INNOPAY Open Insurance Monitor

Measuring Open Insurance performance – January 2021 – version 1.0

Treten Sie mit uns in Kontakt!

Ansprechpartner DACH Region:

Karl Illing
Director & Country Lead
Germany

karl.illing@innopay.com
+49 172 9955 593

Maarten Bakker
Partner
Lead Open Insurance & Data
Sharing

maarten.bakker@innopay.com
+316 10 98 14 31

Mounaim Cortet
Senior Manager Strategy
Lead PSD2 & Open Banking

mounaim.cortet@innopay.com
+316 41 76 86 51

- Wenn Sie weitere Informationen zum Einstieg in Ihre eigene Open Insurance-Transformation wünschen, kontaktieren Sie einen unserer Experten

- Der Open Insurance Monitor von INNOPAY evaluiert öffentlich zugängliche Entwicklerportale mit Versicherungs-APIs. Wenn Ihre Organisation noch nicht im Open Insurance Monitor enthalten ist, senden Sie eine E-Mail an patrick.dehaan@innopay.com

innoPAY

This document

INNOPAY

1 **About INNOPAY**

INNOPAY, expert in digital transactions…

- Founded in 2002

- 60+ consultants

- Strategy, product development and execution in business, technology and regulation

- Strong track record in Digital Ecosystems and Open Finance transformation projects

- Offices in Amsterdam, Frankfurt and Berlin

- Focus on EU but global footprint (e.g. Australia, US)

- Founding member of HollandFintech

Berlin

Amsterdam

Frankfurt

INNOPAY

… and 'thought leader' in this domain of digital transactions: Payments, Digital Identity, Open Banking / PSD2 & Open Insurance

INNOPAY Innsider
December 2020

Why banks must evolve their operating model to capitalise on Open Banking opportunities

INNOPAY Innsider
October 2020
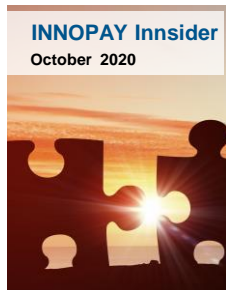
Six criteria for selecting an API connectivity provider to power your PSD2 opportunities

INNOPAY Innsider
September 2020

How much Open Banking budget is future relevance worth to you?

INNOPAY Innsider
August 2020

Why banks must become the data custodian in the data economy

INNOPAY Innsider
August 2020

Open Banking Monitor: What is happening in Open Banking?

INNOPAY Innsider
November 2019

PSD2 and Open Banking Use Cases for Insurers in an Open Data Economy

INNOPAY Innsider
November 2019

Data? It's all about access

INNOPAY Innsider
Summer edition

Is Embedded Insurance the killer app for mobile banking?

INNOPAY
Book of Insights 2019
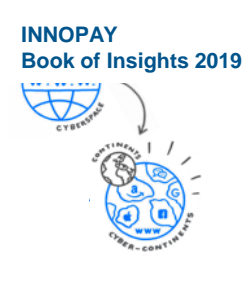
Is "Open Insurance" the next Uber of the industry?

INNOPAY Innsider
June 2018

Digital consent management is key for data opportunities

INNOPAY Innsider
March 2018
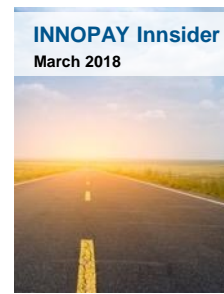
Insurance and the Open Banking wave: seven use cases

And more

INNOPAY

INNOPAY supports its Financial Services clients in capturing the value of Digital Ecosystems and Open Finance transformation…

Licensing

Holistic approach to acquire and retain (e.g. PSD2 AIS/PIS licence)

11

INNOPAY Use Case Experience Lab

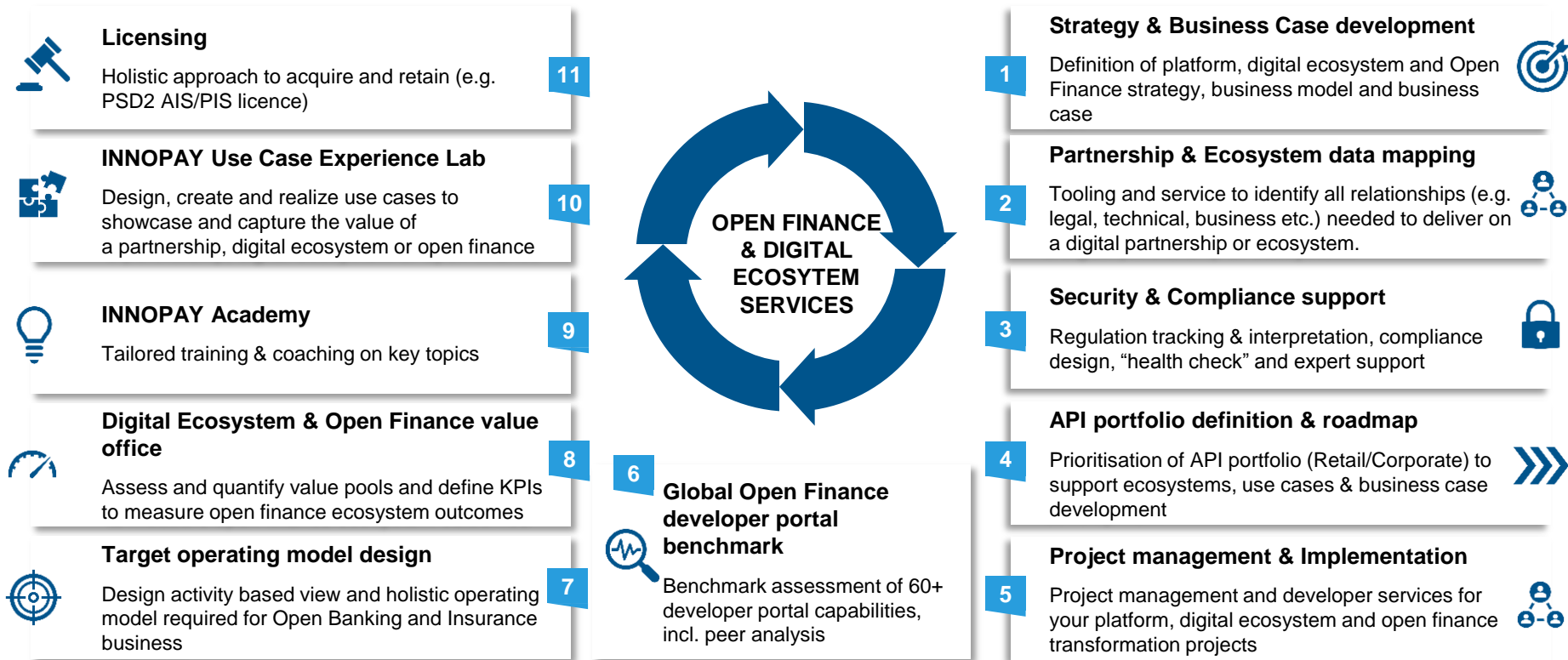Design, create and realize use cases to showcase and capture the value of a partnership, digital ecosystem or open finance

10

INNOPAY Academy

Tailored training & coaching on key topics

9

Digital Ecosystem & Open Finance value office

Assess and quantify value pools and define KPIs to measure open finance ecosystem outcomes

8

Target operating model design

Design activity based view and holistic operating model required for Open Banking and Insurance business

7

6

Global Open Finance developer portal benchmark

Benchmark assessment of 60+ developer portal capabilities, incl. peer analysis

OPEN FINANCE & DIGITAL ECOSYTEM SERVICES

Strategy & Business Case development

Definition of platform, digital ecosystem and Open Finance strategy, business model and business case

1

Partnership & Ecosystem data mapping

Tooling and service to identify all relationships (e.g. legal, technical, business etc.) needed to deliver on a digital partnership or ecosystem.

2

Security & Compliance support

Regulation tracking & interpretation, compliance design, "health check" and expert support

3

API portfolio definition & roadmap

Prioritisation of API portfolio (Retail/Corporate) to support ecosystems, use cases & business case development

4

Project management & Implementation

Project management and developer services for your platform, digital ecosystem and open finance transformation projects
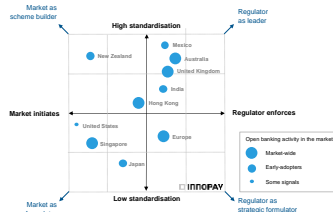
5

innopay

…supported by in-depth research and benchmarks

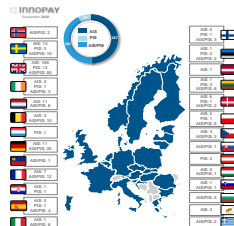## Open Banking Monitor
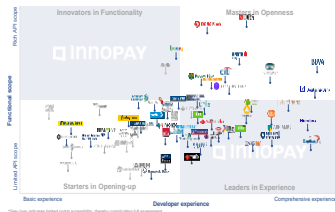
INNOPAY tracks Open Banking API efforts across the globe via the INNOPAY Open Banking Monitor

Ecosystem Frameworks

INNOPAY tracks Open Banking and Open Insurance (Trust) frameworks across the globe, driven by market players or regulators

TPP Radar

Radar with European overview of licensed TPPs which are building Open Banking propositions including technology and business model used

Open Insurance Monitor
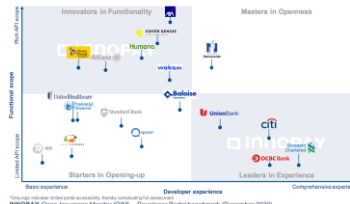
INNOPAY tracks developments of parties (insurers, fintechs and banks) offering insurance APIs

Focus of this presentation

Embedded Insurance Lighthouse

Global lighthouse of innovative Embedded Insurance propositions including technology and business model used

INNOPAY

2 **Open Insurance Monitor**

Data access is the key for insurers to capitalise on new ecosystem opportunities which are emerging on the back of digital transactions

Mobility as a Service

Fraud detection

Financial assistant

Insurer

Airline
Theaters
Train
Google maps
Security
Mortgage
Bank account
Musea
NH hotels
Uber
Nest
Telematica
Fire detector
Binck
Hotels
Car
Booking.com
Travel insurance
Insurance
Home insurance
Wealth Management
AirBnB
Share

Healthy living coach

Travel and vacation services

Personalised pricing

Smart home services

Consume external data

Expose external data

Ecosysteem

Consent manager

10

INNOPAY

In order capture these opportunities, INNOPAY envisions a transition to Open Insurance

CONSUME 🔑

🔑 **EXPOSE**

OPTIMIZER

Internal APIs connecing internal systems

DATA DIGGER

Mine data it IoT, PSD2 and other environments using APIs

CAPABILITY BUILDER

Consume services from partners and third parties using APIs

OPEN INSURER

1

2

3

4

5

6

7

TRUST FACILITATOR (platforms, trust frameworks, schemes etc.)

PRODUCT PROVIDER

Whitelabel products in a B2B2C model in open ecosystems

SERVICE PROVIDER

Services (e.g.. acceptation, claims management)

DATA PROVIDER

Insurance- and customer data sharing to third parties to exchange services

11

INNOPAY

With the help of APIs, insurers can become 'Open Insurers' and gain access to third party data, transactions & ecosystems

Traditional 'integrated' insurer

Consumer
Intermediary
Data
Functionality
Products & services
Partner

'Open' insurer
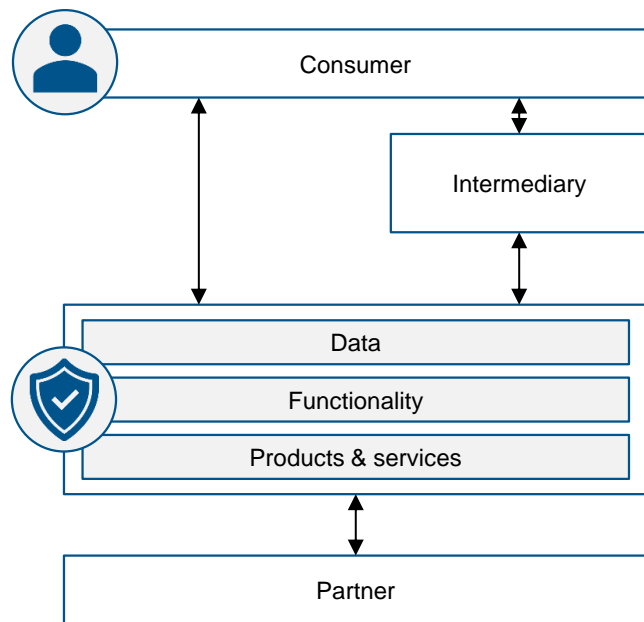
Consumer
Intermediary
Ecosystem 3rd party
Data
Functionality
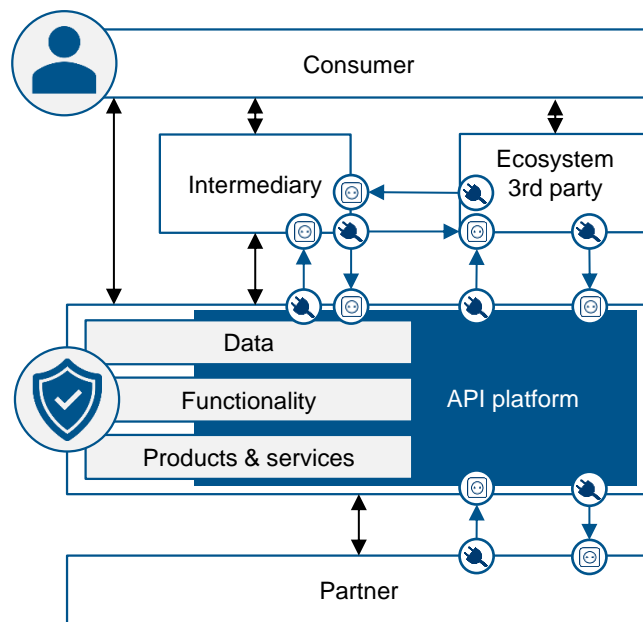API platform
Products & services
Partner

Expose API   Consume API

INNOPAY

The Open Insurance Monitor features parties worldwide taking first action in exposing Open Insurance APIs via developer portals

INNOPAY OPEN INSURANCE MONITOR FEATURES (DECEMBER 2020) – EXPOSE VIEW

100+ Insurers and Insurtech observed for availability of developer portals

300 Banks (open banking monitor) analysed for presence of insurance API

18 Developer portals assessed with an (accessible) Open Insurance offering

8 Different countries worldwide with insurers active in Open Insurance
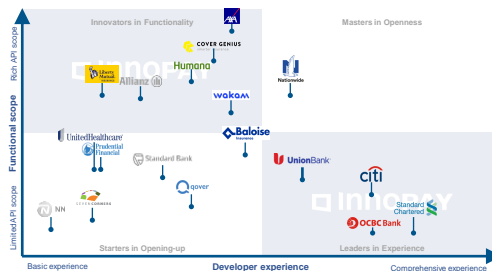
Grey logo indicates limited portal accessibility, thereby complicating full assessment
INNOPAY *Open Insurance Monitor (OIM) – Developer Portal benchmark (December 2020)*

168 Individual API functionalities
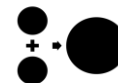
Categorised into

42 main groups of API functionalities
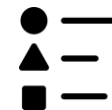
60+ Assessment features which contribute to a Comprehensive (Developer) Experience

INNOPAY

The first Open Insurance Monitor shows insurers building API portfolios and establishing first developer experience
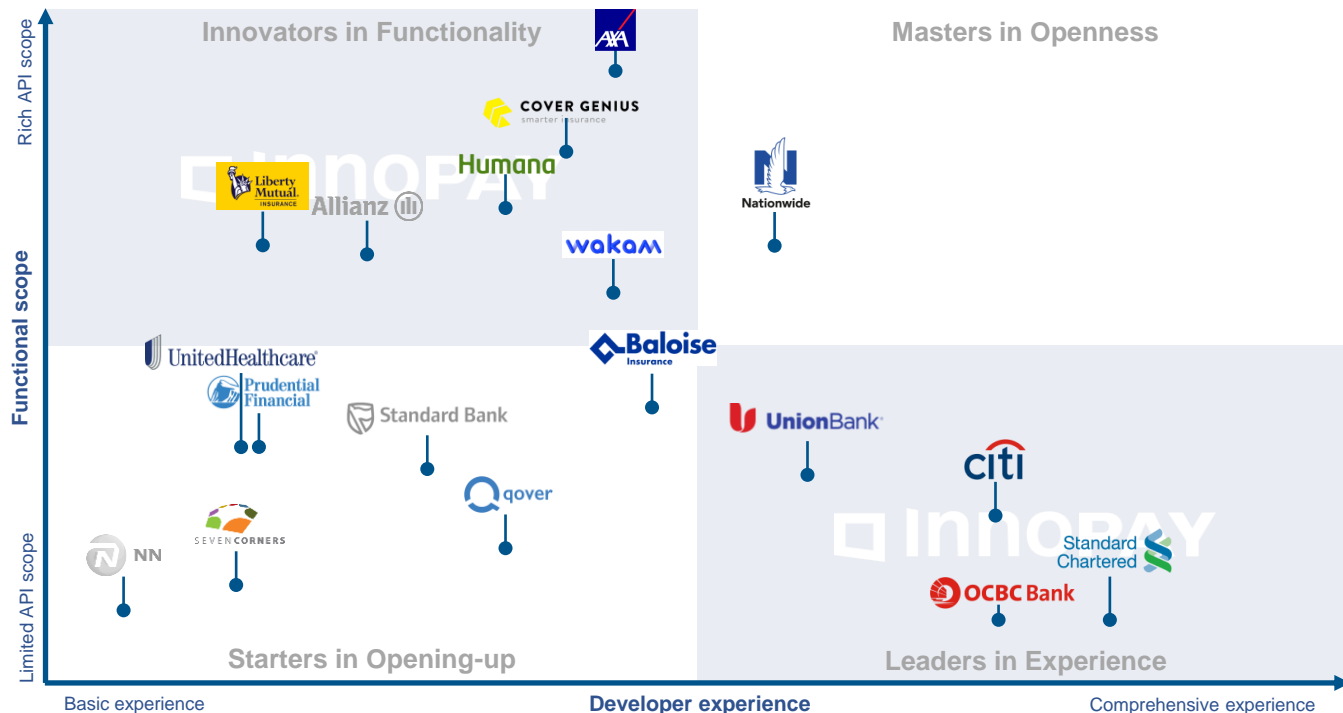
Innovators in Functionality

Masters in Openness

AXA

COVER GENIUS
smarter insurance

Humana

Nationwide

Liberty Mutual INSURANCE

Allianz

wakam

Functional scope

Rich API scope

Limited API scope

Baloise Insurance

UnitedHealthcare

Prudential Financial

Standard Bank

UnionBank

citi

qover

NN

SEVEN CORNERS

Standard Chartered

OCBC Bank

Starters in Opening-up

Leaders in Experience

Basic experience

Developer experience

Comprehensive experience

*Grey logo indicates limited portal accessibility, thereby complicating full assessment

INNOPAY *Open Insurance Monitor (OIM) – Developer Portal benchmark (December 2020)*

INNOPAY

Compared to banks, insurers have a more broad API portfolio, but offer less developer experience

Open Insurance Monitor V1 (December)
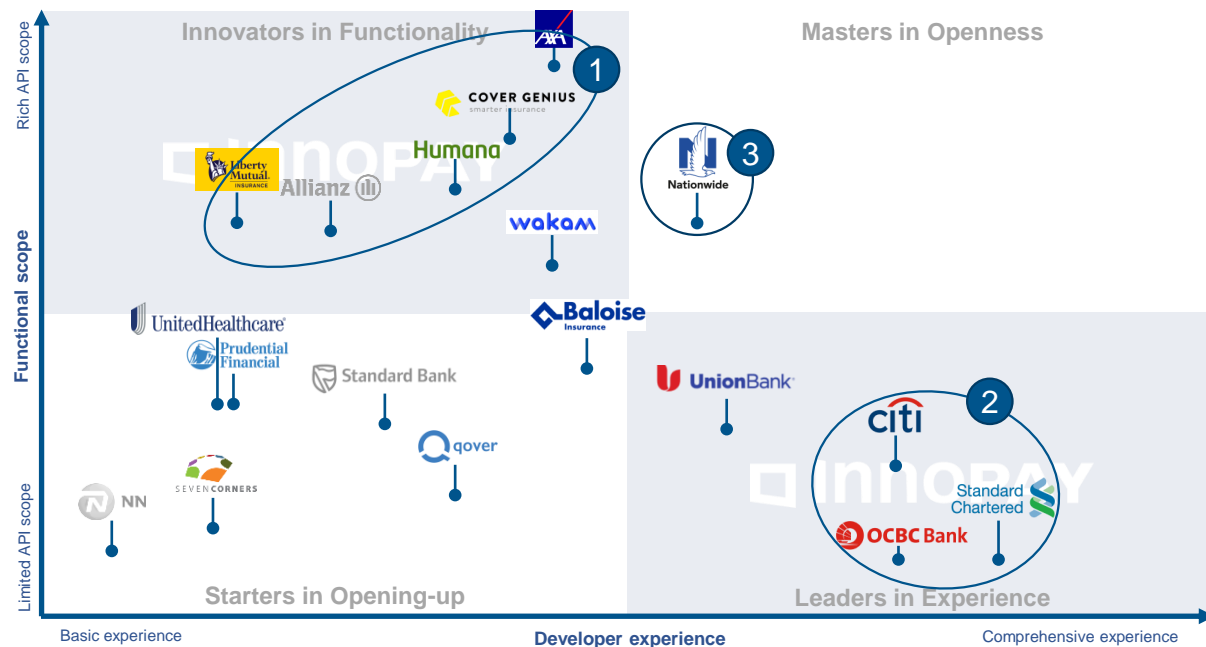
Selected Insights

1 Insurers' first efforts are aimed at establishing a rich API portfolio with insurance related services, with minimal priority for developer experience

2 Due to their Open Banking efforts, banks are more advanced in developer experience compared to insurers. Extending the API portfolio of banks with insurance services would further boost their bancassurance model

3 Nationwide is first in heading for Master in Openness by offering a variety of insurance API and establishing developer experience through clear documentation and good developer usability

15

INNOPAY

Insurers have put effort in API scope and documentation, while banks are further advanced in developer engagement and usability

API CATALOGUE
Functionalities available through party's API offering

2 COVER GENIUS smarter insurance	**1** AXA	**3** Humana

API DOCUMENTATION
Information needed to understand APIs and its functions

2 Nationwide	**1** COVER GENIUS smarter insurance	**3** Baloise Insurance

COMMUNITY DEVELOPMENT
Engagement with Developer Community

2 citi	**1** Standard Chartered	**3** OCBC Bank

DEVELOPER USABILITY
Tools to guide developers and get started quickly

2 OCBC Bank	**1** citi	**3** UnionBank

Core Capabilities Developer Portals

API Catalogue
- Policy servicing & administration APIs
- Customer APIs
- Partner APIs
- Claims APIs
- Sales & distribution APIs
- Underwriting APIs

API Documentation
- Business context
- API Publish Information
- Technical Docs
- Pricing Information

Developer Usability
- Registration & Introduction Documentation
- Portal Usability
- Sandbox
- App entitlements & management
- Authentication & Usage policies
- SDK's & Toolkits

Community Development
- Community support
- Community involvement
- Blogs / Newsletter
- Event activity

Source: INNOPAY analysis
INNOPAY Open Insurance Monitor. January 2021. © INNOPAY BV. All rights reserved.

INNOPAY

Insurers can monetise APIs based on 'sell through' and 'sell to' approach

'Open' Insurer
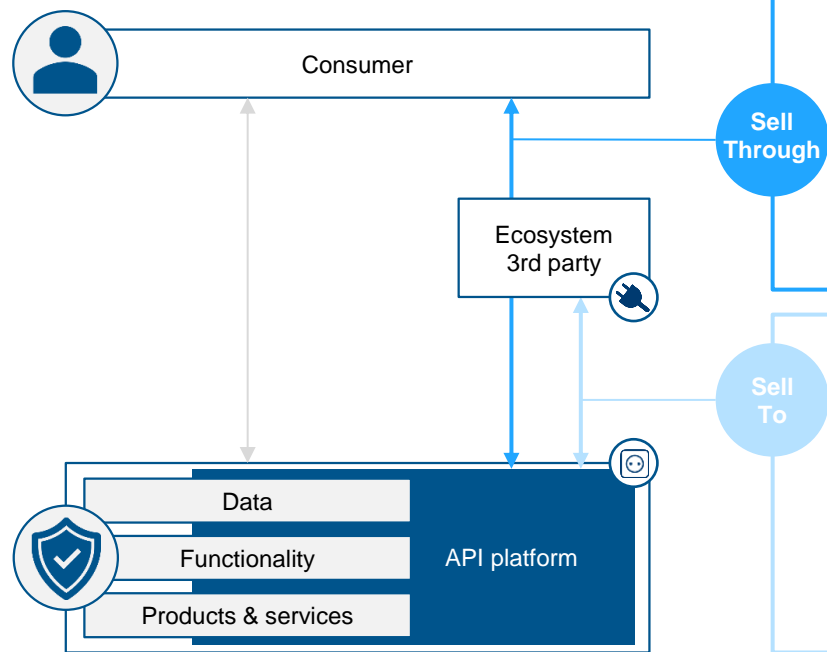
1. Changing distribution and usage of financial products/services call for embedded insurance

*'Sell Through' means the **sale of insurance products** through 3rd party platforms via APIs*

- **Customers** increasingly expect financial products to be embedded in platforms enabling frictionless client journeys
- **New distribution channels** used by incumbents and new players to secure revenue growth

2. New value-pools arise, offering opportunities for insurers

*'Sell To' means the **provision of insurer capabilities** to 3rd party platforms via APIs*

- Various organisations **require insurance (related) capabilities** to run and enrich their business
- **New value-pools** arise for insurers that develop new API-enabled products/services by building on their core-capabilities and **forge new partnerships**

INNOPAY

Insurers can explore API propositions within five key areas of the value chain

|	Customer advice	Sales & distribution	Underwriting	Policy servicing & admin	Claims management
What	Offer personalised product advice based on customer data, such as current coverages and personal data (eg, car or home data)	Expand distribution channels through product placement within new third party channels and efficient partner management	Increase risk calculation capability by leveraging consumer data, allowing efficient and competitive pricing	Facilitate efficient policy servicing and administrative support within 3rd party platforms	Provide seamless customer experience by integrating claims management capabilities within 3rd party channels
Example APIs	**Customer advice APIs** • Not yet available	**Sales & distribution APIs** • High level & detailed product information (eg, benefits, coverage, premiums) • Partner information & partner account management	**Underwriting APIs** • Quote calculation, based on retrieved customer data • Insurance purchase & order management • Customer communications & support	**Policy servicing APIs** • Retrieval of policy details (eg, policyholder details, benefits, coverages) • Policy amendment & cancellation • Customer information & customer account management	**Claims management APIs** • Submit & manage claims, including attachments • Management of service assignments • Service provider invoice management
Parties[2] % of APIs[1]	**0%**	**8%** *Divided across 9 parties*	**34%** *Divided across 15 parties*	**31%** *Divided across 13 parties*	**23%** *Divided across 7 parties*
		Prudential Financial OCBC Bank	wakam Baloise Insurance	Nationwide Liberty Mutual INSURANCE Humana	AXA UnitedHealthcare

Sell through · Sell to

18

INNOPAY

3 **Open Insurance bancassurance use case – Embedded Insurance**

INNOPAY

Three coinciding trends create opportunity for bank-enabled Embedded Insurance

In today's **bancassurance,** mobile banking apps have a central position for distribution and management of insurances
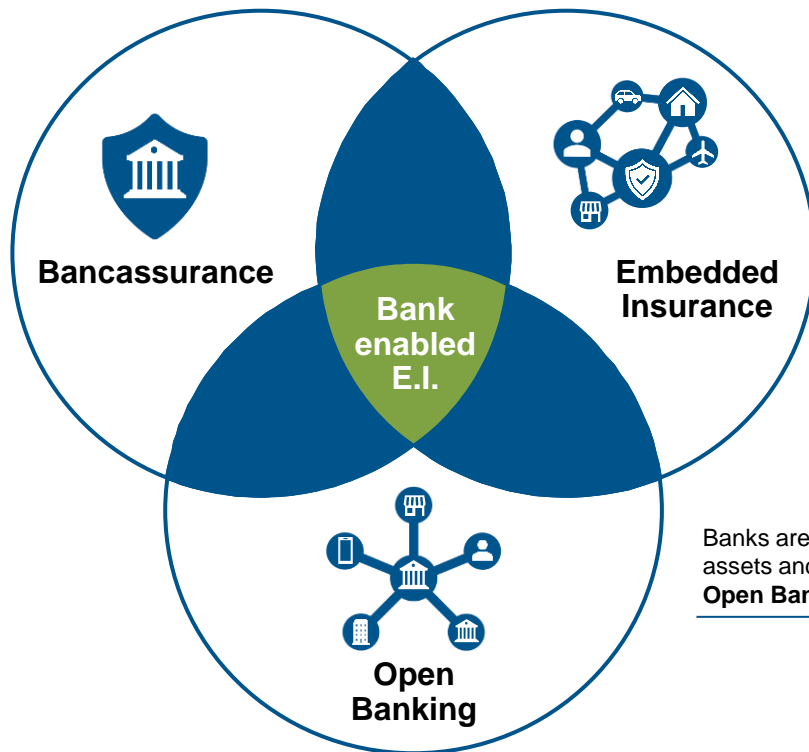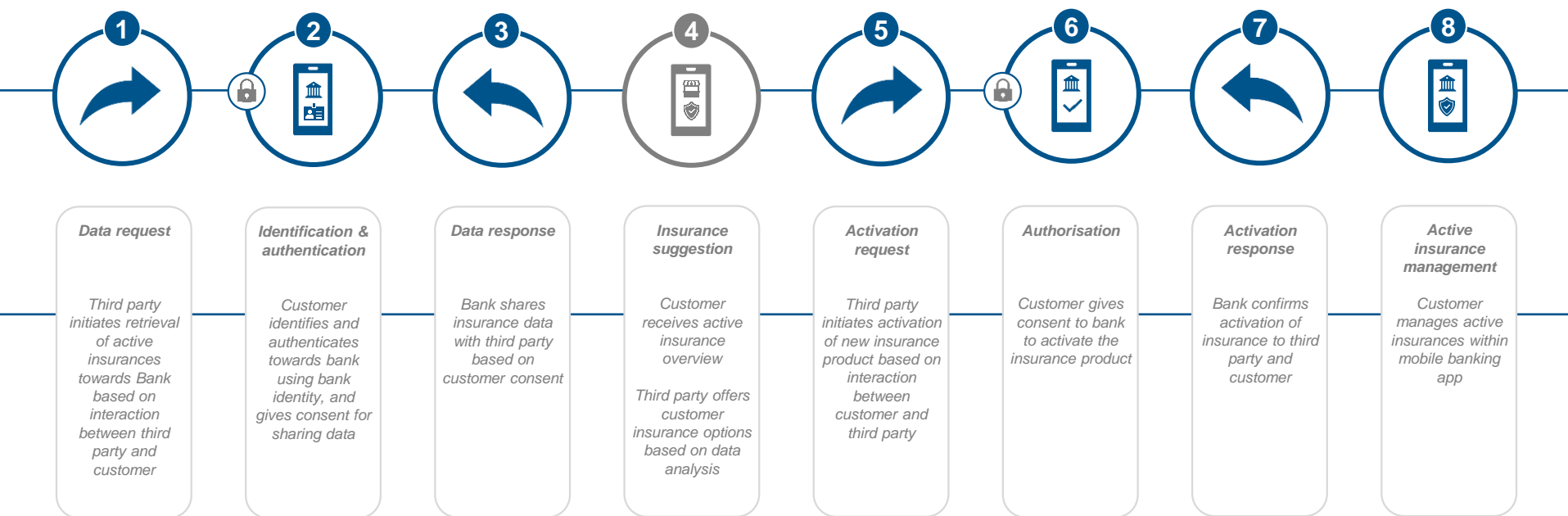

Insurance products are being integrated in third party platforms, products and services, also known as **Embedded Insurance** (E.I.)

Banks are increasingly opening up their data assets and capabilities as part of strategic **Open Banking initiatives**

Bancassurance

Embedded Insurance

Bank enabled E.I.

Open Banking

INNOPAY

Banks can provide customer authentication & authorisation to enable sales of insurance products within third party platforms

1 — Data request

Third party initiates retrieval of active insurances towards Bank based on interaction between third party and customer

2 — Identification & authentication

Customer identifies and authenticates towards bank using bank identity, and gives consent for sharing data

3 — Data response

Bank shares insurance data with third party based on customer consent

4 — Insurance suggestion

Customer receives active insurance overview

Third party offers customer insurance options based on data analysis

5 — Activation request

Third party initiates activation of new insurance product based on interaction between customer and third party

6 — Authorisation

Customer gives consent to bank to activate the insurance product

7 — Activation response

Bank confirms activation of insurance to third party and customer

8 — Active insurance management

Customer manages active insurances within mobile banking app
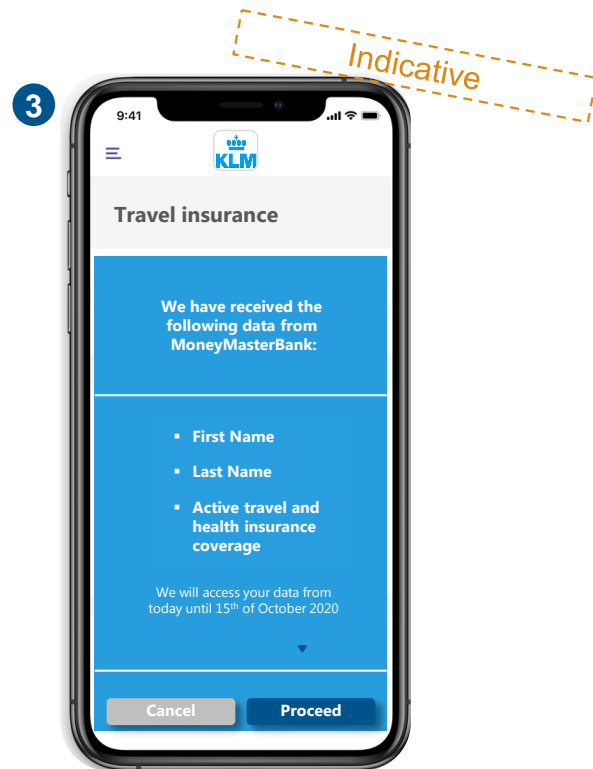
INNOPAY

Use case: Bank authenticates customer and retrieves active insurances in KLM's online channels
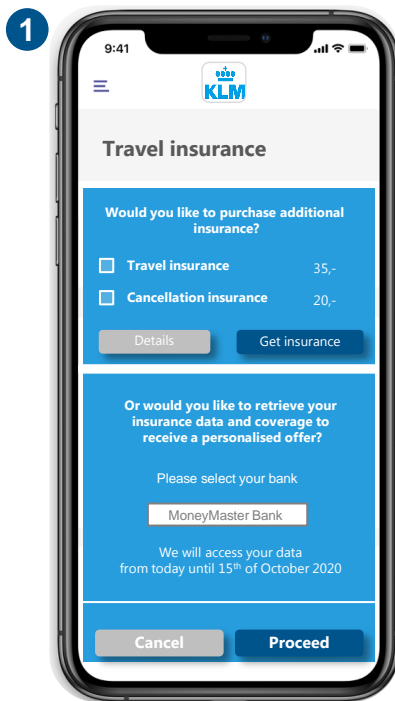
1 KLM offers customer the possibility to retrieve active products
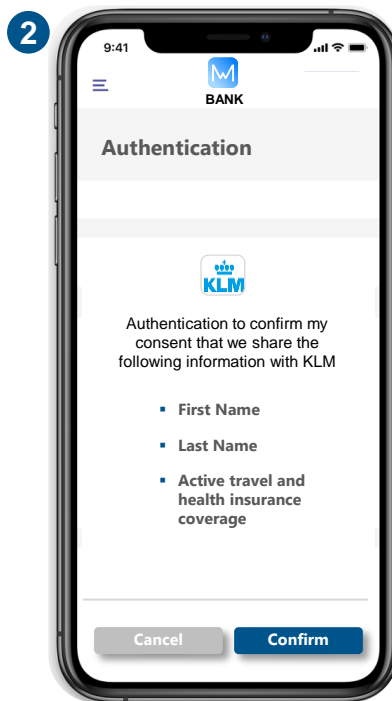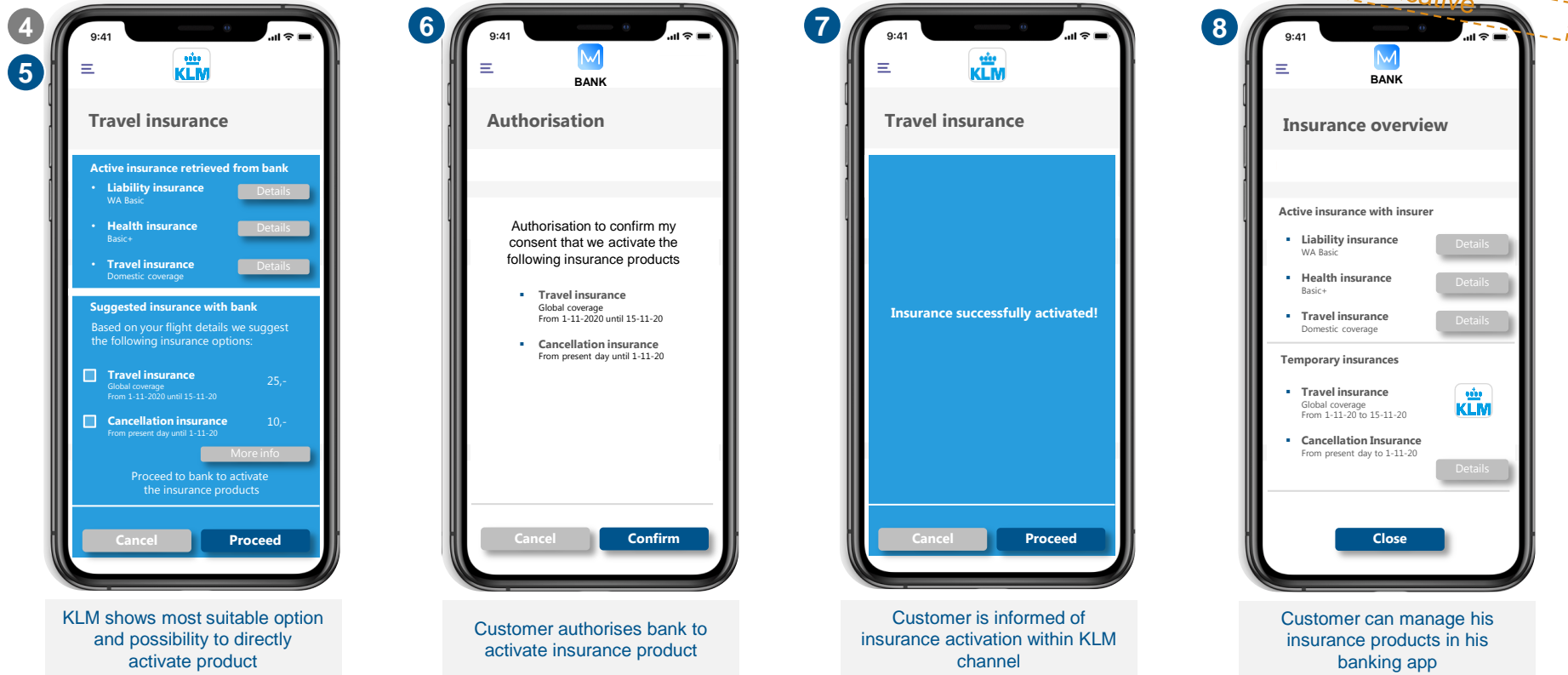
2 Customer is redirected to mobile banking environment for authentication and consent

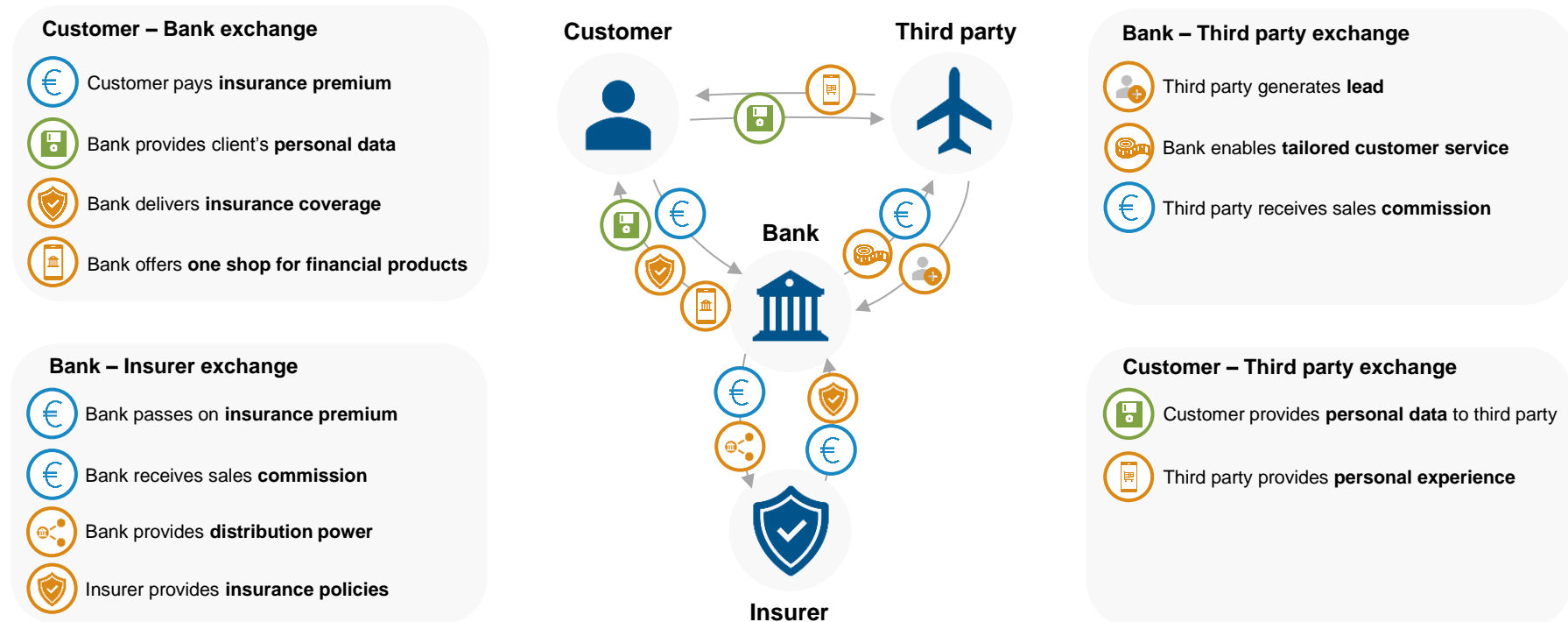**3** Customer receives confirmation that personal data is shared with KLM

Use case: Customer authorises Bank to activate selected insurance product

KLM shows most suitable option and possibility to directly activate product

Customer authorises bank to activate insurance product

Customer is informed of insurance activation within KLM channel

Customer can manage his insurance products in his banking app

Through exchange of services, user experience, data and financial compensation all ecosystem participants benefit

Overview of the different exchanges within the Embedded Insurance ecosystem

Customer – Bank exchange

- Customer pays **insurance premium**
- Bank provides client's **personal data**
- Bank delivers **insurance coverage**
- Bank offers **one shop for financial products**

Bank – Insurer exchange

- Bank passes on **insurance premium**
- Bank receives sales **commission**
- Bank provides **distribution power**
- Insurer provides **insurance policies**

Bank – Third party exchange

- Third party generates **lead**
- Bank enables **tailored customer service**
- Third party receives sales **commission**

Customer – Third party exchange

- Customer provides **personal data** to third party
- Third party provides **personal experience**

Customer   **Third party**

Bank

Insurer

Financial   Data   Non-financial

24

INNOPAY

INNOPAY

Maarten Bakker
Director
Lead Open Insurance & Data Sharing

maarten.bakker@innopay.com
+316 10 98 14 31

Mounaim Cortet
Senior Manager Strategy
Lead PSD2 & Open Banking

mounaim.cortet@innopay.com
+316 41 76 86 51

Vincent de Rijke
Senior Consultant
Open Insurance Expert

vincent.derijke@innopay.com
+316 24 92 64 98

Jorgos Tsovilis
Consultant
Open Banking Expert

jorgos.tsovilis@innopay.com
+316 40 67 74 64

Marnix de Kroon
Consultant
Open Insurance Expert

marnix.dekroon@innopay.com
+316 34 82 20 57

INNOPAY's Open Insurance Monitor assesses publicly available developer portals with insurance APIs. If your organisation is not included in the Open Insurance Monitor yet, send an email to marnix.dekroon@innopay.com and let us know!

INNOPAY