

Intesa SanPaolo Vita

Year founded - 2012

HQ - Turin, Italy

Countries/Regions of operation -

TBC

Main embedded focus -

TBC

Main distribution channels -

Banking

L'AMIE

Year founded - 2015

HQ - Linz, Austria

Countries/Regions of operation -

Worldwide

Main embedded focus -

Personal lines

Main distribution channels -

Telcosurance

Main partners for embedded insurance business -

A1, Telkom Austria, 3

Member Profiles

Meiji Ysuda

Year founded - 1880

HQ - Tokyo, Japan

Countries/Regions of operation -

Japan, APEC (Singapore, Thailand, China), North America (USA), Europe (UK, Germany, Poland)

Main embedded focus -

Hasn't yet started embedding products, but generally interested in those who work on life, health & wellbeing, and digital inclusivity; plus also P&C (travel, product guarantee extension)

Mia-Platform

Year founded - 2016

HQ - Milan, Italy

Countries/Regions of operation -

17+ European countries thanks to an International Partner Program

Main partners for embedded insurance business -

Over 30 international partners

Munich Re

Year founded - 1880

HQ - Munich, Germany

Countries/Regions of operation -

Global

Main embedded focus -

Commercial lines

Otonomi

Year founded - 2020

HQ - New York, USA

Countries/Regions of operation -

Worldwide

Main embedded focus -

Commercial lines

Main distribution channels -

Logistics companies and platforms, and insurance brokers

Main partners for embedded insurance business -

Zuru LatAm, Greenlight Re, Redkik

Member Profiles

Pattern
Year founded - 2020

HQ - Palo Alto, California

Countries/Regions of operation -

USA, Israel, UK and France

Main embedded focus -

Personal lines

Main distribution channels -

Travel platforms, event organisers, ticketing agencies

Main partners for embedded insurance business -

BookOutdoors, Giggster, Zoover, WeSki, lastminute.com, aktivate

Qover
Year founded - 2016

HQ - Brussels, Belgium

Countries/Regions of operation -

Operational in 32+ countries across Europe, and the UK

Main embedded focus -

Accident & health, mobility, e-commerce, Travel, Property, Cyber, Pet

Main distribution channels -

E-commerce platforms, fintechs, car manufacturers, mobility platforms, insurers

Main partners for embedded insurance business -

Revolut, Canyon, Deliveroo, Immoweb, Rewire, Monese, Rad Power Bikes, ZEEKR, Lydia, Helvetia, ING, Monzo, Zurich Global Ventures, Fisker, Volta Trucks, Qonto

Reale Mutua

Year founded - 1828

HQ - Turin, Italy

Countries/Regions of operation -

Italy and Spain

Main embedded focus -

Protection, investments, property

Main distribution channels -

Bancassurance, digital distributors

Main partners for embedded insurance business -

Banks, digital players

SAS

Year founded - 1976

HQ - Cary, NC, USA

Countries/Regions of operation -

Headquartered in Cary, United States, with office locations including Canada, South Africa, Pakistan, Italy, Austria,and France

Main embedded focus -

n/a

Main distribution channels -

n/a

Main partners for embedded insurance business -

TBC

Member Profiles

Swiss Re
Year founded - 1863

HQ - Zurich, Switzerland

Countries/Regions of operation -

Office locations in Americas, Asia Pacific and EMEA

Main embedded focus -

Life, health and motor

Main distribution channels -

Digital insurance platforms, digital sales platforms, customer servicing portals

Main partners for embedded insurance business -

Insurers, intermediaries, financial services providers and consumer brands, including Insify, Independer, Clark UK, Laya life, SelectQuote, Goboony, IKEA, Assurance, DOMCURA, Integrity

Wakam
Year founded - 1829

HQ - Paris, France

Countries/Regions of operation -

32 European countries through Freedom of Services. Including, France, UK, Benelux, Germany, Spain, Italy, Nordics, Ireland

Main embedded focus -

P&C and Personal lines

Main distribution channels -

B2B2C through 3 types of partners: Brokers & MGAs / insurtechs / non insurance specialists (ie neobanks, mobility platforms, e-retailers and marketplaces)

Main partners for embedded insurance business -

Zego, Cuvva, Qover, FMA, +Simple, Catalpa, Vilavi, April, Koala, Mansutti, Matera, Lovys, Inshur, Bolttech, Urban Jungle, Klian

wefox

Year founded - 2015

HQ - Berlin, Germany

Countries/Regions of operation -

Germany, Switzerland, Austria, Poland, The Netherlands and Italy

Main embedded focus -

Accident & health, home, mobility, life, travel and pet

Main partners for embedded insurance business -

Wind Tre, GATE, PROPUP

Wolt

Year founded - 2014

HQ - Helsinki, Finland

Countries/Regions of operation -

Wolt operates in 25 countries

Main embedded focus -

Courier protection

Main distribution channels -

In-app

Member Profiles

WTW

Year founded - 2016

HQ - London, England

Countries/Regions of operation -

Office locations in Africa, Americas, Asia Pacific and the Middle East and Europe

Main embedded focus -

TBC

Main distribution channels -

TBC

Main partners for embedded insurance business -

WTW partners with the industry's leading insurance companies such as AIG, Chubb, Nationwide, Safety Insurance, Safeco Insurance, Progressive, and Pure Insurance - for embedded?

Yolo

Year founded - 2017

HQ - Milan, Italy

Countries/Regions of operation -

EU, UK, South America: direct and indirect through commercial distribution agreements

Main embedded focus -

Mobility

Main distribution channels -

Retailers, fintech

Main partners for embedded insurance business -

B2B2C - including TIM MyBroker, Fastweb, CA Auto Bank, Intesa Sanpaolo, Genertel, Despar, Carrefour, Santalucia Seguros

ZA Tech

Year founded - 2018

HQ - Singapore

Countries/Regions of operation -

Za Tech is spread across more than a dozen countries in Europe, Japan, Southeast Asia and Greater China

Main embedded focus -

Personal and commercial lines

Main distribution channels -

Insurance brokers, banks, e-commerce, OTAs, direct-to-customer marketplaces

Main partners for embedded insurance business -

ZA Tech has partnered with leading insurers and digital platforms around the globe, such as Klook, AIA, and Zurich

Zurich

Year founded - 1872

HQ - Zürich, Switzerland

Countries/Regions of operation -

Offices across EMEA, North America, Latin America and Asia Pacific

Main embedded focus -

TBC

Main distribution channels -

TBC

Main partners for embedded insurance business -

TBC

Enab

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Americas

	Name	Founded	Linkedin
1.	Boost - multi	2017	https://www.linkedin.com/company/boostinsurance/about/
2.	Pattern – travel, leisure, events	2020	https://www.linkedin.com/company/pattern-insurance/about/
3.	Otonomi - cargo	2020	https://www.linkedin.com/company/otonomi/about/
4.	Baoba - multi	2022	https://www.crunchbase.com/organization/baoba/company_financials
5.	Extend – protection, warranties	2019	https://www.linkedin.com/company/helloextend/about/
6.	Rein - multi	2015	https://www.linkedin.com/company/reininsurtech/about/
7.	Noyo - Employee benefits	2017	https://www.crunchbase.com/organization/noyo-com
8.	Protecht - Events	2016	https://www.linkedin.com/company/weareprotecht/about/
9.	Sure - multi	2016	https://www.linkedin.com/company/sure-insurance/about/
10.	Next - Commercial	2016	https://www.crunchbase.com/organization/next-insurance
11.	Bindable - multi	2018	https://www.linkedin.com/company/bindable/about/
12.	Bestow - Life	2017	https://www.linkedin.com/company/bestowlife/about/
13.	Upsie – protection, warranties	2015	https://www.linkedin.com/company/upsie-llc/about/
14.	Herald - commercial	2021	https://www.linkedin.com/company/heraldapi/about/
15.	Ladder - life	2015	https://www.linkedin.com/company/ladderlife/about/
16.	Coalition - commercial	2017	https://www.linkedin.com/company/coalitioninc/about/
17.	Tint – platforms risks	2018	https://www.linkedin.com/company/heytint/about/
18.	Nubloq – multi	2020	https://www.linkedin.com/company/nubloq/about/
19.	Briza - commercial	2016	https://www.linkedin.com/company/briza-inc/about/
20.	Coterie - commercial	2018	https://www.linkedin.com/company/coterieinsure/about/
21.	Stere.io - multi	2021	https://www.linkedin.com/company/stereio/about/
22.	180 - multi	2018	https://www.linkedin.com/company/180insurance/about/
23.	Mic Global - multi	2020	https://www.linkedin.com/company/micglobal/about/

	Name	Founded	Linkedin
24.	Afficiency - life	2017	https://www.linkedin.com/company/afficiency/about/
25.	Sekure - multi	2018	https://www.linkedin.com/company/sekure/about/
26.	Breeze - health	2019	https://www.linkedin.com/company/breeze-insurance/about/
27.	Walnut - multi	2020	https://www.linkedin.com/company/gowalnut/about/
28.	Assurely - multi	2016	https://www.linkedin.com/company/assurely/about/
29.	Spot - multi	2017	https://www.linkedin.com/company/spot-insurance/about/
30.	Vouch – startup risks	2018	https://www.linkedin.com/company/vouch-group/about/
31.	Branch – multi	2017	https://www.linkedin.com/company/branch-insurance/about/
32.	Obie - property	2017	https://www.linkedin.com/company/joinobie/about/
33.	Trellis - multi	2019	https://www.linkedin.com/company/trellisconnect/about/
34.	Akko – protection, warranties	2019	https://www.linkedin.com/company/getakko/about/
35.	VIU - multi	2022	https://www.viubyhub.com/newsroom/press-releases/2022/06/hub-doubles-down-on-its-digital-strategy-with-the-launch-of-viu-by-hub
36.	Bubble – multi	2020	https://www.linkedin.com/company/getmybubble/about/
37.	EI - multi	2021	https://www.linkedin.com/company/embedded-insurance/about/
38.	Redkik - cargo	2020	https://www.linkedin.com/company/redkik/about/
39.	Insuritas - multi	1998	https://www.linkedin.com/company/insuritas/about/
40.	Oyster - multi	2021	https://www.linkedin.com/company/withoyster/about/
41.	Polly - auto	2015	https://www.linkedin.com/company/pollyforall/about/
42.	Vertical insure - multi	2020	https://www.crunchbase.com/organization/vertical-insure
43.	Coverdash - commercial	2022	https://www.crunchbase.com/organization/coverdash/company_financials
44.	Obie - property	2017	https://www.linkedin.com/company/joinobie/about/
45.	Steadily - property	2020	https://www.linkedin.com/company/steadily/about/

EMEA, Africa

	Name	Founded	Linkedin
1.	https://www.habit.io/ - multi	2018	https://www.linkedin.com/company/habit-analytics/about/
2.	https://www.neat.eu/ - multi	2022	https://www.linkedin.com/company/neatprotect/about/
3.	https://www.evy.eu/ - protection, warranties	2021	https://www.linkedin.com/company/evy-eu/about/
4.	https://getowen.webflow.io/ protection, warranties	2021	https://www.linkedin.com/company/getowen/about/
5.	https://www.tuito.eu/ - multi	2021	https://www.linkedin.com/company/tuitoinsurance/about/
6.	www.emilian.io - multiple	2021	https://www.linkedin.com/company/emilian/about/
7.	https://quotall.com/ - multiple	2010	https://www.linkedin.com/company/quotall/about/
8.	https://beesafe.pl/ - multi	2020	https://www.linkedin.com/company/ubezpieczeniabeesafe/about/
9.	https://beesure.eu/ - multi	2021	https://www.linkedin.com/company/beesure-eu/about/
10.	Element – multi	2017	https://www.linkedin.com/company/element-insurance/about/
11.	L'Amie - multi	2015	https://www.linkedin.com/company/lamie-direkt/about/
12.	Insurely - multi	2018	https://www.linkedin.com/company/insurelyapp/about/
13.	Superscript - commercial	2015	https://www.crunchbase.com/organization/superscript
14.	Wakam - multi	1829	https://www.crunchbase.com/organization/wakam
15.	Nimbla - credit	2016	https://www.linkedin.com/company/nimbla/about/
16.	Cober - commercial	-	-
17.	Yolo - multi	2017	https://www.linkedin.com/company/yolo-tech-insurance/about/
18.	Tigerlab - multi	2008	https://www.linkedin.com/company/tigerlab/about/
19.	Kayna - commercial	2021	https://www.linkedin.com/company/kayna-innovation/about/
20.	Techpo - multi	-	-
21.	Companjon - multi	2020	https://www.linkedin.com/company/companjon/about/
22.	Fit2You - auto	2010	https://www.linkedin.com/company/fit2you-broker/about/
23.	iptiQ - multi	2014	https://www.linkedin.com/company/iptiq/about/
24.	Hakuna – protection, warranties	2021	https://www.linkedin.com/company/hellohakuna/about/
25.	Alteos - multi	2018	https://www.linkedin.com/company/alteostech/about/
26.	Tapoly - commercial	2016	https://www.linkedin.com/company/tapoly/about/
27.	Bima - multi	2014	https://www.linkedin.com/company/insurance-company-bima/about/

	Name	Founded	Linkedin
28.	Certua – multi	2016	https://www.linkedin.com/company/certua/about/
29.	Hepster - multi	2016	https://www.linkedin.com/company/hepster/about/
30.	WeCovr - multi	2019	https://www.linkedin.com/company/wecovr/about/
31.	Moonshot - multi	2017	https://www.linkedin.com/company/moonshot-insurance/about/
32.	Bsurance - multi	2017	https://www.linkedin.com/company/bsurance/about/
33.	AvalVida - renters	2013	https://www.linkedin.com/company/avalvida/about/
34.	Inclusivity Solutions - multi	2015	https://www.linkedin.com/company/inclusivity-solutions/about/
35.	Particeep - multi	2013	https://www.linkedin.com/company/particeep/about/
36.	Insify - commercial	2020	https://www.linkedin.com/company/insify/about/
37.	Calingo - multi	2020	https://www.linkedin.com/company/calingo-insurance-ag/about/
38.	Omocom - multi	2017	https://www.linkedin.com/company/omocominsurance/about/
39.	Anansi - parcel	2018	https://www.linkedin.com/company/anansi-technology-ltd/about/
40.	Weecover - multi	2019	https://www.linkedin.com/company/weecoverseguros/about/
41.	Superhog - rental	2019	https://www.linkedin.com/company/superhog/about/
42.	Neosurance - multi	2016	https://www.linkedin.com/company/neosurance/about/
43.	Alicia - multi	2019	https://www.linkedin.com/company/aliciainsurance/about/
44.	Kasko - multi	2015	https://www.linkedin.com/company/kasko-tech/about/
45.	Toni digital - multi	2017	https://www.linkedin.com/company/toni-dis/about/
46.	Qover - multi	2016	https://www.linkedin.com/company/qover/about/
47.	Cachet - multi	2018	https://www.linkedin.com/company/cachetme/about/
48.	Tamamliyo - multi	2022	https://www.linkedin.com/company/tamamliyo/about/
49.	Armd - commercial	2020	https://www.linkedin.com/company/armd-limted/about/
50.	VIte sicure - life	2019	https://www.linkedin.com/company/vitesicure/about/
51.	Olino - commercial	2020	https://www.linkedin.com/company/olino-insurance/about/
52.	Battleface – travel	2017	https://www.linkedin.com/company/battlefaceinsurance/about/
53.	https://rootplatform.com/	2016	https://www.linkedin.com/company/rootplatform/about/

APAC

	Name	Founded	Linkedin
1.	https://www.butterinsurance.com.au/ - protection, warranties	2021	https://www.cbinsights.com/company/butter-insurance
2.	https://iglooinsure.com/ - multi	2016	https://www.linkedin.com/company/iglooinsure/about/
3.	bolttech - multi	2020	https://www.linkedin.com/company/bolttech/about/
4.	the carevoice - health	2014	https://www.linkedin.com/company/the-carevoice-ltd/about/
5.	open - multi	2016	https://www.linkedin.com/company/openinsurancegroup/about/
6.	ZA tech - multi	2018	https://www.linkedin.com/company/zatg/about/
7.	Cover genius - multi	2014	https://www.linkedin.com/company/cover-genius/about/
8.	Senang - multi	2018	https://www.linkedin.com/company/senangio/about/
9.	InsureMO - multi	2000	https://www.linkedin.com/company/insuremo/about/
10.	Kanopi - multi	2019	https://www.linkedin.com/company/kanopicover/about/
11.	HustleCover – income protection	2019	https://www.linkedin.com/showcase/hustlecover/about/
12.	Acko - multi	2016	https://www.linkedin.com/company/acko/about/
13.	Zopper - multi	2011	https://www.linkedin.com/company/zopper/about/
14.	Uncharted - multi	2017	https://www.linkedin.com/company/uncharted-partners/about/
15.	Upcover - commercial	2019	https://www.linkedin.com/company/upcover/about/
16.	Riskcovry - commercial	2018	https://www.linkedin.com/company/riskcovrycom/about/
17.	Ancileo - travel	2016	https://www.linkedin.com/company/ancileo/about/
18.	Pasarpolis - multi	2015	https://www.linkedin.com/company/pasarpolis-com/about/
19.	Honey - Home	2020	https://www.linkedin.com/company/honey-insurance/about/