



InsurTech Insight Americas Correspondent Report

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InsurTech Insight Americas

Correspondent Report

AUTHORS David Schraub, FSA, CERA, MAAA, AQ

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InsurTech Insight Americas

Correspondent Report

The two main objectives of the Society of Actuaries (SOA) Research Institute's InsurTech initiative are to raise the profile of actuaries within the InsurTech community and educate actuaries about InsurTech. In line with these goals, the SOA had a presence at the InsurTech Insights Americas conference on May 24-26, 2022. While most conversations that took place during the meeting contribute to the first objective, this report contributes to the second goal in reporting to the actuarial community about the InsurTech ecosystem.

Executive Summary

InsurTech is maturing. This concept was created 10-15 years ago, and the ecosystem is quite different today than it was back then. At the time of this writing, western financial markets are recording a downward trend, while inflation is moving in the other direction. This downward pressure on financing makes investors more cautious, which leads to a more careful selection of start-ups to be funded with a possible bias toward incremental innovations with immediate payback over game-changing endeavors.

Regardless of the conjuncture, InsurTech is here to stay and will change the insurance industry in fundamental ways, either through improving the customer experience, improving another specific section of the insurance value chain (e.g., fraud detection or risk/claims management) or creating new products (e.g., parametric microinsurance). This will impact the marketplace with new players emerging and/or rebalancing the competitive landscape, both in the Americas and globally.

The culture difference between carriers, InsurTech, and all other stakeholders is clear, but startups to a large degree are also valuing and working towards partnerships with carriers to improve the overall effectiveness and purpose of the insurance industry.

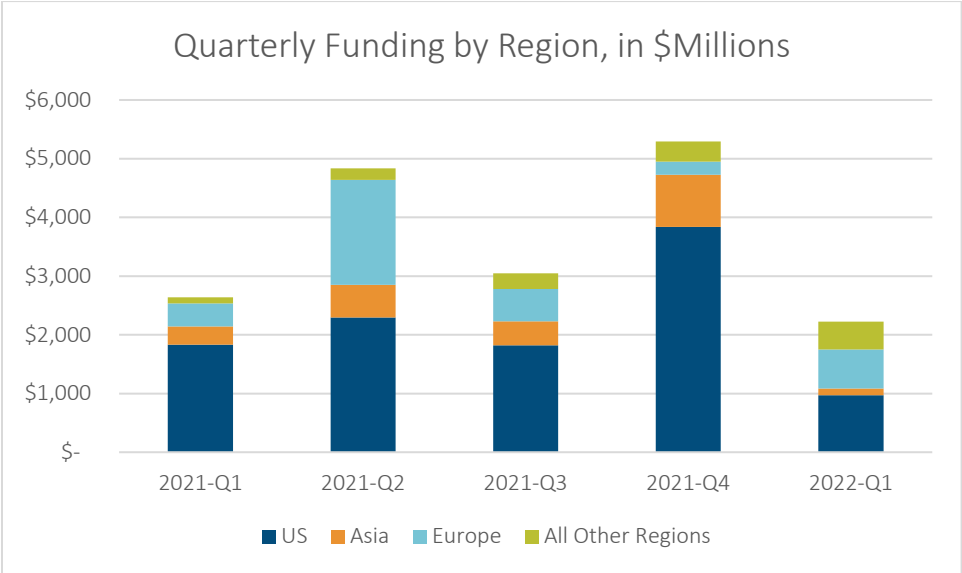
Section 1: Insight on InsurTech M&A Transactions to Set the Stage

The graphs below are based on a report published by CB-Insights InsurTech¹ in June 2022 and provide some measures of the InsurTech industry.

The key takeaways are:

- InsurTech start-up funding is a multi-billion dollar segment
- Most funding is coming at the early maturity stage
- The U.S. represents the majority of the InsurTech market
- The first quarter of 2022 showed a significant contraction compared to prior quarters
- Life & Health (L/H) represent about 40% of InsurTech funding with 60% for Property & Casualty (P&C)

Figure 1
QUARTERLY FUNDING IN US, ASIA, EUROPE, AND OTHER REGIONS



¹ https://www.cbinsights.com/reports/CB-Insights_InsurtechReport-Q1-2022.xlsx is only accessible after sign-up (free trial available)

Figure 2
BREAKDOWN OF DEALS BY FUNDING STAGE

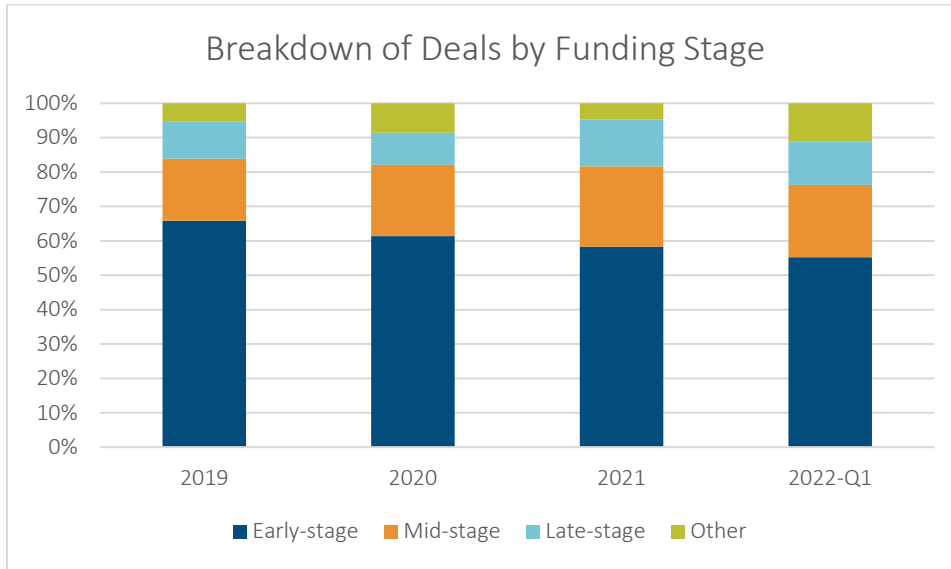


Figure 3
QUARTERLY FUNDING BY REGION

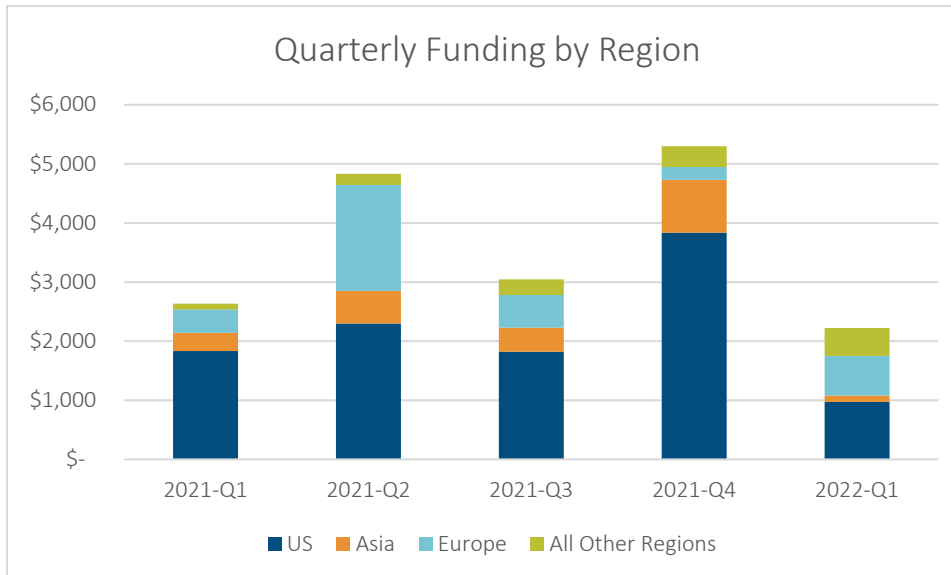
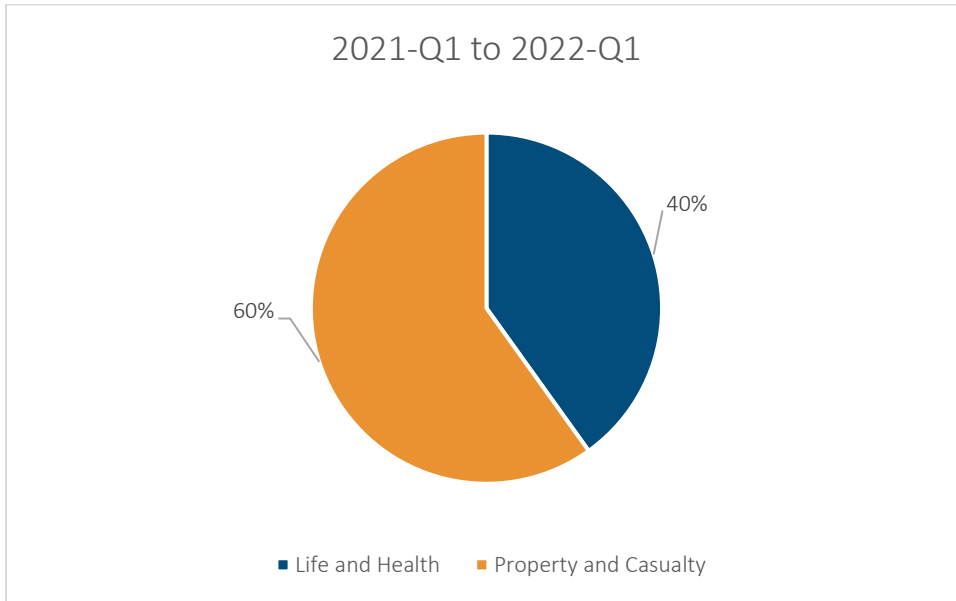


Figure 4
BREAKDOWN BETWEEN LIFE & HEALTH AND PROPERTY & CASUALTY



Section 2: Insight Gathered from the Conference

InsurTech Insight Americas is the American leg of the InsurTech Insight conferences; the other two are in Europe (held in London this year on March 15-16) and Asia (Hong Kong, TBD). The same organization offers webcasts and other events throughout the year.

The InsurTech Insight Americas was scheduled at the Javits Center in New York City on May 25-26, 2022. We estimate about 2,000 attendees came to the event.

2.1 WHAT WAS OUR ACTUARIAL ROSTER?

The SOA had a presence at the meeting that included David Schraub from SOA staff, as well as several SOA volunteers, listed in the Acknowledgments section. As actuaries are naturally part of the insurance industry, many other actuaries were naturally attracted and attended the event.

2.2 WHERE WAS THE ACTION?

InsurTech Insights week is a series of side events scheduled the days before or after the conference and during the evenings of the conference. Many of these are opportunities for after-work networking, with others having additional learning objectives. This was the ecosystem in which the SOA uniquely positioned itself in organizing a mini-office hours networking event on Tuesday, May 24, prior to the opening of the conference. Office Hours is the SOA program where actuaries give feedback on start-up strategy to founders. The event gathered a rich pool of talent for participants to meaningfully converse with each other in a relaxed setting. Follow-up conversations for additional advice will be coming in the future between the startups and actuaries who met at the event.

Sessions during the meeting were mainly panels and keynotes. In line with the positioning of the conference, most sessions were recruited based on the seniority of the speakers (almost exclusively C-suite) and not on a specific learning objective. This led to very high level and strategic discussions, as well as some occasional light self-promotion. This was a strong departure from SOA events, which focus on learning and continuing professional development.

Exhibitor booths are an important component of the experience, where vendors, InsurTech and other stakeholders have a prepared message they want to share with the ecosystem.

Fifteen-minute scheduled discussions were listed as a very strong positive feature of the event. A series of questions were asked during the profile-building process, including line of business covered, and seller / buyer / general interest position. The meeting application leverages these profiles and suggests connections. In a few clicks, one could request a 15-minute discussion at one of the tables numbered 1 to 40, during a time slot available to both thanks to the calendar synchronization feature. This feature was applauded by all team members due to the combination of (1) ease of use, (2) appropriate targeting of the counterparty, making the meeting relevant, (3) time length of 15 minutes, enough to go into some detail and really vet the counterpart without a long commitment, and (4) very clear meeting location that alleviates all awkward aspects of scanning faces, reading badge names and looking for a quiet place.

Networking is key and all features leading to effective interaction had been thought of, like sipping a nice latte, a healthy smoothy or a fancy drink with comfortable seating!

Different elements for different purposes made the overall experience very valuable and efficient.

2.3 WHO WAS IN ATTENDANCE?

The organization provided a breakdown of the attendees by stakeholder type.

| | |
|------------|-----|
| Insurers | 38% |
| InsurTechs | 24% |
| Investors | 17% |
| Others | 21% |

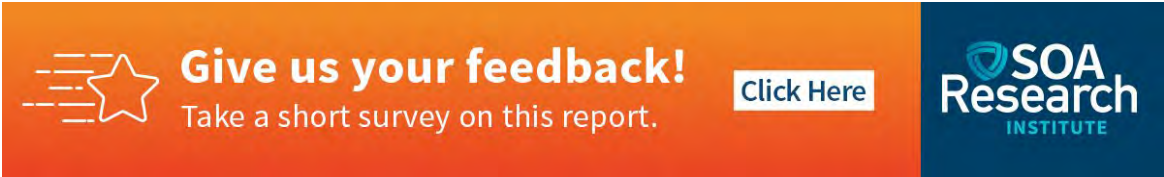
Our group encounters ended up with the following proportions:



| | |
|-----------------|-----|
| Start-up | 50% |
| Vendor | 35% |
| Carrier | 15% |
| Venture Capital | 5% |
| Reinsurance | 5% |
| Consultant | 5% |
| Others | 15% |

2.4 WHAT WAS THE VIBE?

The decline in funding was clearly felt, casting a shadow on the InsurTech start-ups. In times of uncertainty, start-ups with early adopter ongoing projects and clear business plans with a strong management team will still be able to access funds. Priority to projects with a shorter runway and cycle will be favored. Projects demanding high investment for years of development before going to market will be further challenged. Projects requiring a succession of investment series will also face headwinds.

This conference differentiates itself from the large anchor conference (such as ITC Vegas) by being more international, substantive, and business deal oriented.



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Section 3: Acknowledgments

The SOA's gratitude goes to those staff and key volunteers who attended InsurTech Insight Americas 2022 and were generous in providing their feedback and sharing their experiences and thoughts about the conference:

The following SOA members and SOA InsurTech Advisory Council representatives in attendance were:

- Josee Deroy, FSA, MAAA, CFA
- Aneesha A. Deshpande, FSA, MAAA, CERA
- Aqil Kurji
- Charles E. Ritzke, FSA, MAAA
- David K. Sandberg, FSA, MAAA, CERA, FCA
- Amanda B. Turcotte, FSA, MAAA

About The Society of Actuaries Research Institute

Serving as the research arm of the Society of Actuaries (SOA), the SOA Research Institute provides objective, data-driven research bringing together tried and true practices and future-focused approaches to address societal challenges and your business needs. The Institute provides trusted knowledge, extensive experience and new technologies to help effectively identify, predict and manage risks.

Representing the thousands of actuaries who help conduct critical research, the SOA Research Institute provides clarity and solutions on risks and societal challenges. The Institute connects actuaries, academics, employers, the insurance industry, regulators, research partners, foundations and research institutions, sponsors and non-governmental organizations, building an effective network which provides support, knowledge and expertise regarding the management of risk to benefit the industry and the public.

Managed by experienced actuaries and research experts from a broad range of industries, the SOA Research Institute creates, funds, develops and distributes research to elevate actuaries as leaders in measuring and managing risk. These efforts include studies, essay collections, webcasts, research papers, survey reports, and original research on topics impacting society.

Harnessing its peer-reviewed research, leading-edge technologies, new data tools and innovative practices, the Institute seeks to understand the underlying causes of risk and the possible outcomes. The Institute develops objective research spanning a variety of topics with its [strategic research programs](#): aging and retirement; actuarial innovation and technology; mortality and longevity; diversity, equity and inclusion; health care cost trends; and catastrophe and climate risk. The Institute has a large volume of [topical research available](#), including an expanding collection of international and market-specific research, experience studies, models and timely research.

Society of Actuaries Research Institute
475 N. Martingale Road, Suite 600
Schaumburg, Illinois 60173
www.SOA.org