InsurTech

Transforming the Customer Experience

Raj Chakraborty, Chief Digital Officer

October 9, 2017
Customer expectations are being set elsewhere

Perceptual Competitors

Experiential Competitors
The state of insurance tech investing

Global Insurance Tech Annual Financing

<table>
<thead>
<tr>
<th>Year</th>
<th>Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$350</td>
</tr>
<tr>
<td>2013</td>
<td>$270</td>
</tr>
<tr>
<td>2014</td>
<td>$870</td>
</tr>
<tr>
<td>2015</td>
<td>$2,670</td>
</tr>
<tr>
<td>2016</td>
<td>$1,690</td>
</tr>
</tbody>
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Source: CB Insights, 2017

Role in Insurance Value Chain

- 30% Disintermediate Customer
- 61% Enable Value Chain
- 9% Disrupt Full Value Chain

Source: McKinsey Panorama Insurtech Database, 2017
Startups & emerging tech impacting the value chain

**Distribution & Sales**
- Direct Marketers
- On-demand Solutions
- Advisor Tech

**Customer Experience**
- Digital Policy Management & Claims
- Chatbots & Communications
- Mobile Payments

**Data & Analytics**
- Artificial Intelligence & Machine learning
- Underwriting & Data Sources

**Compliance & Risk**
- Reporting
- Risk Management
- Information Security
- Blockchain

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Who brings what to the table

### New Entrants
- Innovation
- New Technology
- Ability to Pivot
- Talent & Culture
- A “pass”
- Narrow Focus
- Investment

### Incumbents
- Brand
- Regulatory Insight
- Distribution Strength
- Customer Base
- Product Diversity
- Risk Management
- Industry Knowledge
- Profitability

Source: Global Center for Digital Business Transformation
Path to positioning for success

**Improve the way we work**

Change the operation to increase quality, reduce cycle times, and become more efficient across the board

**Enhance the experience**

Enable producers, customers, beneficiaries, and employees to engage more effectively and efficiently

**Innovate with digital and data**

Develop a new way of working to be able to rapidly consume industry disruption – work the way the innovators work
Strategy for engaging InsurTech

Venture Capital Funnel
1098 US Seed Tech Companies

Note: Cohort comprised of companies that raised Seed in 2008-2010 and disclose valuations only. Source: CB Insights’ Venture Capital blog

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Disruption the incumbent way

PARTNER

BUILD

BUY

SoFi

wealthfront

Betterment

PERSONAL CAPITAL

FutureAdvisor

esurance

Vanguard

Charles Schwab

Allstate

Fidelity
Questions
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