



Welcome to the October 2022 edition of **Insurtech in brief** - a selection of the latest insurtech news and developments from across the globe.



Aviva Partners With Lemonade

Fintech unicorn **Lemonade** has launched in the UK with a contents insurance product through a strategic partnership with Aviva.

Lemonade believes traditional insurance models risk creating a conflict of interest between the insurance provider and their customers because profits are dependent on how much premium is left over after claims and expenses are paid. Lemonade's business model differs because their profit is taken as a standard fee out of the premium. Any money remaining after claims and expenses are paid is given to charities.

Lemonade was founded in 2015 in the US, where it initially launched a renters' insurance product. Since then, it has expanded its insurance lines to include car, pet, and life products. The company also increased its geographic footprint, offering insurance in Germany, the Netherlands and France.

Central to Lemonade's successful expansion is its ability to provide cheap and tailored policies to customers who would otherwise not purchase insurance. A large proportion of the UK rental market do not have home contents policies which makes Lemonade well-positioned to gain market share in this underdeveloped area. Such organic growth is crucial to insurtech companies who face a challenging economic environment as investment into the sector reduces and the cost-of-living crisis encourages policyholders to review their cover.



Bolttech Acquire Majority Shareholding in Axle Asia

The Singapore-based international insurtech company **Bolttech** recently acquired a majority shareholding in **Axle Asia**, an established insurance broker in Indonesia.

A key part of Bolttech's business is their insurance exchange which is the world's largest technology-enabled platform of its kind with \$44 billion quoted premiums annually.

Levels of insurance penetration in Indonesia have increased steadily over the past couple of years and Bolttech is hoping the deal will accelerate its insurance exchange capabilities in Asian markets.



Aspen-Backed Counterpart's Crime Coverage

Backed by Aspen, management liability insurtech **Counterpart** has recently launched a crime coverage product for small businesses which is driven by AI.

The product targets small businesses because they often lack the internal auditing and risk management capabilities of larger businesses, which can make them more susceptible to crime risk. Crime insurance can be purchased on a standalone basis or packaged with existing D&O, employment and fiduciary insurance lines.

Counterpart's offering covers a broad range of risks faced by businesses including: employee theft, forgery and social engineering. Underpinning the insurance is Counterpart's machine learning based underwriting system, which includes employee sentiment analysis, as well as proactive risk mitigation guidelines.

Pie Insurance Raises \$315 Million



Insurtech company **Pie Insurance**, which specialises in workers' compensation insurance for small businesses, raised \$315 million in its latest Series D round of funding. This is the largest amount raised by any US-based property and casualty insurtech company in 2022.

The round was led by Centerbridge Partners and Allianz X (the digital investments arm of Allianz Group). White Mountains Insurance Group joined as a new investor. Previous investors Gallatin Point Capital, Greycroft and Acrew Capital also participated in the round.

Pie plans to deploy the capital by expanding into new lines of business and further innovating its proprietary pricing algorithms. These algorithms are central to Pie's success as they allow the company to match price with risk accurately and therefore offer more affordable insurance to small business owners.

The fundraising environment has been challenging for growth-stage start-ups, especially insurtech companies, as investors have withdrawn, and venture funding has slowed considerably. However, the significant sums raised by Pie show investors are still willing to back companies with strong unit economics and sustainable loss ratios which Pie believes to be a key differentiator between them and others in the market.

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