



SCOR Ventures

Dana Cullen and Will Thorne
May 2023

Agenda

1 SCOR Ventures Overview

2 Insurtech Market Update

Who we are



Will Thorne

Kendall Crocker

Will Bird

Randy Liu

Dana Cullen

Meghan Loose

George Lawson

| | | | | | | |
|---|--|---|----------------------------------|---|---|--|
| Head of SCOR Ventures | Deputy Head SCOR Ventures | Principal | Head of Ventures APAC | Senior Associate | Associate | Analyst |
| London | New York | Chicago | Singapore | London | Charlotte | London |
| Specialty insurance underwriting background | Operating, corporate innovation and management consulting background | Insurance strategy and venture capital background | Pricing and modelling background | Actuarial, innovation, and public health background | Strategy consulting and accounting background | Legal and investment platform background |
| at SCOR since 2012 | 2021 | 2019 | 2016 | 2014 | 2021 | 2023 |

Our investment theses reflect SCOR’s priorities and dictate our appetite

Thesis 1: Insurers of the Future










We invest and partner in **tech-driven underwriting companies (MGAs, carriers) and distributors** that offer multiple points of digital and business model differentiation. We provide direct access to SCOR expertise and our global network to help portfolio companies scale and/or access (re)insurance capacity.










Thesis 2: Innovative Technology

We invest and partner in **software solutions that benefit SCOR and/or our clients**. We provide a broad understanding of the interests and pain points of insurers across the world, and the potential to connect companies with insurers through SCOR’s client services initiatives.

Thesis 3: Healthier Lives

We invest at the intersection of health and technology and partner with **companies that help people live healthier lives**, deliver in-force or claims outcome improvements, develop new business or add to SCOR’s Knowledge capabilities, and assist our clients to transform their offerings.

| | | |
|---|---|---|
|  Climate Risk |  Cyber |  Embedded Insurance |
|  Energy Transition |  Industry 4.0 / Industrial IoT |  Niche Specialty Lines |
|  SME |  L&H MGAs, Carriers, Distributors |  Pet |

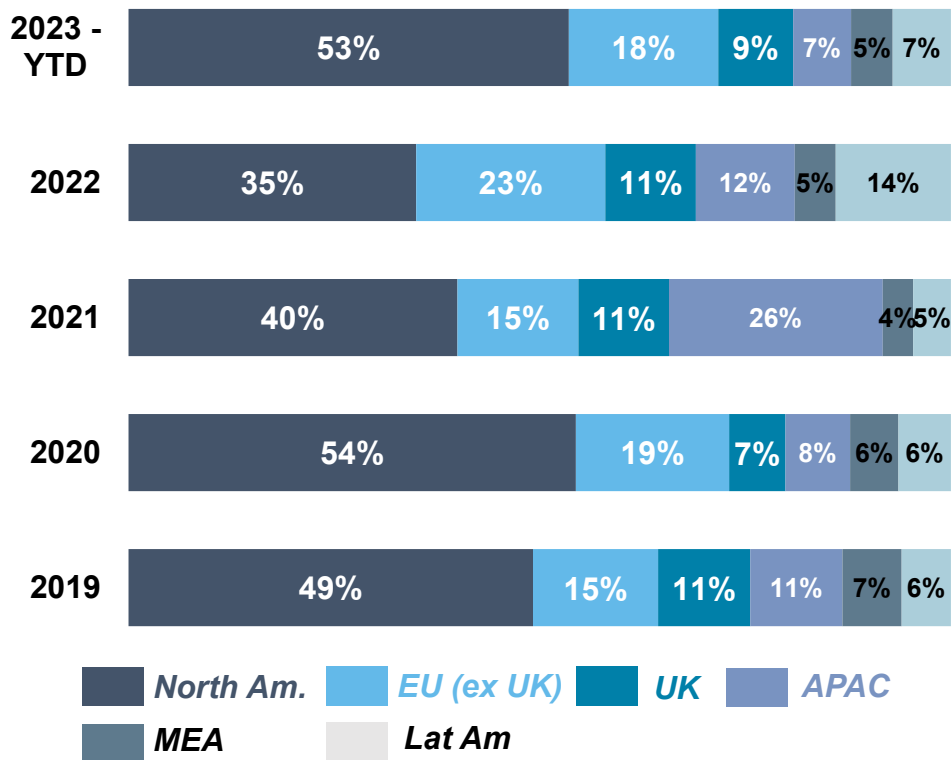
| | | |
|---|---|---|
|  Underwriting & Pricing |  Data and Infrastructure |  Claims |
|  Risk Mitigation & Control |  Climate & ESG |  Industrial IoT |
|  Payments / Back Office Tech |  Distributed Infrastructure |  Cyber Security |

| | | |
|--|---|--|
|  MedTech |  Wellness (Physical and Mental) |  Wearables |
|  Early Detection & Diagnostics Tech |  Chronic Illness |  FemTech / Women’s Health |
|  AgeTech / “Aging in Place” |  Prevention Tech |  TeleHealth |

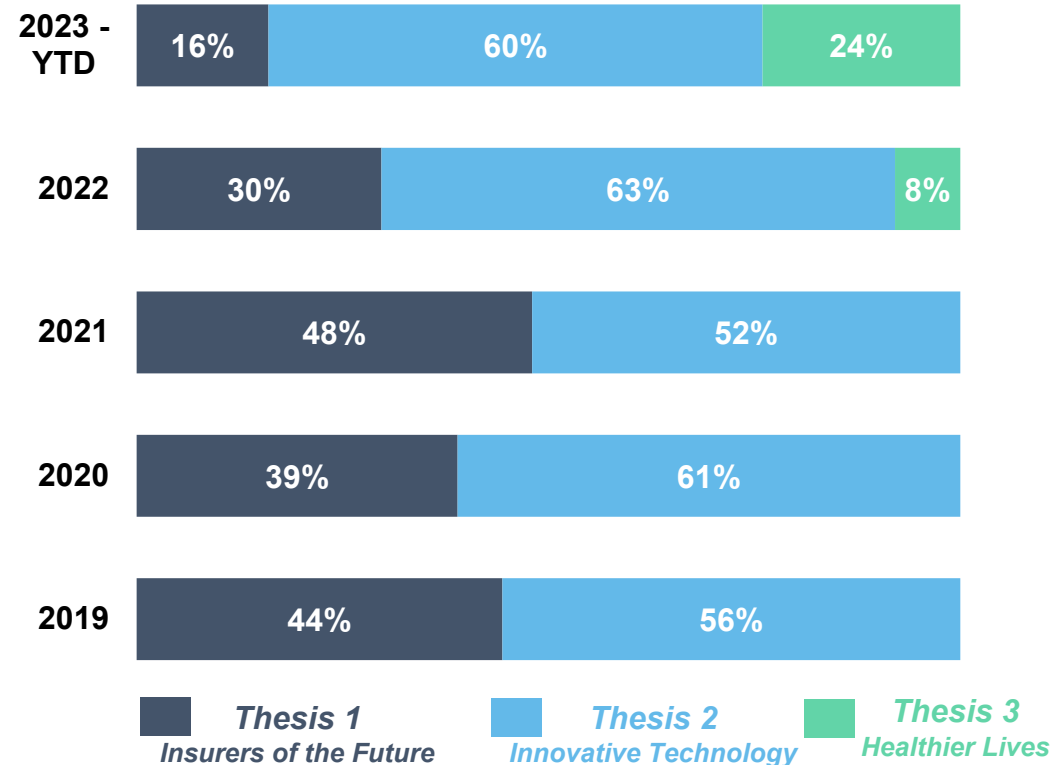
Ventures has evaluated >2,500 companies; we know what “good” looks like



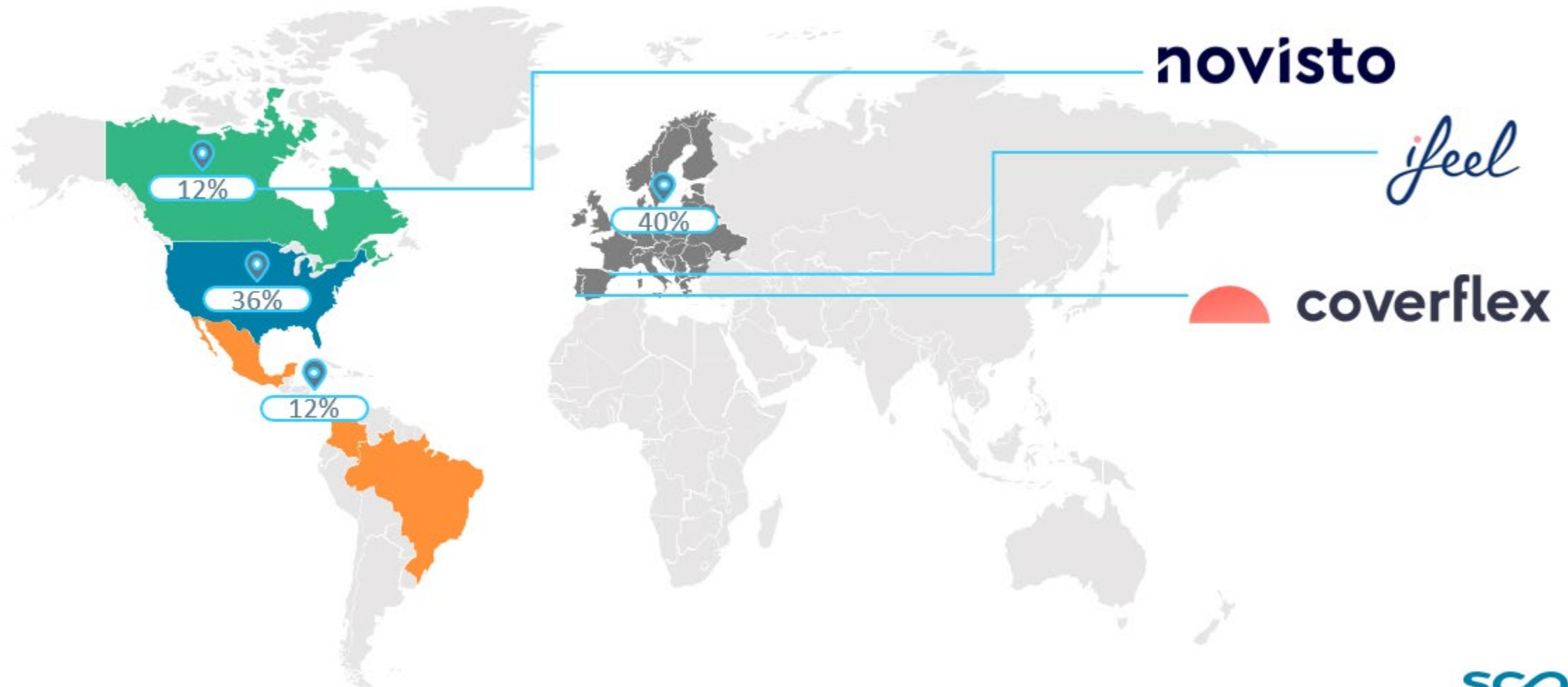
Dealflow by Geography



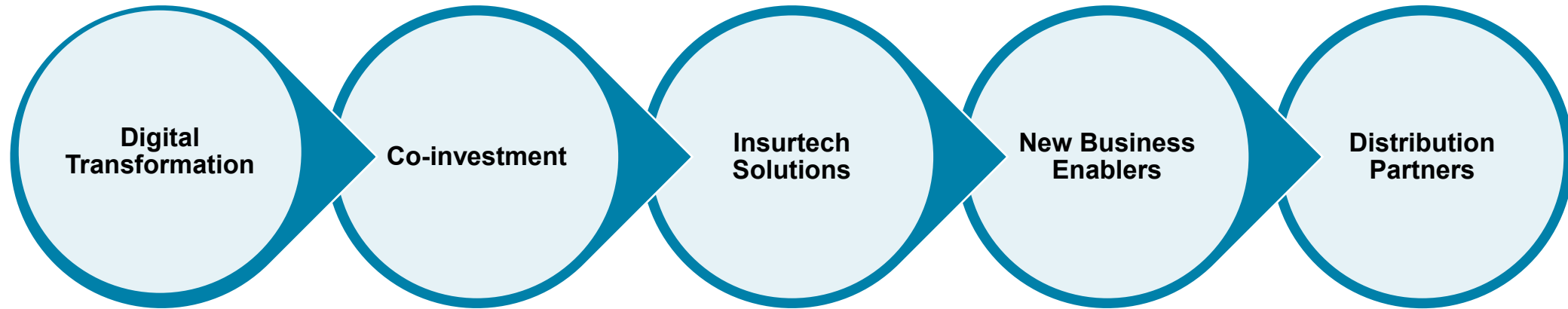
Dealflow by Thesis Area



Ventures has 25 active portfolio companies



SCOR Ventures is positioned to support SCOR Clients accelerate digital transformation and access to the insurtech ecosystem



- Ventures regularly engages with SCOR clients to discuss market trends and explore technology needs
- Our network of partners and contacts can accelerate projects and drive value

- 6 co-investments with SCOR clients to date within the US, UK and EU
- Ventures regularly provides advisory discussions on CVC formation to SCOR clients

- SCOR clients receive privileged access to Ventures portfolio companies and material discounts
- Ventures also supports POC engagements

- Ventures portfolio companies offer exciting new business / product opportunities that SCOR clients can leverage across P&C and L&H
- We also have access to best-in-class start-ups that can fill internal gaps needed to launch new, digital propositions

- Ventures targets companies with ‘trapped distribution’ – i.e., the opportunity to secure insurance distribution through platforms that do not suffer from high insurance acquisition costs but can monetise the customer base
- SCOR clients can access these relationships to expand their market share

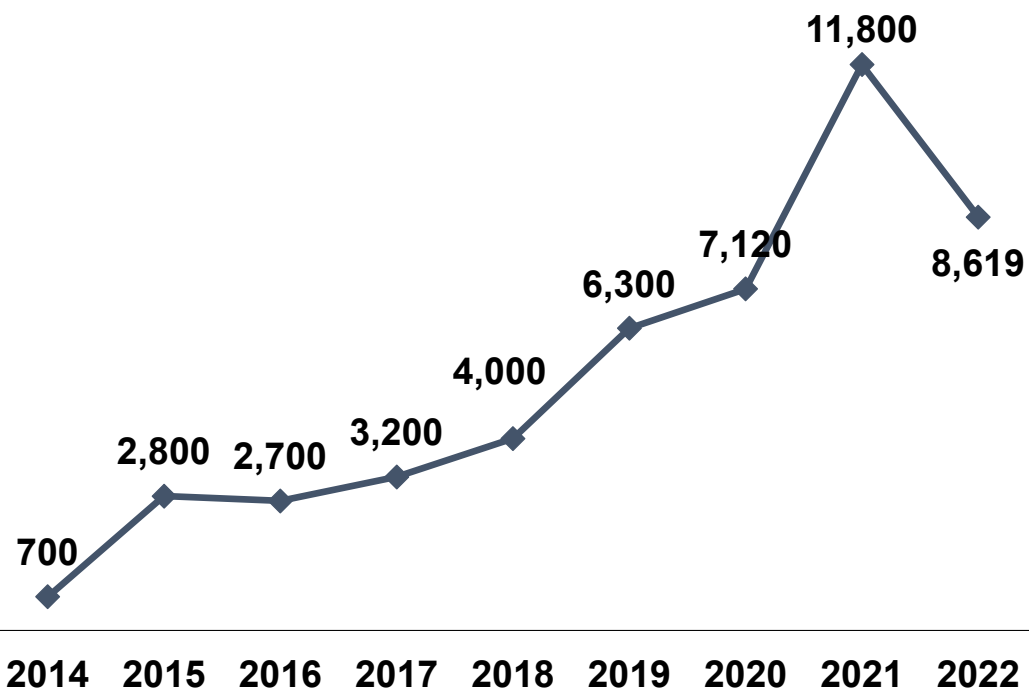
Agenda

1 SCOR Ventures Overview

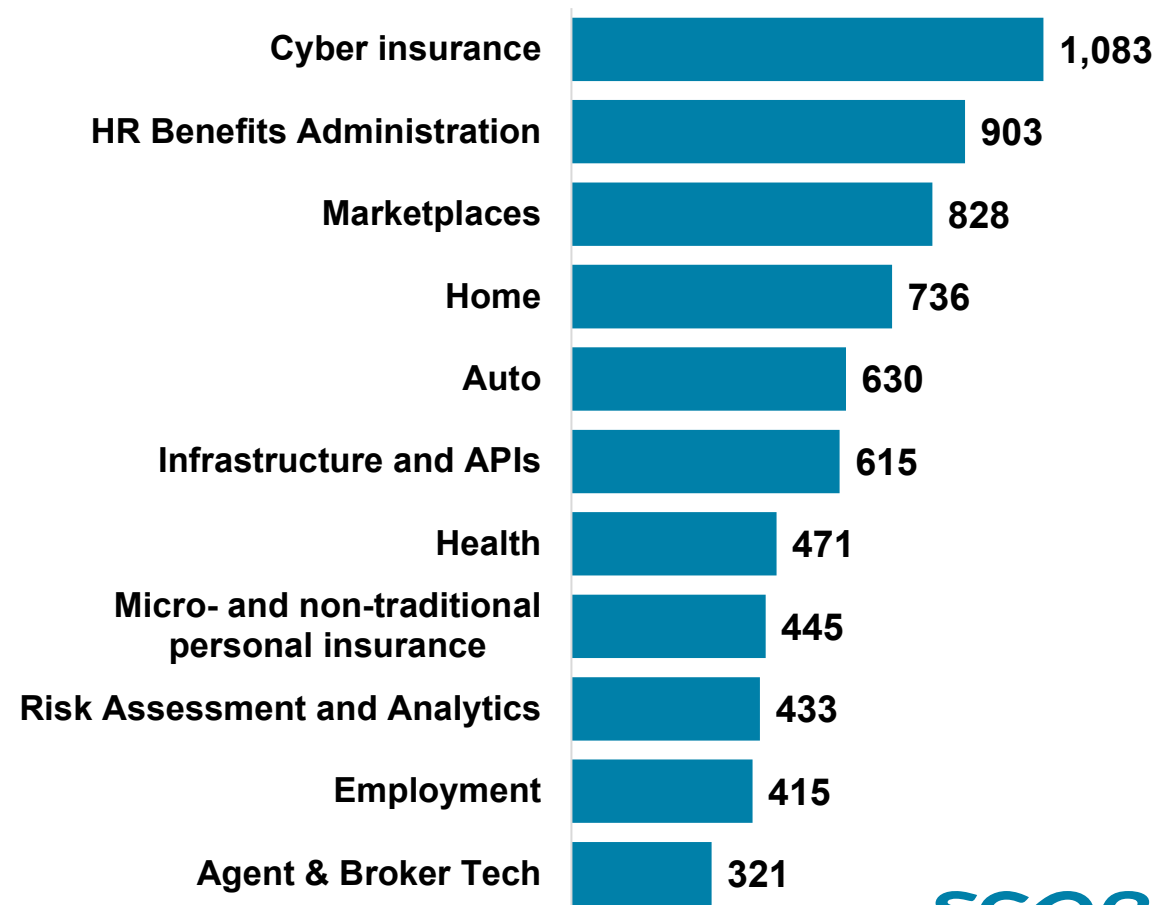
2 Insurtech Market Update

Despite the headlines, 2022 funding was significant by historical standards

Global Insurtech Funding (\$m)



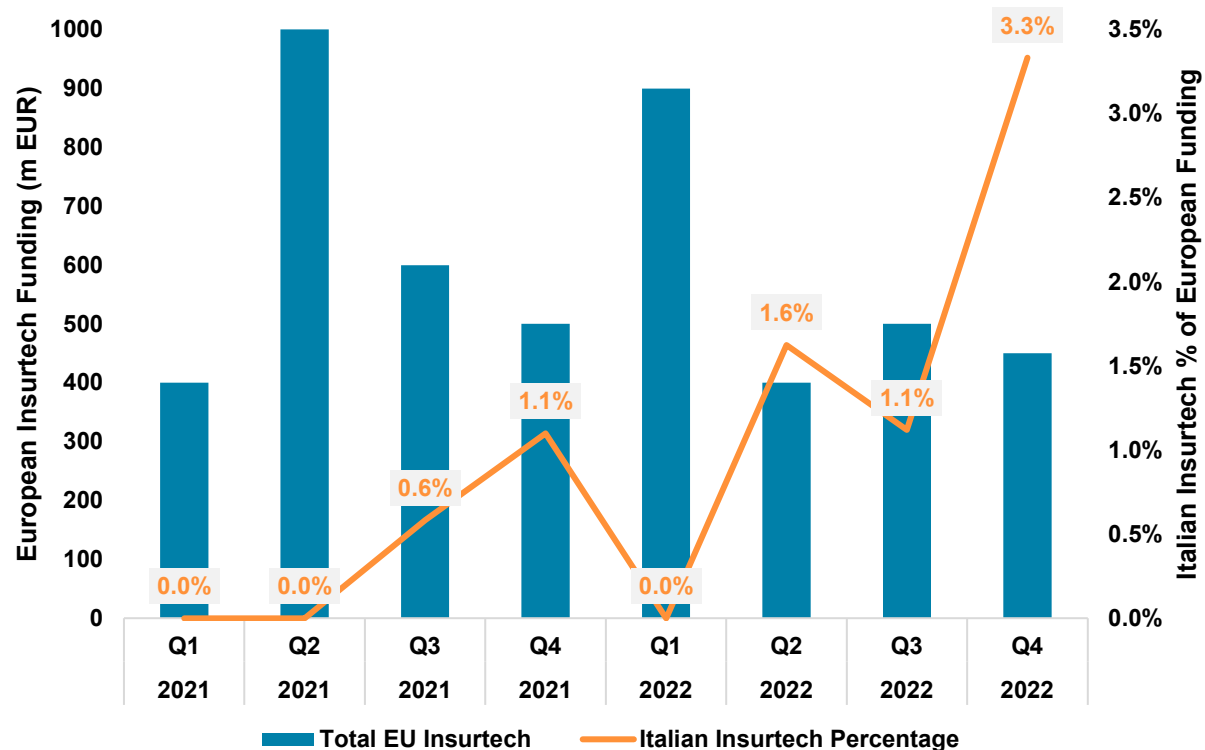
Insurtech Investment Areas in 2022 (\$m)



| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------|------|------|------|------|------|------|------|------|------|
| Deal count | 88 | 126 | 163 | 206 | 195 | 314 | 377 | 564 | 655 |
| Deals \$50m+ | 4 | 7 | 9 | 11 | 19 | 23 | 26 | 62 | 47 |

Spotlight on Insurtech in Italy

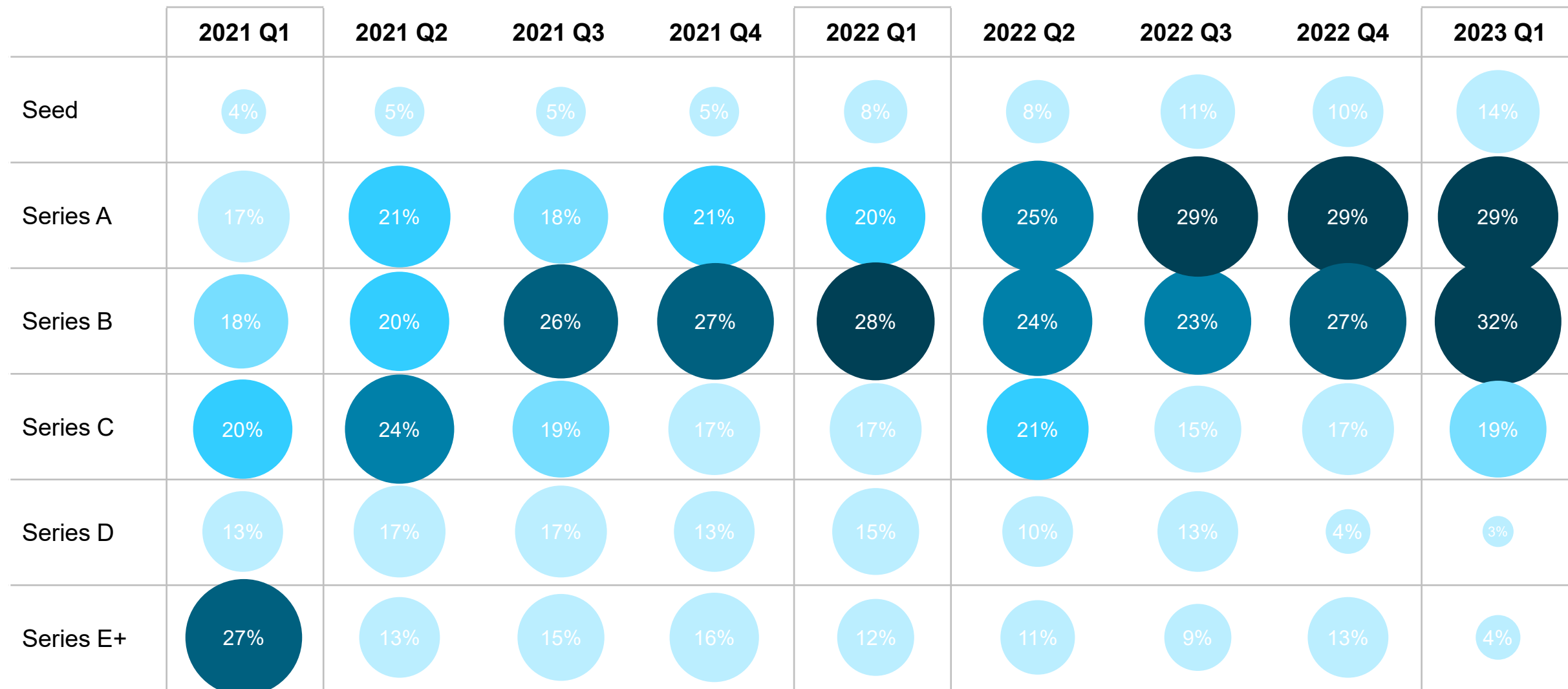
European Insurtech Funding



- Looking at the European Insurtech ecosystem, we count 11 deals announced from Italian Insurtech companies in the last 8 quarters
- This represents ~8% of total European funding with the peak investment between Q4 2021 and Q2 2022 – n.b. the high percentage in Q4 2022 is driven by single large Series A round
- Italian dealflow is ~1% of SCOR Ventures' total opportunities - we've seen 8 deals in the past 6 months but there are significantly more companies *operating* in Italy
- Total funds raised during this period is ~36m EUR reflecting the stage of investment – 70% being Seed Rounds
- Italian Insurtech is still relatively young compared to other European markets but with significant room to grow!



Investor reaction to recent macroeconomic events



We are now seeing the consolidation we anticipated since mid-2022

- **M&A activity** of venture backed companies **increased** by 20% in Q1 2023 compared to Q4 2022, with 57% of those M&A deals valued at \$10 million or less
- Funding constraints are pushing smaller startups to opt for an exit with **regular insurtech acquisitions** of distressed startups and purging of non-core assets at reduced rates
- Insurtech deals remain appealing to buyers looking for strategic acquisitions of innovative businesses and novel technologies
- Ventures anticipates insurance acquisitions in artificial intelligence and machine learning for 2023

Policygenius

Policygenius, US-based personal lines digital broker, was acquired by Zinnia (TPA)

anorak

Anorak, UK based protection sales platform, acquired by Clark Group to expand its UK offering

Hedvig^H

Adelis Equity became controlling shareholder of Hedvig, the Nordic Insurtech, while also announcing a strategic investment/partnership

Thimble

Thimble, US-based commercial business insurance, was acquired by Arch Insurance

By Miles.

By Miles, UK based pay per mile motor MGA was acquired by Direct Line Group

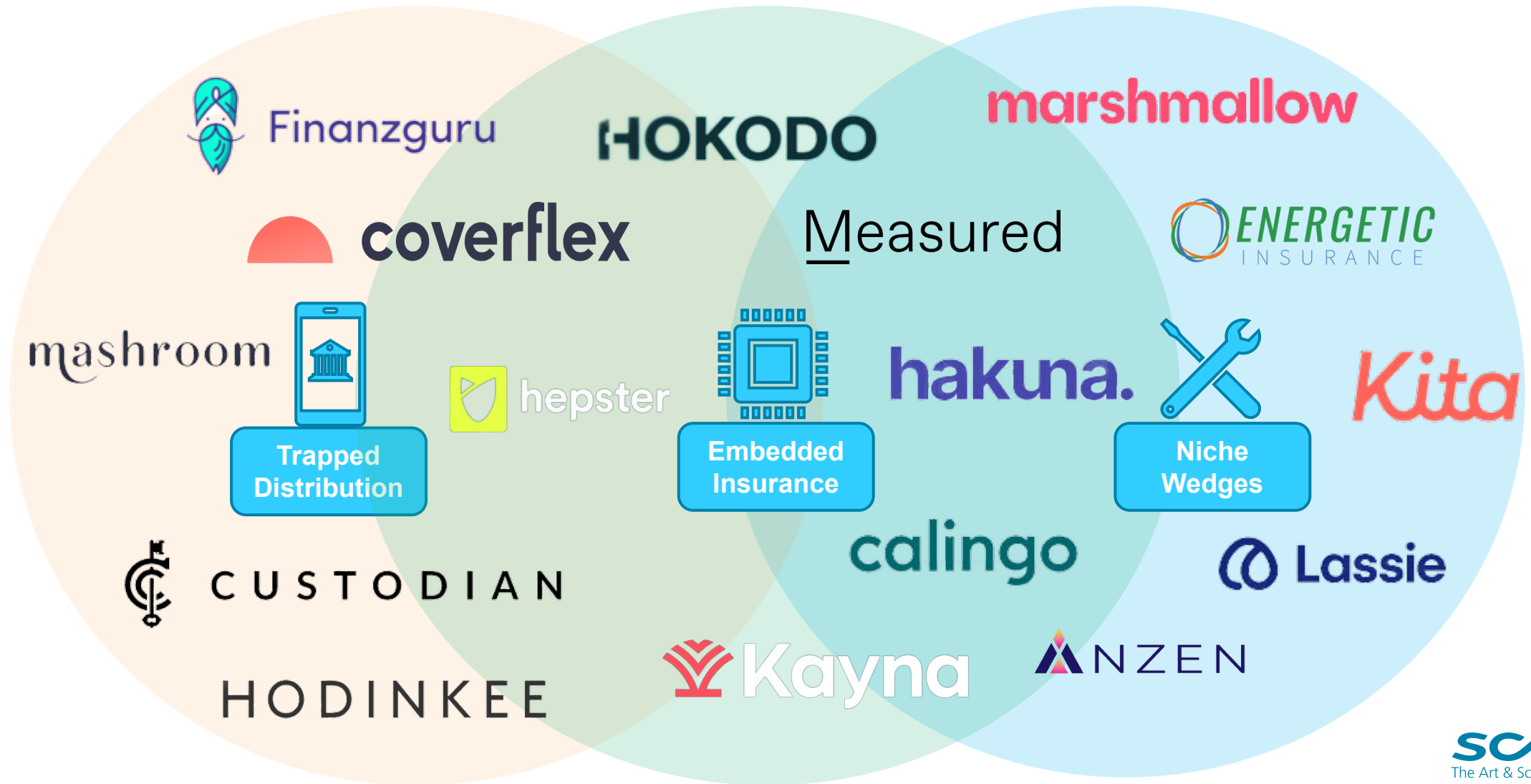
clyde

Clyde, US-based embedded warranty provider, was acquired by Cover Genius

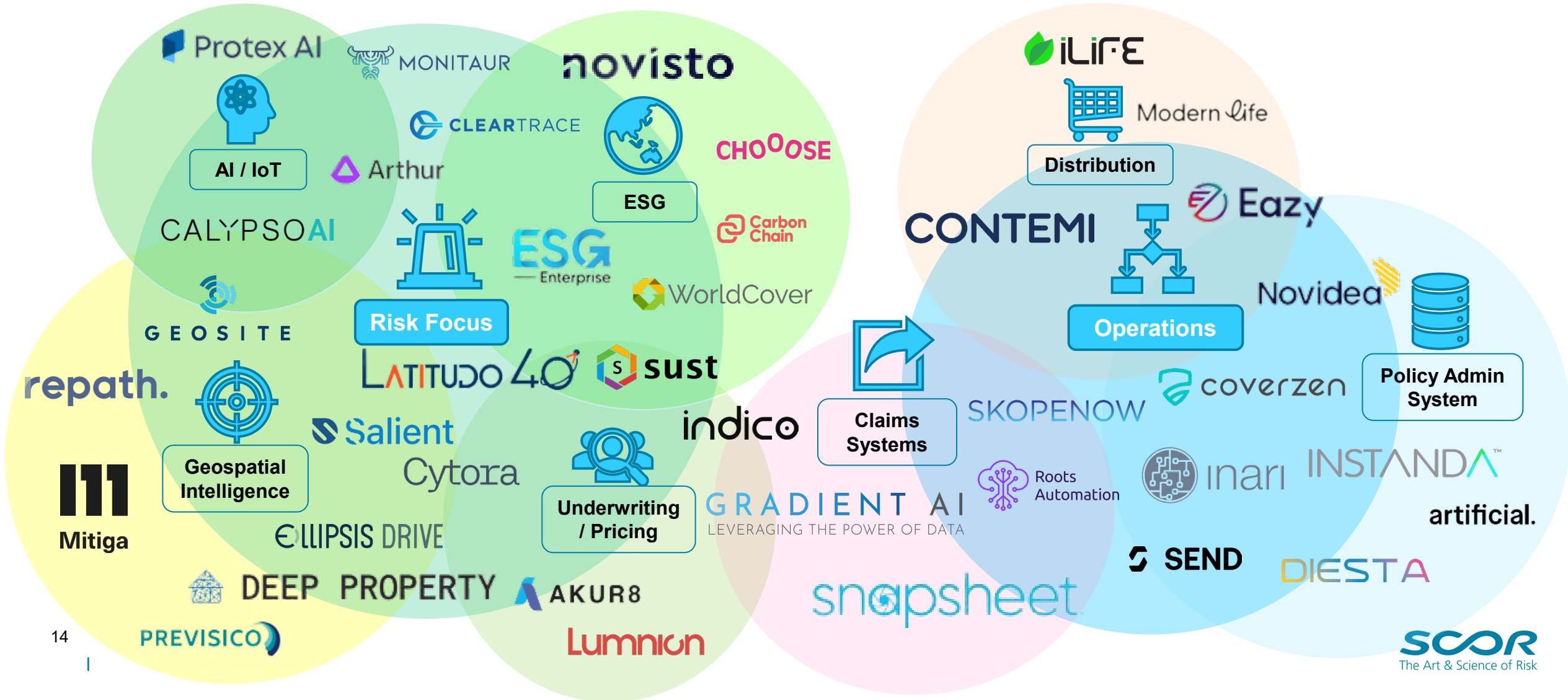
VERAK

Verak, India based SME distributor, was acquired by InsuranceDekho, to bolster the firms SME vertical

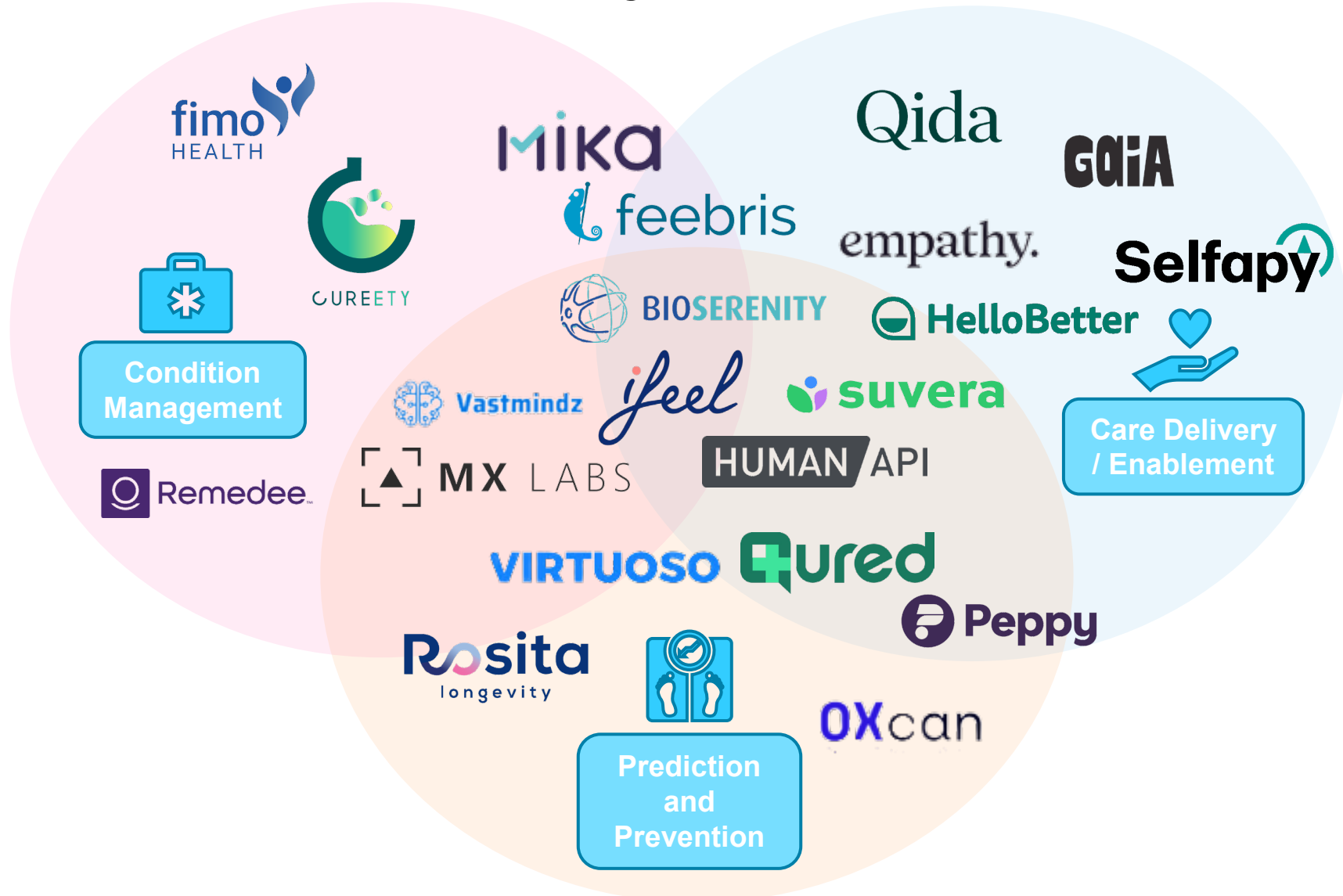
Thesis 1 – Insurers of the Future are increasingly forming around 3 key themes



Thesis 2 - Innovative technologies continue to solve for risk and operational pain points with increasing focus on ESG and AI



Thesis 3 – Healthier lives startups are delivering digital therapeutics to improve prevention and holistic health management





**Please reach out to us –
we're eager to work
together and looking to
meet Innovations,
Operations, Claims and
Underwriting teams
looking for new
solutions!**

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