

Insurers increase appetite for innovation as industry joins Fintech Pledge and UK insurtech investment grows

- Six leading insurers have today signed the Fintech Pledge: Admiral, Aviva, Brit, esure, Lloyd's, Munich Re Digital Partners, plus Investec who joins as additional signatory from the banking sector
- The Fintech Pledge supported by HM Treasury and developed by the Fintech Delivery Panel, sets standards for the establishment of efficient and transparent commercial partnerships between financial institutions and tech scaleups
- The new signatories sign as insurtech sees rapid growth in the UK; in Q1 of 2021 alone, insurtech companies have already raised \$187m, representing more than half of total UK insurtech investment in 2020
- In response to increased appetite for innovation by both insurtechs and insurance firms, Tech Nation's Insurtech Board today publishes a report exploring how they can foster stronger partnerships with one another

London, 21st April 2021: In celebration of UK Fintech Week, [Tech Nation](#), the growth platform for tech companies and leaders, has today announced new signatories of the Fintech Pledge. The Fintech Pledge, supported by HM Treasury and developed by the Fintech Delivery Panel, sets world-leading standards to accelerate the growth of the UK's fintech sector by promoting valuable partnerships between financial institutions and tech scaleups.

In a move broadening the Pledge, six new signatories from the insurance sector - Admiral, Aviva, Brit, esure, Lloyd's, Munich Re Digital Partners, - plus Investec who joins as an additional signatory from the banking sector, demonstrate their commitment to keeping the UK at the forefront of financial innovation by strengthening their partnerships with tech scaleups.

This commitment follows the successful launch last year of the world's first Fintech Pledge across the UK banking sector. The first five signatories of the Pledge; Barclays, HSBC, Lloyds, NatWest, Santander; have now implemented the core components to increase transparency and communication when engaging with prospective fintech partners, and continue to review best practice and share their experiences with the second cohort of signatories; Atom Bank, Co-operative Bank, Nationwide Building Society, TSB, and Virgin Money; as they finalise preparations to put the principles into action within the committed six month timeframe.

Increasingly, tech startups and financial institutions are looking to partner with each other to drive better consumer and client outcomes. For example:

- Barclays has recently partnered with fintech scaleup Flux to provide customers with in-app digital receipts
- TSB has signed a partnership deal with billing fintech ApTap, to help customers manage their bills and subscriptions more effectively
- Digital Partners, a Munich Re company, partnered with scaleup Bought By Many (a member of Tech Nation's newest Future Fifty cohort) to support the development and launch of innovative, customer-focused pet insurance

The UK's insurtech sector growth

The new signatories sign at a pivotal time for the UK's insurance and insurtech sectors, as insurtech sees rapid growth in the UK, increasing its weight as a strategic sub-sector for the UK economy. In March 2021, London-based Zego, which provides insurance to gig economy workers, raised \$150mn and became the UK's first insurtech unicorn. Looking at broader VC investment trends, in Q1 of 2021 alone, UK insurtech companies raised \$187mn, representing 3% of all UK VC investment, and representing more than half of total UK insurtech investment in 2020.

The growing success of UK insurtechs has been largely attributed to the creative ways they address customers' insurance needs in an increasingly digital economy, opening up new opportunities across the whole of the insurance value chain.

In a sign of increased appetite for insurance innovation, Aviva earlier this month introduced a new cyber insurance offering for SMEs to help them combat the growing threat of cyberattacks, and in March 2021, Lloyd's launched the first version of its Core Data Record (CDR) for market consultation in an effort to standardise data flow through the market. In response to the boom in cryptocurrency and blockchain technology, new forms of decentralised insurance are also emerging, such as Nexus Mutual and Etherisc.

In response to the growing desire amongst both insurtechs and insurance firms to foster stronger partnerships with one another, Tech Nation's Insurtech Board has today [published a report](#) on 'Breaking down barriers to productive partnerships' As an immediate next step, the Insurtech Board invites insurance firms to sign the UK's Fintech Pledge and implement its key standards to continue strengthening and building the UK's insurance sector.

John Glen, Economic Secretary to the Treasury, comments: *"We've set out a plan for a more open and technologically advanced financial services industry – and the Fintech Pledge is accelerating our progress towards this goal. By committing to help fintech firms onboard, large established financial institutions are sending a clear message that the UK is the best place in the world to develop innovative financial services. I'm pleased to see insurers making the commitment to boost their partnerships with insurtechs, and ultimately deliver better services for people and businesses across the UK."*

Eileen Burbidge, Chair of the Fintech Delivery Panel and Partner at Passion Capital, comments: *"Innovation from fintech and insurtech companies is not just shaping the future of finance, but of our whole economy. By building collaborative relationships with new and upcoming firms, existing financial services institutions can drive greater, impactful change as the sector is strongest and most resilient when it works in partnership to build back stronger together"*.

Victoria Roberts, Director of Fintech Delivery Panel and Insurtech Board at Tech Nation, comments: *"When large financial institutions and fintech scaleups work together, everybody wins. Established institutions may benefit from a new customer experience, lower risk variability and a reduced cost base. For fintechs and insurtechs, partnering can be an opportunity to develop their products and*

scale a new solution at pace. And society at large benefits when we encourage innovation, support entrepreneurship, and work to drive real change in the future of our financial services.”

Louise O’Shea, Chair of Tech Nation’s Insurtech Board, comments: *“Efficient, transparent communication between large financial firms and insurtechs is the key to innovation - and to continuing the growth of the UK’s booming tech sector. We’re delighted that so many of the world’s leading banks and insurers are embracing the latest technology and data applications in the UK to help secure our nation’s transformation to a truly modern and resilient insurance sector.”*

Quotes from new signatories:

Ben Lockett, Chief Innovation Officer, Aviva, comments: *“This Pledge supports our ongoing collaboration with fintech and Aviva’s development in this area. The benefits and opportunities that come from working with the right start-ups are significant and not to be underestimated. Fintech is a key part of how we are transforming our business to serve our customers more effectively. Partnering with start-ups ensures we are always learning, challenging ourselves and improving as a business.”*

Emma Huntington, CEO, Admiral Pioneer, comments: *“A key focus for Admiral Group is a commitment to improving our customer experience by adapting to their evolving needs and expectations. Working with Fintechs enables us to test new products, business models and partnerships for our customers through a discovery-driven approach. Fintech ingenuity coupled with our ‘test and learn’ approach to innovation, and the Fintech Pledge will help to deliver positive opportunities through its emphasis on clarity, transparency and best practice.”*

Mark Allan, Group CFO Brit, CEO Ki Insurance: *We are delighted to sign the FinTech Pledge and take the steps to make Brit a partner of choice for innovative and entrepreneurial start-ups and scale-ups. We’re dedicated to innovation and see collaboration and partnerships as exciting opportunities to deliver customer-focus solutions that help write the future and simplify risk transfer. Working closely with insurtech businesses through our involvement with the Lloyd’s lab and creating our own start up in Ki, gives us a unique insight into the challenges faced and we’re looking forward to meeting them.*

Roy Jubraj, Chief Strategy and Transformation Officer, esure Group, comments: *“esure Group has a proud history of working with entrepreneurs and innovators who have made insurance work better for customers across the UK. The Fintech pledge reinforces our commitment to partnering with and supporting the next generation of players. Our purpose is to fix insurance for good and we are excited about establishing the role of fintechs within this, by making it easier, faster and more transparent to partner with us.”*

Lou Smith, Chief Digital Officer, Lloyd’s, comments: *‘Signing the Fintech pledge is an important step for Lloyd’s as we shift our market to a digital ecosystem, powered by data and technology under our Blueprint Two strategy. Through the Lloyd’s Lab, our award-winning innovation incubator, we have worked with some of the best Fintech start-ups from around the world to introduce new products into the Lloyd’s market. Earlier this year, Lloyd’s Lab alumni Parsyl created Syndicate 1796 as part of the Global Health Risk Facility, which offers insurance for the transportation of COVID-19 vaccines to*

emerging countries. We're delighted to be part of the Fintech pledge and proud to support entrepreneurs to succeed in the insurance industry and make a valuable contribution to society.'

John Elliott, Head: Fintech and Open Banking Partnerships, Investec, Comments: *"We are delighted to sign the Fintech Pledge, signifying Investec's commitment to partnerships between fintechs and financial institutions. We believe that partnerships are crucial to accelerate innovation in, digitalisation of, and access to financial services."*

Charlie Burgess, CEO, International Distributions at Munich Re Specialty Group, comments: *"As a front runner in the digital transformation of the insurance industry for Munich Re Group, Digital Partners fully supports the Pledge in its aims to promote meaningful collaborations with insurtechs and more broadly, we acknowledge the valuable contribution that Tech Nation brings to the Fintech & Insurtech sector in the UK. We are delighted to be part of a global leading standard of transparency across the UK Insurtech ecosystem to help exciting, emerging businesses in the sector to achieve scale, and to create an innovative environment for further developments to the benefit of UK consumers."*

Quotes from fintech companies:

Pauline Timoney, COO Hivera, comments: *"Keeping up to date with the increasingly demanding regulatory requirements can be a time sink for many financial services organisations. Partnering with RegTech can free up resources to be used in other, more valuable ways that benefit customers. The FinTech Pledge brings a level of transparency that allows the partnership match to be qualified quickly. This Pledge will help to bring the commercial processes in line with the pace of innovation. By levelling the playing field, banks will benefit from some of the most agile, innovative RegTech solutions in the market."*

Aldo Monteforte, CEO The Flow, comments: *"The Fintech Pledge is helping to garner many collaborative partnerships between financial institutions and tech firms, and it's wonderful to see the Pledge now expanding out to include insurers. Having worked with many insurance organisations over the last nine years, we are acutely aware of the benefits that effective and collaborative partnerships with a tech start-up can have in driving innovation within larger organisations, and helping them to develop engaging products and experiences for their customers."*

Luisa Barile, CFO, Bought By Many, comments: *"When you look at the size, quality and global potential of the UK insurtech sector, the ambition should rightly be for it to be the global leader for insurance innovation. Part of that process is to build on the collaborative nature of insurtech business models through effective partnerships; an essential part of our ecosystem. The Fintech Pledge builds on this ethos to help the UK provide the most effective environment globally in supporting insurtech growth. It will attract businesses to the UK and help our own domestic businesses thrive. This will be particularly important as the economy emerges out of the pandemic."*

Notes to the Editor:

The Fintech Pledge principles:

1. Provide clear guidance to technology firms on how the onboarding process works through a dedicated online landing page
2. Provide clarity to tech start-up firms on their progress through the onboarding process
3. Provide a named contact, guidance and feedback
4. Encourage good practice and improvement
5. Commit to implementing this process 6 months from signing this pledge and providing bi-annual feedback in the first year

How the Fintech Pledge functions:

- This is a voluntary pledge
- Signatories commit to adhering to the principles defined in the pledge for as long as they are signatories
- Signatories to the pledge will be listed on Tech Nation's website and will display the pledge's logo in a prominent place of their choosing on their website
- The signatories list is updated quarterly by Tech Nation in conjunction with the Treasury's Fintech team
- Pledge signatories will be required to provide a senior sponsor from within the institution and a named person responsible for updating the Fintech Delivery Panel's onboarding working group on progress
- The pledge was initiated in September 2020 and signed by 5 of the largest banks in the UK, with an additional 5 signatories from banks and building societies in December 2020
- More details are available from Tech Nation's Fintech Delivery Panel team

First 5 signatories of the Fintech Pledge (Sept 2020):

- Barclays
- HSBC
- Lloyds Banking Group
- NatWest Group
- Santander

Second 5 signatories of Fintech Pledge (Dec 2020):

- Atom Bank
- Co-operative Bank
- Nationwide Building Society
- TSB
- Virgin Money

Upcoming events:

To further nurture and accelerate the growth of fintech and insurtech companies during Fintech Week, Tech Nation, the Insurtech Board and the Fintech Delivery Panel will be hosting further events to strengthen the ties between fintech scaleups and larger financial firms through facilitating open and efficient communication.

Today, Tech Nation's Insurtech Board published the report: "Breaking Down Barriers to Productive Partnerships", and the Fintech Delivery Panel will be hosting a live webinar at 2pm on "[Fostering Productive Partnerships](#)" in order to explore the Pledge's origins, ambitions & implementation, and discuss how best to foster collaborations between fintechs and financial institutions. Register [here](#).

Tech Nation's Fintech Delivery Panel will also be hosting a series of Partnerships Masterclasses for fintech startups and scaleups on pitch practice and top tips for working with financial institutions later in the year, while the Insurtech Board will be running a GDPR Masterclass for insurtech firms in the coming months.

About the Fintech Delivery Panel:

The Fintech Delivery Panel was established to enhance the UK's position as a global leader in the future of financial services. Supported by HM Treasury and powered by Tech Nation, the Panel develops collaborative initiatives to strengthen the UK fintech ecosystem, help fintechs achieve scale, and create an innovative environment for further developments to the benefit of consumers. The Fintech Delivery Panel achieves its goals by bringing together stakeholders from across the ecosystem including financial services, fintech, investors, technology, regulators, policymakers and think tanks. More details about our Vision and Workplan can be found [here](#).

About the Insurtech Board:

The [Insurtech Board](#) was established to support the UK's position as a global leader in insurance. Supported by HM Treasury and powered by Tech Nation, the Board develops collaborative initiatives to grow monetary investment into the UK Insurtech Sector, create an environment that is conducive to UK Insurtech partnerships, and facilitate and enable innovation in the UK Insurtech Sector. The Insurtech Board achieves its goals by bringing together stakeholders from across the ecosystem including insurance, insurtech, investors, regulators and policy-makers. More details can be found [here](#).

About Tech Nation:

Tech Nation is the leading scaleup accelerator. Tech Nation fuels the growth of game-changing founders, leaders, and scaling companies so they can positively transform societies and economies. We provide them with the coaching, content, and community they need for their journey in designing the future. Tech Nation has years of experience facilitating and helping UK tech companies scale, both at home and abroad. Over 20 cohorts and 600 companies have successfully graduated from Tech Nation's growth programmes. Alumni include Skyscanner, Darktrace, and Monzo.