

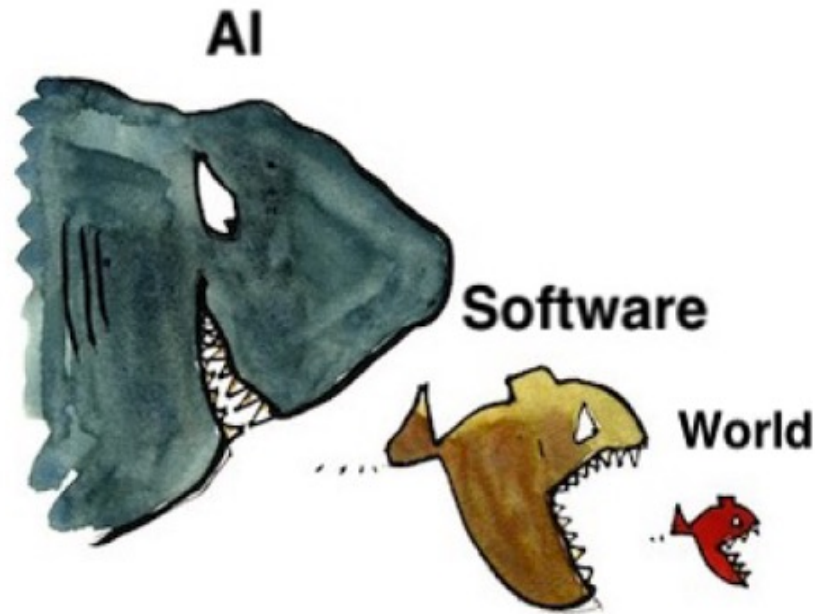


INSURTECH TRENDS AND INNOVATION

AQABACONF 2022

PHILIPPE HANNA
MAY 2022






“Software is eating the world”

Andreessen Horowitz (2011)

“Software is eating the world, but AI is going to eat software”

Jensen Huang, Nvidia CEO (2017)



70+ countries
10,000+ cities

14+ million
trips per day

110+ million
users worldwide

4 million drivers
worldwide



UBER, the world's
largest taxi company,
owns no vehicles

The background of the slide features a large, blurred Facebook logo in white on a blue background. In the foreground, there are two blue rectangular blocks. The left block has a large, 3D white 'f' logo. The right block has the word 'facebook' in a smaller, 3D white font.

2.93 billion
monthly active
users – **37%** of
world population

1.96 billion
unique users
each day

The image features a blue background with the word "facebook" in white lowercase letters, slightly blurred. In the foreground, there is a dark blue rectangular block with a large, light-colored 3D "f" logo on its left side. To the right of the "f", the word "facebook" is written in a smaller, light-colored 3D font. A white rectangular box is overlaid on the right side of the image, containing text.

facebook

facebook,
the world's most
popular media owner,
creates no content

500+ million
guests per year

150+ million
users worldwide

Listings in
180+ countries

5.6 million
active listings
worldwide





Airbnb,
the world's largest
accommodation provider,
owns no real estate

The background of the slide is a photograph of the Alibaba logo, which consists of large, 3D orange letters with white outlines, set on a grassy area in front of a modern glass-walled building at night. The building's interior lights and some trees are visible through the glass. Three semi-transparent white text boxes are overlaid on the image. The first box is in the top left, the second is in the top right, and the third is in the bottom center.

1.28 billion
annual active
customers

300 million
customers
overseas

Delivers to
190+ countries
and regions

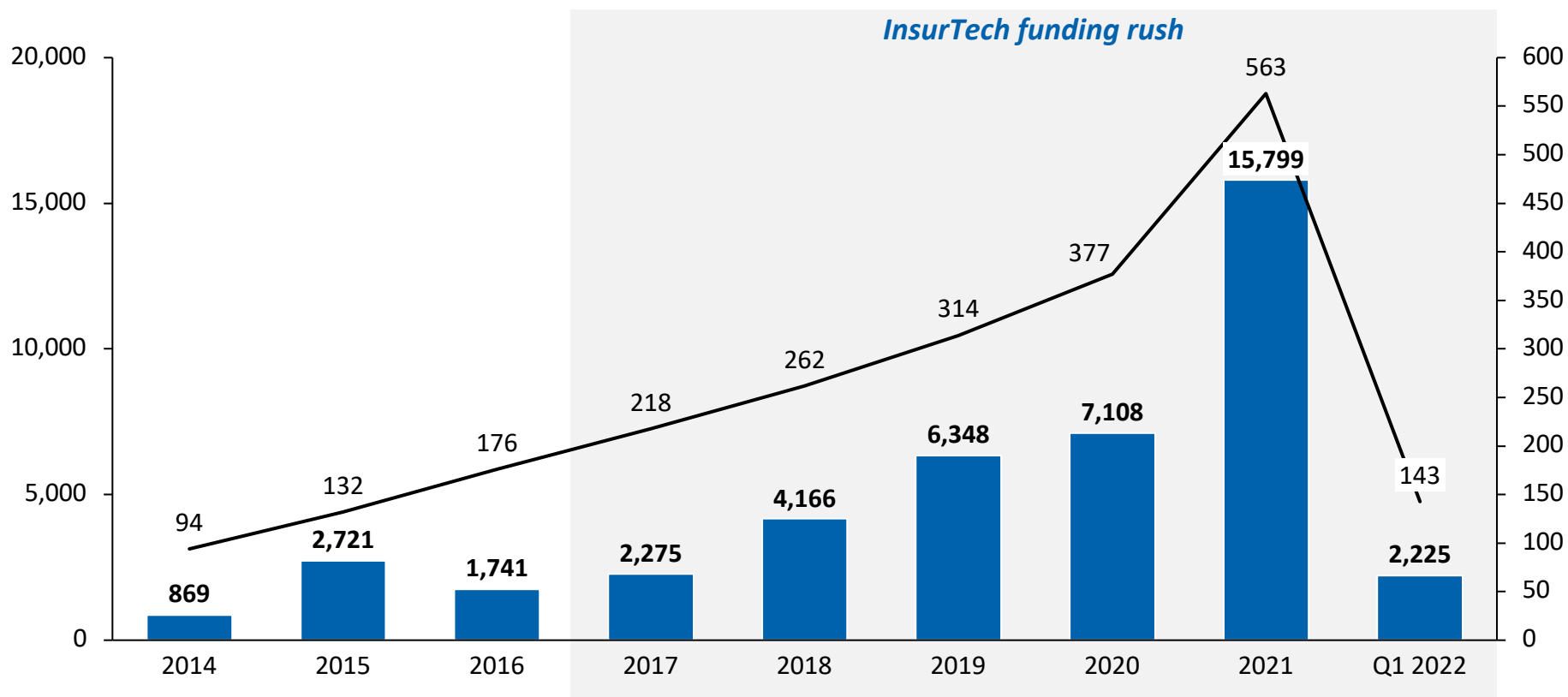


Alibaba, the second most valuable retailer, has no inventory

Funding for InsurTechs has reached record levels with \$15.8 Bn invested in 2021, more than the combined \$13.4 Bn in 2020 and 2019

InsurTech funding

In Mn USD (left scale), Number of deals (right scale); 2014-2021

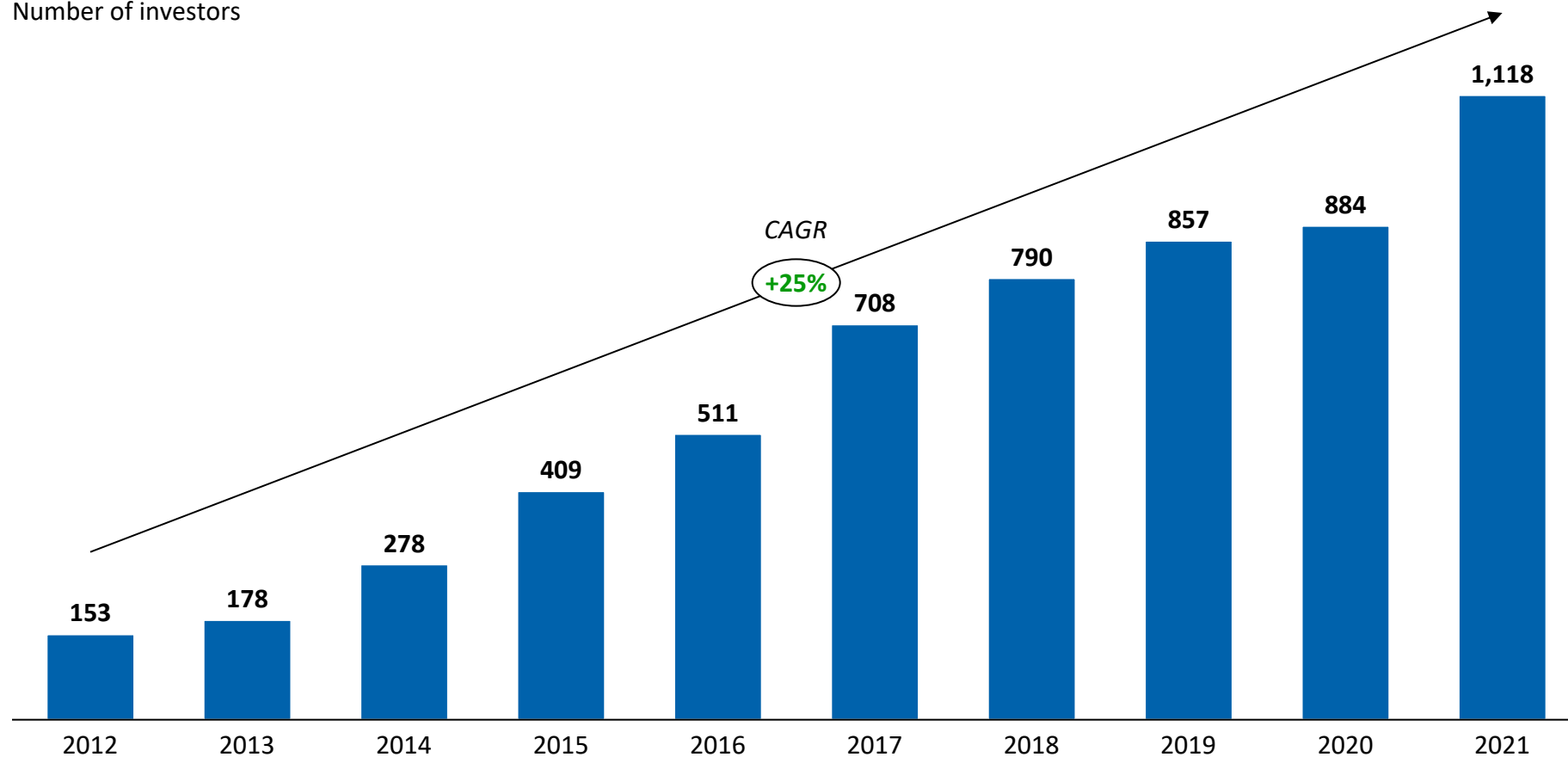


Source: Gallagher Re

More and more investors from different backgrounds and industries have been getting into InsurTech with 1,118 ventures investing in 2021

Venture investors in InsurTech

Number of investors



Source: Willis Towers Watson Global InsurTech Briefing 2021

InsurTechs have been focused on two main differentiating levers: driving growth and increasing efficiencies through cost reduction

X%

% of top global InsurTechs

1 Driving Growth

Improve customer experience	25%
Increase up-selling	15%
Increase cross-selling	15%

2 Cost Reduction



Reduce acquisition expenses	20%
Reduce administrative expenses	15%
Reduce loss ratio	10%

Enabled by new technologies and concepts

Micro-insurance



Robo-advisory



Gamification



IoT



Usage-based insurance



Big data / machine learning



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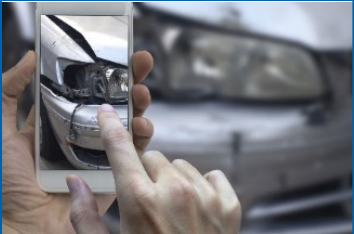



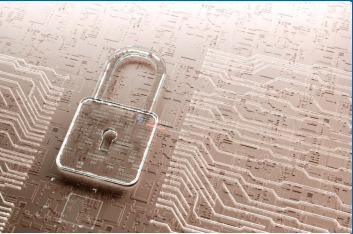
Potential in Middle East

03

Concluding Remarks

To achieve differentiation, InsurTechs leverage technology across five major innovation levers

Major innovation levers leveraged by InsurTechs

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Major innovation levers leveraged by InsurTechs

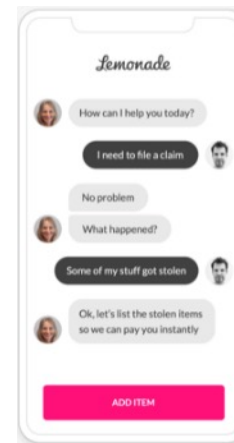
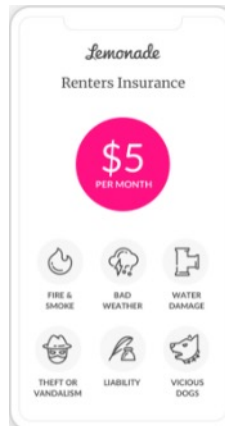
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Lemonade launched an end-to-end digital process in which AI powered chat-bot serves as one-stop-shop to handle all customer requests

Lemonade

Products & Services

- **AI-powered chatbot**
 - Serves as **one-stop-shop** to handle all customer requests (including onboarding, claim mgmt. etc.)
 - Onboarding in **less than 90 seconds** via all digital CX
 - Claims **settled in minutes** via innovative business model
- **Giveback Program**
 - Lemonade's Giveback initiative enables Lemonade customers pick charities to donate to



Strategic differentiators

- **Transparent policies:** Easy to understand and just as straight-forward as it sounds
- **Fast, easy claims processing:** File a claim via app or online; Lemonade reviews claims instantly with a quarter of claims **paid out in less than 3 seconds**
- **Trustworthy and transparent appeal:** Lemonade communicates its fee structure with its customers to achieve trustworthiness and transparency



Renters

Coverage for your stuff, in and out of your home



Homeowners

Protection for your home and stuff



Car

Protect your car, passengers and the planet



Pet

Health insurance for furry family members



Term Life

Protecting the people you love

Luko focused on customer experience by simplifying the quoting, onboarding and claims management processes through their app

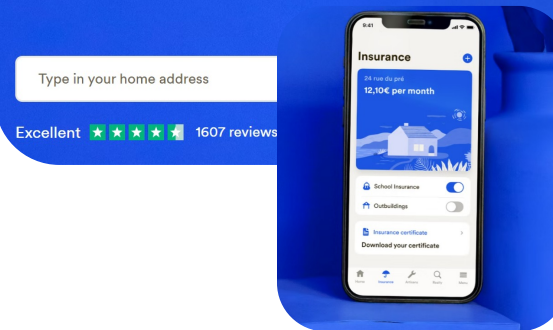
luko

Products & services

- **Home insurance:** Flat, House, Secondary home, Landlord insurance
- **Building insurance**
- **Mortgage insurance**
- **School insurance**
- **E-scooter insurance**

Luko, the #1 home insurtech in France

Get the best coverage for your home: simple, transparent, at the right price.



Strategic differentiators

- **Transparent:** Crystal clear guarantees with no sneaky asterisks, and with claim management which is twice as fast as our competitors
- **Simple:** Customize your contract in a few clicks, so you only pay for what you need
- **Reactive:** We're by your side when you need us: available 7 days a week, we'll even answer in under 2 minutes on a Sunday

You can count on us



2 min

to get an answer via chat, 7 days a week



45M€

of valuables covered



25%

of average saving per year

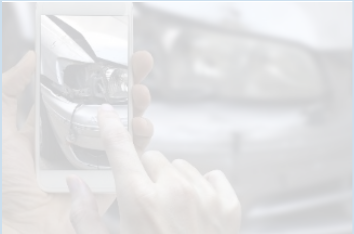



2x

Refunded twice as fast thanks to our network

To achieve differentiation, InsurTechs leverage technology across five major innovation levers

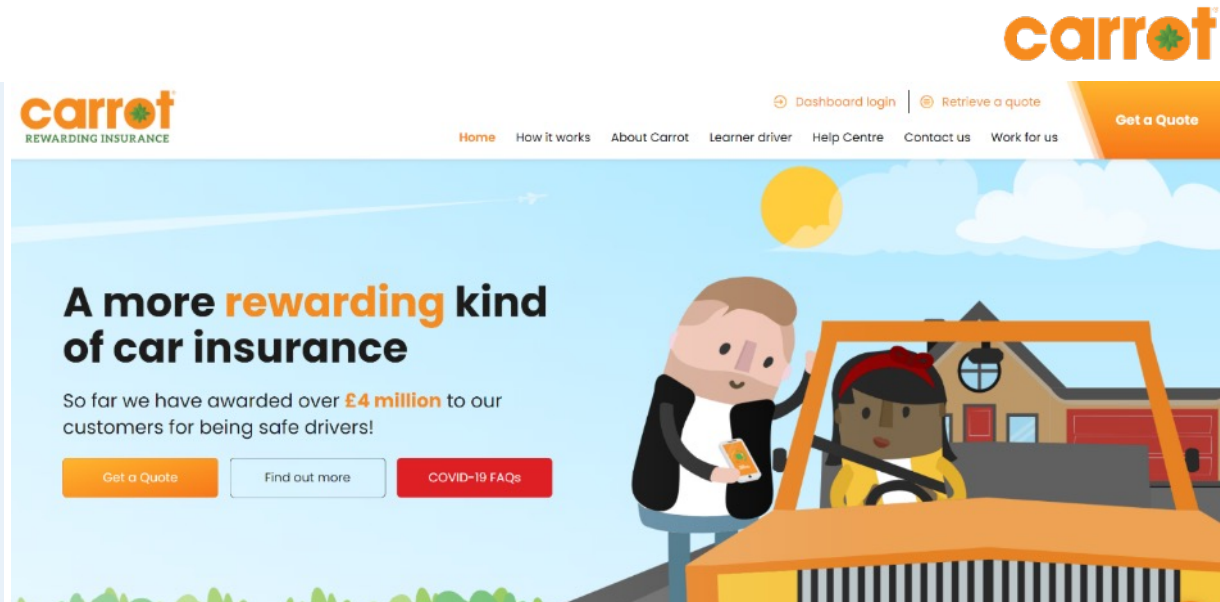
Major innovation levers leveraged by InsurTechs

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Carrot uses telematics and a smartphone app to monitor driving style and reward policyholders for safe driving

Product

- **Incentive based** approach to motor insurance
- **Telematics** keep track of journeys, mileage and Driving Style Score, rewarding safe driving
 - Via a black box or through the app, depending on driver experience



How it works



Buy car insurance from Carrot



Get connected with a black box or our clever smartphone app



Drive safely to get a positive (green) driving score



Check your progress using the app or online dashboard



Earn weekly rewards for driving safely!

Metromile offers a pay-per-mile insurance based on the driving distance, offering significant savings for low-mileage drivers

Products & services

- **Driving app**
 - Visualization of data through the app with street sweeping alerts and car health monitor
- **Insights on driving**
 - Small device plugged under the dashboard that measures miles driven and transmits mileage data to drivers
- **Find My Car**
 - Car locator in app shows where the car is parked and allows users to find their car's location



Strategic differentiators

- **Customer-centric view:** centralized and unique view to understand and cover customer needs
- **Data and analytics management:** to build a better customer understanding, Metromile uses strong analytics, based on location and distance tracking for a more profitable insurance pricing
- **Frictionless customer experience:** efficiency and ease in customer experience through effective pricing and service providing strategy

How does pay per mile car insurance work

You'll pay a low monthly rate, plus a few cents for each mile you drive.

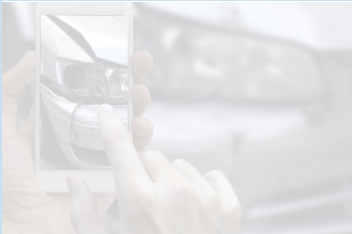




example

$$\text{\$29} + (450 \times 6\text{¢}) = \text{\$56}$$

monthly rate miles cost

To achieve differentiation, InsurTechs leverage technology across five major innovation levers

Major innovation levers leveraged by InsurTechs

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Seesam in partnership with Telia launched an innovative pay as you go insurance service that activates automatically when customers travels



Product

- **Pay as you go** travel insurance, for Telia customers when travelling internationally
- The insurance service is activated automatically **when a customer connects to a foreign mobile network**

Protection	Sum insured
Medical insurance	€ 100,000
Accident insurance	€ 10,000
Travel failure insurance	€ 1,000
Baggage insurance	700 €
Liability insurance	€ 30,000

- ✓ Deductible in case of an insured event 0 €.
- ✓ The insurance cover is valid only for trips with a duration not exceeding 30 consecutive days and a total of not more than 180 days per year. The number of trips per year is unlimited.

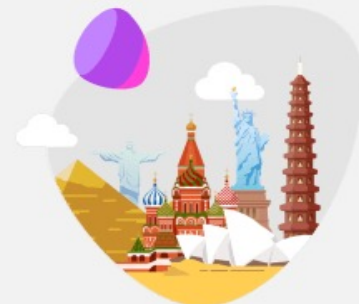
Strategic differentiators

- **Usage based pricing:** charges apply only for the duration of travel, avoiding extra costs
- **Convenience:** policy is automatically activated when a phone connects to a foreign mobile network
- **Flexibility:** users can easily suspend or re-activate their service via text without giving up the service



Join and use conveniently

1



Travel carefree

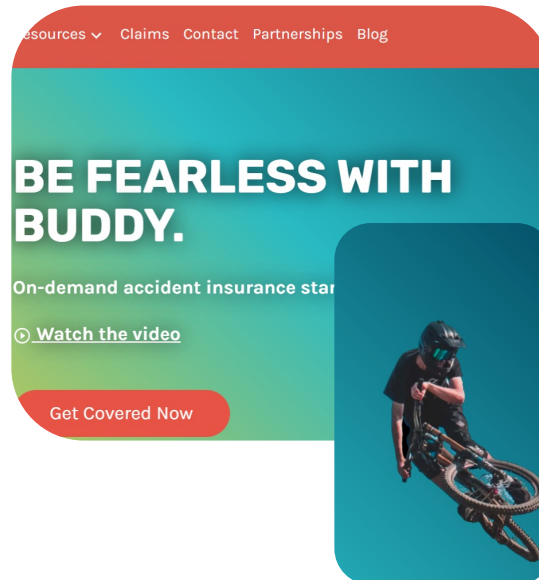
2

Buddy offers situational insurance to customers that want to fearlessly enjoy an active and outdoor life

BUDDY

Product

- **On-demand accident insurance**
 - Buy for as little as a day
 - Instant Coverage
 - No Deductibles
- **Includes**
 - Serious Injury or Illness
 - Special Vehicle Accidents
- **Accidental death and dismemberment insurance**



Strategic differentiators

- Insurance for adventures
- Customers are covered 24/7
- Help customers get back on their feet and back to doing what their love as soon as possible
- Buddy is being embedded as part of the offering of adventure providers
 - Drop-in snippet enables you to embed any insurance product into your transaction flow in minutes

ME
\$9^{.91}

For a day

Get Started

COUPLE
\$18^{.30}

For a day

Get Started

FAM
\$24^{.71}

For a day

Get Started

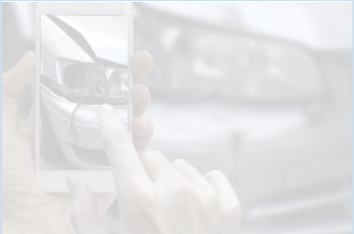







KIDS
\$9^{.91}

For a day

Get Started

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Oscar is the first InsurTech built around providing “more-than-insurance” with a relentless focus on serving its members

Product

- **Oscar Insurance**
 - Sell innovative and consumer-oriented health plans to Individual, Small Group and Medicare Advantage members
- **+Oscar**
 - Technology platform to providers and payers to directly enable their shift to value-based care



Strategic differentiators

- **Fully digital CX** (consultations, claims submission, prescription fulfilment, renewal etc.)
- **Tech powered Telemedicine and \$0 to see a doctor**
- Access to **specialists with no referrals** required
- **Reward incentives** for hitting **fitness goals** (e.g. step counts, etc.)

Get health insurance that just makes sense

Flexible plans that make getting care easy without jumping through hoops, and a dedicated Care Team on call ready to help you find what you need.

[Activate your account](#)

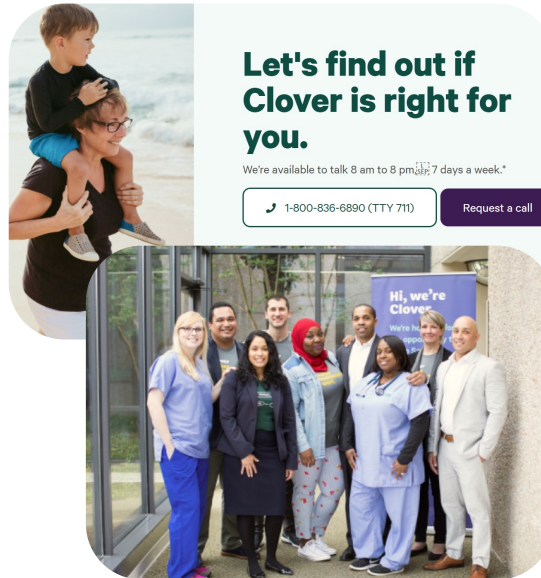


Clover Health is a health insurance company on a mission to provide more than insurance coverage through appointment support and a customer 360 platform

**Clover
Health**

Product

- **Health plans that fit customer's gameplan**
 - Providing the benefits members want most, while making sure plans are easy on customer's budget
 - Care teams support customer's relationship and follow-up on appointments and tests
 - All plans include prescription drug coverage, so there is no need for an additional plan



Strategic differentiators

- **Low premiums and copays means more benefits for less**
- **A yearly out-of-pocket maximum to protect customer's budget**
- **Wide open networks to see doctors you want without spending more**
- **Providing doctors with Clover Assistant technology at no cost, which helps customer's primary care doctor get a more complete view of customer's overall health**

Our Clover Health promise.

✓ **We do what's best for you.**

We'll only enroll you in a Clover Health plan if it's the best option for you.

✓ **We treat you like a person, not a policy.**

When you call with questions, we give you as much time as you need.

✓ **We are here when you need us.**

Your needs come first. You have our word on that.

To achieve differentiation, InsurTechs leverage technology across five major innovation levers

Major innovation levers leveraged by InsurTechs

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Vodafone Germany launched a cyber insurance covering individuals against increasing risk of online fraud



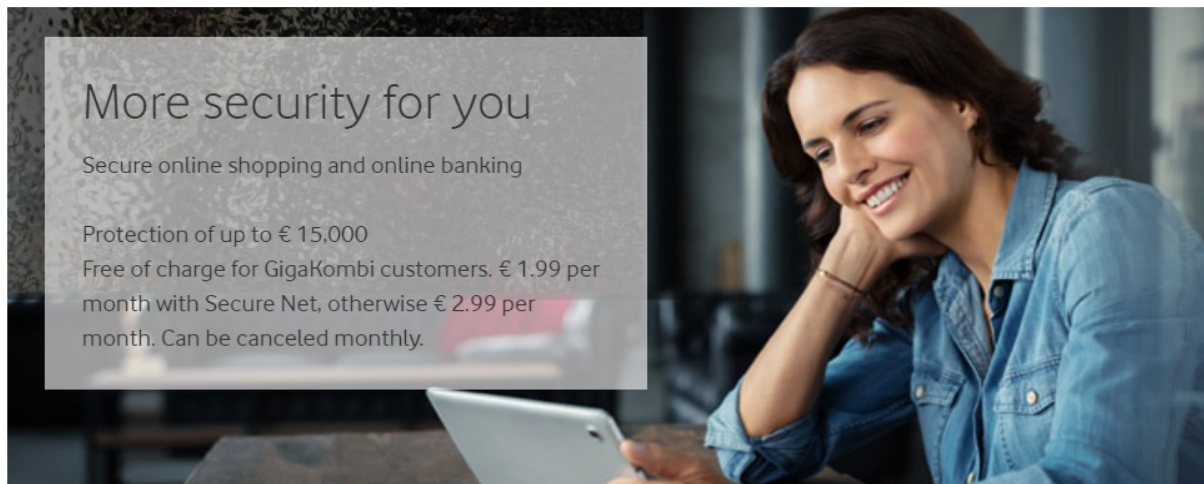
Product

- Vodafone partnered with Element to launch a **cyber insurance for individuals**
- For 2.99 € a month, policyholders are covered in the event of :
 - Online **banking fraud** (up to 15K €)
 - Online **shopping scam** (up to 5K €)
 - Online **credit card fraud** (up to 15K €)
 - **Identity theft** (up to 15K €)



Strategic differentiators

- **Family protection:** policy covers policy holder's family members living under the same roof
- **Worldwide:** insurance covers online fraud no matter where online transactions were made
- **Digital:** customers can sign up to the insurance from their smartphone, manage insurance on online portal and pay premiums via their mobile bill
- **Flexible:** policyholders pay insurance on a monthly basis and can unsubscribe at any time
- **Integrated into Vodafone offer:** policy can be combined with other Vodafone insurance offerings and is cheaper for certain Vodafone customers (e.g., Kombi offer and Secure Net plans)



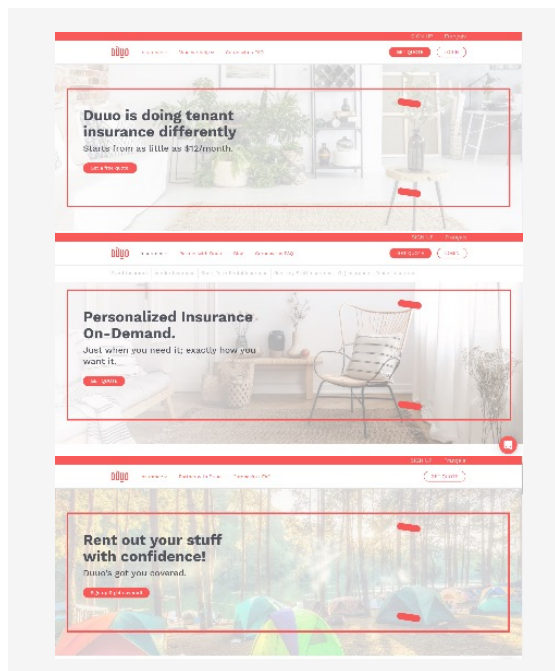
Source: Company website, Oliver Wyman analysis

Duuo is an insurance platform that provides on-demand insurance products for customers participating in the fast-paced digital economy



Product

- **Gig-economy insurance products**
 - Short-Term Rental Insurance (e.g. Airbnb homes)
 - Rent-My-Stuff-Insurance (e.g. short-term car rentals)
 - Gig insurance (e.g. Uber drivers, food delivery captains, etc.)
 - Tenant insurance
- **Digital claims management**
 - Customers can submit claims online in minutes by answering the chatbot's questions and uploading document



Strategic differentiators

- **On-demand insurance products:** insurance policies are tailored to customer needs - daily basis insurance
- **Simple processes:** customers can obtain a personalized insurance policy and submit a claim in minutes
- **Affordable products:** Duuo provides cheap coverage and does not charge any service or cancellation fees
- **Fully digital experience:** Duuo provides an entirely digital and smooth customer experience from policy writing to claims management

Partners (non-exhaustive)



Source: Company website, Oliver Wyman analysis

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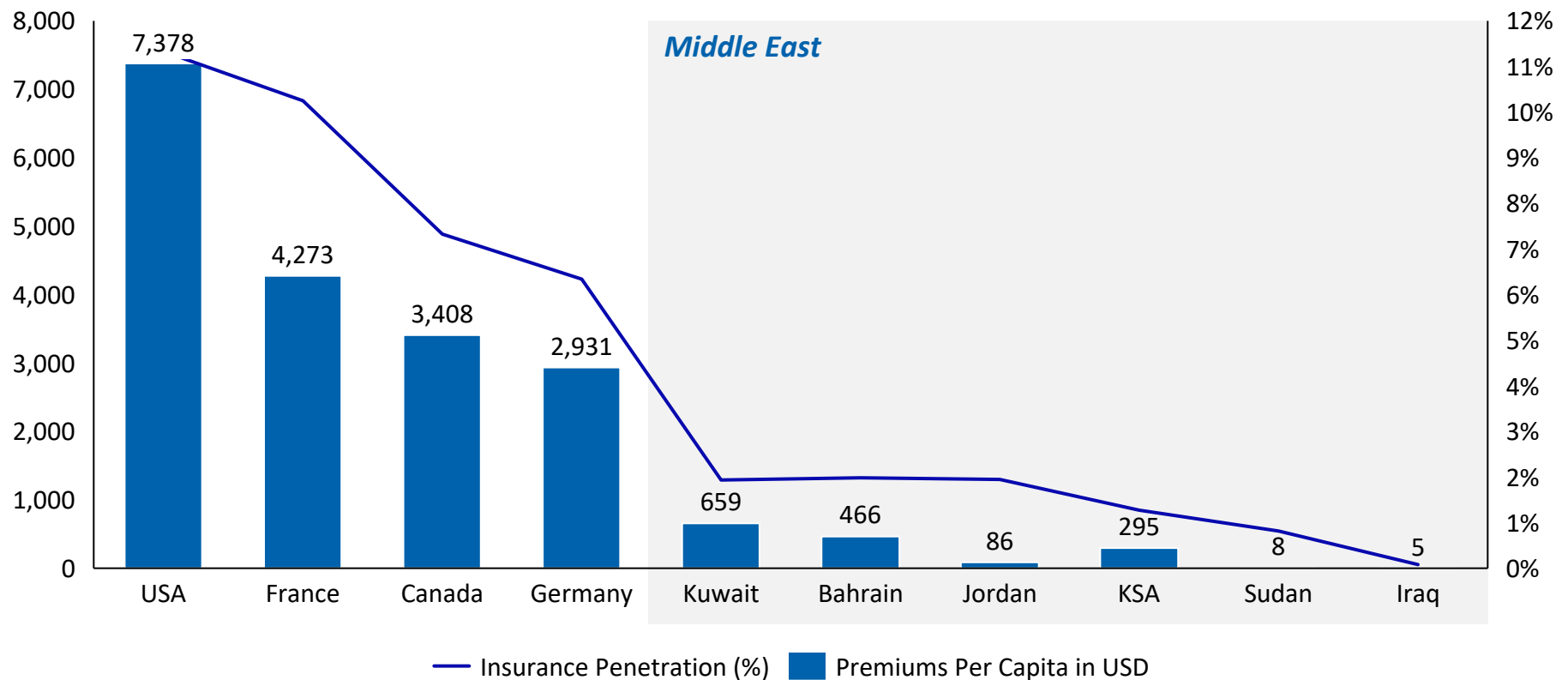
03

Concluding Remarks

The Insurance industry in the Middle East remains underpenetrated compared to mature markets, creating enormous opportunities of untapped potential

Selected global insurance markets

Premiums per capita/ penetration¹



1. Ratio between insurance premiums written and GDP; Latest data available from 2019

Source: Axco Insurance Market Reports, Oliver Wyman analysis

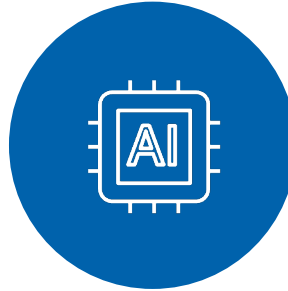
The current state of the market has several major challenges, with many of the challenges having the potential to be tackled by InsurTechs

Insurance market challenges



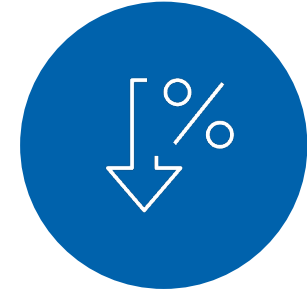
Limited product innovation

Given lack of competition and incentives to innovate



Technology Infrastructure

Limited technological and digital capabilities



Profitability Challenges

Price being the single decision-making factor for customers



Regulatory Barriers

Outdated policies discourage new market entrants



Talent Acquisition/Retention

Competition especially for talent with digital skillsets

Despite the market challenges, we've seen several InsurTechs kickstart in the region: Beema was the first to introduce a truly innovative motor product

Overview of Beema

A clever way to save on car insurance.

With Beema Pay-per-kilometer, you get awesome car insurance + earn up to 25% cashback based on your mileage. It's a win-win, really!

[Learn more](#)

[Get a quote](#) [Renew](#)

Fair.
Drive less? Pay less.

Easy.
3 minutes, and you're set.

Full-on.
No surprise bills.

- **Started as an innovative car insurance launched in cooperation with AXA Insurance**
- **Final price based on your mileage**, the less you drive, the more cashback (e.g. **25% cashback yearly mileage <4,000km**)
- **Number of perks** included in the package (e.g. cross-border insurance, off-road / desert insurance, etc.)
- Recently expanded to **home and travel insurance** with health expected to follow

Source: Company website, Oliver Wyman analysis

Cashback options



Pay-per-kilometer

Earn cashback based on your yearly mileage.



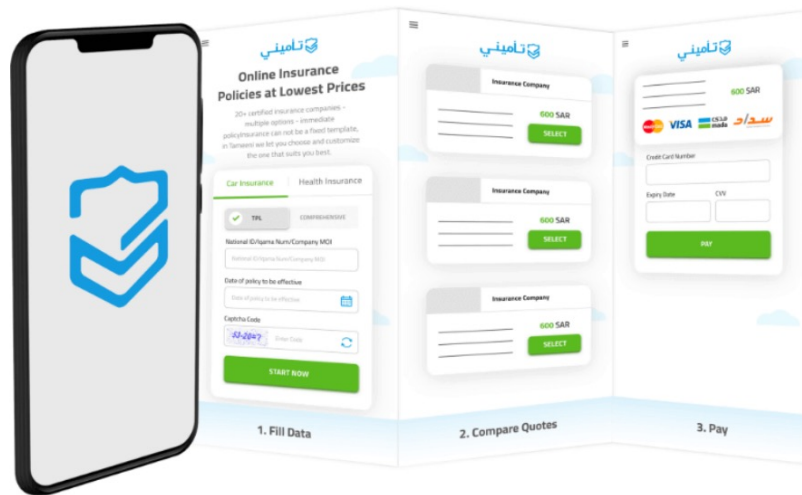
SmartDriver **coming soon**

Earn cashback for safe and responsible driving.

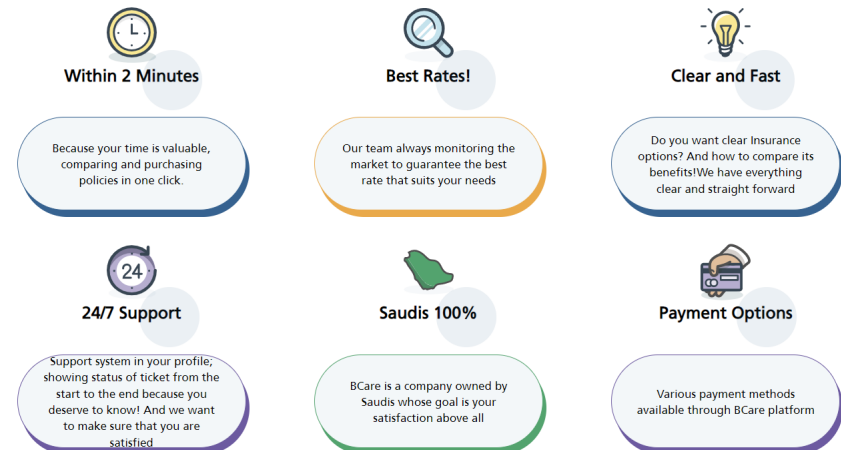
You drive	You get
 4,000km or less	 25% cashback
 Between 4,000km and 10,000km	 From 23% to 15.5% cashback
 Between 10,000km and 16,000km	 From 14% to 6.5% cashback
 Between 16,000km and 20,000km	 5% cashback

Tameeni and BCare are two of the most successful insurance aggregators that managed to capture >20% of the motor market in Saudi in less than 2 years

Overview of Tameeni



Overview of BCare



- **Insurance:** Car and Health
- **Strategic differentiators:**
 - **Easy comparison** – Instant quotes for multiple products from different insurance companies for comparison
 - **Fully digital experience** – Fully digital experience from quoting to issuing the insurance policy
 - **Uniform Pricing** – Pricing is guaranteed to match that of the insurance company itself if not less

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Concluding Remarks

- 1 InsurTechs can act as a catalyst of digital insurance transformation
- 2 Adoption of latest tech (5G, IoT etc.) will provide opportunities for new offerings
- 3 Impact on the insurance market can be quick, early movers will gain advantage
- 4 Regulators play a pivotal role in bringing the InsurTech rush to the ME



Zain has plans to enter the InsurTech space and is interested in connecting to potential partners

Zain's key strengths



Customer analysis experience and technological capabilities enabling Zain to support design innovative products



Digital development capabilities to digitize and automate processes while leveraging Zain's infrastructure



Valuable customer data that can enable real-time targeting and efficiencies extraction





 zain