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IFZ INSURTECH
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Contents

Preface

The first edition of the IFZ InsurTech Report provides a comprehensive overview and analysis of active InsurTechs in Europe. It also includes a detailed assessment of the growing Swiss InsurTech landscape. The report is based on a database, which has been jointly compiled by HITS House of InsurTech Switzerland and the Institute of Financial Services Zug IFZ.

Across Europe, we identified a total of 497 InsurTechs that seek to enrich the insurance market with innovative products and services. In order to provide a structured overview, we classify each startup according to our proposed InsurTech grid, based on the part of the value chain they serve and the technology area they specialise in. The analysis of the 497 InsurTechs shows that regarding the value chain, 42 percent of the companies are allocated to *Infrastructure*, 30 percent to *Marketing & Distribution*, 15 percent to *Claims & Customer Service*, and 13 percent to *Product Development, Pricing & Underwriting*. Only one company, or 0.20 percent of the sample, was identified in the *Asset Management* value chain area. With regard to technology, the analysis underlines that most InsurTechs in Europe focus primarily on either *Process Digitisation/Automatisation/Robotics* or *Analytics/Artificial Intelligence*, which account for 63 and 30 percent, respectively. Four percent specialise in *Internet of Things* and three percent in *Distributed Ledger Technology*. To date, there is no startup applying concepts of *Quantum Computing*. It remains to be seen whether certain companies will shift their focus more towards this technology in the future.

Within Europe, the Swiss InsurTech hub appears to be of considerable importance. Out of 31 countries, Switzerland is home to the fourth most InsurTech companies. Looking at the number of companies in relation to the number of inhabitants, Switzerland is even the country with the third most InsurTechs per capita. A comparison with European InsurTechs reveals some differences, but also some similarities: While Swiss companies are proportionally more represented in the value chain category *Marketing & Distribution*, the relative number of companies in the category *Infrastructure* is lower than in Europe. In contrast, the Swiss InsurTech hub seems to show similar patterns in terms of growth in the number of incorporations per year and the customer segments they serve.

The report is structured as follows: Chapter 1 presents an overview of the methodological approach, including a definition of the term InsurTech as well as a proposed framework on how to classify InsurTechs. Chapter 2 gives a brief overview of the relevant literature, the data gathering process and finally, the analysis of European InsurTechs. An overview of the active InsurTechs in Switzerland is presented in Chapter 3. Finally, the main findings are summarised in Chapter 4.

We hope you find the report both interesting and informative and wish you a stimulating read.

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1. InsurTech Ecosystem

This chapter presents the necessary definitions and a methodological framework to enable a categorisation of InsurTech companies.

1.1. Definition of the Term InsurTech

In the report at hand, we define InsurTech as follows:

> InsurTech is defined as technological solutions for innovative products, services, and processes in the insurance industry, improving, complementing, and/or disrupting existing offerings. Hence, InsurTech companies are firms whose main activities, core competencies, and/or strategic focus lie in developing those solutions.

Thus, to qualify as an InsurTech, the respective company must offer insurance-oriented solutions. In addition, it requires a certain degree of innovation and, to be included in our database, the company must be registered in the commercial register either in the European Union, Switzerland, Liechtenstein, Great Britain, or Norway. As a final criterion, we only focus on companies with an active website that allows us to collect publicly available data from these companies. Note that keeping the above definition, certain companies from the FinTech, HealthTech, PropTech, LegalTech, etc. spaces are excluded as the strategic focuses of these companies is not on insurance.

1.2. Framework to Classify InsurTechs

While the definition made in Section 1.1 helps to identify in-scope companies, a structured approach to differentiate these companies needs to be taken in order to be able to make any statements at all about possible different clusters. For this purpose, we propose the framework presented in Figure 1.1. While the horizontal axis represents the value chain area, the vertical axis

is dedicated to the technology used by the InsurTech companies. Regarding the latter, the order from first to last implies the degree of innovation (in terms of maturity) of each technology.

With regard to the value chain area, companies are classified according to the specific part of the value chain to which their solutions contribute. Therefore, each company is assigned to one of the categories, i.e. *Marketing & Distribution*, *Product Development, Pricing & Underwriting*, *Claims & Customer Service*, *Asset Management*, or *Infrastructure*. More specifically, companies in the *Marketing & Distribution* category provide marketing solutions or distribution channels for insurance companies. The *Product Development, Pricing & Underwriting* category consists of InsurTechs offering products or services for insurance companies in either the development of products, pricing, or underwriting. Next, *Claims & Customer Service* includes companies that serve insurers with solutions for their claims management and to make their customer service more efficient. To be categorised under *Asset Management*, InsurTech companies must offer asset management solutions and/or asset-liability management solutions. We finally allocate all companies that either cannot be assigned to any other category or that offer solutions in at least two different categories of the defined value chain to the *Infrastructure* category.

The second area, i.e. technology, aims to classify the identified InsurTech companies according to their main technology used and consists of *Process Digitisation/Automatisation/Robotics*, *Analytics/Artificial Intelligence*, *Internet of Things*, *Distributed Ledger Technology*, and *Quantum Computing*. Since it is clearer to distinguish between the categories within the technology area as opposed to the value chain area, the categories are not explained further.

Finally, one should note that within both areas, the classification of companies is mutually exclusive, i.e. a com-
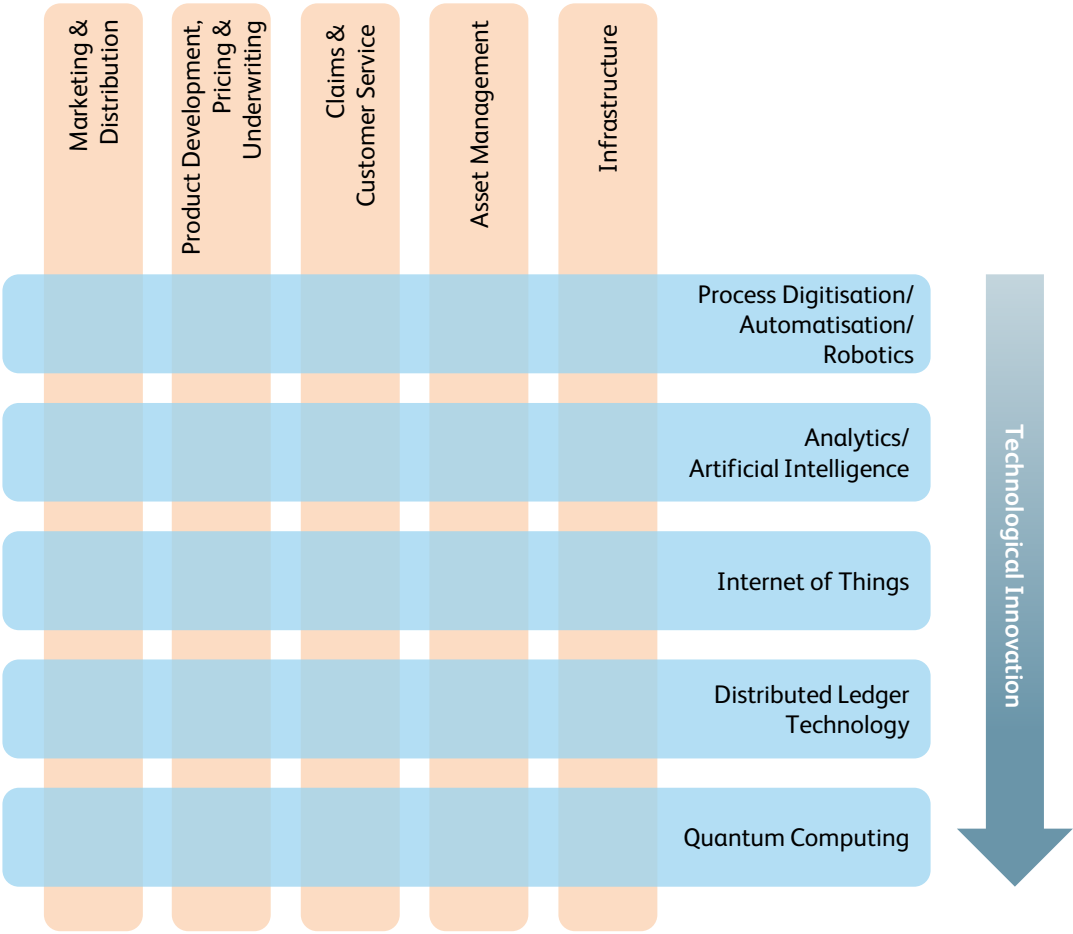
Figure 1.1: InsurTech Grid, value chain area & technology area

pany is assigned to only one value chain and one technology category.

2. European InsurTech Landscape

In recent years, several studies concentrating on the European InsurTech market have been published. According to Oliver Wyman & Policen Direkt (2019), a total of 134 InsurTechs are located in Germany. The authors distinguish between *providers of digital insurance products* (39 companies), *providers seeking to redefine the distribution of insurance products* (44 companies), and InsurTechs specialising in the *digitisation of operations* (51 companies). Overall, the report acknowledges that the market in Germany has evolved significantly in recent years, making it more mature. The study published by Capgemini Invent (2020), on the other hand, lists a total of 160 InsurTechs in Germany. These companies are divided into *Full Carriers* (14 companies), *Distributors* (64 companies), and *Enablers* (78 companies).

Regarding the InsurTech developments in France, Oliver Wyman & Policen Direkt (2018) lists a total of 131 InsurTechs in 2018. Again, the startups are divided into three different main segments, with the *Proposition* category totalling 16 companies, the *Distribution* category 55 companies, as well as the *Operations* category 60 companies.

An insight into the InsurTech market in the Nordic European countries, i.e. Sweden, Denmark, Norway, Finland, and Iceland, is provided by Gromek, Allert, and Broniarek (2019). A total of 72 InsurTechs were identified, of which 36 are based in Sweden, 13 in Denmark, twelve in Norway, nine in Finland, and two in Iceland. In contrast to the previous reports, this study divides the companies into eight different categories. Most InsurTechs (34 %) are allocated to the *Distribution* category, followed by *Risk Detection & Prevention* with 29 percent. The remaining companies are concentrate on *Personalisation, Consumer Communities (P2P), Underwriting and Reinsurance* (9 % each), *Claims Management and Processing* (6 %), and *Customer Engagement* with four percent. No companies were identified in the *On-Demand Insurance* category.

2.1. Data

In order to identify relevant InsurTechs, we draw on various sources such as databases (*Crunchbase & Dealroom.co*), newsletters, as well as studies published by several institutions. In addition, we conducted desk research via search engines to ensure that as many InsurTech companies as possible were identified. In the next step, the respective homepages and the legal name were collected.[1] In order to be consistent with the definition given in Chapter 1, it was additionally checked whether the company is registered in the respective national commercial register. Additionally, it is important to note that for this report only companies founded after 2009 were considered.

If both conditions mentioned above (i.e. active website & foundation after 2009) were met, the company was included in our sample. After inclusion, we mainly collected information from the respective company homepage, which allowed for a classification of the InsurTechs regarding their value chain and technology area (cf. Chapter 1). In addition to this categorisation, and in order to provide further insights for stakeholders of InsurTechs (e.g. insurance companies, customers, investors, etc.), an assessment of the line of business and the main customer segment addressed by the in-scope InsurTechs is provided. Within the line of business, we differentiate between Property & Casualty, Life & Health, and Reinsurance. However, these categories are not mutually exclusive, as InsurTechs may focus on a combination of the different business lines (e.g., Property & Casualty as well as Life & Health or Reinsurance). Regarding the customer segment, an InsurTech can either serve customers in the domestic market or focus on selling its solution in a cross-border context (internationally)[2]. Furthermore, we distinguish be-

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[1]Note that whenever a company has no active homepage, it is excluded from the analysis.
[2]Note that if an InsurTech company serves customers internationally, it can also serve the domestic market.

tween the B2B customer segment, the B2C segment, and a combination of both.

2.2. Overview of European InsurTechs

The subsequent analysis of the identified InsurTechs is based on the methodology presented in Chapter 1 and the collected data as described in Section 2.1. The relevant companies within the DACH-region are visible on the *InsurTech Map*, initiated by *HITS*, *F10*, and *Kickstart*.[3] In addition, a detailed analysis regarding the Swiss InsurTech market is provided in Chapter 3.

The classification of European InsurTechs according to the InsurTech Grid is shown in Figure 2.1.[4] As of May 2021, we have identified a total of 497 InsurTechs in

31 in-scope countries. Analysing the distribution of companies in terms of the value chain area, we notice that with 207 companies (42 %) out of 497 InsurTechs, most are assigned to the *Infrastructure* category. A second large group of 148 companies (30 %) can be observed within the *Marketing & Distribution* category. The categories *Product Development, Pricing & Underwriting* and *Claims & Customer Service*, on the other hand, appear to attract relatively equal numbers of companies, i.e. 74 (15 %) and 65 (13 %). Within the *Asset Management* category, we only identified one company (0.20 %). One possible explanation for such a low number could be the fact that insurance companies rely on asset management solutions provided mainly by banks. However, it could also be that certain FinTech companies offer their services to insurance companies, but not as their main strategic focus.

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[3] Since the InsurTech Map is updated periodically, the number of companies may differ from the number listed in our report.
[4] Since no European InsurTech currently applies concepts of *Quantum Computing*, this category is excluded from further analyses.

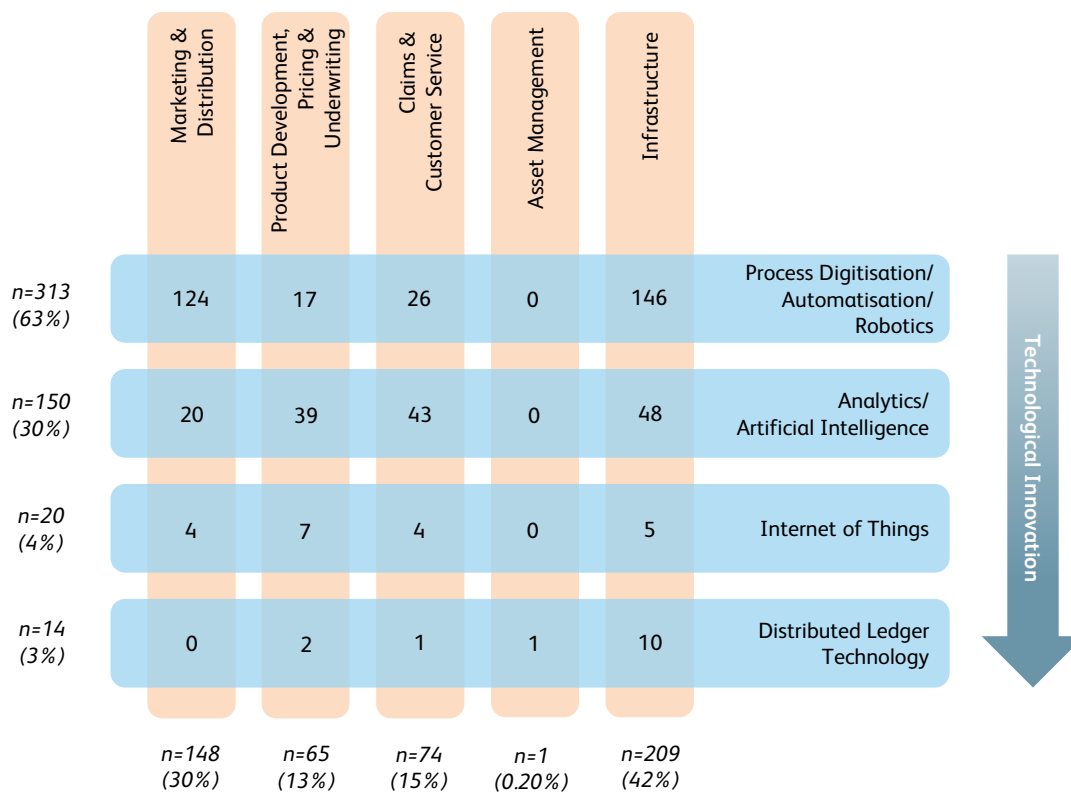|	Marketing & Distribution	Product Development, Pricing & Underwriting	Claims & Customer Service	Asset Management	Infrastructure	
n=313 (63%)	124	17	26	0	146	Process Digitisation/ Automatisation/ Robotics
n=150 (30%)	20	39	43	0	48	Analytics/ Artificial Intelligence
n=20 (4%)	4	7	4	0	5	Internet of Things
n=14 (3%)	0	2	1	1	10	Distributed Ledger Technology
	n=148 (30%)	n=65 (13%)	n=74 (15%)	n=1 (0.20%)	n=209 (42%)	

Technological Innovation

Figure 2.1: Distribution of European InsurTechs according to the InsurTech Grid (n=497)

If we turn to the technologies used by European InsurTechs, we notice that 313 companies (63 %) draw on *Process Digitisation/Automatisation/Robotics*. The next largest category is represented by *Analytics/Artificial Intelligence* with 150 companies (30 %). While these two categories contain a fairly significant number of InsurTechs, the other two categories, *Internet of Things* and *Distributed Ledger Technology*, are significantly less represented. That is, only 20 companies (4 %) focus on the former and 14 companies (3 %) focus on the latter.

If we analyse the InsurTech Grid presented in Figure 2.1 in more detail, i.e. with regard to the intersection between the value chain and the technology area, two combinations stand out. First, 146 companies are assigned to a combination of *Infrastructure* and *Process Digitisation/Automatisation/Robotics*. Examples include InsurTechs that offer their own insurance products and thus serve the entire value chain or companies that build white-label solutions for incumbent insurers. A second large group of 124 companies is found in the combination of the categories *Marketing & Distribution* and *Process Digitisation/Automatisation/Robotics*. This intersection includes companies that offer software solutions for insurance brokers and apps for private customers that enable them to easily switch their

insurance coverage between different providers. Looking at the combinations of categories with a small number of companies, most of them concentrate on *Distributed Ledger Technology*. That is, of the 497 companies in the sample, only two apply this technology to innovate *Product Development, Pricing & Underwriting*. Finally, there are two combinations of categories in which only one company is active in each, i.e. the intersection of *Claims & Customer Service* and *Distributed Ledger Technology* as well as *Asset Management* and *Distributed Ledger Technology*. For four combinations we could not identify any companies at all.

Figure 2.2 shows the number of European InsurTech startups per year.[5] From 2010 to 2017, the number of startups grew steadily, with a peak of 100 new startups founded in 2017. Within this period, the largest increase in startups was recorded in 2015, with a growth rate of 103 percent. After 2017, the number of startups declined each year, and only 15 startups were identified for 2020. However, interpreting this negative growth rate in recent years could be misleading, as there are several factors that affect the number of startup foundations. One crucial factor, for instance, could be the visibility of new companies when the data is collected. According to Capgemini Invent (2020), there could be

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[5] The years of foundation are taken from the commercial register.
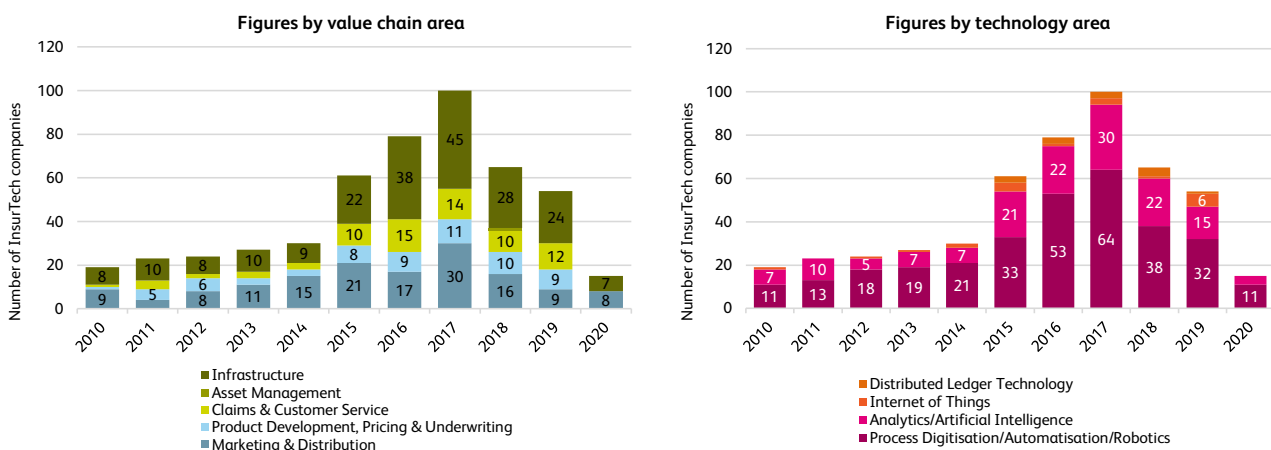

Figure 2.2: Number of European InsurTech incorporations per year by value chain (left graph) and technology area (right graph) (n=497)

a large number of companies that started operations recently, but operate in stealth mode for certain years.[6]

The left graph in Figure 2.2 shows the number of InsurTech startup foundations per year with regard to the value chain area. It can be seen that the figures are in line with the distribution of the various categories. That is, *Infrastructure* and *Marketing & Distribution* account for the largest share per year (in most cases). Analysing the number of startups in terms of technology used (right graph in Figure 2.2), we see that while the more established technologies, i.e. *Process Digitisation/Automatisation/Robotics* and *Analytics/Artificial Intelligence*, still clearly dominate in each year of the sample period. However, the number of companies focusing on less mature technologies ap-

pears to have increased in recent years. With respect to the *Internet of Things* category, most startups occurred in 2015 and 2019, with four and six companies, respectively. Companies applying concepts of *Distributed Ledger Technology*, on the other hand, first appeared in 2015 and peaked in 2018 with four startups.

Figure 2.3 gives an overview of the density per country of InsurTechs.[7] It appears that within Europe, the UK is the largest InsurTech hub. In addition, Germany, France, and Switzerland also appear to have more founded InsurTechs compared to the other inscope countries.

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[6]This phenomenon is also observed in FinTech companies. For more information, please see IFZ FinTech Study (2021).

[7]The decisive factor for the country of a company was the location of its headquarters.
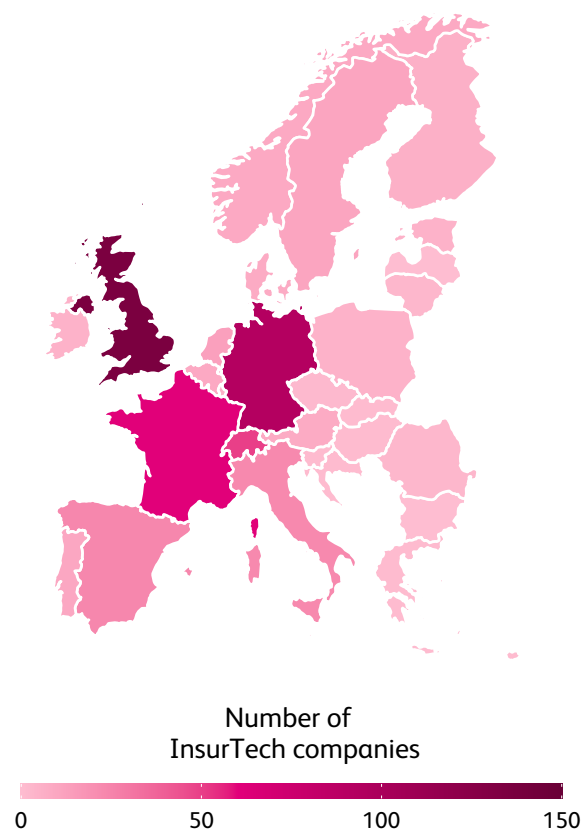

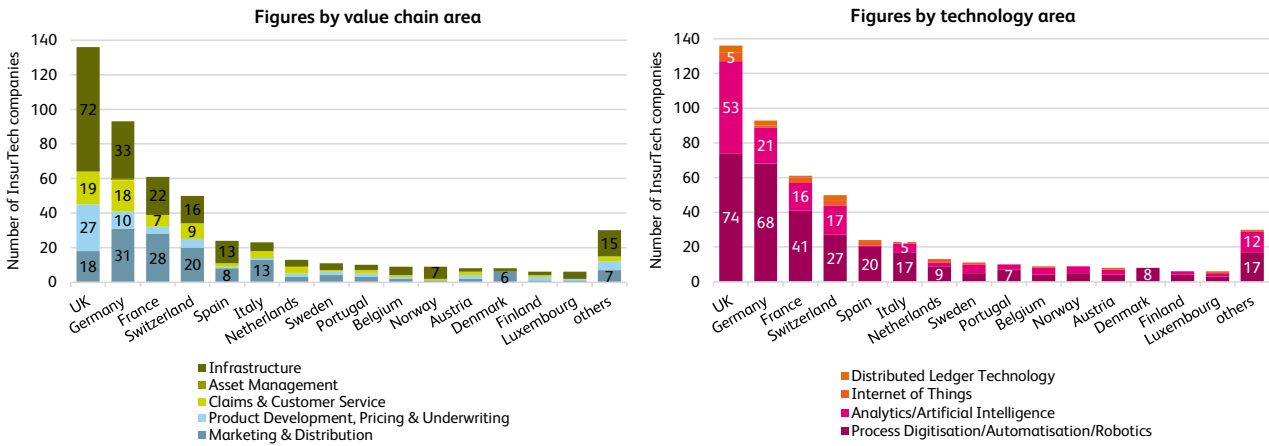Figure 2.3: Heatmap of European InsurTechs (n=497)

Figure 2.4: Number of European InsurTechs by country of headquarters and value chain (left graph) and by country of headquarters and technology area (right graph) (n=497)

A more detailed breakdown in terms of the country of the InsurTechs in our sample is shown in Figure 2.4. The United Kingdom accounts for the largest share of the sample with 136 companies (27 %), followed by 93 companies (19 %) in Germany, and 61 companies (12 %) in France. With 50 companies (10 %), Switzerland appears to be the fourth largest InsurTech hub in Europe. The top four countries are followed by Spain with 24 companies (5 %), Italy with 23 companies (5 %), the Netherlands with 13 companies (3 %), Sweden with eleven companies (2 %), and Portugal with ten companies (2 %). The remaining in-scope countries each have fewer than ten InsurTechs.

The left graph of Figure 2.4 shows the relationship between country and value chain area. While the *Infrastructure* category is disproportionately represented in the UK and Norway, the reverse is true in Italy and Norway. In these countries, more than half of the companies are active in *Marketing & Distribution*. Running an analysis in terms of the combination of country of headquarters and technology area (right graph in Figure 2.4), the distribution of most countries seems to match the distribution of the sample. However, companies headquartered in Denmark seem to rely heavily on concepts from *Process Digitisation/Automatisation/Robotics*, with no company using other technological approaches.

If we put the number of InsurTechs in relation to the number of inhabitants per country (per one million), additional insights emerge (see Figure 2.5). Using relative metrics, small countries now outpace larger countries such as the UK and Germany. With 26.3 companies per million inhabitants Liechtenstein now leads the way, followed by Luxembourg with 10.2, Switzerland with 5.9, and Estonia with 3.8. The United Kingdom, former leader, now follows in fifth place with 2.1. Germany, home to second most InsurTechs in Europe in absolute terms, ranks ninth with 1.1 InsurTechs per million inhabitants.
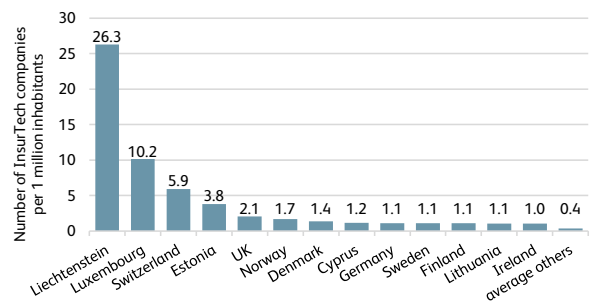

Figure 2.5: Number of European InsurTechs per one million inhabitants

A breakdown of the line of business addressed by In-surTechs can be found in Figure 2.6.[8] While nearly half (48 %) of the companies in our sample provide solu-tions for property & casualty, only twelve percent fo-cus exclusively on life & health. A second large group (34 %) of companies can be identified in the combina-tion of life & health and property & casualty. Of the 497 InsurTechs in the sample, only one company (0.20 %) offers solutions exclusively for reinsurance. However, a total of four percent deal with reinsurance alongside other lines of business.

Looking at the value chain area in combination with the line of business (left graph in Figure 2.6, two ob-servations stand out. First, the proportion of com-panies operating in the *Marketing & Distribution* cat-egory appears to be more likely to offer their prod-ucts and services toward a combination of property & casualty and life & health than exclusively property & casualty. Second, the percentage of companies in the *Infrastructure* category that focus exclusively on property & casualty insurance is nearly double the per-centage of companies in *Infrastructure* that focus on combining property & casualty and life & health. The right graph of Figure 2.6 shows the combination of the technology area and line of business. It is noticeable

that the proportion of companies using *Process Digi-tisation/Automatisation/Robotics* and focusing on life & health appears to be disproportionately large com-pared to the other technology areas.

A final descriptive analysis concentrates on the cus-tomers targeted by European InsurTechs. Figure 2.7 illustrates that more than two-thirds of InsurTechs fo-cus either on business customers in an international context (40 %) or on national retail customers (29 %). The third most frequently served segment is national business customers (13 %). A total of seven percent of InsurTechs serve private individuals in an interna-tional context. Finally, six percent of our sample com-panies focus on a combination of domestic private and business customers and five percent focus on the same combination but in a cross-border context. Analysing the chart in terms of a domestic or international per-spective, no major differences are apparent. While 53 percent of in-scope companies distribute their products and services internationally, 47 percent focus on de-livering their solutions within their domestic market. When differentiating between B2B and B2C, a major-ity of InsurTechs serve business customers exclusively (53 %). In contrast, 36 percent focus on consumers. A combination of both customer segments is targeted by eleven percent of the 497 InsurTechs.

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[8] The abbreviations in Figure 2.6 are as follows: *L & H = Life & Health*; *P & C = Property & Casualty*; *R = Reinsurance*.
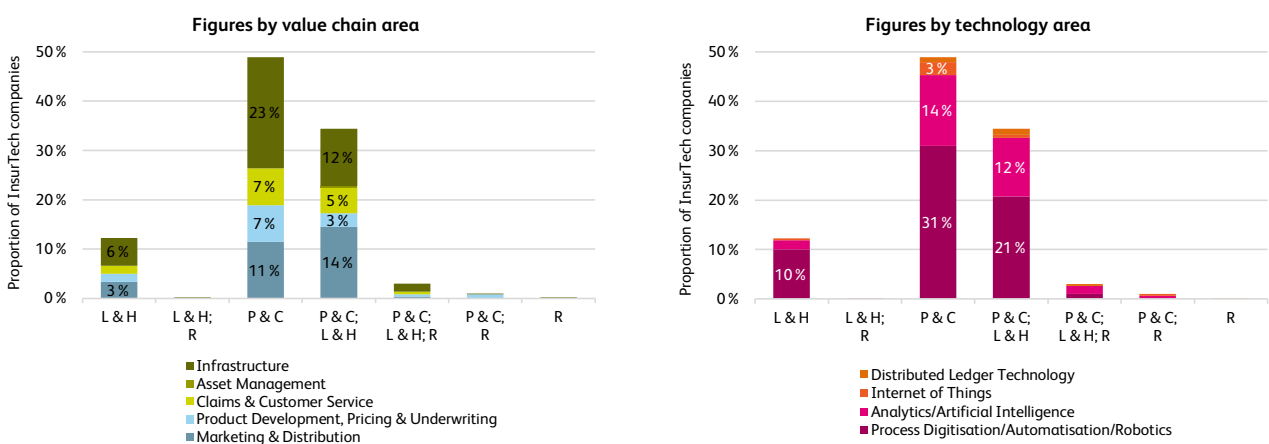

Figure 2.6: Proportion of European InsurTech companies by line of business and value chain (left graph) and by line of business and technology area (right graph) (n=497)
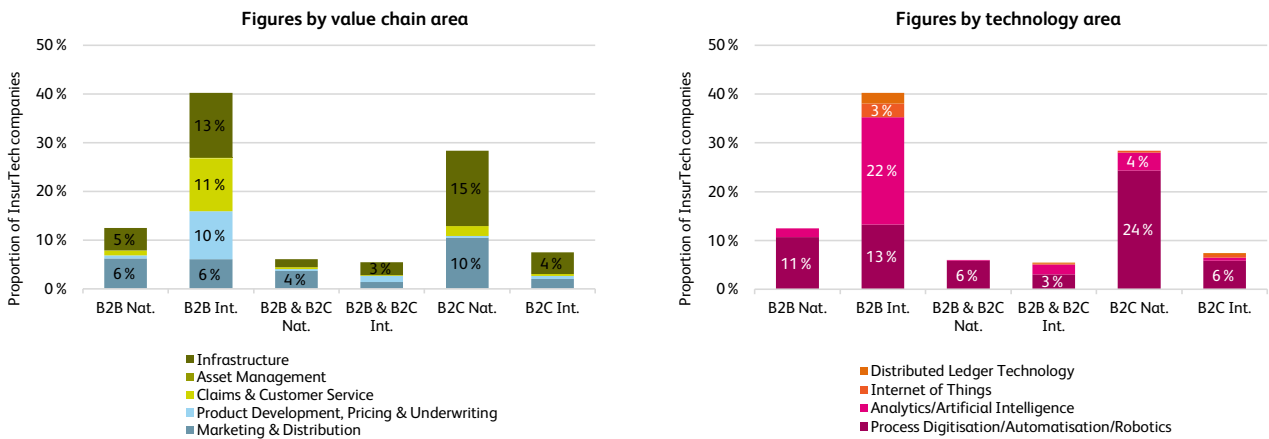
Figure 2.7: Proportion of European InsurTech companies by customer segments and value chain (left graph) and by customer segments and technology (right graph) (n=497)

One obtains further insights by analysing the customer segment with respect to the value chain areas (left graph in Figure 2.7). It can be seen that within the two categories *Marketing & Distribution* and *Infrastructure*, the distribution between consumers and business customers is (roughly) equal. While companies in the *Marketing & Distribution* category concentrate on the different segments with twelve percent each, 19 percent of the companies assigned to the *Infrastructure* category serve consumers and 18 percent business customers.[9] In addition to these two categories, companies in the other categories primarily serve business customers. A combination of the technology used by InsurTechs and the customer segment they target is shown in the right graph of Figure 2.7. With regard to companies using *Process Digitisation/Automatisation/Robotics*, no major differences can be seen. While 24 percent of the companies target business customers exclusively, 30 percent focus on consumers. In contrast, companies applying concepts of *Analytics/Artificial Intelligence*, *Internet of Things*, or *Distributed Ledger Technology* focus primarily on business customers.

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[9]Examples of such InsurTechs that serve consumers include companies that themselves offer insurance products directly to customers or companies that operate at the interface between the two stakeholder groups.

3. Swiss InsurTech Landscape

In Switzerland, the financial sector is one of the main contributors to gross domestic product (GDP). In 2019, the sector generated a total value of around CHF 70 billion, which corresponds to approximately ten percent of Swiss GDP. Dividing the sector further into insurance and financial services, insurance contributed 4.6 percent, while financial services accounted for 5.4 percent. While the importance of financial services decreased from 1997 to 2019 by 1.79 percentage points, the share of the insurance sector increased from 4.0 percent to 4.6 percent in 2019, fluctuating between 3.5 and 4.7 percent during this period (Federal Statistical Office, 2020). In addition to other factors such as legal certainty, low tax burden, and access to human capital, the relative importance and stability of the insurance

market could be another key factor driving a relative high number of InsurTechs to locate in Switzerland (see Figure 2.4). Due to the importance of the InsurTech hub in Switzerland, we further analyse all Swiss-based companies in our sample, including a comparison with the European market (see Chapter 2).

As of May 2021, 50 InsurTechs in Switzerland meet the criteria defined in Chapter 1. Figure 3.1 illustrates a breakdown of the companies into the InsurTech Grid, i.e. the respective value chain focus and technology used.[1] An analysis of the companies according to the

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[1] The categories *Asset Management* and *Quantum Computing* are irrelevant in the Swiss InsurTech sector, and thus, have been excluded from further analyses.
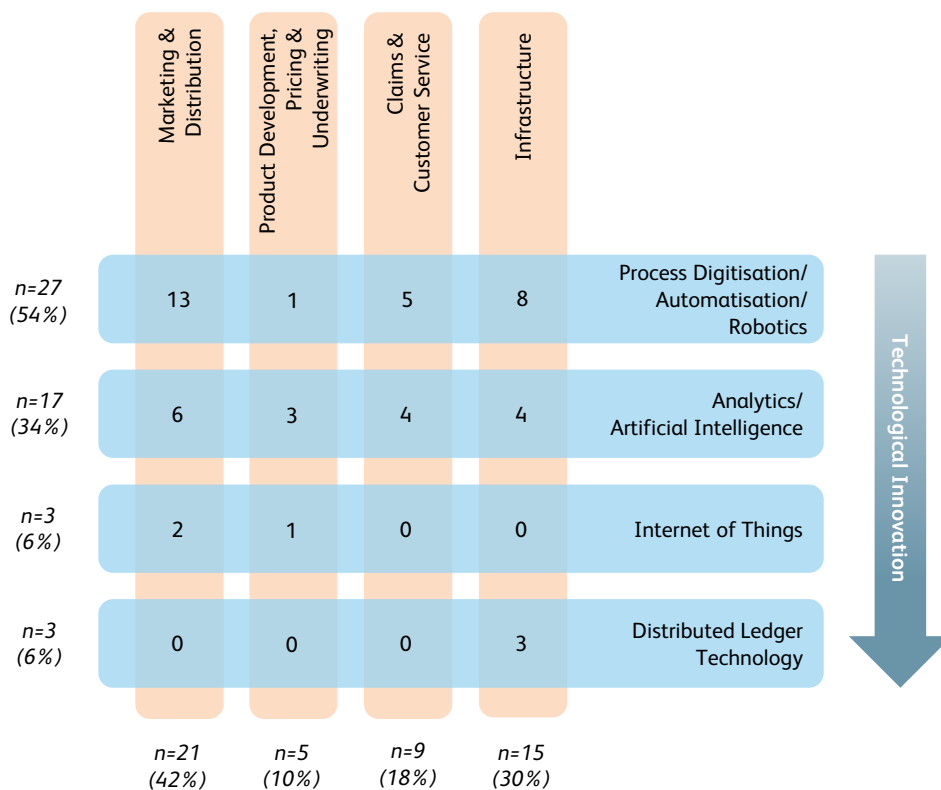

Figure 3.1: Distribution of Swiss InsurTechs according to the InsurTech Grid (n=50)

value chain area underlines that with 42 percent (21 companies) most of the InsurTechs are active in offering solutions for *Marketing & Distribution*. A second large group with 30 percent (15 companies), on the other hand, are assigned to *Infrastructure*. The remaining 14 companies are split between the categories *Claims & Customer Service* (18 %; nine companies) and *Product Development, Pricing & Underwriting* (10 %; five companies).

In terms of the technology mainly used by Swiss InsurTechs, more than half of the companies rely on *Process Digitisation/Automatisation/Robotics* (54 %; 27 companies). While concepts of *Analytics/Artificial Intelligence* are used by about one-third (17 companies) of the InsurTechs, the relative share of *Internet of Things* and *Distributed Ledger Technology* is six percent (three companies each). Comparing these metrics to the European InsurTech landscape, companies in the *Infrastructure* category are underrepresented, while companies in the *Marketing & Distribution* category are overrepresented. In terms of technology, less mature concepts such as *Internet of Things* and *Distributed Ledger* are more frequently used by Swiss companies. However, since the sample for Swiss InsurTechs is quite small, interpretations of such comparisons must be made with caution.

Figure 3.2 provides an overview of InsurTech startups in Switzerland from 2010 onwards. Generally, the distribution appears to be similar to the distribution of European InsurTech startups (see Figure 2.2). However, in Switzerland, the number of startups peaked one year later, i.e. in 2018 (ten companies). From 2011 to 2015, startups fluctuated between one and four companies. After a sharp increase in 2016 and a steady number of startups in 2017 and 2018, the number of startups slowed in 2019 and 2020. This decline may be due in part to younger companies operating in stealth mode. Accordingly, the decline can also be observed for the European InsurTech market (see Figure 2.2).

The overall distribution of Swiss InsurTechs is illustrated in Figure 3.3. Of the 26 cantons in Switzerland, only seven are home to InsurTechs. With 33 companies (66 %) the canton of Zurich is home to most firms, followed by Zug with nine companies (18 %). In addition to these two cantons, some of the Swiss InsurTechs are also located in Basel-City (three companies), Geneva (two companies), Aargau, Lucerne, and Solothurn (one company each). The high share of the cantons Zurich and Zug can also be observed among Swiss FinTech companies (IFZ FinTech Study, 2021) and can be partly explained by the well-developed financial sector of both cantons and their central location within Switzerland.
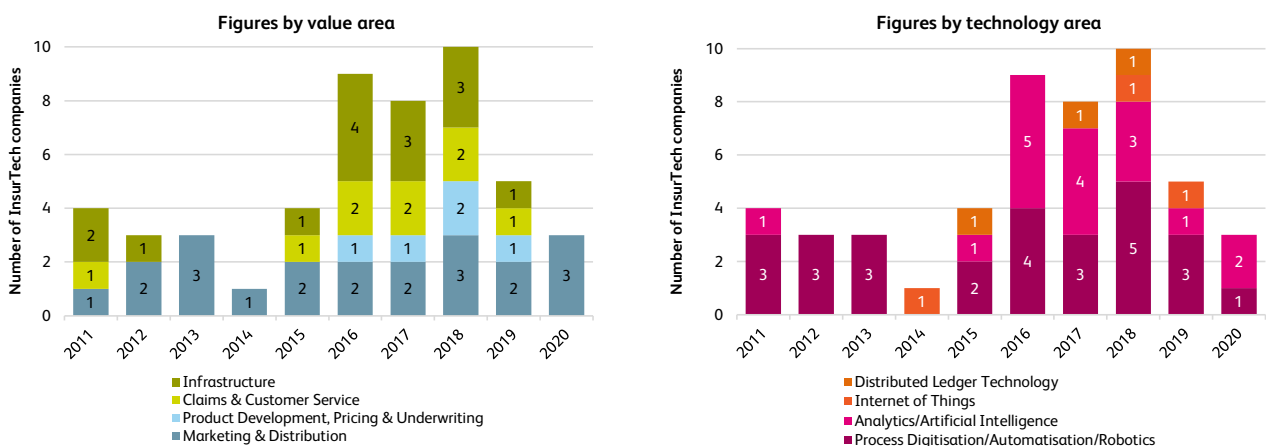
Figure 3.2: Number of Swiss InsurTech incorporations per year by value chain (left graph) and technology area (right graph) (n=50)
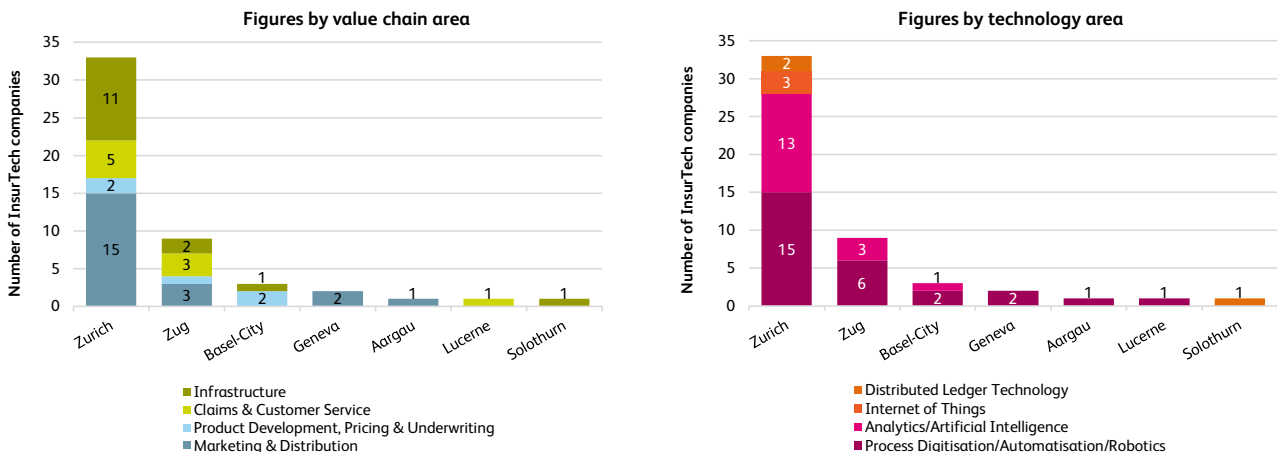
Figure 3.3: Number of Swiss InsurTech companies by canton and value chain (left graph) and by canton and technology area (right graph) (n=50)

Furthermore, the canton of Zurich is home to two of Switzerland's best-known universities, i.e. *ETH Zurich* and the *University of Zurich*, which could be helpful for companies to accelerate innovation and attract a well-educated workforce.

Figure 3.4 illustrates the line of business addressed by Swiss InsurTech companies in combination with the respective value chain and technology.[2]   Most compa-

nies seem to focus on a combination of property & casualty and life & health (42 % each). However, a second large group, including 40 percent of the companies, is developing products or services exclusively for property & casualty insurance. On the other hand, only twelve percent concentrate exclusively on life & health insurance. The remaining six percent are distributed

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[2]The abbreviations in Figure 3.4 are as follows: *L & H = Life & Health*; *P & C = Property & Casualty*; and *R = Reinsurance*.
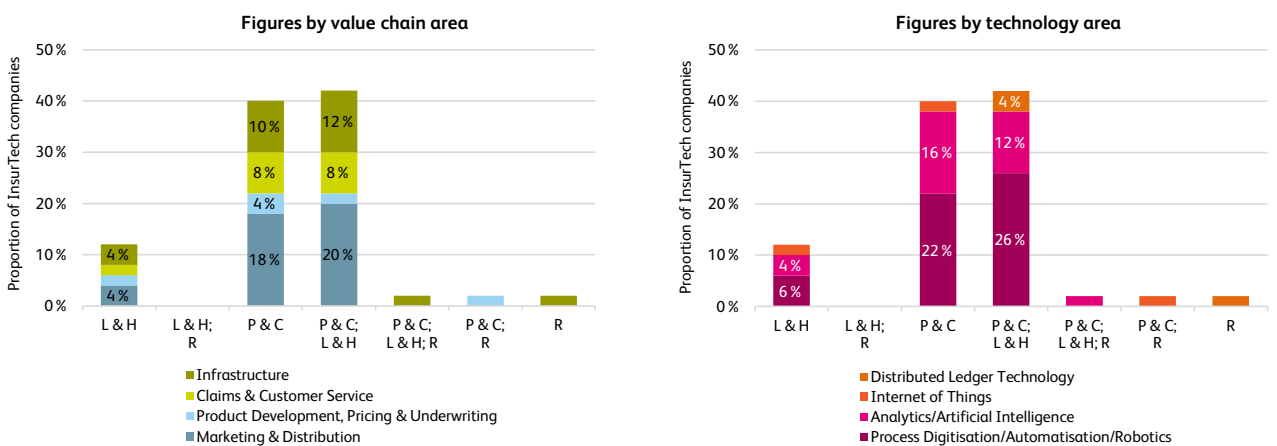

Figure 3.4: Proportion of Swiss InsurTechs by business line, and by value chain (left graph) and technology area (right graph) (n=50)
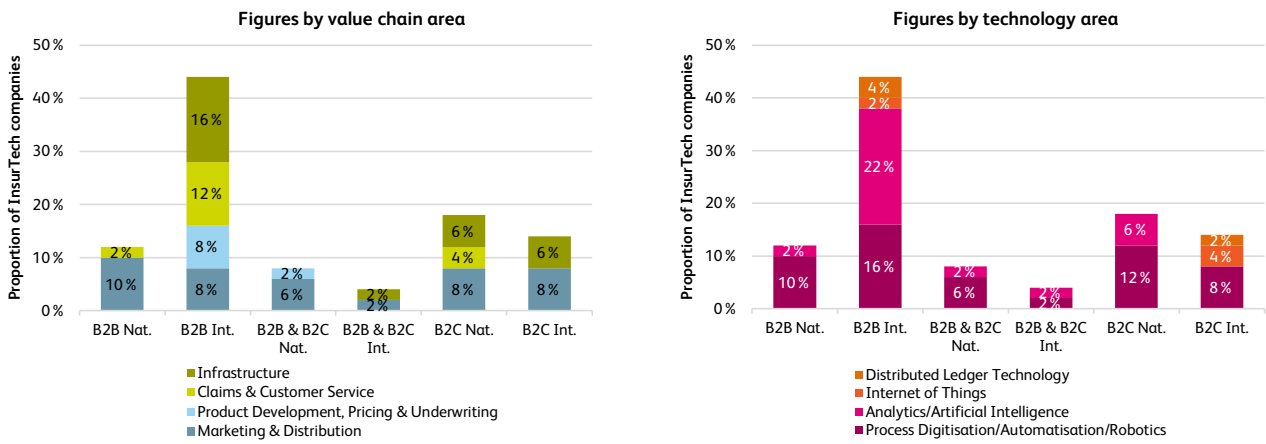
Figure 3.5: Proportion of Swiss InsurTechs by customer segments and value chain (left graph) and by customer segments and technology area (right graph) (right-hand graph) (n=50)

evenly among the other lines of business. Comparing Swiss and European InsurTechs, some differences stand out with regard to the property & casualty line of business as well as the combination of property & casualty and life & health. That is, Swiss InsurTechs seem to focus more often on the above-mentioned combination, while European InsurTechs tend to specialise exclusively on property & casualty insurance solutions.

Analysing Swiss InsurTechs by the customer segment they focus on (see Figure 3.5), the large number of companies (42 %) serving business customers in an international context is striking. In general, 38 percent focus on customers in Switzerland, while 62 percent address customers in a cross-border context. This contrasts with the results of European InsurTechs (see Chapter 2). More precisely, it appears that Swiss companies are more focused on international customers than European companies. Out of the 50 Swiss companies in the sample, 56 percent exclusively serve corporate customers and 32 percent exclusively serve consumers. The remaining twelve percent focus on both business and retail customers. These metrics are almost identical to the observed metrics of European InsurTechs.

4. Conclusion & Outlook

The IFZ InsurTech Report provides insights into active companies in the European InsurTech market and summarises them in the following findings and statements:

The United Kingdom is the leading InsurTech hub in Europe. Among the 31 countries in our sample, the UK is home to 136 companies (share of 27 %). The UK is followed by Germany (91 companies) and France (61).

From a relative perspective, InsurTech is overrepresented in smaller countries. Countries with a low population tend to have more InsurTechs per capita than countries with a high population. Most InsurTechs per capita are found in Liechtenstein, followed by Luxembourg and Switzerland.

InsurTechs concentrating on *Asset Management* are almost non-existent. Of the 497 identified companies, only one focuses on *Asset Management*. Instead, most companies are classified as *Infrastructure* (209) and *Marketing & Distribution* (148).

Most InsurTechs in Europe apply concepts of more mature technologies. Almost two-thirds of the identified companies resort to *Process Digitisation/Automatisation/Robotics* as their main technology. Furthermore, 30 percent rely on *Analytics/Artificial Intelligence*. In conclusion, only seven percent are focusing on either *Internet of Things* (4 %) or *Distributed Ledger Technology* (3 %). Although these two technologies are not strongly represented, it remains to be seen whether more InsurTechs will adopt such technologies in the future.

The number of startups increased steadily from 2010 until 2017. During this period, the number of startups increased from 19 to 100, with the largest growth rate of more than 100 percent in 2015. After 2017, the number of startups declined each year. Time will tell if this is a continuing trend or if it is due to the low visibility of newly founded companies.

The Swiss InsurTech hub seems to be promising. Compared to other countries, Switzerland has quite a strong InsurTech market. While Switzerland is home to the fourth most companies (50) in Europe in absolute terms, the country ranks third in terms of the number of InsurTechs per capita.

Zurich is home to most InsurTechs in Switzerland. Of the 26 cantons in Switzerland, only seven are home to InsurTechs. While Zurich is far ahead with 33 companies, Zug with nine and Basel-City with three follow in second and third place. The other cantons that are home to InsurTechs are Geneva, Aargau, Lucerne, and Solothurn.

The InsurTech market in Switzerland is similar to the market in Europe and yet different. A comparison shows major differences in the proportion of companies assigned to the two value chain categories *Infrastructure* and *Marketing & Distribution*. Swiss companies seem to be relatively more focused on *Marketing & Distribution*. However, the development of the number of startups as well as the customer segments served by the Swiss InsurTechs is somewhat similar to that of European InsurTechs.

Comparing different InsurTech studies should be made with caution. Since there is no universally accepted definition of InsurTech, a comparison between different studies results is quite difficult.

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