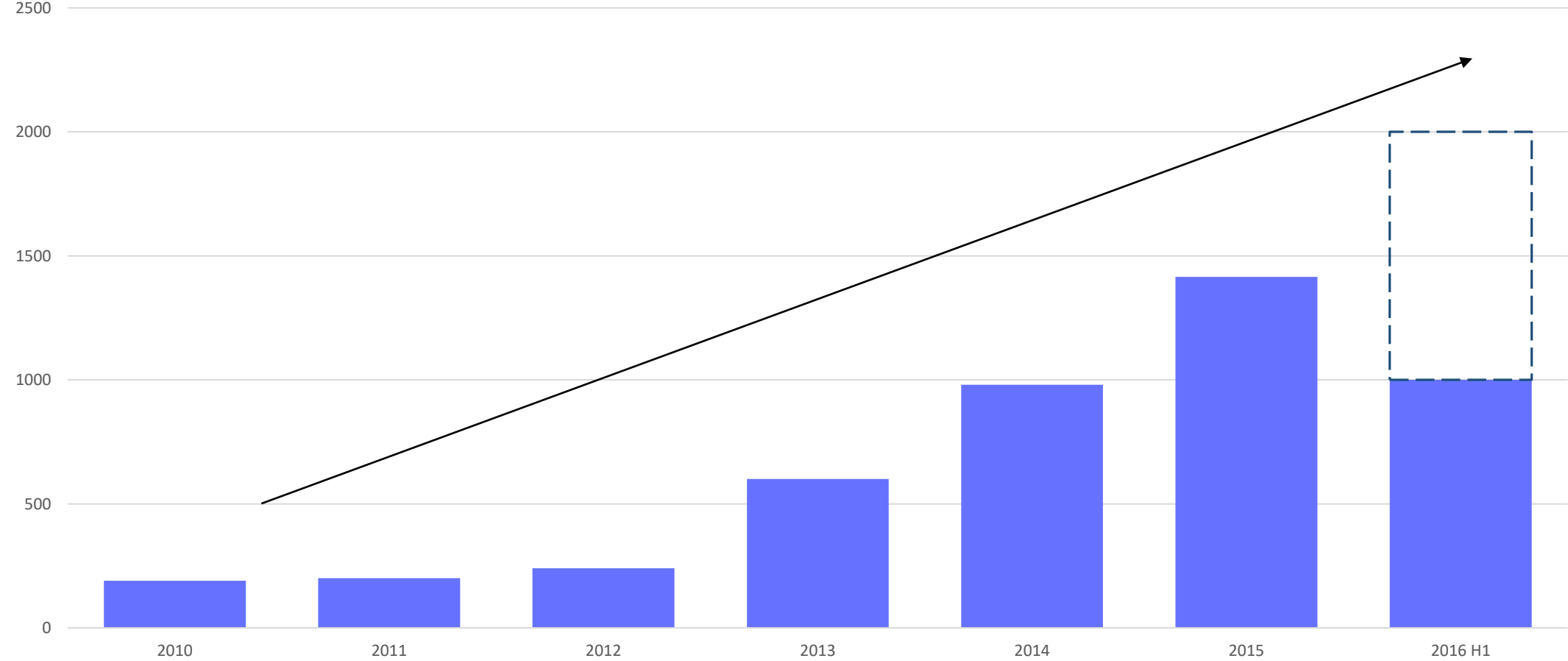


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Investments into InsurTech Continue To Grow Strongly...

VC InsurTech Investment Since 2010 - \$m

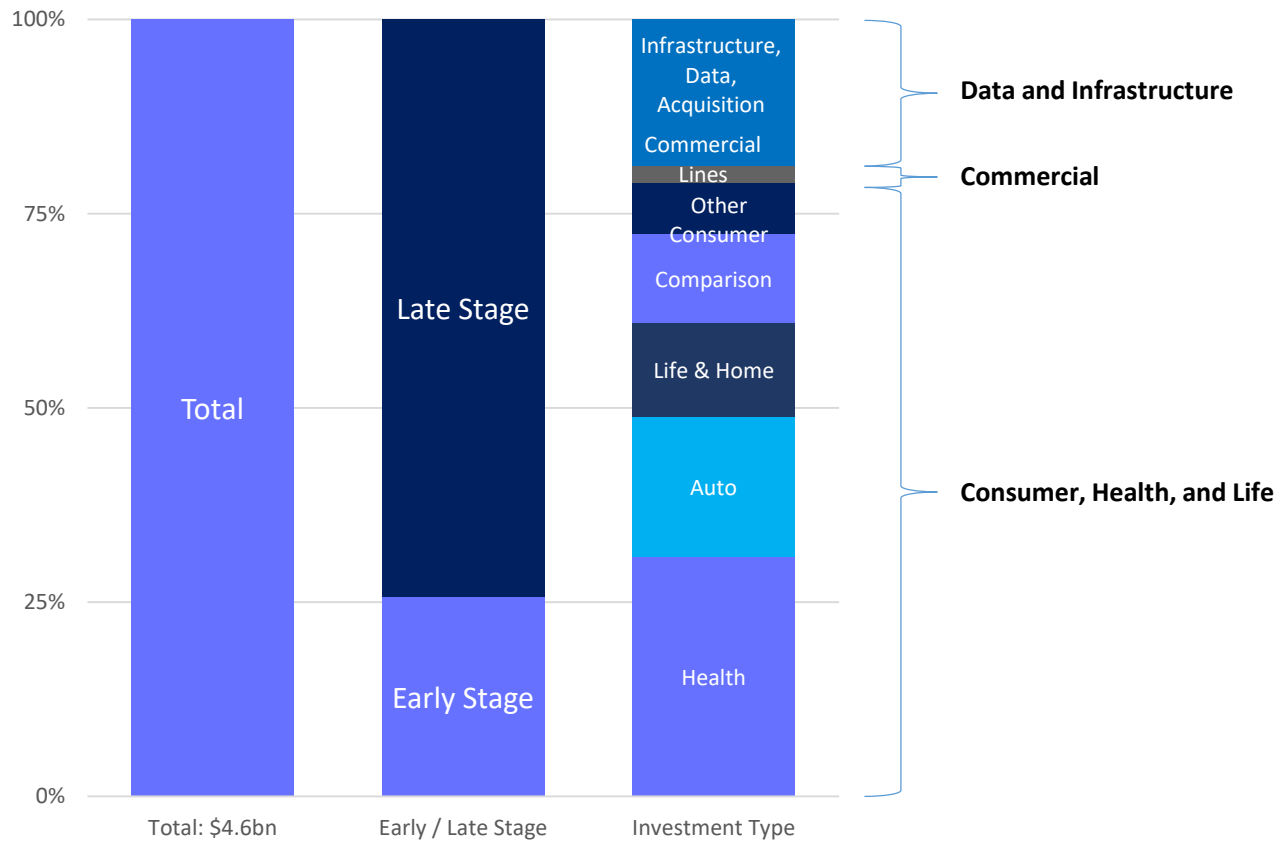


Source: pwc Top Issues: Insurtech, A Golden Opportunity for Insurers to Innovate (March 2016), Lifeinsuranceinternational.com: Insurtech VC Investment Hits \$1bn in H1 2016

... Commercial Insurance Remains the Largest Untapped Opportunity

Insurtech Investment Split (Cumulative Since 2010)

\$4.6bn cumulative investment since 2010



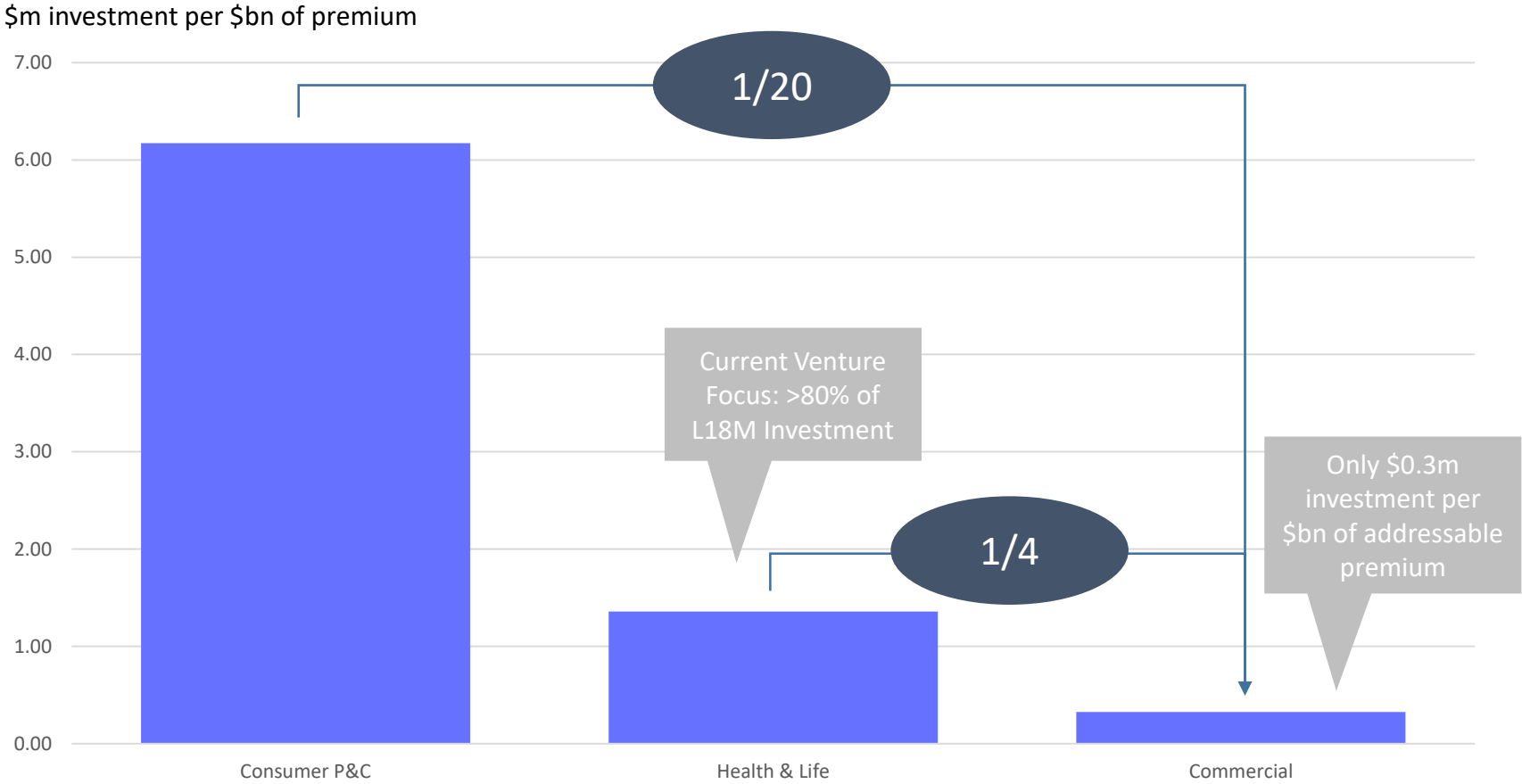
Top 20 InsurTech Deals (Jan-15 to Jun-16)

Name	Subsector	Value (\$m)
Oscar	Health & Life	400
Clover Health	Health & Life	160
Bright Health	Health & Life	80
PlanSource Holdings	Health & Life	70
Univita Health	Health & Life	40
Captricity	Infra	35
CoverHound	Consumer P&C	33
Insureon	Commercial	31
Axtria	Infra	30
Trov	Consumer P&C	26
GoHealth	Health & Life	25
Brighter	Health & Life	21
Apixio	Health & Life	19
Goji	Consumer P&C	19
The Zebra	Consumer P&C	17
PolicyGenius	Health & Life	15
Embroker	Commercial	12
Hixme Inc	Health & Life	11
Driveway Software	Consumer P&C	10
Dorado Systems Inc	Health & Life	8
Sum		1,062

Source: Venturescanner, Datafox

Very Limited Deal Activity in Commercial Despite Large Addressable Market

Investment in Commercial InsurTech Undersize vs. Addressable Premium



Total Premium: **\$270bn**

Total Premium: **\$1.5trn**

Total Premium: **\$300bn**

Total Investment: **\$1.7bn**

Total Investment: **\$2.0bn**

Total Investment: **\$100m**

Three Major Opportunities in Insurance

Opportunity #1:

Reshape
Customer
Experience

Opportunity #2:

Participation in Digital
Ecosystem

Opportunity #3:

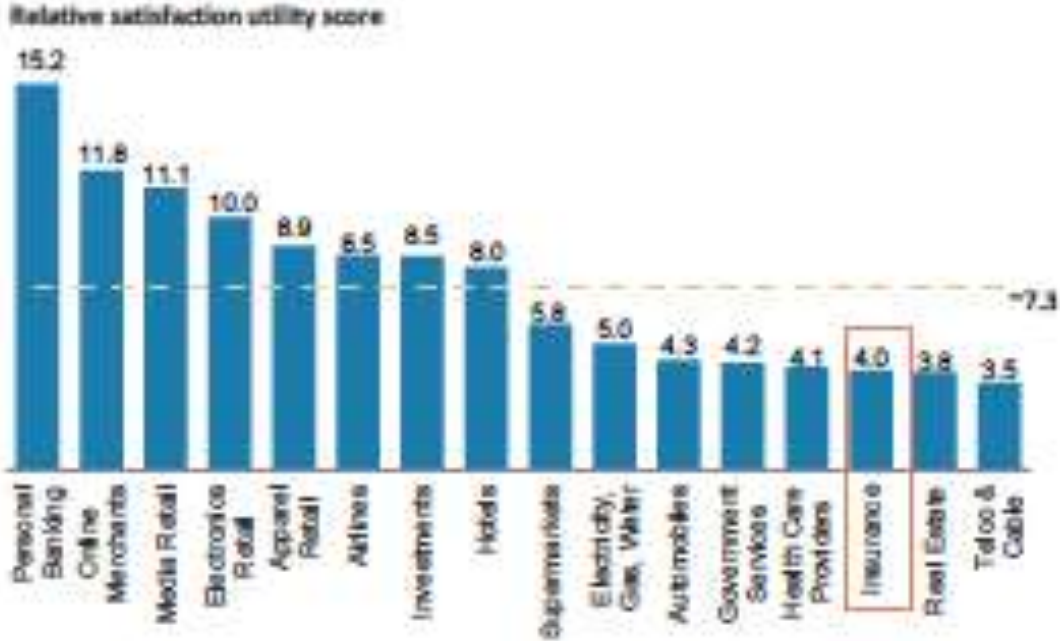
Reduce Expense Base and
Distribution Cost

Opportunity #1: Reshape Customer Experience

Digital Experience in Insurance is Abysmal...

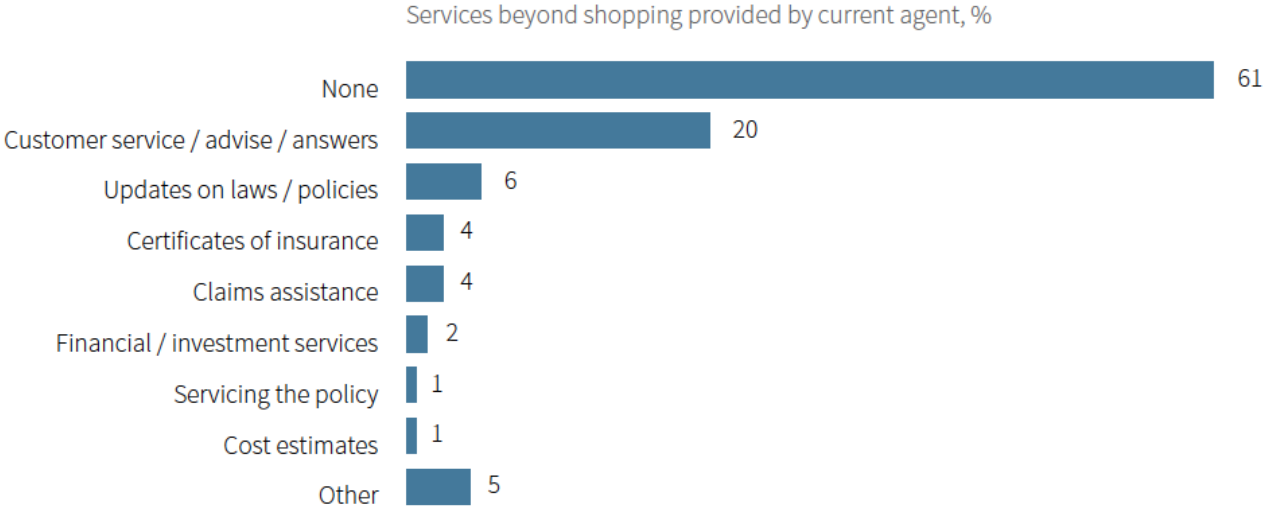
Insurance online experience lags behind

Consumer satisfaction with online experience, by industry



Source: BCG digital satisfaction survey March 2013, Morgan Stanley Research




And the existing agency channel is not built to improve it



Source: Morgan Stanley and BCG; Deloitte Canter for Financial Services

Opportunity #1: Reshape Customer Experience

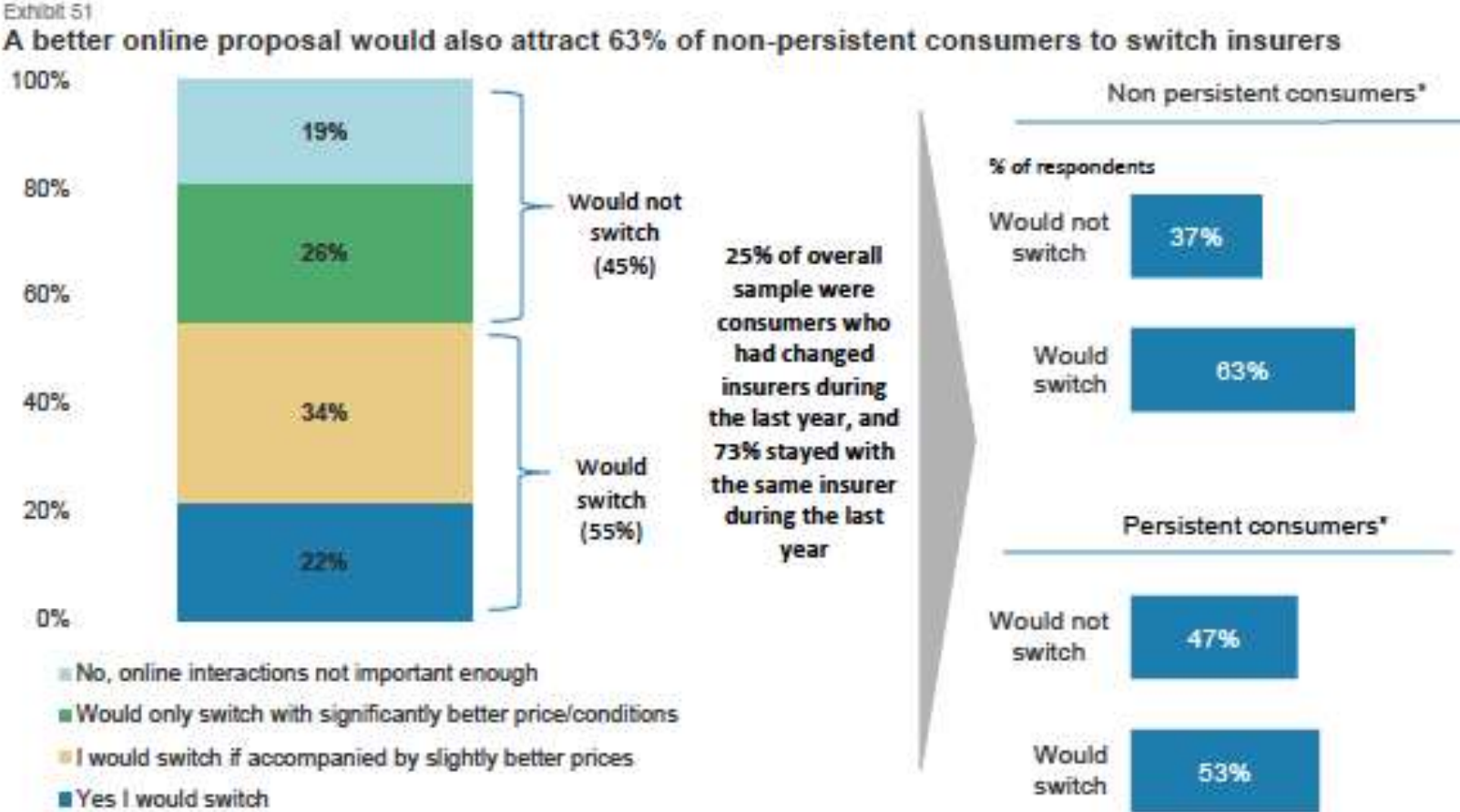
Contrasting Personal vs. Commercial Lines

	Personal Lines 	Micro / Small 	Mid-Market 
Online Channel	✓	✓/✗	✗
Real Time Quotes	✓/✗	✓/✗	✗
Electronic Claims	✓	✓/✗	✗
Automation Need	●○○	●●○	●●●
Analytics Potential	○○○	●○○	●●●
Typical Premium	\$1-2k	\$2-20k	\$50k+

Source: Embroker Research

Opportunity #1: Reshape Customer Experience

Customers are surprisingly willing to move



Source: Morgan Stanley and BCG

Opportunity #1: Reshape Customer Experience

Consider a very different customer journey:

Dynamic recs built into product

Self service options made easy

Coverage summaries in plain English

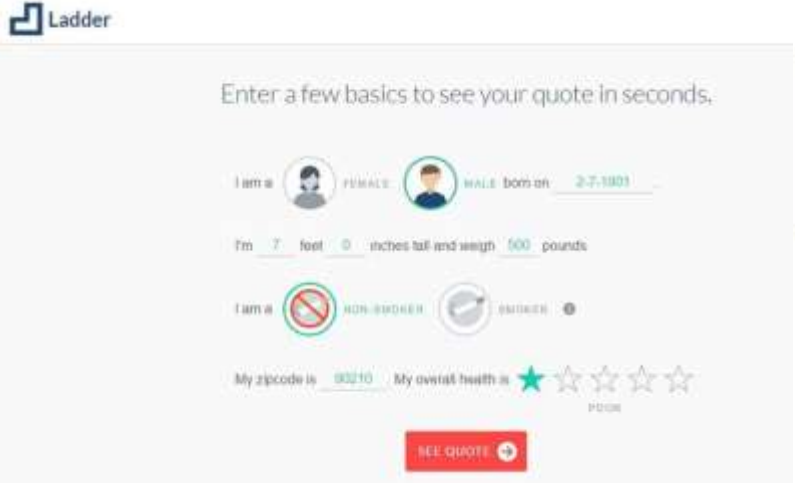
Omni channel service options

The screenshot displays the Embroker website dashboard. The top navigation bar includes 'EM', 'DASHBOARD', 'POLICIES', 'CERTIFICATES', 'CLAIMS', 'SUPPORT', and 'GET COVERAGE'. The user is logged in as 'Tandoori Bur...'. The main content area is titled 'Your policies' and 'Recommendations'. A policy card for 'Commercial Auto' is shown, detailing 'BODILY INJURY & PROPERTY DAMAGE COVERAGE' with a limit of '\$1,000,000 per accident (combined single limit)'. Below this, there are tabs for 'What's Covered', 'Vehicles', 'Endorsements', 'Named Drivers', and 'Named Insured'. A table with columns 'COVERAGE' and 'DEDUCTIBLE' is partially visible. A chat overlay on the right shows a message from 'Embroker Team' with a profile picture of 'Mike' and the text: 'Hi I have a question about the coverage on my commercial auto policy'. The chat interface includes a back arrow, a profile picture, a name, a response time indicator, and a send button.

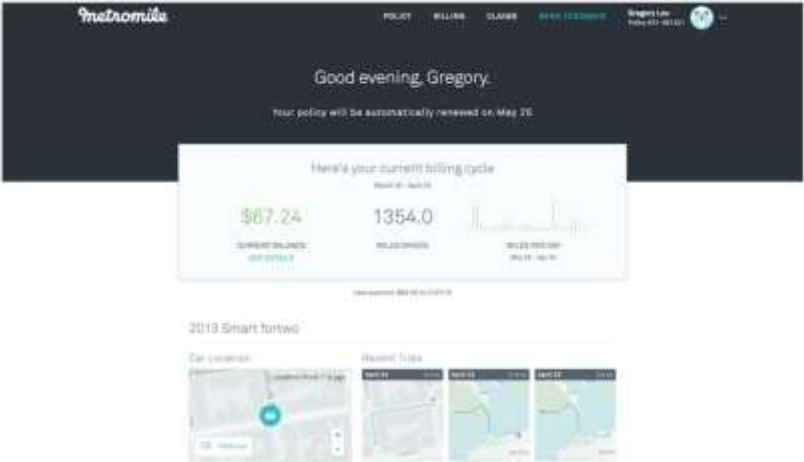
Opportunity #1: Reshape Customer Experience

The same theme applies across all lines of insurance, with better UX and software products being used to target various pain points differently

Life



Auto



Health

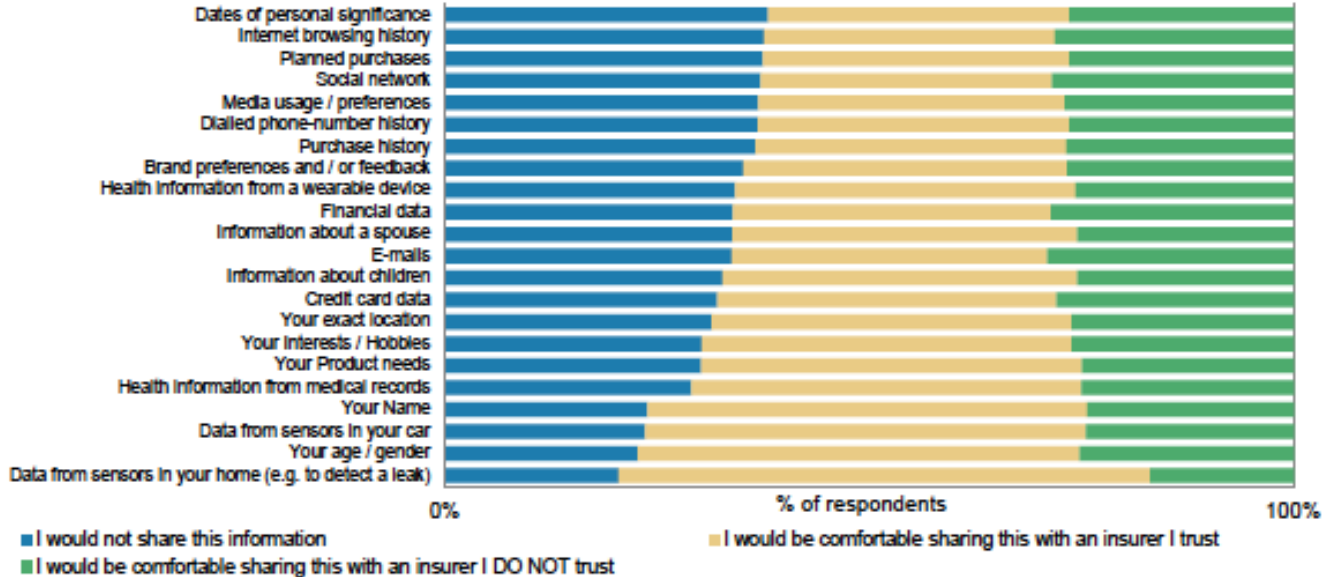


Opportunity #2: Participate in Digital Ecosystem

Customers broadly willing to exchange data for better insurance

Exhibit 77
 Consumers are willing to adopt innovative policy products and ecosystem-based online insurance, and are willing to share data across a range of categories

Which information would customers share to gain benefits?



Example of personal lines ecosystem



Source: BCG Analysis, Morgan Stanley Research

Opportunity #2: Participate in Digital Ecosystem

Emergence of digital ecosystem for business software

Apps to solve your business needs

App function Business type

The image displays a grid of six panels, each representing a different business function. Each panel contains several app icons with their names listed below. The panels are:

- Inventory:** Vend, Unleashed Soft..., CIN7, TradeGecko
- Payments:** Square, Stripe, Bill.com, PayPal
- CRM:** Insightly for Xero, MINDBODY, G-Suite, Capsule CRM
- Time Tracking:** WorkflowMax, Harvest, Deputy, TSheets
- Invoicing + Jobs:** WorkflowMax, Harvest, Quotient, TSheets
- Point of Sale:** Square, Vend, Shopify, CIN7

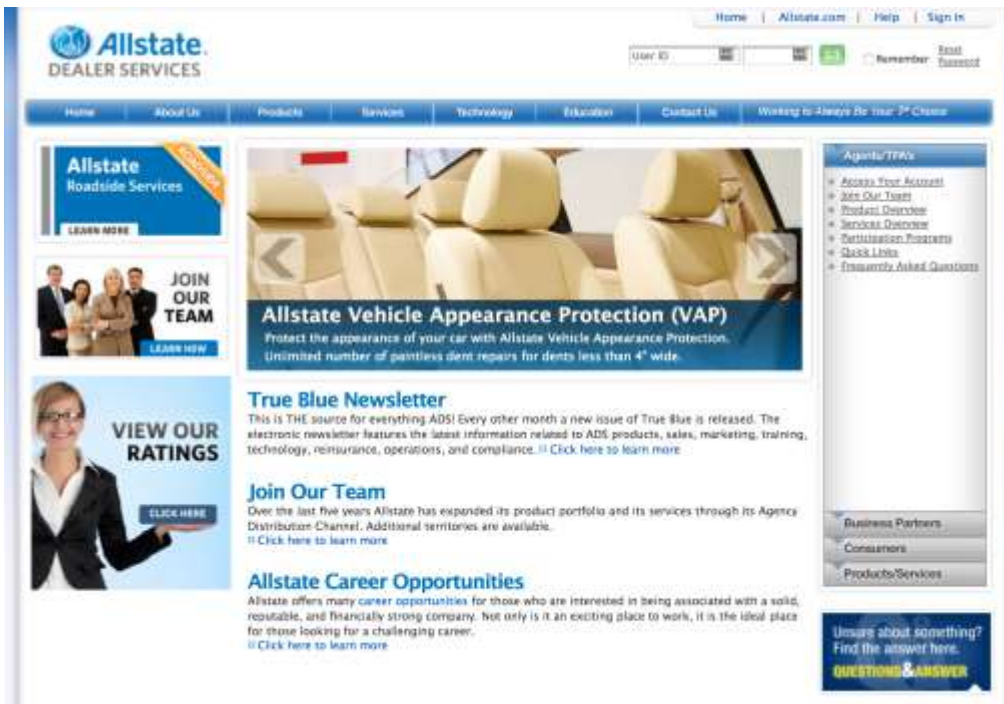
- Tangible benefits to customers
- Open Api architecture allows best in breed solutions to work together
- Benefits / strength of ecosystem will only increase over time

Opportunity #2: Participate in Digital Ecosystem

Distribution Partnerships:

Long established way to selling insurance

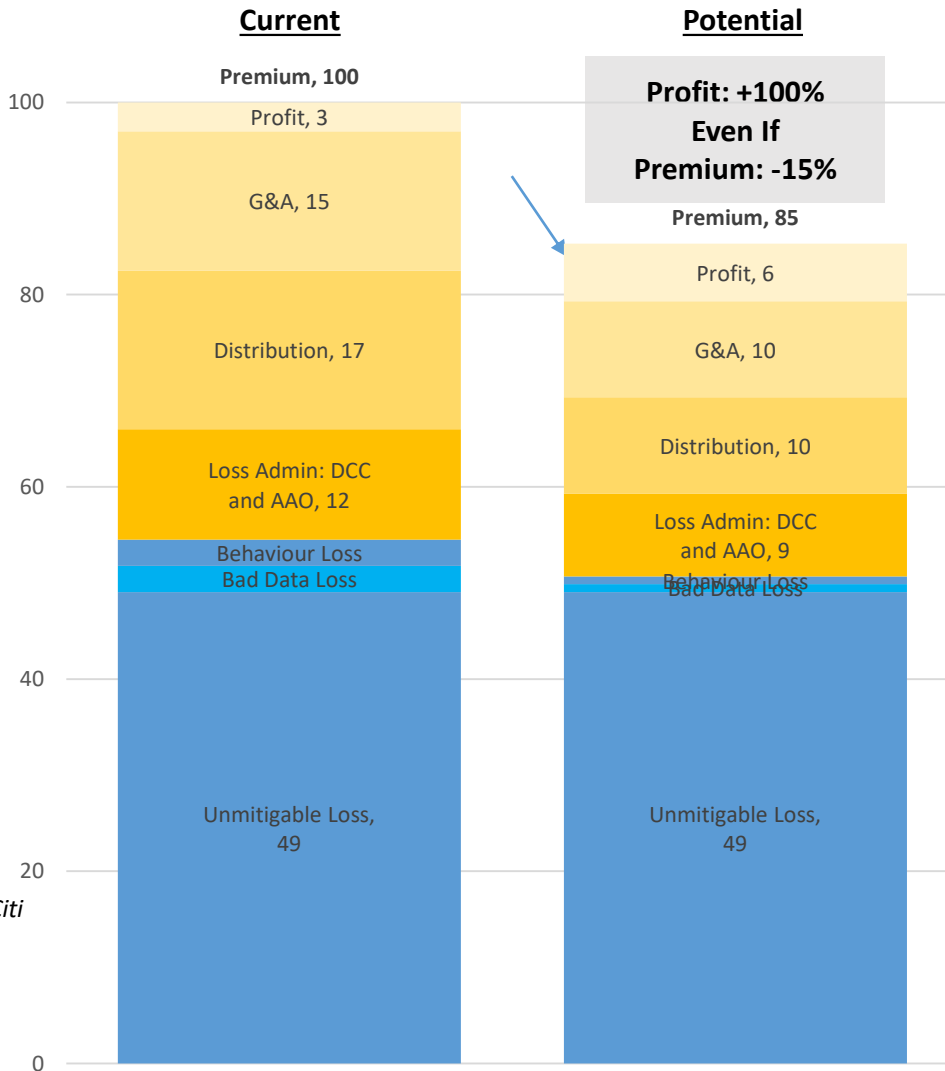
... But now an opportunity to increase effectiveness through digital ecosystem



- 1) Increase relevance
 - *Data from certificates used to approach customer near renewal date*
- 2) Reduce friction
 - *Customer opts in to sharing data to facilitate easier quoting process*
- 3) Improve value
 - *Customer benefits from getting access free software and changes insurance providers only if cost is lower*

Opportunity #3: Reduce Expense Base

Significant Efficiency Potential (rebased to 100)



How carrier cost structure could evolve for increased profitability despite decreasing premiums:

Potential Profitability Drivers

Bad Data Loss [-2pts]: Identify most profitable customers / avoid red flags

Behaviour Loss [-2pts]: Encourage loss-reducing behaviour (e.g. worker's manuals, online trainings) via discounts

Loss Admin (DCC/AAO) [-3pts]: Improve automation through integrations and improved use of mobile technology

Distribution [-7pts]: Significantly cut distribution costs by switching to online distribution with lower commissions and a focus on value-added services

G&A[-5pts]: Rationalize cost base, streamline processes and partner with technology organizations for increased automation

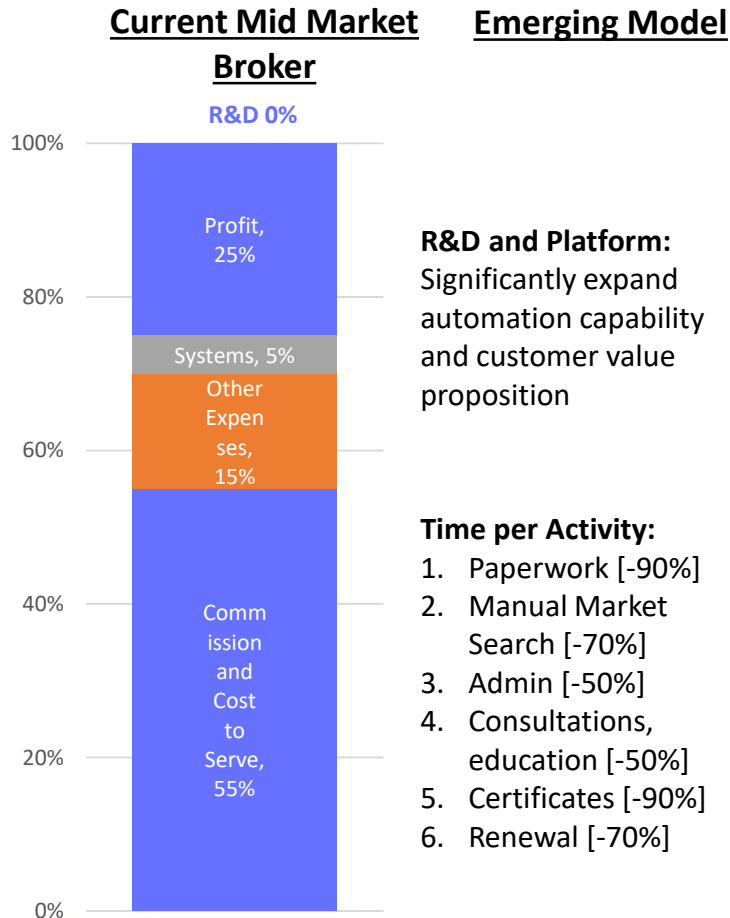
Profit [+3pts]: Retains part of the savings generated for the customer

Source: Embroker Analysis, Dowling & Partners IBNR Weekly #17, Vol. XXIII; Citi Equity Research, "Insurer, Disrupt Thyself!", 10 Sep 2015

Opportunity #3: Reduce Cost Base – Significant Time Spent on Low Impact Tasks / Distribution

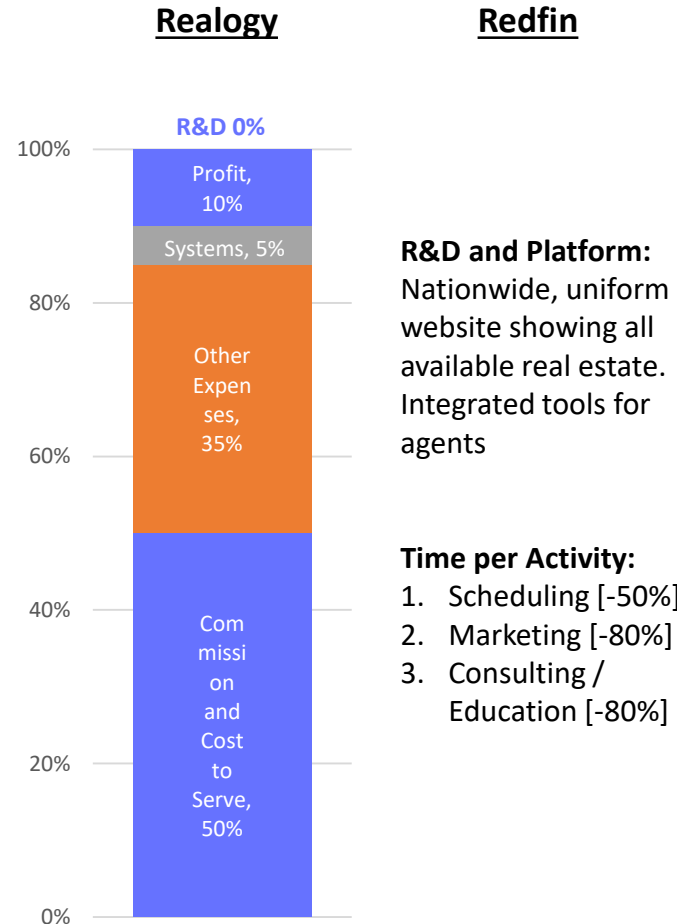
Broker Cost Reduction Potential

Insurance Broker

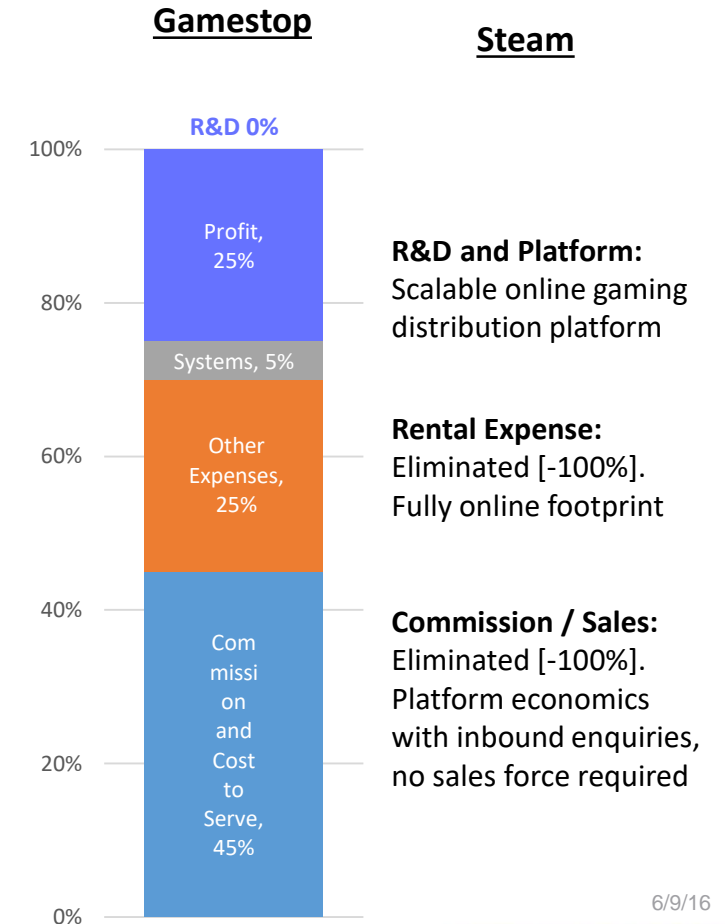


Examples from Other Industries

Real Estate Broker

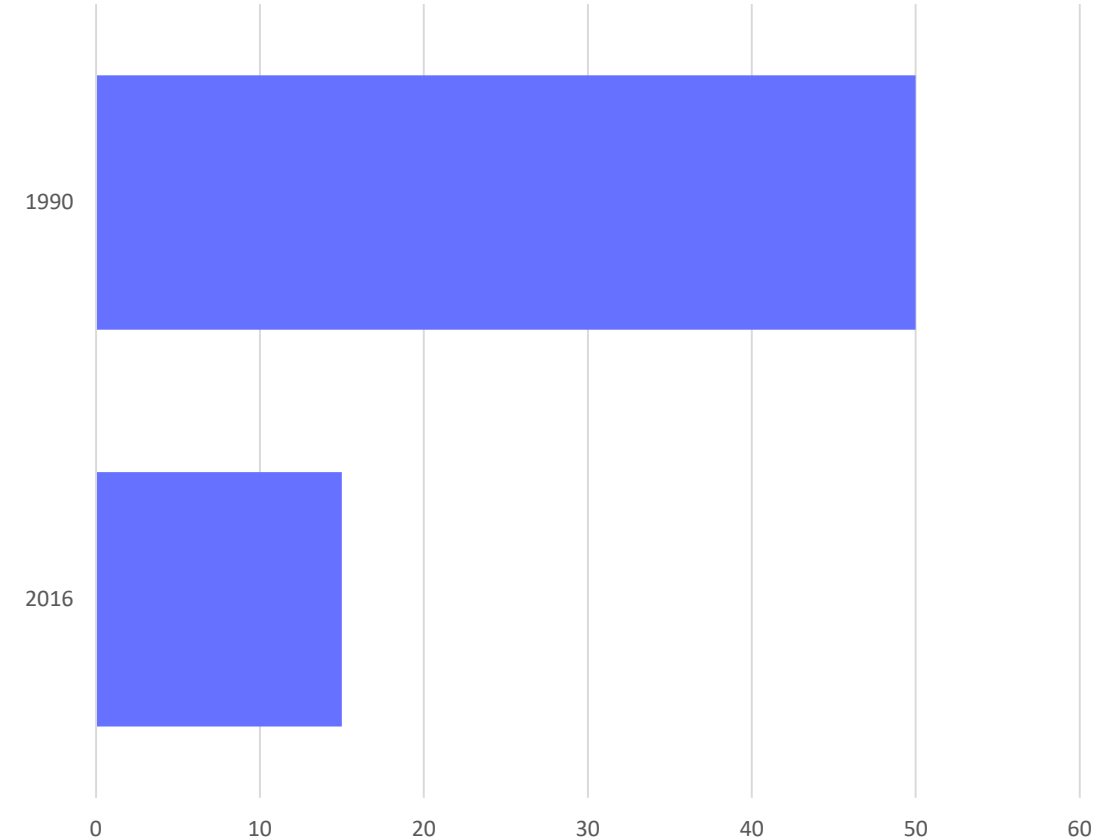


Game Distribution

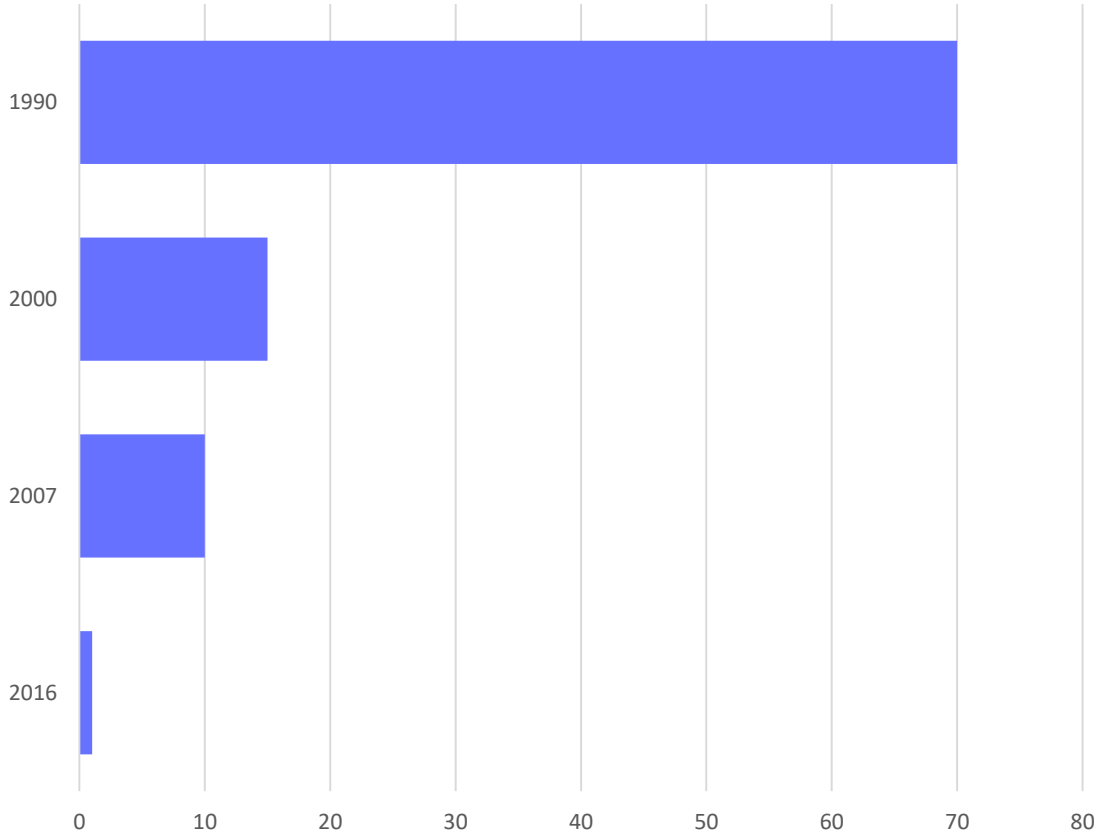


Opportunity #3: Reduction of Distribution Cost Has Precedent in Other Industries

Distribution Costs in Airlines (\$ per ticket)



Brokerage Commissions for Stock Trading (\$ / Trade)



Source: Hostagencyreviews.com, E*TRADE and TD Ameritrade historical pricing, Stock broking forums

Opportunity #3: ...And Winners Are Those That Have Embraced The Trend

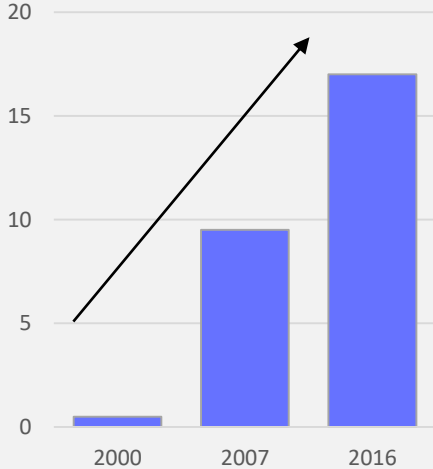
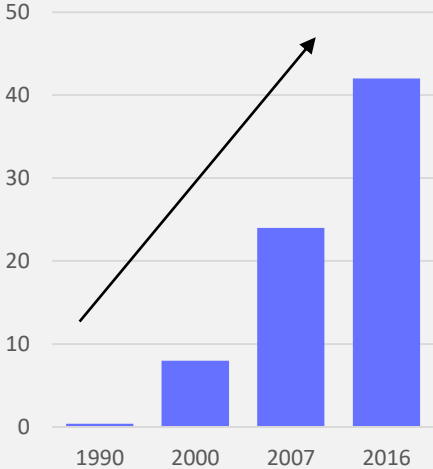
Ecosystem Impact in Airlines

Transition Has Enabled New Online Winners Despite Commission Compression



Ecosystem Impact in Stock Trading

Market Cap Gain for Companies Who Go With The Trend and Focus on Alternative Services, Despite 98% Reduction in Commissions



Source: Capital IQ

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