

InsurTech investment records smashed in Q1, 2019; pricing tools in the spotlight

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LONDON, May 09, 2019 (GLOBE NEWSWIRE) -- InsurTech investors worldwide executed the highest number of transactions, the highest number of property/casualty transactions, and the highest volume of Series B and Series C funding rounds during the first three months of 2019, according to the new [Quarterly InsurTech Briefing](#) from Willis Towers Watson, the leading global advisory, broking and solutions company (NASDAQ:WLTW).

85 deals with a total value of \$1.42 billion were announced in Q1, 2019, marking the third-straight quarter to deliver more than \$1 billion in funding. Deal count increased by 35% over Q4, 2018, although total funding decreased by 11%. Some 54% of deals were outside the US, marking a continuing trend. Deal count in the UK increased by 50%, and in the US by 44%. However, deal count in China fell by 38% this quarter.

Two-thirds of investments were in Seed and Series A rounds, but Q1, 2019 recorded the highest-ever numbers of Series B and C investment rounds, at 12 and 6 respectively (up from 9 and 3 last quarter), as more nascent InsurTechs reach adolescence. At 56, the latest quarter saw the greatest number of P&C transactions since this publication began, up 37% from Q4, 2018.

The latest *Briefing* focuses on pricing and underwriting, and includes case studies of the InsurTechs HazardHub, which provides property-level geographic risk data sets for hazards in the US; Concirrus, which deploys AI and machine learning to process and analyse data to understand underlying risk behaviours; and Root, an app-based US motor insurer using machine learning and telematics to price risks based primarily on driving behaviour.

The Briefing also includes a “fireside chat” with Barry Swartzberg, founder of Discovery, an InsurTech which rewards insureds’ wellness behaviours; an examination of the most recent fundraising by Pie Insurance, a workers compensation InsurTech that just raised \$45 million; and a description of Radar Live, Willis Towers Watson’s proprietary real-time pricing system.

Neil Chapman, Global Product Leader for Pricing, Product, Claims and Underwriting, Insurance Consulting and Technology, Willis Towers Watson, says: “Agile pricing systems inherently recognize that flexibility is needed to meet the unknown future. Adopting a more agile approach requires companies to put control of pricing and price changes back into the hands of underwriting teams. The emphasis should be on their ability to change prices and rate algorithms frequently and easily, allowing companies to make rapid adjustments in an ever-moving market.”

Dr Andrew Johnston, Global Head of InsurTech at Willis Re, says: “The sheer volume of hopeful InsurTech companies and hype is becoming increasingly difficult to rationalize, and one could argue that much of the space is akin to the fable of the emperor’s new clothes. We are seeing, however, that a number of InsurTechs are already adding some genuine value to our industry. We remain pragmatic about where in the value chain we believe this can be achieved.

“Our quarterly InsurTech reports for 2019 will focus on the four major functional areas of insurance, exploring the activities required to make each work, and how technology could be applied to improve those processes. We continue to believe that success for any InsurTech must follow that bottom-up approach, rather than targeting reinvention from the top down.”

View the full report [here](#).

About Willis Re

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](#).

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 45,000 employees serving more than 140 countries and markets. 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](#)

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