Insurtech Board for the Fintech Delivery Panel

Agenda and Minutes for 12 February 2018

Date: Monday 12 February
Location: Her Majesty's Treasury, Horse Guards Road, Westminster, London SW1A 2HQ
Time: 1500 – 1700

Attendees:

1. Will Thorne, Innovation Leader, The Channel Syndicate, Chair (FDP)
2. Philip Brown, Head of Policy, LV= (FDP)
3. Christopher Beazley, CEO, London Market Group
4. Paolo Cuomo, Co-Founder InsTech London & Principal, Boston Consulting Group
5. Phoebe Hugh, CEO & Co-Founder, Brolly
6. Daniel Pender, Co-Founder, Gryphon
7. Freddy Macnamara, Founder & CEO, Cuvva
8. Vivek Banga, Chief Digital Officer at Arthur J. Gallagher & Co. Chair: BIBA's cross-industry Innovation Working Group
9. Matthew Cullen, Assistant Director, Head of Strategy, Data & Analytics at the Association of British Insurers
10. Caroline Vaughan, Innovate Finance
11. Steven Mendel, CEO & Co-Founder, Bought By Many (attending 1520 to 1640)
12. Euan McCarthy, Policy Advisor, Insurance and Pensions Markets, HMT
13. Laura Coffey, Head of Fintech, Tech City UK
14. Greg Michel, Senior Programme Manager, Fintech, Tech City UK
15. Nicola Clarke, Executive Assistant, Tech City UK

Apologies:

1. Chris Sharp, Kinsu
2. Tom Powell, Business Executive, CBL
3. Serge Taborin, Group Digital Innovation Director, Aviva, (FDP)
4. Trevor Maynard, Head of Innovation, Commercial, Lloyds
5. Tom Shirley, Deputy Director, BEIS
6. Louis Barson, Head of Future Sectors, Business Growth Directorate, BEIS
7. Gordon Baker, Future Sectors, Business Growth Directorate, BEIS
8. Thomas Price, Head of Fintech, Banking and Credit team, HMT (FDP)
9. Alan Stewart, Insurance and Markets team, HMT
10. Ozlem Bas, Banking and Credit team, HMT
11. Daniel Poxon, Insurance and Pensions Markets team, HMT

Minutes

1. **Treasury Update**
   1.1. Euan McCarthy (EM) updated the group on the position of the Treasury, stating that the health and growth of the tech economy is high on the Chancellor's agenda. Within insurtech, HMT was looking more broadly around what they could support and how it fitted with the priorities for the Treasury. One of them being an economy that works for everyone and in in this sense HMT was keen to explore how insurtech could be used for example to provide access to insurance for vulnerable people.
   1.2. EM will be happy to keep updating you as they move forward.

2. **Updates**
   2.1. Tech City UK
      2.1.1. Laura Coffey (LC) informed the group that Tech City UK (TCUK) has received funding from BEIS to hire someone who would come and assist the fintech team to provide secretariat duties to the Insurtech Board. The recruitment plan is to hire someone for c. 3 days a week to start with, for c. 9 months. LC informed the group that the team is now looking for candidates, preferably with some experience but still at the start of their career with keen interest in the insurtech world and asked the group to source any suitable candidates and alert them to the opportunity - posted on the Tech City UK website's jobs page
      2.1.2. Pheobe Hugh (PH) was keen to advertise the role and asked for the link to the job description
      2.1.3. **ACTION:** TCUK to send link to the job post to members (see action tracker)

   2.2. ABI Update
      2.2.1. Matthew Cullen (MC) provided an update on the initiatives around innovation inside ABI aimed at the tail of less engaged parties within the Association. The initiatives are meant to make sure that innovation input is not limited to the big players only.
      2.2.2. MC also noted the work of the ABI in addressing the pricing controversy that has been in the news in the last few weeks whereby premia were allegedly based on age and race.
      2.2.3. WT wondered if the initiatives mentioned around innovation were centered around awareness or concrete help for those insurers in delivering innovation
      2.2.4. MC responded that at the moment it was targeted at building more awareness and more context over that process but noted that the ABI

would explore if there was a need for concrete help in certain areas over time.

2.3.   BIBA Update
    2.3.1.   Vivek Banga (VB) mentioned that BIBA had just finished a survey of its members highlighting the brokers attitude towards technology and innovation. He noted that BIBA had identified some interesting findings that will be going to the press in a couple of weeks.
    2.3.2.   What had mainly come out of the survey was the identification of what is available and what is relevant to the brokers. BIBA are organising a few workshops to get the brokers face to face with tech companies to showcase and explore how these really affect their business. Areas of most interest for BIBA's members were controlling costs, including back office costs and improving customer service.
    2.3.3.   VB reminded the group that the BIBA conference will take place in May.
    2.3.4.   MC also reminded the Board that the ABI has its annual conference in April this year. Although the central theme wasn't going to be innovation it would be woven into the programme.
    2.3.5.   WT wondered how much can the Insurtech Board draw from the study
    2.3.6.   VB suggested that rather than trying to do too many different things in too many forums, it might be more advantageous to find common interests. If there was support in popular fields, the broker would be more keen to engage.

2.4.   The Global Insurtech Alliance (GITA)
    2.4.1.   Paolo Cuomo (PC) presented the aim of the Instech organisation in setting up the GITA, noting that there was a number of organisations such as InsTech London or Insurtech Australia as well as a practical awareness of what these organisations want to achieve but the aim of the Alliance was mainly to share insights as a global organisation. PC noted for example that previously, the Japanese insurance community had reached out within this network so the Alliance members could work towards connecting with them. He noted that initiatives were still being formed and the group would see how this develops in the next six months. He noted that he was happy to promote awareness and visibility of the Insurtech Board through this forum

2.5. Fintech Week - March 2018

2.5.1. PC noted that the International Fintech Conference was happening on the 22nd March and asked HMT if preparation were involving the insurtech community this year in an effort to avoid a repeat of the last minute arrangements to invite the insurtech ecosystem the year before. PC also offered to contribute?

2.5.2. EM responded that the insurtech team at HMT had put in a submission for an allocated slot in the agenda and assured the group that he had put forward the Insurtech Board's members' list as potential attendees to the conference, underlining that the unit responsible for overall management of the conference was the Global Financial Markets division of HMT.

2.5.3. **ACTION:** EM to highlight the keen interest of the Insurtech Board to the team at HMT organising the international fintech conference, and to update the group on his efforts on including insurtech at the conference.

2.5.4. Caroline Vaughan (CV) shared that it being Fintech Week, in addition to Innovate Finance's Global Summit, there would be various events planned by other organisations such as the FCA and the London Stock Exchange. She asked that Board members let her know if there was an ability to support the group's agenda. She stressed that Innovate Finance have a good platform with the press, so this would be a good opportunity to make announcements.

2.5.5. Closing the update remarks, WT asked LC to introduce the next item on the agenda, the sub-working group sessions where members would work on the identifying and action-plan for the Insurtech Board

3. **Working Groups Expectations**

3.1. WT described the expectations of the working groups as being action-oriented and requiring the commitment of members to drive change, noting that none of the members of this group want the Insurtech Board to be a 'talking shop'. He noted that each sub-working group would need to elect a Chair, who will be responsible to ensure the agenda progresses.

3.2. LC noted on that point that with the Fintech Delivery Panel TCUK found that quite a few working groups needed some hand holding to start with. The Chairs were then encouraged to take the lead and make sure their own groups delivered concrete actions which was working well.

3.3. LC then divided the room into three groups for discussion: Vision, Onboarding Challenges and Support.

4.   The Panel separates into Breakout Groups for discussion

5.   Feedback from breakout groups and next steps
- 5.1. Vision working group
    - 5.1.1.   WT shared with the group that the plan was to publish the press release next week and to release the vision during the Fintech Week. The group would identify someone to talk about the Insurtech Board, to help raise awareness and visibility in this week
    - 5.1.2.   The Vision group will also create a survey to get a view on external thoughts of the UK market from both UK and non-UK respondents
    - 5.1.3.   The launch date for the vision was set as the 22nd March
    - 5.1.4.   WT stated he would also like to include the results from the BIBA study, so that the brokers' opinion is also accounted for. He asked MC if there was anything from the ABI that could be announced as well.
    - 5.1.5.   **ACTION:** MC to investigate what can be announced from the ABI
    - 5.1.6.   Caroline Vaughan (CV) asked if there was scope to do an overview of the investment opportunity
    - 5.1.7.   LC responded that it could take the form of an quote on the press release from a VC in this space
    - 5.1.8.   **ACTION:** EVERYONE to provide feedback on the press release this week and add the Insurtech Board to their LinkedIn profiles
    - 5.1.9.   **ACTION:** WT to include VC into vision work
    - 5.1.10. **ACTION:** EVERYONE to provide any input to help WT develop the final vision ahead of 22 March
    - 5.1.11. **ACTION:** WT to nominate a spokesperson on the vision to talk during Fintech week about the activity of the Insurtech Board
    - 5.1.12. **ACTION:** WT and vision working group to develop survey questions ready for incoming resource to action

- 5.2. Onboarding Challenges working group
    - 5.2.1.   Freddy Macnamara (FM) presented the outcomes of the session, focusing on creating a document aimed at assisting insurtechs in their understanding of working with / partnering with incumbents. This document would outline the decisions to be made by insurtech companies when choosing to provide cover to their customers as opposed to providing technology solutions to incumbents.
    - 5.2.2.   FM specified that the list of documents identified would be necessary for the progression of a partnership between an insurtech company and an incumbent providing risk capacity such as the core terms of business agreement. Questions asked were what would the standardised documents and values look like?
    - 5.2.3.   It was noted that pricing couldn't be harmonised and had to come from the capacity providers.

5.2.4. VB underlined that the key here was the acceptance of these terms of agreement in the insurance community rather than writing it the text per se.

5.2.5. LC wondered if since Aviva and LV= were members of the board these terms couldn't be piloted with them first.

5.2.6. **ACTION:** working group to progress ideas of standardised NDA and explanatory TOBY and bring to the next meeting a plan. ABI to discuss what support they can offer in their senior management steering committee

5.3. Support working group

5.3.1. DP (Daniel Pender) reported on the outcome of this group, noting that some professional services support may be useful in outlining what was needed to build an insurtech company. A proposal from the group was to get existing insurtech firms to recommend providers who they have used. The group suggested scoping the structure of this "directory" to enable external users to contribute and add to it. CV noted that Innovate Finance may be able to provide its learnings on similar topics to get this started.

5.3.2. The group had also discussed commissioning a report on the UK insurtech landscape with a view to capturing the size of the opportunity and attracting external investment (including from the US). This report might also highlight the opportunities for entrepreneurs. KPMG's value of fintech report and the EY reports on UK fintech were discussed as examples.

5.3.3. On the regulatory side DP suggested to build something to give an idea of process and timelines - a decision-tree tool that Hogan Lovells had developed for fintech was given as an example of a useful tool

5.3.4. Another idea was around education of the VC community in the UK about the insurtech opportunity

5.3.5. CV noted that it would be important to define insurtech for the vision working group and have a working definition - would this include predictive HealthTech products and services for example?

5.3.6. **ACTION:** EVERYONE to share concepts and ideas on what definition of insurtech needs to include (i.e healthcare)

5.3.7. DP finally suggested to look at suggestions for support from the point of view of what the firm looked like at the end and what it needed.

5.3.8. Phillip Brown (PB) added that help identifying the right contact within regulatory bodies could be very beneficial to insurtech companies since depending on which point of entry was used, interactions could either be really useful or quite bad.

5.3.9. **ACTION:** working group to develop ideas and come to the next Board meeting with a prioritised list

5.3.10. **ACTION:** PC to explore BCG appetite to author the report discussed on a pro-bono basis

5.3.11.   **ACTION:** vision working group to agree an inclusive definition of insurtech

6.   AOB

6.1.1.   LC reminded the group that it is critically important to raise the profile of this group in the insurtech community and exhorted the members who are key influencers to get the word out that the group exists, to support the press release and raise awareness in their respective networks to encourage the ecosystem to feed into the activities of the group

6.1.2.   Meeting closed at 16.56