



## Incumbents fuel InsurTech investment momentum in Q4 2017

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LONDON, Feb. 01, 2018 (GLOBE NEWSWIRE) -- Incumbents are exerting an increasing level of influence on the start-up community as part of an emerging trend described as 'The Sobering of InsurTech,' according to the [fourth Quarterly InsurTech Briefing](#) from Willis Towers Watson (NASDAQ:WLTW), the leading global advisory, broking and solutions company.

The latest research, produced by Willis Towers Watson Securities and Willis Re, in collaboration with CB Insights, examines the evolution of the InsurTech market in 2017 and highlights an emerging trend of (re)insurers, directly and through corporate venture arms, increasing their activity in the sector and expanding their focus to invest in a broad range of technologies with potential applications to their core businesses.

The report notes that 35 private technology investments by (re)insurers in Q4 and 120 private technology investments by (re)insurers in 2017 are the highest totals recorded in any quarter and year to date, respectively. Further, 65% of incumbent InsurTech investments to date have been in businesses focused on enabling the value chain, as (re)insurers have attempted to enhance the efficiency of product delivery, underwriting, claims and other administrative functions.

\$697 million of InsurTech funding in Q4 rounded off 2017 at a total of \$2.3 billion, a 36% increase from \$1.7 billion recorded in 2016 and the second highest total for any year to date.

Rafal Walkiewicz, CEO of Willis Towers Watson Securities said: "Incumbents sent a clear message to potential disruptive outsiders: by investing heavily in start-ups and technology, (re)insurance companies appear to have assumed a semblance of control over the InsurTech revolution. During the year, conversations about disruption of the existing value chain evolved towards an efficiency-driven search for incremental innovation. However, technology revolutions rarely result in redistribution of power among incumbents. It can be argued that incumbents' collective response to InsurTech hype has diminished their ability to recognize true disruption."

The report also includes findings from a (re)insurance innovation survey which received responses from nearly 600 (re)insurance and investment professionals. Of note, 75% of respondents believe their company is "moderately" to "extremely" at-risk of disruption, even as 72% of company innovation resources, on average, are devoted to incremental technologies (instead of disruptive or radical ones) and nearly half of respondents describe their company's innovation philosophy as "ad-hoc," meaning their company is neither explicitly a first mover or a fast follower.

Alice Underwood, global head of Insurance Consulting and Technology, Willis Towers Watson said: "(Re)insurers are evaluating the cost associated with early adoption of new technology; this investment can yield great reputational and financial benefits if handled well, but companies that position themselves as fast followers can reap a fair amount of benefit with relatively less risk. However, companies that wait too long may find they can't make up lost ground once anti-selection and other competitive pressures set in."

View the Willis Towers Watson InsurTech Briefing Q4 2017 report [here](#)

### About Willis Towers Watson

Willis Towers Watson (NASDAQ:WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 40,000 employees serving more than 140 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com)

### About Willis Towers Watson Securities

Willis Towers Watson Securities, with offices in New York, London, Hong Kong and Sydney, provides advice to companies involved in the insurance and reinsurance industry on a broad array of mergers and acquisition transactions as well as capital markets products, including acting as underwriter or agent for primary issuances, operating a secondary insurance-linked securities trading desk and engaging in general capital markets and strategic advisory work. Willis Towers Watson Securities is a trade name used by Willis Securities, Inc., a licensed broker dealer authorized and regulated by FINRA and a member of SIPC ("WSI"), Willis Towers Watson Securities Europe Limited (Registered number 2908053 and ARBN number 604 264 557), an investment business authorized and regulated by the UK Financial Conduct Authority ("WTW Securities Europe") and Willis Towers Watson Securities (Hong Kong) Limited, a corporation licensed and regulated by the Hong Kong Securities and Futures Commission ("WTW Securities (HK)").

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One of the world's leading reinsurance brokers, Willis Re is known for its world-class analytics capabilities, which it combines with its reinsurance expertise in a seamless, integrated offering that can help clients increase the value of their businesses. Willis Re serves the risk management and risk transfer needs of a diverse, global client base that includes all of the world's top insurance and reinsurance carriers as well as national catastrophe schemes in many countries around the world. The broker's global team of experts offers services and advice that can help clients make better reinsurance decisions and negotiate optimum terms. For more information, visit [willisre.com](http://willisre.com).

## About CB Insights

CB Insights is a Pilot Growth and National Science Foundation backed software company that uses data science, machine learning and predictive analytics to help customers predict what's next. CB Insights has built a tech market intelligence platform that analyzes millions of data points on venture capital, startups, patents, partnerships and news media to predict technology trends.

## Contacts:

### Media

Annie Roberts: +44 20 3124 7080 | [Annie.Roberts@willistowerswatson.com](mailto:Annie.Roberts@willistowerswatson.com)

### Investors

Aida Sukys: +1 703 258 8033 | [Aida.Sukys@willistowerswatson.com](mailto:Aida.Sukys@willistowerswatson.com)

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