



The Rise of Insurtech: Disrupting the Secured Category

NBCUniversal

What is Insurtech?

Insurtech is the use of emerging technologies — such as artificial intelligence (AI), the internet of things (IoT) and blockchain — by insurance companies to improve business processes and increase efficiency.

While insurtech startups were the first to leverage these new technologies, large national insurers are now also adopting insurtech in many aspects of their businesses. Some of the **major U.S. insurtech players** are Lemonade, Gusto, Oscar, CareCloud, and Amwell.

The **North American Insurtech Market** is growing, with a **CAGR of 13% over the next 5 years**, outpacing the insurance category.



Insurtech has emerged at the intersection of two forces: evolving consumer needs and a rise in new tech capabilities

Consumer Needs and Expectations



Price Sensitivity



Renting vs Owning

(especially among young consumers)



Less Driving in Cities

(Flexibility)



Consumer-Centric Experience

(Convenience, Transparency)



More Tech Savvy Users

(on-demand economy)

New Tech and Data Capabilities



Platform-based Approaches

(Digital)



Personalization and Customized Services



On-demand Services



Predictive Analytics

(claim filings, future losses, and premiums)



AI-based Tools and Automation

(claims management)

The growing presence of these forces have led to an explosion in Insurtech growth

+13%

The **North America Insurtech Market** is growing at a CAGR of 13% over the next 5 years



TECHNOLOGY

 **41%**

of consumers are likely to **switch providers** due to a **lack of digital capabilities**

CONSUMER

 **77%**

of consumers **ages 25-44** **would use an app** to manage their insurance and financial services products

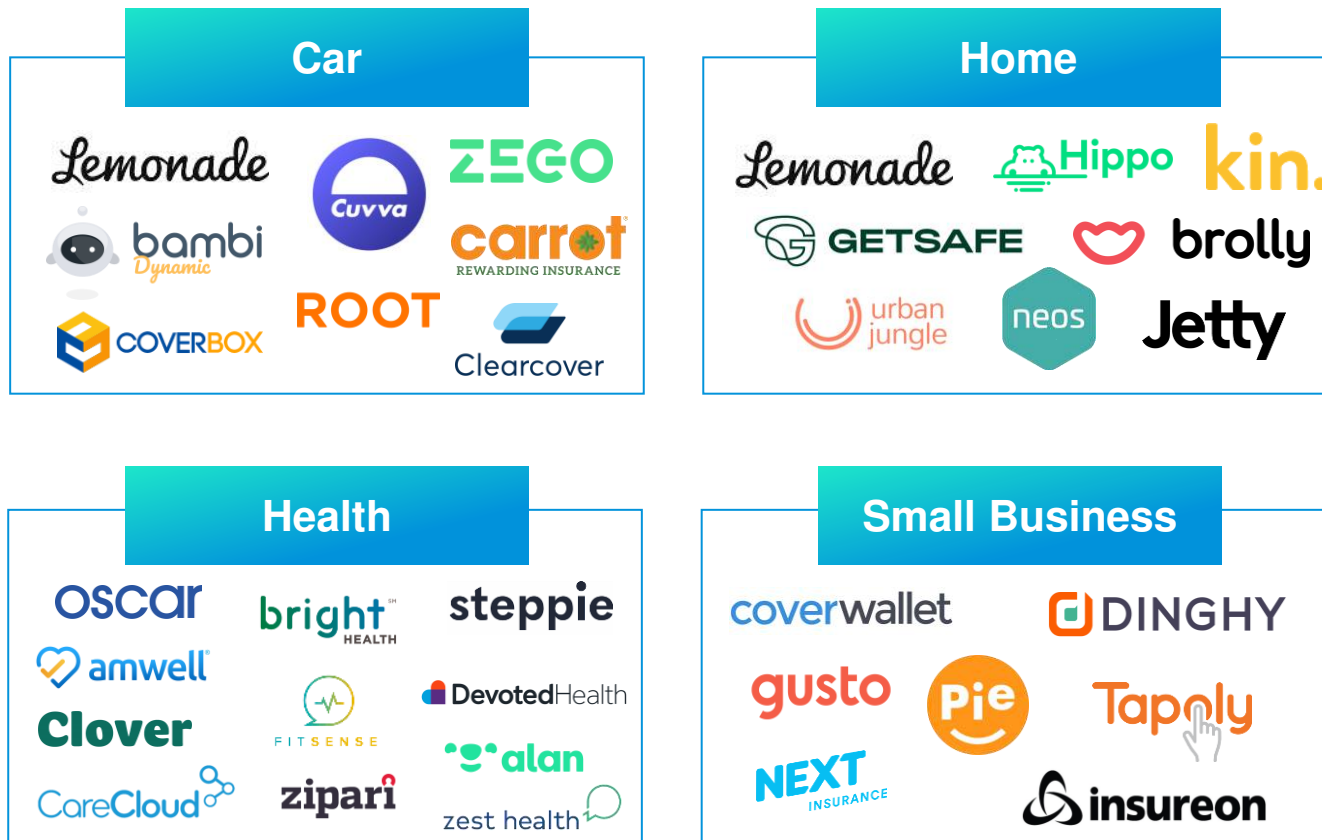
INDUSTRY

 **28%**

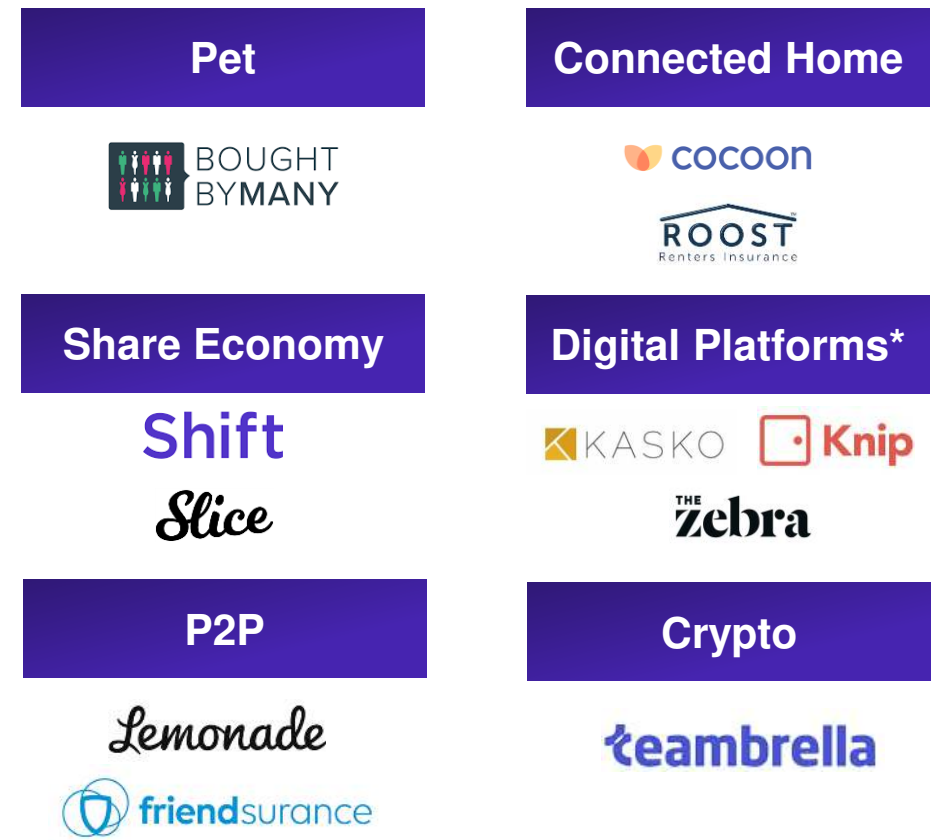
of **insurance CEOs** are planning to **collaborate with entrepreneurs / start-ups** in the next 12 months

This growth has resulted in Insurtech players entering every facet of the Insurance industry, and even creating new ones

Mass Market Insurtech Ecosystem



Emerging Insurance Spaces



While Insurtechs have focused on key areas of the value chain and key sets of customers, they are continuing to expand

Insurtechs by product and business activity

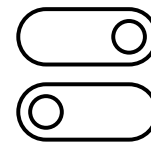
	Product			
	P&C: Auto	P&C: Property	Health	Life
Product Development	2	5	2	2
Marketing & Distribution	8	21	7	7
Pricing & Underwriting	3	6	2	2
Policy Management	2	5	2	2
Claims	3	6	2	1
Other (HR, IT,	1	4	2	2

Value Chain

The heavy focus of insurtechs in marketing & distribution functions enables them **to solve customer pain points** through a **digitally enhanced client experience** that could pose a competitive threat to incumbents.

We can expect both insurtechs and incumbents to increasingly partner to **compete across the value chain**, while emphasizing these distinct value propositions in their marketing.

Insurtechs focus on younger consumers



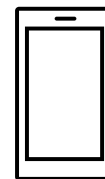
Switchers

Consumers under 55 are 3x more likely to switch insurance providers. Policyholders between 25-40 years of age indicated digital tools are a key driver of switch behavior in the insurance space



Personalization and Data

70% of millennials surveyed said they would use an app that provided personalized insights and gave them better visibility over financial products, including insurance policies



Digital Natives

47% of Gen Zers prefer online banking to brick-and-mortar banking and have embraced using smartphones as financial management tools, with more than 90% of Gen Zers between the ages of 18 and 21 says they have downloaded card apps.

The sub-category's future growth will be underpinned by new innovations, but also new challenges

Future Innovations



Connected Tech

Connected and interoperable home, auto, and wearables will simplify claims process, “pay-as-you-use” business models, and bring in more data



Big Data & AI

Better processing capabilities will reduce onboarding times, drive insights for better policies, and improve risk assessment and fraud detection



The EV Opportunity

Higher rates of EVs will lead to more insurtech adoption as prices go up and new cost models become popular



Peer-to-Peer (P2P) Insurance

New tech such as blockchain will allow models of self-governance with larger, more flexible pools, lowering operational costs, speeding up processes, and reaching new customers (e.g. gig economy workers)

Growing Challenges



Scaling Up

Reaching larger and new audiences, upselling/cross-selling into new domains



Differentiation

Breaking through creatively, especially as consolidation occurs



Attention from Big Players

Increased investment in tech, acquisitions, partnerships

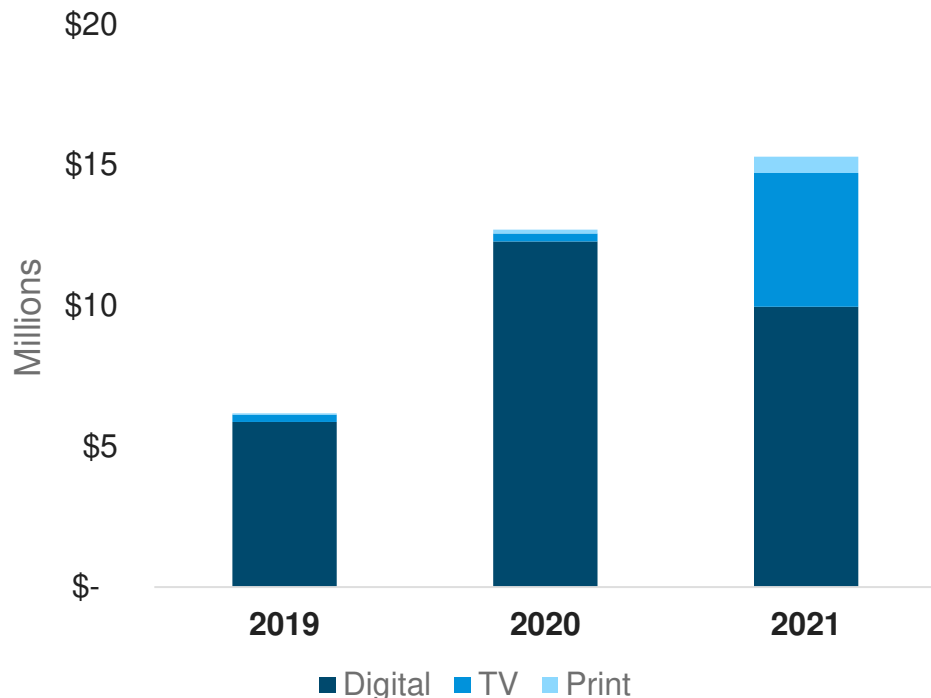


Data Privacy Concerns

e.g. telematics

While Insurtech media spend has taken a social-first approach, creative breakthrough remains essential for differentiation

P&C Insurtech has gradually shifted more media dollars towards TV...



...and have increasingly employed creative brand marketing approaches to differentiate.



Lemonade: Engaging Through Art
Lemonade connects to its younger audience by leveraging a design-first social approach highlighting rising artists.



Oscar: Bi-lingual Brand Campaign
A series of TV spots, running in both English and Spanish, promote how easy it is for consumers to use Oscar



Root Insurance: Bubba Wallace
Root Insurance partnered with NASCAR star Bubba Wallace in a creative series around social justice.

NBCU Insurtech Paths to Partnership

Thought Starters

Carve Out Areas of Ownership

As Insurtech brands look to distinguish themselves from the growing pack, carving out areas of ownership across sports and lifestyle, as well as among relatively untapped content areas such as News and Hispanic, can empower brands to stand out and develop first mover advantages with key audiences.

Reach Younger Audiences through Streaming

With Insurtech's remarkable growth in the past few years being powered by interest from younger consumers, brands can construct their marketing approach to most effectively target and heavy up on these audiences by incorporating streaming and mobile into their media approach.

Build Cultural Momentum

Build cultural capital, tell your brand story, and inspire trial by embracing high impact storytelling approaches like alignment with IP, cultural moments, influential talent, and social engagement. Consider opportunities to lean into purpose-oriented initiatives that resonate with younger consumers.

Leverage the Power of Data

As Insurtech's use data in new ways and expand into new products, bringing together their data capabilities with NBCUnified can allow for new and inventive targeting opportunities and customer acquisition strategies (including measurement).



Thank You!

NBCUniversal