The State of European Insurtech 2022

June 2022

mundi ventures

European early-stage venture capital firm investing in B2B technology companies.

[Mundi Ventures] is a global venture capital firm with €450M AUM that invests in the leading Insurtech innovation, with a clear, but not limited, European focus.

The Mundi Insurtech Fund has built a truly unique value proposition for Insurtech startups: it is indeed a fully independent VC Fund, backed by several international insurers, mutual funds, and family offices investors from USA, France, Spain, The Netherlands Switzerland, Middle East, and Luxembourg. Mundi is invested in 6 unicorns, including Wefox (Berlin), Bolttech (Singapore), Betterfly (Santiago, or Shift Technology (Paris).

wefox ELEMENT betterfly
AKKO SafetyWing asistensi Agentero

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Benchmark insurer in the Spanish market and largest Spanish multinational insurance group in the world

MAPFRE is a global insurance company. It is the benchmark insurer in the Spanish market and the largest Spanish multinational insurance group in the world.

MAPFRE is committed to boosting customer-centered digital transformation, via MAPFRE Open Innovation (MOi), and creating a positive impact on the business and society.

Since its inception, more than 1.6million customers have benefited from solutions originating from this model.

Please, click here for more information about MOi

NN

NN Group is an international financial services company

NN Group is active in 11 countries, with a strong presence in a number of European countries and Japan.

With all its employees, the Group provides retirement services, pensions, insurance, banking and investments to approximately 18 million customers.

NN Group includes Nationale-Nederlanden, NN, ABN AMRO Insurance, Movir, AZL, BeFrank, OHRA and Woonnu. NN Group is listed on Euronext Amsterdam (NN).

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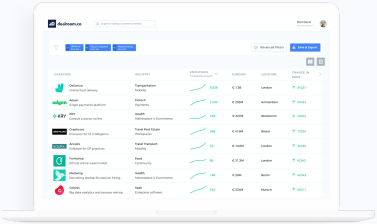
Global startup & venture capital intelligence platform

Dealroom.co is the foremost data provider on startup, early-stage and growth company ecosystems in Europe and around the globe.

Founded in Amsterdam in 2013, we now work with many of the world's most prominent investors, entrepreneurs and government organizations to provide transparency, analysis and insights on venture capital activity.



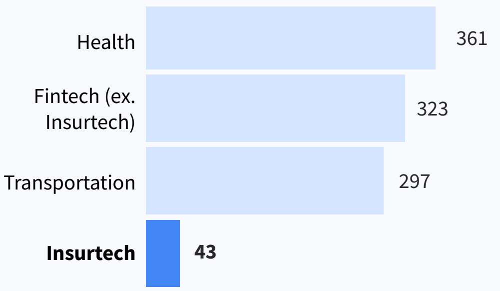
What happened in insurtech in 2022.

We are still early in insurtech, but there's more disruption yet to come.

Insurtech funding has slightly cooled off, mostly at late stage, but there is a $6 trillion opportunity still to unlock.

Insurtech startups are heavily underfunded compared startups targeting industries of similar market size like fintech, health and mobility.

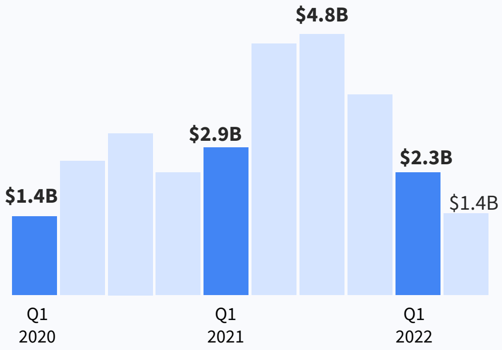
Global VC funding (2016-2022, $B)



Late stage slowing down, but innovation at early and medium stages stronger than ever.

In the new funding environment, global insurtech funding has pulled back almost 50% in Q1 2022 going back to pre-pandemic levels. The pullback has been mostly at late stage, while the number of early and medium stage set a new record in Q1 2022. Europe posted its second best quarter ever in Q1 2022 and is closing the gap with the US, which saw the strongest pullback.

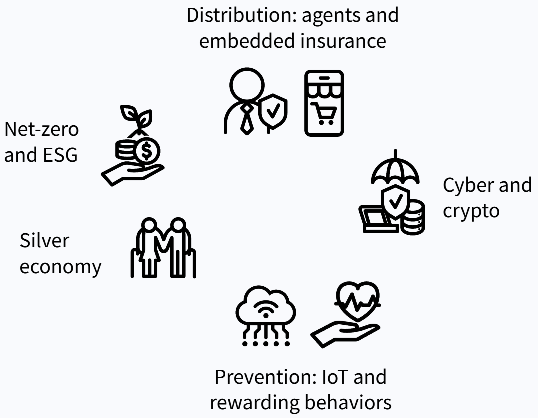
Global insurtech VC funding



The insurance industry is being shaped by several important transitions.

Many trends are shaping the future of insurance. The insurance industry is shifting from risk transfer to prevention.

The transition to net-zero and ESG is top of the agenda for insurers and insurtechs. The silver economy offers huge opportunity for insurance to address the needs of a generation.



Why this Insurtech report.

The insurance industry is undergoing major transformations and insurtech is playing an increasingly important role in guiding and facilitating these changes.

Yet, insurtech is still underinvested compared to other startup industries of similar potential and greatly exaggerated reports of insurtech death have been raised.

We show that while the funding environment has cooled off from the 2021 euphoria, the industry still offers huge opportunities in the medium and long term.

With this report we want to bring transparency through data and qualitative insights on the current state and trends of European and global insurtech.

The report has been has been developed by Dealroom.co, Mundi Ventures, MAPFRE, and NN Group, drawing on the partners' collective insurance innovation expertise and insights from insurtech innovators and leaders.

A big thanks

Contributions and insights from conversations with:


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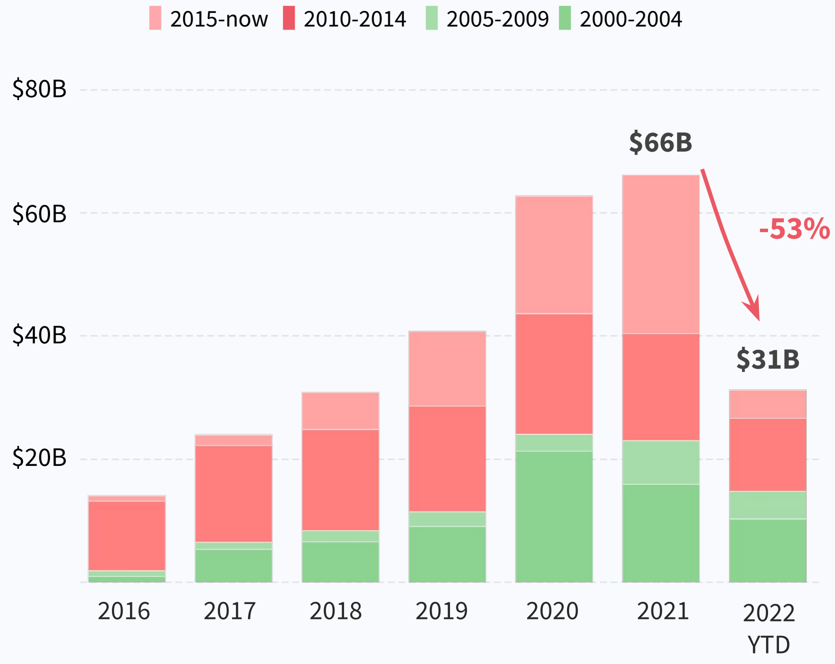
Table of contents

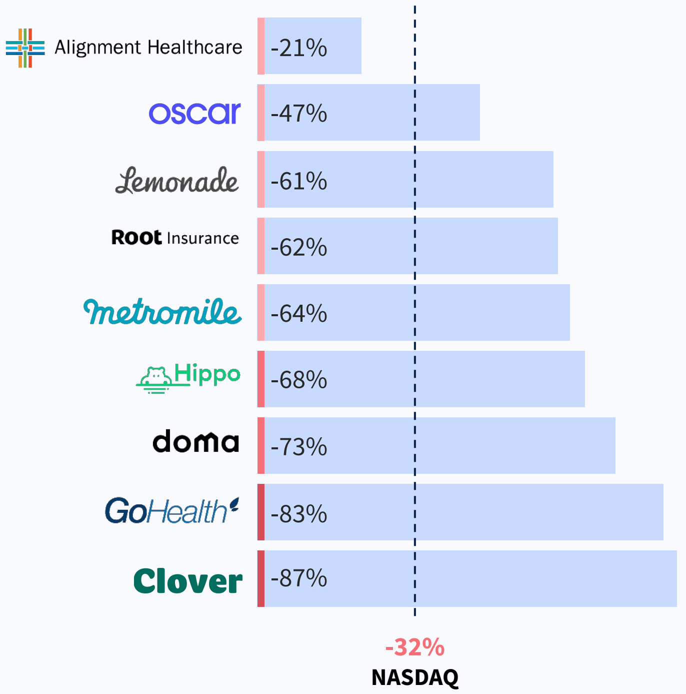
1 The status of insurtech

Insurtech valuations have been slashed in the public market.

Combined market cap of public insurtech startups globally* » view online



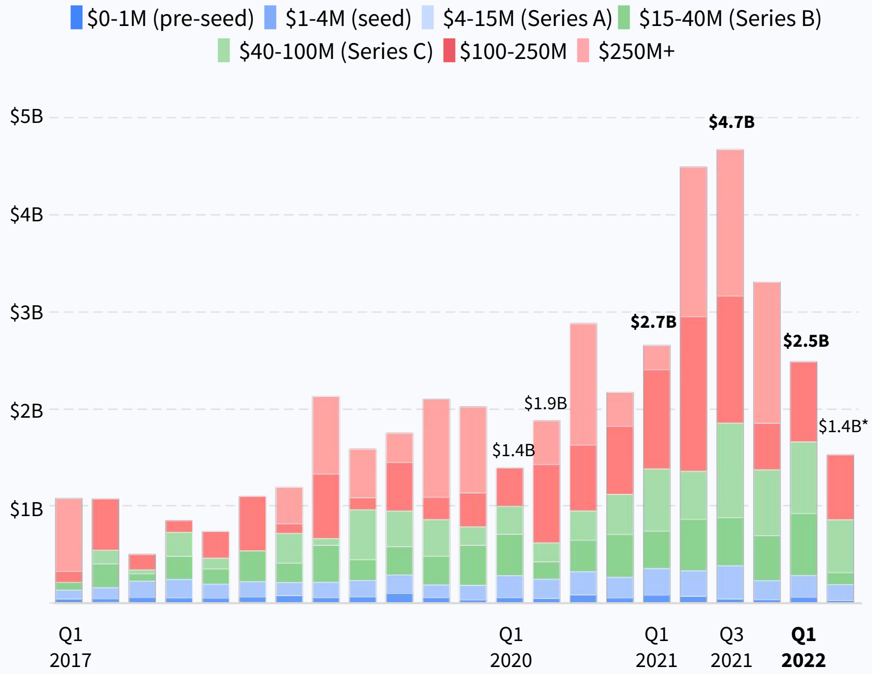
Change in share price in 2022 of selected public insurtech



Source: Dealroom.co. *Considering only startups founded since 2000.

Global insurtech funding has pulled back almost 50% in Q1 2022 compared to all-time-high in Q3 2021. Looking at Q2 so far, we are back at pre-pandemic levels.

Global venture capital investment in insurtech startups » view online

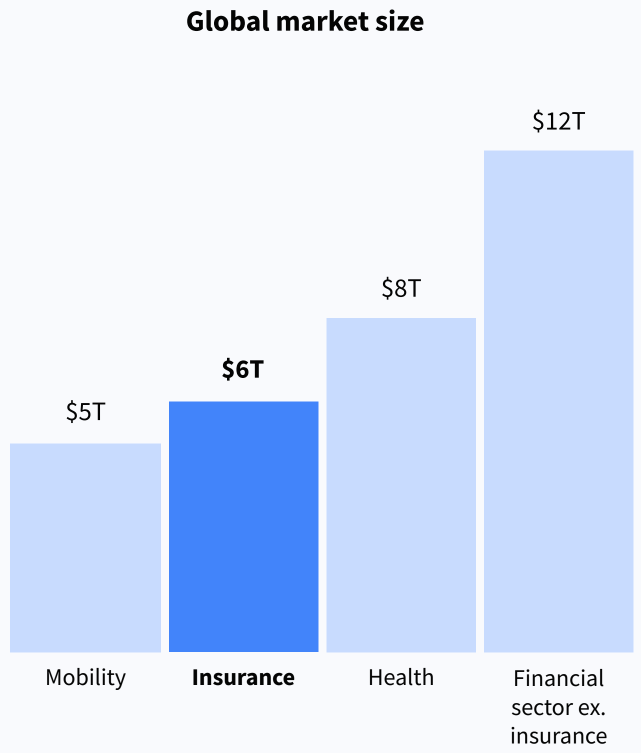


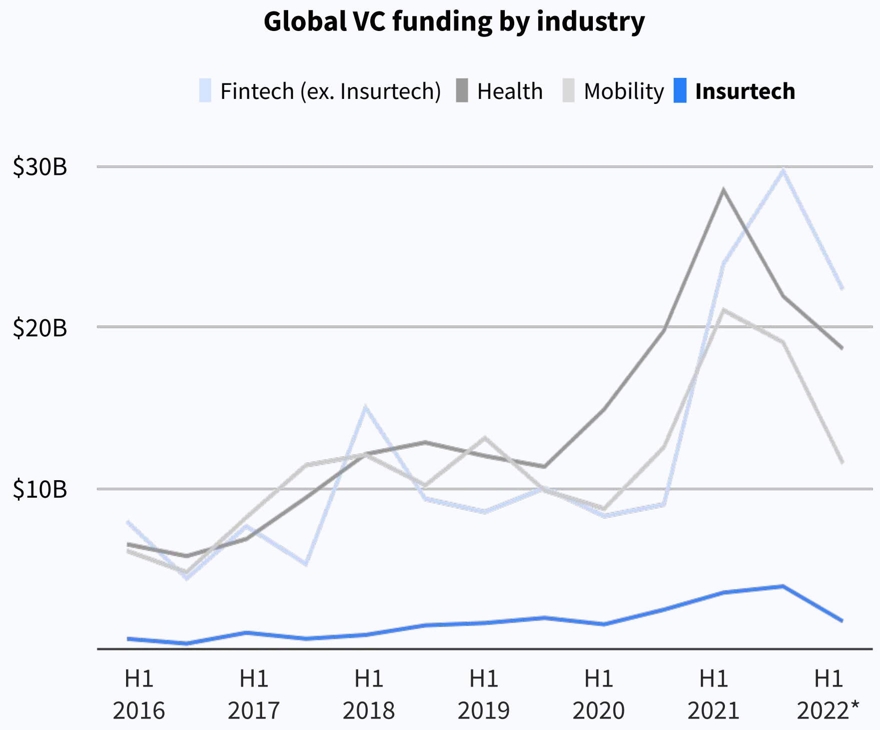
The biggest rounds of 2022
» view online

NAME	INVESTORS	MARKET	LOCATION	VALUATION	LAST ROUND	DATE
Alan A digital health company that revo…	Index Ventures Temasek Coatue Management Ontario Teachers' Pension Plan	health fintech insurance health platform	Paris, France	$3.0b	€183m SERIES E	May 2022
Newfront Insurance Modern insurance brokerage that l…	Index Ventures Y Combinator Meritech Capital Partners Bloomberg Beta Susa Ventures	fintech financial management solutions insurance	San Francisco, United States	$2.2b	$200m LATE VC	Apr 2022
Accelerant We offer high value, low-stress pa…	Eldridge Altamont Capital Partners MS&AD Ventures	fintech insurance	London, United Kingdom	$2.0b	$190m GROWTH EQUITY VC	Jan 2022
santevet European leader in financing veter…	Columna Capital	fintech home living insurance	Lyon, France	$38—57m	€150m GROWTH EQUITY VC	Feb 2022
Branch Financial The only company that can instant…	Anthemis Group Greycroft Partners SignalFire American Family Ventures Gaingels	fintech insurance	Columbus, United States	$1.1b	$147m SERIES C	Jun 2022
Betterfly Wellbeing platform with dynamic l…	Greycroft Partners DST Global QED Investors Alma Mundi Ventures Glade Brook Capital Partners	health fintech insurance	Providencia, Chile	$1.0b	$125m SERIES C	Feb 2022
Policy Genius Provides a place online to shop for…	KKR AXA Venture Partners Norwest Venture Partners Revolution MassMutual Ventures	fintech insurance	New York City, United States	$400—600m	$125m GROWTH EQUITY VC	Mar 2022
Turtlemint An insurtech platform that identifi…	Vitruvian Partners Jungle Ventures Nexus Venture Partners Marshall Wace Amansa Holdings	fintech insurance	Mumbai, India	$925m	$120m SERIES E	Apr 2022
Descartes Underwriting Descartes Underwriting is an insur…	Seaya Ventures Eurazeo Highland Europe Serena BlackFin Capital Partners	fintech insurance	Paris, France	$480—720m	$120m SERIES B	Jan 2022

Source: Dealroom.co. *Q2 includes data until 14/06/2022

Insurtech startups are heavily underinvested, compared to peers targeting industries of similar market size.





Source: Dealroom.co. *H1 22 includes data until 14/06/2022

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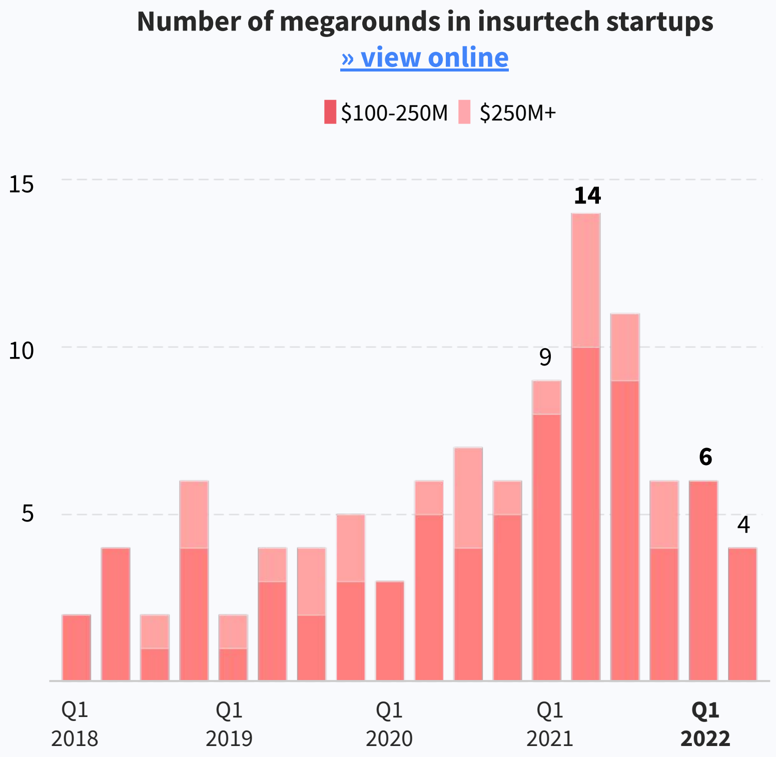
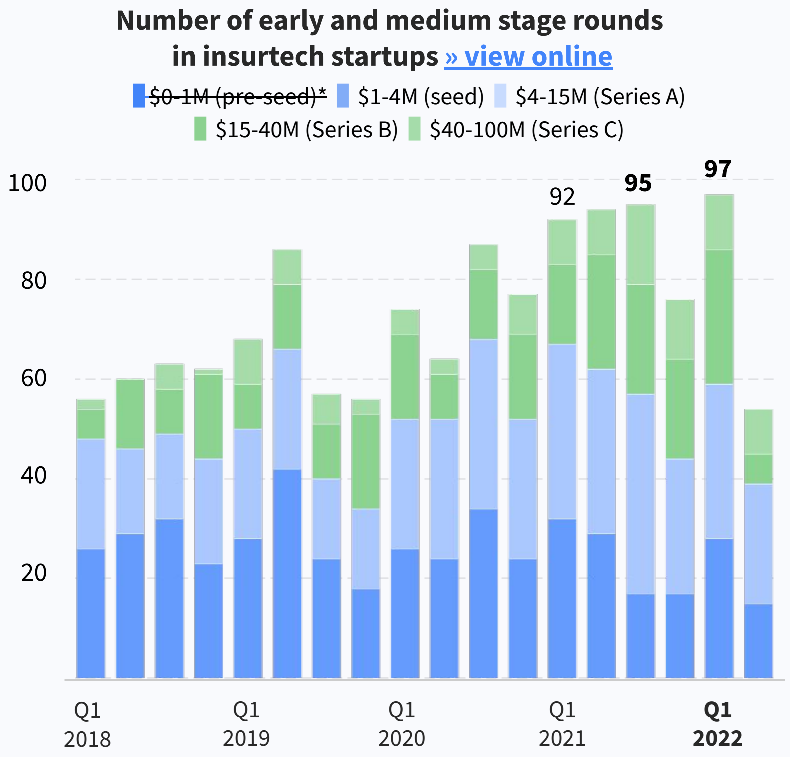
The pullback in funding has been mainly due to megarounds, while early and medium stage funding saw the best quarter ever in Q1 2022.





 Source: Dealroom.co. *pre–seed rounds have been cut off due to reporting lag on small rounds

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Unicorn creation has slowed down significantly. There are now 63 unicorns globally, only 6 were created so far in 2022 compared to 26 in 2021.

Insurtech unicorns and $1B+ exits by region

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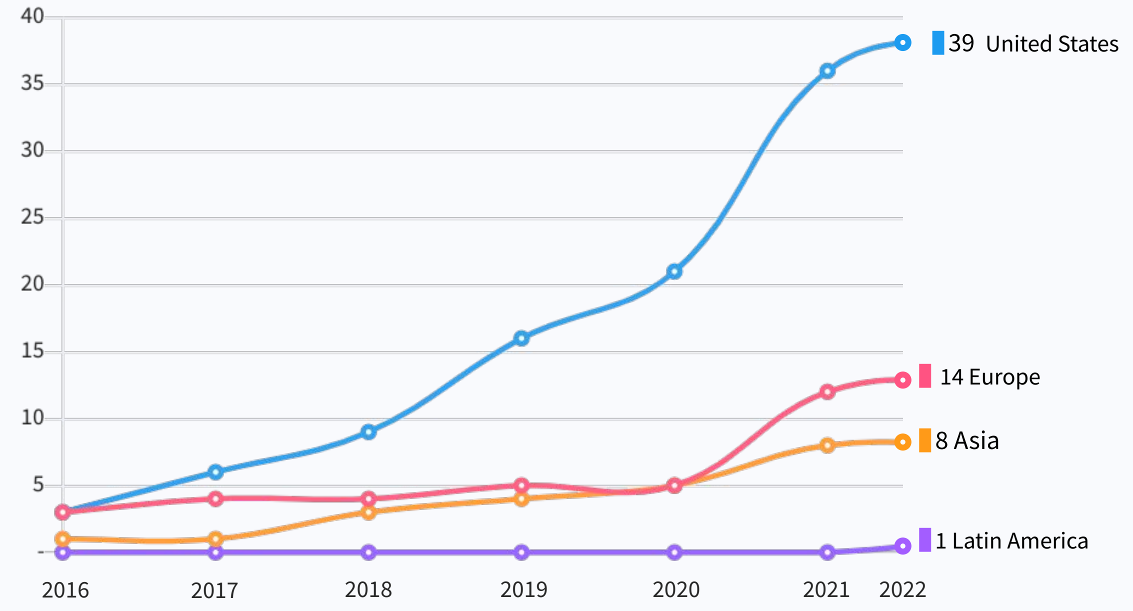

New insurtech unicorns in 2022:

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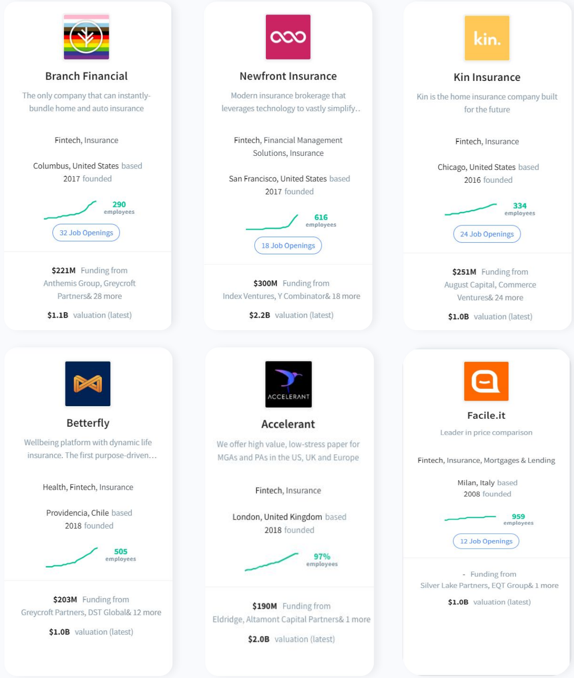
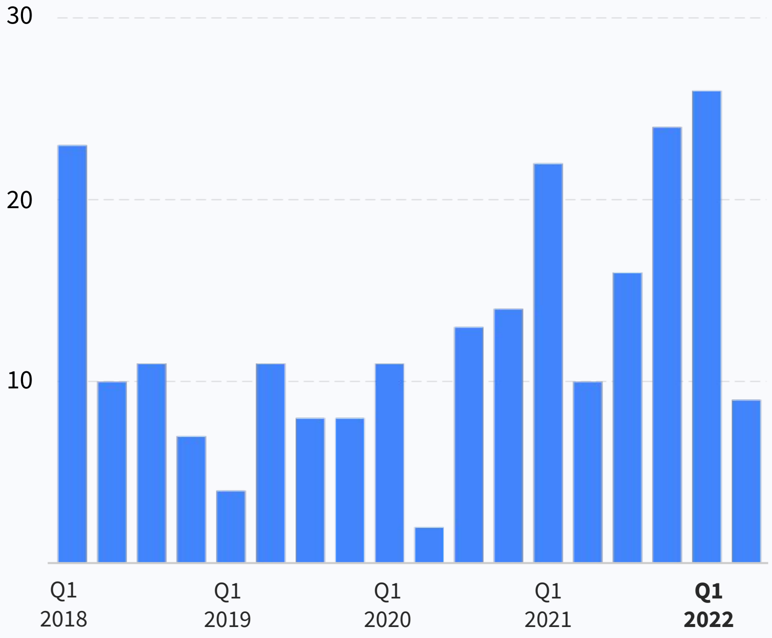


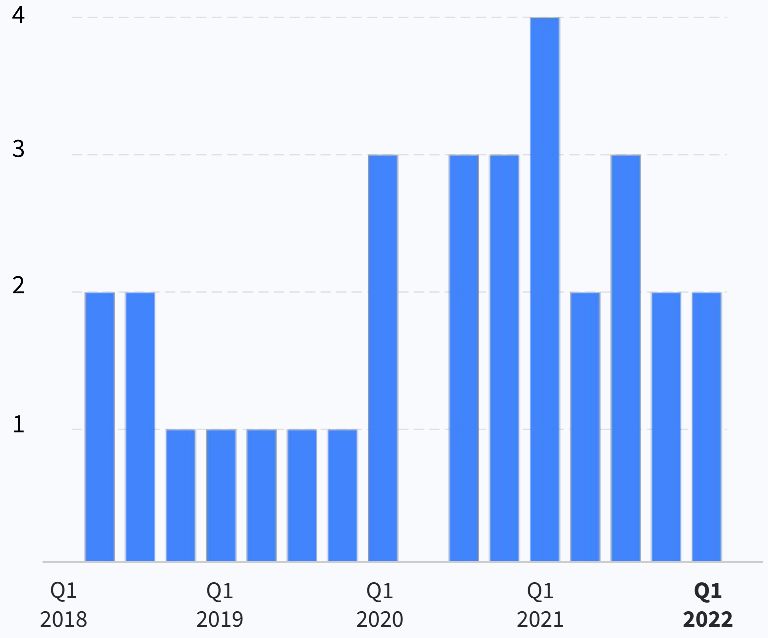
 Source: Dealroom.co.

Insurtech M&A keeps going strong, reaching record levels in Q1 2022, while public listings have slowed down.

Global number of acquisition & buyouts of insurtech startups [» view online]

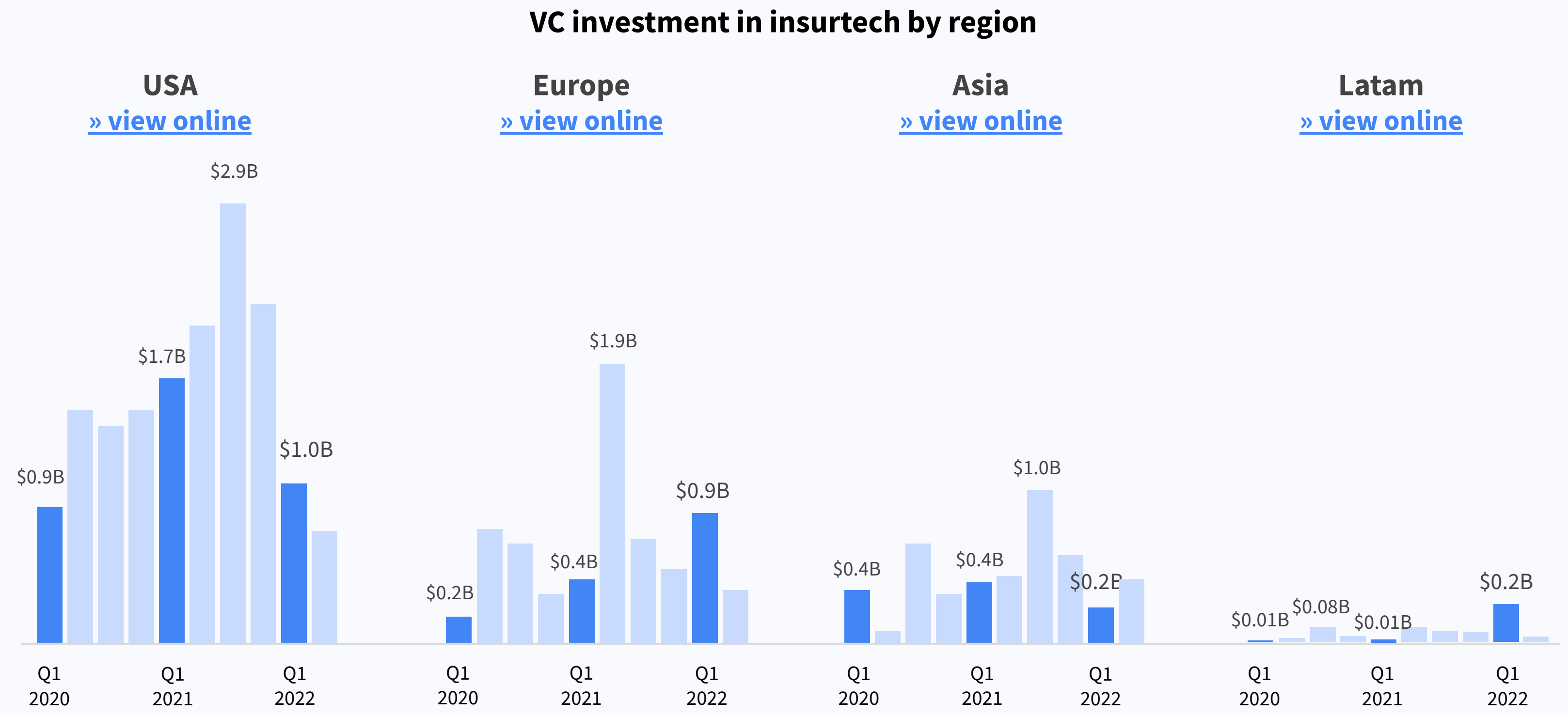


Global number of IPO & SPACs of insurtech startups [» view online]



Source: Dealroom.co. Q2 includes data until 14/06/2022

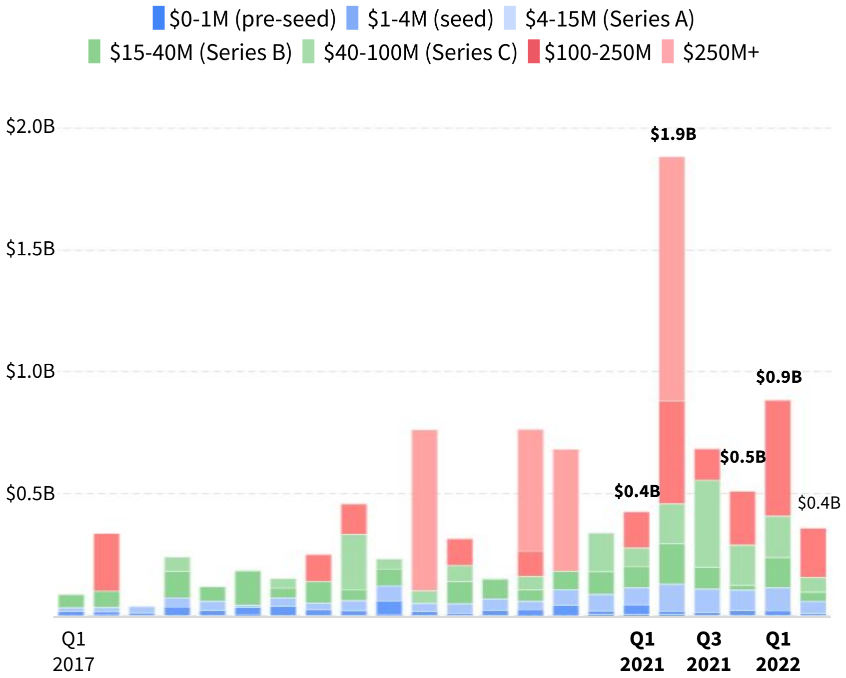
Europe is closing the gap with the US which recorded a strong pullback. Asia's growth has been flat and Latam is starting to emerge.



Source: Dealroom.co Q2 includes data until 14/06/2022

European insurtech had its 2nd best quarter ever in Q1 2022, with $884M in funding.

VC investment in European insurtech startups [» view online]



“The funding environment has cooled off from the 2021 euphoria, but the industry still offers huge opportunities and is waiting for much disruption.”

We have seen a strong correction in public market valuations and some degree of pullback also in the private market. But in the long term, insurance is still a huge market with very low investment compared to fintech and health.

Javer Santiso
CEO & General Partner
Mundi Ventures

» Read the full interview

Source: Dealroom.co. *Q2 includes data until 14/06/2022

Explore insurtech funding by regions, countries and cities.

Insurance is a $6 trillion global industry, making it an enormous market to be tackled by tech-enabled startups worldwide.

Multi-billion dollar startups have already emerged in the US, Europe and Asia. New emerging ecosystems, like Latin America, are also joining the race.

» Investment by regions

» Investment by country

» Investment by cities

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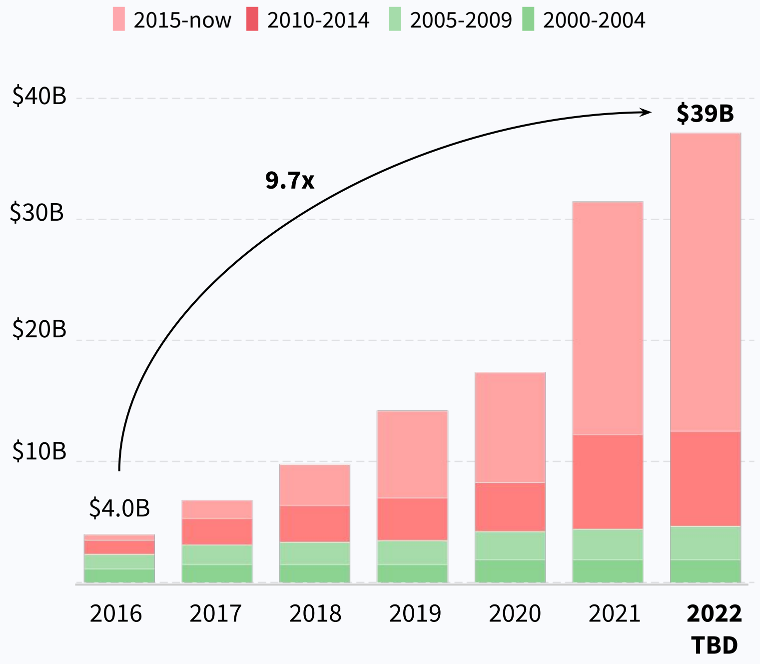
Insurtech
Database by dealroom.co

Search for companies, investors, people, lists & inno...

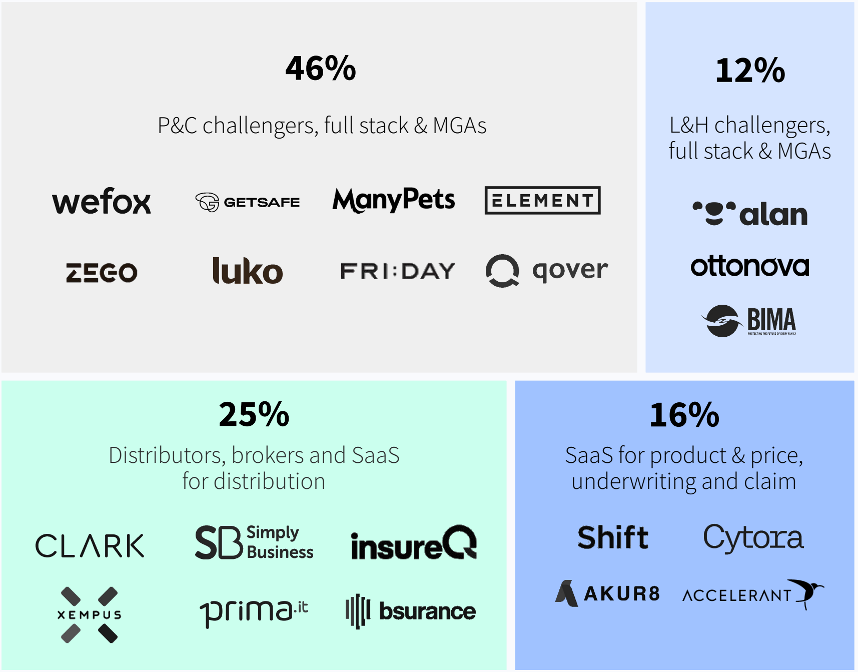
AMOUNT INVESTED Locations	2015	2016	2017	2018	2019	2020	2021
United States	$761m	$1.4b	$2.2b	$2.9b	$4.1b	$5.2b	$8.9b
France	$1.1m	$23.7m	$103m	$50.6m	$170m	$196m	$617m
United Kingdom	$64.9m	$38m	$417m	$206m	$927m	$969m	$1.3b
India	$112m	$3.9m	$149m	$313m	$515m	$454m	$868m
Singapore	$18.3m	$460k	$93.6m	$25.1m	$249m	$47.8m	$267m
Canada	$6m	$26m	$4.6m	$77.3m	$23.8m	$27.9m	$206m
Germany	$48.6m	$75.9m	$105m	$249m	$489m	$107m	$955m
Indonesia	-	-	-	-	$5m	$67.5m	$70m
Brazil	$15.7m	$805k	-	-	$10.6m	$2.2m	$56.6m
Sweden	-	$3.3m	$3.9m	$6.1m	$13.9m	$21.1m	$66.5m
China	$1.0b	$173m	$48.7m	$519m	$342m	$674m	$646m
Italy	$1.1m	$209k	$4m	$113m	$3.1m	$7.2m	$6.7m
Spain	$1.4m	$8.9m	$32.7m	$1.7m	$28.5m	$29.6m	$44.2m

The combined EV of European Insurtech companies is now $39 billion, 9.7x times more than in 2016.

Combined enterprise value of European insurtech startups by launch year* [» view online]



Combined enterprise value of European insurtech startups



 Source: Dealroom.co. *Considering only startups founded since 2000.

UK, France and Germany still heavily dominate the insurtech scene in Europe, attracting more than 90% of the funding in 2022.

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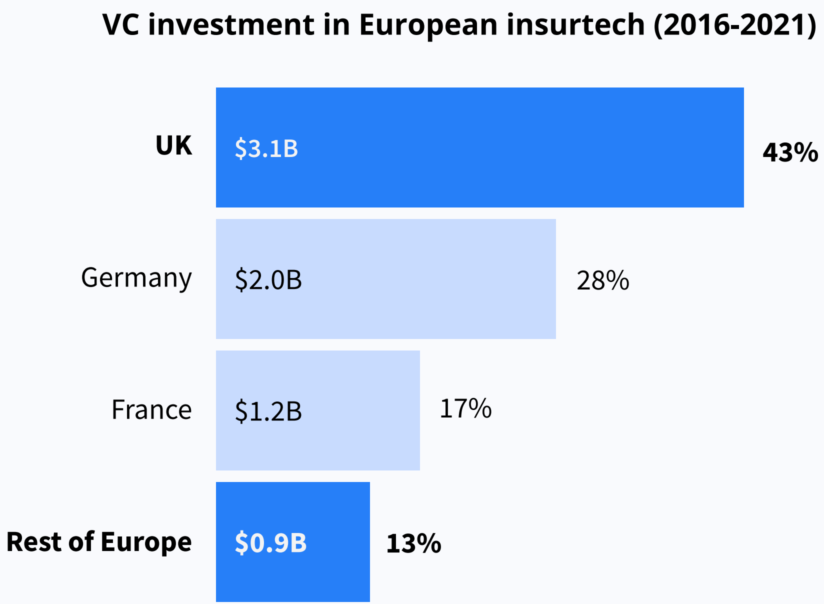
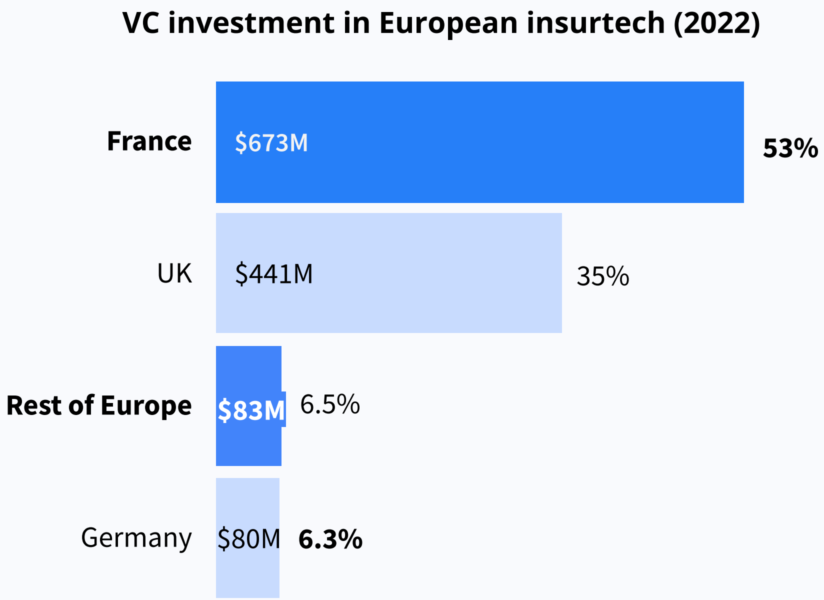




 Source: Dealroom.co.

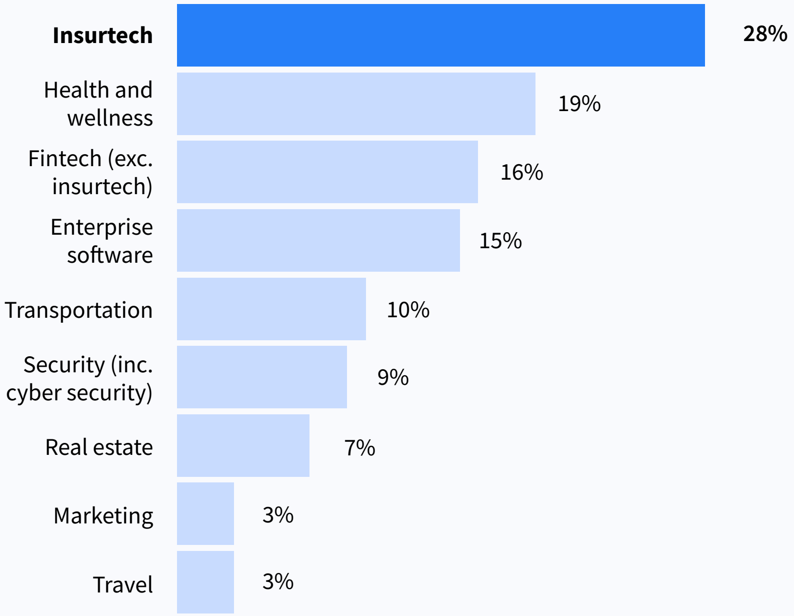
Notable investors in Insurtech.

	Sector agnostic European funds	European funds with dedicated Insurtech focus	Strategic investors (Insurers, reinsurers, financial sector)	U.S. / Asian investors
Series B+	EQT Ventures; iris capital; LocalGlobe; Eurazeo		X (A company of Allianz); CommerzVentures	DST Global; General Catalyst; Temasek Holdings; Ribbit Capital; Mubadala; Bessemer Venture Partners; G Squared; FinTLV
Series A	AlbionVC; Balderton.; Playfair Capital; btov; Target Global; partech; Amadeus Capital Partners	mundi ventures; octopus ventures; Finch Capital; Blackfin Capital Partners; HW Capital; anthemis	Hannover Digital Investments.; Munich RE; UNIQA Ventures; Swiss Re; Zurich; Aviva; AXA Venture Partners; CNP; Baloise Group; finleap	Index Ventures; Accel; Portage; yabeo; Route 66 Ventures; e.ventures; QED Investors; MTech Capital
(Pre) Seed	LocalGlobe; Seedcamp; bpifrance; Speedinvest; seed+speed The Sales VC; elaia; kima ventures; GFC; K Fund; concentric	Big Start Ventures; Insurtech Gateway; Eos Venture Partners; InsurTech.vc; astorya.vc		Vestigo Ventures; ManchesterStory; Brewer Lane Ventures; Lightspeed; HCS Capital; Pear

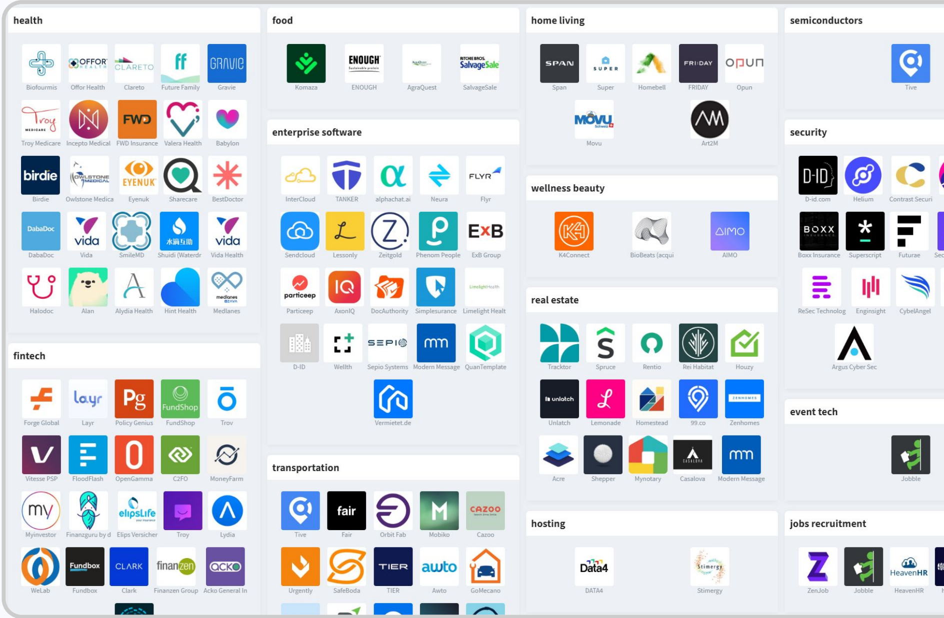
Source: Dealroom.co. Funds hand-picked based on number of investments in Insurtech and (future) unicorns.

Insurer are increasingly acting as platforms and ecosystems. Almost 3 out of 4 of (re)insurers investments are outside the boundaries of strictly insurtech.

Number of (re)insurers investment by industry (2016-2022)



Explore startups with investments from European (re)insurers and their CVC [» view online]



 Source: Dealroom.co.

MAPFRE focus on initiatives across all the spectrum of open innovation with a strategic focus on customer-centric transformation.

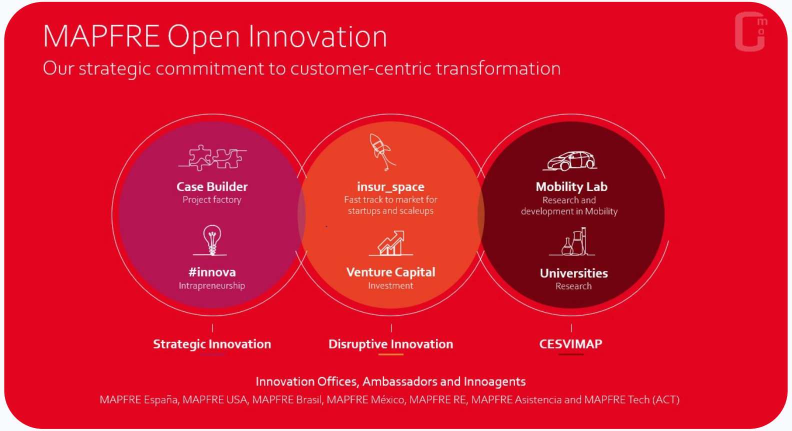
“

We look at the insurtech sector to partner with tech providers and learn from insurtech in traditional markets and new risks.”

We look at the insurtech sector as composed of 3 main categories: tech providers, players launching insurance products (full insurers or MGAs) in traditional markets, and the ones in new risks. We have all the spectrum of open innovation besides venture building, at least not systematically. We have an internal entrepreneurship program, a startup collaboration program, VC investments as LPS in Alma Mundi Ventures and direct investments”. More details can be found in [MAPFRE Open Innovation](#).

Joan Cusco
Global Head of Transformation
MAPFRE

» Read the full interview



NN Group innovation starts and ends with the customers, ranging from partnering and investing in startups to building internal new ventures.

Jeroen Meijers
Head of Strategic Transformation Office
NN Group

“

Everything in NN Group’s purpose starts and ends with customers: we help people care for what matters most to them.

Technological advancements and new business models may be uncertain, but what is certain is our commitment towards customers. A couple of areas where insurtechs have a very strong potential are: digitalisation of the customer journey, especially around servicing and claims, and new distribution channels”. Within NN Group we engage in open innovation by both partnering and investing in startups and by building new ventures.
Early in the process we scout the market to see: where can we partner, where can we buy, and where can we build. We focus our exploration on three key themes: Care-free Retirement, Home, and Embedded Insurance”.

» Read the full interview

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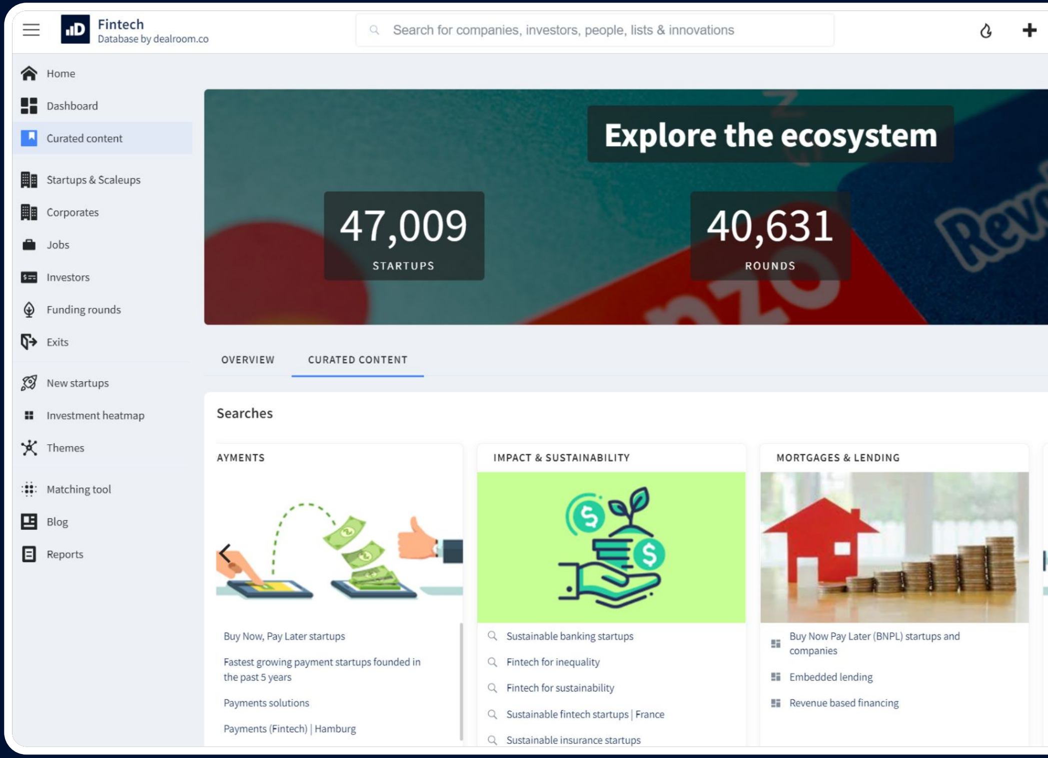
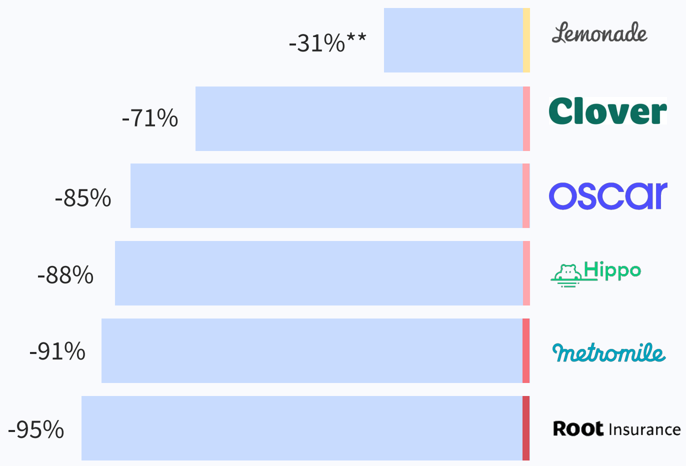


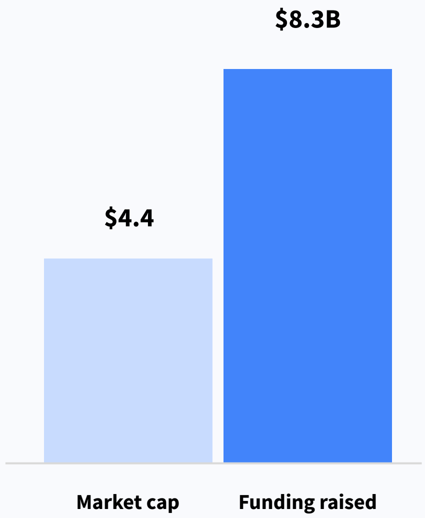
2 Insurtech challengers, distribution and underwriting

Insurtech challengers' valuations have fallen as much as 95%. They now collectively have a combined lower market cap than the funding they raised.

Change in share price since listing of selected public insurtech*



Combined market cap and funding raised of selected public insurtech challengers



Source: Dealroom.co. *Data as of 15/06/2022 **Lemonade IPO was strongly mispriced, resulting in a price jump of 138% on the first trading day, taking into account that, the performances are in line with the other insurtech challengers.

Why have many insurtech challengers failed to disrupt insurance (for now)? Underwriting & pricing and distribution are two key reason.

Underwriting & pricing

No underwriting advantage yet in many cases.

Several challenger insurtech are still suffering **higher losses than traditional insurers**, despite an emphasis on data-driven and personalized underwriting.

Several factors are contributing to these higher losses: less mature underwriting, lack of scale and diversification, and risk profile in distribution channel.

Distribution

Most challenger insurtechs focused on **digital direct distribution** (D2C) strategy. Cutting off middle-man such as agents and brokers.

D2C is a **high cost acquisition strategy** which, especially in the current market environment, can prove financially challenging.

The distribution channel impacts the **risk profile of customers acquired**.

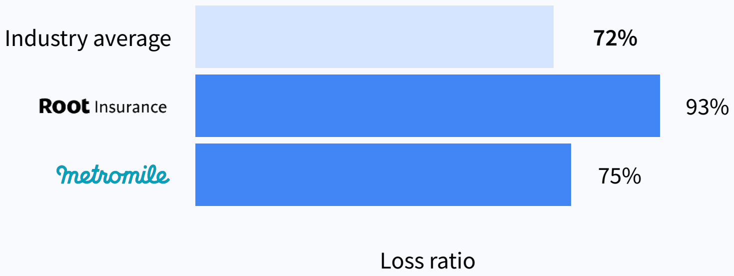
 Source: Dealroom.co.

No underwriting advantage yet: Challenger insurtech companies are still suffering higher losses than traditional insurers.

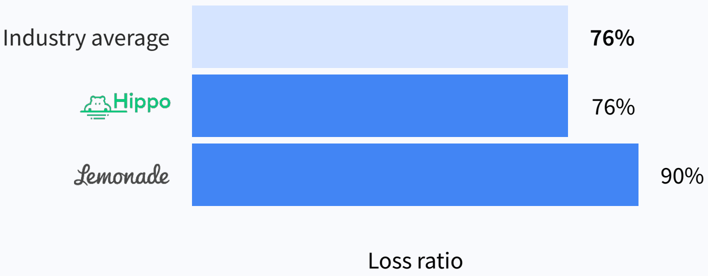
Both Root and Metromile emphasize that their car insurance policy pricing and underwriting is based on the driver's actual behavior.
The loss ratios are still higher than the industry average though.

Both Hippo and Lemonade are still reporting higher than industry average losses.
In addition, lack of scale and diversification can pose big challenges. For instance in Q2 2021 Hippo hit 161% loss ratio due to extreme weather conditions in Texas, where a large part of its policyholders are.

Loss ratio in car insurance*



Loss ratio in house insurance*

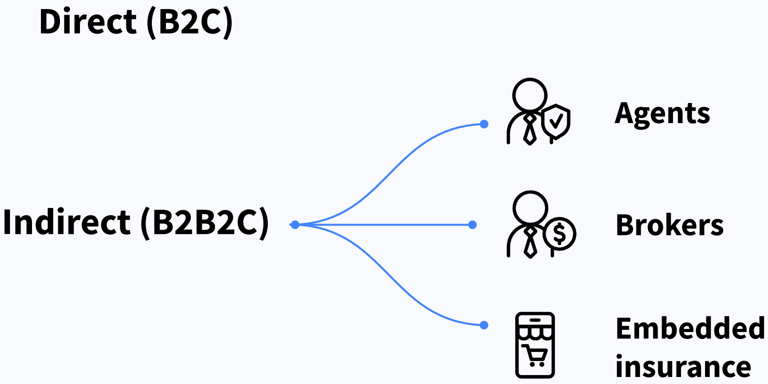


Source: Dealroom.co. *Loss ratio for Root, Metromile, Hippo and Lemonade refers to Q1 2022 financials reporting. Industry average from S&P ratings.
**Lemonade offers renters' insurance and homeowners' insurance among several other insurance lines

Has direct distribution failed? Agents, and brokers, are back again. Embedded insurance also plays an increasing important role.

Many insurtech challengers started with a direct (B2C) model and then realized they needed to move to the larger part of the distribution channel, indirect distribution.

Omnichannel approach to distribution, acquiring business directly, through agents, as well as via partnerships.



> Challenger insurtechs are turning to indirect distribution and enhanced underwriting."

We have been able to see that the digitization of the customer experience alone does not provide a disruptive competitive advantage to win the market through an efficient, scalable and economically sustainable direct distribution. Hence, challengers are looking to reinforce their value proposition and leverage their strengths via improving the underwriting and exploiting indirect distribution.

Lluis Vinas
Investment Director
Mundi Ventures

Several startups, like Agentero, are helping agents with market access and tech platforms.

> "The vast majority of insurance goes through agents and agent distribution has a better return on ad spend than any other channel"

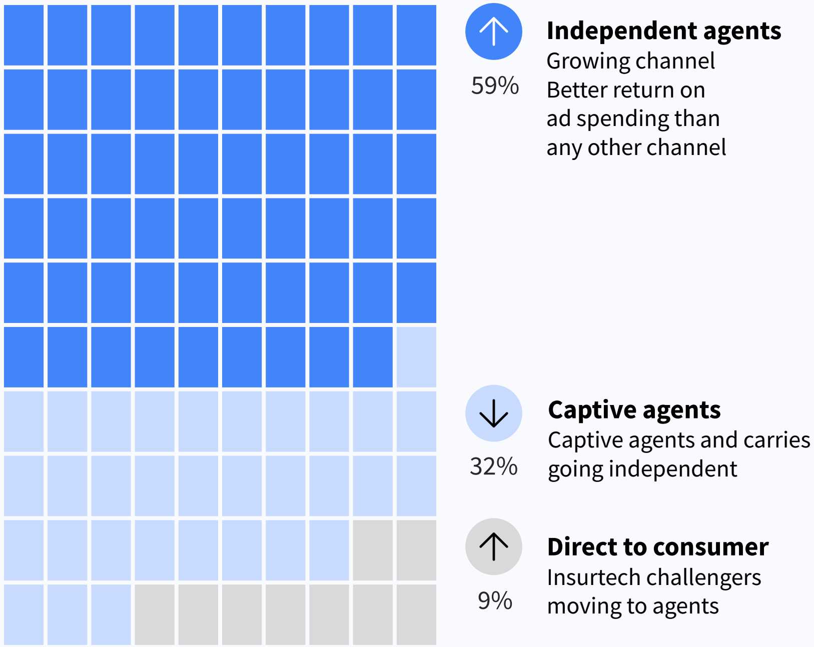
Agents are the present and the future of insurance. In the US, just 9% of P&C premium is direct, while 91% goes through agents.

At Agentero we help insurance agents grow their business by providing them market access to carriers and a tech platform. Our long term goal is to become 'the operating system of the insurance agency.'

Luis Pino
Co-Founder and CEO
Agentero

» Read the full interview

US P&C insurance distribution*



 Source: Dealroom.co. *Agentero, 2019 Global Insurance Pools McKinsey & Co (P&C, US)

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The human centric “wefox model” of distribution.

John Shewell
Director of Global Communications & Public Affairs
wefox

“

We embraced the human agent and built technology to make them more productive and improve the customer experience, this is the. This is the ‘wefox model’.

We realized that jumping from a condition of 100% human engagement to 100% digital distribution is too big of a change for consumers, especially in Europe.

In our experience this brought us 3 main advantages: lower customer acquisition cost (CAC), faster entrance in new markets and superior pricing strategy.

This has allowed as to become the world’s biggest insurtech outside China, with more than 3M clients and $100ARR.

» Read the full interview

Embedded insurance can benefit all the actors involved, from 3rd party distributors and insurers to end users.

Embedded insurance means that the insurance product is not **sold to the customer ad hoc**, but is instead provided as a **native feature, embedded in a platform, marketplace or ecosystem**.

(E.g. car insurance bundled with the purchase of a used car.)

$1B

VC funding raised since 2021

75%

of startups founded in the last 5 years

Embedded insurance benefits

Insurers & insurtechs

- Lower cost of customer acquisition (CAC)
- Greater availability of data
- Higher penetration rate

3rd parties distributors (Platforms)

- Significant revenue stream (average 18% of total revenues)
- Increase loyalty and retention
- Improved customer service

Customers

- More relevant, customized products
- Streamlined customer experience

 Source: Dealroom.co.

Not all embedded insurance is the same. From cross selling to inclusion in the product the value for the user and the complexity of the offering vary widely.

Cross-selling

This is the softer and easier form of embedding, bringing low value added.

The main aim is to lower cost of distribution thanks to minimal new CAC and thanks to distribution capability of **affinity partners**

Checkout integration

Insurance product embedded at the checkout transaction.

This can lower the distribution cost for insurance and create margin for the distributor partner.
Multiple possibilities can be present for the user, “embedded choice” or a single opt-in proposition **“branded embedded”**

Inclusion in the product

Higher value-added, the insurance proposition must be designed ad-hoc together with the distribution partner.

Usually insurance is **embedded as a no-choice** in the product and marketed as free.

Value-added for end-user

Business and technical complexity

 Source: Dealroom.co. *emerged from discussion with insurtech startup Lovys

Insurtech startups are choosing different ways to play in embedded insurance market.

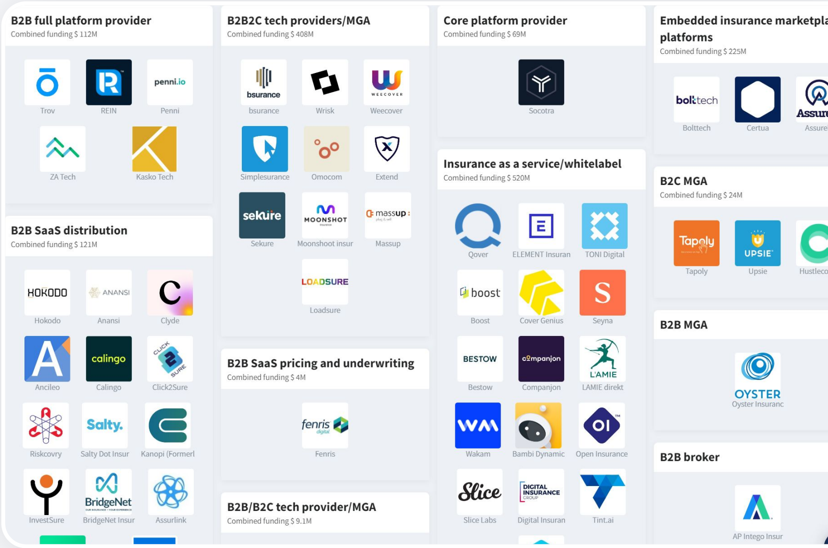
Tech Providers:
enable insurers and platforms to offer embedded insurance by providing tech for underwriting & pricing, distribution, claims, admin tech or even “insurance in a box” platforms. (e.g. Simplesurance)

MGAs & Brokers:
co-design embedded products with distribution partners, and insurers. (e.g. Bsurance)

Full Stack Providers:
enable insurers and platforms to offer embedded insurance products taking care of all aspects, including regulatory licensing and balance sheet. These offerings include Insurance-as-a-service and whitelabel. (e.g. Qover)

Others:
Startups providing more than one of the roles above and other segments. For instance insurance marketplaces (e.g. bolttech).

» Explore 60+ embedded insurance startups



 Source: Dealroom.co.

bolttech has built a technology-enabled marketplace to empower insurance distribution with tech capabilities and market access.

“We think of ourselves as enablers of the insurance industry because we believe when we collaborate with all players across the industry to meet more customer needs, everyone benefits.”

Rob Schimek
Group Chief Executive Officer
bolttech

Our vision is to connect people with more ways to protect the things they value. Our entire business is built around facilitating a technology-enabled ecosystem that connects insurers, distributors, and customers, ultimately providing the end customer with convenient access, more choice, and a better insurance experience.

Embedded insurance has been picking up pace globally and it isn’t hard to see why. It offers a winning scenario for all participants. We can help with the insurance and tech expertise and capabilities required to support our distribution partners.

» Read the full interview

Discover the best **tech for insurance** startups.

» Embedded insurance

» Insurtech challengers

» Product and pricing

» Underwriting

» Claim management

» More . . .

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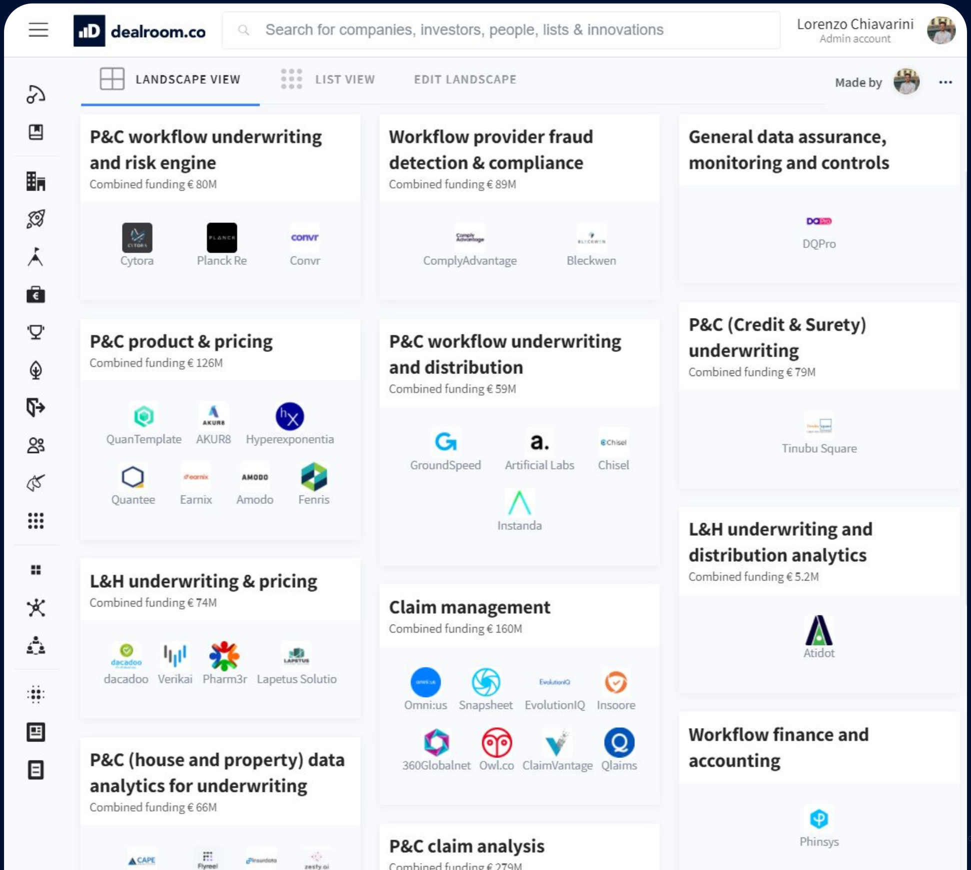


3 The shift to prevention in insurance

The shift from mitigation to prevention in insurance: the role of Internet of Things (IoT) and behavior.

IoT - P&C

IoT usage in insurance increases data availability and customer engagement.

IoT allows asset monitoring and preventing alerts and real-time risk mitigation.

IoT devices are mostly used in the P&C sector, but also in wearables for L&H.

IoT also helps to change the behavior, fostering a culture of safety through data insights

Behavior - L&H

Prevention in L&H mostly focuses on incentivizing people to adopt healthy lifestyle and behaviors.

This is allowed by a combination of:
- behavioural economics (discounting)
- digital customer engagement (apps, wearable)
- real-time insights on customer behavior (through IoT and wearables)

 Source: Dealroom.co.

IoT usage in insurance can increase data availability and customer engagement, and preventing losses in a wide range of insurance sectors.

Home and property insurance: smart homes, commercial property monitoring

Hometree, roost, PREVISICO, neos, luko, wint

Connected industry: predictive maintenance & asset monitoring, construction & workers' safety

relayr, KINETIC INSURANCE, HELIXintel, LAIIER, Kwant ai, MAKUSAFE

Motor and fleet insurance: telematics

CAMBRIDGE MOBILE TELEMATICS, OCTO, JOOYCAR, The Floow, FLOCK, Concirrus

L&H insurance: wearables and monitoring

dacadoo, birdie, GOQii, binah.ai Health. Care. Anywhere., YuViTal, fitbit

» 40+ Insurtech IoT risk prevention startups

 Source: Dealroom.co.

dacadoo shifts the L&H insurance model from risk assumption to risk prediction and prevention.

“

If you can measure and predict it, you can prevent it. That’s why we created our Health Score for digital health engagement and health risk quantification”.

Peter Ohnemus
President & CEO
dacadoo

» Read the full interview

Betterfly rewards healthy habits changes in L&H insurance to drive financial inclusion and physical, mental, and financial wellbeing.

Eduardo della Maggiora
Founder & CEO
Betterfly

"Our vision is to create a world in which every person is financially protected and empowered to live their best life."

Betterfly is an app that rewards healthy habits such as walking, meditating, and sleeping with social donations and life insurance coverage that grows with no cost.

We need to provide wellness and benefits and incentivize good habits for people to start taking care of themselves and really change habits. We do so by targeting companies employees so to overcome human optimism and present biases. At Betterfly we found an attractive and high-value-for-money way to embed protection, prevention, and purpose in one value proposition that will allow us to reach millions and unleash human potential.

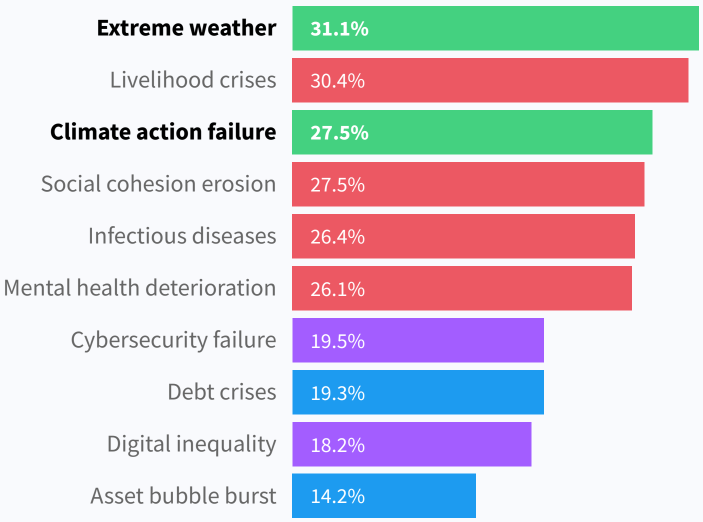
» Read the full interview

4 Trends and sector

Climate change dominates global risks both in the short and long term.

Environmental | Societal | Economic | Technological | Geopolitical

Short term (0-2 years) most severe global risks*



Long term (10 years) most severe global risks*

1. **Climate action failure**
2. **Extreme weather**
3. **Biodiversity loss**
4. Social cohesion erosion
5. Livelihood crises
6. Infectious diseases
7. **Human environmental damage**
8. **Natural resources crises**
9. Debt crises
10. Genomic confrontation

Source: Dealroom.co. *The Global Risks Report 2022 - WEF

ESG, in particular climate risk and the net-zero transition, are top of the agenda for insurers and insurtechs.

“

At NN Group, sustainability is intrinsically and strategically embedded in our initiatives. We are committed to help our clients and the real economy in the net-zero transition.”

For instance, we proactively joined the Net-Zero Insurance Alliance (NZIA) to develop a benchmark for setting goals on emission reductions.

Tjeerd Bosklopper
CEO of NL Non-life, Banking & Technology and member of the Management Board
NN Group

» Read the full interview

“

ESG is on top of the agenda for the insurance industry. Climate risk is clearly one of the most pressing concerns, with insurers helping businesses and individuals cope with climate risk losses.”

An emerging sector here is parametric insurance, where climate risks insurtech startups are applying ML and real-time monitoring from satellite imagery & IoT to help businesses bounce back faster against natural catastrophes and emerging risks.

Javier Santiso
CEO & General Partner
Mundi Ventures

» Read the full interview

Insurers are driving the transition to net-zero through industry wide initiatives and commitments.

The **UN-convened Net-Zero Insurance Alliance (NZIA)** is a group of over **24 leading insurers** representing more than **11% of world premium volume globally**.

Commitments by members joining

Net-zero emission insurance and reinsurance underwriting portfolios by 2050

Additional commitments

Aim net-zero emission investment portfolio by 2050 and invite to join other relevant initiatives (e.g. Net-Zero Asset Owner Alliance)

Net-Zero Insurance Alliance members

achmea
Allianz
American Hellenic Hull
a.s.r. de nederlandse verzekerings maatschappij voor alle verzekeringen
AVIVA
AXA
beazley
CA ASSURANCES
FIDELIS
GENERALI
Catalana Occidente Grupo asegurador
hannover re
ICEA LION GROUP
INTESA SANPAOLO VITA
LLOYD'S
MAPFRE
Matmut
Munich RE
NN
QBE
SCOR The Art & Science of Risk
Shinhan Life
Swiss Re
Tokio Marine Holdings
ZURICH

 Source: Dealroom.co.

Insurtechs, like ELEMENT Insurance, are also showing the way to tackle sustainability since the beginning.

> "At ELEMENT Insurance we are committed to fulfilling the highest standards across ESG, faster than anybody else in our sector."

Moritz Weggenmann
Head of Strategy & Investments
ELEMENT Insurance

» Read the full interview

Mission

Operations
Neutralized scope 1, scope 2, scope 3 GHG emissions for ELEMENT since inception by investing into CO_2 offsetting projects and introduced an employee benefits program. Further measures in CO_2 reduction and social initiatives are planned.

Underwriting
Running portfolio simulations to assess EU taxonomy eligibility. Adopting product specific T&C with focus on environmental goals.

Asset management
Only invest into ESG funds after the application of both positive and negative criteria. Current portfolio scores an average of <20 from Morningstar's Sustainalytics.

 Source: Dealroom.co.

Insurers and insurtech play a critical role in enabling the net transition also by covering and managing risks of increasing natural catastrophes.

» ClimateTech and ESG software

» Parametric insurance

» Finance for good

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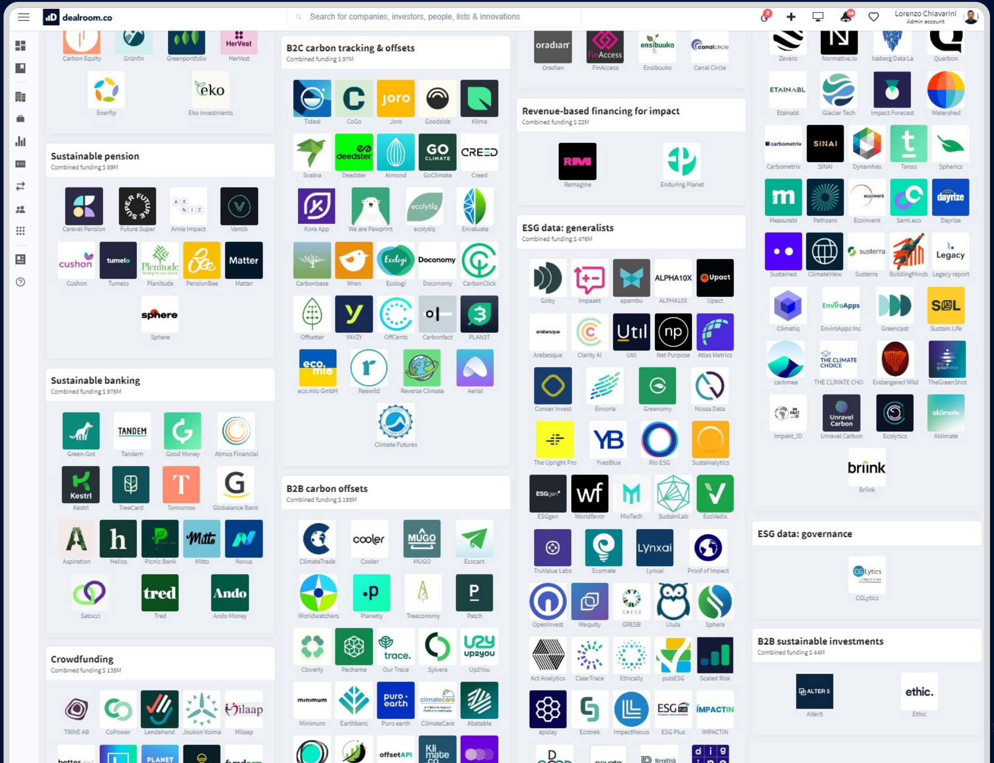
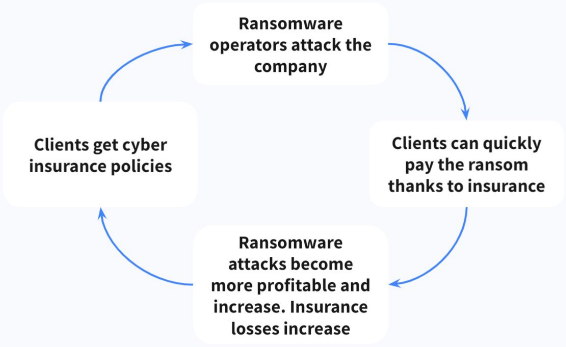


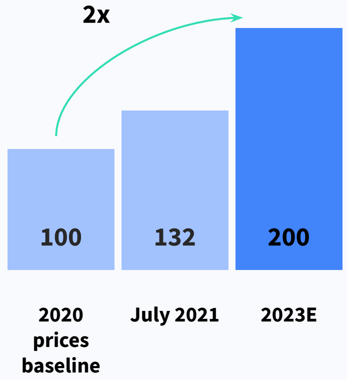
Cyber protection is of one of the fastest-growing segments, but poses significant challenges for the insurance industry.

Cyber insurance premiums grew 74% in 2021*, but in 2020 the loss ratio spiked from 43% to 72%.
The insurance market has responded by sharply rising cyber cover costs, which could double in less than 3 years, and bringing the loss ratio back to 65%.
Ransomware is a particularly challenging problem.

Ransomware brings a negative loop in cyber insurance



Average price for cyber insurance policy*



> The cyber insurance market is so challenging, innovative and fast-changing that defines a category on its own within the insurtech space.”

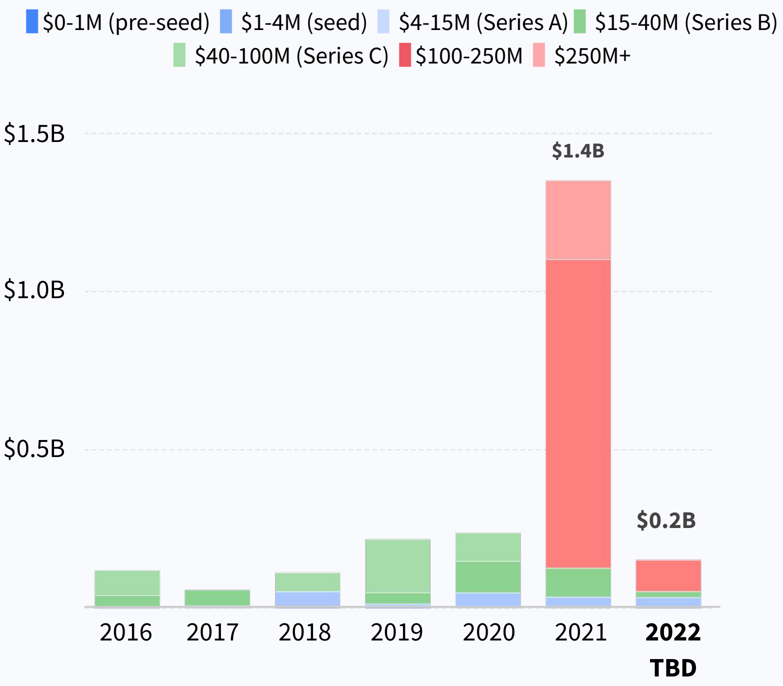
Many of the relevant players in the cyber insurance space are MGAs or challengers… but unlike their peers in other insurance verticals, cyber insurtechs do have a competitive advantage regarding the underwriting of this specific risk.

Lluis Vinas
Investment Director
Mundi Ventures

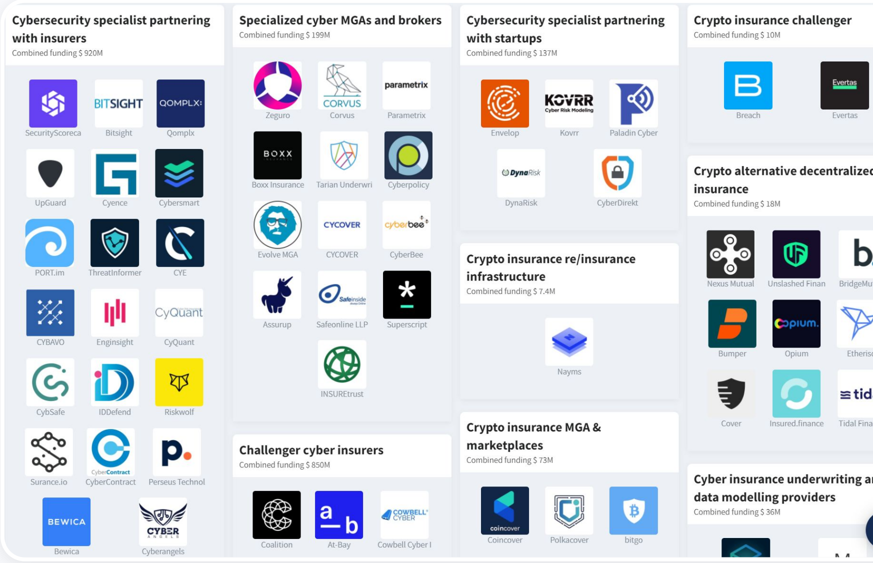
 Source: Dealroom.co. *S&P Global ratings

Cyber insurance startups have raised more than $1.5B in 2021 and 2022 to solve the underwriting challenges in cyber insurance.

Global VC funding in cyber insurtech startups [» view online]



» Explore 60+ cyber insurance startups



 Source: Dealroom.co.

Crypto is still uncharted territory for the insurance industry, but some first steps are being made.

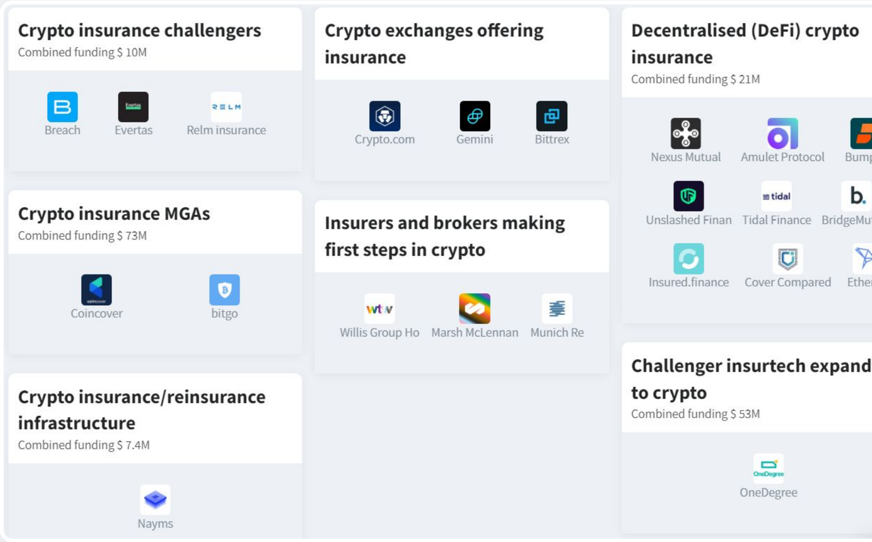
> The launch of Crypto Shield really opened the eyes of a lot of players in the market, seeing the first fully-regulated retail product in the sector”

We are now seeing more interest from reinsurers, while we still see insurers reluctant to enter the space. Brokers have also started to have a greater focus on the segment, but the need for more, dedicated expertise for the space remains an opportunity.

Eyhab Aejaz
Co-Founder and CEO
Breach insurance

» Read the full interview

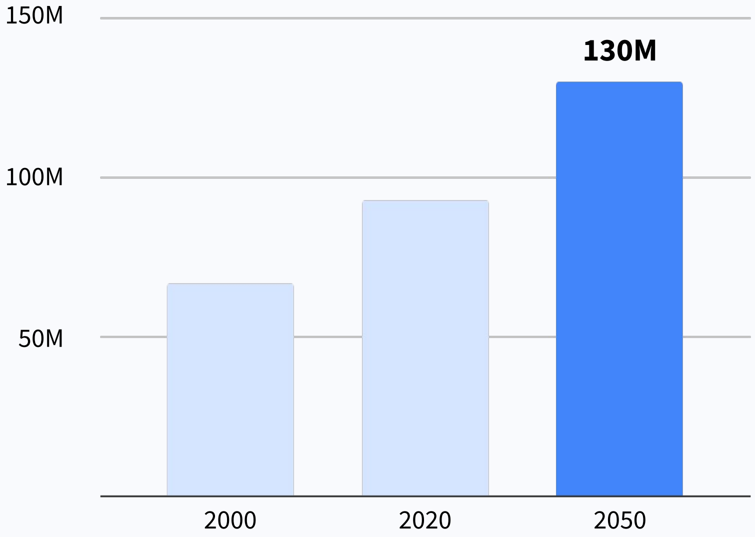
» Explore the first movers in the crypto insurance industry



 Source: Dealroom.co.

The European's senior population (65+) will reach 130 million by 2050, providing an excellent opportunity for elder-targeted products and services.

The older population (65 and over) in the EU-27 region will significantly increase*



The **European population**, like that of many other developed regions around the world, **is aging**. In 2015, EU-27 households with a reference person aged 60 years or more tended to spend proportionally more of their expenditure on health (42% higher than the average share for all households).

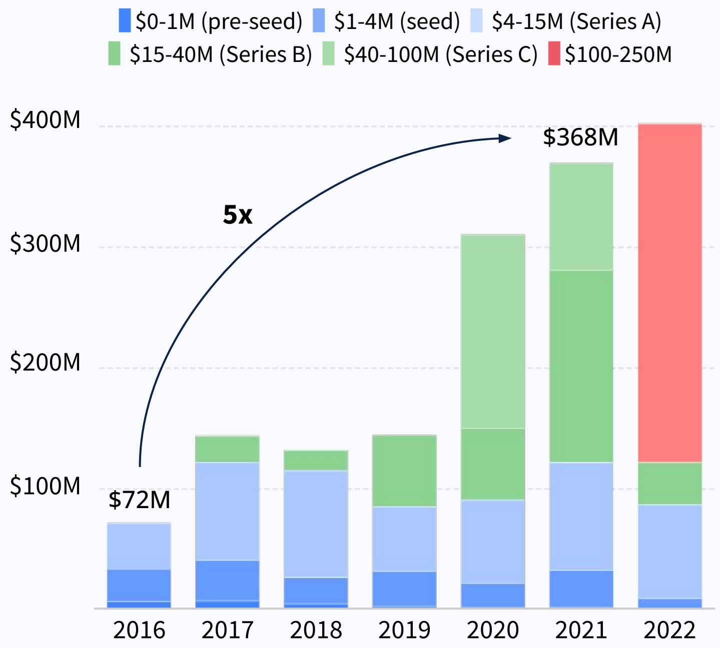
Serving this growing segment requires **insurers to focus on tailoring their offerings to senior needs**, providing easy access to home care in an integrated and seamless manner.

Remote patient monitoring, telemedicine, and wearable devices such as smartwatches can make virtual healthcare a reality in an increasingly technologically driven society, particularly for those suffering from chronic conditions.

 Source: Dealroom.co. *Eurostat.

Since 2016, senior support startups have raised $1.2 billion globally, and series B+ rounds become more typical as the sector matures.

Global VC investment in senior support startups [» view online]

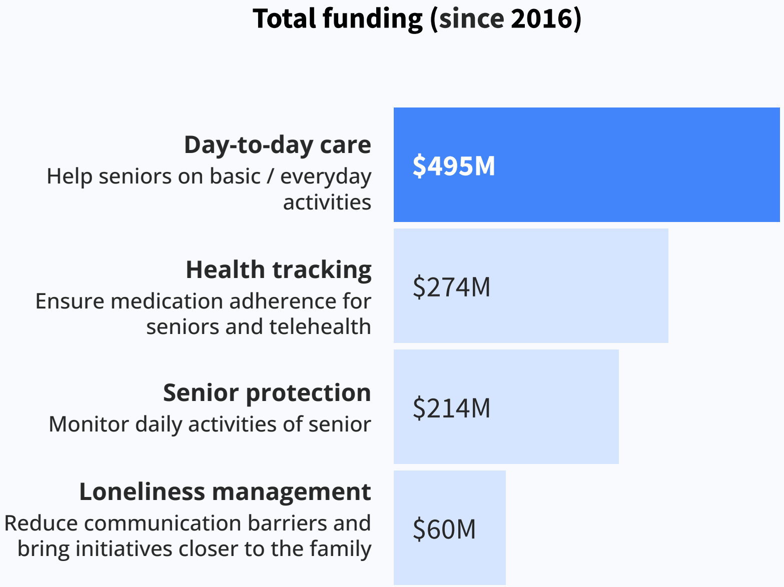


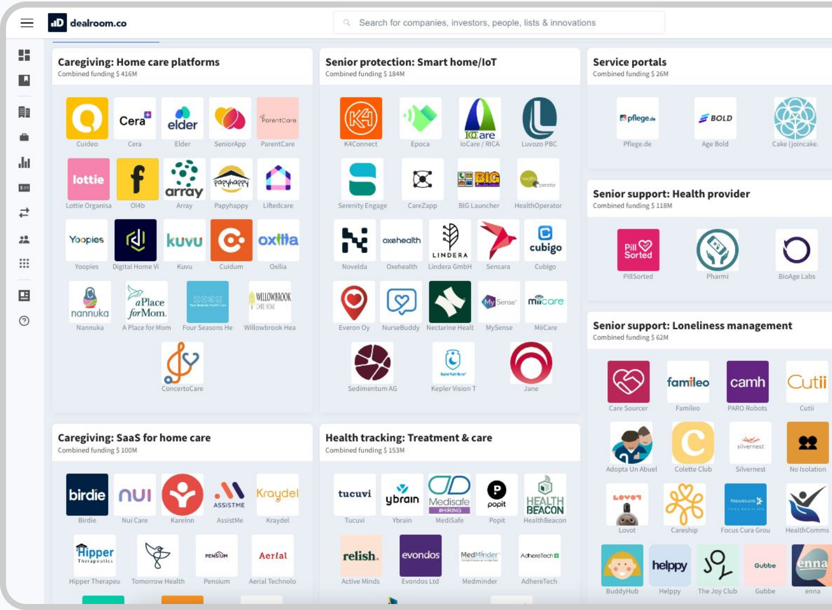
Top funding rounds in senior support startups since 2016

aPlaceforMom.	$175M	Growth Equity VC	Jan 2022
ConcertoCare	$105M	Series B	Feb 2022
BIOAGE	$90M	Series C	Dec 2020
Cera	$70M	Series B	Feb 2020
NOVELDA	$39M	Late VC	Dec 2021
MedMinder	$40M	Growth Equity VC	Mar 2021
True Link	$35M	Series B	Jul 2020
Florence	$35M	Series B	May 2022
Medisafe	$30M	Series C	Feb 2021

 Source: Dealroom.co.

Day-to-day care services and products are benefiting the most from the Silver Economy, receiving almost $500 million since 2016.





» See all 150+ silver economy startups

 Source: Dealroom.co.

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Experts see integration of services as a key need in senior care, and insurtech can play an important role in tackling this challenge.

“The main issue I see in the senior care market is a lack of efficiency due to the atomization of services.”

Here we see a huge opportunity for insurtechs and health techs that are glueing this market together. A very rare combination of 3 factors comes together in the silver economy segment: the market is going to grow endlessly; there is a clear need from the users' side, identified and monetizable; and there is space for new players (hardly any of the existing ones covering the whole chain in breadth and depth).”

Joan Crusco
Global Head of Transformation
MAPFRE

» Read the full interview

“The silver economy segment is characterised by a huge base with massive unmet frictions for our customers.”

This unmet friction starts even in the pre-retirement phase, not only from a financial standpoint but also with mental well-being such as loneliness and feeling relevant in society, health and care planning. Our vision is to bring all of this together, by integrating the elements above into our existing products and value propositions where we can.

Jeroen Meijers
Head of Strategic Transformation Office
NN Group

» Read the full interview

“We are working to ensure seniors are cared for by professional caregivers fully regulated.”

There are 2 pain points currently in the senior care market:
We still have 20-30% of gray market (non-professional workers taking care of seniors) and the service providers at home care are very atomized and the service level is very irregular.
Cuideo has the opportunity to standardise the service level.”

Roberto Valdes
CEO
Cuideo

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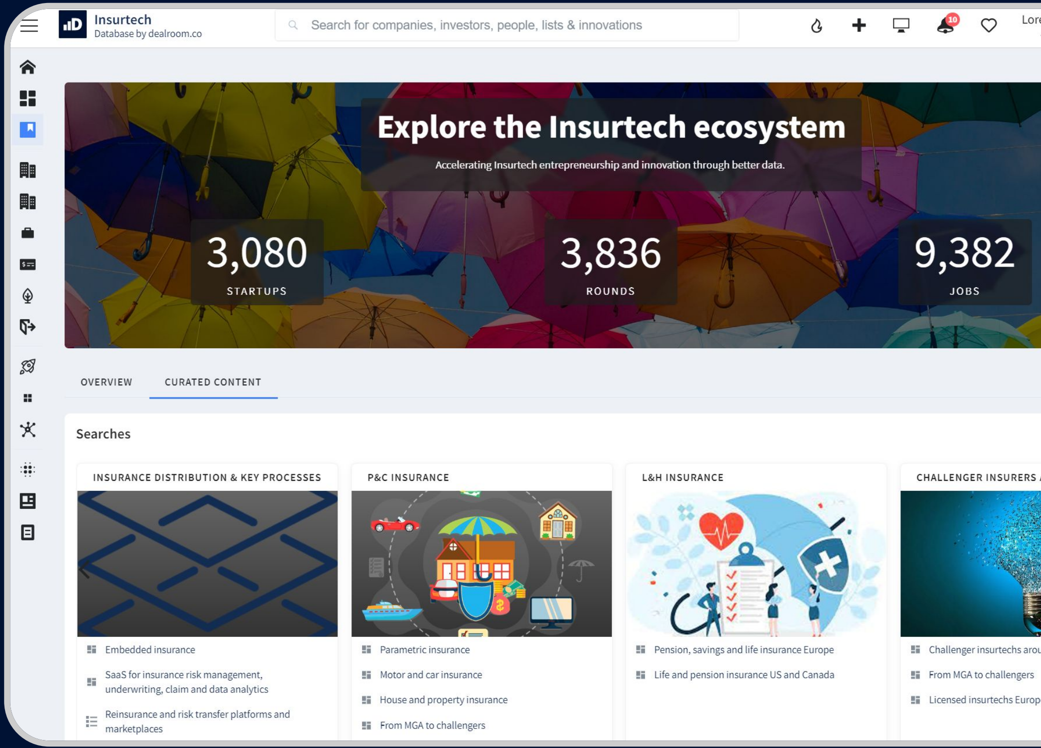
Access over 3,000+ insurtech startups, 3,600+ funding rounds, and our latest insights on the world of insurtech.

» Visit the platform



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Venture capital methodology and definitions.

Startups, scaleups, grownups and tech

Companies designed to grow fast. Generally, such companies are VC-investable businesses. Sometimes they can become very big (e.g. $1B+ valuation).

When startups are successful, they develop into scaleups (>50 people), grownups (>500 people) and result in big companies, like Klarna or Coinbase.

Only companies founded since 1990 are included in this report.

Venture capital investment

Investment numbers refer to rounds such as Seed, Series A, B, C, …. late stage, and growth equity rounds.

Venture capital investment figures exclude debt or other non-equity funding, lending capital, grants and ICOs.

Buyouts, M&A, secondary rounds, and IPOs are treated as exits: excluded from funding data.

Investment rounds are sourced from public disclosures including press releases, news, filings and verified user-submitted information.

Valuation

The combined valuation of the tech ecosystem is based on their market cap or latest transaction value.

Transaction value is realized from exit or implied unrealised valuation from the latest VC round, which is either announced or estimated by Dealroom based on benchmarks.

Taxonomy

Insurtech is the intersection between insurance and technology. Insurance as an industry touches many other sectors e.g mobility and real estate (car and home insurance), health (health insurance).

A startup is classified as insurtech when it has a predominant part of their business strictly related to insurance.

For more details on the taxonomy see our knowledge base.

Source: Dealroom.co.

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