2021
InsurTechs to Watch

THESE 11 TECHNOLOGY COMPANIES ARE MOVING THE NEEDLE WHEN IT COMES TO DIGITAL ADOPTION IN INSURANCE AND RISK MANAGEMENT.

BY ELANA ASHANTI JEFFERSON

Insurance and risk management professionals who monitor where their industry is headed and what it must do to keep up with customers know that now, technology solutions are the name of the game.

There's no shortage of technology providers eager to partner with insurance businesses. The talk among such InsurTechs these days is less about disrupting a centuries-old industry and more about how to grow their business by forging the right partnerships.

At the same time, the impact of the COVID-19 pandemic, in addition to contemporary consumer economic shifts, dictates that insurance carriers are updating their strategic plans to include the development of technology tools and services that can help them pull ahead as quickly as possible.

"The COVID-19 outbreak and resulting economic fallout radically shifted consumer and employee needs, habits and expectations," former NU Property & Casualty magazine Editor-in-Chief Sam J. Friedman wrote in his January 2021 column for PropertyCasualty360.com. "Technology upgrades in a variety of areas… (are) a vital element helping insurers continue to conduct business and remain connected with intermediaries and clients while working remotely."

So InsurTech in 2021 is more than a buzzword. It's a promise that technology investment will deliver a customer experience that distinguishes an insurance business from its competitors.

The 11 companies profiled here are making good on that promise.

INSURTECH SUCCESS STORIES

Ryan Collier, chief digital officer with Risk Placement Services, says it was not even a decade ago when insurance carriers began to get serious about rising to the expectations of digital consumers. Those that succeeded with a customer-centric business strategy thrived while those that stuck too closely to an antiquated way of doing things likely struggled. "One common thread [among successful InsurTechs] is a focus on customer interactions and experience," Collier says.

InsurTechs — both startups as well as those that have been around awhile — also have begun to realize just how vast the insurance industry is, meaning there are myriad opportunities to build products that can improve the insurance customer experience.

Now, InsurTechs that can either provide their customer with instant gratification or enable a partner to offer such speedy service are on top. "Instant gratification is the new norm," Collier says.

THE CHALLENGE FOR STARTUPS

…can be that many fail to fully grasp the larger business culture in which they're attempting to operate.

Sure, startups bring agility and innovation. But when it comes to the financial services world, being the shiny new toy, as it were, won't necessarily translate into success for a new technology provider.

And so many successful InsurTechs are founded by or staffed with people who bring an insurance or risk management background. Such executives can deftly pinpoint processes ripe for modernization while also being able to talk technology with peers who may be less digital-savvy.

Earnix CEO Udi Ziv is one example of an insurance man turned technologist.

"In the last couple of years, carriers have started to become anxious and wonder, 'are we smart enough and fast enough in how we do things,'" Ziv says. "They've realized they need to be different from a competitive perspective."

That anxiety exploded with the COVID-19 pandemic, Ziv says, as insurance carriers recognized that policyholders simply won't pay for coverage they no longer need.

"Everyone we're speaking with now is saying, 'We need some sort of UBI or behavioral-based insurance,'" he says.

User-based insurance products are on track to account for a significant portion of the insurance premium pie, he adds.

And this is exactly the kind of economic shift that will see some InsurTechs blossom in 2021 while others cower.

Ziv believes that Earnix, which recently marked its 20th anniversary, has distinguished itself by being reliable when dealing with mission-critical insurance business functions and being able to deliver quickly when it comes to system integration.

WHICH INSURTECHS ARE THE ONES TO WATCH?

The list of companies showcased here was culled from staff research and reporting, recent incubator and accelerator programs, and each one's marketing materials.

Three criteria were used to finalize the list:

1. Does the company tell a compelling story?
2. Does the company meet a pressing insurance need?
3. Does the company have powerful partnerships?

All of them met this criterion. None of them paid to be included in this selection. They are listed in alphabetical order; the order in which they appear should not be construed as a ranking.

AutoClaims Direct, Inc. (ACD)
acdcorp.com

⇘ ORIGIN STORY:

According to CEO Ernie Bray: The idea was born after spending seven years working in the auto side of insurance. Through that experience, I realized this was an area crying out for innovation. This was in 2003 and back then the industry used old technology, relied on file folders, paper and cassette tapes, and was completely fragmented. I knew there had to be a better way.

⇘ INSURANCE PROBLEM SOLVED:

We know the backbone of the insurance industry revolves around workflow, so we focus intently on the technologies that make the most sense within the claims journey and can add real return on investment. Our modernized workflow platform is built with machine learning, intelligent dispatching and predictive tools so routine tasks are handled and adjusters can focus their skills on complex claims.

⇘ PARTNERSHIP STRENGTH:

We consider every client a partner but each one is different so the need for flexibility is essential. This is where we bring value. The five steps we take to create a flexible partnership are: 1. Collaborate openly; 2. Look at workflow patterns; 3. Analyze the data; 4. Test and learn; and 5. Deliver solutions.

Convr
convr.com

⇘ ORIGIN STORY:

It all started with an idea. What if we could use decision science to advance the commercial P&C insurance industry to unprecedented levels? Since then, our vision has been to turn this powerful idea into reality. We started as a small team with less than 10 employees in 2016 and we are continually growing and expanding each year to best serve the growing needs of the industry. Our team, consisting of over 50 industry experts in both insurance and technology today, works passionately to serve our customers and to make sure our products are constantly evolving over time.

⇘ INSURANCE PROBLEM SOLVED:

Traditionally, insurers' underwriting processes have required a lot of time, manual effort, and would often be riddled with inaccuracies. These factors lead to an increase in expenses, unsatisfied customers, and an underwriting team that is focused on the manual tasks instead of relationship building and greater decision-making. With Convr, commercial P&C insurers are making better decisions, reducing expenses, and improving customer experience while achieving profitable growth.

⇘ PARTNERSHIP STRENGTH:

Every single one of our partners is unique, and we strive to configure all our products to best meet their needs. This enables us to enjoy strong partnerships by best helping the companies we work with achieve their goals. Our platform covers the end-to-end commercial underwriting process, from submission ingestion to risk evaluation using over 2000 data sources to the final underwriting decisions before rating — empowering our partners to optimize their operations and decision making while providing a world class customer experience.

> "One common thread [among successful InsurTechs] is a focus on customer experience."
>
> — Ryan Collier, RPS

Earnix
earnix.com

⇘ ORIGIN STORY:

The company was founded in 2001 with the vision of automating sophisticated insurance processes. Earnix now has offices in the Americas, Europe, Asia Pacific, and Israel.

⇘ INSURANCE PROBLEM SOLVED:

Earnix enables insurers and banks to provide prices and personalized products that are faster, smarter, and safer. With Earnix, insurers and banks offer personalized value to every customer, every time, and in full alignment with the corporate business strategy, goals, and objectives. Our solutions offer systemized, enterprise-wide value with ultra-fast ROI. Earnix CEO Udi Ziv adds: "The No. One driver for the biggest accelerator for change over the last decade are UBI and BBI offerings, which stem from the consumer need for personalization."

⇘ PARTNERSHIP STRENGTH:

The company has numerous customers spanning the five continents. Its partners include HannoverRe®, KPMG, EY, Data Robot and Deloitte.
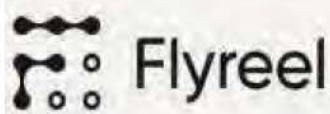
Flyreel

flyreel.co

⬐ ORIGIN STORY:

Flyreel has always focused on developing best-in-class technology to improve user experiences while solving valuable business problems. Originally, we were a product and technology solution in search of a purpose that fit our mission. We had developed advanced computer vision technology for the smartphone that enabled homeowners to scan a room using their smartphone camera, while AI automatically created a list of what was in that room. From there, we were in search of the best use case and a path to leverage this technology to generate value for businesses in need. Two of our early investors shared their perspective on unmet needs they had encountered while working with insurance executives — obtaining ground-level truth about properties at scale. Our solution was a perfect fit.

⬐ INSURANCE PROBLEM SOLVED:

Flyreel provides a comprehensive view of the property risk (interior and exterior), allowing carriers to acquire ground-level truth for more properties across their book of business faster and more cost-effectively than physical inspections. Flyreel provides actionable data to underwriters by auto-detecting key hazards and risks that can impact eligibility, influence pricing and/or result in critical recommendations. Many of these hazards and risks are inside the property and would have never been identified through a traditional, exterior-only inspection.

⬐ PARTNERSHIP STRENGTH:

Flyreel is currently working with over 20 insurance carriers. Publicly name customers include Mercury, QBE and State Auto.

HAILIOS

Hailios

hailios.com

⬐ ORIGIN STORY:

Building on a 12-year friendship and former tech startup work together, the founders of Hailios started working on development of a hail sensing technology and environmental monitoring platform in 2014 to better equip both insureds and insurers with empirical data of significant storms and their consequent damage potential. In 2017, Hailios Inc. was born in the U.S. and acts as the main hub for all global business.

⬐ INSURANCE PROBLEM SOLVED:

Hailios was purpose-built to provide unbiased, reliable, unique property-level data from severe convective storms (wind, hail, and lightning activity). Hail and windstorm damage has increased dramatically over the last 20 years and has seen record years of over $19B of losses in the last several years. Hailios provides both a quick binary response to hail claims (damaging hail happened or it didn't) to insureds and insurers, and also delivers the most robust data for hail damage in the world by capturing each individual hail impact, measuring its kinetic energy, diameter, and timestamp while providing a detailed timeline and storm profile down to the address level. Our technology has also been vital for creation of the first hail parametric products acting as the third-party trigger agent to activate a claim payout. Detailed hail data can provide faster claims processing for traditional insurance products, act as an index data provider for new hail parametric insurance products, and substantially reduce insurance fraud.

⬐ PARTNERSHIP STRENGTH:

Hailios is working with some of the largest insurance providers and risk consultants in the world to deliver game-changing insights and empower new insurance products. Some of the partners we are working closely with are: AXA Climate, Swiss Re, SCOR, Hailsure, Generali, Descartes, McGowan, Allrisks, and AON.

HazardHub

HazardHub

hazardhub.com

⬐ ORIGIN STORY:

When Hazard Hub CEO Bob Frady's (former) mother-in-law's house flooded, he thought: "There has to be a better way to make data more accessible to both consumers and insurers." So, Bob (product), John (business), and Brady (science) set out to build HazardHub — the next generation of geospatial data risk. We also thought the hazard data marketplace could benefit from competition.

⬐ INSURANCE PROBLEM SOLVED:

The problem we solve is simple — we help carriers lower their loss ratios by better understanding their property risk prior to binding. It turns out that underwriters often don't have enough data to make the best underwriting decisions. We've built a big-data system that can access hundreds of billions of data points in seconds, providing unprecedented insight to the risk of a single property or a book of properties.

⬐ PARTNERSHIP STRENGTH:

HazardHub is built for partnerships. Our API takes minutes to access and can easily be integrated with partner systems. Around 60% of our revenue is from partner relationships. Some of our key partnerships include e2Value, Betterview, Cape Analytics, Insurity, IntellectSEEC, JMI Reports, DeMyst Data, Experian, Equifax, and Utilant.
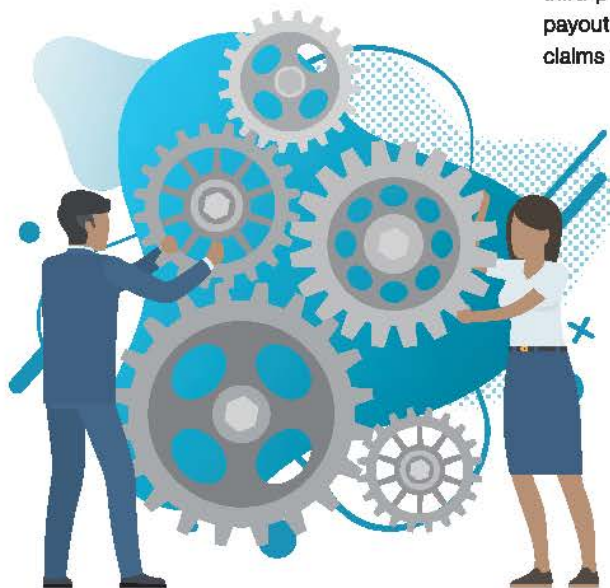
"Everyone we're speaking with now is saying, 'We need some sort-of UBI or behavioral-based insurance.'"

— Earnix CEO Udi Ziv

KOVRR
Cyber Risk Modeling

Kovrr
kovrr.com

⭨ ORIGIN STORY:

Before founding Kovrr, the co-founders were involved in cybersecurity startups and found themselves constantly receiving cyber insurance inquiries from clients and prospects. To help them, they reached out to insurance contacts in their network. This led them to discover a trend in the insurance business: Most insurers lacked the data needed around cyber to model frequency and severity of an event. That was their "AHA" moment, in which they realized they can leverage their knowledge in adaptive detection and prevention models for insurers that need advanced risk modeling based on large scale intelligence data.

⭨ INSURANCE PROBLEM SOLVED:

Financially quantify cyber risk for new and existing insureds; Allows insurers to grow their cyber book while maintaining profitability; Operationalize cyber risk management; Price cyber risk; Validate and modify cyber underwriting guidelines; Meet board and regulatory compliance requirements; Monitor cyber capacity; Assess capital management strategies; and determine reinsurance/retro coverage needs.

⭨ PARTNERSHIP STRENGTH:

The company currently holds partnerships with leading cyber technology vendors in order to access best-in-class and proprietary data needed to accurately financially quantify cyber risk. An example of a partnership is with BitSight Technologies. Additionally, Kovrr has partnered with leading insurance technology providers and special risk consultants, for example, Sapiens and Genillard.

Marias
TECHNOLOGY

Marias Technology
mariastechnology.com

⭨ ORIGIN STORY:

Marias Technology was initially owned by an insurance company. It was created to perform necessary work on their policy administration system. The Haines family, which managed Marias from the beginning, bought Marias outright in 2017, making it fully independent, with no outside investors. The name Marias Technology (pronounced ma-RYE-ess) originates from a high mountain pass in the Montana Rockies. The discovery of the pass in 1889 helped people find their way over the mountain in their westward migration. In much the same way, Marias helps its clients make their way in their migrations from operational challenges to fiscal success.

⭨ INSURANCE PROBLEM SOLVED:

Marias solves the problems of software testing and implementation. Specifically tailored to insurance carriers and MGAs, Marias makes sure its customers' software is adequately tested, appropriately implemented, and working as it should. Marias sweats the technical intricacies, so its customers don't have to.

⭨ PARTNERSHIP STRENGTH:

As advocates for the insurance companies that hire Marias, Marias works with those companies and their software vendors to make sure software is implemented conscientiously and is tested thoroughly, so everything works right the first time. In fact, more than 90% of our new sales are referrals from existing customers, software vendors we work with, or other partners in the industry. To date, Marias has worked with insurers ranging in size from startups and small mutuals to companies that write more than $5 billion in DWP, in almost all 50 states. And it's worked with more than 10 policy administration systems. Its partnerships — and providing value to all of its partners and customers — is of paramount importance.

Openly

openly.com

⬋ ORIGIN STORY:

Openly, the Boston-based, technology-enabled provider of premium homeowners insurance, was founded by insurance industry veterans in 2017. The company was founded by former Liberty Mutual and Goldman Sachs executives whose mission is to redesign the insurance process and bring transparency to an industry that has been traditionally opaque.

⬋ INSURANCE PROBLEM SOLVED:

Openly takes a do-things-differently approach by working exclusively and directly with the independent insurance agent, not the direct to consumer. The product brings together cutting-edge technology, use of new data sources and insurance expertise to provide comprehensive coverage and a modern insurance experience. Openly is making the homeowners insurance process easy and transparent for independent agents and their clients Openly's technology enables homeowners to get an insurance quote in seconds.

⬋ PARTNERSHIP STRENGTH:

As an MGA, Openly's partnerships with insurance agencies is imperative to success. Openly's product is sold through independent agents, across the six states they are currently operating in. Additionally, Openly partners with global reinsurers and Clear Blue Insurance Group to underwrite its products.

Zesty.ai

zesty.ai

⬋ ORIGIN STORY:

Zesty.ai's founders have a combined four decades of experience with AI, real estate, and risk management. Having both recently shopped for home insurance, they realized that many of the questions asked by agents could much more easily and reliably gleaned from AI than from asking consumers. At the same time, California was experiencing some of its most devastating wildfires in history, taking property owners, the P&C industry, and the state by surprise. With an incredible amount of data in hand about the built environment, Zesty.ai began with the mission to partner with property insurance companies and help protect families, communities, and their financial well-being through artificial intelligence.

⬋ INSURANCE PROBLEM SOLVED:

As climate change and shifting customer demands evolve the insurance industry, insurers are looking for ways to adapt. Zesty.ai uses 200Bn data points, including aerial imagery and artificial intelligence, to assess climate risk to each and every building. Those property-specific insights, such as building condition and proximity to risk factors, are used by insurers to quickly and accurately underwrite, charge risk-adjusted premiums, and provide a digital customer experience that protects their customers and their bottom line in a quickly changing world.

⬋ PARTNERSHIP STRENGTH:

Zesty.ai has partnered with leading insurance companies helping them protect homes and businesses, representing over $2 trillion in real assets. About half of the top 50 P&C carriers in the U.S. work with Zesty.ai.

Zywave

zywave.com

⬋ ORIGIN STORY:

Zywave's story begins in the 1990s, when we were just a handful of people operating out of a third-generation, full-service insurance agency. What started as an in-house project to develop internal tools for our own brokers and clients soon grew into something bigger as we recognized the opportunity to bring our technology and expertise to a greater audience. Over the years, we've evolved to offer a complete package of front-office solutions for independent agencies across all lines of business.

⬋ INSURANCE PROBLEM SOLVED:

While Zywave's portfolio of cloud-based solutions solve many different challenges for insurance organizations, what they all tie back to is driving business growth, increasing efficiency and improving customer service through automating and streamlining processes.

⬋ PARTNERSHIP STRENGTH:

Zywave is proud to serve insurance carriers, agencies, brokerages, risk managers and claims agents. Our customers span all of those sectors and each segment uses our solutions, from prospecting to content to mod analysis, in their own way based on their business needs.