INSURANCE AND TECHNOLOGY

PEER-TO-PEER INSURANCE

Ty R. Sagalow
Chief Insurance Officer

Lemonade

Innovation – Two Views

“Everything that can be invented, has been invented.”
(attrib.) Charles H. Duell,
Commissioner
U.S. Office of Patents
1899

“If we in the insurance industry do not become more innovative, we will become irrelevant.”
Michael S. McGavick, CEO,
XL/Catlin
2016
What Insurance Used To Be

Members of communities insuring themselves

Community Insurance Enters The Modern Age

Benjamin Franklin
Founder, The Philadelphia Contributionship
1752
Peer to Peer Arrives

Collaborative Economy Honeycomb Version 1.0

The Collaborative Economy enables people to efficiently get what they need from each other. Similarly, in nature, honeycombs are resilient structures that efficiently enable many individuals to access, store, and grow resources among a common group.

In this visual representation, the honeycomb is represented at discrete family, sub-class, and exam levels. It accesses the full spectrum of P2P companies and the tech stack at middle companies managed by Neflix Labs.

By: Cornman Onever @onever

With input from:
- Ross Gerstle (Neflix)
- Lisa Golding ( startups)
- Sherri反映出 (Star.org)
- Mark Vizel (Star.org)
- Brian Sise (Vizel)
- Jenna Niles (Honeycomb)

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With InsurTech Rising

Insurance Tech Rising: 100+ Startups Across P2P, Life, Renters, & More

For more insurance tech research, check out: cbinsights.com
P2P Insurance

Combining technology with community to provide a better policyholder experience

P2P & Legacy Insurance
What’s Different?
Insurance In Your Hand

Fraud Is Not Inevitable
Lessons from the Honest Truth About Dishonesty

Everyone cheats sometimes (at least a little)

There are behavioral techniques that can reduce “fudging”

Priming the mind in advance is one of them

The Essence of P2P Insurance

Individuals in communities “insuring” one another; everyone pays a little so no one has to pay a lot.

If the community’s losses do not exceed the amount of premium paid by the community, the residual funds or “excess premiums” are returned to the community or policyholder, not kept by the insurance company

If losses exceed premiums, additional losses are paid from the platform’s retained funds and then by reinsurers

Combined with “really cool” technology that increases the efficiency – and reduces the unpleasantness – of the application and claims processes
The Essence of P2P Insurance

At its best, P2P Insurance will:

1. Reduce expense ratio due to use of technology
2. Reduce loss ratio due to decrease in fraud arising from the community environment
3. Eliminate the conflict between policyholders and carriers at claim time
4. Give back excess premium to the community and policyholders resulting in a policyholder benefit and a benefit to communities and causes their members care about.

Peer to peer insurance seeks to disrupt the insurance experience.

But not insurance regulation.
Lemonade

Giving the policyholder an experience both sweet and delightful.

Questions?

Contact Information:

Ty R. Sagalow, Chief Insurance Officer
Lemonade, Inc.
85 Broad Street | New York, NY 10004
917.620.2174 | ty.sagalow@lemonade.com