



INSURTECH100

Profiles of the **INSURTECH100**, the world's most innovative InsurTech companies that every leader in the insurance industry needs to know about in 2021



COMPANY RESEARCH PROFILE

qumata

Founded 2017
 London, United Kingdom
www.qumata.com
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Employees: 51-100
 Regions of operation: London, Hong Kong, Shanghai, Tokyo and Singapore

KEY EMPLOYEES:



Luca Schnettler
Co-Founder & CEO



Etienne Bourdon
Co-Founder & COO

Value Chain: **Risk Rating**

Subsectors: **Life/Health Insurance**

OFFERING

Qumata (formerly known as HealthyHealth) is focused on transforming underwriting for life and health insurers, retaining the same level of accuracy, whilst improving customer experience and helping insurers realise new revenue opportunities.

The company uses digital data to calculate the risk of diagnosis for over 800 conditions, along with Extra Mortalities and Morbidities, saving applicants hours filling out long questionnaires or visiting the doctor.

PROBLEM BEING SOLVED

According to a Munich Re study, the average traditional underwriting journey can be as long as 51 days.

With Qumata, this can be reduced to under 3 minutes on average. Insurers are working with Qumata to provide a more seamless, modern customer experience and realise new revenue opportunities. These include enabling more efficient cross-selling, enabling agents to issue policies on the spot, and more effectively leverage cross industry partnerships.

TECHNOLOGY

Qumata's unique, proprietary solution is a semi-supervised machine learning algorithm built on various large datasets. Thus, decisions can be explained to policyholders and/or regulatory authorities. The company's algorithm has been validated by leading academic institutions, as well as both insurers and reinsurers across Europe, Asia and the United States who are actively underwriting using Qumata's solution.

PRODUCT DESCRIPTION

Qumata unlocks the value of digital data for life and health insurers to provide an accurate picture of current and future mortality and morbidity and health risks for anyone with a smartphone. Instantaneously and without lengthy questionnaires or medical examinations.

The company's API-based solution, once implemented into an insurer's backend, allows for a new way of underwriting, making it faster, cheaper and just as accurate. All with only digital data, at a minimum basic activity data (steps), but it can also be expanded to further input variables such as using electronic medical record data GPS data, financial data, among others.

Use cases are plenty, for example, The agent sales process can also be streamlined - agents are able to provide customers with a QR code to scan and use Qumata's solution. The agent will then be provided with a pre-approved suite of products to offer to their customers.

If using online sales channels, Insurers can enable their customers to be given an instant price to immediately purchase, rather than receive a quote and undertake further underwriting.

Insurers also use Qumata's solution to generate new revenue opportunities. The company's software allows insurers to readily identify valuable new cross-sell opportunities. Using existing customer data such as previous claims or the data a customer may collect whilst partaking in the insurers wellness app, Qumata lets insurers pre-approve existing customers and offer an immediate price for new health or life insurance policies.

Furthermore, insurers can expand their digital partnerships. If a Partner platform for example has access to digital data, it can be sent to Qumata who will create a risk profile which the insurer can use to set a price for a prospective customer and market to them. Cutting out the friction of underwriting in such processes leads to increased conversion rates.

For all these journeys, Qumata can also enable insurers to implement dynamic underwriting. After a set timeframe (usually 3 months), Qumata can reassess the price of the customer and adjust it accordingly.

TRACTION/GROWTH

- Qumata is backed by leading investors including MMC Ventures, AdirVentures, TMT Investments. In 2021, the company closed a \$10m series A financing round, led by MMC Ventures.
- Qumata's clients include, for example, National General among several other insurers across Europe, APAC and the US.
- The company has a global partnership with leading reinsurer SCOR which brings innovative solutions to SCOR's insurer clients, enabling them to make more rapid, data-driven, approval decisions.

How Qumata uses digital data to fix the health and life underwriting

Underwriting is an integral part of insurance but hasn't changed much for centuries, is mostly paper-based and traditionally takes a long time to complete. As customer demands continue to ask for streamlined and easy experiences, underwriting needs to become faster. Digital and data-driven technologies thus offering new opportunities to modernise underwriting.



qumata

One does not become an entrepreneur overnight; it is a mindset that often takes shape after many years. Qumata co-founder and group CEO Luca Schnettler stated he has always been interested in entrepreneurship from an early age. Another love was for data and what it could be used to achieve. With these passions, it is no surprise Luca founded Qumata - alongside Etienne Bourdon - an InsurTech transforming underwriting through data.

When Luca Schnettler and Etienne Bourdon were starting the business, they noticed a major gap in the market that could be solved through data. While other industries leapt at digitalisation and leveraging data to improve traditional processes, there was one sector that was particularly lagging – insurance underwriting in life and health.

“Qumata is working to unlock the potential of digital human data, starting with revolutionising the life and

health insurance industry,” Schnettler said. “Qumata helps companies and individuals unlock insights into current and future health and mortality risks from digital data. Our mission is to transform insurance underwriting and other industries that need a faster, more accurate way to access individual health forecasts.” It is easy to understand why this type of technology is needed, with Qumata able to handle underwriting within three minutes, compared to the weeks traditional processes typically take.

Qumata was originally founded in 2017 as HealthyHealth, but it rebranded in June 2021, following the close of a \$10m Series A. With its new brand and support of its investors, MMC Ventures, AdirVentures, TMT Investments, among others, Qumata is pursuing its goal of being a market standard in underwriting. Its platform leverages digital data to calculate the risk of diagnosis for more than 800 conditions, as well as extra mortalities and morbidities. This helps applicants save time completing questionnaires or visiting doctors. This is one of the platform’s defining characteristics. Luca Schnettler added, “companies working to replace traditional underwriting through data-driven solutions currently do so only for a very limited set of products.” Instead, thanks to Qumata’s granular output, it can supply much more accurate results for various products, including life, medical, CI, TPD and more.

It is this granular output that really helps Qumata stand out from the crowd. Most competitors sell reflexive questionnaires to insurers. These can give reliable and accurate underwriting results, but they are burdensome on the consumers. By leveraging digital data, Qumata is streamlining the process and making it much easier for consumers.

What’s so special?

The InsurTech sector is booming. Since 2017, a total of \$26bn has been invested through 1,281 deals, according to data from FinTech Global. Competition is fierce and the market is showing no signs of slowing, with last year seeing a record \$7bn invested into the sector – the first six months of 2021 have already seen \$6.4bn invested.

With so much choice, how can an insurer pick the best solution to work with?

Luca Schnettler believes firms should work with Qumata due to the various use cases it can support. One of these is the ability to empower cross selling. Its technology can identify opportunities and can even pre-approve and offer an immediate price for new policies, thanks to its use of existing customer data. All of this lets customers bypass traditional underwriting processes.

Another one of the standout use cases is modernised agent sales journeys. “The traditional underwriting journey is cumbersome and lengthy and at odds with the streamlined, digital user experiences modern consumers have come to expect,” Schnettler said. “Qumata can help agents to simplify this process by allowing their potential customers to scan a QR code, share their data and be pre-approved for a suite of products on offer allowing agents to sell policies on the spot, without further underwriting. This can integrate with the agent’s software.”

A couple of the other use cases are enabling optimal partnerships and transforming online quotes into underwriting decisions. The former leverages technology to target customers through partners and pre-approve customers for policies without underwriting. The latter sees an insurer bolster conversion rates by letting a potential customer turn their quote into a policy.

Finally, the platform enables insurers to incorporate dynamic underwriting. Through this an insurer can recalculate the risk of a customer and adjust the policy’s price accordingly. This ability to accelerate underwriting is becoming more important for customers. A recent study from Deloitte claims prospects are 20% more likely to buy a life insurance policy if the underwriting and application process is closer to real-time.

Building the future of digital underwriting with major global insurers/reinsurers such as SCOR

Qumata’s recent Series A funding round shows it is on a strong growth trajectory. Funds are earmarked for global expansion efforts and supporting its presence



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across Europe, Asia Pacific and North America. It is not just equity that will support Qumata’s growth. The InsurTech company recently partnered with SCOR, the world’s fourth largest reinsurer, to build new products and solutions that leverage digital health data to improve underwriting decisions, even for consumers with complicated backgrounds.

The decision to work with Qumata was driven by similar ambitions of improving insurance experiences. SCOR Global Life Head of Innovation Gavin Maguire said, “At the heart of our mission is doing everything we can to reduce the global protection gap. Finding new ways to engage with customers, make it easier for them to go through the underwriting process and get cover is an essential part of this. Qumata’s innovative solution does just that. Qumata brings new data into the underwriting process to make the underwriting journey easier for applicants. Combining Qumata’s technology with SCOR’s risk expertise creates a go-to-market solution for our clients.”

It is becoming clearer to insurers that improving the customer experience will lead to better outcomes. A study from Bain and Company claimed that companies which excel at customer experience grow revenues between 4% and 8% above their market. There are countless stats highlighting the desire of customers for good experiences and the benefits firms can experience by offering them. This is one of the driving forces behind SCOR’s deal with Qumata. By leveraging the technology, SCOR hopes it will help reduce customer confusion, improve journey completion rates and ultimately get more people covered, whilst accurately scoring risk.

“Consumer expectations of what the product purchasing experience should be are ever rising,” Gavin Maguire said. “They want to engage with insurers in a way that suits them. Finding new and innovative and tailored customer journeys can only be achieved through digital innovation. Bringing in new data and advanced analytics into the process, in the manner Qumata does, is a must for insurers and reinsurers if we want to maintain relevance for our customers.”

Maguire concluded, “It is an exciting time for our industry and at SCOR we are delighted to be working with Qumata to realise these ambitions.” ●

The partnership between Qumata and SCOR

A mutually beneficial partnership between Qumata and SCOR has proven the robustness and reliability of new approaches to underwriting and demonstrates how existing industry leaders and up-and-coming insurtech companies can work together. While Qumata benefits from SCOR's expertise as an industry leader, SCOR can leverage on Qumata's innovative, tech-driven approach to underwriting life and health insurance.

SCOR, the world's fourth largest reinsurer, offers its clients a diversified and innovative range of solutions and services to control and manage risk. Applying "The Art & Science of Risk", SCOR uses its industry-recognized expertise and cutting-edge financial solutions to serve its clients and contribute to the welfare and resilience of society. As a leader in reinsurance, SCOR is an ideal new partner for Qumata. Their partnership could set a high standard for other similar partners within the Life & Health insurance and reinsurance ecosystem.

Part 1 -Validation

Qumata is committed to modernising the underwriting process by making it digital and replacing a traditionally paper-based process. To do this, Qumata's semi-supervised machine learning algorithm uses data about applicants' health habits to determine their insurability.

Qumata and SCOR were able to test the robustness of this solution by incentivising a cohort of individuals to go through both traditional underwriting and Qumata's underwriting journey. The goal was two-fold: firstly, to ensure that Qumata identifies the same high-risk individuals as traditional underwriting and, secondly, ensure that individuals rated as standard in the traditional underwriting journey were not being over-priced by Qumata.

Participants ranged in age from 18 to 65 and included healthy individuals, as well as those with existing health conditions and medical histories. This ensured that Qumata's approach to underwriting was effective with healthy applicants. The test demonstrated the quality and robustness of Qumata's digital underwriting solution.

Part 2 - Value add to insurers

The use of Qumata's solution allows insurers and reinsurers to implement faster, live, adaptable underwriting processes, considerably reducing the time underwriting process from as much as 51 days to only a few minutes.

SCOR's test of Qumata's digital underwriting system enables SCOR clients, i.e., the insurers, to launch digital underwriting much more quickly with the knowledge that SCOR will be comfortable to reinsure the risk. SCOR has demonstrated that by providing trust and resilience throughout their ecosystems and networks, reinsurers can deliver and sustain many aligned services such as those provided by Qumata.

The SCOR logo is displayed in a white box with a blue border. The logo itself consists of the word "SCOR" in a bold, teal, sans-serif font, with a stylized infinity symbol or loop integrated into the letter 'O'.

qumata

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