

An Insurance Carrier's Guide to Insurtech Engagement

Drake Insurance Innovation Lab

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Today's Agenda

1

What is Insurtech?

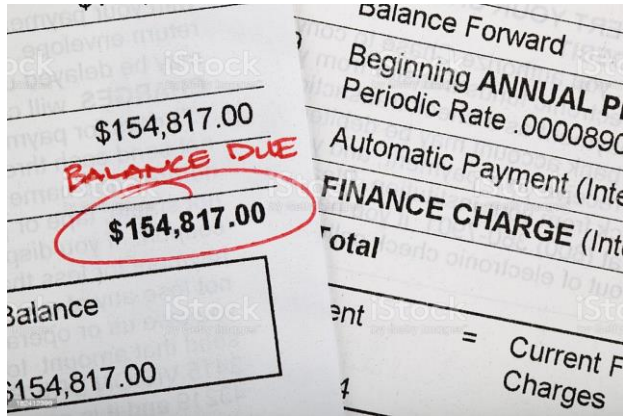
2

The Five Steps of Insurtech Engagement

3

Action Steps for Carriers

Why Innovate?



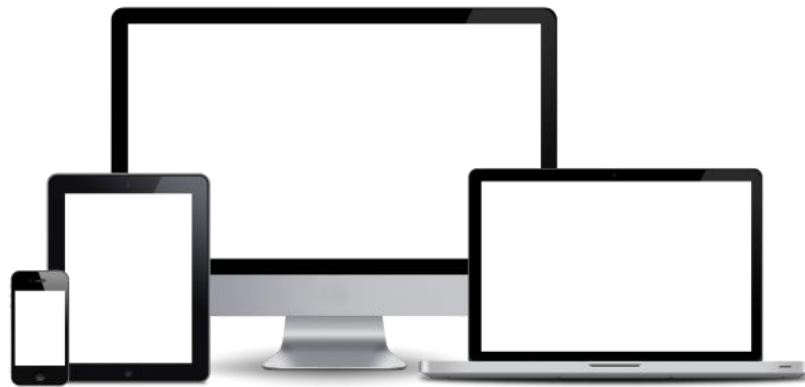
Why Innovate?



Anywhere



Any Time



Any Device



Instantly

Insurtech

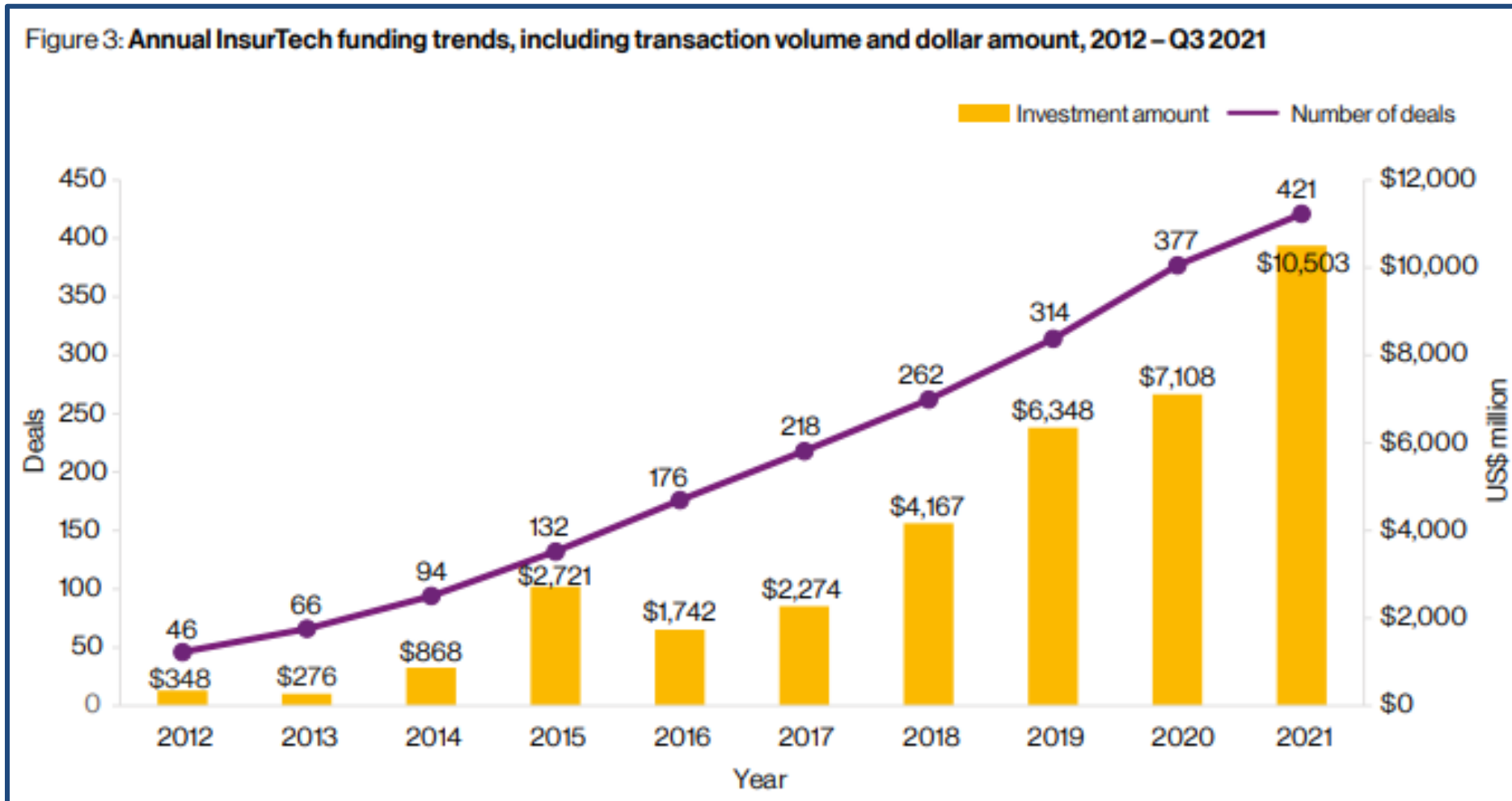
The use of technology with the purpose of creating improvement in the insurance value chain.



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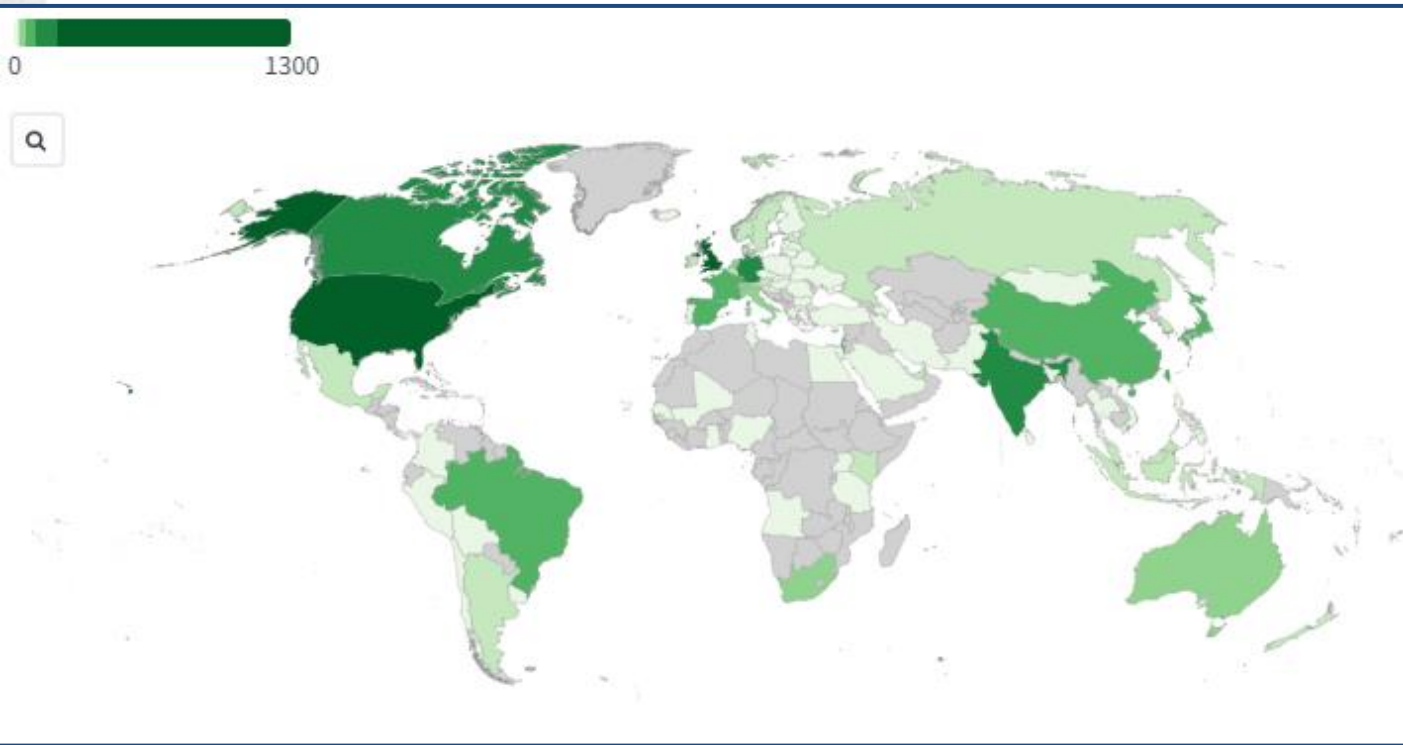
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Insurtech's Rapid Rise

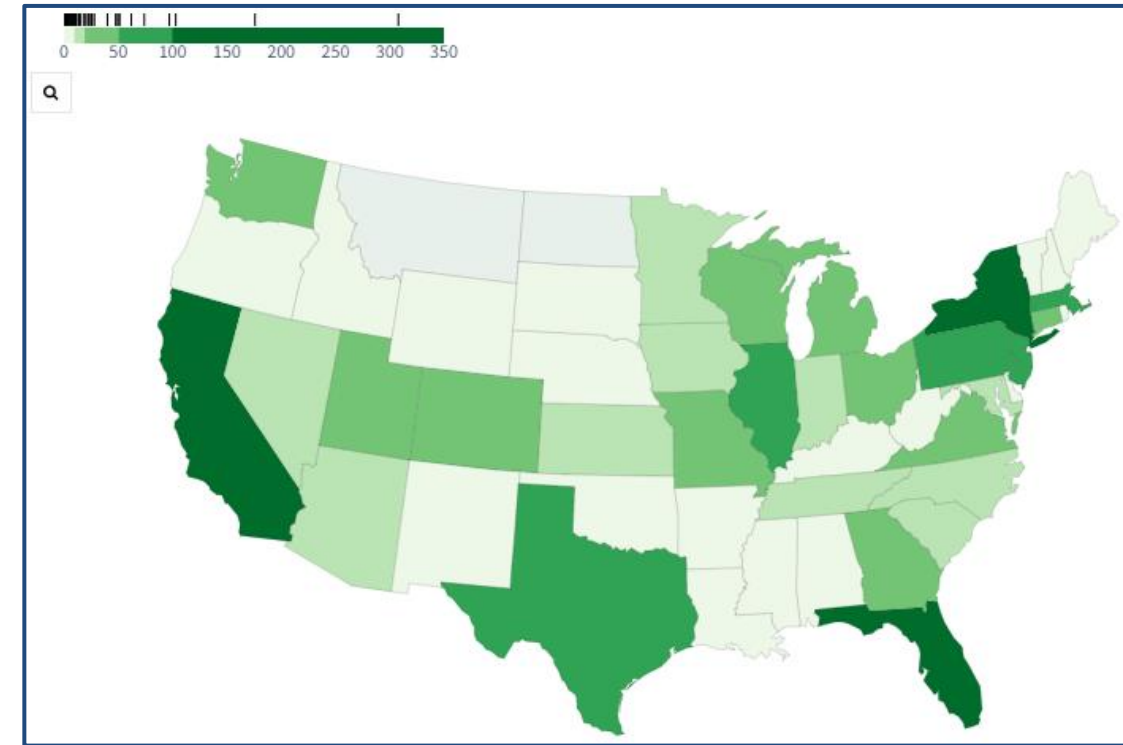


Source: Willis Towers Watson

Insurtech's Global Presence



Source: Porch Research



Source: Porch Research

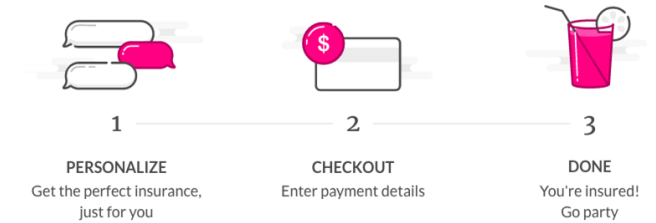
Blockchain



Artificial Intelligence

Lemonade

Get Insured In 90 Seconds!

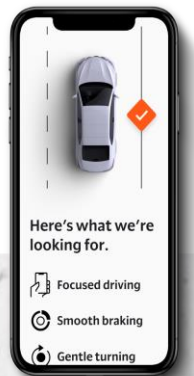


Internet of Things



OURA

Root
Insurance



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Key Truths

1

Insurtechs desire relationships

2

Businesses must innovate

3

Insurance carriers are not technology firms

Step 1: The Internal/External Innovation Dilemma

Internal Talent

Can we solve it?

Can we do it fast enough?

Can we afford to divert talent?

Can we maintain it long term?

Budgetary Capacity

Can we afford a third-party solution?

Can we accept the risk of a startup?



Core Systems Providers



Duck Creek
Technologies

insur^oity



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Core Systems Providers

Benefits

Efficiency

Consolidation

Outsourced Maintenance

Cost Consistency

Insurtech Implementation

Drawbacks

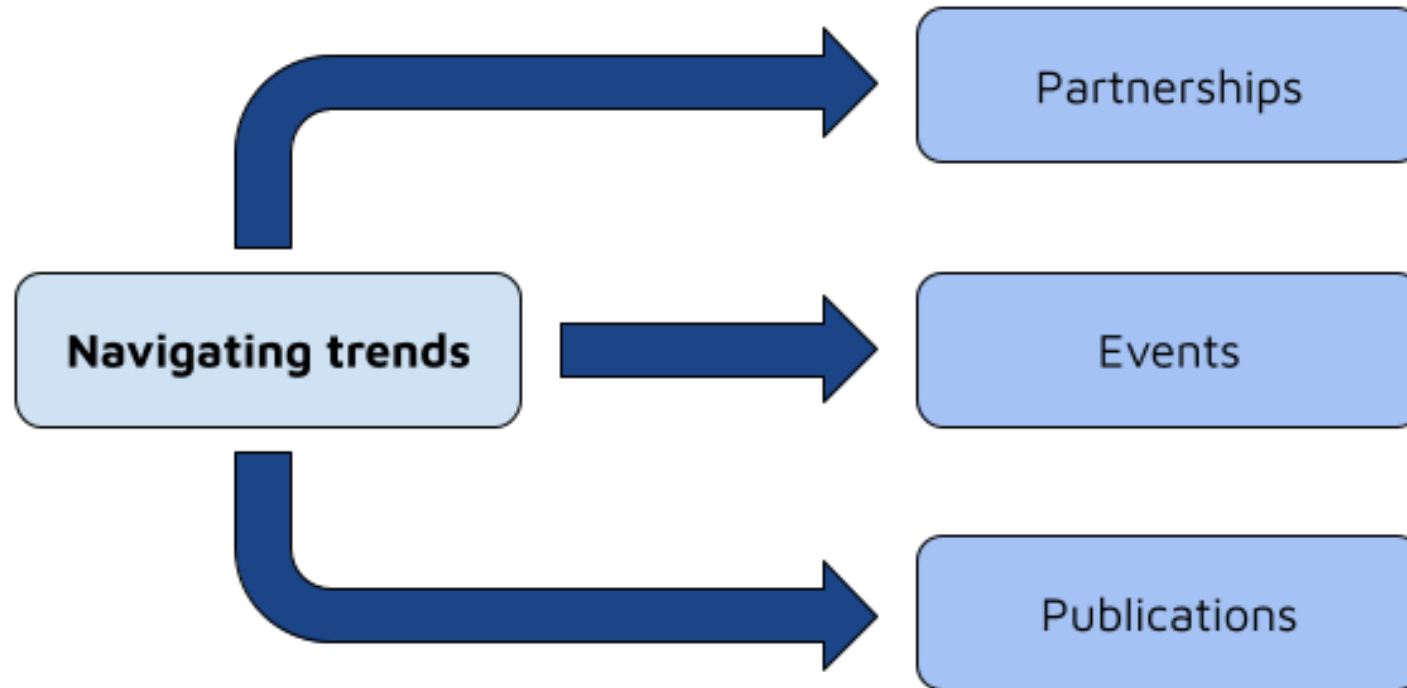
Costly

Lack of Control

Update Speed

Customer Service

Step 2: Staying Up to Date and Scanning the Market



Step 2: Staying Up to Date and Scanning the Market

Partnerships: Accelerators



**GLOBAL
INSURANCE
ACCELERATOR**



PLUGANDPLAY



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Step 2: Staying Up to Date and Scanning the Market

Events



Step 2: Staying Up to Date and Scanning the Market

Publications

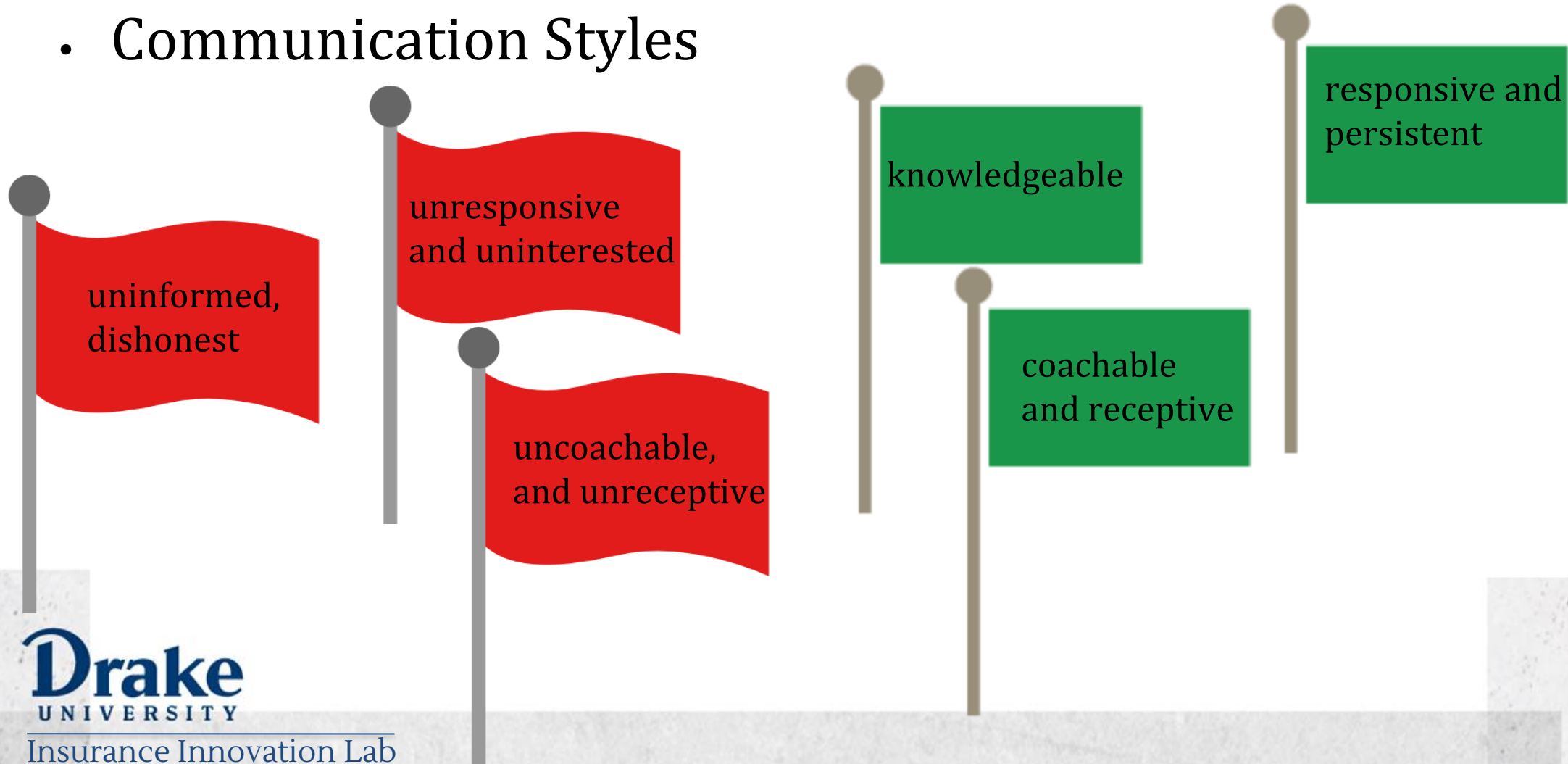
Platforms and databases, insurance-specific news sources, consulting firm resources



Step 3: Outreach and Testing

Introductions

- Communication Styles



Step 3: Outreach and Testing

Assessing Fit

Vision

Trust

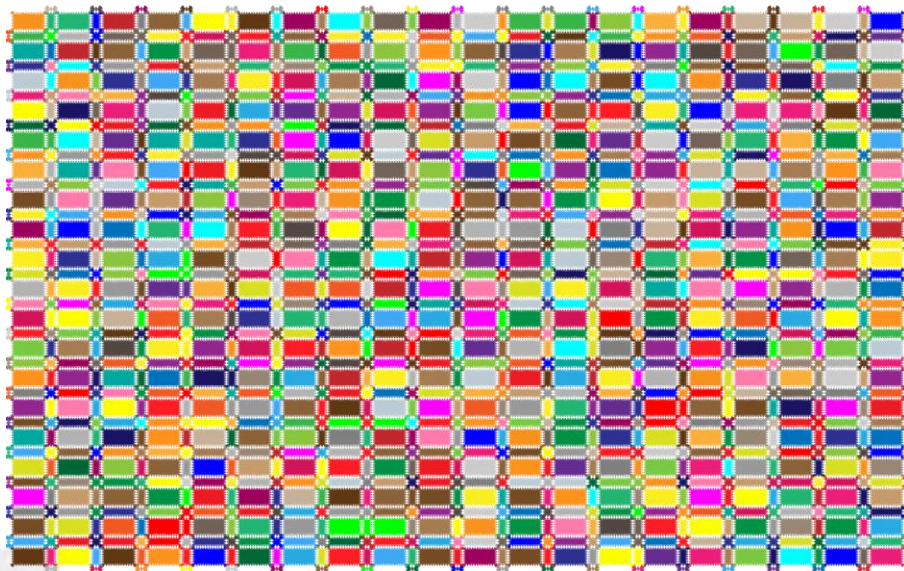
Culture

Integration

Step 3: Outreach and Testing

Testing

Full Dataset

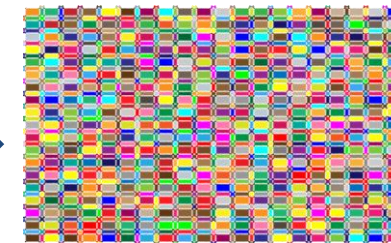


Scale down

Insurtech

Testing

Sample Dataset



Step 4: Investing and Determining Ideal Structure

Pay for Use

No Resources for Further Development

Applicable Now

Partnership

Work with Insurtech to Customize

Equity Stake



Acquisition

Have Resources for Absorption

Need Exclusivity



Step 5: Facilitating a Successful Relationship



Communication



Point Contact



C-Suite Support



Agile Culture



Friendship

In Review: The Insurtech Engagement Process



The Internal/External Innovation Decision



Monitoring and Searching the Insurtech Market



Reaching Out and Testing Solutions



Forming a Relationship



Fostering Success

Where to Start as a Carrier



Devote resources to:

- Education
- Research
- Relationships



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Ara Agopian, Solar Insure

Ellen Willadsen, Holmes Murphy

Bryan Falchuk, Insurance Evolution Partners

Kevin Croft, Drake University



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Featured Sources

Willis Towers Watson (Slide 7): <https://www.willistowerswatson.com/-/media/WTW/Insights/2021/10/quarterly-insurtech-briefing-q3-2021.pdf?modified=20211026222035>

Porch Research (Slide 8): <https://porch.com/advice/report-state-insurtech-2021>



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