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# The Emergence of Open Insurance



April 2025

“Open insurance emerges as a subset of open finance, advancing the insurance industry by promoting transparency, interoperability, and a consumer-centric approach... Open insurance initiatives hold the potential to catalyse growth across the insurance value chain.”

# TABLE OF CONTENTS

Introduction .....	4
I. What is open insurance? .....	5
II. What are the benefits of open insurance? ....	9
III. Drivers for open insurance .....	12
IV. Challenges .....	20
V. Key areas for insurance providers to leverage open insurance .....	23
VI. Use cases and evolving business models of open insurance .....	32
VII. Conclusion and our investment thesis .....	46
About Apis Partners .....	48
Bibliography .....	49
Disclaimer .....	50

## INTRODUCTION

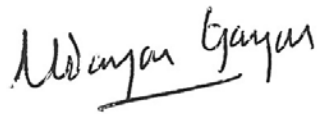
In the digital age, consumers are seeking more convenient financial experiences, similar to those offered by open finance, which began as an evolution of the open banking movement. This evolution was driven by technological advancements, regulatory changes, and the shifting needs and expectations of consumers and businesses within the financial ecosystem.

Building on the insights from our previous whitepaper “Democratisation of Insurance”, this paper delves deeper into the transformative potential of open finance in the insurance sector. This Whitepaper focuses on how open insurance will impact end customers, insurers and ecosystem players in the insurance value chain, and explore key developments across various aspects such as technology and market structure within the insurance space. Additionally, it will discuss how open insurance may create new business models and use cases, ranging from distribution and operations to claims and user experience.

**Matteo Stefanel**



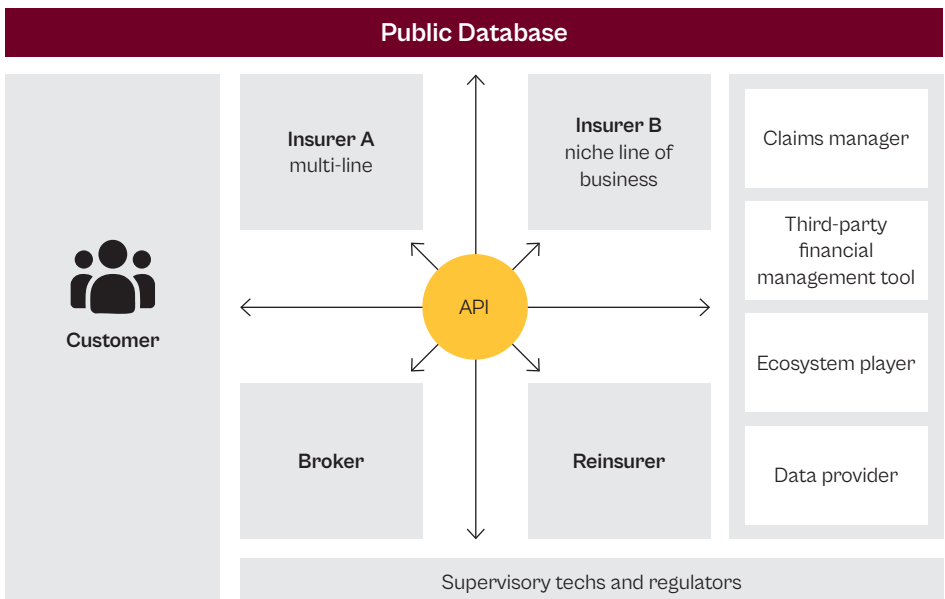
**Udayan Goyal**



## I. WHAT IS OPEN INSURANCE?

Open insurance refers to a business model and approach within the insurance industry that involves **sharing proprietary or risk-related data and services among various stakeholders**, such as insurers, Insurtech startups, customers, brokers and third-party service providers. The goal of open insurance is to foster collaboration and innovation within the insurance ecosystem by enabling different parties to access and integrate each other's data and services through Application Programming Interfaces (APIs) and other technologies. This collaborative and data-sharing approach aims to enhance the efficiency of internal insurance processes and expand the markets for insurance beyond current products and ecosystems. For consumers, open insurance will help create more personalised insurance products and enhance customer experiences through increased transparency and customer-centricity.

### Open insurance ecosystem



## A. The convergence of open banking, open finance, and open insurance

The financial industry has undergone a significant transformation driven by the Revised Payment Services Directive (PSD2) and the proliferation of open data. Open banking initiatives have simplified processes and familiarised consumers with digital standards, creating a more efficient and accessible financial ecosystem. A similar transformation is now taking place within the insurance sector. In recent years, open banking has mandated secure data sharing and facilitated partnerships by granting customers access to their banking data and services through third-party applications. Building on the principles of open banking, open finance extends the concept of data sharing and collaboration to a broader range of financial products and sectors, including insurance and pensions. The primary goal is to create an interconnected ecosystem that empowers consumers, promotes competition, and encourages innovation. By expanding the open data framework, open finance provides opportunities for personalised financial services, seamless integration, and holistic financial management. Within this framework, open insurance emerges as a subset of open finance, advancing the insurance industry by promoting transparency, interoperability, and a consumer-centric approach. It enables the secure sharing of insurance-related data, offering customers a comprehensive overview of their policies, coverage, and claims history.

Open finance platforms can integrate insurance offerings with banking services, providing customers with a more seamless experience. For instance, budgeting and financial management apps use open banking APIs to aggregate financial data from various sources, including bank accounts, credit cards, and investments. Users can then have a comprehensive view of their finances and receive more accurate insights and recommendations of insurance policies.<sup>1</sup>

1. WhiteSight, The Paypers

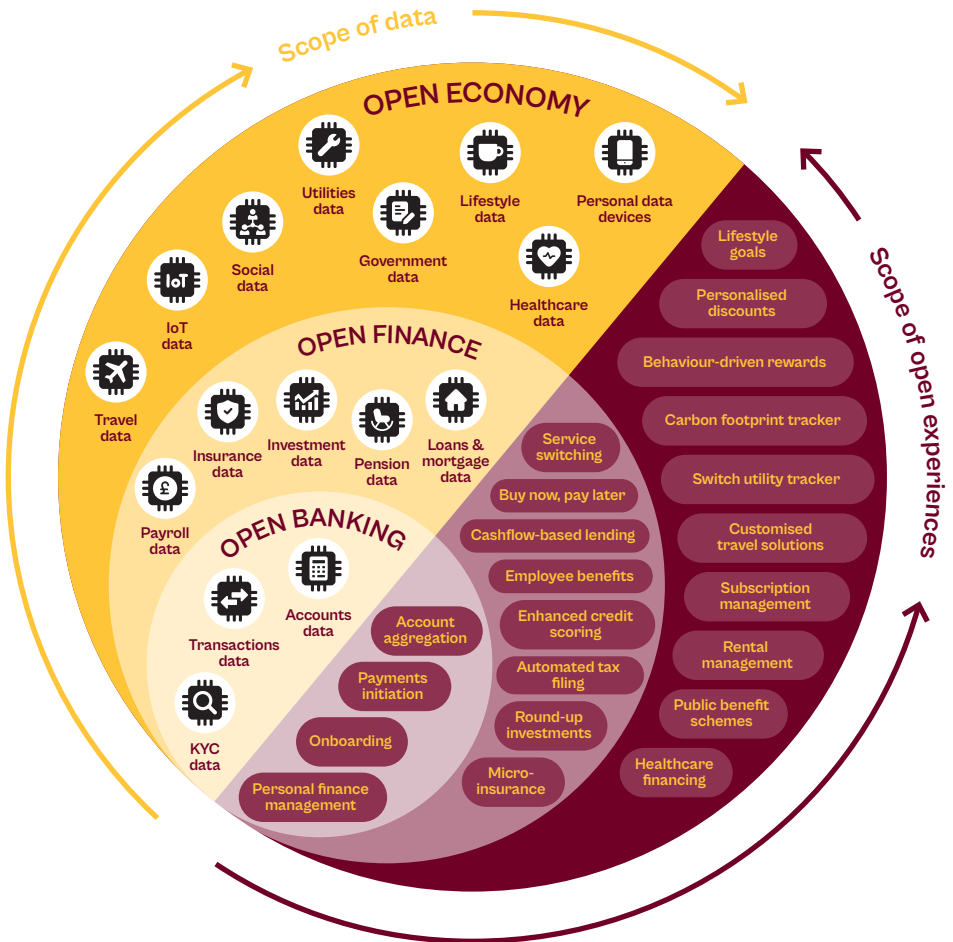
## B. Difference between open insurance and open banking

Despite the similarities among open insurance and open banking, the insurance context differs significantly from that of banking.<sup>2</sup> First, there is no regulation related to data exchange for insurance products, resulting in a lack of standardisation and interoperability.<sup>3</sup> Second, the variety and range of insurance products is much greater compared with banking due to the numerous risks that need to be insured. Lastly, insurance is data-rich, and it is a product with data at its foundation. Insurance data often includes very personal and sensitive health information, which complicates data handling and privacy concerns. Moreover, insurance policyholders typically have few interactions with their insurance providers beyond the initial purchase and filing a claim, leading to infrequent touchpoints with insurance companies and their agents or brokers. These differences present a unique set of challenges for open insurance, including the need for regulatory frameworks, standardisation, and robust data privacy measures. These challenges will be discussed in detail in section IV.

2. Standaert, Muylle 2022 - Framework for open insurance strategy: insights from a European study

3. EIOPA 2021 - Open insurance: Accessing and sharing insurance-related data

## From Open Banking to Open Finance and to the Open Economy



## II. WHAT ARE THE BENEFITS OF OPEN INSURANCE?

By enabling increased data exchange through APIs, open insurance offers significant advantages to all stakeholders. It allows stakeholders to better understand each other's needs. This enhances customer insights for insurers and empowers consumers to become more educated about their insurance coverage. Hence open insurance would also provide societal benefits to an extent by narrowing the insurance gap in the market.

### A. Benefits for consumers

#### **Better customer experience**

For consumers, open insurance provides a more transparent, integrated, and personalised experience. Consumers benefit from tailored offerings and the convenience of switching between services. Open insurance improves the customer experience by simplifying the insurance application, onboarding, and claims filing processes. Consumers can easily share digital financial documents with insurance companies and arrange insurance at the same time with the purchase of products or services. This digital transformation could lead to cheaper insurance products, lower commission rates, and more convenient and flexible processes.

#### **Personalised insurance policies**

Through online and mobile channels, insurance providers can access a customer's financial data (e.g., financial situation, lifestyle, and habits) to develop a holistic understanding of their needs, thus creating personalised insurance policies. For instance, customers with a history of timely bill payments and good credit scores might receive lower premium rates. Moreover, dynamic risk assessments enable customised offerings tailored to specific needs, such as pay-per-mile motor policies.

#### **Greater transparency and control over information**

Open data and data protection standards empower customers to better understand the specific terms and conditions of their insurance policies and compare different options more easily. Open insurance enhances transparency for consumers by

requiring insurers to explain how they determine premiums and conduct risk assessments. This increased clarity helps customers make more informed purchasing decisions. Insurers may also need to provide seamless access to user policies for other insurers, intermediaries, or third-party providers. This access facilitates the development of tools like insurance and financial management dashboards, enabling consumers to better control their personal data and gain a comprehensive overview of active policies.

## B. Benefits for the industry

Open insurance offers advantages to insurers and insurance intermediaries, such as aggregators, brokers, and Insurtech companies. Similar to the benefits from open banking, open insurance allows providers to create more compelling products and consumer offers, improve customer relationships, and foster innovation by gaining insights into competitors' activities. The benefits of open insurance create opportunities for insurers, from embedded distribution to broader partner ecosystems.<sup>4</sup>

### Improving relationships with customers

Open data improves **transparency** by giving consumers real-time access to insights, making them feel empowered, well-informed, and valued. Transparency also helps in better financial education of customers. Customers become more sophisticated in their understanding of insurance products and services. This empowerment helps build trust between consumers and insurers. In particular, insurers can **build trust with younger generations**, such as Millennials and Generation Z, who value transparency, control, and accessibility in their financial interactions. In fact, a study<sup>5</sup> revealed that these digital natives value trust and security more than other generations when choosing a financial service provider. They would like to participate in decisions regarding their data. This change in consumer expectation presents an

4. Arthur D Little, March 2024 - The open insurance conundrum bridging innovation reality

5. The Financial Brand, January 2022 - Gen Z's top priorities when selecting a financial services provider

opportunity for insurers to provide more transparent products, add new sets of customers and build long-term customer loyalty.

### **Enabling more profitable partnerships in the financial service ecosystem**

Open insurance encourages profitable partnerships within the financial services ecosystem. It fosters collaboration among financial institutions. These players should redefine financial interactions by leveraging transparency and open data to build trust with customers in the most contextual channels. Bancassurance, as an example, exemplifies this by integrating banking and insurance services, offering customers a comprehensive suite of financial products. In such partnership, banks provide customer bases, distribution networks, and financial insights, whereas insurers contribute risk management, product innovation, and underwriting expertise. This collaboration brings an enhanced customer experience by enabling customers to manage banking and insurance services in one place. Insurers can use banks' insights into customers' financial behaviours, spending patterns and risk profiles to offer customised insurance products. Open insurance also facilitates the growth of partner ecosystems across industries, generating new leads and revenue streams for insurance companies. For example, a P&C insurer partnering with real estate agencies can generate leads for home insurance. Travel insurers can partner with travel companies to include travel insurance in travel packages, e.g. travel agents can register as affiliates of travel insurers and receive commission through personalised URLs shared with their clients.

## III. DRIVERS FOR OPEN INSURANCE

### A. Regulation<sup>6</sup>

Regulations play a pivotal role in shaping open insurance initiatives. They ensure that the interests of data sharing and transparency are well balanced between providing consumer data security and promoting competition and innovation regarding permissioned data access and APIs. Insurance providers would need to navigate these regulatory landscapes carefully to successfully implement open insurance models while maintaining compliance and building consumer trust.

Based on the experience from the open banking implementation, the insurance sector would require guidance from national supervisory authorities to oversee APIs. However, most of these authorities have yet to initiate specific measures. Insurers currently lack access to comprehensive user data for consumers or third-party providers. Over the long term, the idea is that consumers should have more ownership over their data once the open insurance legislation is implemented. These future regulations should address standardisation and interoperability - it would mean insurance providers do not spend huge time and efforts to authenticate third parties that want access to their data.

#### Existing frameworks

The existing European regulation related to protecting customer data and stimulating market competition would already indirectly impact the insurance sector. We expect other regulations would evolve around how data is being shared and how it is governed.

6. Deloitte, February 2024 - The new EU Financial Data Access framework: opening up data across financial services

Regulation	Description
<b>General Data Protection Regulation (GDPR)</b>	Existing legislation is already applied to insurance, as it has been for all companies active in the European Economic Area. GDPR is designed to enable consumers to have control of their own personal data (e.g. transfer their personal data between providers) and set restrictions on the processing and the free movement of personal data. GDPR also ensures minimum amount of data needed for a specific purpose can be collected, and these data must be checked for accuracy, kept updated and stored in a secure way.
<b>Revised Payment Services Directive (PSD2)<sup>7</sup></b>	PSD2 is applicable in the European Union. It had played an important role in stimulating open banking. It primarily governs payment accounts and services. Although pension savings or insurance products were not within its scope, it has impacted open insurance through its principles.
<b>The European Data Act</b>	It enables connected device users to access and share the data they have generated and share such data with third parties to provide aftermarket or other data-driven innovative services.

### Other frameworks

In June 2023, the European Commission introduced a new Financial Data Access (FIDA) framework, a legislative initiative aimed at extending the Open Banking data-sharing obligations to include all financial services data (i.e. enabling open finance). It will be the legislative backbone of open finance in the EU. FIDA will empower consumers and SMEs to authorise third parties (data users) to access and use their financial data. FIDA will extend its coverage<sup>8</sup> to include other **customer data, including mortgages, loans, savings, investments, crypto-assets, pensions, and non-life insurance products**. However, FIDA does not cover data directly related to financial exclusion risks, such as sickness, health and life insurance data or data affecting creditworthiness assessments.

7. Payment Services Directive (PSD2): European law that governs payment systems in the EU and regulates access to payment data by other parties. This fosters innovation and competition in the European payments market.

8. From payment accounts data under PSD2 only

In addition to the current and upcoming EU regulatory developments, industry-lead open insurance approaches and coordination on API standardisation are also developing.

Regulation	Description
<b>Free Insurance Data Initiative (FRIDA)</b>	FRIDA aims to establish an industry-wide interface standard for fast and secure data exchange while reducing process and operating costs.
<b>Open Insurance Initiative Network (OPIN)<sup>9</sup></b>	In anticipation of imposed standards regulation directly targeting insurance, some players in the industry were seeking to join voluntary open insurance initiatives with the goal of establishing API and data portability standards. For example, 61 companies were involved in the OPIN. <sup>10</sup>
<b>California Consumer Privacy Act (CCPA)</b>	CCPA is applicable in California, USA. It enhances privacy rights and consumer protection. Its key features include Consumer's Right to Know, right for deletion of personal data, and Opt-Out Rights.
<b>Insurance Distribution Directive (IDD)</b>	IDD aims to improve consumer protection in the insurance sector within the European Union. Insurers must provide clear information about insurance products and their terms. And Insurers must act in the best interests of their customers, ensuring fair treatment.

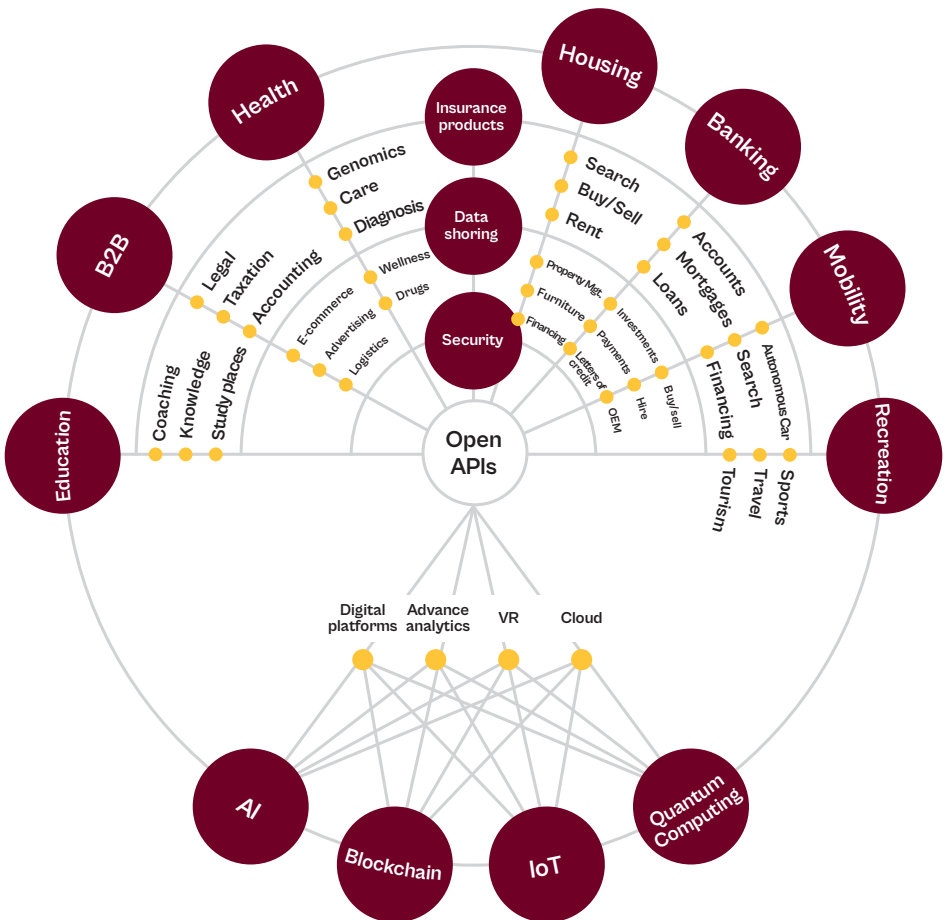
## B. Technology

In the open insurance model, insurers, Insurtechs, banks, and start-ups can share their data through automated interactions, creating new monetisation opportunities for businesses and personalised experiences for policyholders. While internal APIs have long been part of the insurance industry's infrastructure for backend communication, recent interest has shifted towards opening APIs to external partners. As the key technology enabling open insurance, APIs are sets of code standards that facilitate

9. OPIN aims to coordinate and lead the activities progressing the adoption of open insurance around the world, including to allow for data to be securely shared with third parties using open APIs

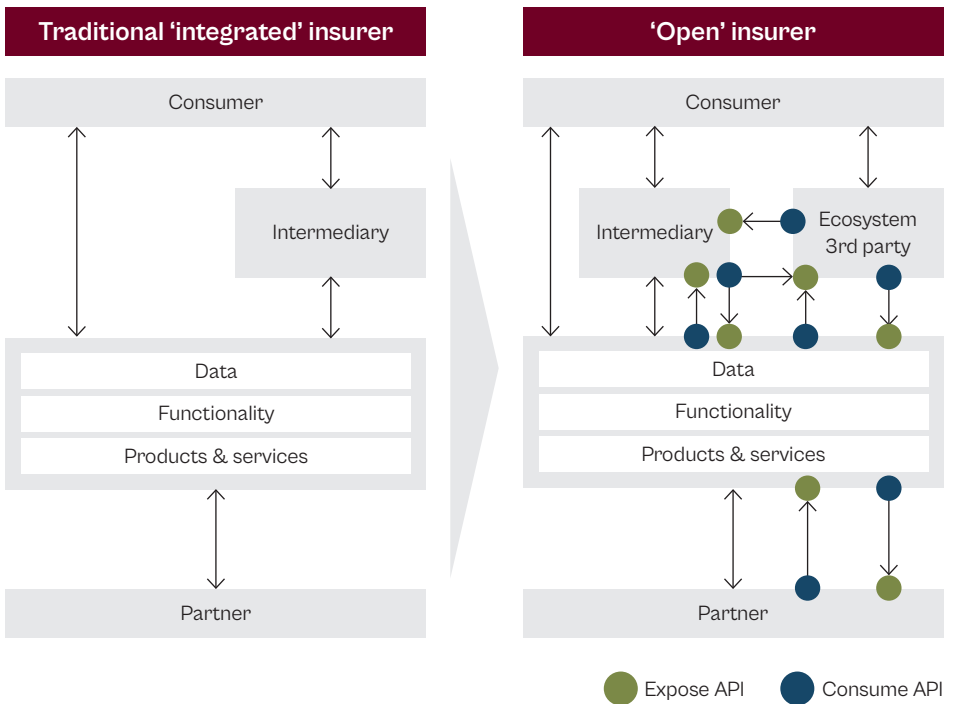
10. Standaert, Muylle, February 2022 - Framework for open insurance strategy: insights from a European study

data transfer between different software applications. These APIs, similar to those utilised in open banking, serve as a bridge between policyholders and various players in the insurance market. They enable insurers to open their data sources and let ecosystem partners gather information such as insured objects, coverages, and claims histories from customers, competitors, and third-party sources.

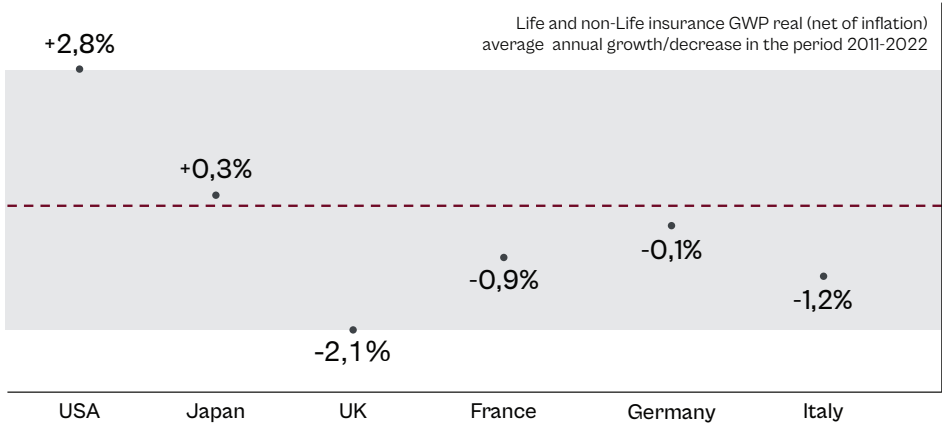


Another pivotal technology in open insurance is artificial intelligence (AI). Given that open insurance revolves around data, AI and machine learning (ML) are essential for processing this data. Insurers can leverage AI and ML to analyse, process, and tailor data for personalised policy offerings and real-time quotes. Combined with AI, open insurance initiatives can enhance predictive modelling, fraud detection, and customer service automation.

## With the help of APIs, insurers can become 'Open Insurers' and gain access to third party data, transactions and ecosystems



## Insurance has a growth issue



**+0,25%**

Average annual GWP growth  
in the period 2011-2022 in selected  
countries

Calculated at average growth of the  
selected countries in the period, weighted  
by the market share of the countries

Source: OECD [https://www.oecd-library.org/finance-and-investment/oecd-insurance-statistics-2022\\_0512c106-en](https://www.oecd-library.org/finance-and-investment/oecd-insurance-statistics-2022_0512c106-en)

## C. Market

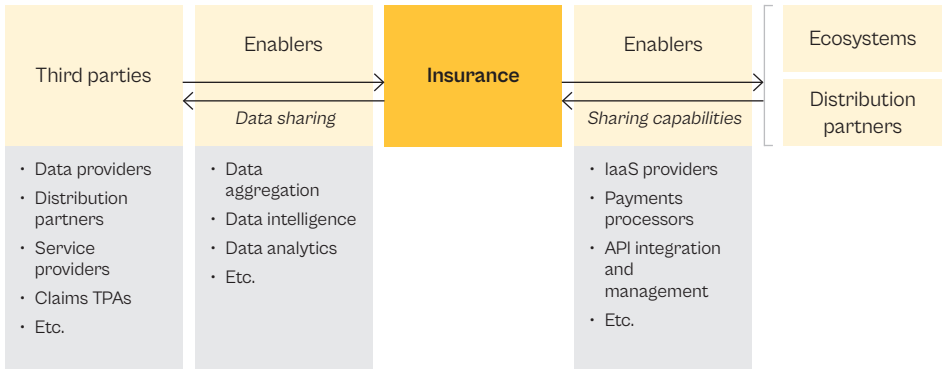
Insufficient GWP growth rate in the insurance industry has become an issue. Pressure for growth has increased as GWP growth has stagnated across the developed markets. Specifically, over the last eleven years, the insurance markets in the six major developed economies (US, Japan, UK, France, Germany, Italy) have grown (net of inflation) at an average annual rate of 0.25%<sup>11</sup>. Against this backdrop, the role of open insurance initiatives becomes critically important. These initiatives hold the potential to catalyse growth across the insurance value chain.

11. OECD data, Open and Embedded Insurance Observatory

Open insurance initiatives involve a diverse range of players, including customers, incumbent insurers, banks, intermediaries, Fintechs, Insurtechs, and Bigtech. These players collectively drive the market for open insurance.

Customers are accustomed to personalised experiences brought by on-demand and mobile lifestyles. They now also request transparency, integrated experiences, and customisability in insurance. To meet these customers' needs, insurers need to foster closer relationships and increase touchpoints with customers. Currently, insurers struggle to enhance relationships as interactions are typically limited to the initial purchase and claims events. Open insurance presents an opportunity to rethink insurance from a customer-centric perspective, simplifying processes, and making them more digital, accessible, and understandable for consumers.

Insurers generally have fewer incentives to change their existing business models. As insurers prioritise business continuity and data ownership, promoting open insurance may risk losing their data advantage to other stakeholders. More specifically, insurers want to avoid competitors seeing their existing policies including tariffs and pricing. In the current context of emerging wellness ecosystem, insurers often operate as closed systems and leverage digital ecosystems unilaterally. They benefit from data generated by ecosystem partners and external sources but are hesitant to share their own data. Considering insurers' inherent advantages in trust, experience, financial resources and data, insurers should invest in open insurance initiatives early. Just as incumbent banks have progressed towards open banking, the insurance industry should follow suit.



Source: Open and Embedded Insurance Observatory

The transition to open insurance is heavily fuelled by Insurtechs, intermediaries (e.g., brokers and agents), and Bigtech companies. Insurtechs, with their digital presence and proximity to customers in some markets, have significant influence. Many stakeholders recognise the benefits of collaborating with Insurtechs. For instance, incumbent insurers, with financial resources and customer bases, would like to leverage latest technology and flexibility from Insurtechs. Conversely, Bigtech poses a more direct threat to incumbent insurers due to their technological prowess, large user bases, and significant financial resources. Open insurance will likely compel insurers to share customer data with Bigtech, which might reciprocate with valuable data of its own. However, without equal commitment to data sharing, insurers will need to accelerate their efforts to leverage the ecosystem to their advantage if Bigtech makes further aggressive moves into the insurance sector<sup>12</sup>.

12. He et al., 2023

## IV. CHALLENGES

### A. From business perspective

#### Data privacy and security

The use of open APIs in insurance introduces potential vulnerabilities, as hackers could exploit the access points to gain unauthorised access to an insurer's data. The broader sharing of sensitive customer information with various third parties would also increase the risk of data breaches, fraud and misuse (more so for health data as it can cause significant harm to consumers). These risks are particularly acute in open insurance compared to open banking due to the more sensitive nature of insurance-related information, such as health, sexuality, and political views. This will introduce consumer protection risks. To mitigate these risks, insurers and other stakeholders must implement robust data protection measures and ensure strict compliance with data privacy regulations. Failing to do so can lead to severe consequences, including reputational damage and substantial regulatory fines.

#### Legislation

From the perspective of regulators, there is often ambiguity about how certain services should be treated and what regulations should be applied, or whether new regulations need to be developed. Regulation will need to address guidelines on the specific interpretation and use cases of open insurance, including the level of openness, the type of data (personal or non-personal), and the parties who will have access to the data. For example, compliance with data-sharing obligations may require data holders to share customer data upon request. Defining what qualifies as customer data is a key compliance concern. Currently, financial data-sharing schemes are unregulated. If a few of these data sharing schemes emerge, the costs to reconcile the difference in standards between schemes would be high for data users.

#### Technological resources

Most insurers rely heavily on legacy IT infrastructure which often comprise a mix of different systems built on various technologies and coded to run independently.

These legacy systems are not easily compatible with third-party providers and would likely create delays and challenges in adopting open insurance initiatives. Implementing open insurance systems also requires specialised technical capabilities and technological expertise. This includes building secure APIs, managing complex data flows, and ensuring scalability.

### **Market dynamics and incentives for adoption**

While open insurance offers significant benefits, it also presents potential threats to insurers, such as increased competition, eroded brand value, and greater dependency on third parties. To execute the transition from legacy systems to open insurance platforms, significant upfront costs for development and ongoing expenses will be required. Given the substantial upfront investment, the return on investment may not be immediately apparent. On the other hand, increased competition may lead to a stronger focus on price, making it challenging for insurers to differentiate themselves based on their offerings. This could reduce the competitive edge that larger insurers have built. As a result, some insurers may even impede progress towards open insurance through lobbying against data exchange standards. For open insurance to thrive, it needs a robust ecosystem of third-party developers and service providers. Currently, many of these structures are still in their nascent stages and do not prominently feature insurers. However, as Bigtech increasingly take over the custody and governance of user data and deploy more resources in the insurance space, insurers will feel the threat and may accelerate their efforts to adapt to open insurance.<sup>13</sup>

## **B. From customers perspective**

### **Consumer confidence and education**

As open finance is still a relatively new concept, insurers and the broader market will need to educate their customers about the benefits. In the open insurance

13. Advisense, October 2023 - From closed to collaborative: the dawn of open insurance

ecosystem, trust is the key enabler. To bring confidence to consumers, financial institutions need to build this trust by demonstrating how well consumer data are used responsibly and securely. Any breaches or misuse of data can severely erode this trust.

### **Financial exclusion**

The use of open data in insurance enables data users (such as insurance service providers which apply end policyholder's users data) to combine sensitive customer information to create more accurate consumer profiles. With the use of AI and ML technology, algorithms may use these profiles to deny consumers access to insurance policies, potentially increasing the risk of financial exclusion. Insurers may also leverage this data to charge different amounts to groups of consumers based on their risk profiles, price sensitivity, and likelihood to switch providers at renewal. This practice could lead to the unfair treatment of vulnerable groups, such as the elderly or low-income individuals. To mitigate these risks, regulatory authorities must develop guidelines that address the use of data in calculating credit scores, risk assessments, and pricing for life, health, and sickness insurance products.

## V. KEY AREAS FOR INSURANCE PROVIDERS TO LEVERAGE OPEN INSURANCE

### A. Data

Open data refers to information that has been anonymised and aggregated, ensuring it does not identify specific individuals. To fully capitalise on open data, it is crucial to facilitate effective data portability within the insurance ecosystem. Relevant data types in open insurance include proprietary data, risk-related and third-party data.

Insurers and reinsurers hold significant amounts of **proprietary data**, such as details on insured objects, coverage, and claims histories. This data is central to their business models and is meticulously sourced, stored, and analysed. By opening this data to third parties through APIs, (re)insurers can unlock valuable opportunities. For instance, Insurtech companies / data users can request access to data related to their risks and claims (e.g. claims estimates related to water damage for specific regions) and develop any innovative value propositions.

The advent of technologies such as Internet of Things (IoT) sensors, smart cars, and web applications generates valuable risk-related and third-party data for insurance. Meanwhile, the digital transformation in adjacent industries, including healthcare, mobility, and manufacturing, also provides new real-time datasets. For example, sensors in cars can help insurers analyse driving behaviour and adjust premiums accordingly. By combining granular, real-time data with AI/ML techniques, insurers can improve risk assessment, identify previously inaccessible risk pools, and shift from loss compensation to risk prediction and prevention. Insurers and Insurtechs see value in integrating alternative data (e.g. such as payment data, social media, climate, and crime data) from third parties or public sources. However, caution is needed when incorporating this data, as it was not originally collected to assess specific risks. Successful integration depends on identifying statistical correlations with insured risks and establishing causal relationships. Additionally, new data sets can alter the nature of risk itself. For instance, with autonomous vehicles, risk factors shift from drivers to autonomous systems, reflecting changes in how risks are assessed and managed.

# Case Study: Planck (real time insurance data analytics)

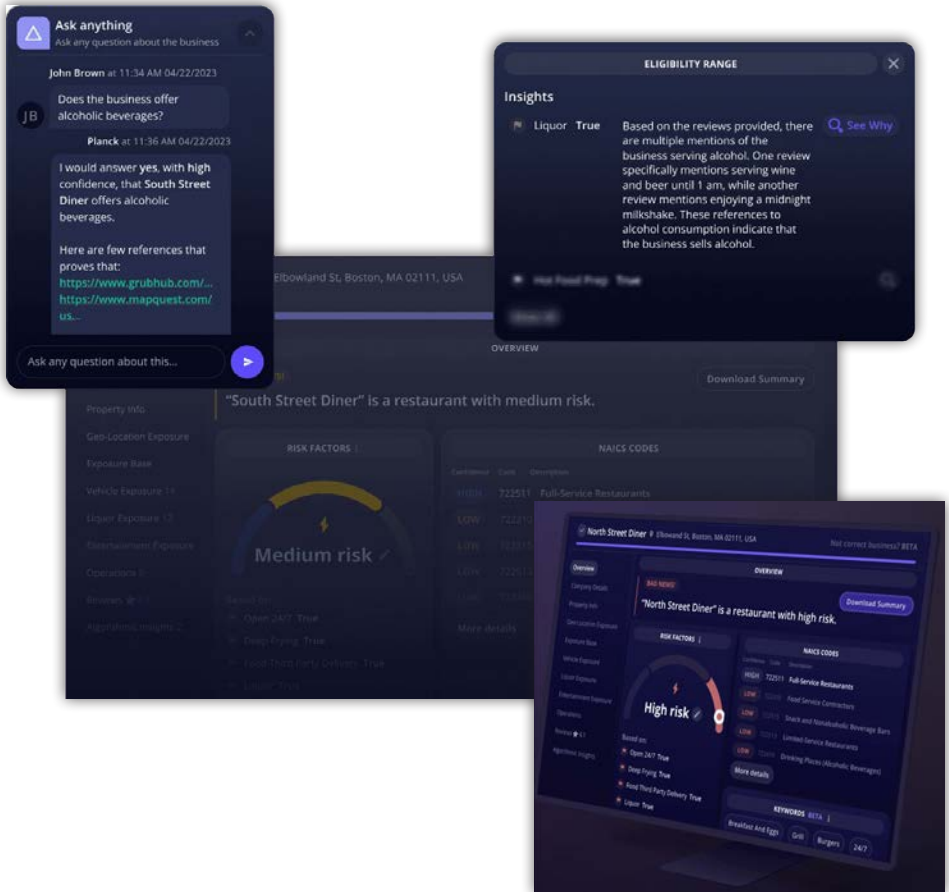


## Description

- Planck is an AI-based data platform offering real-time insurance-related analytics to insurance providers. This platform pre-fills the majority of form answers quickly and accurately, which helps prevent fraud and reduce errors.

## Value proposition

- Planck enables insurance companies to leverage publicly available data, image processing, and company reports to analyse and assess business risks, allowing for the creation of customised insurance policies.
- By enhancing the underwriting process, Planck aims to lower loss ratios.



### Other considerations of use and acquisition of customer data

Customer willingness to share data is essential for the successful development of open insurance. There has been a lot of research efforts in motivating consumers to share data. In fact, research<sup>14</sup> indicates that financial incentives, such as reduced insurance premiums, are particularly effective. These financial rewards are more influential than performance or psychological benefits in driving data-sharing decisions. Age also plays a significant role in the willingness to share data, as it impacts individuals' risk-benefit perceptions. While customers are increasingly comfortable about sharing data related to physical health, home security, and driving behaviour to access certain insurance policies, they are generally less inclined to share data from social network profiles or family information. This reluctance stems from the perception that such personal data is more sensitive and riskier compared to the benefits of sharing it.<sup>16</sup> On the other hand, the cost of acquiring user data is a critical factor for insurers. Some insurers and stakeholders are exploring how different types of rewards can affect data sharing. Some insurers aim to balance between the cost of data collection and the value of obtaining relevant data by optimising reward structures.

## B. Product

Open data offers the potential to enhance insurance products by integrating them with **supplementary tools and services**. For example, dashboards can provide comprehensive overviews of various insurance products and identify overlaps or gaps in a customer's risk protection, while aggregator websites enable easy comparison of coverage and price based on standardised indicators. In some European countries<sup>17</sup>, public comparison websites for motor insurance are mandated by law. These sites

14. Laura Grassi, March 2024 - Applying the privacy calculus framework to 1501 responses in a web-based survey

15. Fernandes & Costa, 2023, Wottrich et al., 2018, Tenopir et al, 2011

16. Laura Grassi, March 2024 - In a world of Open Finance, are customers willing to share data? An analysis of the data-driven insurance business

17. E.g. Estonia, Italy, and Norway

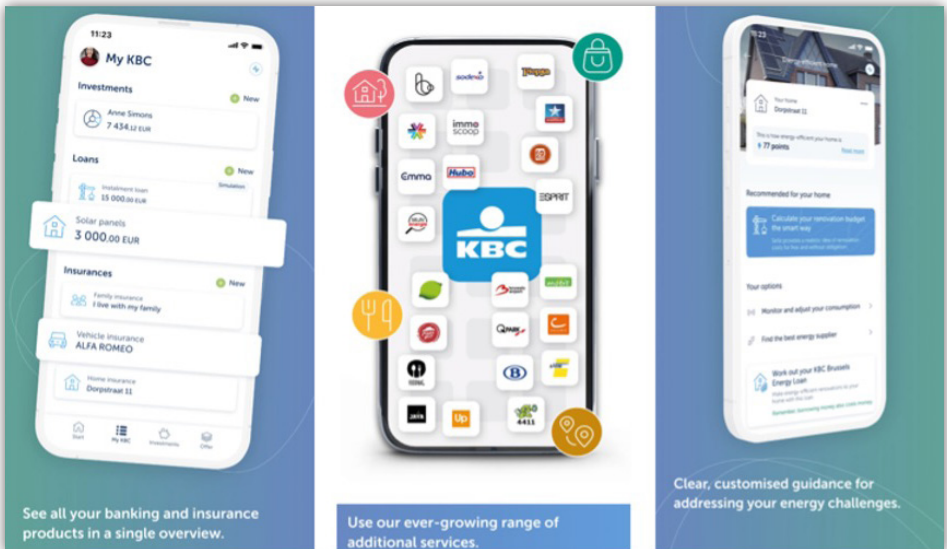
use consumer data (such as ID cards or license plates) to generate specific quotes. Another application of open data is in pension management. Open insurance could enable consumers to grant regulated third parties, like insurers or intermediaries, direct access to their Pension Tracking Systems data through API. This facilitates advisory services, including robo-advice, and supports the development of various financial management tools. For instance, Denmark's 'PensionsInfo' initiative provides individuals with a comprehensive view of their pension data (e.g. projections of expected pension payments) for sharing with others.

Insurers can broaden their product portfolios by integrating **services directly related to insured risks**. Many insurance products serve a supportive role in the customer journey. For example, motor insurance can be enhanced with services such as car repair for damage, tools to verify the history of second-hand cars, or car-sharing options. Similarly, life insurance can be integrated with third-party services to provide a user interface that aggregates offerings from various insurers. These services could potentially include portfolio analysis, retirement planning advice, and tax treatment of insurance proceeds. Insurers can also evolve into a **comprehensive service provider** (i.e. also providing **non-insurance/risk related services**) by centralising relevant data to offer a unified touchpoint for the entire customer journey. Some insurers are already partnering with super app providers, which manage services beyond their insurance products, to deliver more personalised services. These partnerships can enhance communication frequency and deepen relationships with customers, extending well beyond initial purchases to create continuous engagement.

## C. Ecosystem

Not many insurers would be able to develop a super app. They would rely on the ecosystem to orchestrate various products and offer a more streamlined experience. The ecosystem can be opened up from the level of expanding insurer's existing distribution channels, over integrating insurance products into others' channels (e.g.

insurance-as-a-service or embedded insurance), to establishing a platform strategy. Please see the details in Apis' previous whitepaper (the Convergence of Financial and Physical Wellness, a New Paradigm),<sup>18</sup>



The ecosystem nature of open insurance provides an ideal environment for insurers, technology companies, and service providers to cocreate tailored embedded insurance solutions.<sup>19</sup> Open insurance is a catalyst for the growth and evolution of **embedded insurance**, where insurance is purchased as part of customer journeys of third-party non-insurance platforms and ecosystems. As providers embed insurance options directly into the platforms that the customers already use and trust, customers no longer need to find separate insurance policies for a product purchase (e.g. car, house). For instance, ride-sharing companies can provide automatic insurance coverage to both drivers and passengers. By integrating insurance into

18. Apis Partners, 2020 - the Convergence of Financial and Physical Wellness, a New Paradigm

19. Arthur D Little, March 2024 - The open insurance conundrum bridging innovation reality

non-insurance platforms, embedded insurance also **broadens insurance coverage to certain population** that were previously underserved – potential customers who may not have actively looked for insurance or who may have been excluded from traditional insurance offerings. Embedded insurance models are readily scalable, as they can easily integrate into various platforms across automotive to travel to e-commerce with massive digital customer base. These players would aim to take control of the product and overall experience. In the ecosystem point of view, KBC Group, a Belgian bank-insurer, offers services and applications (e.g. smart budgeting advice or expenses sharing application) of many external providers for mobility, entertainment, and other services through its mobile app.

## Case Study: OPEN (Insurance-as-a-service)



### Description

- Open is an insurance-as-a-service provider offering affordable multi-line insurance products.
- Open's range of offerings includes embedded products including car, home, travel, landlords, cyber, and life insurance, enabling customers to meet personalised and suitable insurance coverage needs in a hassle-free manner.

### Value proposition

- Its technology brings speedy and flexible solutions to enable business clients to launch insurance product.
- For example, they helped Bupa launch a multiple line insurance brand within 10 weeks in Australia.

**Customise**  
Add your brand elements below to fully customise your insurance offering.

Logo

Brand colours

Border radius 16 px

Apply branding

**Your car insurance quote**  
Mazda Mazda3 - DIESEL BL MY13

Third Party Property Damage  
**\$34/month**  
(Totals \$408 per year)  
IN NEW POLICY DISCOUNT INCLUDED\*

Monthly Annual

Continue

See what's covered

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1 <a href="https://sandbox.beopen.com.au/?key=22cb240d-dc0a-4655-
  bf30-70e50ac3905a&pc=hud-compare-car"
2   target="_blank">Get a home insurance quote</a>
3
4 <!DOCTYPE html>
5 <html lang="en">
6 <head>
7   <meta charset="UTF-8">
8   <title>URL Handover Example</title>

```

**What type of insurance are you looking for?**

Car Home Travel

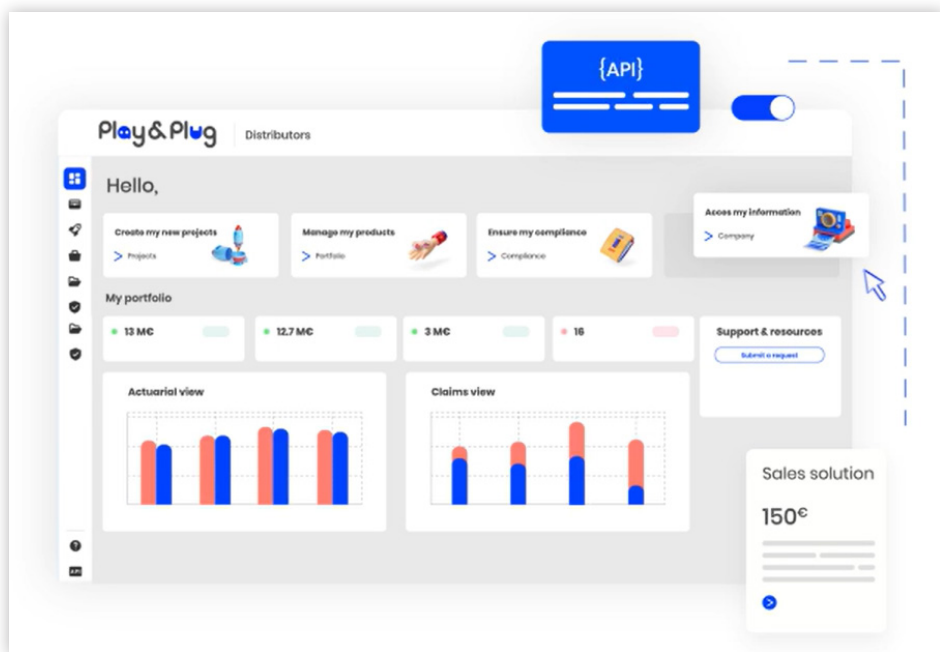
Continue

## Case Study: Wakam (Insurance product as-a-service)



### Description

- France insurer Wakam launched its IPaaS (Insurance Product as a Service) platform, offering a wide range of API products.
- Its API offerings range from pricing to claims management and contract management, allowing its distribution partners to quickly deploy and deliver solutions to end customers.

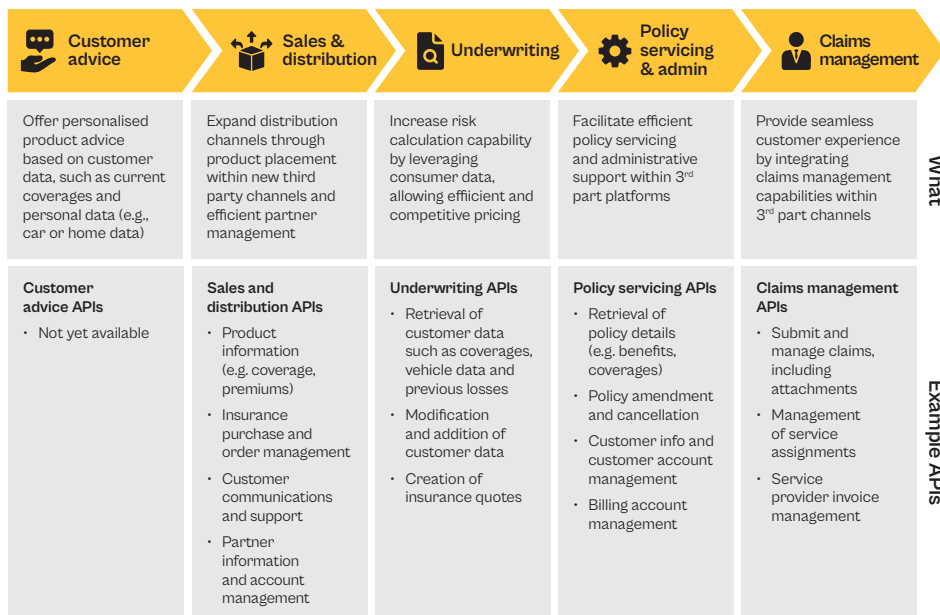


There are even **stronger synergies** when combining the impact from the dimensions of data, product and ecosystem.

- When insurers process third-party data such as location or calendars data of customers, insurers could recognise if any customers are travelling and therefore send those customers a push notification for on-demand luggage insurance for the duration of the travel.
- Payment data may relate to key life events (e.g. house purchase, new born baby) and could present opportunities for insurers to cross-sell policies (e.g. property insurance, life insurance) on insurance aggregator websites.
- Potential customer location data from map application can be consulted to assess needs for property insurance (e.g. check for flood insurance) triggering conversation for certain policies relevant to the potential customers.

## VI. USE CASES AND EVOLVING BUSINESS MODELS OF OPEN INSURANCE

Open insurance enables use cases by fostering an ecosystem where data is freely and securely shared between insurers, third-party providers and customers. Today, the main use cases of open insurance through APIs are applied across the full insurance value chain, e.g. customer advice, pricing and underwriting, sales and distribution, claims management.



Source: INNOPAY analysis

## A. Customer advice

### Customised policies

Insurers can use data from IoT devices or wearables to offer personalised health insurance products tailored to individual risk profiles and behaviour. Insurers would provide incentives like vouchers for positive health behaviours and constantly use open data to monitor users' behaviours. Applications connected with IoT providers and white-labelled insurance products integrated to other digital business model for selling would be useful to bridge the gap for insurers.

## Case Study: CareVoice (open health operating system)



*A portfolio company of Apis Insurtech Fund I*

Description	Value proposition
<ul style="list-style-type: none"> <li>CareVoice is a health insurtech SaaS platform (a white label technology stack) expanding a connected health ecosystem for insurers and become their new standard infrastructure to orchestrate a health and wellbeing ecosystem and create bespoke health customer journeys and enhanced patient experiences.</li> <li>Once being placed in an open ecosystem context (partly enabled by the open insurance), insurers can seamlessly work with medical and health partners to offer a one-stop single customer journey from prevention and treatment to rehabilitation.</li> <li>CareVoice has built up a best-of-breed partner network that is seamlessly integrated into its mobile app across the healthcare continuum. Such network can help insurers build personalised digital experience for specific target customer segments (e.g. new mothers).</li> </ul>	<p>The CareVoice OS helps health insurers:</p> <ul style="list-style-type: none"> <li>Achieve customer-centricity (i.e. attract, engage, and retain policy holders) with its existing partner network,</li> <li>Optimise workflow (e.g. reduce costs associated with underwriting and claims, and tech infrastructure development cost ).</li> <li>Shorten insurers' time to market</li> </ul>

### Front-end features for end-users



CareVoice mobile solutions with insurer branding



Insurance platforms



Channel platforms

### Applications

Teleconsultation	Medical Second Opinion	Engagement Program	Nutrition
Intelligent Health Concierge	Search Recommendation	Digital Check-up	Activity Tracking
E-policy	E-claim	Mindfulness	Body Measurement

### API Layer

Account	Insurance Benefits	Search	Recommendations	TPA+Claim
Policy Administration	Claims	Provider Network		User Data

## Case Study: Insurely (open insurance as a service)

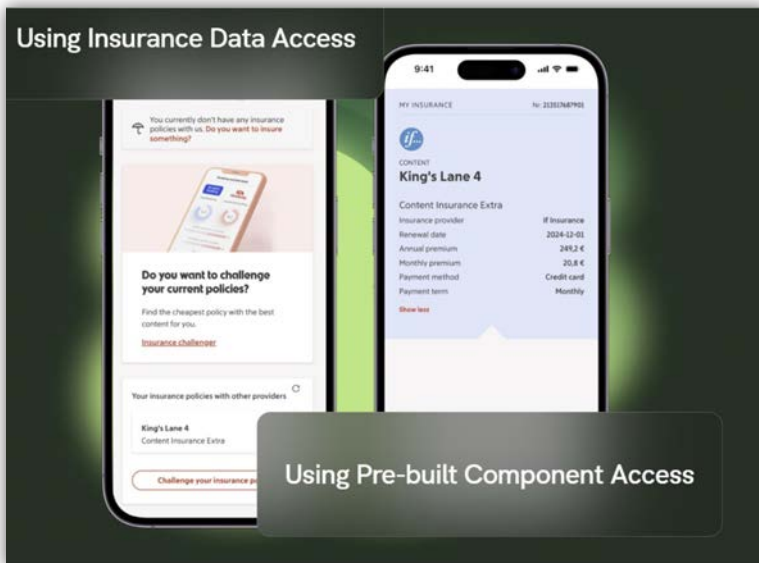
# Insurely

### Description

- Insurely is an open insurance technology provider enhancing the delivery of insurance products for insurers and other vendors. By enabling consumers to collect and share their personal financial information—including insurance, pension, and savings data—in real time, Insurely facilitates a more integrated and seamless financial ecosystem.
- The platform aggregates and structures this data into a coherent set of parameters from various financial providers, making it accessible through an API for a predefined retention period.
- This real-time access to structured data allows insurtech providers to build platforms where consumers can switch and buy insurance policies or manage pension transfers efficiently.
- Insurance and Pension data: 1,500+ data points processed daily.
- Total amount of insurance policies and pension plans shared through Insurely in the past 6 months: 1m+.

### Value proposition

- The aggregated customer data enables insurers to discover customer insights for tailor product strategies and pricing and marketing initiatives.
- Access to real-time customer insurance data helps improve the accuracy of offers and enhances consumer transparency.
- Insurely helps embed insurance sales within banking or personal finance apps, providing consumers with an overview of their existing policies and enhancing conversion rates.



**Sales and distribution**

Open insurance could facilitate digital sales processes with increased speed and flexibility, and easier access to new markets. By integrating data, technology and new services, insurance providers could create and recommend more tailored insurance products related to specific events. Providers could then recommend policies to consumers at the optimal time via mobile applications under this push model. For instance, consumers would be offered travel policies when buying a ticket or walking into an airport, if detected by GPS coordinates; health/life insurance products after giving birth or reaching a certain age; insurance price comparison for motor policies when policyholders need car technical check-ups or other procedures.

## Case Study: Trussan (digital insurance broker and Social CRM & renewal software solution)

*A portfolio company of Apis Insurtech Fund I*



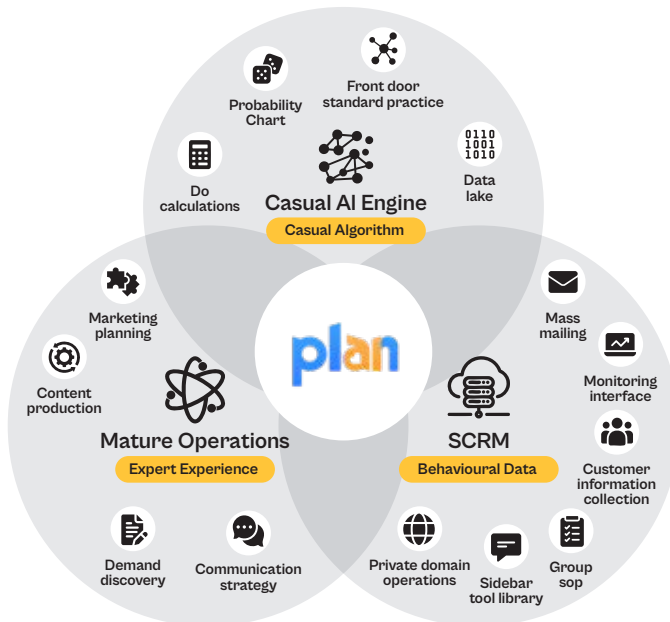
### Description

- Trussan is an automated, online independent wealth planner that helps manage health/life insurance, retirement, and wealth products for middle-income families in China.
- Trussan also provides its internally built social CRM software (interoperates with external APIs seamlessly) and renewal solutions to financial institutions for improving renewal and conversion.
- The system would analyse the key drivers for customers' renewal decisions and recommend explainable solutions through its algorithms and connection to other data sources (e.g. private social traffic, customer life events/ daily routines), as well as automatically alert clients for insurance renewal at the optimal time.
- Trussan tags users against 110+

- characteristics for profiling.
- Its AI-based financial planning system draws upon 5,000+ products ranging from insurance and retirement products to wealth management products and generates a financial plan that is customised to a particular family's situation automatically.

### Value proposition

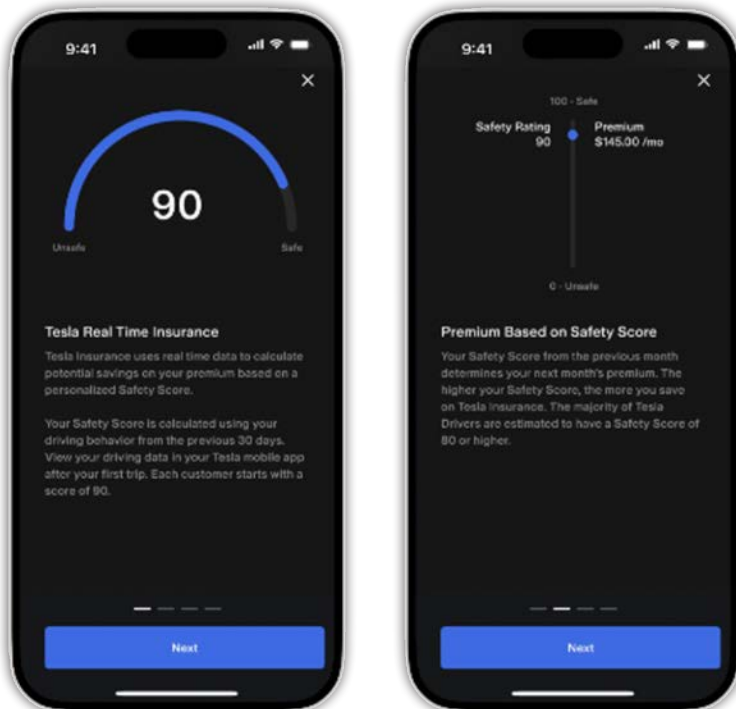
- Its renewal software solutions helps bank or insurer clients extract insight for product development and risk management.
- Improve management of customer acquisition cost and engagement strategy through lifestyle engagement and financial education, and customer, channel and competitive dynamics in China.



## Underwriting

insurance platforms would be able to access data sources ranging from underwriting data, brand partner data to own platform data. By leveraging this wealth of data, insurers can better understand and manage risks, leading to improved risk assessment models and more accurate pricing mechanisms.

### How Tesla Real-Time works



In insurance pricing, the traditional foundations have been rooted in actuarial pricing models. The dynamic pricing AI technology could change the pricing approach. Instead of relying solely on historical data and statistical models, dynamic pricing AI models use real-time information and sophisticated algorithms. It could help create policies that are cheaper for low-risk policyholders based on a premium model that considers user behaviours and other factors.

New opportunities are being explored through connected cars (enabled by embedded hardware/ software and mobile Apps) and other personal means of transportation. Car manufacturers with access to driving-behaviour data are already collaborating with insurers to provide embedded policies customised for individual driving profiles to improve the customer experience. Other than the great features (e.g. personalised entertainment, improved vehicle maintenance), customers may receive benefits from insurer tie-ins with service providers or have more accurate risk assessment. Tesla Real-Time Insurance uses data about how and how much customers drive to calculate their monthly safety score and premium. For instance, those driving more frequently on highways, shifting lanes more often, not adhering to speed limits will pay a higher premium, or vice versa. Moov-Tech uses telematics data as part of its pay-per-use car subscription offering to corporate and retail customers in Italy.

# Case Study: Moov-Tech (pay-per-use car subscription and insurance services)

A portfolio company of Apis Partners Syndicate

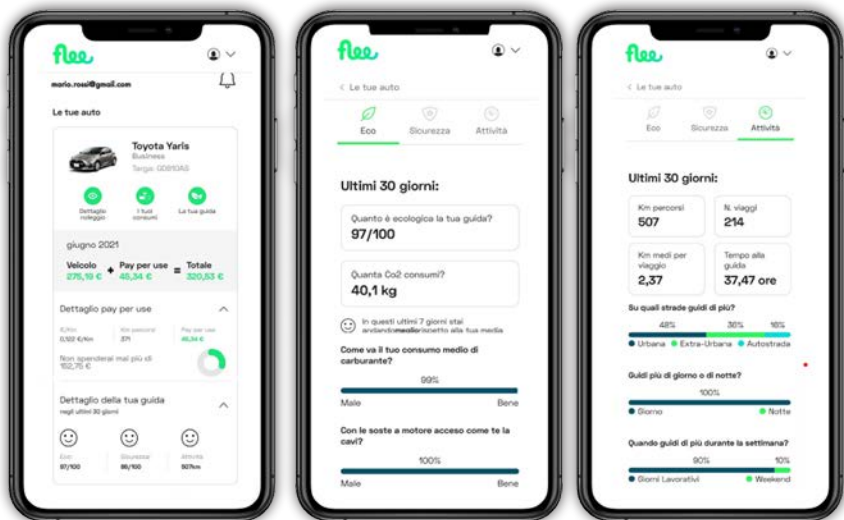


## Background

- Pay-per-usage insurance relies on telematics data to improve accuracy of scoring based on driving behavior and actual vehicle usage.
- Bundle vehicle subscription and insurance become a market standard because customers prefer "all-inclusive" packages, while vehicle subscription providers unlock operational synergies in scoring, billing, telematics data usage and distribution channels.

## Moov/Flee and Pay-per-usage (PPU) Insurance

- By leveraging telematics data on underwriting, Moov-Tech offers a flexible, pay-per-use car subscription product to customers in Italy. Moov, via its brand Flee, provides **vehicle subscription** (long-term rental) as the main product to which **pay-per-use (PPU) insurance and P2P sharing services** can be attached for B2C customers. Flee offers separate usage-based insurance FleeCare and custom insurance for large fleet managers, car leasing/ rental operators, and individuals through its MGA. Flee would also handle insurance claims.
- Moov/Flee has a pay-per-use pricing model. Its pricing includes fixed fee, insurance and PPU fee depending on vehicle type and mileage. Insurance (including Flee's PPU insurance) can also be embedded in a car subscription service on a white label basis.
- Moov has created specific insurance programs for mobility ensuring their clients are protected with a flexible approach tailored to the actual needs. Its pricing models incentivise virtuous behaviours, such as optimising consumption, sustainable and safe driving.



Alternative data like credit insights enabled by open insurance could help determine insurance pricing. For example, consumers with high credit scores might be seen as more financially responsible and less likely to file fraudulent claims and consequently pay lower premiums.

## Case Study: Eureka (data-as-a-service provider)

*A portfolio company of Apis Insurtech Fund I*



### Description

- Eureka.ai, as a data-as-a-service platform, analyses and derives credit data of users based on alternative data (e.g. telco data) and create more reliable credit scores for underbanked customers. A widened range of data would help derive a more accurate credit score which leads to significantly higher acceptance rates.
- Eureka leverages geospatial, temporal and interest graphs, and precision targeting of microsegments among mobile users to embed products into partner channels for timely marketing to cross-sell financial products.
- Eureka also partners with enterprise customers (e.g. insurers, transport, FMCG) to identify commercial opportunities and create market intelligence and risk products that leverage vertical-relevant mobile data.
- Its Spectrum platform collects unique data from open finance and mobile operators' proprietary distribution channel. Eureka then generates alternative credit, wealth, and health score which enables banks and insurers underwriting financial products such as better-priced loans and more suitable insurance policies or portfolio allocation. The platform helps banks and insurers improve underwriting and fraud risk.

Product	Credit Score	Location Check	Fraud Check	Omni Intelligence	Pinpoint
Description	Risk underwriting based on ability to repay for underbanked	Confirm home, work or other locations provided with consent	Identify and flag potentially fraudulent or suspicious transactions	Digital and competitive intelligence on online behaviour	Location and mobility intelligence
Client ROI	Better risk pricing	Lower fraud and reduce price of risk	Lower fraud and reduce price of risk	Competitive market intelligence	Lower cost per impression

### Claims management

Open insurance allows insurance providers to **detect and prevent fraud** more effectively. Insurers can identify irregularities or suspicious activities in real-time using financial data of customers. For example, if a customer makes a claim for a car accident but has not been paying their car insurance premiums regularly, this could indicate fraudulent behaviour.

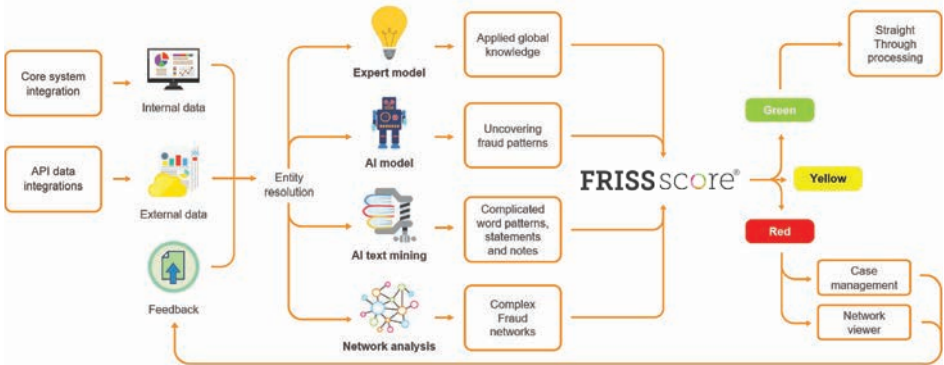
# Case Study: FRISS (claims and fraud detection software solution)



## Description

- FRISS provides an insurance software solution that helps detect and eliminate fraud. By utilising proprietary analytics and indexes, it mitigates risks associated with applications, policies, and claims. Its risk indication enables businesses to efficiently identify and manage fraud and insurance risks, enhancing decision-making processes for quotations, policies, and claims.
- FRISS integrates customer information with external data sources, leveraging self-learning AI fraud models to compare claim information against known and emerging fraud patterns. Any discrepancies flagged by the system are immediately made available to claims adjusters.
- FRISS builds complex networks to identify suspicious connections between individuals, assets, and third parties in real time, further enhancing fraud detection capabilities.

## How FRISS works



By integrating data from open insurance frameworks with AI, insurance providers can accelerate the claims processing timeline. Insurers could get alerts promptly for any detection of connected claims. Additionally, AI can extract relevant information from photographs to verify data in the insurance contracts. Utilising real-time data empowers insurers to make immediate payment offers to policyholders for specific types of policies, therefore enhancing efficiency and customer satisfaction. Overall, the advanced processing capability streamlines operations, reduces costs, and strengthens the reliability of insurance services.

## VII. CONCLUSION AND OUR INVESTMENT THESIS

Open insurance, through data exchange via APIs, offers significant benefits for both consumers and the insurance industry. For consumers, open insurance enhances transparency, personalisation, and convenience. Consumers enjoy a more integrated experience, with tailored insurance policies based on their financial habits and greater control over their data. This digital transformation simplifies application, onboarding, and claims processes, leading to lower costs, flexible services, and better customer experiences. Additionally, open insurance empowers consumers with clearer insights into policy terms and pricing, helping them make more informed decisions and easily switch between providers when necessary. For the insurance industry, open insurance fosters innovation, operational efficiency, and improved customer relationships. It allows insurers to offer more competitive products by gaining insights into customer needs and competitor activities, thus driving personalised offerings. Data sharing improves distribution networks and reduces administrative costs, enabling faster sales and cross-border operations. Furthermore, open insurance promotes partnerships within the financial services ecosystem, such as bancassurance, where banks and insurers collaborate to offer comprehensive solutions. This partnership model generates new revenue streams and strengthens customer loyalty by providing integrated banking and insurance services tailored to individual financial behaviours.

The emergence of open insurance will likely follow the trajectory set by open banking and the broader open finance movement. Open banking has sparked discussions and inspired a comprehensive open finance framework covering the insurance, pensions, and other financial sectors. This shift towards open finance empowers consumers and fosters innovation in the insurance industry. As the industry evolves with new products and regulatory clarity, financial institutions will uncover new opportunities. Over time, consumers will become more familiar with granting access to their data, benefiting from personalised and favourable policies. For insurance providers, this presents a mix of opportunities and challenges. Providers can leverage data technology and an open ecosystem to better engage customers, therefore enhancing cross-selling and retention opportunities.

Success hinges on improved legislation that provides clearer guidance and frameworks, motivates compliance with safe data-sharing practices, manages fair pricing policies, and enhances the overall experience within the insurance sector. Insurance providers need to adapt existing business models and apply advanced data analytics. Depending on market factors, each provider must find their own strategic advantage and decide whether to lead or collaborate within the emerging open insurance ecosystem. Those who successfully transition to data-driven, customer-centric models will be well-positioned to capture significant advantages. However, developing a regulatory framework and overcoming sector inertia will take time. Providers must decide the extent to which insurance value chains should be opened for sharing insurance-related and specific policyholder data among insurance and non-insurance firms. Regulators must guide how to balance protecting consumer interests and policyholder rights while motivating providers to innovate better products and improve efficiency.

We believe the evolving insurance landscape supports a broad range of business models, creating compelling opportunities. Our investment thesis includes embedded insurance companies integrating insurance products seamlessly into other services, technology-enabled insurers leveraging open data to enhance offerings, new distribution channels enabling contextual insurance purchases, software applications enhancing data analytics and integration, or advanced pricing and claims handling vendors with technology identifying improvements in pricing and claims processes. Technology will continue to play a pivotal role, acting as an enabler for traditional companies through modularisation and expanded offerings, and fostering new digitally native entrants that disrupt the industry.

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