

German companies lead innovation in Q1 of 2019 after a global surge of funding in 2018.

2019 Q1: Deals in focus

WEFOX

Germany-based WEFOX's aim is to connect insurance providers, brokers and customers, and provide brokers with an intelligent and efficient way to manage their insurance portfolios. Their app allows customers to manage all of their insurance coverage in one place, whilst it allows brokers to manage and consult with their customers digitally.

Figure 1 shows the top deals in Q1, with WEFOX receiving the third-largest of these investments in a Series B funding round totalling \$125 million. Led by the Abu Dhabi government-owned Mubadala Ventures, this investment is WEFOX's largest funding round to date, having previously received funding of \$33.8 million.

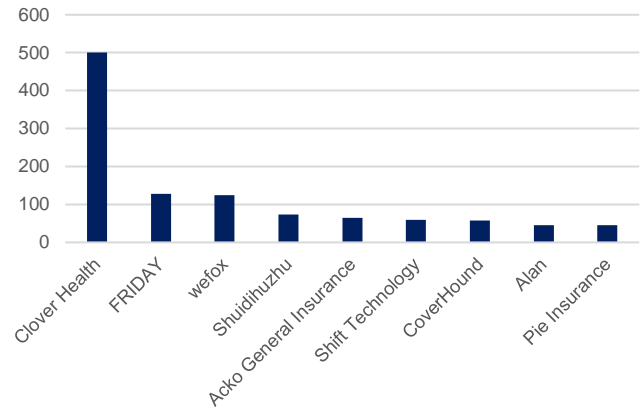
WEFOX's revenues have reached \$40 million since its inception in 2014 and the company now works with over 1,500 brokers and 400,000 customers, making it "Europe's number one Insurtech platform", according to its co-founder and CEO.

FRIDAY

FRIDAY, another German Insurtech, is a motor insurer that offers pay-as-you-go. Launched in 2017, FRIDAY has developed a cloud-based insurance platform offering a range of digital insurance products, such as monthly cancellable policies.

The company is looking to attract second-car drivers and customers who drive less frequently by offering flexible policies. FRIDAY received €114 million of venture funding in March, with €75 million provided by the Swiss Baloise Group. FRIDAY has acquired over 45,000 customers since its inception and hopes this investment will help to scale the business and increase brand awareness.

FIGURE 1: LARGEST INVESTMENTS DURING 2019 Q1 (\$M)



B3i

The Blockchain Insurance Industry Initiative (B3i) is a collaboration of (re)insurers formed to investigate the potential of using Distributed Ledger Technologies (DLT) within the insurance industry.

Their research aims to improve security and reduce transaction times, potentially saving businesses billions. Originally founded by Allianz, Aegon and Swiss Re, the current shareholders also include AXA, Generali, Zurich and Munich Re.

B3i's first application—a Catastrophe Excess of Loss product for the Reinsurance market—is expected to be available in Q4 this year.

B3i raised \$16 million in Series A funding in March and is still looking to secure further investment from more major insurers and reinsurers.

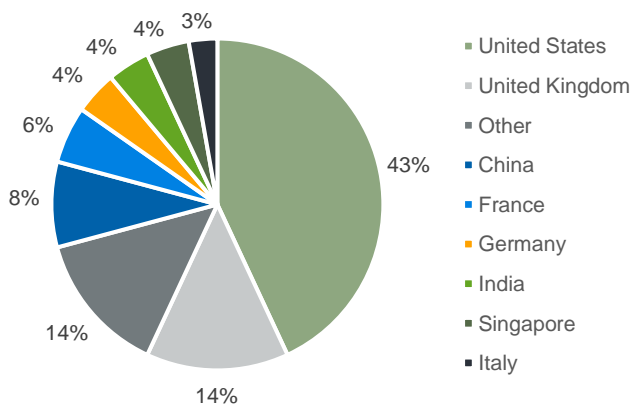
Market View

After the large number of Insurtech investments in 2018, the first quarter of 2019 saw total funding of \$1.43 billion—up from \$0.55 billion in the same period during 2018—making this the third successive quarter with over \$1 billion of funding.

Figure 2 shows the proportion of companies being invested in, split by country, and shows that a large proportion (58%) of Insurtech companies receiving investments in Q1 are located within the UK and US. Although Germany's proportion is only 4%, German companies had the second highest total funding behind US companies, largely driven by the FRIDAY and WEFOX deals.

The \$500 million invested in Clover Health represented by far the largest investment during 2019 Q1, resulting in over half of the \$1.43 billion total funding being invested in US companies.

FIGURE 2: SPLIT OF INSURTECH DEALS BY COUNTRY



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