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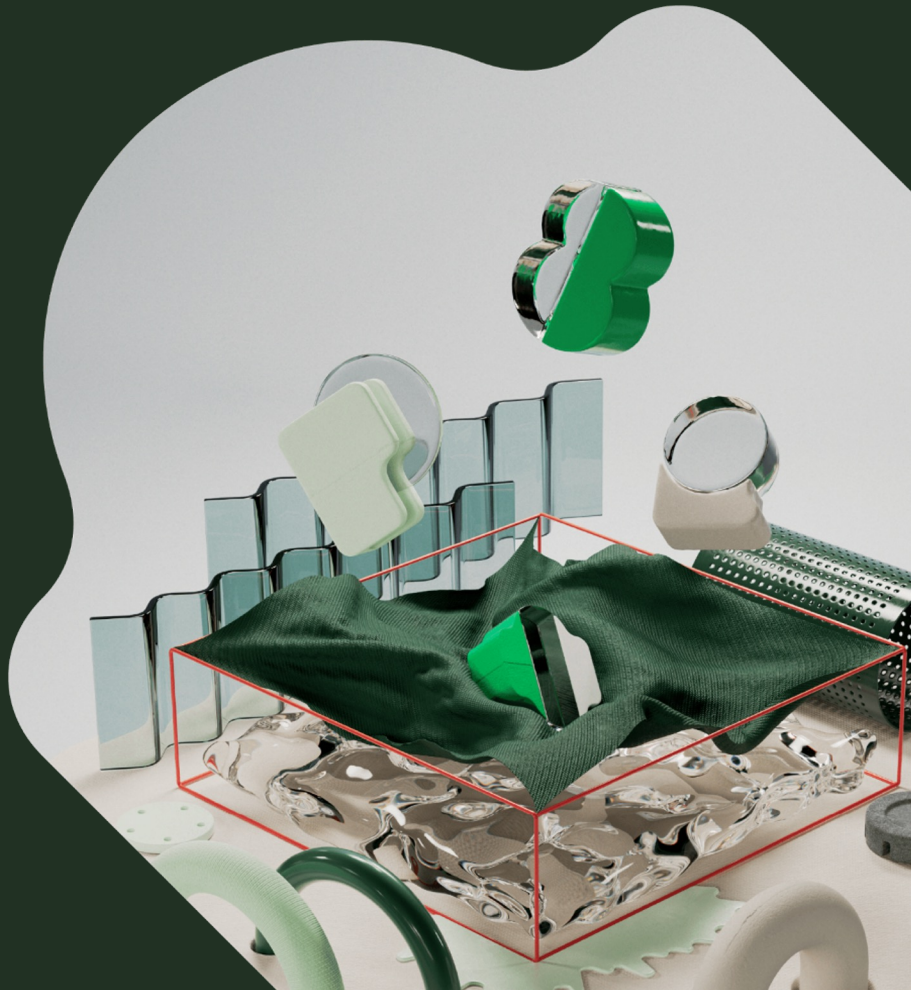
OPEN INSURANCE. OPEN MIND.

FCG - digitalisation in the insurance sector,
current trends, and necessary transformation



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Providing open insurance solutions to insurance companies and banks

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Insurance with an open mind

About Insurely

- Founded 2018 in Stockholm
- 50+ colleagues with background in insurance, banking, tech
- Registered insurance brokers
- 30+ customers in the Nordics and the Baltics
- HQ in Stockholm
- VC backed by strong investors

Funded by well-known investors

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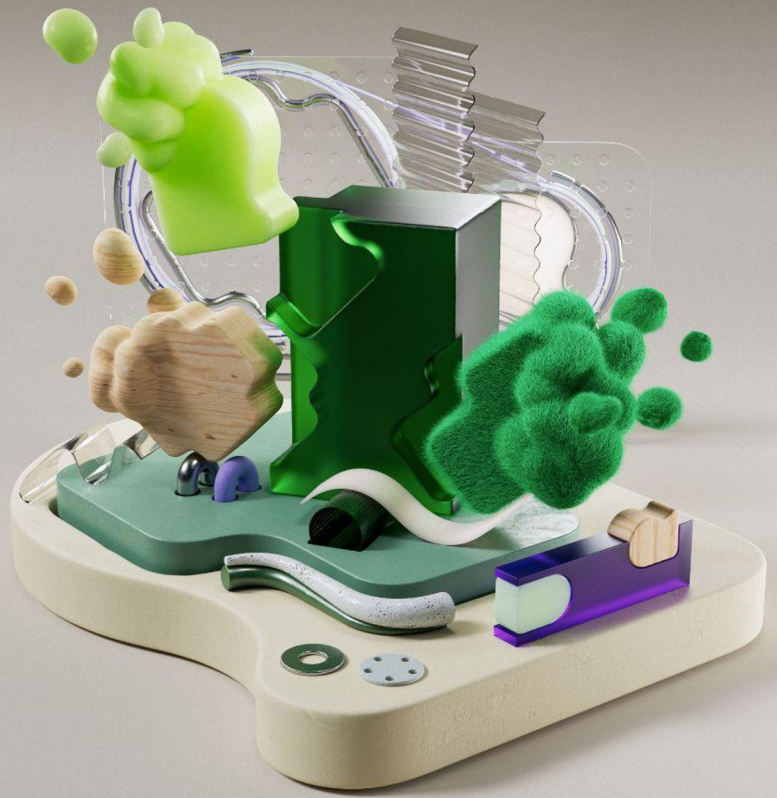
Open finance - the catalyst for digitalization in the insurance sector



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> “Open finance is what open banking wants to be when it grows up”

- Open banking has developed into an open finance framework
- Open finance opens up the possibility of data sharing and third-party access within the broader financial industry
- Open insurance refers to the sharing of insurance data to unlock new services & experiences within the insurance sector

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An open finance framework would complement the EU's other data sharing initiatives - all aiming to foster innovation

Open banking

- Current (transaction) accounts
- Credit cards
- Savings accounts that allow execution of payment transactions

Open finance

- All savings accounts
- Investment accounts
- Mortgages
- Unsecured loans
- Insurance
- Pensions

- Current (transaction) accounts
- Credit cards
- Savings accounts that allow execution of payment transactions

Open data

- Energy
- Telecommunications
- Government data
- Retail
- Any data provided by the customer and created on their behalf

- All savings accounts
- Investment accounts
- Mortgages
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- Current (transaction) accounts
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Open data & PSD2 within the banking sector have transformed the industry into what it is today

- An industry-wide eruption of new innovative value-adding services
- Standardized APIs have fueled third-party solutions, such as budgeting apps, helping users get a better overview of their expenditures
- PSD2 has harmonized and strengthened the customer authentication process through its requirements on firms and TPPs
- Early adopters became winners of the new digital banking environment gaining consumers' loyalty

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So what is open insurance?

- Accessing and sharing both personal and non-personal insurance data via APIs
- Originates from the significance of transparency, innovation, and a more levelled playing field
- Has the potential to bring wide-ranging benefits, such as efficiency, tailored products, cost reduction, increased competition & innovation
- Potential data security risks or ethical issues such as exclusion or discrimination need to be addressed

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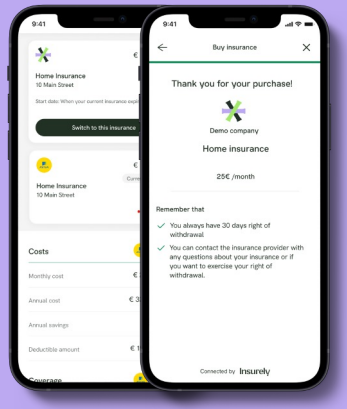
Practical examples of open insurance solutions

Insurance switcher

Enables your customers to collect, compare and switch their current insurance (to a your alternative) in the check-out process without leaving the app



Conversion

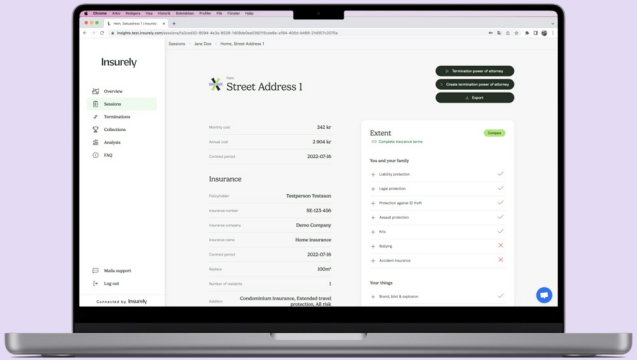
Insurance manager

Allows your customers to collect, compare and manage their insurance policies in one place – consolidating the personal finance environment to your app.

Increase NPS and sales

Sales support tool

Provides in-depth data about your customers insurance policies to make sales more efficient



Conversion and upsell

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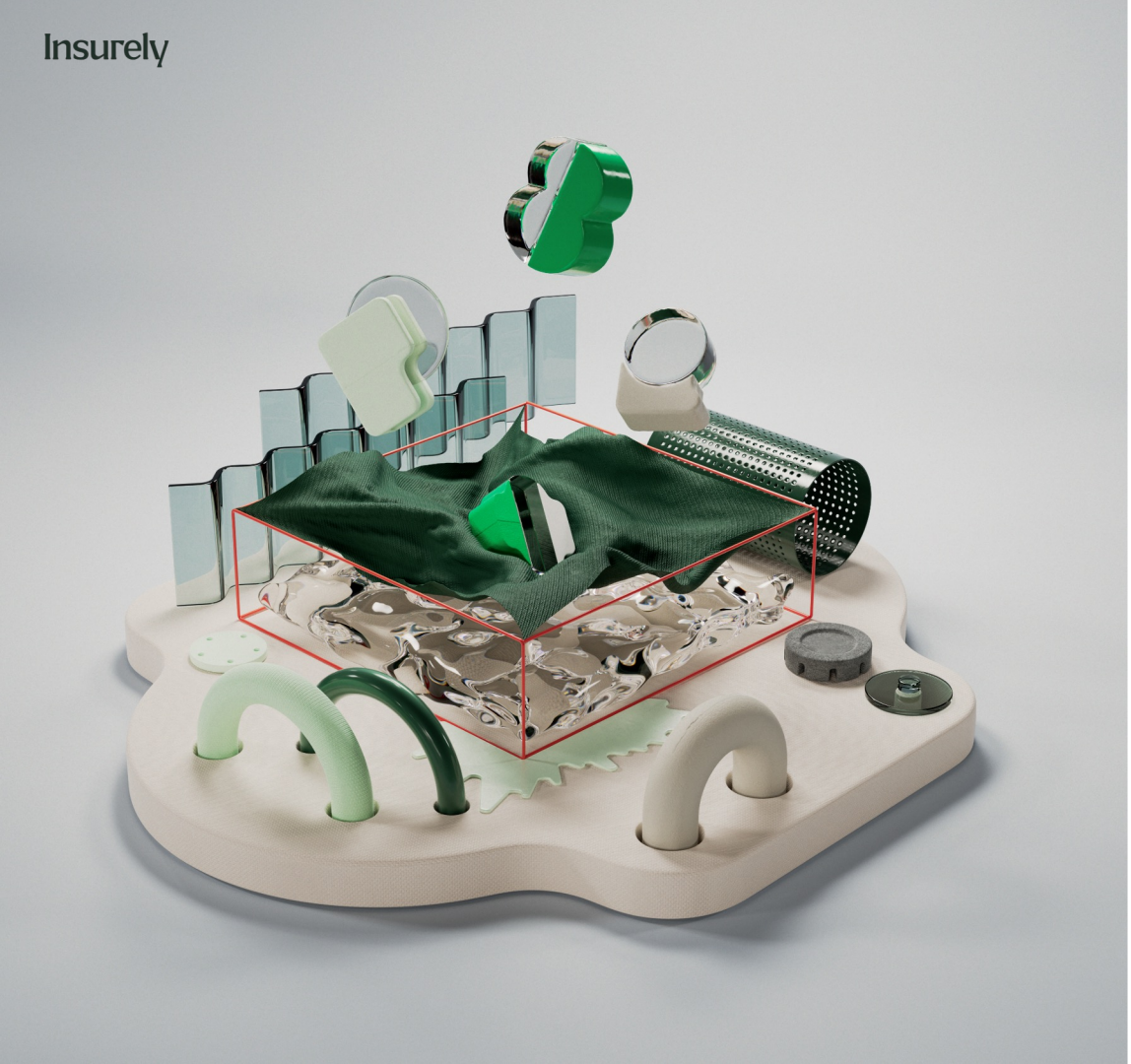

Key industry challenges open insurance is solving

- Low interest products but high importance
- Policies described from a legal perspective vs consumer understanding
- Price optimisation vs renewal pricing for consumer good
- Limited data about customers constrains proper advice
- Slow digital transformation

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Implications we expect from open insurance

Market

- Compulsory development of data sharing APIs
- High requirements on clear information & solid consent mechanisms
- A more level playing field

Businesses

- More loyal customers with higher CLVs
- More efficient processes & customer experiences
- Incumbent firms can future proof their businesses

Consumer

- Empowered consumers with greater control over their data
- More tailored & personalized digital experiences
- New available services

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What could this mean from a risk & compliance perspective?

Data

- A large set of data could be made available - important for insurance firms to consider data protection & risk of exclusion
- Limited consumer risk by limited consumer data categories made available and high data security standards imposed on third party providers

Pricing

- Pricing insights from open data can help inform and improve risk models
- A more transparent market can minimize the concept of loyalty penalty

Regulatory

- A regulation could require internal assets to set up these APIs to make data portable & comply to the regulatory requirements
- A regulation would materially facilitate the development of open insurance and help it unlock its potential without undermining consumer protection

01

Open finance will serve as a catalyst to truly digitalise the insurance sector

02

Open insurance creates win-win solutions for the industry as well as the consumers

03

First movers of new technologies benefit in terms of better business outcomes, greater profit margins and a lead in market position

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Thank you!

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