

Insurtech Board

Agenda and Papers for 20 May 2019

Date: Monday 20th May 2019

Location: 9A, Hiscox Insurance UK, 1 Great St Helen's, London EC3A 6HX, UK

Time: 14:00 - 16:30

Attendees:

1. Will Thorne, Innovation Leader, The Channel Syndicate, Chair (FDP)
2. Paolo Cuomo, Co-Founder InsTech London & Principal, Boston Consulting Group
3. Ed Leon Klinger, CEO, Flock
4. Mark Dennis, Global CEO & European COO, Digital Partners, Munich Re.
5. Pollyanna Deane, Partner, Simmons & Simmons
6. Lidia Bozhevolnaya, Head of Strategy, Hiscox
7. Vivek Banga, Managing Director, Polaris
8. Trevor Maynard, Head of Innovation, Commercial, Lloyds
9. Matthew Cullen, Assistant Director, Head of Strategy, Data & Analytics at the Association of British Insurers
10. Edward Crowther, Policy Advisor, HMT
11. Meera Last, Programme Manager, Tech Nation

Apologies:

1. Steven Mendel, CEO & Co-Founder, Bought By Many
2. Gordon Baker, Future Sectors, Business Growth Directorate, BEIS
3. Blair Turnball, MD Digital & Retail, Aviva UK
4. Martin Mankabady, Partner, Dentons
5. Daniel Pender, CEO, reviti
6. Greg Michel, Head of Sector Programmes, Tech Nation

Agenda

1	14:00 - 14:10	Welcome & Introduction Introducing new members	Update	Will Thorne
2	14:10 - 14:40	Talent & Knowledge Stream	Update & Discussion	Lidia Bozhevolnaya
3	14:40 - 15:20	Open Insurance Initiative	Update & Discussion	Matt Cullen
4	15:20 - 15:50	Lab Space Initiative	Discussion	Trevor Maynard
5	15:50 - 16:00	Treasury Update	Discussion	Ed Crowther
6	16:00 - 16:30	AOB	Update & Discussion	All

FOR NOTING

Agenda Item 1 - Welcome & Introduction

We are grateful to Lidia Bozhevolnaya and Hiscox for hosting this meeting.

We'd like to introduce two new insurtech board members:

Ed Leon Klinger, CEO of Flock

Mark Dennis, Global CEO & European COO, Digital Partners, Munich Re.

We are thrilled to have both Ed and Mark on board to bring fresh perspectives to this group. Thank you both for joining.

As you will recall, we arranged the actions from our last meeting into distinct workstreams: **Talent & Knowledge**, **“Open Insurance”**, and **“Lab of Labs Initiative”**. Each agenda item will be discussed in turn below. Each item also has outlined the ideal next steps to ensure that we continue to deliver impactful work.

FOR DISCUSSION
Agenda Item 2 - Talent & Knowledge Workstream

Members	Lidia Bozhevolnaya Trevor Maynard Meera Last
Update	<p>All members of the group have met and discussed the fundamentals of the working group. We have also completed consultation with Hiscox and the FCA regarding the practicalities of the secondment proposal. Trevor has shared internally in Lloyd's and has in principle gathered support to explore secondments to insurtechs – subject to the details (as per our discussions here).</p> <p>Problem:</p> <ol style="list-style-type: none"> 1. Insurtech start-ups are lacking specialist knowledge in insurance, which is important for successful product/service development – especially in UW, pricing, regulation and compliance; 2. Insurtech start-ups are also struggling to attract people from the industry on a permanent basis (assumed because of lack of job security, lower salaries, unclear career progression path, etc.) <p>Hypothesis / Solution:</p> <ul style="list-style-type: none"> ● We can attempt to solve this problem through a secondment program between insurers and insurtechs, one way – from incumbents to insurtechs: <ul style="list-style-type: none"> ○ Insurtechs will get specialist knowledge and free resource ○ Secondees from insurers will get great exposure to innovation culture, different working practices (e.g., agile), insight into what's happening in the new tech space; ● We are focusing on insurers only because of the expertise required; so we are not proposing that this program is extended to consultants and lawyers; ● Secondees need to be of a certain level of seniority to be able to lead and influence effectively within their area of expertise: <ul style="list-style-type: none"> ○ Expect somebody with 5-10 years of postgraduate experience ○ A bright young grad will not be good enough help to a start-up ● In terms of promoting and managing the program, we can probably team up with Insurtech UK, once we have supply side cleared up and we have maybe 2 companies willing to give it a try. <p>Questions we asked as part of a consultation:</p> <ul style="list-style-type: none"> ● Appetite in general ● Length of time – needs to be at least 6 months and up to a year ● Funding – assumed it is paid for by incumbent ● Level of seniority

	<ul style="list-style-type: none"> • How do we sell it internally to get buy in from wider insurance industry? <p>Questions that came back from talking to HR in Hiscox:</p> <ol style="list-style-type: none"> 1. What is the business case and value add to Hiscox for seconding somebody to a start up? What will secondee learn or experience that will make it worthwhile for us? <p>Response from the FCA regarding their model:</p> <p>Who?</p> <ul style="list-style-type: none"> • Graduate level associates - talent that they feel can add value to the secondee whilst not detracting from the FCA talent pool too extensively. <p>How?</p> <ul style="list-style-type: none"> • Internal interview process - candidates apply through a portal which lists every available secondment, including a mini job spec. Candidates apply and are reviewed internally against strategic priorities and current performance. • FCA covers the costs of the secondee's time at the alternative workplace, including pension contributions. It's as if they still work for the FCA. • Includes a no poaching clause - requirement for candidate to stay at the FCA for six months following the secondment. <p>What?</p> <ul style="list-style-type: none"> • 6 months maximum secondment - to minimise disruption at the FCA, but also to reduce the likelihood of the candidate leaving. • Full-time, immersive, associate level placement. <p>Why?</p> <ul style="list-style-type: none"> • Only to businesses that the FCA regulate/are interested in regulating in the future. Seen as a scoping exercise for understanding new markets and getting an insight into developments in current markets. <p>Roadblocks/potential issues to be flagged:</p> <ul style="list-style-type: none"> • Confidentiality for the insurtech/preservation of privacy • Duration of secondment - need to ensure it is value adding • FTE cost for insurance company - for individual seconded and the time/effort needed for recruitment process • Risk of staff loss/retention threat • Application process on insurance side - how would it work, who would manage, how much control would the insurtech have over the job description?
<p>Next steps</p>	<ol style="list-style-type: none"> 1. The only way to really test it is to have conversations about real opportunities. Proposal is to approach insurtech start-up community through Insurtech UK and ask them to come up with concrete 3-5 opportunities where there is a real need for insurance expertise. Definition of an opportunity needs to include: <ol style="list-style-type: none"> a. What kind of expertise is required

	<ul style="list-style-type: none">b. What does secondee need to accomplish in terms of goals/ objectivesc. What is the time commitment required to achieve the goals (length of secondment and full time/ part time)d. When is desirable start datee. What will secondee gain from this experience that would be of value to an insurer?f. What is the team set up around secondee? <p>2. Once we have a portfolio of such opportunities, we can go back to Hiscox, Lloyd's etc. and have discussions with our HR/ heads of talent to determine how these can be progressed. We should also ask other insurers through our network. Ideal outcome would be to pilot it with 2-3 secondments, to test how it works for both insurtechs and insurers.</p>
--	---

FOR DISCUSSION
Agenda Item 3 - Open Insurance Consultation

Members	Will Thorne, Pollyanna Deane, Matthew Cullen, Vivek Banga
Updates - to discuss	<p>The team attended a demo and consultation hosted by the ABI. A wide range of topics were discussed, and an initial list of ideal questions to encourage further engagement were created.</p> <p>Below are the key areas that the team feels require more detailed analysis, with some initial thoughts included. Attached to these papers is the full presentation given by the ABI, for context for the meeting attendees.</p> <ol style="list-style-type: none"> 1. <i>What benefits do we see in having Open Insurance in the same way as Open Banking and Open Pensions are designed to operate?</i> 2. <i>Should a different approach be adopted for each of the following: (a) retail v. commercial business; (b) between life and general insurance; and (c) do we need to treat different classes of insurance differently?</i> 3. <i>Can we get buy in across the market – one of the problems with tracing EL policies is the piecemeal and fragmented approach to date? Perhaps we might start with a particular class of business, if there is any appetite for an initial review?</i> 4. What about security – the main issue for all of this is trusting the secure nature of the repository for information. How will we be able to address specific security concerns? 5. What are the key points of information which any Open Insurance platform will need to provide access to? <ol style="list-style-type: none"> a. Policyholder identification; b. Policy wordings? c. Date of Policy and policy period d. Class of business, what covered – which car, which house, which pet etc. e. Insurer and/or Broker
Next steps	<ol style="list-style-type: none"> 1. Open up for suggestions from the wider community, through the insurtech board and other avenues and record responses 2. Review open banking / open pensions early white papers and work – how did they identify target outcomes 3. Agree a structure for the white paper

FOR DISCUSSION
Agenda Item 4 - Lab of Labs Initiative

Conversations ongoing. Initiative viable and/or worth pursuing?

FOR DISCUSSION
Agenda Item 5 - Government Update

To be discussed in the meeting, if update is available.
Update on the Fintech Delivery Panel initiative to be delivered verbally.

FOR DISCUSSION
Agenda Item 6 - AOB