



Quarterly InsurTech Briefing

Q3 2017

October 2017

Quarterly InsurTech Briefing

Introduction



Rafal Walkiewicz
Chief Executive Officer
Willis Towers Watson
Securities

Foreword: A shifting global balance of power

A lot has been said about InsurTech disruption; about how technology reshapes insurance and impacts various functions within the value chain. Industry practitioners speculate on how business models may evolve from integrated carriers to distribution and product experts and from balance sheet businesses to capital light structures, supported by third party investors and capital markets. Typically, discussions focus on developments within national markets.

Yet we believe that technology has not only potential to disrupt national insurance markets, but to also alter the global balance of power between (re)insurers in developed markets and those in emerging economies. Less hindered by legacy systems, companies in emerging markets are often able to create new innovative solutions faster. They can also attract intellectual and financial capital from partnerships unseen in developed, heavily regulated countries with high penetration of insurance products. And the business models are exportable.

That is why we focus our attention in the third quarter (Q3) edition of our InsurTech briefing on global trends and, in particular, on China, the world's third largest domestic insurance market thanks to significant recent growth.

Advantage of legacy free markets

Explosive growth of insurance in China is not constrained by existing infrastructure. The Chinese insurance revolution has led to new mainstream products like pure protection and product return, while the balance of power in the Chinese economy has created new distribution models.

The absence of legacy systems is also benefitting other developing markets. For example, access to bank branches in Kenya is several times lower than in the developed world^(a). At the same time, Kenya has one of the most developed mobile payment systems in the world, on par with the U.S. and way ahead of Germany, the UK and

Australia^(b). It wouldn't seem possible that modern mobile payment infrastructure could flourish without a backbone of traditional brick and mortar banks, but it does.

Such examples demonstrate that innovation does not follow a step function and that truly disruptive technologies are rarely created through the evolution of existing products and services. Quite the contrary, in fact. Regulation, existing infrastructure, powerful incumbents and long established customer habits all tend to act as inhibitors to progress and innovation.

So, in observing legacy free markets, like China, we may be seeing the likely direction of the wider insurance value chain.

Tech giants entering insurance

Another factor to consider is that, compared to developed markets, tech giants are more forcefully expanding into insurance in China. Their experience highlights the benefits of digital distribution versus the challenges of building traditional distribution in a large and relatively underdeveloped country – illustrated by the success of digital one-stop-shop distribution platforms like Taobao Insurance, which sells insurance products from 40 insurers to over half a billion active users of Taobao.

Additionally, with e-commerce penetration in China double that of the U.S., Chinese e-commerce leaders are aggressively pursuing their insurance strategies. In 2013, Alibaba and Tencent partnered with Ping An to establish Zhong An, which recently completed its IPO on the Hong Kong Stock Exchange at a valuation in excess of \$10 billion. More recently, Tencent and Hillhouse Capital partnered with Aviva to form a Hong Kong-based joint venture focused on digital insurance.

In the *Transaction Spotlight* feature we focus on Yunfeng Financial's acquisition of MassMutual Asia. After 17 years of building its business in Asia, MassMutual decided to take a new route and partner with the tech-driven local financial conglomerate owned by Jack Ma. Chubb is also repositioning its China strategy, beginning with its long-term preferred provider distribution agreement established in 2016 with Suning Commerce, the third largest e-commerce company in China.

It is unlikely though that heavy involvement of tech giants in the insurance market will remain a Chinese phenomenon. Google failed in its first attempt to penetrate the insurance industry due to the market power of long-

Quarterly InsurTech Briefing

Introduction

established incumbents and heavy regulation. But as shown by Amazon.com's recent acquisition of supermarket chain Whole Foods in the U.S., tech giants are no longer confining themselves to a startup mindset and greenfield expansion, and are willing to invest in established platforms to disrupt value chains in new industries.

Democratization and portability of technology

The insurance market in the UK generates one fifth of the premium of the U.S. and the aggregate market capitalization of all publicly traded insurers in the UK is almost five times less than the aggregate market cap of all insurers in the U.S. However, UK insurers are particularly innovative. About 60% of motor insurance in the UK is purchased online, mostly through independent aggregators. Only 25% of auto insurance is sold online in the U.S., mostly through incumbent controlled direct channels. UK tech startups are also building new technology in home, small commercial and other business lines. This is leading to innovation focused on efficiency and also challenges to existing business models.

In our Q1 briefing we featured the acquisition of UK's Simply Business by U.S.-based Travelers, which was seeking technology to enhance its U.S. small business distribution. In this edition, we present two other established tech innovators from the UK – QMetric and First Central. Their state-of-the-art technology can revolutionize the traditional approach to distribution as well as underwriting, product design and claims handling. And the technology can be implemented in the U.S., Asia or anywhere else outside of the UK.

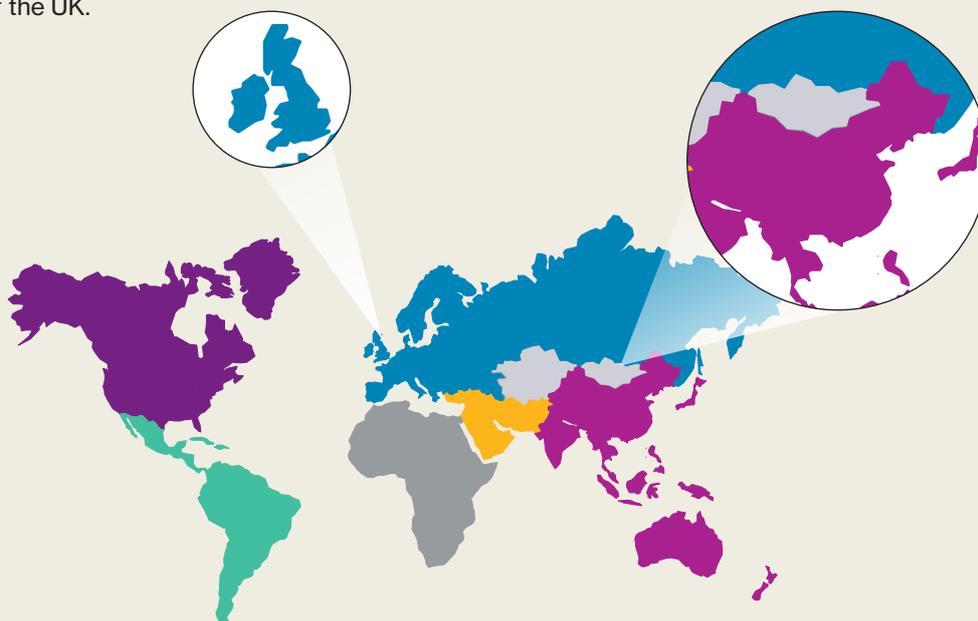
In the *Thought Leadership* section, Mark Hvidsten outlines another interesting example of technology democratization. Singapore Life, has licensed critical technology functions from existing software providers across the world, enabling the company to provide state of the art digital service to its policyholders.

These examples show that democratization and portability of technology make the impending InsurTech revolution even more challenging for incumbents. Our view is that it is no longer enough to observe your competitors in the local market, as game changing technologies developed anywhere in the world can be imported and implemented in markets across the globe.

InsurTech investment increases in Emerging Asia

Although the \$312 million of InsurTech funding volume in the third quarter was 68% lower than the record level of \$985 million reported in Q2, interest in the sector remains strong. The 48 property and casualty and life and health transactions in Q3 represent the third most transactions completed in any quarter to date. Notably, six companies in Emerging Asia, including three companies in China, raised capital during the third quarter. Hong Kong-based insurance comparison platform CompareAsiaGroup's \$50 million round was the largest transaction in Q3.

We hope you find this edition of the Willis Towers Watson Quarterly InsurTech Briefing interesting.



^(a)Measured as number of bank branches per 100,000 adults in 2015 (U.S. 32.9, Australia 28.7, Germany 14.1 and Kenya 5.9).

^(b)Source: Mastercard Mobile Payments Readiness Index.

Quarterly InsurTech Briefing

Table of Contents

I. Q3 2017 Industry Theme	4
<i>Insurance Industry Disruption in China and Emerging Asia</i>	
II. Transaction Spotlight	18
<i>Yunfeng Financial Acquisition of MassMutual Asia</i>	
III. InsurTech Strategy	21
<i>Increasing Demand for Portable Technology Amidst Globalization and Modularization in Insurance</i>	
IV. Thought Leadership	27
<i>Legacy Free Markets as Active Breeding Grounds for Digital Innovation</i>	
V. The Data Center	32
<i>InsurTech by the Numbers</i>	

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

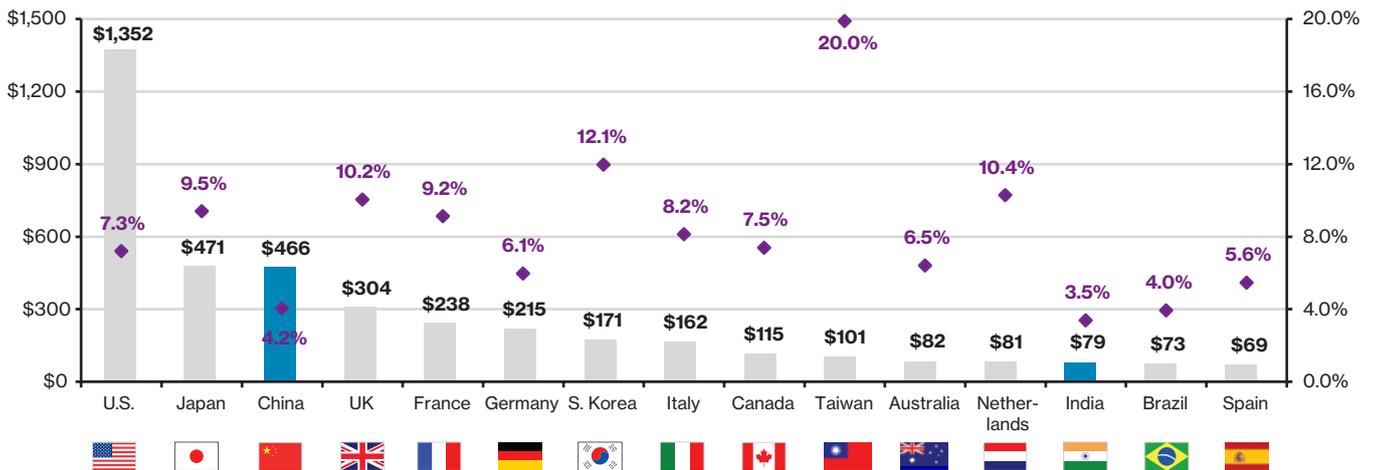
Scarce underpenetrated growth market in a mature global industry

Amidst modest global economic growth in recent years, top line premium growth opportunities in the (re)insurance industry are increasingly concentrated in underpenetrated emerging markets. Confirming this trend, in 2016 Emerging Asia, fueled by the world's third largest domestic insurance market in China, recorded the most significant growth of any region globally, as life & health (L&H) and property & casualty (P&C) premiums increased 27% and 7% respectively from 2015 levels. Although (re)insurance premiums in Emerging Asia have increased compound annual growth rate (CAGR) of 15% since 2007,

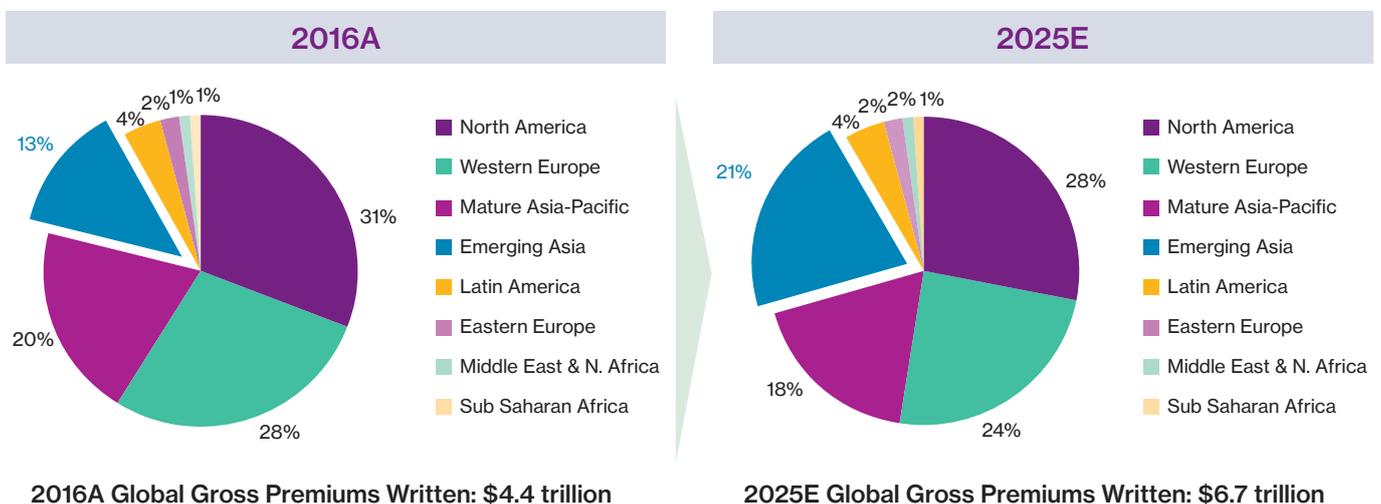
insurance penetration continues to lag developed markets by a significant margin. This suggests outsized premium growth could continue as the gap between the region's proportional share of the global population (43%) and economy (15% GDP) relative to its (re)insurance spend (13%) narrows. According to recent research published by Munich Re, the accelerated pace of economic growth in Emerging Asia relative to the global economy, paired with increased penetration towards the levels observed in more developed (re)insurance markets, could lead the region to expand its share of global (re)insurance premiums from 13% in 2016 to 21% by 2025.

(US\$ in billions)

GPW and Insurance Penetration (GPW/GDP) – Top 15 Domestic Insurance Markets



Regional Distribution of Global Primary Insurance Premiums



Note: EUR converted to USD at 12/31/16 exchange rate of €1 = US\$1.05.
Source: Swiss Re Sigma and Munich Re Research.

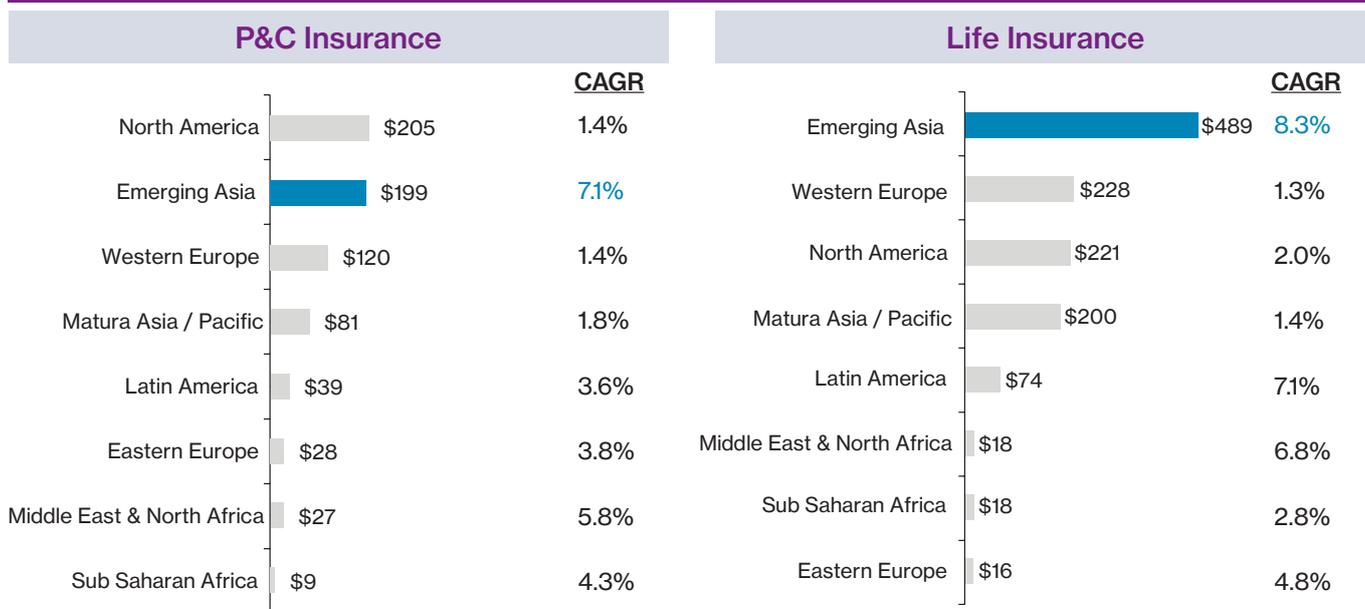
Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

Consequently, outsized premium growth in Emerging Asia, in both the P&C and L&H sectors, is expected to continue through 2025.

(US\$ in billions)

Projected New Premium and Inflation Adjusted Premium CAGR by Region (2017E – 2025E)



Projected Global Inflation Adjusted Premium CAGR for Top 15 Countries (2017E – 2025E)

P&C Insurance				Life Insurance			
Rank	Country		Projected CAGR	Rank	Country		Projected CAGR
1	India		8.7%	1	United Arab Emirates		10.0%
2	Saudi Arabia		8.1%	2	Indonesia		9.2%
3	Indonesia		7.5%	3	Philippines		9.1%
4	China		7.0%	4	China		8.8%
5	Iran		6.2%	5	Brazil		8.1%
6	United Arab Emirates		5.6%	6	Colombia		7.2%
7	Turkey		5.3%	7	Mexico		6.9%
8	Malaysia		4.5%	8	Thailand		6.9%
9	Israel		4.4%	9	India		6.2%
10	Mexico		4.2%	10	Poland		5.3%
11	Colombia		4.2%	11	Israel		4.8%
12	Poland		4.1%	12	Finland		4.7%
13	Thailand		3.9%	13	Malaysia		4.7%
14	Chile		3.6%	14	Argentina		4.4%
15	Argentina		3.3%	15	Chile		3.1%

Note: Blue font represents countries in Emerging Asia.
Source: Munich Re Economic Research.

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

The state of the insurance industry in Emerging Asia

The expansive and underpenetrated (re)insurance market in Emerging Asia is also notable for its lack of profitability. Although onerous regulation has effectively prevented global (re)insurers from entering China and some other markets in the region, both P&C and L&H products are highly commoditized with limited variability, creating an operating environment characterized by intense price-based competition. Additionally, traditional distribution models, used by many of the incumbent (re)insurers in Emerging Asia, are costly and inefficient due to the region's large and geographically dispersed population.

As one of the largest underdeveloped (re)insurance markets globally, Emerging Asia may have the most to gain from an InsurTech revolution. It also may have the fewest barriers to the successful implementation of emerging technologies into the insurance industry, due to the relatively limited suite of current products in the market and the region's high rate of e-commerce penetration. While technology advancements will undoubtedly result in a virtually unlimited number of potential insurance applications, we believe three technology-driven themes will have the largest impact on reshaping the market in Emerging Asia.

1 Product Innovation



2 Evolving Distribution Model



3 Tech Giants Entering Insurance



Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia



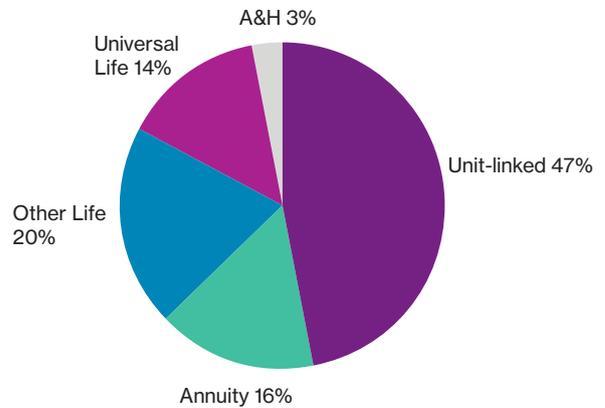
Bridging the gap between existing products and customer demand in China

Although premiums in China have increased at an 18% CAGR since 2007, the (re)insurance market remains critically underdeveloped from a product perspective. Existing products are highly commoditized, with limited variation by provider. The life insurance market is dominated by hybrid products combining saving components and limited life protection, while the P&C market consists largely of personal auto products. While consumers contend that these products are too expensive and do not provide adequate coverage, carriers are generally unprofitable as a result of the elevated commissions required to secure premium in a highly competitive market with limited product differentiation.

Multiple factors lie behind the dearth of product variation. The leading insurers that control the majority of the market are large and in many cases state-owned, with minimal incentive to innovate to gain market share. While smaller insurers tend to develop products that are more responsive to consumer needs, they face difficulty competing with larger players with captive agency distribution capabilities due to the high commission rates charged by brokers.

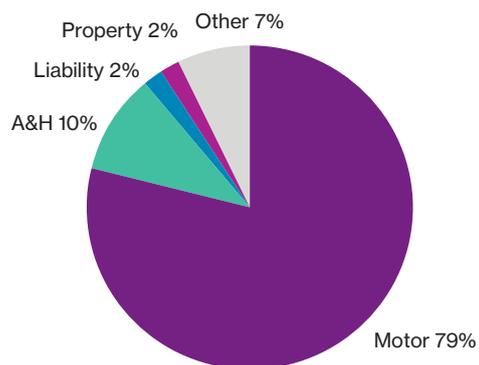
However, technology advancements are improving the operating environment for smaller companies, allowing them to effectively compete with larger players. The emergence of the internet as a more economic distribution channel, paired with the development of lower cost automated underwriting and administration capabilities, is enabling smaller insurers to introduce new products to the market.

China Life Premium by Product – 2016



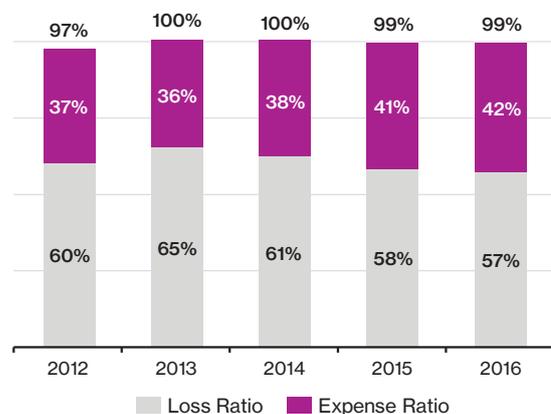
China 2016 Life Premium: \$263 billion

China P&C Premium by Product – 2016



China 2016 P&C Premium: \$204 billion

P&C Combined Ratio Peer Average – Selected Incumbents (a)



(a) Represents average of PICC P&C, Ping An P&C, CPIC P&C, Sunshine P&C and China Continent P&C. Source: CIRC Statistics.

Q3 2017 Industry Theme

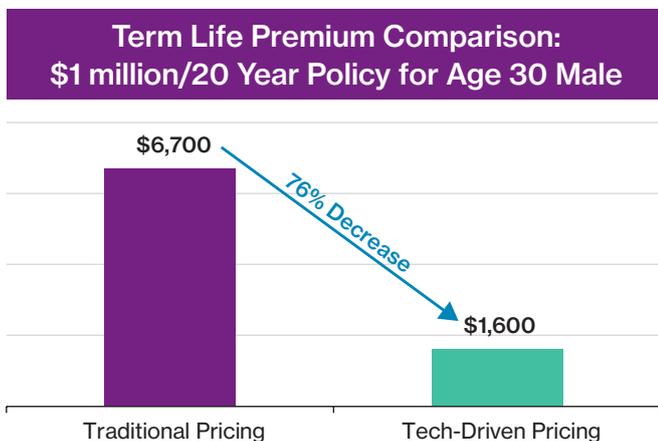
Insurance Industry Disruption in China and Emerging Asia

InsurTech facilitating development of simplified, pure protection products

Although the life insurance market in China has historically been dominated by hybrid products with more savings components than life insurance coverage, lower cost automated underwriting and distribution through the internet have enabled insurers to introduce more simplified, pure protection products to the market, including term life, yearly renewable critical illness coverage, medical expense reimbursement and other products.

Traditionally, hybrid life insurance products have been distributed through captive agents via a manual process with high distribution and underwriting costs, which has significantly impacted pricing and forced consumers to purchase less coverage in order to reduce their annual premium. The average death benefit in China is approximately RMB100,000 (US\$15,000), which is less than double the 2016 GDP per capita of \$8,866.

However, in recent years, the life insurance market in China has essentially moved completely to automated underwriting systems, with approximately 95% of policies underwritten and administered automatically, and the remaining 5% requiring limited manual intervention. The result has been dramatically reduced costs, which are passed along to consumers to reduce premium. For a 30 year-old male, the annual cost of a 20 year term life insurance policy with \$1 million death benefit has dropped 76% from approximately \$6,700 to \$1,600 as a result of lower cost underwriting, administration and distribution.



Source: CIRC statistics.

Booming e-commerce creating demand for new non-life products

In 2016, the total e-commerce market in China grew 31% to reach RMB5.0 trillion (US\$718 billion). With increasing mobile penetration and retail continuing its transition to e-commerce, this level of growth is likely to continue. Growth and evolution in e-commerce has cultivated demand for new insurance products that provide coverage for emerging risks associated with e-commerce transactions. Insurers working with e-commerce companies to create new products in response to consumer demand are increasingly leveraging big data technology to determine pricing, thereby reducing the time to market by eliminating the need for extensive and time-consuming experience studies. Free-return insurance is one such example.

Retailers in China have not historically offered free shipping for product returns, but as e-commerce activity has increased, it has become apparent that a free-return policy reimbursing merchants for shipping costs can increase sales by providing additional security to consumers. As a result, Alibaba's leading e-commerce platform, Taobao, established a partnership with Chinese insurer Huatai P&C, to introduce the first free-return shipping insurance product in China. Huatai P&C was able to leverage data from Taobao's historical e-commerce transactions to develop a pricing model, which is further supported by the insurer's risk management capabilities. Alibaba subsequently played a role in the formation of Zhong An, which now distributes free-return insurance through Taobao along with Huatai P&C. The e-commerce market in China has responded enthusiastically to the product's introduction in 2013, with Zhong An writing over 100 million policies in 2015. Alibaba and its insurance partners have continued to improve the product based on experience to date, including the release of a new version that allows buyers with good credit to receive refunds immediately, instead of when the returned item is received by the merchant.

Product innovation, as exemplified by improvements to traditional term life insurance and the introduction of free-return insurance in China, is a direct result of technology advancements facilitating lower cost design, underwriting, administration and distribution of new insurance products. Going forward, we expect InsurTech to continue to foster development of improved products directly addressing consumer needs in Emerging Asia.

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

2 Evolving Distribution Model

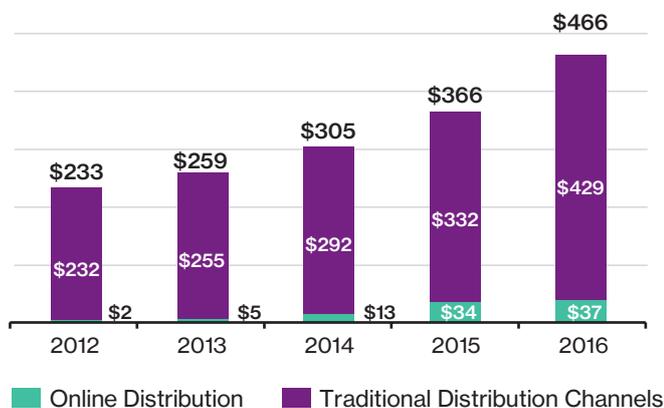


Technology pressuring traditional insurance distribution model

Insurance distribution in China and Emerging Asia has historically been concentrated in the captive agency and bancassurance channels. In 2016, these two distribution channels collectively accounted for 92% of total premium in China, a decline from over 99% in 2012. Although online distribution actually fell slightly as a percentage of total premium from 9% in 2015 to 8% in 2016, as a result of tightening online insurance regulations in China that primarily affected motor insurance, the broader trend of declining captive agent and bancassurance distribution, and the corresponding increase in the use of brokers, independent agents and online aggregators is a direct result of new entrants leveraging improving technology to more effectively meet consumer demand. While this development has undoubtedly improved consumer experience, it has also dramatically altered the terrain on which incumbents compete.

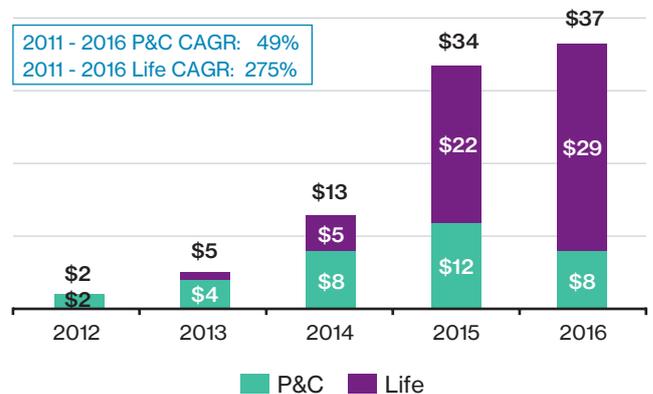
(US\$ in billions)

China Premium by Distribution Source



(US\$ in billions)

China Online Premium – P&C vs. Life



Traditional intermediaries leveraging technology to benefit from dislocation

The digital channel represents a new and cost-efficient avenue for brokers and independent agents to expand their direct interaction with consumers, while also reducing administrative and operational costs associated with distribution, underwriting, administration and claims functions. As consumer expectations in China and Emerging Asia increase with growth in e-commerce, brokers and independent agents are increasingly focusing on enhancing consumer engagement by tailoring insurance products and services to meet consumer needs. On the following page, we have included a case study of Fanhua, a leading intermediary in China that has transitioned from a traditional insurance services business model to become one of the leading online insurance providers in China today.

Source: CIRC statistics.

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

Fanhua – evolution of the traditional insurance brokerage model

Fanhua (NASDAQ: FANH), formerly known as CNinsure Inc., is a leading independent financial services provider in China. Through online platforms and an offline sales and service network, the company distributes P&C and life insurance products underwritten by domestic and foreign insurers operating in China to individual and institutional customers. In addition, the company also provides claims adjusting services, including damage assessments, surveys, authentications and loss estimations.

Headquartered in Guangzhou China, Fanhua was founded in 1998 as a traditional insurance broker and insurance services firm and listed its American Depository Shares (ADS) on the NASDAQ in 2007. The company has a current market cap of approximately US\$540 million and generated revenue of US\$677 million and net income of US\$24 million in 2016.

Since its inception, Fanhua has grown organically and through acquisitions. The company has established 21 insurance agencies and two insurance brokerage firms, and has acquired majority interests in another 21 insurance agencies and five claims adjusting firms since 2002.

In recent years, Fanhua has devoted significant efforts to developing and managing mobile and online platforms that aggregate consumer focused insurance product offerings from various carriers. Recently, the company has effectively transitioned a significant portion of its premium base to these digital platforms. Through its online platforms and established agency force, Fanhua now reaches consumers in 29 out of 34 provinces in China, including many of the most economically developed regions. The company's core value proposition, predicated upon its relationships with 92 insurers operating in China and its differentiated distribution capabilities, including its offline sales and service network, remains intact. Recognizing that these capabilities are not easily replicated by emerging technology-focused competitors that lack insurance relationships and infrastructure, Fanhua's ability to efficiently cater to consumers by taking core components of its offering online has positioned the company to capitalize on dislocation from the evolving insurance distribution model in China.

Fanhua Online Platforms



- Consumer-focused online platform launched in 2012 that allows customers to directly compare and purchase hundreds of health, accident, travel and homeowners' insurance products on behalf of third party carriers
- 1.0 million registered customer accounts as of 6/30/17; 189% increase from approximately 356,000 as of 6/30/16
- Generated RMB91.2 million (US\$13.1 million) of premiums in 2016; 89% increase from RMB48.3 million in 2015

CNPad Mobile Application

- Proprietary mobile insurance transaction platform and sales support system
- 60,234 active users in Q2 2017; 110% increase from 28,675 in Q2 2016
- Generated RMB3.8 billion (US\$547.6 million) of premiums in 2016; increase of 29% from RMB2.9 billion in 2015
- In Q2 2017, CNPad accounted for 44% of Fanhua's total insurance premiums compared to 22% in Q2 2016



- Online non-profit mutual aid platform launched in 2014 providing low-cost alternative risk protection programs on a mutual aid basis to approximately 1.6 million registered program members
- Offers programs providing mutual aid coverage for cancer and accidental death
- 1.8 million registered members as of 6/30/17; increase of 112% from 872,922 as of 6/30/16

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

Flood of technology-enabled new entrants into insurance

As observed recently in the U.S., UK and other developed insurance markets, the insurance industry in China has also experienced a flood of technology-enabled distribution businesses entering the industry to compete with established players. These businesses benefit from relatively less stringent financial and regulatory requirements to obtain a brokerage license instead of an insurance license, and are generally able to offer a more tailored and comprehensive suite of products from a variety of carriers to a larger target market than insurers distributing traditional products through captive agency and bancassurance channels. Many of these new entrants aim to ultimately position themselves as a “one-stop shop” for insurance products and services, including pricing and policy comparison tools, artificial intelligence-enabled consultation services and efficient online payment platforms. To accomplish this goal, new entrants typically focus initially on generating leads for insurers, before developing product comparison and consulting capabilities. Three technology-enabled distribution start-ups which have entered the insurance industry in China in recent years are briefly profiled on this page.

Typical Evolution of Technology-Enabled Distribution Business in China



Looking forward, we expect the combination of rising influence of younger, more tech-savvy consumers who are more willing to share personal information in exchange for convenience, financial incentives and/or more personalized service and continued growth in mobile penetration to further propel the growth of technology-enabled distribution businesses in China and Emerging Asia.

Selected Leading Technology-Enabled Distribution Start-ups in China



Zhongmin

- Established in 2008, Zhongmin is a China Insurance Regulatory Commission (CIRC) approved national brokerage firm
- Offers 2,000+ insurance products through 80+ insurance partners
- Received online distribution authorization in 2012
- Partners with large insurance companies, including China Life, PingAn and China Taiping, to offer a wide selection of life and non-life insurance products
- Allows users to calculate, compare and purchase insurance products on the website in a simplified/user-friendly way



Huize

- Established in 2006, Huize is one of the first online insurance distribution businesses in China
- Offers 1,000+ products from 80+ insurance partners
- Current customer base of over 20 million
- With its growing customer base and established branding, Huize now also works with insurance partners to co-design products not covered by traditional insurers
 - For example, Huize co-developed a bird flu insurance product during the period when bird flu was spreading in China in late 2016
- With approximately 1,000 employees, Huize has offices in four major cities in China including Beijing, Shanghai and Shenzhen and has established a data support center in Hefei to support its nationwide business in China
 - Additional offices in Hong Kong, France and the U.S. to serve Chinese customers overseas



Xiaoyusan Insurance

- Established in 2014, Xiaoyusan Insurance is a CIRC licensed online insurance brokerage platform known for its highly simplified product purchase and claims processes, which rely on WeChat, the leading Chinese social media mobile application developed by Tencent with approximately 800 million daily active users
- Offers life and non-life insurance products to individual and corporate customers on behalf of several insurance carrier partners
- Products are distributed and serviced through WeChat, including integration with WeChat wallet, a built-in e-wallet application on the WeChat platform

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

3 Tech Giants Entering Insurance



Armed with big data, tech giants set sights on insurance industry

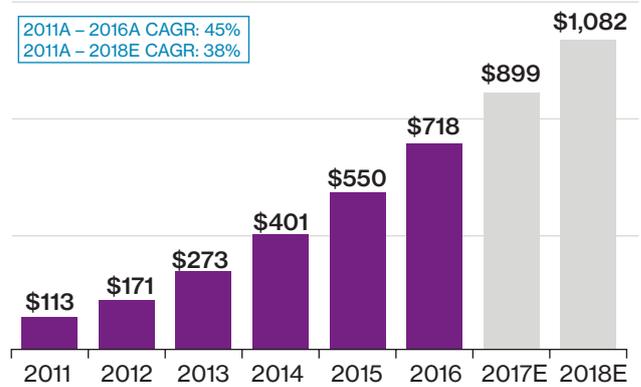
As traditional insurers shift their focus from growth via established distribution channels to developing products that are more responsive to consumer needs and more effectively reaching their target customers, large technology companies, armed with valuable e-commerce and consumer data, are evaluating the opportunity to carve out a significant role in the evolving insurance value chain.

E-commerce is perhaps the best lens through which to view the potential timeframe for InsurTech to narrow the gap between Emerging Asia and more developed insurance markets globally. The charts on this page illustrate Emerging Asia's leading position in e-commerce globally. E-commerce in China has grown at a 45% CAGR since 2011 and is projected to exceed US\$1 trillion by 2018. Notably, China's 19% e-commerce penetration rate, which represents e-commerce sales as a percentage of total retail sales, significantly exceeds the U.S. rate of 8%.

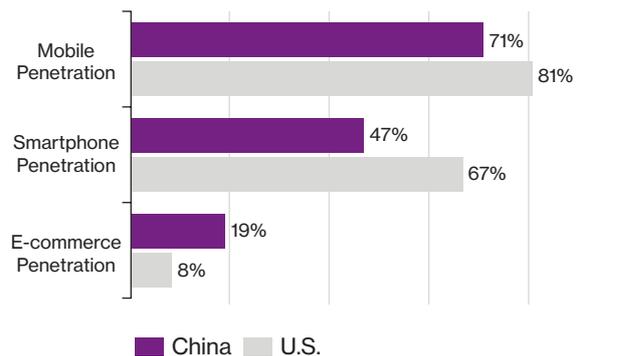
As facilitators of e-commerce transactions, large technology companies find themselves in an enviable position as owners of consumer data with potential to create tremendous value from insurance. Originally vocal proponents of disrupting insurance without the support of traditional industry players, tech giants are now employing alternative strategies, including partnerships with incumbents, to enter the insurance industry and monetize data. On the following pages, we review examples of tech giants utilizing different strategies to establish a presence in the insurance industry.

(US\$ in billions)

E-Commerce Sales in China



Mobile and E-Commerce Penetration – China vs. U.S.



Insurance Industry Entry Alternatives for Technology Giants

A Partnership with Multinational Insurer

Leverage global insurance capabilities and risk management expertise of established partner

B Establish De Novo Insurer

Despite significant regulatory hurdles and stringent capital requirements, technology giants can leverage big data and technology capabilities to compete with incumbents

C Build Technology-Enabled Distribution Platform (“One-Stop Shop”)

Leverage existing customer interface to cost-effectively provide customers with insurance comparison tools and other services in partnership with insurers

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

A Partnership with Multinational Insurer

Announce Date	Technology/Financial Partners	Multinational Insurer Partner
08/18/17	<ul style="list-style-type: none"> ▪ Ant Financial ▪ China Oceanwide ▪ Yunfeng Financial 	<ul style="list-style-type: none"> ▪ Giant Group ▪ GIC ▪ Sina ▪ MassMutual
<ul style="list-style-type: none"> ▪ Yunfeng Financial, backed by Alibaba founder Jack Ma, together with Ant Financial, China Oceanwide, Giant Group, GIC and Sina announced the acquisition of MassMutual Asia for approximately US\$1.7 billion ▪ Yunfeng will own 60% of MassMutual Asia with the remaining ownership held by the other investors ▪ MassMutual will receive \$1 billion in cash with the balance of consideration in stock of Yunfeng Financial; post-transaction MassMutual will own approximately 25% of Yunfeng Financial ▪ Yunfeng Financial, Ant Financial and MassMutual will enter into a strategic cooperation agreement upon completion of the transaction, whereby the parties will make available their financial services platforms and channels for the distribution of their respective asset management and insurance products ▪ Parties will also explore and cooperate on digitization of insurance processes and use of data analytics in risk pricing ▪ Alibaba (NYSE: BABA) is the largest e-commerce company in China offering a comprehensive set of services, including digital payment, entertainment, cloud computing, social media, etc. with 529 million mobile monthly active users generating annual revenue of approximately US\$27 billion 		

Announce Date	Technology/Financial Partners	Multinational Insurer Partner
01/20/17	<ul style="list-style-type: none"> ▪ Hillhouse Capital ▪ Tencent Holdings 	<ul style="list-style-type: none"> ▪ Aviva
<ul style="list-style-type: none"> ▪ China based hedge fund Hillhouse Capital and technology/e-commerce company Tencent Holdings established a joint venture (JV) insurer with Aviva focused on digital insurance ▪ JV will be called Aviva Hong Kong and controlled by Aviva (40%), Hillhouse (40%) and Tencent (20%) ▪ Life insurance in Hong Kong has historically been distributed primarily through bancassurance agreements with less than 1% of premium distributed through digital platforms ▪ By leveraging Tencent's large customer base in Hong Kong and China, Aviva Hong Kong intends to bypass the traditional bancassurance distribution model and related commission expense to disrupt the market ▪ Tencent (HKG: 0700) is the largest tech company focused on online communication (QQ, WeChat) and online gaming in China, which has a customer base of over 1 billion and annual revenue of US\$25 billion 		

Announce Date	Technology/Financial Partners	Multinational Insurer Partner
04/15/16	<ul style="list-style-type: none"> ▪ Suning Commerce 	<ul style="list-style-type: none"> ▪ Chubb
<ul style="list-style-type: none"> ▪ Suning and Chubb entered into a long-term preferred provider distribution agreement to develop and market personal and commercial insurance products to Suning's online and offline customer base ▪ Suning has 230 million registered e-commerce customers and 130 million registered members of Suning Yifubao, the company's online payment processing platform ▪ Suning also operates 1,700 retail stores and in 2014 became the first retailer in China to obtain a nationwide insurance agency license from the CIRC ▪ Chubb owns a fully licensed P&C insurer in China that offers commercial P&C and group personal accident insurance coverage to local Chinese businesses and multinational companies with exposures in China ▪ Suning Commerce (SHE: 002024) is the third largest e-commerce company in China 		

Q3 2017 Industry Theme

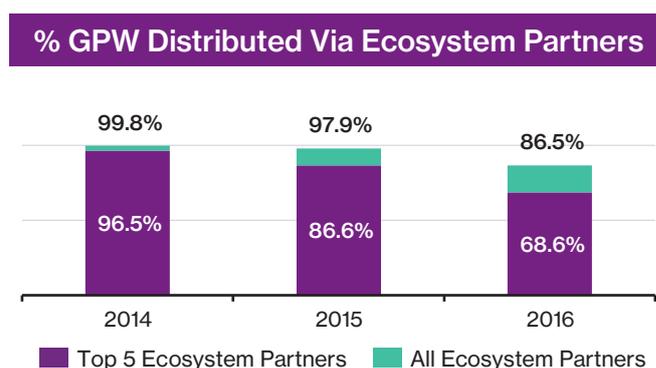
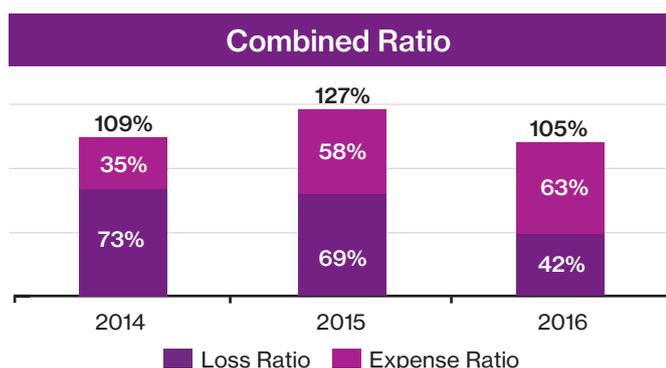
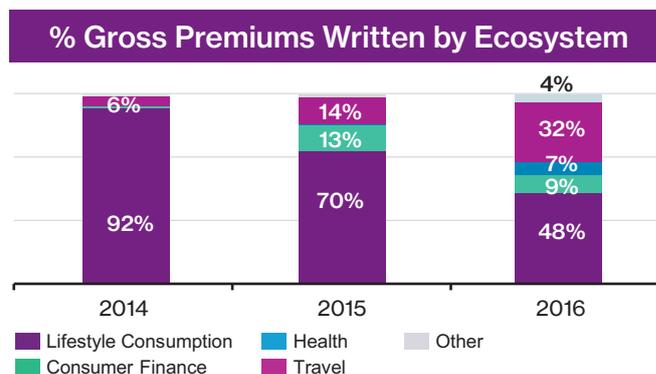
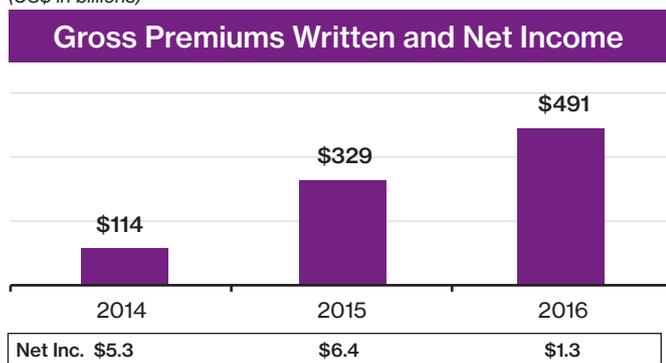
Insurance Industry Disruption in China and Emerging Asia

B Establish De Novo Insurer – Zhong An

Year Founded	Chinese Technology Partners	Chinese Insurance Partner
2013	<ul style="list-style-type: none"> Alibaba Group (16%) Tencent Holdings (12%) 	<ul style="list-style-type: none"> Ping An (12%)

- Backed by founding partners Ping An, Tencent, and Alibaba, Zhong An Online launched as China's first online-only insurer in 2013; internet insurance license was granted by CIRC on a special approval basis
- Technology/e-commerce companies Alibaba and Tencent formed Zhong An with the goal of leveraging their respective user bases with the help of insurer Ping An (SHA: 601318) to expand into the insurance industry
- Currently offers more than 240 product terms (policy terms filed and registered with CIRC) primarily across key product ecosystems including health, accident, liability, bond, credit, auto and lifestyle consumption
- Majority of products are distributed at point-of-sale and embedded directly into the platforms of Zhong An's 180+ ecosystem partners; top five partners generated 69% of total premium in 2016 (down from 97% in 2014)
- Key partners include Alibaba, Ctrip, Mogujie, Didi Chuxing, Xiaomi and Ant Financial
- Utilizes customer data from payment channels and customer acquisition partners for targeting and underwriting
- Massive scale achieved through cloud-based tech platform Wujieshan, which allows Zhong An to develop new policies, target marketing, process insurance applications and offer dynamic pricing
- In 2016, Zhong An sold 7.2 billion policies, served 492 million customers and wrote US\$491 million of gross premiums
- To date, Zhong An has raised approximately US\$2.4 billion from private and public investors
 - Raised US\$931 million from private equity investors CDH Investments, China International Capital Corporation, Kewywise Capital, Morgan Stanley and SAIF Partners at a valuation of approximately US\$8 billion in July 2015
 - Completed US\$1.5 billion IPO on Hong Kong Stock Exchange in September 2017
 - Softbank Group agreed to be a cornerstone investor in the IPO and acquired 5% of Zhong An for approximately HKD \$4.08 billion (US\$522 million); Softbank invested in Alibaba in 2000 owns 28% of the e-commerce giant

(US\$ in billions)



Note: RMB converted to USD at 12/31/16 exchange rate of RMB1 = US\$0.14.

Source: Zhong An IPO application.

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

C Build Technology-Enabled Distribution Platform (“One-Stop Shop”)

Many large technology companies in Asia operate in the e-commerce or internet search sectors. Having already established an efficient channel to reach consumers based on their core value proposition, technology giants are increasingly looking for opportunities to improve margins by leveraging their existing platforms to cross-sell additional products and services to their customer base with minimal incremental cost.

Enter insurers. Seeking an alternative to the expensive and inefficient traditional bancassurance and captive agency distribution channels in China, insurers are establishing partnerships with technology giants to sell insurance products through an existing e-commerce or internet search platform with a large user base and sophisticated targeting capabilities. To date, partnerships have not been exclusive. E-commerce and internet search businesses have focused on addressing a wide variety of potential consumer needs, partnering with a broad range of carriers to provide consumers with comparison shopping tools and access to wide range of potential products. As a result, these platforms are often referred to as “Online Insurance Supermarkets.”

Selected Examples

Taobao Insurance baoxian.taobao.com

- Insurance distribution platform of Taobao, Alibaba’s e-commerce platform
- Taobao Insurance offers a variety of insurance products to Taobao’s large customer base, which includes 529 million monthly active users (MAUs)
- Partnerships with 40+ insurers in China, including Ping An, Taikang, AIG China and others
- Products include motor, A&H, travel, property and life insurance

JD Insurance JD Finance

- Insurance distribution platform of JD.com (NASDAQ: JD), the largest e-commerce platform in China focused on electronic devices
- JD Insurance, operating as part of full-service financial planning platform JD Finance, offers a variety of insurance products to JD’s large customer base, which includes 223 MAUs
- Partnerships with major insurers in China, including China Life, ERGO, PICC and others
- Products include motor, A&H, travel, property and life insurance
- Selected specialized products are sold at point-of-sale and bundled with products purchased on JD.com (e.g. iPhone screen insurance)

Xiaomi Insurance xiaomi.com

- Insurance distribution platform of Xiaomi, a leading technology company focused on developing smart phones, smart TVs and other smart household applications
- Through partnerships with insurance carrier partners, Xiaomi Insurance offers motor, A&H and property products to Xiaomi’s customer base of over 100 million customers
- Many of Xiaomi Insurance’s specialized products support the sale of Xiaomi’s technology products

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

Selected InsurTech Transactions in China

We reviewed the complete landscape of InsurTech related transactions in China to date and have listed selected key transactions.

(US\$ in millions)

Year Est.	Company	Location	Capital Raised	Investor(s)	Description
2013	Zhong An Insurance	Shanghai	2,431	<ul style="list-style-type: none"> ▪ Alibaba Group ▪ CDH Investments ▪ China Int'l Capital Corp. ▪ Keywise Capital ▪ Morgan Stanley ▪ Ping An Insurance ▪ SAIF Partners ▪ Tencent Holdings ▪ Theorem Capital 	<ul style="list-style-type: none"> ▪ China's first online-only insurer established in 2013 by Ping An, Tencent and Alibaba; currently one of four licensed online underwriters in China ▪ Currently offers more than 240 product terms (policy terms filed and registered with CIRC) primarily across key product ecosystems including health, accident, liability, bond, credit, auto and lifestyle consumption ▪ Majority of products are distributed at point-of-sale and embedded directly into the platforms of Zhong An's 180+ ecosystem partners ▪ Raised US\$1.5 billion in IPO on the HK Stock Exchange in September 2017 (Softbank acquired 5% in IPO for -US\$522 million)
2011	Instony (Yishi)	Beijing	84	<ul style="list-style-type: none"> ▪ Leading Capital ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Travel insurance distribution company that works with insurers to design innovative travel insurance products that are distributed through the company's online platforms ▪ Partnerships with major Chinese online travel service providers including Tuniu Corp and Qunar.com
2014	Xishan Information Technology (Datebao)	Beijing	49	<ul style="list-style-type: none"> ▪ China Dev. Bank Capital ▪ Ceyuan Ventures ▪ Fosun Kunzhong Capital ▪ Fosun RZ Capital ▪ Ping An Ventures ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ A&H focused digital distribution platform ▪ Works closely with traditional insurers to design simple, inexpensive easy-to-understand products that are not available through traditional distribution channels
2006	Huize	Shenzhen	46	<ul style="list-style-type: none"> ▪ Shenzhen Fortune VC ▪ Beijing Wanrong Times ▪ CDF-Capital ▪ SAIF Partners 	<ul style="list-style-type: none"> ▪ Online comparison platform allowing consumers to compare and purchase 1,000+ insurance products from 80+ insurance carriers ▪ Current customer base of over 20 million
2014	Chechechexian	Beijing	35	<ul style="list-style-type: none"> ▪ CBC Capital ▪ China Netcom ▪ Huicai Private Capital ▪ Shunwei Capital 	<ul style="list-style-type: none"> ▪ Online/mobile application providing comprehensive auto insurance services including price comparison, direct purchase, online payment and after-sale services

Q3 2017 Industry Theme

Insurance Industry Disruption in China and Emerging Asia

(US\$ in millions)

Year Est.	Company	Location	Capital Raised	Investor(s)	Description
2014	Zuihuibao	Shanghai	34	<ul style="list-style-type: none"> ▪ Anhui VC ▪ Shenzhen VC ▪ Yaxia Automobile ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ “One stop shop” insurance aggregator and comparison platform allowing consumers to purchase insurance and after-sale products directly online
2015	Baozhunniu	Beijing	19	<ul style="list-style-type: none"> ▪ Marathon Venture Partners ▪ Matrix Partners China ▪ NNFE Capital ▪ Zhongguancun Dev. Group 	<ul style="list-style-type: none"> ▪ Online distribution platform which leverages big data to customize and personalize group insurance products for small to mid-sized employers from various sectors ▪ Consumers can also purchase policies via online platform
2015	Wukong Bao	Beijing	17	<ul style="list-style-type: none"> ▪ Beijing Fenghuang Xiangrui ▪ Cyanhill Capital ▪ Plum Ventures 	<ul style="list-style-type: none"> ▪ Online distribution platform offering a wide range of home, auto, accident and travel insurance products ▪ Works closely with traditional insurers to design simple, inexpensive and easy-to-understand insurance products
2015	Pingjia Tech	Shanghai	17	<ul style="list-style-type: none"> ▪ CM Capital ▪ Kinzon Capital ▪ Suishi Capital 	<ul style="list-style-type: none"> ▪ Leverages big data to analyze the motor vehicle industry in China and consumer driving behavior to promote growth of related industries, including insurance, sales/leasing, auto service, etc.
2015	Xiaoyusan Insurance	Shenzhen	14	<ul style="list-style-type: none"> ▪ Matrix Partners China ▪ Tianshili Capital ▪ Sequoia Capital China 	<ul style="list-style-type: none"> ▪ L&H focused online aggregator and comparison platform offering products designed for specific groups of people with discounts
2014	OK Chexian	Shanghai	13	<ul style="list-style-type: none"> ▪ IDG ▪ Yunqi VC 	<ul style="list-style-type: none"> ▪ Online distribution and quoting platform providing customized auto insurance quotes for consumers from a variety of insurance carriers
2015	Donglebao	Guangdong	11	<ul style="list-style-type: none"> ▪ CSC Group ▪ JD Capital ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Digital distribution platform leveraging big data to provide customized motor insurance products that can be purchased on a daily / per use basis, depending on the anticipated driving plans of customers
2014	Dingran	Shenzhen	10	<ul style="list-style-type: none"> ▪ NNFE ▪ Redbud Capital ▪ Sino Pacific Capital 	<ul style="list-style-type: none"> ▪ Usage-based auto insurance and internet platform driven by proprietary algorithm that is specifically tailored to the local market in China ▪ Recently launched first product in partnership with internet search firm Baidu, which operates the leading online mapping application in China, and China Continent P&C Insurance Company (CCIC)

Transaction Spotlight

Yunfeng Financial Acquisition of MassMutual Asia

Tech going traditional – the new model for tech-enabled M&A?

On the surface, the recently announced US\$1.7 billion acquisition by Yunfeng Financial Group (Yunfeng FG) of MassMutual Asia seems fairly run of the mill. On one hand there is Yunfeng FG, a leading Asian technology financial services firm backed in part by Alibaba founder and billionaire, Jack Ma. On the other side is, MassMutual Asia, a wholly-owned subsidiary of MassMutual International, Massachusetts Mutual Life Insurance Company's (MassMutual) international insurance holding company, which was acquired in 2000, and is a top life insurance provider in Hong Kong. A tie up of these two businesses – financial services and life insurance – seems quite logical. However, looking closer, there is an emerging M&A theme – technology companies breaking out of the traditional M&A model of pouring resources into not yet proven “new technology.” Instead, they are seeking to acquire well-established or traditional industry participants as critical platforms for future growth (think Amazon and Whole Foods, for example).

The acquisition by Yunfeng FG and other Asia-based investors of MassMutual Asia represents this emerging trend and possibly provides a template for how future transactions between insurance and technology companies may look and feel in the future – a diverse panel of global technology investors, sellers able to retain exposure to highly coveted growth markets and the formation of strategic cooperation agreements among the parties for future global business opportunities.

“This transaction is a milestone step of Yunfeng FG becoming a financial conglomerate, integrating its existing fintech focused financial services with traditional insurance business... further strengthening its online to offline (O2O) capabilities.”

– Mr. Yu Feng, Chairman, Yunfeng FG

Under the terms of the transaction Yunfeng FG and a panel of seven other investors will acquire 100% of MassMutual Asia for US\$1.7 billion (HK\$13.1 billion). MassMutual will receive approximately US\$1.0 billion in cash and 800 million shares of Yunfeng which will result in MassMutual owning a 24.8% stake in the expanded share capital of Yunfeng FG.

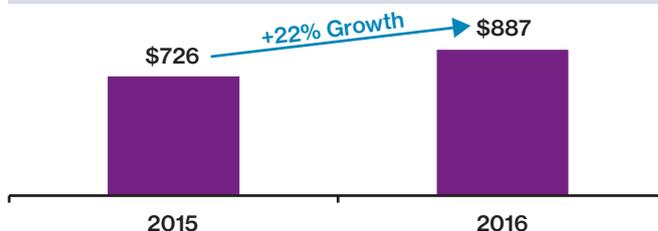
Transaction Highlights

US\$1.7bn	Purchase price (HK\$13.1 billion)
1.9x	Implied Price/12/31/16 GAAP equity
24.8%	MassMutual Post-Transaction Ownership of Yunfeng FG

MassMutual Asia Business Profile

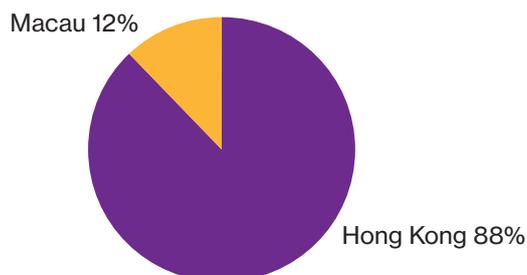
(US\$ in millions)

Total Premiums



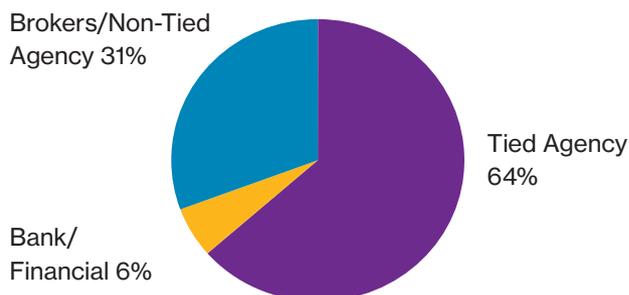
Since its establishment, MassMutual Asia has achieved double-digit average growth in new individual business

2016 Premiums by Geography



2016 Total Premiums: US\$887 million

2016 Premiums by Channel



2016 Total Premiums: US\$887 million

Transaction Spotlight

Yunfeng Financial Acquisition of MassMutual Asia

Successful outcome for MassMutual with upside for continued Asia growth

MassMutual Asia's roots date to 1994 when Hong Kong Chinese Bank and Protective Insurance formed a joint venture called Lippo Protective Life Insurance, a small newcomer focused on life insurance and pensions.

In 2000, MassMutual acquired the business in an effort to expand its presence in the growing Asian insurance market. During this time, the company was renamed MassMutual Asia.

Today, MassMutual Asia is a leader in insurance, wealth management and retirement plan services in Asia. The company has approximately 350 employees, a career agency force of about 3,000 and 450 advisors – all of whom are dedicated to providing customers with professional one-stop risk and wealth management services, featuring a suite of more than 80 product offerings including insurance plans, savings plans and retirement, health and accident benefits. Under MassMutual's ownership, the business has expanded significantly, averaging double digit annual growth since 2000.

“Importantly, this transaction creates potential opportunities for MassMutual to partner with an innovative network of entrepreneurial Hong Kong and China based businesses, with an exciting range of prospective initiatives – from big data to asset management.”

**– Eddie Ahmed, Chairman,
President and CEO,
MassMutual International**

Also under the terms of the transaction, Yunfeng FG will provide its financial services platforms and channels to MassMutual for the distribution of asset management products and services. Additionally, as part of this transaction, MassMutual, Yunfeng FG and Ant Financial Service Group have agreed to enter into a strategic cooperation agreement to jointly explore future business opportunities.

Selected Investors



Yunfeng Financial

- Hong Kong listed investment and financial services firm (securities brokerage, wealth management)
- Financial backing from Alibaba founder and billionaire, Jack Ma in 2015
- Strategy focused on blending the offline and online worlds through software and partnerships



Ant Financial

- Financial affiliate of Alibaba, controlled by Alibaba founder and billionaire, Jack Ma
- Controls more than 50% of China's US\$5.5 trillion market for mobile payments
- Actively investing in mobile payments globally, announced MoneyGram acquisition in 2017



- Leading online media company serving China and the global Chinese community
- Offerings include several networking and social media platforms

Transaction Spotlight

Yunfeng Financial Acquisition of MassMutual Asia

We spoke to MassMutual to get the corporate perspective and commentary on the MassMutual Asia transaction. Below are the complete responses from Eddie Ahmed, Chairman, President and CEO of MassMutual International.

How will this transaction benefit both MassMutual and Yunfeng FG?

This transaction represents a significant step forward for MassMutual and its policyowners. It enables us to continue to participate in the growing and attractive Asia markets through our retained stake in the combined Yunfeng FG and MassMutual Asia business. Yunfeng FG values and respects MassMutual Asia's expertise, talent and culture and looks forward to partnering with our team. Further, upon completion of the transaction, MassMutual will have representation on both the Yunfeng FG and MassMutual Asia Boards of Directors. As the agreement has only recently been announced, and is not expected to close until the end of 2018, it is premature to discuss any specific initiatives.

Moreover, this transaction combines MassMutual Asia's expertise in insurance and retirement planning with Yunfeng FG's expertise in brokerage, wealth management and employee stock ownership plan (ESOP) administrative services. Our partnership will also enable cross-referrals of existing customers of Yunfeng FG and MassMutual Asia, thereby facilitating a wider customer reach for the enlarged group, and the resulting company will be a full-service financial services firm, well-equipped to serve a broad range of customers, including high net worth individuals and an emerging universe of consumers with rising incomes.

Discuss MassMutual Asia and its position within and contribution to MassMutual, and the rationale of entering into a partnership with Yunfeng FG and the Investor Group.

MassMutual Asia's performance over the past two-plus decades has been outstanding, consistently delivering excellent results. That growth has been a key contributor to MassMutual's overall success in Asia, especially in Hong Kong. This is directly related to – in no small way – to the unwavering commitment of MassMutual Asia's 350 employees, 3,000 professional consultants and 450 brokers and company agents in helping our policyowners, customers and clients secure their future and protect the ones they love.

We decided to partner MassMutual Asia with Yunfeng FG and the other Asia-based strategic investors because we share a common vision – and that's a critical distinction. We believe we can move faster and with more impact by leveraging Yunfeng FG's scale and resources. As a result, MassMutual Asia is expected to become even stronger, and provide a more comprehensive, deeper array of customer-focused services and products.

What is MassMutual's view of how technology will impact the insurance industry in Asia in the immediate and long term?

Technology will continue to have a significant impact on all insurers' businesses – both in the immediate and longer term. With the expansion in technological capabilities comes a wealth of opportunities to provide superior customer service and bespoke products and services. Today, more than ever, our current and potential policyowners, customers and clients are making it clear that we need to interact with them and meet their needs on their own terms – how they want, when they want and where they want.

One example of the importance with which we view the insurance industry in Asia is the creation of a data science operation in Hong Kong, a move that extends our global data science capabilities. Our initial projects in the data-rich Asian marketplace will focus on individual risk assessment, building state-of-the-art algorithms and predictive models of risk that will further build out our worldwide data base profiles and exceed the state of the art models. This effort will enable us to instantaneously assess risks, enable new products and streamline the underwriting process.

InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization and Modularization in Insurance

Identifying portable technology

Underpinning our analysis of insurance markets in China and Emerging Asia is our fundamental expectation that as the insurance industry becomes increasingly globalized and the value chain is dissected into more specialized critical functions, underlying technology supporting these functions will become increasingly portable across geographic markets. Incumbents will target applications demonstrating potential for success with the goal of transferring them to new markets and/or adjacent business lines. In this section, we examine two UK based businesses, in QMetric and First Central Group, which have endowed their proprietary underlying technology platforms with sufficient flexibility to address a variety of market opportunities beyond each company's respective initial/current focus. We have included overviews of each company, as well as a Q&A with each firm's chief executive focused on their unique technology-driven value proposition and future aspirations.

QMetric (Policy Expert) – built to capitalize on globalization and modularization of insurance

Launched in 2010, QMetric is a UK based technology-driven insurance distribution business, trading as Policy Expert. The company, which describes itself as “a technology company that does insurance,” developed a business model which combines traditional insurance brokerage, software design, underwriting and claims to provide competitive and transparent pricing for tailored insurance policies, supported by exceptional customer service. Utilizing proprietary algorithms targeting profitable customers that renew the most and claim the least, Policy Expert provides a platform for customers to transact business digitally with the majority of policies issued without human interaction. Since its inception, Policy Expert has been the fastest growing home insurance provider in the UK and currently reaches nearly 400,000

customers generating approximately £75 million of annual premium. While generating significant top line growth, the company's market leading claims frequency is driving superior loss ratio performance compared to its UK personal lines peers, evidencing its strong underwriting capabilities. Though its current portfolio is primarily concentrated in the UK household, auto and travel markets, Policy Expert's underlying technology platform was designed to take advantage of increasing globalization and modularization of the insurance industry, and is therefore scalable, portable geographically and transferrable to adjacent lines of business.

Envisioning the globalization of personal lines insurance

Tony Deacon, Founder, Chairman & CEO of Policy Expert has been operating under a similar thesis for several years. As the former CEO of Xbridge and Founder of Simply Business, Deacon played a key role in establishing the high growth small and micro business focused platform that was acquired by Travelers in March 2017, with the expectation that its technology platform, which has been highly effective in generating customer and premium growth in the UK, will be transferrable to the U.S. Though the two firms may share a vision for the role and importance of portability for technology in insurance, Policy Expert has set its sights on the global personal lines market with the goal of becoming the first insurance entity to connect personal lines markets globally.

From its UK headquarters, Policy Expert's management team intends to mobilize its technology across a range of personal lines and small business products and expects that its disruptive business model, predicated upon selective targeting and intelligent customer selection, will be effective in several established territories with access to mass distribution.

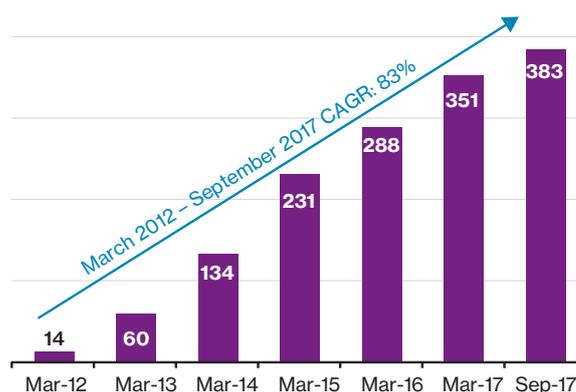
Tony Deacon's responses to a series of questions about Policy Expert's strategy are included on the following pages.

(Customers in thousands)

Policy Expert Highlights

- Born digital with technology built and maintained in-house and unburdened by legacy issues
- Proprietary algorithms target customers that renew the most and claim the least
- 75% of customers transacted digitally with no human interaction
- Integrated marketing / administration systems with unlimited data storage using cloud technology
- Claims feedback loop allows continuous learning and improvement of pricing and wording
- Partnering with leading global technology companies to develop artificial intelligence (AI) capabilities

Policy Expert Customer Growth



InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization and Modularization in Insurance

QMetric (Policy Expert) Awards / Ratings

Awards



Top 1000 Companies to Inspire Britain



Best Home Insurance Provider



Quality Assurance Rising Star



2017 Insurance Co. of the Year
Insurance Game Changer of the Year (Tony Deacon)

Shortlisted and Pending



2018 Home Insurer of the Year



Learning & Development Team of the Year

Reviews and Ratings



91% Trust Score
7,740 reviews



No. 1 rated Home Insurer
16,358 reviews



95% Advocacy Rating
2,921 reviews

Accreditations



Policy Documents Approved

Tony Deacon – QMetric (Policy Expert) Founder, Chairman & Chief Executive Officer

- 34 years of experience in the insurance industry
- Held various senior management and board roles at Aon, JLT and Perkins Slade
- Previously served as Chief Executive Officer of Xbridge and Founder of Simply Business, a leading online broker and MGA in the UK online micro-SME insurance sector that was acquired by Travelers in 2017

Describe the technology that drives the QMetric platform. How is it different from your competitors?

Our bespoke, in-house built platform is powered by the latest technology used by the likes of Amazon and Google (among many others). We're not adapting our platform for 'big data' or 'artificial intelligence' it was built from the ground-up to embrace it. While continually evolving, our tech already provides a fully integrated end-to-end solution, encompassing acquisition, rating, underwriting, retention, claims, finance, reporting and much more. Many of the functions are partially / fully automated, enabling exceptional speed and agility. To enable on-going speed of delivery the platform is modular and API based, meaning multiple technical teams can work side by side on different components (e.g. features and products across multiple territories).

Today, our technology deals with 75% of our customers without human interaction. At 2% market share in the UK homeowners market, this is a big number. Our Contact Centre ratios are massive at 1:2500 (Contact Centre employees to customers), which is again driven by the technology platform. More importantly, when voice recognition technology inevitably arrives into financial services, we will be well positioned across our range of products to extract maximum gain.

How did your experience with Simply Business impact the way that you set up and operate QMetric? Discuss similarities and differences between both businesses.

Simply Business (SB) taught me everything I needed to know about how to set up and manage a technology focused business. Many of the techniques I used at SB have migrated into this business, principally around organizational structure. A big difference is that the QMetric platform is 100% built for the purpose of disrupting personal lines insurance, starting with the UK homeowners market. The SB platform was initially built for specialist banking transactions rather than insurance, so the SME piece launched in 2005 was effectively shoehorned into the existing structure. The purpose built nature of the QMetric platform is definitely an advantage from what I knew at SB, in the fact it's far easier to work with and has a greater range of functionality. The QMetric platform also stretches a stage further to operate as a virtual insurer, meaning we perform all the functions an insurer would including processing and payment of claims and dealing with reinsurance cover.

InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization and Modularization in Insurance

Does QMetric have aspirations beyond the UK household market? Have you identified particular geographies or business lines for future expansion?

The short answer is yes. We already have a small motor offering which will grow significantly in the coming years as we increase focus on that space. Micro SME is set to launch in Q1 2018 followed by renters (landlord) more than likely before year end 2018. We also have ambitions to enter the pet insurance space before 2020. The technology platform which underpins the business has been architected to port to overseas territories and internal research is underway as to which location would best suit and support the success of our model.

What do you consider to be the most important drivers of success in insurance distribution? How do these differ between personal lines and small business insurance?

In so far as the Policy Expert model is concerned, in order for it to work efficiently the company requires access to:

- *Data – customer information and rating*
- *Distribution – mass web-based volume*
 - *In the UK there are 20 million homeowner homes and 8 million rental units, 35% of which switch insurance providers each year*
- *Capacity – from an insurance or reinsurance carrier*

The prevalence of aggregator based distribution in the UK has a profound impact on the market. Though aggregators currently account for 60% of the homeowners new business market, they continually re-solicit customers, encouraging churn. General web tactics, including insurer affiliated websites, account for 25% of new business, with the remainder emanating from more traditional channels. Acquiring customers is not the difficult piece. Acquiring the right customers and then renewing them is much more difficult and is also a critical component of the traditional personal lines business model.

Business insurance is not a mass market and isn't aggregated. More of the business is available through traditional marketing channels and the aggregators tend to integrate with a 'white labeled' offerings rather than offering their own 'aggregated service.' This is driven by pure market size; in the UK there are 4.5 million businesses, four million of which are classified as micro businesses, which employ fewer than ten people and are more likely to shop for insurance online. Of these four million micro businesses, currently only two million are active online, so relative to the well trodden digital channels of home and motor, the online micro SME market is fairly small, but is growing. Another positive is more of the sub ten employee businesses are trusting online providers and are moving away from the traditional broker led offerings, purely because the cover they require is more often than not 'standard' and they can transact and get all their documents instantly no matter the time of day or night.

How do you expect the landscape of digital distribution competitors to change over the next several years?

During the next ten years I expect there will be a fundamental shift in distribution patterns not only in UK, but globally. Google and Amazon are currently investing heavily in voice recognition technology, which when more mature, will be perfect for mass market insurance products. More and more homes, smart devices and cars are connected via voice recognition technology, with Echo, Nest and Siri as the main frontrunners. When this gains real traction, the world of mass market personal lines insurance will be aggregated across the globe enabled by this technology.

InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization and Modularization in Insurance

First Central Group – deploying sophisticated data science in real-time, profitable risk pricing

Founded in 2008, First Central Group (FCG) is the parent company of a financial services group with entities embracing insurance, reinsurance, insurance brokerage, property, finance and law. Its core insurance business, motor insurer 1st Central, is built around a proprietary data analytics capability that has enabled the business to grow profitability against a backdrop of adverse market conditions and change in the broader UK motor market. 1st Central pioneered an analytical discipline born out of the UK aggregator distributor model. The company's data science model incorporates many individual rating factors for each policy, focused on delivering optimized profitability on a per policy basis. The business provides over 120 million quotes annually, and since launch, has written over three million policies. Currently, 1st Central has over 435,000 live policies, generating approximately £220 million of gross premiums written. In addition to pure underwriting income, the company's data analytics model enables it to quote and provide targeted add-on products to each policy quote to suit the needs of each individual policyholder. These additional product offerings, including installment finance, legal expense cover, breakdown services, etc., generate a further £115 million of income for FCG.

Real-time data analytics in global personal lines insurance

Mike Leonard, Co-founder, Group Chairman and CEO, was one of four insurance veterans who launched First Central in 2008, all of whom had worked together at Zenith Insurance. The team had a simple premise by which to compete with the established market players: "know something they don't, and/or react quicker than them." The development of UK price comparison websites provided the initial forum by which to execute on this mantra through an innovative and agile data analytics platform. Not only did FCG incorporate more data points into its pricing model, but the company also had the ability to react on a real-time basis with dynamic and individual pricing.

As the business continues to develop, the opportunity, more than simply expanding its core UK motor market penetration on a profitable basis, is to develop the business across other personal lines markets (including home, pet and travel) and expanding the company's geographic reach outside of the UK. All of these opportunities are predicated upon would capitalizing on the underlying data science techniques and nimble technology platform that underlies the business.

Mike Leonard's responses to a series of questions about FCG's strategy are included on the following pages.

First Central Highlights

- Pioneer in utilizing UK Aggregator data to develop a proprietary, data science led risk and pricing model for UK motor insurance
- Incorporates many rating factors to build a holistic and optimized policy quote
- Provides over 120 million quotes annually, with each quote priced in real-time on a sub-second basis
- Developed a proprietary and leading counter-fraud technology as part of its risk analytics capability
- Developed proprietary policy administration system; currently concluding development of proprietary and integrated claims administration system to provide a seamless customer and staff experience
- Group also includes a reinsurance company and a finance business

First Central Awards / Ratings



InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization & Modularization in Insurance

Mike Leonard – First Central Co-Founder, Group Chairman and CEO

- 27 years of experience in the insurance industry
- Previously held positions with Amlin and Benfield before joining Zenith Insurance, ultimately becoming UK CEO until its sale to Guardian
- Also founded Lloyd's managing agency, Diagonal Underwriting, which was ultimately owned by IAG

How did your prior experience in the insurance industry impact the way that you set up and operate First Central?

The main difference in setting up First Central from our previous motor insurer, Zenith, was a focus this time on owning the relationship with the customer. We therefore established an in-house intermediary, as opposed to simply a service company, which would not only communicate directly (and provide valuable instant feedback concerning our proposition) but would also be able to sell other appropriate products from which standard UK motor insurers can generate overall acceptable rates of return on their capital employed. We also created our own call centre, based in the UK, to field queries with policyholders and assist in buying policies.

Otherwise our approach was, initially, relatively similar to our prior experience: our focus was on data and data analytics to find the right segments to which we could sell our policies to deliver an overall return that could build capital to support a growing business.

After we were up and running, it became clearer that investment in technology would become another differentiator and we therefore took our most important steps in 2011 as we embarked on building our own proprietary IT solutions for our policy administration. These systems, and the tighter control we therefore have on their development, ensure we can remain competitive and have the tools to become more efficient as we continue to grow.

Describe the technology that drives the First Central platform. How is it different from your competitors?

Focus, our bespoke retail insurance platform, is a collaboration of best-of-breed components which are integrated together to create efficient business processes. This in its own right is innovative in our industry (although not necessarily unique in underlying technology). Importantly, what sets Focus apart from our competitors, is our adoption and maintenance of a big-data architecture. Focus has been explicitly designed to accommodate, consume and produce vast quantities of information at all points in a business process – regardless of channel. This design approach supports an underlying principle of the business – that there is value in all data.

Focus makes use of third party big-data lookups to augment decision making which is also informed by our own data enrichment. As a consequence, we are able to safely digitalize and automate all of our traditional back office processes which in turn provides an agility and scalability to all facets of the business.

Finally, in line with our strategy to “own the customer,” Focus leverages a design-thinking approach to the consumer online experience; business processes are explicitly tailored to the customer expectation rather than those of an insurer. A customer may move to a new house, change their vehicle or add a driver – rather than simply perform an “adjustment” as is the case with many insurers in the market. This ability to specifically design, test and refine user interfaces around how they are to be consumed supports a broad and rich customer experience.

InsurTech Strategy

Increasing Demand for Portable Technology Amidst Globalization & Modularization in Insurance

Does First Central have aspirations beyond the UK personal auto market? Have you identified particular geographies or lines of business for future expansion?

First Central currently specializes in UK personal auto insurance and still sees significant opportunity within this market for further profitable growth. However, the company always has an eye to other opportunities, be they complementary product lines, territories or distribution channels. Our technology is used to derive significant advantage to our businesses and we are actively pursuing opportunities to leverage our experience outside of the group.

Do you consider the UK aggregator distribution model as fundamental to the underlying data proposition?

The UK aggregator distribution model is one of the most advanced channel capabilities in the world and offers the potential for cost-effective access to the majority of personal auto insurance customers in the market. Access to such a wealth of quote information and opportunity at the outset provided First Central with both a route to market and a rich stream of data that was used to help complement existing data and enable continually improving market pricing. As this channel has matured the benefits directly attributable to this data have become diluted as other insurance companies have used the data in similar ways to help sharpen their own pricing. While still valuable data, First Central are continually seeking new data sources that enable the company to continue to 'know something the others don't' that can be used in conjunction with the other data sources First Central has established. Manipulating and understanding the plethora of data held requires significant investment in both data systems capability and top class analytics resource to make sense of it all.

How do you expect the landscape of direct digital distribution competitors to change over the next several years and how will this impact your value proposition?

The UK aggregator distribution model is here to stay for the foreseeable future albeit in a changed format that recognizes the increasing demands of regulation and legislation being placed on it. The underlying need to really understand the customer and enable individual pricing based on a detailed understanding of perceived risk will not change. However, developments in vehicle technology and increases in information that enable better risk determination, whether via telematics; semi-autonomous safety features built into vehicles either as standard or fitted options; or changes in customer driving behavior and cover needs will require continual investment in significant data manipulation and predictive analytics techniques to maintain an edge.

Thought Leadership

Legacy Free Markets as Active Breeding Grounds for Digital Innovation



Mark Hvidsten
Deputy Chairman, Willis Re

“It is becoming increasingly clear that legacy free markets are proving to be more forgiving operating environments for innovative start-ups. These markets are allowing certain InsurTechs to ‘fill the void’ that might otherwise be filled by traditional incumbents.”

Despite the daily noise about InsurTech, barriers to entry in the insurance industry remain difficult for the vast majority of InsurTech start-ups. Increasingly we hear that the global insurance industry is being attacked by a slew of “disruptive forces” but for the vast majority of initiatives, this is just simply not the case. These forces allegedly seek to dis-intermediate incumbent players that could be deemed inefficient, cumbersome and unnecessarily expensive. Still, when we remove the extraordinarily high self-evaluated price tags from most start-ups, the real applicable value is usually quite limited. The continued excitement in the space is because this is not universally the case, and select new entrants will undoubtedly be successful in introducing new technologies or applications that improve or streamline the insurance process, although it remains to be seen which businesses will have standalone value and which technologies will be incorporated into existing processes.

The legacy free marketplace

In North America and Europe in particular, there have been a relatively small number of InsurTechs who have been genuinely successful in squeezing themselves into the value chain. Despite this, their long-term contribution to our industry is still far from known. Those who are set to add genuine value seem to be the InsurTechs that complement the incumbent legacy processes. Specifically, InsurTechs who are able to lower expenses through automation and better use of data have been particularly successful, and we expect this trend to continue.

An issue for these InsurTechs is that they are forced to contend with decades worth of incumbent experience in the insurance markets in North America and Europe. The legacy market infrastructure in these regions has resulted in established protocols which newcomers to the industry invariably have to master or circumnavigate in order to insert themselves into the value chain. This hurdle proves too difficult for the vast majority and has been reflected in the relatively high infant mortality rate for start-ups. Disruption in these markets is limited by domestic regulation, consumer acquisition costs, market penetration, capacity and legacy infrastructure constraints.

In the Asian, South American and African markets, however, our observation is that an ecosystem less encumbered by legacy processes can provide InsurTechs with relatively greater opportunity to compete with fewer barriers to entry.

Despite the relatively limited observable impact that InsurTechs have had on developed insurance markets, it is becoming increasingly clear that legacy free markets are proving to be more forgiving operating environments for innovative start-ups. These markets are allowing certain InsurTechs to ‘fill the void’ that might otherwise be filled by traditional incumbents. Given this quarterly’s overall focus, this section concentrates on initiatives that are showing signs of shaking up insurance markets in Asia.

Thought Leadership

Legacy Free Markets as Active Breeding Grounds for Digital Innovation

Digital distribution and aggregator platforms in Asia

In particular, digital propositions and InsurTechs focusing on life and health and microinsurance (specifically for agricultural products) appear to be the most influential in driving innovation in Asia to date. Within these business lines, digital distribution and aggregator technology have been particularly successful in bridging the gap between supply and demand. The distinct lack of legacy incumbents in many of these markets, coupled with increasing demand for more responsive and tailored insurance products, is creating strong opportunity for new entrants.

The largest single InsurTech in the market today is digital insurer Zhong An, which was launched and financed by Ping An, Tencent and Alibaba in 2013. Zhong An was the first, and is now one of only four companies nationwide in China, to receive a license from the CIRC to sell insurance products online. Zhong An boasts more than 240 niche products, all of which are distributed digitally, mostly through the online platforms of the company's many ecosystem partners. Zhong An has raised over US\$2.4 billion of capital to date, including its recent US\$1.5 billion IPO on the Hong Kong Stock Exchange (at a valuation in excess of US\$10 billion) in September 2017 and its US\$931 million Series A round funded by several private equity investors in 2015.

Another notable entrant is Singapore Life; a digital insurer specializing in life and health products (specifically for high net worth individuals). Singapore Life is the first Singaporean insurance company to be domestically licensed since 1970. As covered in last quarter's briefing, Singapore Life closed a \$50 million Series A round in April 2017 with funding provided by China Credit and IPGL. Having completed one of the largest series A rounds to date, the company has been particularly efficient at penetrating the local marketplace and identifying demand through the use of its state of the art technology.

Despite the size of the Zhong An and Singapore Life deals, the Asian InsurTech ecosystem remains relatively small. We estimate that globally there are approximately 1,500 InsurTech start-ups. In Asia, there are just over 100 recognized InsurTech start-ups, meaning that Asian InsurTechs comprise around 7% of the global total. Furthermore, Asia makes up less than 15% of the total global investment funding into InsurTechs (and the majority of volume to date is accounted for by the Zhong An transaction).

Activity is predominantly centered around Singapore, Hong Kong and China. Malaysia, Indonesia, Thailand and Vietnam have also recently made regulatory provisions to allow for the development and growth of local InsurTechs.

Examples of the steps taken include the Monetary Authority of Singapore (MAS), which has created a regulatory sandbox for InsurTechs (along with FinTechs), allowing new companies the opportunity to test their value propositions in the sanctuary of a low regulation environment. Following this move by the MAS, Malaysia elected to establish a similar mechanism. These provisions are expected to drive a wave of transition to meet the needs of the large and growing, increasingly sophisticated online consumer base in Asia. With few digitally visible incumbents to challenge this phenomenon, we anticipate increasing opportunity for InsurTechs.

"We estimate that globally there are approximately 1,500 InsurTech start-ups. In Asia, there are just over 100 recognized InsurTech start-ups, meaning that Asian InsurTechs comprise around 7% of the global total."

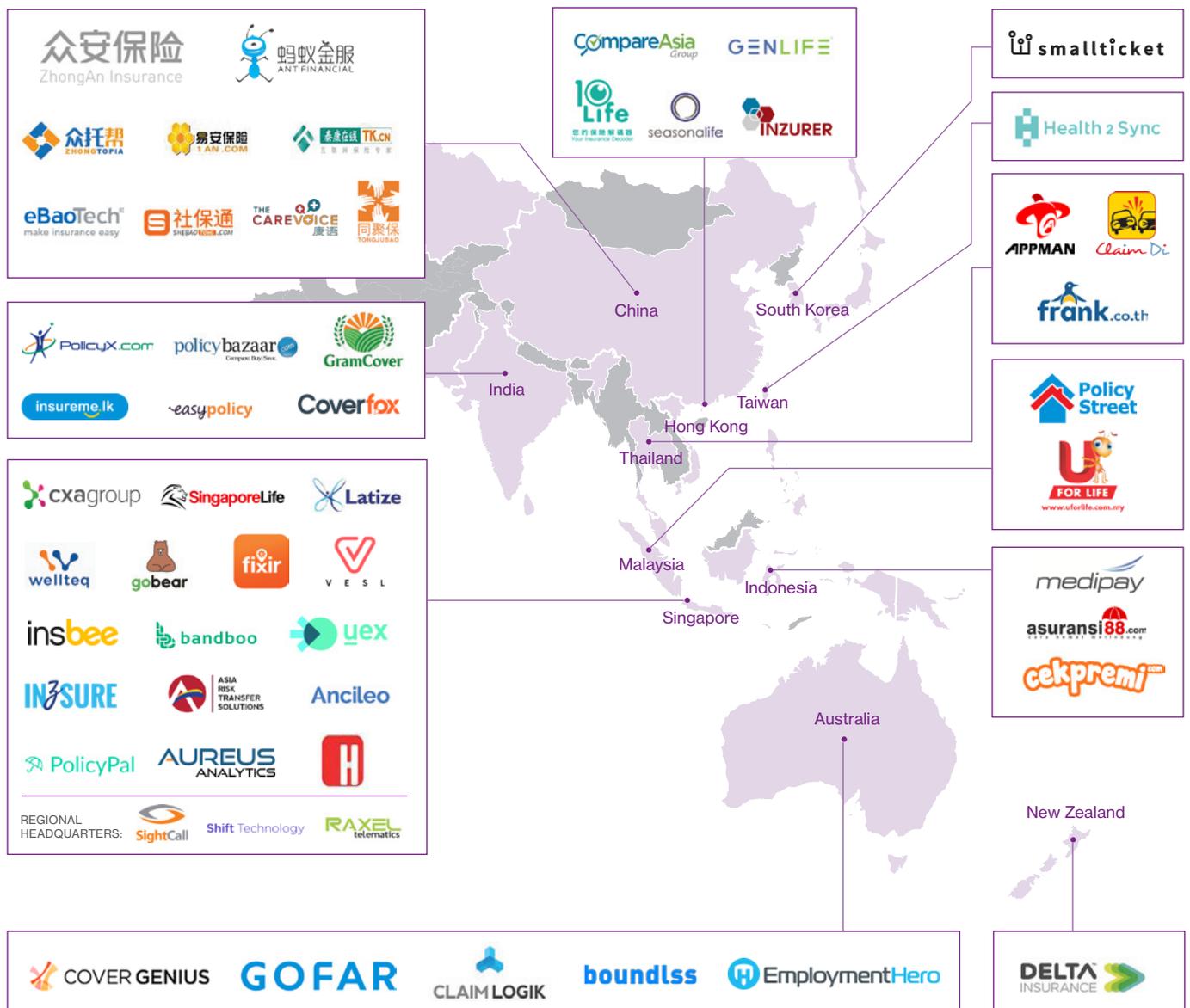
Thought Leadership

Legacy Free Markets as Active Breeding Grounds for Digital Innovation

InsurTechs by geography

The map on this page shows the countries where InsurTechs have successfully launched. The vast majority are distribution platforms and aggregators. Most offer personal lines coverages and microinsurance. Life and health (or “HealthTech”) focused companies make up a large proportion of InsurTechs in Asia today. Interestingly, Japan, Vietnam and Pakistan are notably absent from the list of Asian nations currently producing a steady stream of InsurTechs. This is not to suggest, however, that these countries are not actively investing globally into InsurTechs – quite the contrary in fact. Japanese commerce giant Rakuten, for example has invested in German InsurTech Simplesurance.

Equally, Asia has provided a huge opportunity for incumbent insurers that are able to leverage InsurTechs to distribute their products and penetrate markets which have historically been difficult to access, or which have been underserved. Aviva, for example, at the beginning of this year sold approximately 60% of its Hong Kong business to Tencent and Hillhouse, with the goal of leveraging Tencent’s internet prowess to sell its life insurance and investment products via digital channels throughout Asia. Historically, life and health products have been sold primarily through agents in this region, but increasing use of digital channels is enabling Aviva to increase sales and penetrate new markets.



Source: InsurTech Map of Asia, InsurTech Asia Association, October 2017.

Thought Leadership

Legacy Free Markets as Active Breeding Grounds for Digital Innovation

Notable participants

Distribution in Asian markets and a relatively low demand for cover have prevented the penetration of innovative products in many markets. The proliferation of hand-held smart technology and digital awareness among consumers coupled with increased demand, however, has begun to change the landscape. Notable InsurTechs in Asia by region include:

- **Singapore** – Singapore Life, GoBear, Inzsure, CXA, Insbee, Aureus Analytics, Your-Insurer, Insurance Market, UEX
- **Hong Kong** – CompareAsiaGroup, Gen Life, Edirect, 10Life, Galileo Platforms
- **Malaysia** – BookDoc, BrokerFish, GetCover, Merimen, PolicyStreet, SAMS, UForLife
- **Indonesia** – Cermati, Asuransi88.com, Cekpremi, Futuready, DuitPintar.com, Pasarpolis, Premiro, RajaPremi
- **Thailand** – Claim Di, AppMan
- **Philippines** – eCompareMo.com, Horsepower.ph, MoneyMax.ph, Stash.ph, Vesl
- **China** – Zhong An, Ant Financial, eBaoTech
- **South Korea** – SmallTicket
- **India** – PolicyX.com, Coverfox, Policybazaar

** The majority of the InsurTechs listed are involved in digital distribution, aggregator platforms and life and health products.

InsurTechs supporting development

A further revolution, made largely possible by the development and widespread ownership of handheld technology, is driving the creation of new market opportunities. Using innovative technology, companies such as BIMA and StoneStep have been able to offer insurance to people who have previously had limited access to it – products such as microinsurance, life, personal accident and hospitalization. Similarly, new agricultural products have emerged – many of which are supported by parametric technology, which determines claims eligibility based on a third party notification of a natural disaster. The provision and growth of these insurance products will help facilitate economic growth and improve standards of living. Where legacy infrastructure has not existed previously, modern technology is increasingly bridging the gap.

Portability potential

We are now observing a situation whereby some consumers may never need to know the role of an agent or filling out a claims form. Where legacy forms are absent, technology can fill the void.

In Asia, there is a real opportunity for innovative technology to shape the future of emerging insurance markets in the region. As markets become more globalized, individual capabilities or functions in the value chain (i.e. the modular economy) are becoming increasingly portable between markets. For example, we expect to see successful portable technologies and distribution methods, such as Zhong An's ecosystem partner-integrated digital distribution model, to be transferred to new markets after demonstrating success locally.

Any InsurTech predicated upon a genuine solution-driven business model supported by product, geographic and financial agnosticism is likely to be replicable in other markets. While Emerging Asia may be in its early stages of growth and development, the region may effectively serve as an incubator for InsurTechs that ultimately end up transforming more developed markets currently controlled by traditional incumbents.

“In Asia, there is a real opportunity for innovative technology to shape the future of emerging insurance markets in the region. As markets become more globalized, individual capabilities or functions in the value chain (i.e. the modular economy) are becoming increasingly portable between markets.”

Thought Leadership

Legacy Free Markets as Active Breeding Grounds for Digital Innovation

Singapore Life is a recent market entrant offering an alternative insurance solution in Singapore, targeting high net worth consumers in the digital age.

On April 26, 2017, Singapore Life closed a US\$50 million Series A round funded by two key investors; Chong Sing Holdings FinTech Group Limited and IPGL Holdings. This is the largest investment round ever closed by a Singapore based InsurTech company.

Singapore Life is the first local independent life insurance company in Singapore to be granted an insurance license since 1970. The license allows Singapore Life to sell life products directly to the local population. Singapore Life officially launched its suite of life insurance products in October 2017.

New value proposition



Conceived in 2014 by CEO, Walter de Oude (pictured), Singapore Life is built on the belief that the insurance market in Singapore is lacking a progressive life insurer which effectively leverages technology to provide a better insurance experience to consumers.

“The life insurance industry has not kept pace with the innovation seen in other industries and needs to be challenged to be better,” says De Oude.

Singapore Life operates a digital direct to consumer (D2C) model for term life and critical illness products, targeting internet savvy customers, and provides universal life products to high net worth consumers. Products are sold online, as well as through independent financial advisers (IFAs). The company conducts the majority of its business digitally and therefore human interaction between policyholders and Singapore Life is limited. Online customers requesting advice are referred to Singapore Life’s IFA partners, which are able to leverage the company’s efficient online platform to provide a differentiated customer experience to their clients. By utilizing the company’s almost entirely automated service, Singapore Life’s customers can expect quick service and competitively priced products with simplified application and approval processes.



Singapore Life has licensed critical technology functions from existing software providers, enabling the company to provide state of the art digital service to policyholders while operating with an efficient variable cost structure. The company’s underwriting engine is licensed from UnderwriteMe – a joint venture developed by protection industry experts in the UK, Asia and Australia, in collaboration with global reinsurer, Pacific Life Re. The digital underwriting solution has been shown to significantly improve quoting efficiency and acceptance rates, saving time, reducing expenses and providing more accurate underwriting. Singapore Life also distributes products, accesses (re)insurance capacity, manages claims and performs administrative functions through similar partnerships, exemplifying the company’s willingness to embrace a modular approach to insurance.

Strategic intent

In addition to Singapore’s status as an asset holding destination and a relative safe haven for regional wealth, major factors expected to contribute to Singapore Life’s success are the country’s regulatory approach to embracing technological innovation and the absence of legacy infrastructure in the market.

Singapore Life has set its sights on being the next generation of life insurance. CEO Walter De Oude says the company will initially focus on the distribution and sale of its life products direct to consumer in Singapore before targeting penetration of other international markets.

Key partnerships

- Software provided on a “pay per use” basis, with no fixed costs
- Smart underwriting platform provided by UnderwriteMe
- Distribution partners include JLT, Finexis, IPP, PolicyPal and PromiseLand
- Reinsurance capacity provided by Hannover Re, Munich Re and Pacific Life Re

The Data Center

InsurTech by the Numbers

Deal Activity Falls Back to Earth from Record Setting Levels in Q2 2017

- **InsurTech funding volume of \$312 million in Q3 2017**
 - 68% decrease from \$985 million in Q2 2017; 36% increase year-over-year from \$230 million in Q3 2016
 - 48 total transactions in Q3 2017 represents third most transactions completed in any quarter to date; 25% decrease from 64 transactions in Q2 2017 but a 26% increase year-over-year from 38 transactions in Q3 2016
 - Increasing international activity – U.S. accounted for 64% of transactions since 2012 but only 58% in Q3 2017
 - Early stage (Seed/Series A) transactions comprised 67% of total transactions in Q3 2017
 - P&C funding volume decreased 39% from Q2 2017 and 21% year-over-year from Q3 2016
 - 25 P&C transactions in Q3 2017 represents 24% decrease from 33 P&C transactions in Q2 2017 and 17% decrease year-over-year from 30 P&C transactions in Q3 2016
 - L&H funding volume decreased 80% from Q2 2017 but increased 1639% year-over-year from Q3 2016
 - 23 L&H transactions in Q3 2017 represents 26% decrease from 31 L&H transactions in Q2 2017 but a 188% increase year-over-year from 8 L&H transactions in Q3 2016
- **Funding buoyed by health insurance and comparison platform transactions**
 - Despite P&C transactions comprising 52% of total transactions in Q3 2017, four of the top six deals involved health insurance focused companies
 - Shuidihuzhu, a China based insurance platform that aims to solve the problem of high medical fees faced by patients diagnosed with a critical illness, raised \$24 million in August 2017 to bring total funding to \$31.7 million
 - Stride Health, a health insurance recommendation engine, raised \$23.5 million in August 2017 to bring total funding to \$39 million
 - Lumity, an insurance consulting platform that enables employers to make smart health benefits decisions while driving cost savings, raised \$19 million in August 2017 to bring total funding to \$33 million
 - Gravie, a digital health benefits administration platform, raised \$14.1 million in July 2017 to bring total funding to \$41.7 million
 - Three of the largest financing rounds in Q3 2017 were raised by insurance comparison start-ups
 - Hong Kong based CompareAsia Group raised \$50 million in July 2017 to bring total funding to \$90 million
 - Chile based ComparaOnline raised \$14 million in September 2017 to bring total funding to \$41.5 million
 - Texas based Insurance Zebra raised \$40 million in September 2017 to bring total funding to \$61.5 million

Continued Concentration in Distribution Sector as Comparison Platforms Remain in Focus

- **64% and 52% of Q3 2017 P&C and L&H transactions, respectively, involved companies focused on insurance distribution, compared to 62% and 42%, respectively, of all such transactions since 2012**
 - Includes digital lead generation, brokerage and MGA platforms

Increasing Start-Up Activity in China and Emerging Asia

- **Three China based start-ups raised capital in Q3 2017, which is more than any country outside of the U.S.**
 - Baozhunniu, an online distribution platform leveraging big data to customize and personalize group insurance products for small to mid-sized employers in various sectors, raised \$14 million in August 2017 to bring total funding to \$18.5 million
 - Shuidihuzhu, an insurance platform that aims to solve the problem of high medical fees faced by patients diagnosed with a critical illness, raised \$24 million in August 2017 to bring total funding to \$31.7 million
 - Liangzibao, a SaaS provider that uses blockchain to streamline underwriting processes and manage risks for commercial and personal insurers, raised an undisclosed amount of capital in August 2017
- **Three other transactions occurred in Emerging Asia outside of China**
 - CompareAsiaGroup, a Hong Kong Based insurance comparison platform, raised \$50 million in July 2017 to bring total funding to \$90 million
 - PolicyStreet, a Malaysia based content aggregator offering price comparison services for life, auto, accident and other personal lines products, raised \$0.5 million in September 2017
 - AskArvi, an India based mobile application that works as a personal insurance assistant, raised an undisclosed amount of capital in September 2017

Investors and Carriers Target Renters' Market

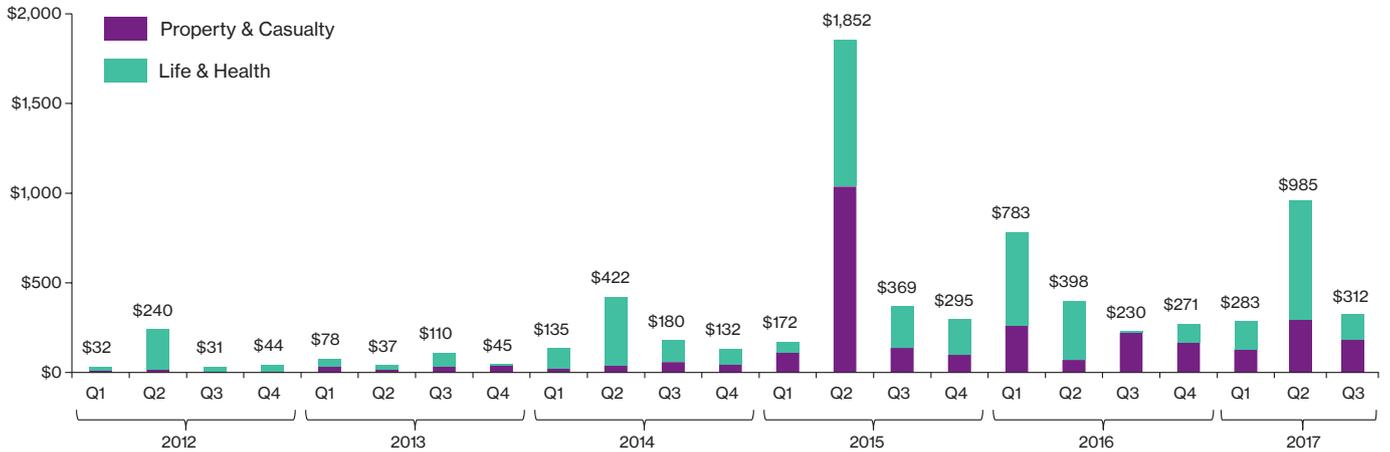
- **The following four companies with renters' focused product offerings have recently raised capital**
 - The Guarantors, a New York based business that acts as a guarantor for renters without sufficient credit, raised \$11.7 million in September 2017
 - Jetty, a technology-enabled online renters' insurance MGA targeting urban residents with modern lifestyles, raised \$11.5 million in August 2017 to bring total funding to \$15.5 million
 - Albert, a personal finance tracking mobile application that also offers renters' insurance, raised \$4.3 million in September 2017 to bring total funding to \$7.1 million
 - Rhino Labs, a real estate technology company that announced seed funding in May 2017, established a partnership with Canopus in September 2017 to launch a security deposit replacement bond product
 - Cozy, an online property management site for landlords, property managers and renters, partnered with Assurant in August 2017 to offer renters' insurance through Cozy's online property management platform

The Data Center

InsurTech by the Numbers

Quarterly InsurTech Funding Volume – All Stages

(\$ in millions)

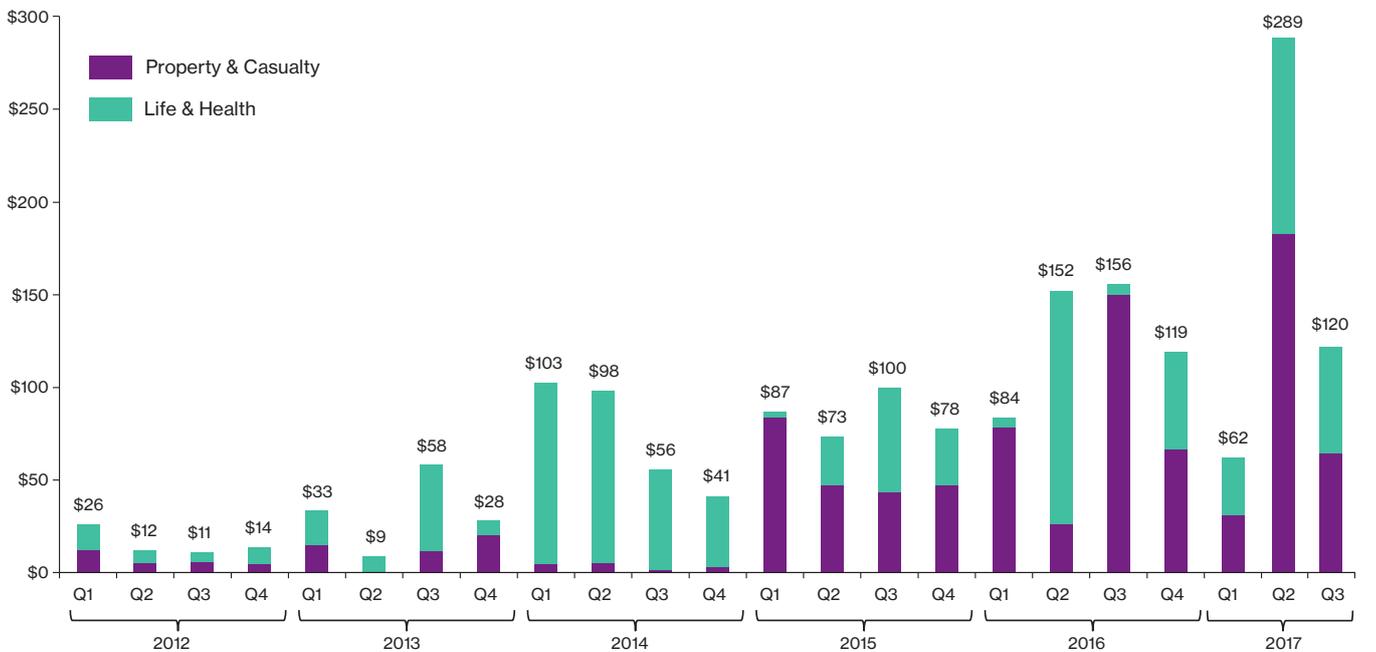


Deal Count

P&C:	5	2	4	3	5	4	11	8	8	6	11	8	12	13	13	18	42	18	30	27	22	33	25
L&H:	8	7	7	10	15	8	10	4	11	16	19	15	13	18	15	22	17	16	8	16	16	31	23

Quarterly InsurTech Funding Volume – Early Stage

(\$ in millions)



Deal Count

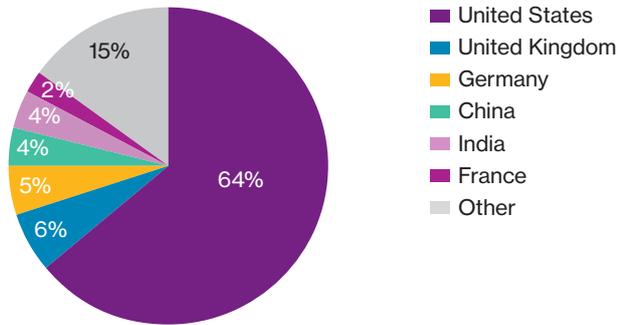
P&C:	4	1	4	3	4	2	5	5	4	2	5	6	8	8	8	13	33	9	23	20	15	21	17
L&H:	6	3	6	7	8	4	6	4	7	9	16	8	7	8	10	18	8	9	4	11	10	19	15

The Data Center

InsurTech by the Numbers

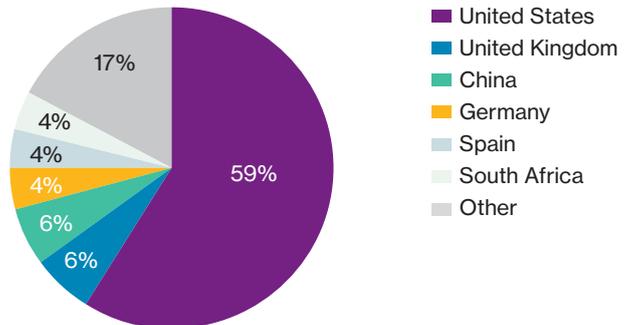
InsurTech Transactions by Target Country

2012 – Q3 2017



2012 – Q3 2017 Transactions: 653

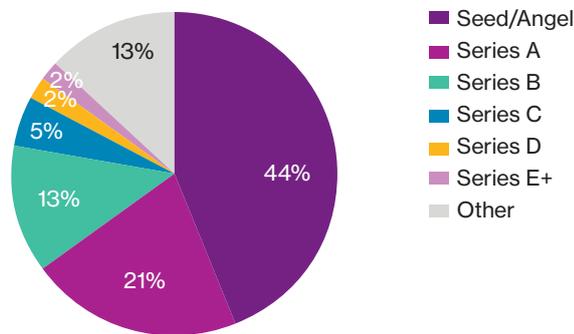
Q3 2017



Q3 2017 Transactions: 48

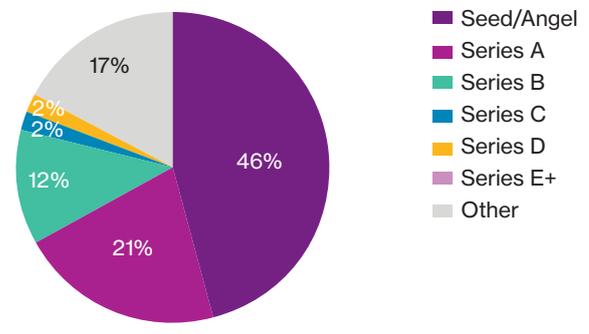
InsurTech Transactions by Investment Stage

2012 – Q3 2017



2012 – Q3 2017 Transactions: 653

Q3 2017



Q3 2017 Transactions: 48

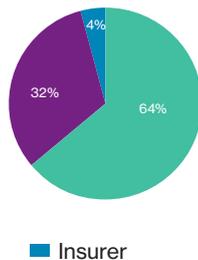
P&C InsurTech Transactions by Subsector

2012 – Q3 2017



2012 – Q3 2017 P&C Transactions: 328

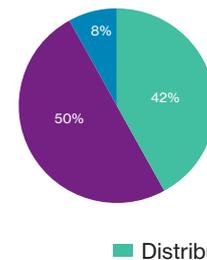
Q3 2017



Q3 2017 P&C Transactions: 25

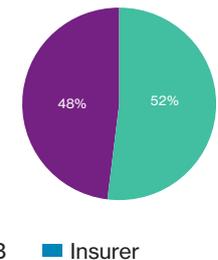
L&H InsurTech Transactions by Subsector

2012 – Q3 2017



2012 – Q3 2017 L&H Transactions: 325

Q3 2017



Q3 2017 L&H Transactions: 23

The Data Center

Q3 2017 InsurTech Transactions – P&C

Date	Company	Funding (\$mm)		Investor(s)	Description
		Round Total			
07/06/17	mfind	–	–	<ul style="list-style-type: none"> Martis Consulting MCI Capital 	<ul style="list-style-type: none"> Poland based insurance comparison website that offers simple, efficient solutions for auto, health, travel and property coverages
07/11/17	CompareAsiaGroup	50.0	90.0	<ul style="list-style-type: none"> ACE & Company Alibaba Group Goldman Sachs H&Q Asia Pacific Int'l Finance Corporation Nova Founders Capital Route 66 Ventures SBI Group Jardine Matheson Individual Investors 	<ul style="list-style-type: none"> Hong Kong based insurance comparison platform offering a variety of consumer focused banking and insurance products in Asia Providers benefit from lower acquisition costs, higher conversion rates and unlimited reach to customers through the internet Operates localized brands in Hong Kong, Vietnam, Malaysia, Taiwan, Thailand, Singapore, the Philippines and Indonesia
07/13/17	Cover	8.0	11.1	<ul style="list-style-type: none"> Cherubic Ventures Great Oaks VC Liquid 2 Ventures Maveron Plug and Play Accelerator Shasta Ventures Sherpa Capital Social Capital SV Angel Tencent Holdings VY Capital Y Combinator 	<ul style="list-style-type: none"> Mobile-first solution that provides immediate insurance quotes for personal items through insurance brokers Users upload a photo of the item they would like to insure, and the app will provide an immediate quote from an insurance provider Coverage for cars, home, pets, jewelry and electronics by photo Allows users to unlock free insurance benefits by inputting their credit card information in the app
07/14/17	Coverfy	0.6	1.4	<ul style="list-style-type: none"> K Fund SeedRocket Individual Investors 	<ul style="list-style-type: none"> Spain based mobile application that allows users to compare prices, purchase or revise existing policies and report claims
07/18/17	CoverWallet	–	28.3 ^(a)	<ul style="list-style-type: none"> Benzinga FinTech Awards Foundation Capital Founder Collective Highland Capital Partners Index Ventures Starr Companies Two Sigma Ventures Union Square Ventures Undisclosed Investors 	<ul style="list-style-type: none"> Provides a concierge-like service that provides small businesses with insurance advice, quotes and policy management Proprietary intelligent assessment system will identify the insurance needed based on specific business inputs and find a policy that fits within a desired budget Offers GL, workers' comp, BOP, commercial property, commercial auto, umbrella and other commercial lines coverages
07/19/17	Zego	1.6	1.6	<ul style="list-style-type: none"> LocalGlobe 	<ul style="list-style-type: none"> UK based distribution platform offering hourly insurance for commercial auto risks, primarily in the "gig economy" Partnership with Aviva to offer pay-as-you-drive insurance for drivers in sharing economy companies, such as UberEATS, Deliveroo and Jinn
07/27/17	Brolly	1.3	1.3	<ul style="list-style-type: none"> Entrepreneur First Pi Labs Valar Ventures 	<ul style="list-style-type: none"> Personal insurance concierge delivering contextually relevant insights to customers through web and mobile apps that help them make informed decisions about their insurance
08/01/17	LEMON Clip	1.0	1.0	<ul style="list-style-type: none"> AssetPlus Investment KB Investment Songhyun Investment Timewise Investment 	<ul style="list-style-type: none"> South Korea based insurance comparison platform that allows users to purchase personal lines insurance products, check their coverages and manage claims
08/02/17	Sensor Networks	–	–	<ul style="list-style-type: none"> 4Di Capital 	<ul style="list-style-type: none"> South Africa based Internet of Things (IoT) startup that builds integrated sensors to help insurance companies reduce risk Sensors are used to monitor personal and small commercial risks
08/08/17	Jetty	11.5	15.5	<ul style="list-style-type: none"> BoxGroup Graph Ventures MetaProp Red Swan Ventures Ribbit Capital Social Capital Solon Mack Capital SV Angel Valar Ventures 	<ul style="list-style-type: none"> Tech-enabled online renters' insurance MGA targeting urban residents with modern lifestyles Provides a suite of products and services to protect apartments and personal belongings Business is written on State National paper; Munich Re provides capacity and assists with product development Unique service, Jetty Passport, acts a guarantor and provides security deposits for a one-time fee (18% of the deposit amount)
08/23/17	gabi	2.6	2.6	<ul style="list-style-type: none"> A Capital Project A Ventures SV Angel 	<ul style="list-style-type: none"> Homeowners and auto data analytics-centric price comparison platform that reviews users' current insurance and finds the most economical alternative coverages
08/23/17	Surematics	0.1	0.1	<ul style="list-style-type: none"> Y Combinator 	<ul style="list-style-type: none"> Software provider that helps commercial insurance brokers structure complex insurance products using blockchain technology in the U.S. and UK
08/28/17	Coya	10.0	10.0	<ul style="list-style-type: none"> eVentures La Famiglia Valar Ventures Individual Investors 	<ul style="list-style-type: none"> Germany based digital insurance provider that aims to redesign the insurance value chain and become Europe's leading digital insurer by using a customer-centric approach and offering scalable protection at the point of need through an AI risk guardian Filed application with German financial regulator BaFin to become a fully licensed and regulated insurance carrier Launch anticipated in 2018

Note: Blue font denotes current round investors.

(a) Includes \$18.5 million Series B round completed in October 2017.

The Data Center

Q3 2017 InsurTech Transactions – P&C

Date	Company	Funding (\$mm)		Investor(s)	Description
			Round Total		
08/30/17	Carpe Data	1.3	7.9	<ul style="list-style-type: none"> ▪ Aquiline Capital Partners 	<ul style="list-style-type: none"> ▪ Data mining company that utilizes social and web data to help insurers improve rating processes and identify fraudulent claims
09/01/17	Pillar Technologies	2.8	3.5	<ul style="list-style-type: none"> ▪ 1517 Fund ▪ Hyperplane VC ▪ Insure.VC ▪ Plug and Play Accelerator ▪ Rough Draft Ventures ▪ Sound Ventures ▪ Techstars Ventures ▪ XL Innovate ▪ Individual Investors 	<ul style="list-style-type: none"> ▪ Real-time risk management platform for general contractors that helps users predict and prevent damages ▪ Using on-site sensors, the company monitors for destructive environmental conditions such as fire, water leaks and mold
09/05/17	Beterview	2.1	3.7	<ul style="list-style-type: none"> ▪ 500 Accelerator ▪ 500 Startups ▪ 645 Ventures ▪ Arab Angel Fund ▪ Arena Ventures ▪ Chestnut Street ▪ Compound Ventures ▪ Haystack Partners ▪ Maiden Re ▪ MetaProp ▪ Plug and Play Accelerator ▪ Router Ventures ▪ Winklevoss Capital ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Utilizes a network of independent unmanned aerial vehicle (UAV) operators to inspect properties in the U.S. for various needs across insurance, construction and real estate ▪ Provides insurers and loss adjusters with a nationwide network of UAV operators to inspect commercial and residential properties ▪ Images received from the UAVs are analyzed qualitatively by human experts, offering analysis in an actionable report ▪ Also offers a suite of software and data analytics tools to help better manage underwriting risks and claims processes
09/06/17	PolicyStreet	0.5	0.5	<ul style="list-style-type: none"> ▪ KK Fund 	<ul style="list-style-type: none"> ▪ Malaysia based content aggregator offering price comparison services for life, auto, accident and other personal lines products
09/07/17	DataCubes	2.5	2.5	<ul style="list-style-type: none"> ▪ MK Capital ▪ Seyen Capital 	<ul style="list-style-type: none"> ▪ Data science platform for commercial underwriting that helps carriers improve customer engagement, underwriting productivity and profitability while eliminating paperwork
09/14/17	The Guarantors	11.7	11.7	<ul style="list-style-type: none"> ▪ 50 Partners ▪ Alven Capital ▪ Kima Ventures ▪ Partech Ventures ▪ Residence Ventures ▪ White Star Capital ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ New York based business that acts as a guarantor for renters without sufficient credit, income or credit history ▪ Insurance programs are underwritten by Hanover Insurance
09/18/17	ComparaOnline	14.0	41.5	<ul style="list-style-type: none"> ▪ Bamboo Capital Partners ▪ Endeavor Catalyst ▪ Int'l Finance Corporation ▪ Kaszek Ventures ▪ Launchpad Accelerator ▪ Ribbit Capital ▪ Rise Capital ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Chile based online personal insurance comparison platform that allows consumers to make informed purchasing decisions ▪ Enables insurers and banks to expand their distribution channels and lower customer acquisition costs
09/19/17	Insurance Zebra	40.0	61.5	<ul style="list-style-type: none"> ▪ Accel Partners ▪ AlphaLab ▪ Ballast Point Ventures ▪ Birchmere Ventures ▪ Daher Capital ▪ Floodgate ▪ Mark Cuban ▪ Silverton Partners ▪ Simon Nixon 	<ul style="list-style-type: none"> ▪ Texas based online car insurance comparison marketplace that offers more than 1,800 car insurance products from over 200 companies nationwide in the U.S. ▪ Also provides additional educational resources to inform consumers about appropriate coverages and pricing
09/21/17	TrueMotion	2.0	12.0	<ul style="list-style-type: none"> ▪ Bain Capital Ventures ▪ General Catalyst ▪ Lakestar ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Data analytics technology platform that enables insurers to distinguish between safe and risky drivers and rewards safe drivers with discounts on their insurance through mobile app Mojo
09/26/17	Boost Insurance	3.0	3.0	<ul style="list-style-type: none"> ▪ Greycroft Partners ▪ IA Capital Group ▪ Nephila Capital ▪ Norwest Venture Partners ▪ State National Companies 	<ul style="list-style-type: none"> ▪ P&C insurance distribution focused incubator that aims to offer streamlined access to regulated "A" rated insurance paper from State National and product development guidance
09/27/17	Albert	4.3	7.1	<ul style="list-style-type: none"> ▪ 500 Accelerator ▪ 500 Startups ▪ Bessemer Ventures ▪ CFSI Catalyst Fund ▪ Financial Solutions Lab ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ Personal finance tracking mobile app that connects to all user accounts and analyzes personal income and spending habits to offer suggestions to better manage personal finances ▪ Also offers renters' insurance products
09/29/17	Slice Labs	4.8	8.7	<ul style="list-style-type: none"> ▪ Horizons Ventures ▪ Munich Re / HSB Ventures ▪ Plug and Play Accelerator ▪ XL Innovate ▪ Undisclosed Investors 	<ul style="list-style-type: none"> ▪ The first on-demand insurance platform for the on-demand "gig" economy, providing pay-per-use insurance (e.g. ride sharing)

Note: [Blue](#) font denotes current round investors.

The Data Center

Q3 2017 InsurTech Transactions – L&H

Date	Company	Funding (\$mm)		Investor(s)	Description
		Round Total			
07/06/17	BenRevo	0.4	1.3	<ul style="list-style-type: none"> 500 Accelerator Plug and Play Undisclosed Investors 	<ul style="list-style-type: none"> Digital health insurance platform connecting carriers, brokers and employers Provides online distribution and workforce efficiency tools
07/11/17	CloudCover	0.1	0.8	<ul style="list-style-type: none"> Undisclosed Investors 	<ul style="list-style-type: none"> Risk solution to proactively mitigate online exposure at the incremental data level as online business is transmitted and stored
07/12/17	Bestow	2.5	3.1	<ul style="list-style-type: none"> 8VC Core Innovation Capital Morpheus Ventures New Enterprise Assoc. Undisclosed Investors 	<ul style="list-style-type: none"> Digital life insurance platform that uses algorithmic underwriting to pair people with appropriate policies and affordable rates Products are insured by a variety of "A+" rated carriers
07/17/17	Joany	13.0	16.1	<ul style="list-style-type: none"> Birchmere Ventures Crowdfunder Foundry Group LaunchCapital Precursor Ventures Techstars Ventures Wavemaker Partners Undisclosed Investors 	<ul style="list-style-type: none"> Predictive modeling service that helps consumers select and buy optimal and affordable health insurance Also allows users to check coverage and manage claims Currently offers policies from Aetna, Cigna, Humana, Oscar, Anthem, EmblemHealth, Molina Healthcare and Kaiser Permanente
07/18/17	Tomorrow Ideas	2.6	2.9	<ul style="list-style-type: none"> Allianz Life Ventures CFSI Catalyst Fund Clocktower Ventures Curious Capital Echelon Capital Financial Solutions Lab Flying Fish Ventures Maveron Plus and Play Ventures Undisclosed Investors 	<ul style="list-style-type: none"> Self-help mobile application aimed at helping millennials and working families achieve long term financial security Provides users with tools to assist with financial decisions including wills, life insurance and establishing trusts Distributes term life insurance on behalf of nine insurers in all 50 states and Washington D.C.
07/19/17	Gravie	14.1	40.7	<ul style="list-style-type: none"> Aberdare Ventures FirstMark Capital GE Ventures Securian Financial Group Split Rock Partners Undisclosed Investors 	<ul style="list-style-type: none"> Digital health benefits administration platform that helps employers develop customized benefits plans and employees with choosing appropriate and affordable coverages Aims to become appointed with all insurance companies in every state; individuals can purchase plans from non appointed companies if the insurer sells plans through the public marketplace
07/21/17	Limelight Health	7.0	10.3	<ul style="list-style-type: none"> AXA Strategic Ventures Launchpad Digital Health MassMutual Ventures Plug and Play Accelerator Plug and Play Ventures Portag3 Ventures Wanxiang Investments 	<ul style="list-style-type: none"> Mobile enterprise technology provider helping health insurance agencies streamline and simplify complex employee benefits processes QuotePad 2.0, a desktop and mobile quoting platform for medical, dental, vision and life insurance, enables real-time contribution modeling, branded proposals and employee decision support tools
07/26/17	Dentolo	3.5	3.5	<ul style="list-style-type: none"> Atlantic Labs IBB Yabeo Capital 	<ul style="list-style-type: none"> Germany based dental insurance comparison website that offers immediate quotes and connects customers with dentists
08/08/17	Groove Health	1.6	1.6	<ul style="list-style-type: none"> Undisclosed Investors 	<ul style="list-style-type: none"> Digital platform for health insurers, hospital systems and self-insured employers to improve medical adherence using predictive analytics and personalized patient engagement
08/08/17	Jones	0.2	0.2	<ul style="list-style-type: none"> 500 Accelerator 	<ul style="list-style-type: none"> Insurance compliance software platform that connects to APIs and instantly verifies that insurance certificates match requirements to streamline the hiring process for independent contractors and "gig economy" workers
08/08/17	Mira	0.2	0.2	<ul style="list-style-type: none"> 500 Accelerator 	<ul style="list-style-type: none"> Internet-based life insurance distribution and price comparison website that connects users with affordable plans Currently offers life coverages from MetLife, Minnesota Life, Principal, Mutual of Omaha, Prudential, Pacific Life, John Hancock, Voya, Legal & General and Lincoln Financial
08/10/17	Hey Mondo	0.3	0.3	<ul style="list-style-type: none"> Repris Individual Investors 	<ul style="list-style-type: none"> Spain based travel insurance distribution platform that offers immediate, affordable coverage through a simple online application with only five questions
08/11/17	Lapetus Solutions	3.5	4.7	<ul style="list-style-type: none"> Plug and Play Accelerator Undisclosed Investors 	<ul style="list-style-type: none"> Provides customized predictive life event solutions for life insurers, reinsurers, life settlements, pension funds and annuities, health care, long-term care and financial planning providers Science based technology combines sensory analytics, life sciences and dynamic questioning to predict life events in real time
08/14/17	Liangzibao	-	-	<ul style="list-style-type: none"> Fosun RZ Capital Infinity Venture Partners Linear Venture Xincheng Investment 	<ul style="list-style-type: none"> China based SaaS provider that uses blockchain to streamline underwriting processes and manage risks for commercial and personal insurers Current applications for travel and small business coverages, as well as insurance products for the "gig economy"

Note: Blue font denotes current round investors.

The Data Center

Q3 2017 InsurTech Transactions – L&H

Date	Company	Funding (\$mm)	Investor(s)	Description	
		Round Total			
08/22/17	Stride Health	23.5	39.0	<ul style="list-style-type: none"> DCM Ventures F-Prime Capital Kleiner Perkins CB Mayo Clinic Mohr Davidow Ventures New Enterprise Assoc. Portag3 Ventures Rock Health Venrock 	<ul style="list-style-type: none"> Health insurance recommendation engine that quickly builds a health profile for each patient, then delivers a financial forecast for their "health year" Algorithm filters to find the best health plan recommendation with consideration for preferred doctors and prescription drugs Provides clinical efficacy of recommended doctors
08/23/17	Baozhunniu	14.0	18.5	<ul style="list-style-type: none"> Marathon Venture Partners Matrix Partners China NNFE Capital Zhongguancun Dev. Group 	<ul style="list-style-type: none"> China based online distribution platform which leverages big data to customize and personalize group insurance products for small to mid-sized employers from various sectors Consumers can also purchase policies via online platform
08/23/17	Lumity	19.0	33.0	<ul style="list-style-type: none"> Draper Fisher Jurvetson Rock Health Social Capital True Ventures 	<ul style="list-style-type: none"> Using powerful insights and tools condensed into a simple online dashboard, Lumity offers an efficient consulting-in-a-box solution to enable employers to make smart health benefits decisions while driving cost savings and better outcomes for both businesses and employees
08/25/17	Sherpa	2.3	2.3	<ul style="list-style-type: none"> InsurTech.vc Undisclosed Investors 	<ul style="list-style-type: none"> Malta based integrated interface that offers a single personalized insurance account for connected consumers Allows users to consolidate their insurance coverages into one streamlined database that offers affordable recommendations
08/30/17	Pineapple	0.4	0.4	<ul style="list-style-type: none"> Lireas Holdings (Hannover Re Africa) 	<ul style="list-style-type: none"> South Africa based flexible, scalable and decentralized peer-to-peer insurer that offers transparent coverages to members Allows users to pay and track their premiums online and choose members of their social network with whom to pool premiums
08/30/17	Shuidihuzhu	24.0	31.7	<ul style="list-style-type: none"> Banyan Capital BlueRun Ventures Dianping IDG Capital Meituan-Dianping Sinovation Ventures Tencent Holdings Tongcheng Capital ZhenFund 	<ul style="list-style-type: none"> China based insurance platform that plans to solve the problem of high medical fees faced by patients diagnosed with a critical illness
09/04/17	Neosurance	0.8	1.1	<ul style="list-style-type: none"> Horizon 2020 Plug and Play Accelerator SuperCharger Accelerator Individual Investors 	<ul style="list-style-type: none"> Italy based service provider offering mobile technology solutions to insurers to improve customer experience and engagement Provides AI and machine-learning powered solutions for distribution of microinsurance policies
09/13/17	Flock IS	3.5	5.5	<ul style="list-style-type: none"> The Hartford Undisclosed Investors 	<ul style="list-style-type: none"> Supports small to mid-sized employers by connecting insurance carriers, payroll providers, applicant tracking modules and other systems through various stages of the employee lifecycle from hiring to retirement
09/15/17	AskArvi	-	-	<ul style="list-style-type: none"> Jang Capital 	<ul style="list-style-type: none"> India based mobile app that works as a personal insurance assistant offering price comparison services and guidance for purchasing health and travel insurance

Note: Blue font denotes current round investors.

The Data Center

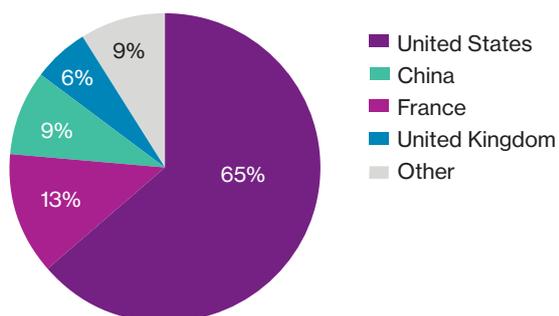
InsurTech by the Numbers

Private Technology Investments by (Re)Insurers



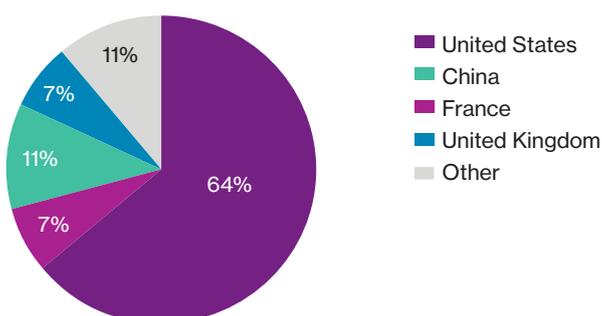
Private Technology Investments by (Re)Insurers by Target Country

2012 – Q3 2017



2012 – Q3 2017 Transactions: 290

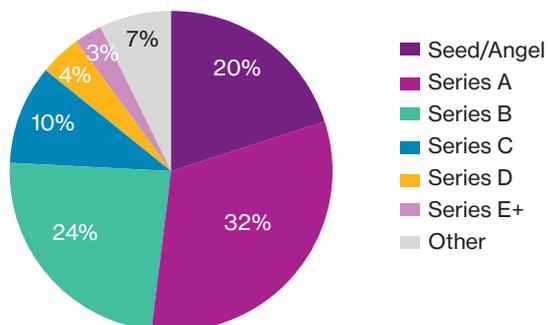
Q3 2017



Q3 2017 Transactions: 28

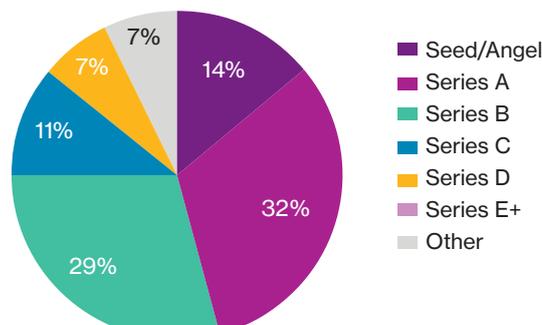
Private Technology Investments by (Re)Insurers by Investment Stage

2012 – Q3 2017



2012 – Q3 2017 Transactions: 290

Q3 2017



Q3 2017 Transactions: 28

The Data Center

Q3 2017 Private Technology Investments by (Re)insurers

Date	Company	Funding (\$mm) Round Total	(Re)insurer Investor(s)	Description	
07/07/17	Ativa Medical	9.5	28.0	<ul style="list-style-type: none"> ▪ Ping An Ventures 	<ul style="list-style-type: none"> ▪ Medical diagnostics company focused on developing a micro-lab that will bring the power and performance of a central laboratory to every hospital department, physician's office and remote health care clinic ▪ Solution incorporates multiple detection methodologies in a single instrument, with proven technologies that meet the growing trend of decentralized clinics at a price point that expands quality access to health care
07/11/17	Biovotion	3.1	13.5	<ul style="list-style-type: none"> ▪ Swiss Re 	<ul style="list-style-type: none"> ▪ Wearable physiology monitoring company that provides integrated solutions with connected hardware and value-added monitoring
07/12/17	Qloo	6.5	14.0	<ul style="list-style-type: none"> ▪ AXA Strategic Ventures 	<ul style="list-style-type: none"> ▪ Digital website and mobile-based recommendation engine where users can discover new things and places across the entire spectrum of their personal taste ▪ Takes clues from the user's preferences in entertainment, hobbies and travel to offer personalized suggestions
07/12/17	ReviewTrackers	3.0	11.1	<ul style="list-style-type: none"> ▪ American Family Ventures 	<ul style="list-style-type: none"> ▪ Specializes in collecting customer feedback from all major online review sites to discover and interpret key customer insights ▪ Helps businesses gain access to a consolidated database of customer reviews and manage their business reputations
07/17/17	FinLeap	44.8	68.5	<ul style="list-style-type: none"> ▪ Hannover Re ▪ Signal Iduna Group 	<ul style="list-style-type: none"> ▪ German technology accelerator and incubator that supports entrepreneurs building scalable businesses within the financial industry by providing them with infrastructure and guidance
07/18/17	CoverWallet	-	9.8	<ul style="list-style-type: none"> ▪ Starr Companies 	<ul style="list-style-type: none"> ▪ Provides a concierge-like service that provides small businesses with insurance advice, quotes and policy management ▪ Proprietary intelligent assessment system will identify the insurance needed based on specific business inputs and find a policy that fits within a desired budget ▪ Offers GL, workers' comp, BOP, commercial property, commercial auto, umbrella and other commercial lines coverages
07/18/17	Tomorrow Ideas	2.6	2.9	<ul style="list-style-type: none"> ▪ Allianz Life Ventures 	<ul style="list-style-type: none"> ▪ Self-help mobile application aimed at helping millennials and working families achieve long term financial security ▪ Provides users with tools to assist with financial decisions including wills, life insurance and establishing trusts ▪ Distributes term life insurance on behalf of nine insurers in all 50 states and Washington D.C.
07/19/17	NAUTO	159.0	182.6	<ul style="list-style-type: none"> ▪ Allianz Ventures 	<ul style="list-style-type: none"> ▪ Device, network and mobile application providing an affordable way to upgrade cars to get network and safety features previously only available in high end luxury cars ▪ System includes an in-vehicle device that collects and processes visual data in a smart and secure cloud, which produces valuable insights to help drivers operate vehicles more efficiently, effectively and safely
07/21/17	Limelight Health	7.0	10.3	<ul style="list-style-type: none"> ▪ AXA Strategic Ventures ▪ MassMutual Ventures 	<ul style="list-style-type: none"> ▪ Mobile enterprise technology provider helping health insurance agencies streamline and simplify complex employee benefits processes ▪ QuotePad 2.0, a desktop and mobile quoting platform for medical, dental, vision and life insurance, enables real-time contribution modeling, branded proposals and employee decision support tools
07/25/17	Circulation	10.5	10.5	<ul style="list-style-type: none"> ▪ Humana Ventures ▪ Intermountain Healthcare 	<ul style="list-style-type: none"> ▪ Digital platform that coordinates non-emergency transportation related to health care
08/03/17	Gu Sheng Tang	75.0	249.0	<ul style="list-style-type: none"> ▪ China Life Insurance ▪ Ping An Ventures ▪ Starr Companies 	<ul style="list-style-type: none"> ▪ Chain of traditional Chinese medicine clinics that operates over 20 locations in Beijing, Guangzhou, Shenzhen, Foshan, Wuxi, Nanjing, Suzhou, Zhongshan, Chengdu and other cities in China
08/22/17	Hyper Anna	12.7	13.7	<ul style="list-style-type: none"> ▪ Insurance Australia Group 	<ul style="list-style-type: none"> ▪ Data analytics solutions provider that uses AI and machine learning to drive improvements in marketing, sales and operations for businesses
08/23/17	Roost	10.4	16.9	<ul style="list-style-type: none"> ▪ Aviva Ventures ▪ Desjardins ▪ Fosun RZ Capital ▪ USAA^(a) 	<ul style="list-style-type: none"> ▪ Connected platform that delivers the most affordable way for consumers to enter the smart home space ▪ Roost Smart Battery transforms any existing smoke alarm into a smart smoke alarm

(a) Denotes previous round investor that did not invest in current round.

The Data Center

Q3 2017 Private Technology Investments by (Re)insurers

Date	Company	Funding (\$mm)	(Re)insurer Investor(s)	Description
		Round Total		
08/24/17	Mirador Financial	-	9.2	<ul style="list-style-type: none"> CMFG Ventures <ul style="list-style-type: none"> Data science platform that helps banks, credit unions and lending non-profits manage credit risk in lending to small businesses Draws on dozens of industry and unconventional data sources to help lenders make more accurate underwriting decisions
08/24/17	Shuidiguanjia	-	-	<ul style="list-style-type: none"> Ping An Insurance <ul style="list-style-type: none"> China based AI-powered business intelligence platform for landlords and property management companies Offers tenant, workforce and maintenance management solutions
08/29/17	ForeverCar.com	3.0	25.8	<ul style="list-style-type: none"> American Auto Shield^(a) CMFG Ventures <ul style="list-style-type: none"> Digital platform that enables consumers to shop and buy vehicle service contracts through a fully transparent online shopping experience with accurate quoting and price comparison tools
08/30/17	Pineapple	0.4	0.4	<ul style="list-style-type: none"> Lireas Holdings (Hannover Re Africa) <ul style="list-style-type: none"> South Africa based flexible, scalable and decentralized peer-to-peer insurer that offers transparent coverages to members Allows users to pay and track their premiums online and choose members of their social network with whom to pool premiums
09/01/17	Pillar Technologies	2.8	3.5	<ul style="list-style-type: none"> XL Innovate <ul style="list-style-type: none"> Real-time risk management platform for general contractors that helps users predict and prevent damages Using on-site sensors, the company monitors for destructive environmental conditions such as fire, water leaks and mold
09/05/17	Betterview	2.1	3.7	<ul style="list-style-type: none"> Maiden Re <ul style="list-style-type: none"> Utilizes a network of independent unmanned aerial vehicle (UAV) operators to inspect properties in the U.S. for various needs across insurance, construction and real estate Provides insurers and loss adjusters with a nationwide network of UAV operators to inspect commercial and residential properties Images received from the UAVs are analyzed qualitatively by human experts, offering analysis in an actionable report Also offers a suite of software and data analytics tools to help better manage underwriting risks and claims processes
09/06/17	Turo	92.0	194.1	<ul style="list-style-type: none"> Intact Ventures^(a) Liberty Mutual Ventures <ul style="list-style-type: none"> Peer-to-peer car rental marketplace with vehicles in over 2,300 cities through the United States Efficiently connects people who need a car with owners whose vehicles would otherwise go unused Each reservation is backed with a \$1 million insurance policy
09/13/17	BridgeBio Pharma	135.0	135.0	<ul style="list-style-type: none"> AIG <ul style="list-style-type: none"> Clinical-stage biotech company developing novel, genetically targeted therapies to improve the lives of patients Approach combines traditional focus on drug development with a unique corporate model, allowing rapid translation of early stage science into medicines that treat rare diseases at their source
09/14/17	Tanker	7.1	8.9	<ul style="list-style-type: none"> AXA Strategic Ventures InnovAllianz <ul style="list-style-type: none"> Provides developers and software vendors with an end-to-end encryption solution and a key management platform that can be embedded as SDK Product is entirely cloud-based, removing the need to install additional infrastructure
09/15/17	United Imaging Healthcare	500.0	500.0	<ul style="list-style-type: none"> China Life Insurance <ul style="list-style-type: none"> China based research and development platform that designs, develops, manufactures and markets medical imaging equipment
09/18/17	AppyParking	3.0	4.5	<ul style="list-style-type: none"> Aviva Ventures <ul style="list-style-type: none"> Accesses public and private parking data to enable users to find controlled parking zones and guide users to recommended parking spots via GPS
09/18/17	MyNotary	1.2	1.2	<ul style="list-style-type: none"> CNP Assurances <ul style="list-style-type: none"> France based legal documentation platform specifically tailored to the real estate sector that streamlines the contract writing process with immediate, customized legal templates
09/21/17	10x Future Technologies	46.0	46.0	<ul style="list-style-type: none"> Oliver Wyman Ping An Insurance <ul style="list-style-type: none"> UK based digital platform that aims to simplify complex, cumbersome data systems within the financial space Provides operations support functions and customized customer product offerings including mortgages, credit cards, loans and savings accounts
09/21/17	Tuition.io	7.0	13.1	<ul style="list-style-type: none"> MassMutual Ventures <ul style="list-style-type: none"> Enterprise-grade platform offering student loan repayment assistance solutions to employers as part of their overall employee benefits package
09/27/17	Chime	18.0	38.8	<ul style="list-style-type: none"> Northwestern Mutual <ul style="list-style-type: none"> Innovative online banking platform that offers customers a Chime Visa Debit Card, personalized spending and savings accounts and a powerful app that helps maximize savings Helps customers avoid unnecessary bank fees by earning profits from Visa everytime they use their Chime debit card Customers' funds are FDIC insured as a part of Chime's partnership with Bancorp Bank

(a) Denotes previous round investor that did not invest in current round.

The Data Center

Q3 2017 Strategic (Re)insurer Partnerships

Date	Company	(Re)insurer Partner(s)	Description
07/12/17	Oscar Health	▪ Humana	▪ Humana and Oscar Health entered into strategic partnership to offer consumer-focused, technology-driven commercial small business health insurance, beginning in the Nashville, TN area
07/18/17	CoverWallet	▪ Starr Companies	▪ Starr acquired an undisclosed minority stake in July 2017 ▪ Starr has an existing distribution partnership with CoverWallet
07/27/17	Flock	▪ Allianz	▪ Allianz has partnered with Flock to launch on-demand drone insurance in the UK market through a mobile app ▪ Provides up to £10 million of pay-as-you-fly liability and equipment insurance tailored to each flight
07/29/17	WeChat	▪ Fubon P&C	▪ Fubon P&C, the insurance subsidiary of Taiwan's 2nd largest financial holding company, partnered with WeChat to offer P&C, A&H and long-term life insurance products through the messaging platform
08/03/17	PolicyGenius	▪ Stillwater	▪ Stillwater will offer renters' coverage through the PolicyGenius platform
08/08/17	Finanzchef24	▪ Ergo	▪ Ergo began offering small commercial insurance products targeting online shop owners on Finanzchef24's online comparison portal
08/10/17	Maxwell Health	▪ The Hartford	▪ Maxwell partnered with The Hartford to launch a new digital benefits administration and enrollment platform for small to mid-sized businesses ▪ Provides employers with a comprehensive, easy-to-use online system to manage all of their employees' benefits
08/10/17	Wellthy	▪ Swiss Re	▪ Swiss Re is collaborating with Wellthy Therapeutics to develop more accessible effective insurance solutions for people with Type 2 diabetes
08/17/17	Alibaba/Ant Financial	▪ MassMutual Asia	▪ Jack Ma-backed Yunfeng Financial Group led a consortium of investors in the acquisition of MassMutual Asia for \$1.7 billion
08/22/17	Cozy	▪ Assurant	▪ Cozy, an online property management site for landlords, property managers and renters, has partnered with Assurant to offer renters' insurance through Cozy's online property management platform
08/25/17	Digital Fineprint	▪ Hiscox	▪ Hiscox partnered with tech start-up Digital Fineprint to investigate how data from social media can be used to educate small businesses on their risks and respective insurance solutions
08/27/17	Lazada	▪ AIG	▪ Malaysian e-commerce platform Lazada began offering AIG travel and personal accident coverages on its e-commerce portal
08/30/17	Pineapple	▪ Compass Insurance ▪ Lireas Holdings (Hannover Re Africa)	▪ Peer-to-peer insurance platform Pineapple has secured R5.2 million (\$0.4 million) in seed funding from Lireas Holdings (Hannover Re Africa) ▪ Pineapple's current product offering is underwritten by Compass Insurance, a South Africa based MGA
09/06/17	Drover	▪ Munich Re	▪ Drover, a UK based ride-sharing company, is offering a tailor-made auto policy to its drivers
09/07/17	Bestow	▪ Munich Re ▪ Sammons Financial	▪ Bestow, a online life insurance distribution platform that makes use of proprietary algorithms, has partnered with Munich Re and Sammons Financial's insurance subsidiary to develop new insurance products
09/08/17	Rhino Labs	▪ Canopius	▪ Canopius partnered with real estate technology company Rhino Labs to offer an alternative to security deposits where the renter pays a small monthly fee with future payments insured by Canopius
09/13/17	Nonglian Zhongxin Tech	▪ Ant Financial ▪ China United Insurance	▪ Ant Financial and China United Insurance have created an agriculture joint venture, Nonglian Zhongxin Technology ▪ Nonglian Zhongxin will provide financing, agricultural insurance and supply chain services to emerging Chinese agriculture companies
09/15/17	App in the Air	▪ Chubb	▪ App in the Air, a flight tracker app, is collaborating with Chubb to offer flight delay insurance with faster claims payouts than airline products
09/19/17	Warby Parker	▪ UnitedHealth	▪ Eyewear start-up Warby Parker will begin accepting UnitedHealth vision insurance in 2018, after previously not accepting any insurance
09/20/17	ONE	▪ Munich Re	▪ Pre-launch digital insurance provider ONE has announced a strategic partnership with Munich Re to collaborate in new methodologies and technologies of the digital world
09/20/17	Getsafe	▪ Munich Re	▪ Munich Re will begin distributing multiline coverages through Getsafe, the first fully digital insurance broker
09/27/17	Cyence	▪ Allianz	▪ Allianz has teamed up with cyber risk analytics and modeling firm, Cyence, to boost its global cyber risk analysis capabilities ▪ Allianz and Cyence will collaborate to develop a new predictive modeling tool for cyber-driven business interruption risks
09/28/17	Roost	▪ Franklin Mutual	▪ Franklin Mutual, as a part of a new partnership with Roost, will begin providing free household smart sensors to all homeowner policyholders ▪ Products include Roost's Smart Water Leak and Freeze Detector
09/27/17	Boost Insurance	▪ State National (Markel) ▪ Nephila	▪ Boost Insurance, an InsurTech incubator, will begin offering its clients access to regulated insurance paper and risk capacity through its new partnerships with State National and Nephila

Quarterly InsurTech Briefing

Additional Information

The Quarterly InsurTech Briefing is a collaboration between Willis Towers Watson Securities, Willis Re and CB Insights. Production is led by the following the individuals. For more information, or to discuss the results of this report, please direct inquiries to InsurTech@willistowerswatson.com.

Andrew Sagon

*Vice President & Quarterly
InsurTech Briefing Editor
WTW Securities*

Andrew Johnston

*InsurTech Research &
Engagement Lead
Willis Re*

Matthew Wong

*Senior Research Analyst
CB Insights*

WillisTowers Watson Securities

Willis Towers Watson Securities (WTW Securities) is a leading investment banking boutique focused exclusively on the insurance industry. We provide a broad range of services that combine unparalleled industry knowledge with analytical expertise, including strategic advisory, capital raising and ILS.

As a wholly-owned subsidiary of Willis Towers Watson, we offer a differentiated value proposition to clients operating in the (re)insurance sector. Our ability to provide a truly comprehensive and coordinated suite of M&A advisory services is based on delivering WTW Securities' established world-class insurance

M&A execution capabilities in concert with analytical, actuarial, brokerage, rating agency, risk management consulting and other services from other areas within the broader Willis Towers Watson organization. We operate at the forefront of innovation within the insurance sector, evidenced by our track record of executing landmark transactions across various segments of the insurance value chain including, the first sale of a U.S. public insurance company to a China based acquirer, the first full company sale of an ILS investment manager to a strategic (re)insurer and the establishment of Resilience Re, the first turn-key cat bond lite platform providing issuers with access to a pre-selected pool of leading alternative capital investors.

WillisRe

Willis Re is one of the world's leading reinsurance advisors. Over our 180-year history, we have developed a deep insight into all aspects of the global insurance industry. In particular, we understand how individual insurance companies develop and drive their own unique strategies to achieve their goals. We offer you comprehensive service backed by stable, well-trained staff to help you reach and exceed your specific targets in the most cost-effective fashion.

We have a deep understanding of risk – and all the ways it affects capital and your organization's financial performance. Our core focus is to provide you with a superior understanding of the risks you face, and then advise you on the best ways to manage extreme outcomes.

CBINSIGHTS

CB Insights is a Pilot Growth and National Science Foundation backed software as-a-service company that uses data science, machine learning and predictive analytics to help our customers predict what's next –

their next investment, the next market they should attack, the next move of their competitor, their next customer, or the next company they should acquire.

Quarterly InsurTech Briefing

Disclaimer

Willis Towers Watson Securities (“WTW Securities”) is a trade name used by Willis Securities, Inc., a licensed broker dealer authorized and regulated by FINRA and a member of SIPC (“WSI”), Willis Towers Watson Securities Europe Limited (Registered number 2908053 and ARBN number 604 264 557), an investment business authorized and regulated by the UK Financial Conduct Authority and exempt from the requirement to hold an Australian Financial Services License under ASIC Class Order [03/1099] (“WTW Securities Europe”) and Willis Towers Watson Securities (Hong Kong) Limited, a corporation licensed and regulated by the Hong Kong Securities and Futures Commission (“WTW Securities (HK)”). Each of WSI, WTW Securities Europe and WTW Securities (HK) are Willis Towers Watson companies. Securities products and services are offered through WSI, WTW Securities Europe and WTW Securities (HK). Reinsurance products are placed through Willis Re Inc. in the United States and Willis Limited in the UK, both also Willis Towers Watson companies.

These materials have been prepared by WTW Securities based upon information from public or other sources. WTW Securities assumes no responsibility for independent investigation or verification of such information and has relied on such information being complete and accurate in all material respects. To the extent such information includes estimates and forecasts of future financial performance obtained from public sources, WTW Securities has assumed that such estimates and forecasts have been reasonably prepared on bases reflecting the best currently available estimates. No representation or warranty, express or implied, is made as to the accuracy or completeness of such information and nothing contained herein is, or shall be relied upon as, a representation, whether as to the past, the present or the future. The information contained herein is not intended to provide the sole basis for evaluating, and should not be considered a recommendation with respect to, any transaction or other matter. WTW Securities is not providing any advice on tax, legal or accounting matters and the recipient should seek the advice of its own professional advisors for such matters. Nothing in this communication constitutes an offer or solicitation to sell or purchase any securities and is not a commitment by WTW Securities (or any affiliate) to provide or arrange any financing for any transaction or to purchase any security in connection therewith. WTW Securities assumes no obligation to update or otherwise revise these materials. This communication has not been prepared with a view towards public disclosure under any securities laws and may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the prior written consent of WTW Securities. Information contained within this communication may not reflect information known to other employees in any other business areas of Willis Towers Watson and its affiliates

Willis Limited/Willis Re Inc. All rights reserved. Some information contained in this document may be compiled from third party sources and we do not guarantee and are not responsible for the accuracy of such. This document is for general information only and is not intended to be relied upon. Any action based on or in connection with anything contained herein should be taken only after obtaining specific advice from independent professional advisors of your choice. The views expressed in this document are not necessarily those of Willis Limited / Willis Re Inc., its parent companies, sister companies, subsidiaries or affiliates, Willis Towers Watson PLC and all member companies thereof (hereinafter “Willis Towers Watson”). Willis Towers Watson is not responsible for the accuracy or completeness of the contents herein and expressly disclaims any responsibility or liability for the reader's application of any of the contents herein to any analysis or other matter, or for any results or conclusions based upon, arising from or in connection with the contents herein, nor do the contents herein guarantee, and should not be construed to guarantee, any particular result or outcome. Willis Towers Watson accepts no responsibility for the content or quality of any third party websites to which we refer.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 40,000 employees serving more than 140 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

Willis Limited, Registered number: 181116 England and Wales.
Registered address: 51 Lime Street, London, EC3M 7DQ.
A Lloyd's Broker. Authorised and regulated by the Financial Conduct Authority
for its general insurance mediation activities only.

WTW12351/10/17

willistowerswatson.com

Willis Towers Watson 