

# REDEFINING FINANCIAL SERVICES THROUGH TECHNOLOGY

## #NEXT WAVE OF FINTECH

MAGNUS KRUSBERG - COUNTRY HEAD SWEDEN AND PARTNER FINANCIAL SERVICES (PA)  
MICHAL GROMEK - RESEARCHER ON FINTECH & CROWDFUNDING (SSE)



SUMMARY  
OF THE  
UPCOMING  
REPORT

WHAT SHOULD  
WE DO?

ADAPT?  
FREEZE?

## GROWING COMPLEXITY

teambrella

Stockholm based Insurtech venture Teambrella, intends to incorporate P2P Crowdfunding, Blockchain, RegTech and Cryptocurrencies into one insurance product. Its synergy shows the growing complexity of the national market and serves as the basis for the report.





## #GOOD TO SEE YOU



**Magnus Krusberg**

Country Head Sweden and Partner Financial Services at PA Consulting Group

25 years experience within the Financial Industry working with Information, Technology and Business development.



**Michal Gromek**

Researcher on FinTech (SSE)  
Center for Strategy and Competitiveness  
Department of Marketing & Strategy

8 years FinTech experience as for example:  
Head of Int. Financial Services (FundedByMe),  
Country Head (Rocket Internet) .



CENTER FOR STRATEGY AND COMPETITIVENESS  
[HTTPS://WWW.HHS.SE/EN/RESEARCH/CENTERS/CSC/Y](https://www.hhs.se/en/research/centers/csc/y)  
[HTTPS://WWW.SLIDESHARE.NET/MICHALGROMEK](https://www.slideshare.net/michalgromek)



## FIRST INSURTECH AND REGTECH REPORT 2017

# To illuminate the growing landscape of InsurTech and RegTech we examined companies that operate on the Swedish market and beyond, suggested taxonomies, reviewed the current and potential developments and inspected the regulatory changes, that drive RegTech.

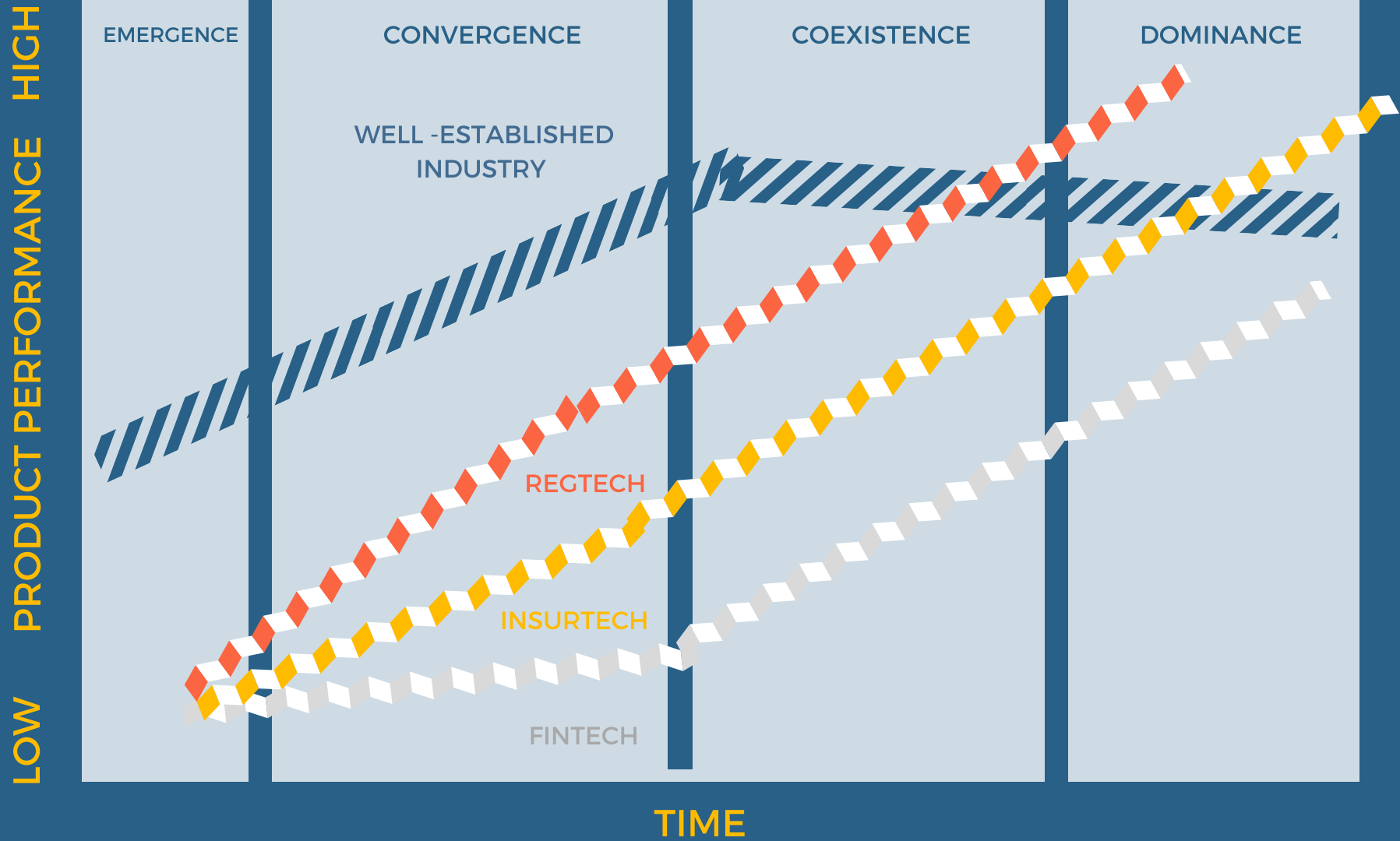
# Landscape mapping 40+ companies

# 15 case studies and interviews

# 75+ pages of insights and lessons learnt

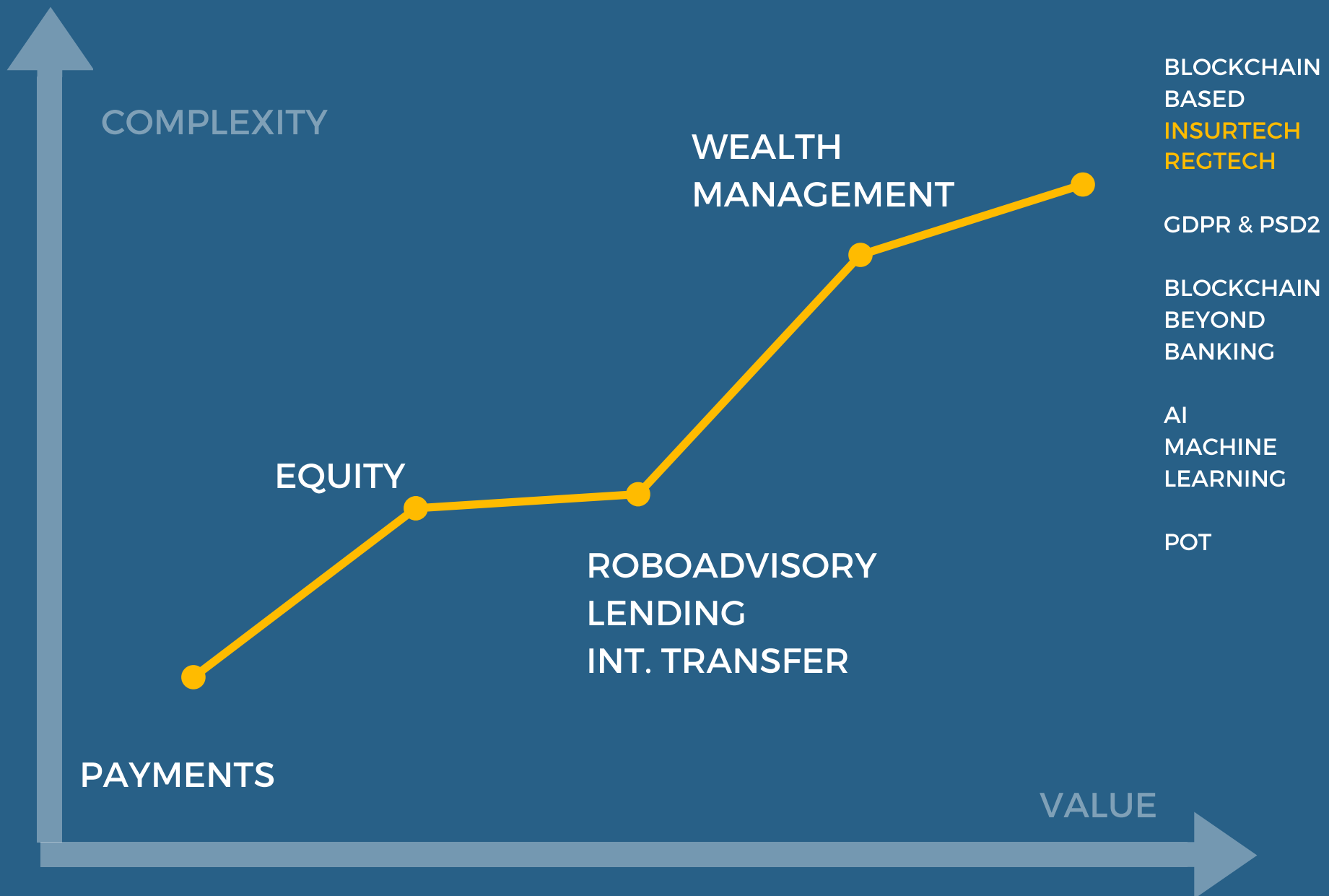


The learning curves for InsurTech and RegTech are steeper as their founders have learnt from other FinTech companies



ADAPTED FROM: WHAT IS DISRUPTION, CLAYTON M. CHRISTENSEN, MICHAEL RAYNOR, AND RORY MCDONALD (2015)

# PATHWAY TOWARDS REGTECH & INSURTECH



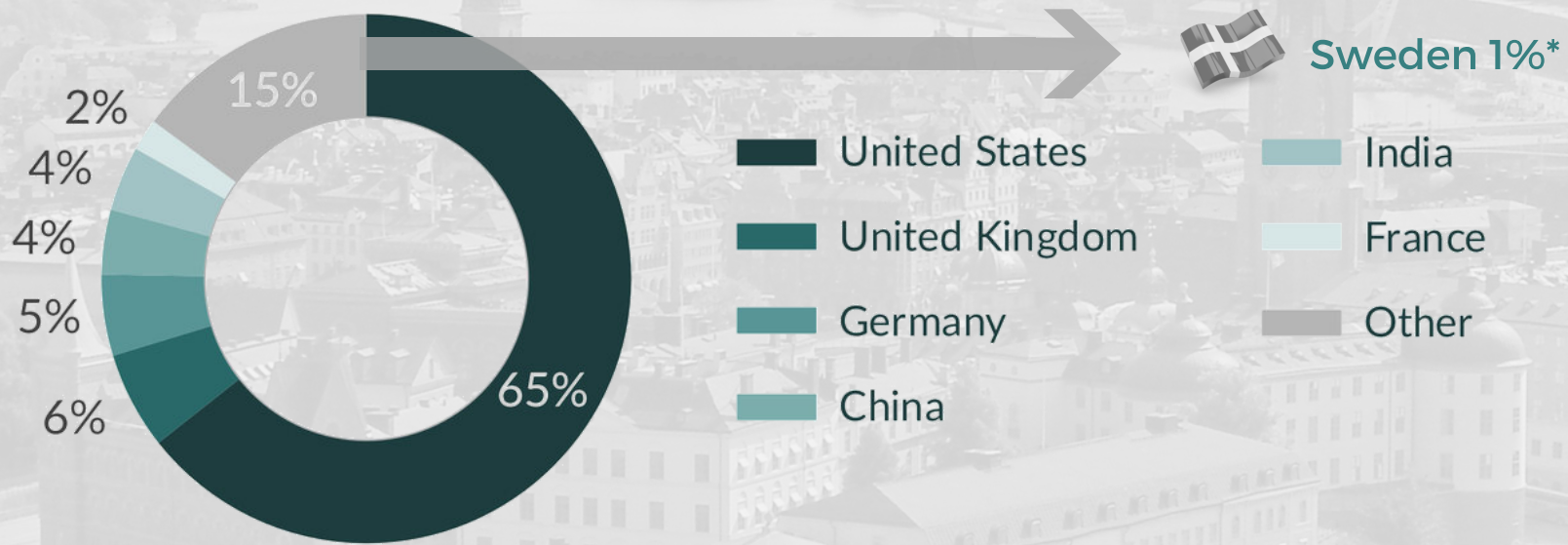


## SUGGESTED DEFINITION OF INSURTECH:

# “InsurTech refers to the use of technology innovations and digitalised processes to generate new business opportunities, increase quality, savings and efficiency at various value-added steps in the insurance industry model”



## # INSURTECH TRANSACTIONS BY TARGET COUNTRY 2012 - Q2 2017 IN MUSD



Adapted from CB Insights (2017), Insurance Tech Startups Raise \$1.7B Across 173 Deals in 2016. [online] Available at: <https://www.cbinsights.com/research/2016-insurance-tech-funding/> [Accessed 12 Nov. 2017].

\*Source: Statista, 2017b. Insurtech. [online] Available at: <https://www.statista.com/study/46031/insurtech/> [Accessed 22 Oct. 2017].





# # PRELIMINARY LANDSCAPE OF SWEDISH INSURTECH V. 1.16

AS OF: NOVEMBER 16th 2017



## # KEY DEVELOPMENTS WITHIN INSURTECH:

teambrella



DIMO  
(former  
LifeSymb)

SafeStuff

ENERFY®

### #Distribution:

Disrupting the Insurance Distribution Model,

### #Personalisation:

Enter the Financial Partners,

### #Risk Detection and Risk Prevention:

From Reactive to Proactive,

### #Claims Management and Processing:

The Automated Claims Journey,

### #Underwriting and Reinsurance:

Trimming Down the Expense Ratio,

### #On-Demand Insurance:

The Great Unbundling,

### #Consumer Communities:

Reinventing mutual insurance,

### #Customer Engagement:

Communication in Real Time.





## # KEY DEVELOPMENTS WITHIN INSURTECH:



*Press release – for immediate release*

### **Allianz Life Indonesia to Offer an Exclusive and Comprehensive Health Insurance for GO-JEK Drivers**

- Tailor-made health insurance product provides inpatient and outpatient benefits for GO-JEK driver and their main family members
- An affordable premium in daily basis deduction with comprehensive benefits
- Simple & fast insurance registration via online application
- Easy to understand Term and Conditions

PT Asuransi Allianz Life Indonesia ("Allianz Life") is cooperating with PT GO-JEK Indonesia to offer a comprehensive health insurance program exclusive for GO-JEK drivers and also their main family members (spouse and children). The launching event held at Shangri La Hotel, Jakarta was attended by Joachim Wessling, Country Manager & President Director of Allianz Life Indonesia; Todd Swihart, Managing Director Allianz Health & Corporate Solutions; and Nadiem Makarim, CEO GO-JEK Indonesia.



Source: <https://www.allianz.co.id/image/tentang-kami/berita---gambar/release/press-release---allianz-life-indonesia-to-offer-an-exclusive-and-comprehensive-health-insurance-for-go-jek-drivers.pdf> (Accessed November 14th 2017)



# INSURTECH OPENS NEW DISTRIBUTION CHANNELS

COOPERATION WITH  
ESTABLISHED FINTECH'S LIKE TINK

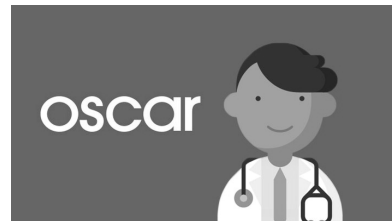


Source: <http://www.businessinsider.my/hot-nordic-fintech-startups-2016-7/4/> (Accessed September 18th 2017)

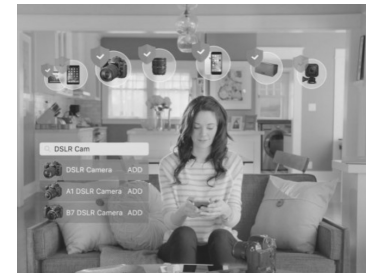
## GOJEK+ALLIANZ



Source: [https://www.allianz.com/en/press/news/financials/stakes\\_investments/160630\\_health-insurance-for-taxi-drivers-in-indonesia/](https://www.allianz.com/en/press/news/financials/stakes_investments/160630_health-insurance-for-taxi-drivers-in-indonesia/) (Accessed September 18th 2017th)



## TROV+ AXA



Source: <http://www.businessinsider.com/axa-insurance-startup-trov-uk-millennials-insurtech-tinder-airbnb-2016-11?r=UK&IR=T&R=T> (Accessed September 18th 2017)

## AVIVA AND APPYPARKING

Source: <http://startups.co.uk/parking-app-appyparking-raises-1-5m-seed-round-from-aviva/> (Accessed, September 18th, 2017)







## EXAMPLE FACTOR: AUTONOMOUS CARS

"When autonomous cars get more common and car ownership declines, the car pools that offer these transportation services are **not going to appoint a Swedish insurance company to cover their fleets**. They are most likely going to partner with one of the international reinsurers, such as Swiss Re or Munich Re."

**Susanne Bergh**

Head of Customer and Channels  
at Länsförsäkringar





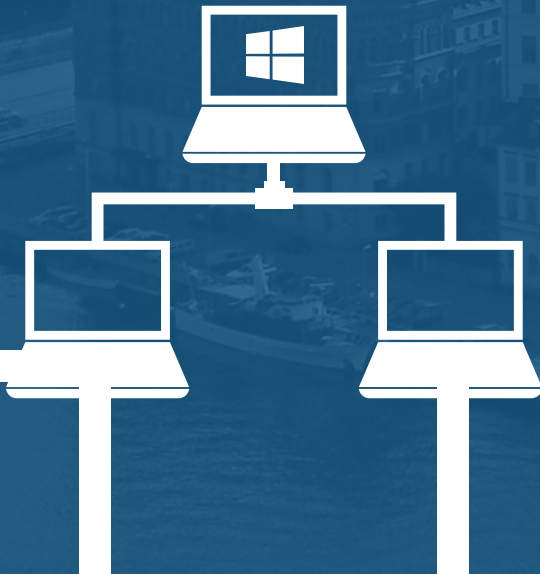


## EXAMPLE FACTOR: OWN IT SYSTEMS

“Our main competition when we are out selling our products to new customers is not technology companies offering new solutions, but still **customers having developed their own systems and deciding to continue to use these systems**”.

**Henrik Allert**

Product Management  
Digital Channels at Itello





# GLOBAL BANKING REGULATIONS:



Adapted from, Global banking regulations, Moody Analytics, 2015



## SUGGESTED DEFINITION OF REGTECH:

# RegTech is the interface between regulators, firms, and consumers, which uses new technologies to solve regulatory and compliance requirements more effectively and efficiently (with a focus on the financial industry).







## EXAMPLE FACTOR: REGULATION AS ACCELERATOR FOR TRANSPARENCY

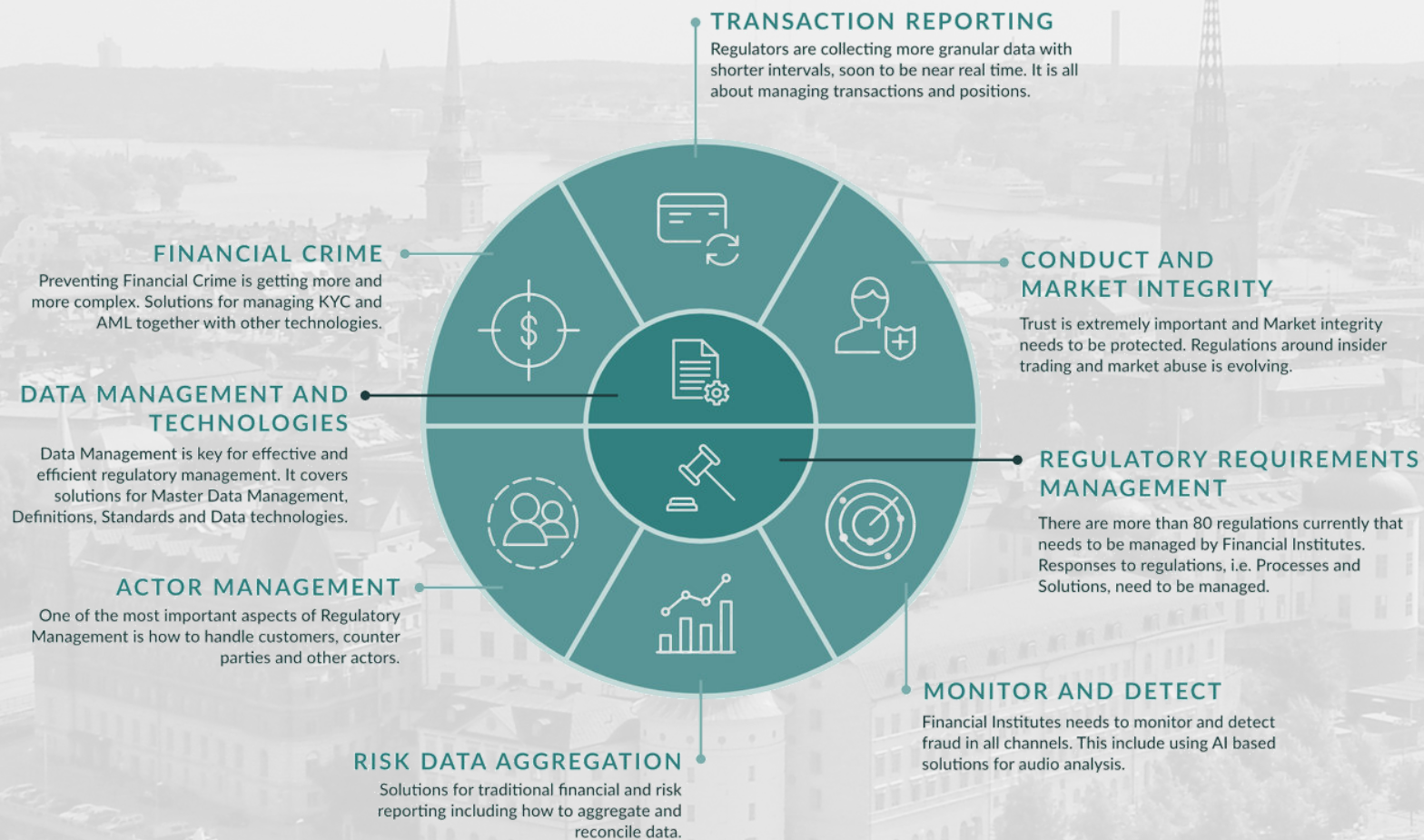
"It is about actually coming to be able to build something that really adds value for our clients. (...) If you think about what the future clients would really like to want from a bank, then I think that the regulations now are forcing us to do a lot of things that are needed in order to provide that."

Linda Hedvall

Global Head of Compliance Monitoring  
Group Compliance at SEB



# PRELIMINARY TAXONOMY OF SWEDISH REGTECH





## IT IS ALL ABOUT DATA

The key fundament for regulatory compliance is high-quality data. Improving provisioning of risk and compliance related data will also enable to use Regtech solutions. We must take a holistic approach, **it is not about silos anymore!**

## SPEED OF REGTECH

Reg reporting is moving from yearly, quarterly, monthly to near real time. “Just give us an API to extract data whenever we want”.

Marius Jurgilas  
Board member  
at Bank of Lithuania



# TRENDS



"If the rate of  
change on the  
outside exceeds  
the rate of  
change on the  
inside,  
the end is  
near..."

Jeck Welch





# FROM BROKER TO AGGREGATOR - DIGITAL INSURER



STOCKHOLM  
SCHOOL OF ECONOMICS

Source: <https://www.altus.co.uk/media/107128/3072-altus-general-insurance-whitepaper-final.pdf> (Accessed September 28th 2017)

## INSURTECH & REGTECH KEY TAKEAWAYS: TOWARDS COOPERATION AND PARTNERSHIP

As a visible shift towards intra-organisational cooperations and partnerships, insurance companies are actively risk averse. They will partner up with technology companies that will provide the administration, front end, plus governing the user experience.





# SUMMARY:

- 
- LEARNING CURVE OF INSURTECH & REGTECH IS **STEEPER**
  - THERE ARE AT LEAST EIGHT KEY DEVELOPMENTS IN INSURTECH AND **32 SPOTTED COMPANIES IN SWEDEN (20+ IN REGTECH)**
  - THANKS TO AI, IOT, BIG DATA AND POT THE INSURANCES CAN SHIFT FROM REACTIVE TOWARDS A **PROACTIVE** BUSINESS MODEL
  - REGTECH AND INSURTECH WILL RATHER SEEK FOR **PARTNERSHIPS** THAN DISRUPTION OF THE ENTIRE VALUE CHAIN
  - **REGTECH & INSURTECH SANDBOX** AS WELL AS A POTENTIAL: REGTECH@FI.SE, INSURTECH@FI.SE MIGHT INCREASE THE EFFECTIVENESS OF THE DIGITAL ECOSYSTEM AND ATTRACT NEW COMPANIES TO ESTABLISH A PRESENCE IN SWEDEN



STOCKHOLM  
SCHOOL OF ECONOMICS

RELEASE  
WITHIN  
SEVEN DAYS

## CONTRIBUTORS



CHRISTOPHER MAGNUS  
O'DRISCOLL KRUSBERG



TIM  
SUNDBERG



ALEJANDRO  
PUERTAS



MICHAL  
GROMEK



PETER  
POPOVICS



ROBIN  
TEIGLAND



SHAHRYAR  
SIRI