FinTech.

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TOP 10

CRYPTO INNOVATORS

PAYMENT SOLUTIONS: *BANKING TECHNOLOGY AND DATA PROTECTION*

VITALITY HEALTH: *CUTTING-EDGE INNOVATION IN THE HEALTHCARE INDUSTRY*

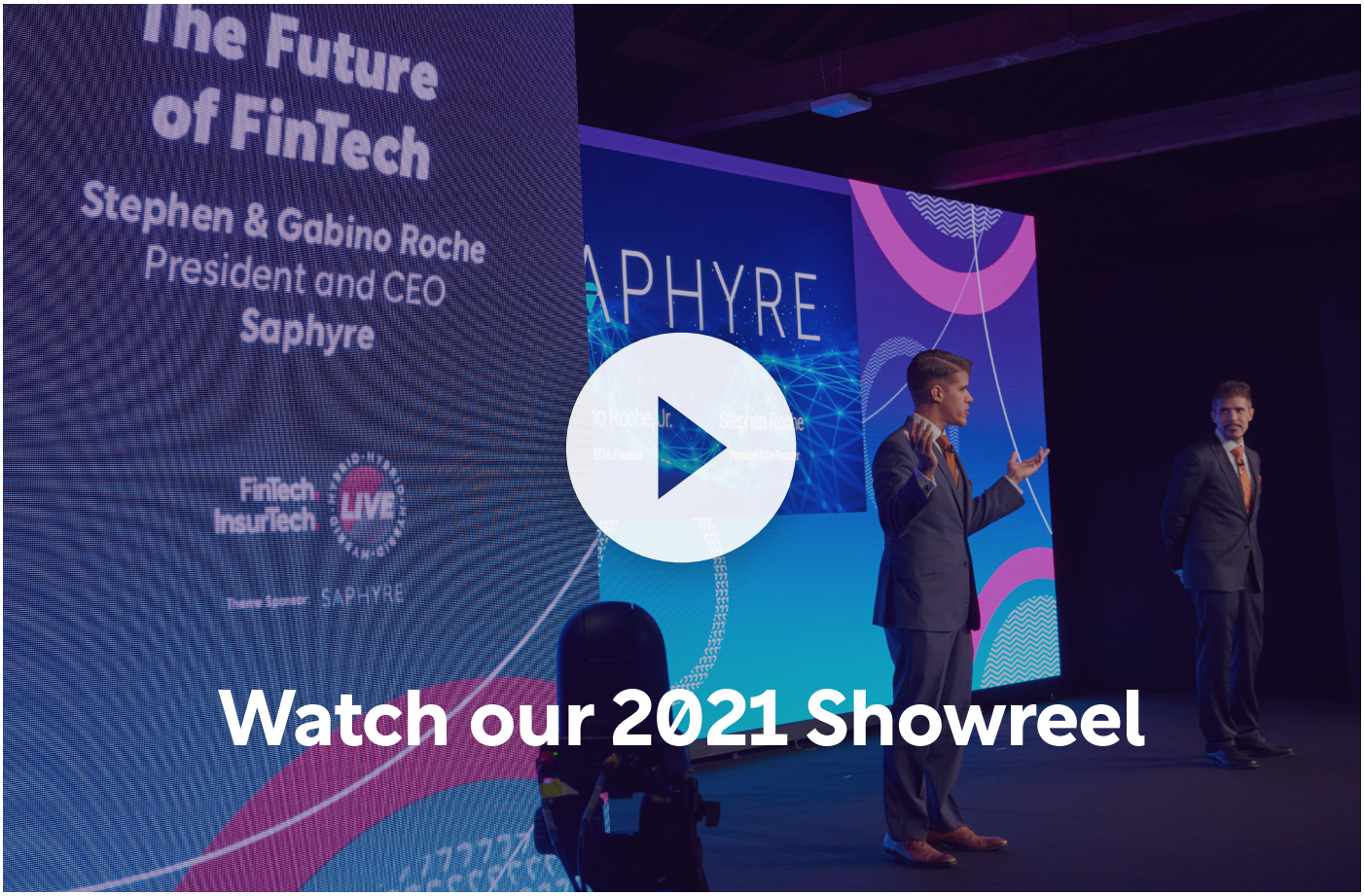
FINSERV: *CRYPTO AND THE CORPORATE PAYMENTS TRANSITION*

BANKING: *TRANSPARENCY AND TECHNOLOGY TRANSFORMING INVESTMENT*

CHUBB

GABRIEL LARAZO, SVP HEAD OF DIGITAL, TALKS TRANSFORMATION AND TECHNOLOGY DRIVING INNOVATION IN INSURANCE

FEATURING: **MISSION UNDERWRITERS MANAGERS**



Join us at FinTech LIVE London

Showcase your values, products and services to your partners and customers at FINTECH LIVE LONDON 2022.

Brought to you by BizClik Media Group FINTECH LIVE LONDON, the hybrid event held between 1st-2nd November is broadcast live to the world and incorporates three zone areas of **FinTech LIVE**, **Crypto LIVE** plus **InsurTech LIVE** in to one event.

With a comprehensive content programme featuring senior industry leaders and expert analysts, this is an opportunity to put yourself and your brand in front of key industry decision makers.

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The FinTech Team

BNPL AND THE BURSTING BUBBLE

Not too long ago, Klarna announced that it had lost a staggering US$40bn from its valuation. The fall from grace was seemingly epic – tumbling it back to unicorn rather than decacorn status in just a matter of weeks.

But as stories go, it's not an unexpected tale. And it's also a visible sign of the reshaping process for an industry that bubbled due to an unnatural period of spending and sudden digitisation.

BNPL companies are now in a period of maturation where new regulations will result in more circumspect decision making, and competition in the marketplace will result in a healthier environment for the customer.

Today, the development of embedded finance is transforming the space again, providing companies with the ability to manage their own BNPL offerings directly to the customer. These are exciting times!

Within this latest issue, we are exploring incubators and accelerators, banking technology and the move into the cloud – including what that means for financial services – and much, much more.

> ***"Tumbling it back to unicorn rather than decacorn status in just a matter of weeks"***

We hope you enjoy this month's magazine.

JOANNA ENGLAND
joanna.england@bizclikmedia.com

FINTECH MAGAZINE
IS PUBLISHED BY

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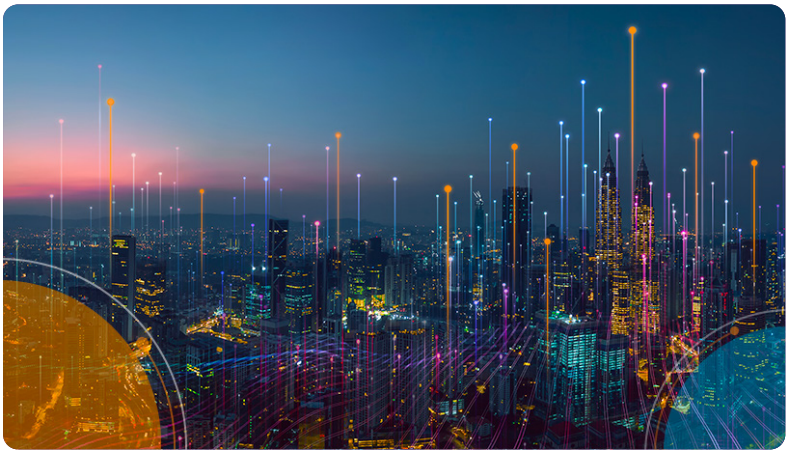
CONTENTS

Our Regular Upfront Section:

Coforge

Build a Digital Future and Lasting Customer Success

Accelerate growth and create wholistic business value with pioneering technology-fuelled digital solutions tailored to the realities of your enterprise and the financial services industry. Inspire customer loyalty and success.



Tech 'about evolution, not revolution' - Coforge

Gautam Samanta, Coforge EVP and Global Head of Banking and Financial Services, stresses that digital transformation is all about delivering value.

Coforge is a global digital services and solutions provider, and helps its clients embrace emerging and new technologies to achieve real-world business impact.

The company's proprietary platforms power critical business processes across a select number of sectors, and it has a presence in 21 countries, with 25 delivery centres across nine nations.

One of the sectors in which Coforge is a key player is banking and financial services (BFS), where it is helping its BFS clients on the digital transformation journey by making the road as straight and smooth as possible.

"Digital transformation is an evolutionary process, not a revolutionary one," says Samanta. "So we do not see it as disruptive."

He adds that having a clear vision of what digital transformation is - and isn't - is what shapes the solutions that help Coforge's clients achieve their goals.

"For us, digital transformation is not just a marketing phrase to wrap around software services. It is not about the technology. It is about delivering business value for stakeholders, including shareholders, customers and employees."

Samanta adds that Coforge's approach is effective because its solutions also "absorb the realities of our customers' enterprises" - the reality being that "the old and the new often coexist in business processes that can sometimes be decades old".

"One of the things that differentiates us is that we are pragmatic in our approach to helping clients," Samanta adds. "Yes, we transform with the new, but not at the expense of the old, which often has value."

It helps, too, that Coforge has a deep understanding of what value looks like in BFS, because the company has chosen to focus its attention on this sector, as well as a small number of other verticals.

"We focus on very select industries, and have a deep understanding of the underlying processes of those industries, which provide us with a distinct perspective," says Samanta.

Learn more ›

BIG PICTURE

Apple announces move into BNPL space

Nanjing, China

An Apple store lights up at night in the city of Nanjing, China. In June, the tech giant announced its intention to expand into the buy-now-pay-later (BNPL) space when it releases the latest version of its iOS operating system later in the year. Apple Pay Later will let consumers spread the cost of purchases over several interest-free instalments. Experts claimed it would give the fintech space more room for collaboration, but also warned the move was "bound to put pressure" on existing players like Klarna, Clearpay and Affirm.

THE BRIEF

"MORE THAN TWO THIRDS OF BANKS THINK THEY WILL LOSE MARKET SHARE WITHIN TWO YEARS IF THEY FAIL TO DIGITALLY TRANSFORM"

Simona Covaliu
VP Risk and Compliance, Mambu

READ MORE

"PAYMENTS IS MORE THAN JUST SIMPLY PROCESSING TRANSACTIONS – IT'S A STRATEGIC DRIVER OF A BUSINESS"

Colin Neil
UK Managing Director, Adyen

READ MORE

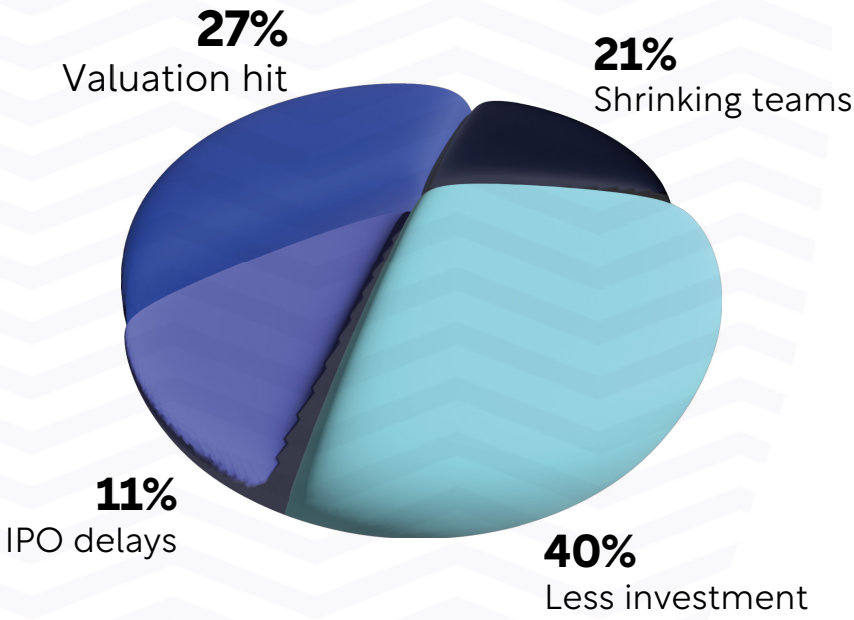
"THROUGH TECHNOLOGIES LIKE OPEN BANKING AND APIs, PROVIDERS HAVE MADE THE DIGITAL-FIRST INVESTING EXPERIENCE FAR MORE SEAMLESS AND CUSTOMER-FRIENDLY"

Liam Gray
Fintech Growth Account Manager, Plaid

READ MORE

BY THE NUMBERS

WE ASKED YOU:
HOW HAS THE GLOBAL ECONOMIC CLIMATE MOST IMPACTED FINTECH?



75% OF CONSUMERS NOW USING MOBILE WALLETS – SURVEY

Three-quarters of consumers in the US, UK and Australia have used a mobile wallet in the past year, according to a new survey commissioned by Marqeta

'SIGNIFICANT DISPARITIES' REMAIN AROUND PERCEPTIONS OF D&I – REPORT

Men are much more likely to believe that the fintech sector is inclusive, despite "significant disparities" around D&I remaining pervasive, according to a new report from EY and Innovate Finance

PLAID AND MOLLIE PARTNER TO IMPROVE ONBOARDING FOR MERCHANTS

Mollie has partnered with open banking firm Plaid as it looks to improve its onboarding process for merchants, making it 'easier and faster' for customers

FIDOR BANK TO PILOT BIOMETRIC PAYMENT CARDS WITH ZWIPE

German digital bank Fidor Bank has entered into a partnership with Zwipe to pilot biometric payment cards in the country during the second half of 2022. This will be powered by the Zwipe Pay technology platform.

Biometric cards look like any other payment card but, in addition to the standard chip and pin technology, they also have a fingerprint sensor. The chip powers the card's fingerprint sensor, and both require authentication via the correct pin and the correct fingerprint in order to make a payment.

A report from last year by Fingerprints suggests that just over half of consumers are ready to opt-in to biometric cards – a rise that generally correlates to the decline of cash.

Boris Joseph, CEO at Fidor Bank, says: "Next-generation payment cards powered by on-card fingerprint authentication will greatly help to differentiate our payment offerings with respect to a seamless checkout experience and uplifted transaction security...

CONTINUE READING...

GOOD TIMES

AUG22

BAD TIMES

↑ FALCONX

Crypto platform FalconX has raised US$150mn in a Series D funding round that has more than doubled its valuation. The California-based company is now worth US$8bn, up from US$3.75bn less than a year ago.

↑ KUSHKI

Ecuadorian payments company Kushki has raised US$100mn in an extension to its Series B round, achieving unicorn status in the process. The company's valuation has hit a new high of US$1.5bn

↓ AMIGO LOANS

Embattled lender Amigo Loans will launch a compensation scheme worth over £100mn for customers who were previously mis-sold loans, according to reporting from the FT. It could mean the company is able to start lending again

↓ BOLT

US ecommerce fintech Bolt has begun laying off around 250 employees – equivalent to roughly one-third of its entire workforce. Bolt Chief Executive Maju Kuruvilla says that "it's no secret" that market conditions are changing

TIMELINE

THE HISTORY OF BLOCKCHA

The blockchain has virtually emerged from nothing in the space of 30 years, at first seeming a niche concept that would have little benefit before being rightly recognised as a potential game-changer in business, finance and society in general

1990

Much of the groundwork for the blockchain was set in the early 1990s. Stuart Haber and Scott Stornetta met while working for US software company Bellcore and set about creating a solution to a problem they had identified: the world relies so heavily on its record-keeping but to ensure trust, records must be authenticated by an independent party.

1991

Within a year of presenting their idea, Haber and Stornetta had written the algorithm that would become recognised as the blockchain. The term is derived from the way data, such as the record of a transaction and its unique hash, is packaged into blocks and linked together like a chain. The more blocks are added, the stronger the chain becomes.

1998

By the end of the 1990s, computer scientist Nick Szabo had attempted one of the very first applications of this new 'decentralised' system, proposing 'bit gold', a forerunner to the very popular bitcoin. Bit gold was never implemented and it would take another decade before anybody would build on Haber and Stornetta's work to launch a decentralised currency.

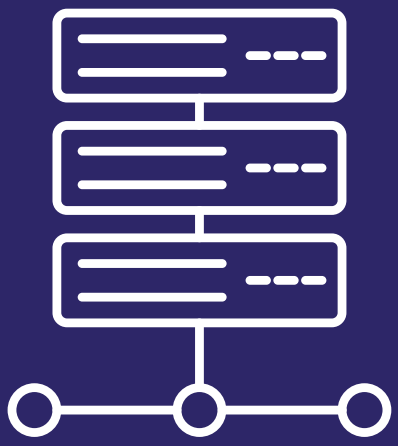
AIN

2008

A developer or team of developers using the pseudonym Satoshi Nakamoto publishes a white paper that conceptualises the cryptocurrency bitcoin, and establishes the blockchain as the public transaction ledger used for bitcoin. This lit the flame for the cryptocurrency market, which would explode over the next decade.

2013

Five years after the white paper was published, early bitcoin enthusiast Vitalik Buterin would create Ethereum. He thought bitcoin needed a scripting language for application development and, failing to establish a consensus among the bitcoin community, built his own blockchain-based platform. It utilises smart contracts and is the platform on which NFTs are built, for example.



2014

Businesses begin exploring the full potential of the blockchain and, with this in mind, blockchain is separated from the currency to allow more applications to take shape. This kickstarts the period known as 'Blockchain 2.0', which instead of applying decentralisation to currency could see infinite possibilities in business instead where authentication, rights or ownership are at issue.

With a personal fortune of US$11.5bn, Philip Anschutz made his fortune by playing the energy markets and winning.

Born on 28 December 1939 in Kansas, Philip Frederick Anschutz made his debut at a time when the western world was in crisis. Hitler had invaded Poland and was beginning his steady march across Europe. The US would not enter the fray for another four years – but the reverberations of war were rippling towards the US, regardless.

At that time, the US midwest was still recovering from the fallout of the Great Depression and, as is customary in the aftermath of disaster, opportunists were making their mark. One such man was Fred Anschutz, Philip's father, who worked as a 'wildcatter', more commonly described as an 'independent driller of exploratory oil wells'.

The wheels of industry were turning fast in the US at that time, and demand for more power to fuel the growing number of factories and industrial sites – as well as the burgeoning automobile industry – was huge.

The family moved to Wichita, where Fred Anschutz found contractual success and Philip attended high school. A keen student, he then went on to study a finance degree at the University of Kansas, graduating with Honours in 1961.

Delving into industry

With his interest firmly in financial legal matters, Anschutz had planned to complete a postgraduate law degree at the University of Virginia. Prior to starting the first semester, however, he returned to Wichita to take over the family business, Circle A Drilling, which was in difficulty due to his father's descent into alcoholism and consequent range of health issues.

With his acute business acumen and knowledge of the financial markets, Anschutz soon had the company back on its feet and thriving. But his foray into business management in the energy industry had whet his appetite for big business – so he moved to Denver, the heart of the industry, to launch his own company, Anschutz Corporation, in 1965.

Philip Anschu
tycoon extr

Nancy and Philip Anschutz

utz,

raordinaire.

Crisis hits the company

But the road to success is often beset with obstacles to overcome and, during the early years of Anschutz Corporation, a fire broke out in the Wyoming oil field he was working on. Anschutz had no financial provision for such a disaster.

At that time, the famous firefighter Red Adair was having his biopic filmed by Universal Pictures. Anschutz sold the rights to Universal to film Adair extinguishing the fire on his oilfield. He then used his fee ($100,000) as payment to Adair for his services and invested the rest into developing the oilfields.

The move meant he could grow the business significantly and develop more profit streams. By 1975, he had bought oil fields in Colorado, Texas, Montana and Wyoming. He'd also purchased uranium and coal mines as well as developing an innovative seismic drilling technology, which, by 1980, had been responsible for locating a billion-dollar oil field under his own home ranch on the Utah-Wyoming border.

Anschutz sold the oilfield for US$500mn to Mobil, which was the springboard capital that seeded the rest of his investment career.

A move into telecoms and travel

In 1975, Anschutz started to explore other industries – most notably, the railroad and telecoms industry. He decided to revamp older, disused lines and, by 1984, had acquired Rio Grande Industries, which owned the Denver & Rio Grande Western Railroad.

The price at purchase was US$90mn. And he later bought Southern Pacific Railroad for more than US$1bn. However, Anschutz had a clear, long-term vision: after investing in new tracks and trains, he then sold the venture to Union Pacific Railroad for US$5.4bn in 1996, netting himself more than US$1bn in the process, while also becoming one of Union Pacific's largest shareholders.

Internet opportunities

Anschutz always had a keen eye for opportunity, and, using his railroad rights-of-way, he installed fibre optic cables for telecom companies. He also laid extra cables for himself. By 1995, he was able to use his own fibre network to create Qwest Communications, a leader of the decade's dot com boom.

At the height of his wealth, Anschutz accrued a net worth of US$15bn, but all was not well and, when Qwest Communications' stock crashed following the dot com collapse, several of his leading company

"OIL AND GAS WAS AN UP-AND-DOWN BUSINESS, AT BEST"

Philip Anschutz,
Businessman and financier,
AEG

executives were convicted for insider trading and fraud.


Nancy and Philip Anschutz

Sports and entertainment

By the year 2000, Anschutz – still reeling from the crash of Qwest Communications – decided to invest in the sports and entertainment industries. He was responsible for establishing Major League Soccer and, at one point, was financially supporting six leading teams. Anschutz still owns the LA Galaxy team to this day. Following these investments, he then started working in the film industry.

He launched Walden Media – a production company that specialises in family-friendly films with a moral message. The studio's box office winners included the Chronicles of Narnia trilogy and Ray.

Anschutz manages his companies under an umbrella group entity called Anschutz Entertainment Group (AEG), which owns several venues and sports teams internationally.

Indeed, AEG Presents is second in the world only to Live Nation and has facilitated some of the world's biggest concerts, from Michael Jackson's ill-fated 'This Is It' tour in 2009 to Coachella.

Hotels and hospitality

Not content with playing a major role in the entertainment industry space, Anschutz moved into hotels. By 2010, he had added news outlets, including the San Francisco Examiner, to his portfolio. In 2009, he bought the conservative political magazine The Weekly Standard from Rupert Murdoch.

His most recent purchases include a raft of American hotels boasting an iconic reputation. He owns the Broadmoor in Colorado Springs and the Xanterra chain of luxury lodges.

A family man

Yet, despite his incredibly opulent lifestyle, Anschutz has never courted media attention, instead leading a surprisingly low-profile existence over the decades. For example, he married his childhood sweetheart, Nancy, who he met when he was 16. The couple's three children have enjoyed a singularly private existence because Anschutz prefers to maintain a reclusive lifestyle. Currently residing in Denver, he lives modestly, eschewing the idea of having a chauffeur, and can sometimes be seen out at one of his hotels, wearing blue jeans and watching his favourite sports teams without being recognised.

FIVE MINUTES WITH...

Matt Oppenhe

CEO of Remitly

Q. DESCRIBE YOUR ROLE AND YOUR JOURNEY INTO FINTECH. HOW DID YOU GET HERE?

» My journey started just over ten years ago when I was Head of Mobile and Internet Banking Initiatives at Barclays Kenya. While in Kenya, I discovered how difficult it was for my close friends to send and receive money from loved ones in their home countries. I also saw firsthand how far these remittances went for basic necessities such as food and clothing once they finally did receive them. It was then that I felt like there was a need to transform the remittances space.

While working as an Entrepreneur in Residence at Highway 12 Ventures, I began laying the groundwork for Remitly. Remitly launched from Techstars Seattle, an accelerator program for startups, in 2011, and since then, we have served 5mn+ customers in 2,300+ corridors in more than 20 sending/origination countries worldwide. All of this has contributed to significant growth for the company, allowing us to continue to innovate and scale as a business that transforms the lives of immigrants across the globe.

Q. WHO WAS YOUR CHILDHOOD HERO AND WHY?

» I met Desmond Tutu in college, and even before then, his compassion and what he did to end apartheid in South Africa really made an impact on me. When I met him, he was so human and full of grace; it felt like we truly connected. It felt like I was the only person in the world when I met him, even though he was such an iconic, impactful leader.

eimer

Q. WHAT'S THE BEST PIECE OF ADVICE YOU EVER RECEIVED?

» "Fall in love with a problem, not a solution."

For me, the problem I witnessed in Kenya was the friction in the remittance system that had a profound impact on sending and receiving money to and from loved ones. My first solution was to build an aggregator site that compared remittance services but soon discovered that this would not solve the problem. I wanted to solve the problem and, therefore, I pivoted to the right solution. By their very nature, problems can evolve over time requiring varying degrees and iterations of the solution. As an entrepreneur, it can be difficult if you fall in love with a solution that doesn't have a problem.

Q. WHAT WAS THE LAST BOOK YOU READ – AND HOW LONG AGO DID YOU READ IT?

» The last book I read is *A Good Provider Is One Who Leaves* by Jason DeParle. It's about the immigrant journey, specifically the Filipino immigrant journey. It's amazing. I read it a couple of weeks ago.

Q. NAME ONE PIECE OF TECHNOLOGY YOU COULDN'T LIVE WITHOUT AND TELL US WHY (EXCLUDING YOUR MOBILE PHONE)

» WHOOP! I love to run and try to do at least one marathon a year. WHOOP gives me a totally new perspective on my body in how I recover from the daily strains in life and training. A healthy body supports a healthy mind, and my WHOOP strap helps me manage sleep and recovery.

Q. WHO DO YOU LOOK UP TO IN TERMS OF LEADERSHIP AND MENTORSHIP?

» I look up to so many people and I'm very, very lucky to have so many great mentors. One person in the fintech space that I look up to tremendously is Nigel Morris, who's a director at Remitly. He is the co-founder of Capital One, he's the managing partner at QED Investors. They led our Series A and I feel so fortunate to work with them. Nigel is an amazing operator and amazing human and amazing leader – the kind of leader that I'd like to become.

Q. WHAT'S THE BIGGEST CHALLENGE/ ADVANTAGE YOU'VE ENCOUNTERED TO DATE IN THE FINTECH INDUSTRY?

» The biggest challenge I see in the fintech space today is surrounding the ability for the banking and payments industries to innovate without eroding the trust that's inherently important when it comes to money. Financial services need to be treated much differently than any other industry that has been disrupted because of this delicate concern.

A lack of understanding stems from this challenge. Many of the disruptors today are moving fast and aren't attuned to the nuts and bolts of payments and banking. The complexities are endless, yet, they must all be understood. Otherwise, it could lead to an increase in the chance of failures and, as a result, loss of trust.

Q. IS THERE A PERSONAL ACHIEVEMENT FROM THE PAST 12 MONTHS OF WHICH YOU ARE PARTICULARLY PROUD?

» As I mentioned, I usually run one marathon a year, but I didn't run one last year. And I actually am proud that I didn't. I'm proud of myself for exploring a wider range of physical activities, including cycling and pilates. I'm proud of the fact that I branched out because it was better for my body to do a range of exercises like pilates, yoga, and cycling.

Q. DESCRIBE YOURSELF IN THREE WORDS

» Empathetic, determined, and global.

Q. WHAT INSPIRES YOU IN FINTECH TODAY?

» What inspires me in fintech today is anything happening outside of the US and Europe. We are certainly seeing an increase in a focus outside of those markets. I think investors are seeing the opportunity in Africa and Latin America and in Asia, and there's some truly amazing stuff happening there. Additionally, I think investors are finally seeing that potential and backing entrepreneurs in those markets as a result. Some examples include NuBank in Brazil or Chipper Cash in Africa.

Q. WHAT'S NEXT FOR MATT OPPENHEIMER?

» Accomplishing the vision of transforming the lives of immigrants and their families by promoting the most trusted financial services on the planet. Creating more accessibility and equity around the world undoubtedly creates change within the world – and that is what we at Remitly are on a mission to do.

Guardicore

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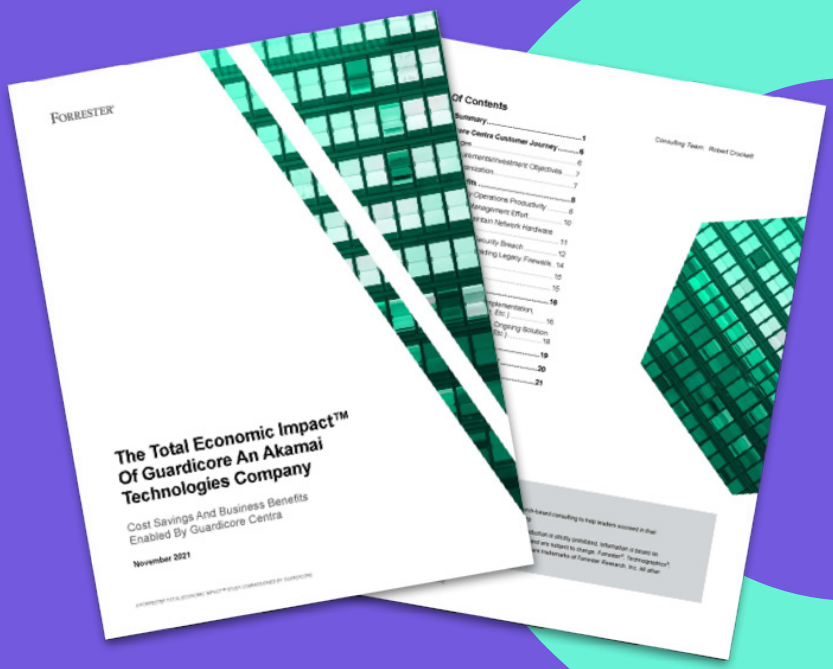
Stop ransomware in its tracks.

Boost security performance with Akamai Guardicore Segmentation.



Learn more

Akamai prioritises the future demands of cyber customers

Steve Winterfeld of Akamai discusses the company's university-based founding and how it merged into a leading multibillion-dollar cybersecurity firm

Akamai was founded following a competition at the Massachusetts Institute of Technology (MIT), entered by its co-Founder and CEO Frank Thomson Leighton—Dr Tom Leighton. Since that time, the organisation has expanded massively, and in the words of Steve Winterfeld, Advisory CISO at Akamai, the company "continues to solve hard problems."

The cybersecurity company plays a critical role for corporations as it focuses on the future, to determine whether threat motivation will change and how to best combat ransomware attacks, state-sponsored DDoS attacks, and ransomware that could turn into wiperware.

"Those are real concerns, and we're keeping an eye out for those. And so we have probably 15 security capabilities backed up by services, responding to customers' needs and rapidly growing on the edge compute and cloud side."

"We started out with a web application, or as it is more commonly called now, web application and API protection, and expanded into protecting the infrastructure against DDoS to include the DNS infrastructure and recently added internal infrastructure protection and visibility through micro-segmentation," explains Winterfeld.

Responding to the cybersecurity needs of the customer

As an established cybersecurity organisation, Akamai can now focus on what customers need.

Winterfeld explains that, in response to its clients' feedback, the company has been acquiring the necessary assets and tools to fulfil those needs with the recent purchase of Guardicore. Guardicore's leading microsegmentation products will be added to Akamai's comprehensive portfolio of Zero Trust solutions to protect enterprises from damage caused by breaches like ransomware, while safeguarding the critical assets at the core of the network.

"We bought Linode, which is a cloud provider. And so now we have an integrated platform to build and perform on as well as secure."

A prime example of Akamai's ability to meet customer demands, particularly in high-risk environments, is its partnership with First Bank, which is "very concerned about its real-time visibility into its network. We're partnering with them on a software-based microsegmentation, where they're able to see those data flows and create segments."

CHUBB®

DRIVING DIGITAL INSURANCE INNOVATION

AD FEATURE
WRITTEN BY:
JOANNA
ENGLAND

PRODUCED BY:
JOE
PALLISER

A truly global commercial and consumer insurer, **Chubb** is driving digital transformation across the digital and insurance marketplace globally

Chubb is driving digital transformation within the vast insurance marketplace.

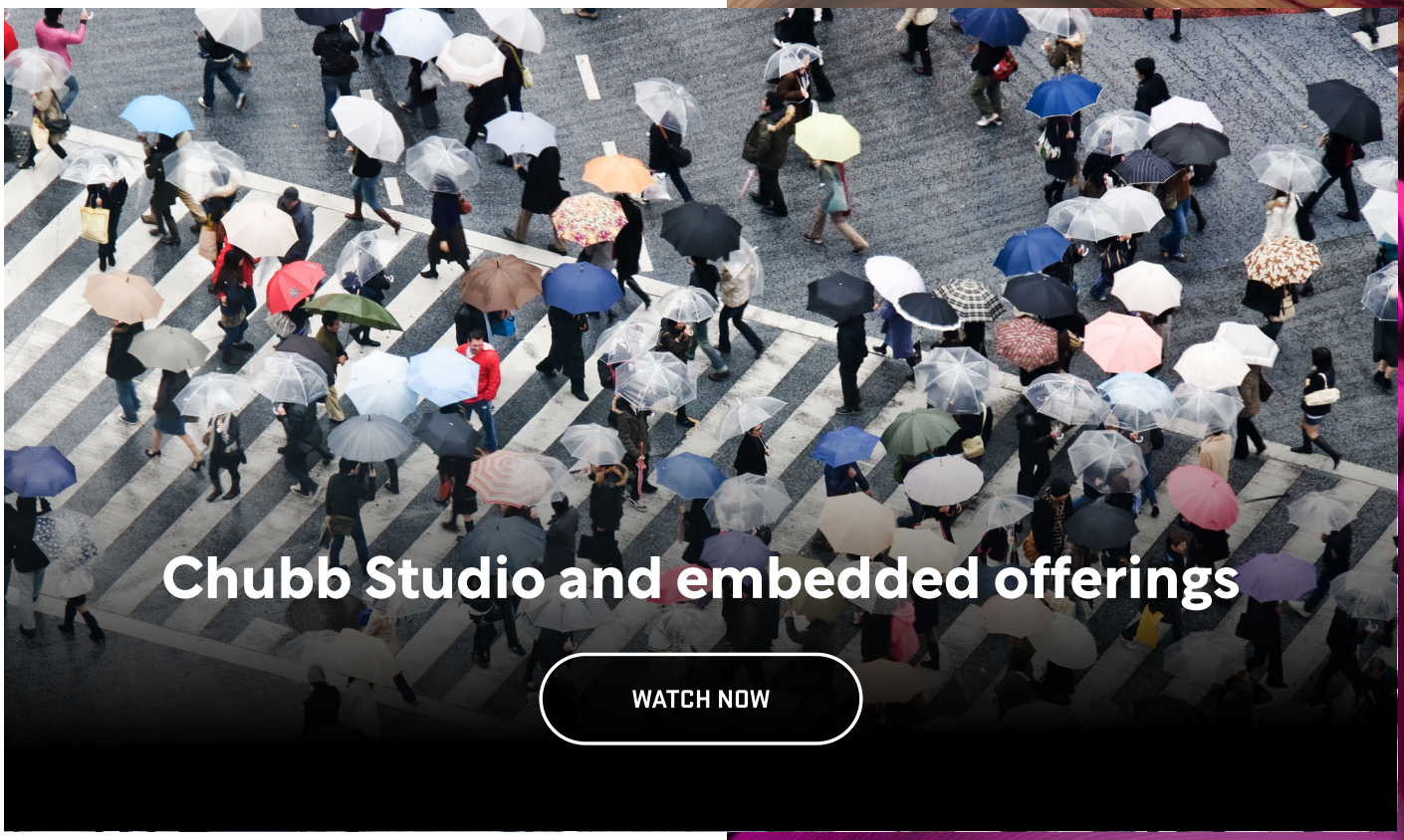
The insurer is a global provider of property and casualty, accident and health, reinsurance, and life insurance on a global scale.

Gabriel Lazaro is the Head of Digital for Chubb's international general insurance business – a role that sees him based in Singapore, and responsible for the success and growth of the digital businesses across Latin America, Europe, the Middle East and Asia Pacific. Lazaro works with the consumer and digital teams globally to expand Chubb's distribution through digital ecosystem partnerships.

"We innovate in terms of insurance products and value propositions. That includes claims and the technology to enable a seamless customer experience," explains Lazaro, who spent 12 years in early-stage and mobile content companies, before a stint at AIG as Head of Digital for emerging markets. It was this experience that led to a move to Chubb in 2016, where he now oversees the digital insurance product distribution and expansion of the company's digital business across 51 countries and territories.

A culture of development and inclusion

With a global footprint of local offices in 54 countries and territories, Chubb has a robust reputation in the industry. It is known for its excellence in underwriting, risk engineering capabilities, and claims services, as well as for its innovative approach to digital transformation.



The sheer volume of the company is staggering. Chubb employs an estimated 34,000 staff around the world. In 2021, the company reported a total of US$47bn in Gross Written Premiums (GWP) and currently owns around $200bn in assets.

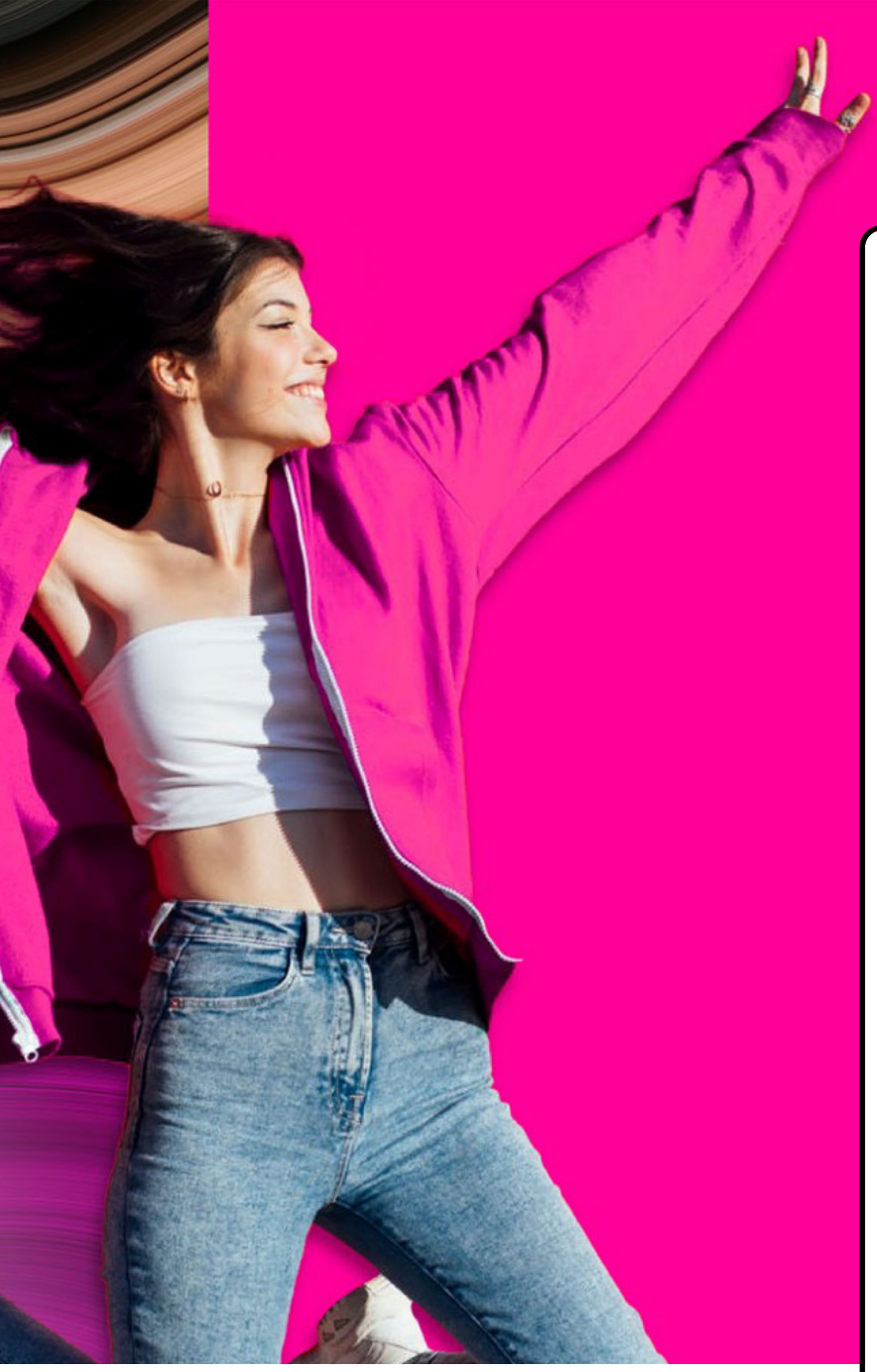
Yet, despite its massive size, looking after its people is a "prime consideration", says Lazaro, who speaks of his team with pride.

He adds: "I like to inspire people to become the best versions of themselves. In order to do that, I need to provide a clear vision to make sure that everyone is aligned and moving towards a common goal."

Empowering the workforce is also critical, he states. "It's imperative to empower people to unleash their creativity. The other part I'm passionate about is execution and providing tangible results. At Chubb, we are a very diverse group of professionals. There is entrepreneurial spirit across the organisation with a can-do attitude and we practise our craft with precision and passion."

"The global protection gap has an estimated worth of $1.2tn. There's a huge opportunity to address that with a new value proposition for consumers"

GABRIEL LAZARO
SVP, HEAD OF DIGITAL, OVERSEAS GENERAL INSURANCE, CHUBB



GABRIEL LAZARO

TITLE: **SVP, HEAD OF DIGITAL, OVERSEAS GENERAL INSURANCE**

LOCATION: **SINGAPORE**

Gabriel Lazaro is Head of Digital for Overseas General Insurance, Chubb's international general insurance business in 51 countries and territories. Based in Singapore, Mr. Lazaro has responsibility for digital insurance product distribution and digital business in countries and territories outside North America, working with Chubb's digital teams around the world.

Mr. Lazaro joined Chubb in 2016 as Head of Digital for Latin America and was promoted to his current role in 2021. Prior to joining Chubb, he held multiple international roles at AIG, including Global Digital Marketing Director and Head of Digital for Emerging Markets. Mr. Lazaro started his career in early stage digital and mobile content companies like Fox Mobile and Zed Group in Continental Europe.

EXECUTIVE BIO

Driving digital transformation in emerging markets

Although the company has always had a strong focus on digital products and services, many recent changes have been implemented to expand and engage consumers.

"We have always been focused on expanding our digital products and services through partnerships based on a B2B2C model," says Lazaro. "Developing unique value propositions and embedded experiences within platforms and ecosystems is paramount. We have almost 200 digital distribution partners globally, across financial services, e-commerce,

super apps and major airlines. These digital distribution partnerships provide us with an addressable market of more than 300 million customers, most of them in Latin America and Asia, who see our products through our digital distribution partners' business platforms."

As Chubb focuses on its digital transformation journey and its entry and development of emerging markets, the corporation has also developed a platform called Chubb Studio that enables it to provide API technologies to connect with partners in record time. By embedding Chubb products in the partner's ecosystem, the company is able to deliver contextual insurance offerings to customers seamlessly. To date, more than 19 million policies have been sold across the offer spectrum through Chubb Studio.

According to Lazaro, the technology has provided Chubb with a competitive advantage over other industry players. "It's a cloud-based, easy-to-use API platform that fuels our businesses and partnerships while helping us to connect with our digital distribution partners. We can create products within their platforms in a very easy and fast manner, pulling our digital underwriting, claims and service capabilities together into one place."

"It provides scale because, as a global platform, every time we incorporate another market or product, our partners are able to benefit from our expanded offerings.

Emerging markets and insurance technology adoption

One area Chubb excels in is emerging market penetration. This isn't a task for the faint hearted; companies developing new products in such a space must often be prepared to work with outdated systems and legacy business models before introducing any new products to market.

"At Chubb, we see emerging markets as a fantastic opportunity – especially Southeast Asia and Latin America. These two territories alone have a combined total population of one billion people, 80% of which are under the age of 40 and fully digitally engaged through smartphones."

Lazaro says that, during the pandemic in Southeast Asia, more than 70 million people became digital consumers, therefore, enabling protection solutions for those customers digitally has become an opportunity. Entering into such markets also enables companies to benefit the local populations by reducing the protection gap and providing low cost, easy-access insurance products that previously were not available.

"There's a protection gap globally – especially in developing economies and emerging markets – of around $1.2tn. These markets have low insurance penetration compared to other markets globally," says Lazaro, who points out that the pandemic has accelerated digital adoption across all geographies, developed markets and sectors.

"We are focused on an emerging middle class, small-to-medium companies, gig workers, content creators, Gen Z and Millennials," he adds. "There is a huge opportunity for those across the globe."

Insurance technologies and the digital ecosystem

As part of its digital expansion, Chubb has partnered with a wide range of businesses on a global scale. The insurer provides its innovative services as part of a move to increase embedded product opportunities for agents and brokers.

"We work with businesses globally, and our goal is to help them to embed insurance offerings into their core products and services," says Lazaro. "This provides peace of mind to the end customer and also helps businesses increase customer loyalty and then support it with new revenue streams."

As a global company, Chubb offers a turnkey solution by helping its digital distribution partners with regulatory and related elements to make sure they have a successful insurance experience. The teams have broad industry expertise and implement

digital insurance product offerings for verticals such as banks, fintechs, super apps, ecommerce retailers, mobility companies, travel, mobile network operators and more.

Lazaro's team collaborated with Grab, Southeast Asia's leading superapp providing users with transportation, food delivery and digital payment services, to provide Grab users with an innovative insurance solution called Ride Cover.

Ride Cover provides complimentary personal accident insurance to Grab's passengers and disburses a voucher in the event of a delayed pickup. Available in Singapore, Malaysia, Indonesia, Vietnam, the Philippines and Thailand, Ride Cover is opt-in and integrated into the passenger's ride booking journey within the Grab App. For a very low fee (e.g. S$0.30 in Singapore), passengers are offered a premium service with additional protection in the event of accidents.

They have also partnered with other innovators such as NuBank, the largest neobank in Latin America, to launch a fully digital life insurance offering embedded in the bank's app. "Together with Nubank, we created customer-friendly life insurance with a flexible product and a price that resonates with the Latin American emerging middle class. It was reported that, in the first year, we sold more than half a million life insurance policies, more than half of those who bought the product said it was the first life insurance they had taken out," he states.

Other partners include Dacadoo and Betterfly, as well as other major players in Latin America, Korea, and Southeast Asia, all creating value-adding services to the end users that extend beyond the traditional insurance. "We like to co-create to develop those unique experiences at scale," says Lazaro. "One of our core strengths is that, as an international company, we partner with companies that have a vision beyond their unique markets."

Lazaro says Chubb creates unique value propositions – from selling to claims experiences. "We see everything as a whole. We are proud of our journey and partnering with the best-in-class partners that we have. It has helped us improve our services from the product and technology perspectives."

Growing services in the pandemic

Like many providers, Chubb's digital business expanded during the pandemic because the demand for digital services skyrocketed. "For

"We created a customer-friendly life insurance with a flexible product and a price that resonates with the Latin American emerging middle class"

GABRIEL LAZARO
SVP, HEAD OF DIGITAL, OVERSEAS GENERAL INSURANCE, CHUBB

us, especially in the digital space, it has had a positive impact in terms of uptake," says Lazaro. "We launched Chubb Studio in the middle of the pandemic, and we are going to keep expanding our capabilities through the platform to make the connection with our partners easier."

Lazaro says that, in terms of claims and servicing, Chubb is working towards frictionless customer journeys, enhancing the overall experience to make claims effortless, simplified and with as few clicks as possible. These enhancements will be made possible by new technologies the insurance giant is investing in.

"In terms of the technology that we're investing in, data analytics and discovering how we can take advantage of the data that we've collected by ourselves through our partners, this information will enable us to work towards product recommendation engines and make, at scale, much more relevant offerings for partners to provide to their end users."

The goal, he says, is to offer the right product to the right partner at the right time.

The future of insurance

Embedded products are, in Lazaro's experienced eyes, the future of the insurance industry – although they are also relevant in other sectors. Point of Sale offerings, he reiterates, present truly new and valuable opportunities for insurers looking to expand their products and services.

34,000
EMPLOYEES

200
DIGITAL DISTRIBUTION PARTNERS GLOBALLY

"We innovate in terms of insurance products and value propositions. That includes claims and the technology to enable that experience"

GABRIEL LAZARO
SVP, HEAD OF DIGITAL,
OVERSEAS GENERAL INSURANCE,
CHUBB

"Chubb was one of the early movers on embedded insurance, through airlines many years ago. Then we expanded partnering with ride-hailing companies, super apps, and fintechs. We are the leaders in some markets and territories, in terms of volumes and experience."

"We truly believe embedded insurance provides the means for each platform to be able to provide really meaningful insurance products to their customers in a seamless experience. With one click, we can increase protection for customers and create incremental sources of revenue for our partners. It's a win-win situation."

It is this connectivity that will result in a smaller protection gap for end-user customers – especially those in emerging markets, which, says Lazaro, is the ultimate goal. "I strongly believe that we have a-once-in-a-lifetime opportunity. There are more than four billion people connected to the internet right now, and the digital economy, through partnerships and ecosystems, will be worth trillions of dollars.

The investment space has opened up to new users and services through the latest technology trends

TRANSP AND TECH TRANSI INV

WRITTEN BY:
JOANNA ENGLAND

PARTY INNOVATING FOR INVESTMENT

The recent economic downturn has had a sharp impact on investors. Inflation is higher than it's been for 40 years and unpicking the pitfalls of the market crisis places even greater pressure on investment platforms to perform well. But what lies ahead for investment technologies, and how can customers protect their interests in the face of such uncertainty?

Liam Gray, Fintech Growth Account Manager, Plaid, says the biggest shift has been the influence of technology in helping to reduce the barriers to entry. In the past, investing was seen as a niche among those with significant financial experience or capital, but that has changed.

"Investing has moved from wood-panelled offices to the internet. Through technologies like Open Banking and APIs, providers have made the digital-first investing experience far more seamless and customer-friendly. Now, with firms like Shares or Nutmeg, anyone can invest and trade their money from their mobile in just a few clicks – essentially, all that's required is a mobile phone.

"In addition to retail trading, many long-term financial planning apps and services have emerged from companies like Moneybox to Pensionbee, to make it easier for people to contribute to and manage their retirement funds."

According to Finn Houlihan, Managing Director of Arlo Group, it's important to consider the history of investment platforms and why they transformed so significantly over the past decade. "Going back 10 years, many clients had funds held directly with the institution, such as Invesco, JP Morgan or HSBC. From an admin perspective, that

"INVESTING HAS MOVED FROM WOOD-PANELLED OFFICES TO THE INTERNET. THROUGH TECHNOLOGIES LIKE OPEN BANKING AND APIS, PROVIDERS HAVE MADE THE DIGITAL-FIRST INVESTING EXPERIENCE FAR MORE SEAMLESS AND CUSTOMER-FRIENDLY"

LIAM GRAY
FINTECH GROWTH ACCOUNT MANAGER, PLAID

investment startup Quartr, believes fintech companies are leading this financial literacy movement by providing all investors the knowledge and access to make informed financial decisions. "No matter age, experience or background, individuals are now able to research, select and invest in stocks from their own homes," he says.

Osman says financial apps like Quartr, eToro and Robinhood have led to a substantial boost in retail investments, creating a level playing field for investors. "This influx of investment from new demographics shows the impact that digital tools have had on the accessibility of investing. Financial education and investment apps address major pre-existing inequities in the

was incredibly difficult to manage. Platform technology was a massive game changer in organising customers' investments into one place where they could get more involved in the investment process."

He points out that these innovations have created far more transparency in the space through technologies such as Open Banking, because clients can view the performance of their portfolio collectively whenever they want to and can examine individual fund performance. This, he says, took a lot of the pressure off advisers in providing updates to clients on performance.

DeFi in investment

Technology developments have democratised the investment space, providing education on all things finance and encouraging new demographics to become self-directed investors. Sami Osman, co-founder and CEO of the Swedish

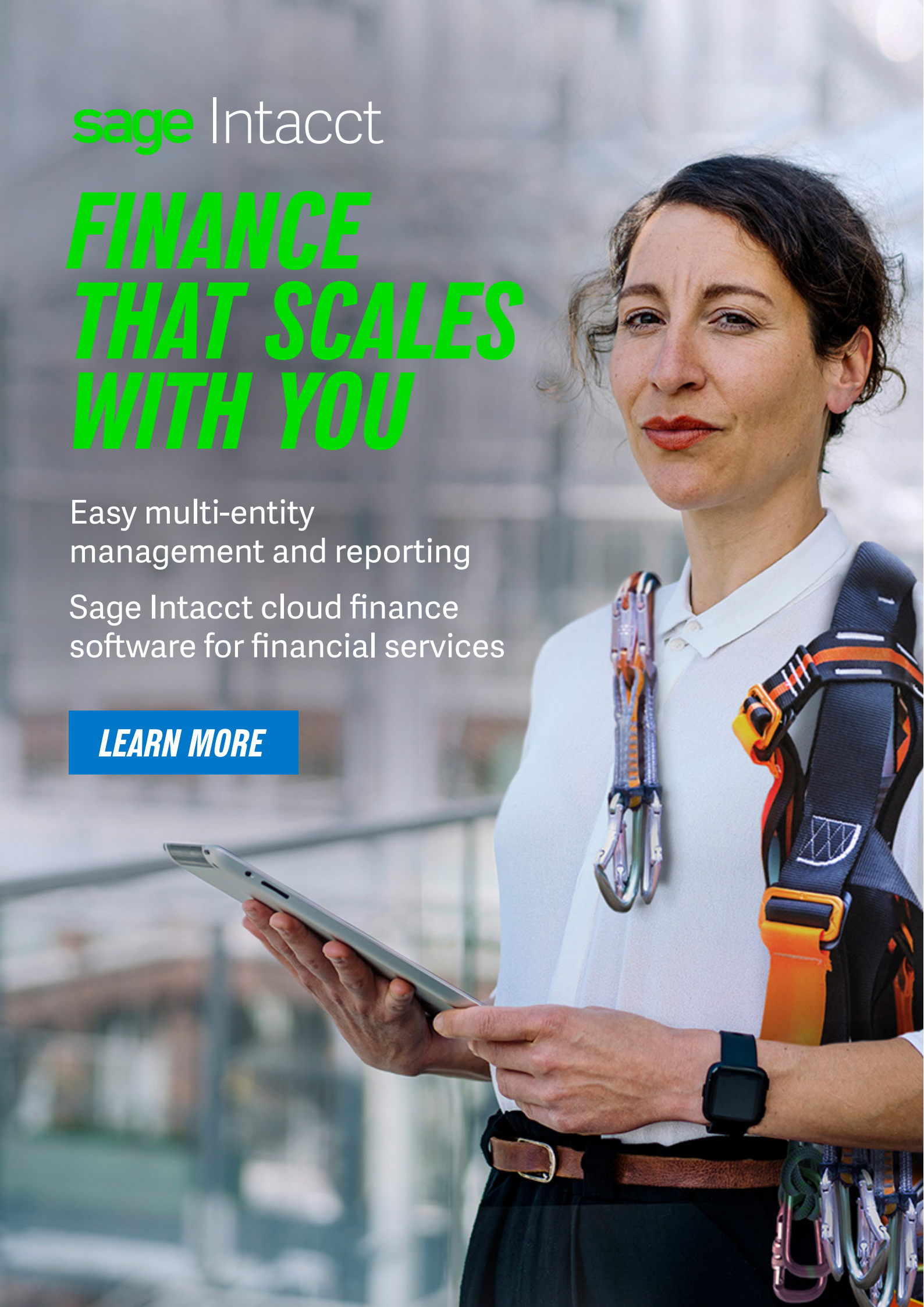
investment landscape, such as information being shared solely behind closed doors between firms, institutions, and analysts," he states.

Gray agrees. "Platforms like Facebook, TikTok, Twitter and Reddit have enabled a new age of information sharing," he says. "Financial influencers now speak to a new community of investors wishing to learn more about how they may better manage their money. On many social media platforms, communities have cropped up where amateur and retail investors are able to share tips and advice to the public. This, in turn, has created a new generation of young investors and traders. Indeed, the term 'what is the stock market?' was a trending Google search term during the first quarter of 2020."

Economic impacts on investment

The recent global rises in inflation have had an undeniably negative impact on the investment landscape. Houlihan notes that, to counter the effect of the current situation on the investment landscape, investment strategies must be very carefully executed. "It is disastrous where we are now, with inflation at a 40-year-high; interest rates will have to go up further. But that will clearly have a catastrophic impact – it may lead into a real recession, something commentators have been predicting recently."

He believes financial advice will become increasingly important. "Advisers must help educate their clients on the risks and work with them closely, so they have full transparency. This is what platforms are helping with."



Finding the right investment platform

But what should customers look for in a new investment platform? Which elements are critical to success and which add the most value? Richard Dufty, Chief Commercial Officer, Arkose Labs, points out that security of the solution should be paramount.

"There's a saying that goes something like this: 'where the money goes, so go fraudsters'. Over the past decade, many investment firms have moved consumer-facing operations online, while other investment firms have started up as digital native platforms."

"AS 2021 WITNESSED A RECORD-BREAKING INVESTMENT INTO ESG-FOCUSED FUNDS, IT WOULD BE AN OVERSIGHT TO CAST THIS OFF AS A BUBBLE"

SAMI OSMAN
CO-FOUNDER AND CEO,
QUARTR

Dufty believes this has blurred the definition lines between investment firms and fintech. "People can argue both sides of the question. Regardless whether an investment firm digitally transformed or started up as a digital native, one thing they both have in common is they've captured the attention of fraudsters."

These financially-motivated fraudsters hack into consumers' online accounts at their investment firms to make money in a couple of different ways.

"Firstly, fraudsters will test a consumer's account credentials, making sure that the credentials work by getting clear access into the consumer's account. Once the credentials have been 'verified' by the fraudster, the fraudster will sell those credentials on the Dark Web to other fraudsters. The credentials that sell for the most money are called Fullz – that means that the fraudster has the full information package on a real person, including their name, email address, social security number, address, etc. At scale, fraudsters can make a massive amount of money."

Fees are another area of consideration. With increased transparency, comes greater onus on the customer to take care of their own investment decisions – but that means tools must be up to the task. Different investment platforms provide different services and charge varying fees.

"Choosing the right one is a very personal decision. Investors must be aware of factors like platform costs, potential access to guidance, and how easy the platform is to browse," says Osman. "Unlike a multi-billion-dollar enterprise, the average person is unable to access the most expensive tools, such as high-cost terminals. Investors should therefore do their own research and choose platforms that are in accordance with the functionalities they need.

Houlihan agrees, saying customers need to look for attributes such as easy access to their account information and make sure they are provided with as much information as possible. This could include full portfolio performance data, underlying investment performance data, investment tools such as tax tools, unused capital gains and confirmation of income paid.

"The more information the better, but it must be provided in a manageable and personalised way," he points out, noting that customer usability must also be a consideration. "The initial set up process also needs to be as frictionless as possible. With an ageing population, many clients need to have a platform sign up process that is seamless and doesn't put them off investing."

New technologies driving the investment space

Access to data and accessibility in terms of sharing information between accounts and investment information is also crucial to the new investment customer demographic. Super apps are a key element of this, providing mobile-ready access to account information and investment data in one place. But other platforms have also proved useful.

"There is no doubt that fintech apps have aided investors across all demographics and disrupted the traditional investment landscape," says Osman. "However, social media platforms are also worth a mention. I first met the other Quartr co-founders on Twitter. We're part of a wider network, sharing our investment knowledge and understanding with social media communities. These platforms facilitate investors meeting and exchanging information through forums like Reddit, Discord groups, YouTube channels, Twitter and Stocktwits."

He believes social technology channels are playing a major role in shaping the new investment space. "These technologies are influencing and disrupting the investment market in ways never seen before, harnessing the power of investor communities, and are capable of reshaping financial markets. They've introduced new ways of thinking about investing and

"WITH AN AGEING POPULATION, MANY CLIENTS NEED TO HAVE A PLATFORM SIGN-UP PROCESS THAT IS SEAMLESS AND DOESN'T PUT THEM OFF INVESTING"

FINN HOULIHAN
MANAGING DIRECTOR,
ARLO GROUP

strengthened the influence of retail investors across the board."

Houlihan says other significant contributing factors are Open Banking and robotic technologies. "The implementation of Open Banking has been very significant. It allows people to have access to all of their investments across platforms and their bank account information in one place. It's an incredible development – one that is making people's lives easier. This is something that will continue to grow in prominence.

"The development of robo-advice has also been significant, with many suggesting that it would make human advice obsolete. However, the initial uptake hasn't been as ground breaking as first anticipated. There has been more demand for 'do-it-yourself' advice – such as with Hargreaves Lansdown and AJ Bell – where the individual takes the risk on themselves using the research provided."

The future of investment

Osman predicts ESG becoming central to the investment space. "As 2021 witnessed a record-breaking investment into ESG-focused funds, it would be an oversight to cast this off as a bubble. At Quartr, we have noticed a rapidly increasing number of companies mentioning ESG during their earnings calls and presentations, as they begin to factor widespread sustainability concerns into their investor relations strategy."

Gray concludes: "We need to move from an open banking environment to an open finance one instead, to provide consumers with greater visibility and control of all of their financial information – including pensions, investments, ISAs, and savings' data. This will help ensure that customers have complete transparency and control of their financial situation to improve decision making and planning for the future – particularly important as we head into uncertain economic times."

"We're not there yet, but the future is promising. At Plaid, we're working hard to make this open-finance future a reality."

"OVER THE PAST DECADE, MANY INVESTMENT FIRMS HAVE MOVED CONSUMER-FACING OPERATIONS ONLINE"

RICHARD DUFTY
CHIEF COMMERCIAL OFFICER,
ARKOSE LABS

MISSION
UNDERWRITERS

Mission's programme model for insurance underwriting

AD FEATURE
WRITTEN BY:
ALEX CLERE

PRODUCED BY:
JAKE MEGEARY

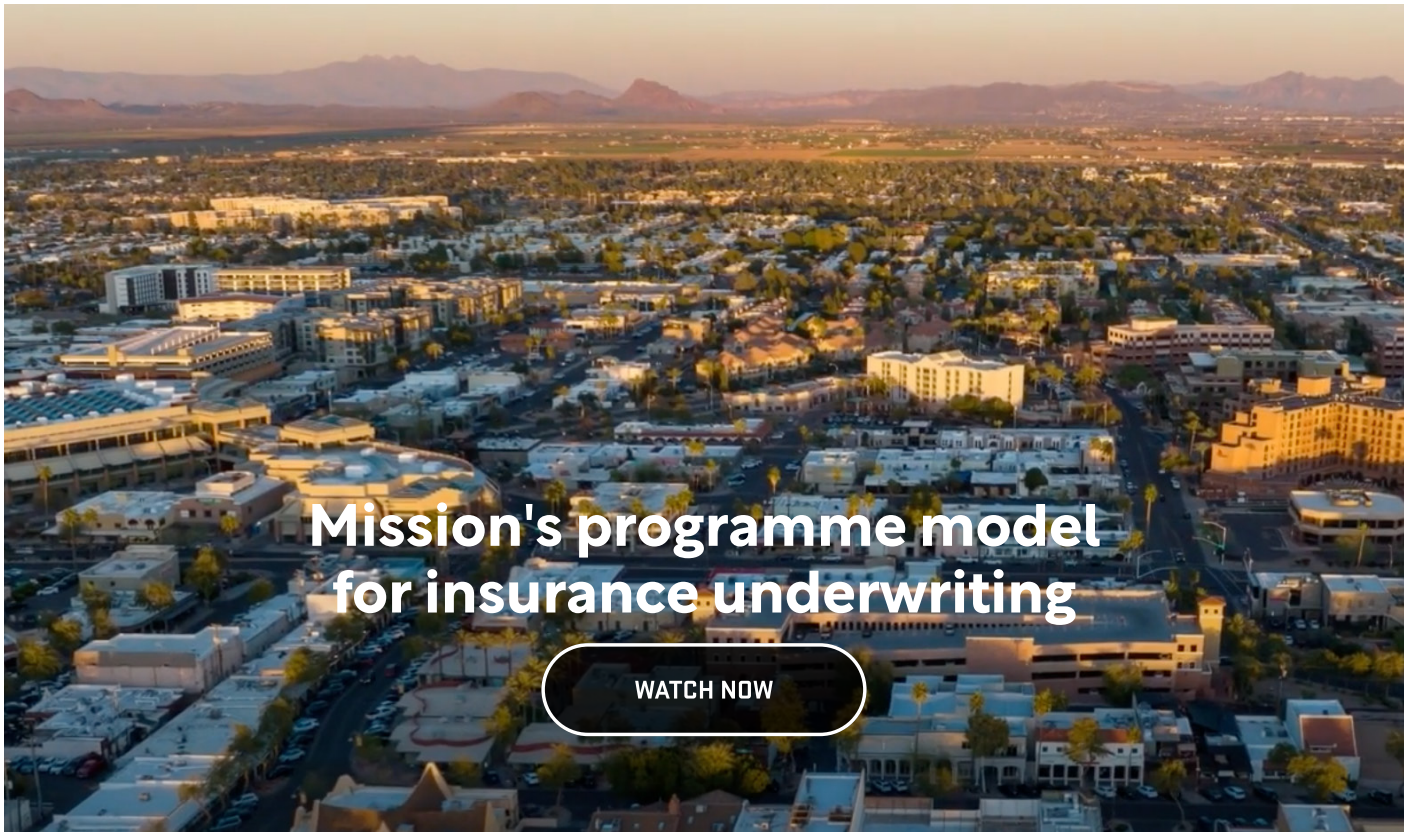
In the space of 18 months, Mission Underwriters has launched an innovative programme approach to insurance underwriting and taken on its first series

As CEO and Founder of Mission Underwriting Managers, Keith Higdon knows the pains and pressures of starting a business. In just 18 months, Mission has built a platform for entrepreneurial underwriters who want to start their own company but don't have the means, time, or capacity to set up a general agency from scratch.

"The past year has been a whirlwind," Higdon explains from his office in Scottsdale, Arizona. "Mission was started in February 2021. I was employee number one at that time. We were focused on building what I think of as a platform, which is both services and technology to support underwriters who are entrepreneurial-minded and looking to take the next step in their career. So we basically have created an incubator for those types of individuals to reap the benefits of starting their own programme administrator series.

"The first few months was focused on identifying the right business partners in order to create that foundation, and on setting up the company. We were able to sign our first series on about 1 April and they were up and running by 1 June 2021."

The company operates like a hub-and-spoke model. At the centre of Mission's universe is the core team that Higdon has



assembled, called Mission Corporate, which provides the expertise and support needed to onboard new partners. Then you have the series partners themselves working within their separate entities, like satellites in orbit.

Higdon started his career in consulting, primarily with Marsh Risk Consulting, before spending 16 years with the third-party administrator Sedgwick. Later, he worked a number of executive roles for Chubb including as President of Chubb's third-party administrator ESIS immediately prior to joining Mission.

He says that everybody involved with Mission has brought together their frustrations of working within larger organisations and created something better. "All of us came from large, bureaucratic companies where it was very difficult to get things done," Higdon says. "It was also very difficult for you to really share in the value that you were creating for that organisation."

A structure that empowers underwriting teams

Mission uses its operating model to engender an entrepreneurial spirit and empower series to take ownership for their own business. The result is a flat organisation that is able to stay nimble, on the right rails in terms of regulation, but at the same time liberated from approval processes and weekly meetings – the scourge of corporate life.

Each series operates independently, meaning they're well insulated against other parts of the programme. "We've all been in that situation where our department did extremely well, but maybe the rest of the company didn't, and we all had to pay a price for that," Higdon recalls. "Our goal is to make sure that they're focused on building their entity and reaping the rewards of that rather than having to worry about what others in the organisation are doing.

"I think the key overall to Mission is diversification. Each of our series are working on different aspects of the property and casualty space. What makes us stronger is the diversification of those lines that the series are doing, as well as the diversification of the capacity that's providing that"

KEITH HIGDON
CEO & FOUNDER,
MISSION UNDERWRITING MANAGERS

"I think the key overall to Mission is diversification. Each of our series are working on different aspects of the property and casualty space. What makes us stronger is the diversification of those lines that the series are doing, as well as the diversification of the capacity that's providing that. So when we are looked at as an entity and the health of that entity, there's no one series, there's no one line and there's no one capacity contributor that could bring Mission trouble."

The right talent critical to ensuring success

Like many areas of the insurance industry, talent is incredibly important to Mission. The teams themselves are led by individuals who were relatively senior in their past firms but didn't have progression, often because they were prevented from climbing the career ladder by immovable line managers who had been there for years.

They bring their own underwriting expertise with them and, in return, Mission provides the support and technology to enable them to launch. It's a marriage of those two things that allows the system to be successful.

2021
Year founded

86
Number of employees

EXECUTIVE BIO

KEITH HIGDON

TITLE: **CEO & FOUNDER**

INDUSTRY: **INSURANCE**

LOCATION: **UNITED STATES**

Keith Higdon is the founding CEO of Mission Underwriters and its affiliates. He has over 25 years of experience in the insurance industry, including a diverse background covering executive leadership, client partnership, claims administration, technology management, data warehousing, and predictive analytics. During Mission's first year, Mr. Higdon and his selected team exceeded expectations by increasing the client count by 33% and almost doubling the bound gross written premium compared to the target. He has an extensive background in the use of technology and data analytics to drive business development, product design, and adding value to the client relationship.

> "All of us came from large, bureaucratic companies where it was very difficult to get things done"

EXECUTIVE BIO

CHRIS JONES

TITLE: **CHIEF PRODUCT AND STRATEGY OFFICER**

INDUSTRY: **INSURANCE**

LOCATION: **UNITED STATES**

Chris Jones serves as Chief Product and Strategy Officer at Mission Underwriters where he leads product and capacity development. Prior to his current role, Mr. Jones served as Chief Client Officer overseeing client onboarding and relationship management. He has an extensive understanding of property & casualty insurance and is proficient in executing a customer-centric vision through collaboration and proactive service offerings. Previously, he served in the industry as CFO, covering Program M&A, Commercial Property Program, Business Development and Accounting/ Finance. Earlier roles included SVP, Corporate Strategy & Development and VP, Program Division where he coordinated business development operations and Program M&A.

EXECUTIVE BIO

ALEX WILLIAMS

TITLE: **CDO**

INDUSTRY: **INSURANCE**

LOCATION: **UNITED STATES**

Alex Williams serves as the Chief Digital Officer (CDO) of Mission Underwriters. She strategically leads and implements collaborative approaches across the organisation to further accelerate the digital and technology platform initiatives for Mission Underwriters. Ms. Williams is an established leader in business operations and digital communications, with extensive experience in team leadership, business expansion, and process reengineering. Previously, she was Chief Information Officer and Head of Technology Development at ESIS, Inc. Ms. Williams is a George Washington University Digital Marketing Advisory Council Member, and works closely with non-profit organisation SERV International as Ambassador and Chairman of the Board of Directors.

"The core things that I want to make sure we accomplish from a technology perspective are speed, flexibility, and data quality"

ALEX WILLIAMS
CDO,
MISSION UNDERWRITING MANAGERS

Recruiting the right talent into the corporate team is also important. Talent is not just about knowing what you're talking about – it's about understanding the specific challenges that your clients face and having the experience to guide them through it. Mission has assembled a top core team, including Chief Digital Officer Alex Williams and Chief Product and Strategy Officer Chris Jones.

Understanding the startup experience

For Jones, who has lived the entrepreneurial life himself, bringing professional experiences that are similar to those faced by Mission's partners is an important attribute. He says: "One of the things that I struggle with, being an entrepreneur, is understanding how hard it is to keep the culture and the mindset, especially in an industry like insurance which most people don't think of as very entrepreneurial. Starting out, when we had a handful of employees at Mission and everybody was just doing whatever it took to get things done – that's what I want us to be known for, as the disruptors in the insurance space. The company that's entrepreneurial, nimble, able to move quickly, and reacts to new market signals quickly."

Jones acknowledges that it becomes increasingly difficult to do that, particularly as Mission scales. But he explains that he doesn't want to lose the entrepreneurial spirit that Mission shares with its series, nor lose the recognition it has gained as an innovator.

He readily admits that, like most people, he never grew up hoping to go into the world of insurance. Instead, he describes himself as a "finance guy", studying accounting and finance at university before falling – not leaping – into the insurance space. When he first stumbled upon the programme model from a carrier's perspective, he wondered why everybody wasn't taking this approach.

April 2021

Mission signed its first series and were up-and-running by

June 2021

"I want us to be known as the disruptors in the insurance space. The company that's entrepreneurial, nimble, able to move quickly, and reacts to new market signals quickly"

CHRIS JONES
CHIEF PRODUCT AND STRATEGY OFFICER, MISSION UNDERWRITING MANAGERS

"Over the last couple years, to our benefit, there have been several of these other carriers that have started up and people truly understand what we're trying to do," Jones continues. "Their business model is fully aligned with our business model.

"One of the big fears of a programme administrator used to be that you would wake up one day and your programme's performing fine, but your carrier partner, who isn't a programme carrier, just decides they don't like programmes anymore. That would happen, and then you're sitting there trying to find new carriers for it."

Jones explains that it's still not simple to go and find a carrier to support your business, but that more people are beginning to understand what Mission is doing and how it operates.

Providing a step-up on technology

As daunting as it may seem for entrepreneurs, there are many underwriters and MGAs that would love to start again from the ground up. Many are held back by systems that have been in place for decades, and that now have such a strong stranglehold over their data it's almost impossible for them to migrate away.

The process of cleansing that data alone is a time consuming one. If not done properly, it can lead to the legacy platform being recreated in a newer system and mistakes being repeated. For some, even the cultural shift required to bring management onboard is too great a hurdle.

So with the support that Mission provides, the entrepreneurs who join the programme are able to get a major step-up on the incumbents. The person responsible for ensuring they realise that technical advantage is Mission's Chief Digital Officer Alex Williams.

"I would say the major technical challenge for our underwriting teams is how we can get them up and running quickly without sacrificing quality," Williams says. "It's not just getting them up to where they are producing and writing business and premium, but how we continue to evolve their product and make sure that technology is a block-step in enabling that.

"The core things that I want to make sure we accomplish from a technology perspective are speed, flexibility, and data quality. We have diversity in our partners and our programmes, and we need to make sure the tools that we use are flexible enough to meet each of their needs."

When they sat down and looked at those requirements, it became obvious to Mission that a cloud-based SaaS solution made the most sense. It's nimble, allowing Mission to move quickly, and draws on the microservices and API exchanges within that ecosystem to allow Mission's programmes to get into business quickly.

"I'm not looking to recreate the wheel," Williams quips. "We want them to be able to operate out of a single integrated policy admin system and that everything is cohesive, so they aren't having to go to disparate systems. Data governance, and understanding its value, is important. That way we can provide more qualitative data and help our programmes monitor the performance of their business."

Crypto and the corporate payment transition

WRITTEN BY:
JOANNA ENGLAND

With new technologies and digital currencies, innovation is driving change in the corporate payments space

As the world races towards an increasingly cashless world, the corporate payments space is transforming. There are ever-more-innovative ways to carry out transactions and companies are demanding ever-faster, more friction-free solutions.

User experience is driving a change that has been accelerated by the global pandemic. But is this skyrocketing drive towards progressively cashless solutions sustainable?

Colin Neil, UK Managing Director, Adyen, says the biggest change in the corporate payments space over the past two years has been motivated by Covid. "The pandemic dramatically accelerated payment trends that were already starting to develop. Most notably, the transition to online commerce and the move away from cash. But something more significant developed as a result."

Neil points out that consumers have grown accustomed to fluid customer journeys. The line between the physical store and online blurred for even those most resistant to technology in the shopping experience, he says. "This mass shift required organisations to create seamless links between their stores, websites and apps, which need a much more sophisticated payments solution."

Shanker Ramamurthy, Managing Partner, Global Banking & Financial Markets, IBM Consulting, says the single most impactful change in the corporate payments space over the past decade has been the dramatic shift in emphasis toward Real-Time: the instantaneous movement and settlement of cash and data.

"Real-Time is one initiative the entire world has in common, and it has tremendous implications for liquidity management, cashflow forecasting and cash positioning. Corporates must ensure that enterprise resource planning (ERP) platforms/posting systems and reporting systems are current and equipped with adequate technology supporting the technical changes required for all systems to accommodate this new world order, as well the human resources needed for this new age," he says.

Embracing change and adoption innovation

Fintechs have embraced the disruption, to the point where innovations created by market newcomers, are dramatically altering the global financial marketplace.

Laurent Descout, CEO and co-founder of Neo, says that delays caused by antiquated processes cost businesses money – and businesses are therefore opting for solutions that provide a more instantaneous transnational process – especially when it comes to cross-border payments.

"When working with traditional banks, opening an international account is a long, difficult, and painful process – and the transactions themselves can add further days. Businesses are also losing out on cost. With cross-border payments, many banks don't just charge the exchange rate and the FX margin, they also inflate the overall price."

> ***"It all comes down to the fact that payments is more than just simply processing transactions – it's a strategic driver of the business"***
>
> COLIN NEIL
> UK MANAGING DIRECTOR,
> ADYEN

Fintechs, however, provide the solution. "They are enabling businesses to set up their own international account with a multi-currency IBAN in their organisation's name. As a result, they can manage corporate cash flows and view trading history, market data and statistics, all in one place," Descout points out. "Virtual wallets then ease the process for making same-day payments. Businesses can use them to organise funds and store multiple currencies, ready for executing payments or a currency exchange.

Competition in the corporate payments space

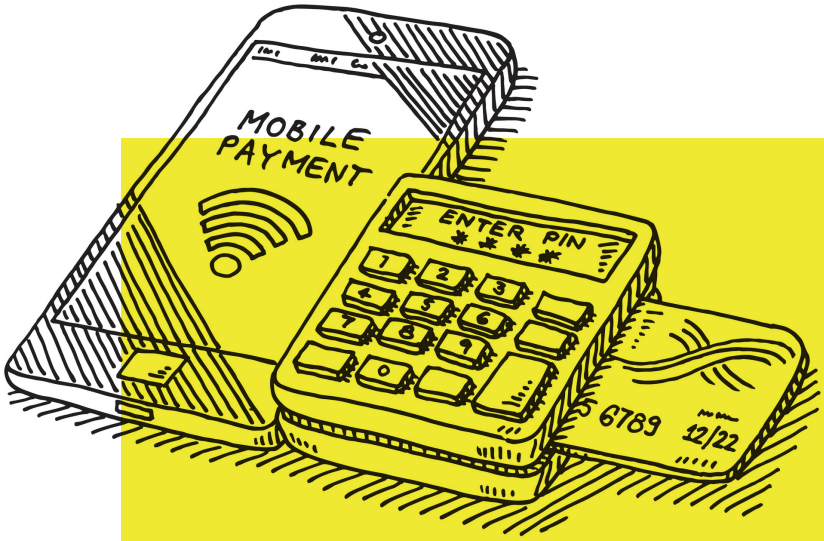
But, as an increasing amount of solutions are presented and technology keeps reinventing what is most effective, corporate payment service providers are in a constant race to stay ahead of the innovation curve.

Neil explains: "It all comes down to the fact that payments is more than just simply processing transactions – it's a strategic driver of the business, both from a customer experience perspective and operationally. There are so many ways that a payments partner can help enhance an organisation – those fintechs that constantly engage with merchants and think about how they can add value will stay ahead of the game."

He says that Adyen works continuously with its merchants to enhance its platform solutions and services, because it's critical to meet the needs of customers and improve operations so that they are always in line with the cutting edge of payment innovation. Providing embedded products is a new trend that is in increasingly high demand too.

"Ensuring our merchants are getting all the insights and intelligence they can from their payments is a key priority at the moment.

"We also recently announced our expansion beyond payments to build embedded financial products. These products will enable platforms and marketplaces to create tailored financial experiences for their users such as small business owners or individual sellers."



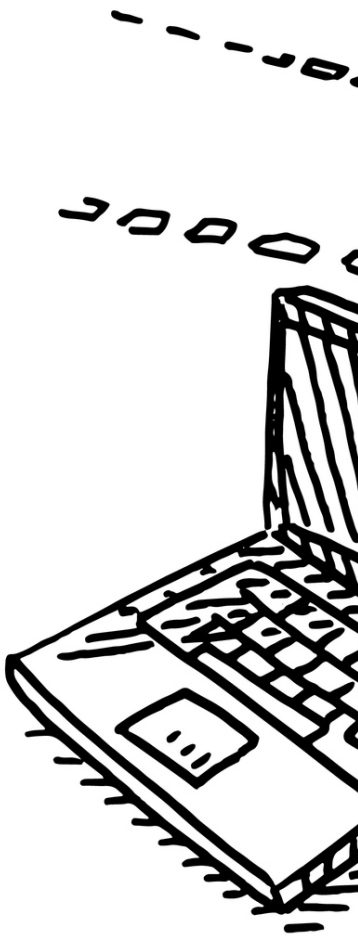
New corporate payment trends post 2022

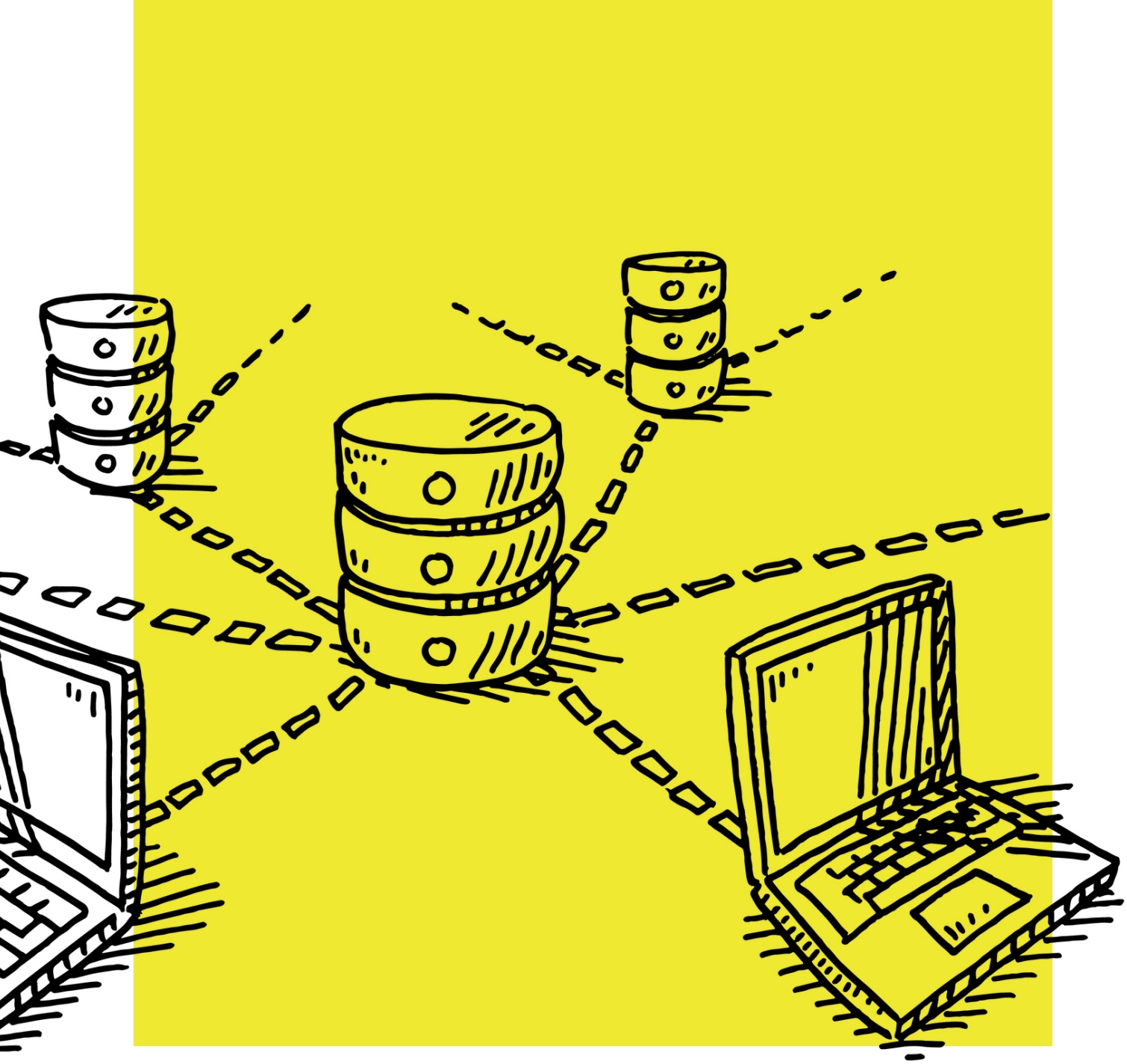
As increasing the speed and agility of transactions is good for business, more companies than ever before are recognising the need to shift from traditional service. Neil says this will be even more important in the current environment where businesses face more competition for consumers' discretionary spend. "Adyen's research shows that those UK businesses that connect payment systems across their entire organisations (operations, marketing, sales etc) outperform their competitors, adding 4% to their growth. But, currently, only 21% of UK businesses take this approach," he points out.

Mary Ann Francis, Associate Partner Payments, IBM Consulting, says making use of the digital ecosystem is critical in driving the corporate payments space forward. "We like to ask the financial institutions and corporate clients with whom we work: 'What do you want to be good at? What don't you want to do anymore? Who can we get to help take those activities off your hands? Do you have a plan in place to make that happen?'"

She continues: "Back-end legacy systems have become commodities that can be replaced with cloud solutions and managed services, freeing up budget and personnel to focus on more strategic

> ***"We can expect to see services that allow businesses to bridge seamlessly between the crypto and fiat economies to win widespread adoption"***
>
> CHRIS HARMSE
> CO-FOUNDER AND VP OF REVENUE, BVNK



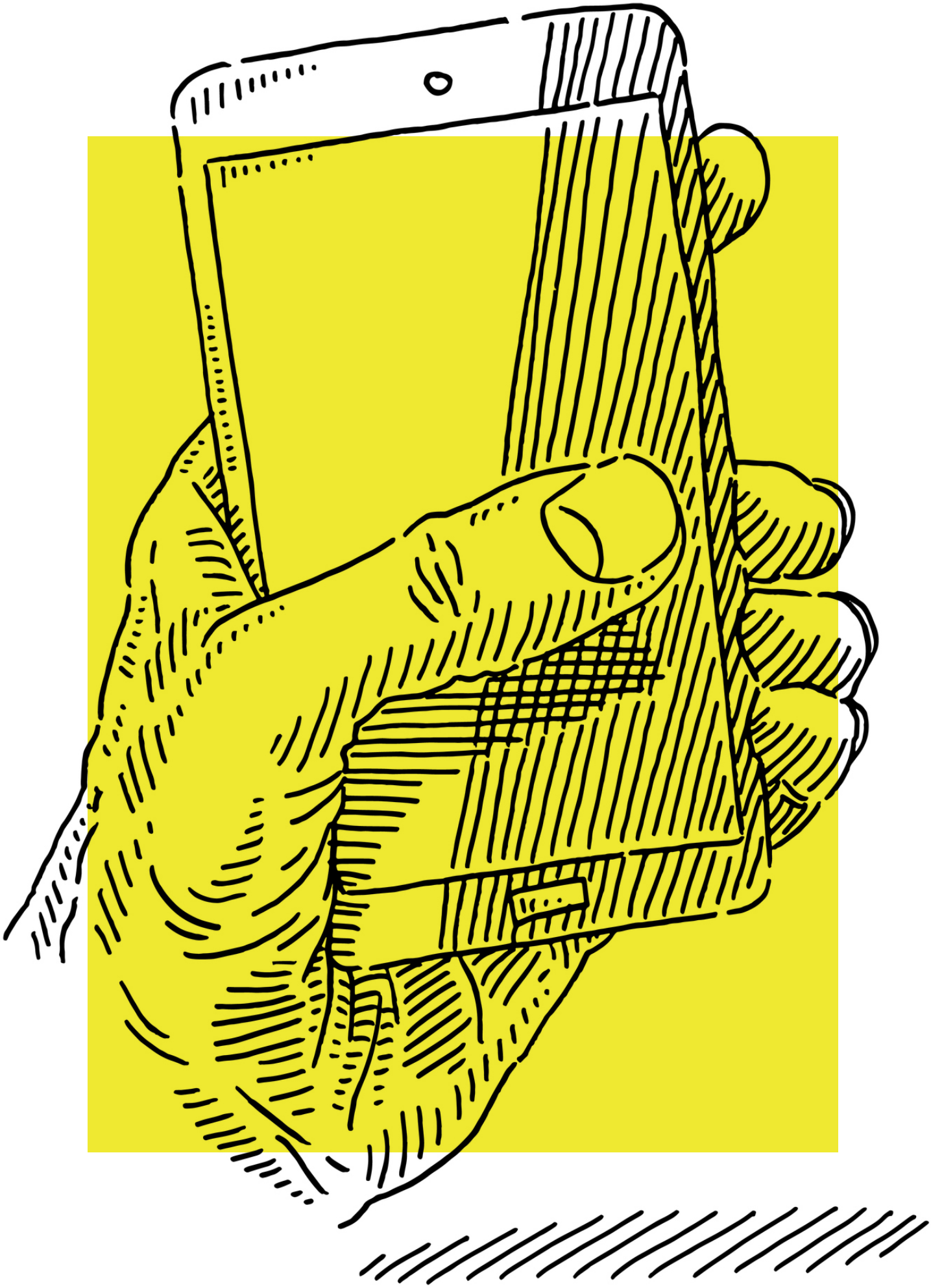


activities. Real-time Treasury Management, along with API-driven offerings, can grab incoming and outgoing payments and data, then report results in real-time, prior to batch processing."

Crypto and CBDC reshaping the corporate payments space

Chris Harmse is the co-founder and VP of Revenue for BVNK, the London-based crypto-powered payments and banking platform for businesses. He says that using crypto rails – and stablecoins in particular – as a basis for international payments addresses all of these pain points and allows businesses to send funds instantly to anyone, anywhere in the world, and without needing chains of intermediaries to facilitate the transaction.

"The cryptocurrency market is under pressure at the moment, but we shouldn't let that distract us from the innovation that's taking place in the sector and what that means for the future shape of financial services. At the moment when you buy something online, the transaction doesn't happen on the internet



– it happens outside. In contrast, blockchain and cryptocurrencies allow us to embed transactions in the fabric of the internet."

Harmse believes that, once spring follows the current crypto winter, there will be a renewed uptake of digital assets as a means of payment in mainstream businesses. "They will want to seamlessly integrate cryptocurrency-powered payments into their operations without having to manage any of the complexity of collecting and converting crypto, on-ramping customers, or managing payouts."

He points out that it's already possible for merchants to accept payments in cryptocurrency but receive settlements in standard fiat currencies. "We can expect to see services that allow businesses to bridge seamlessly between the crypto and fiat economies to win widespread adoption."

> ***"Virtual wallets then ease the process of making same-day payments. Businesses can use them to organise funds and store multiple currencies"***
>
> LAURENT DESCOUT
> CO-FOUNDER AND CEO, NEO

A digitally enhanced corporate payment system

The future of the corporate payments' space will be shaped by new technologies and the development of DeFi, as well as the introduction of CBDCs. A truly integrated and seamless transactional environment will be the Shangri La of the industry. "Corporates want integrated digital systems; platforms that simplify payments and FX treasury management in one place. In the current financial climate, businesses are having to consider various factors to protect their commercial gains," says Descout, who then adds that rising inflation and the high volatility in currency exchange rates are taking their toll – and businesses that have previously overlooked FX hedging will likely feel the biggest impact.

Francis concludes: "ISO 20022, the international standards methodology for exchanging data between financial institutions, will produce rich data in a highly standardised form, facilitating interoperability globally and generating significant efficiencies once fully adopted. In contrast, the myriad of formats currently used make it difficult at times for institutions around the world to exchange information easily.

Using technology to transform health insurance

WRITTEN BY:
JOANNA ENGLAND

PRODUCED BY:
MICHAEL BANYARD

As one of the global leaders in digital health management, Vitality is revolutionising preventative medicine

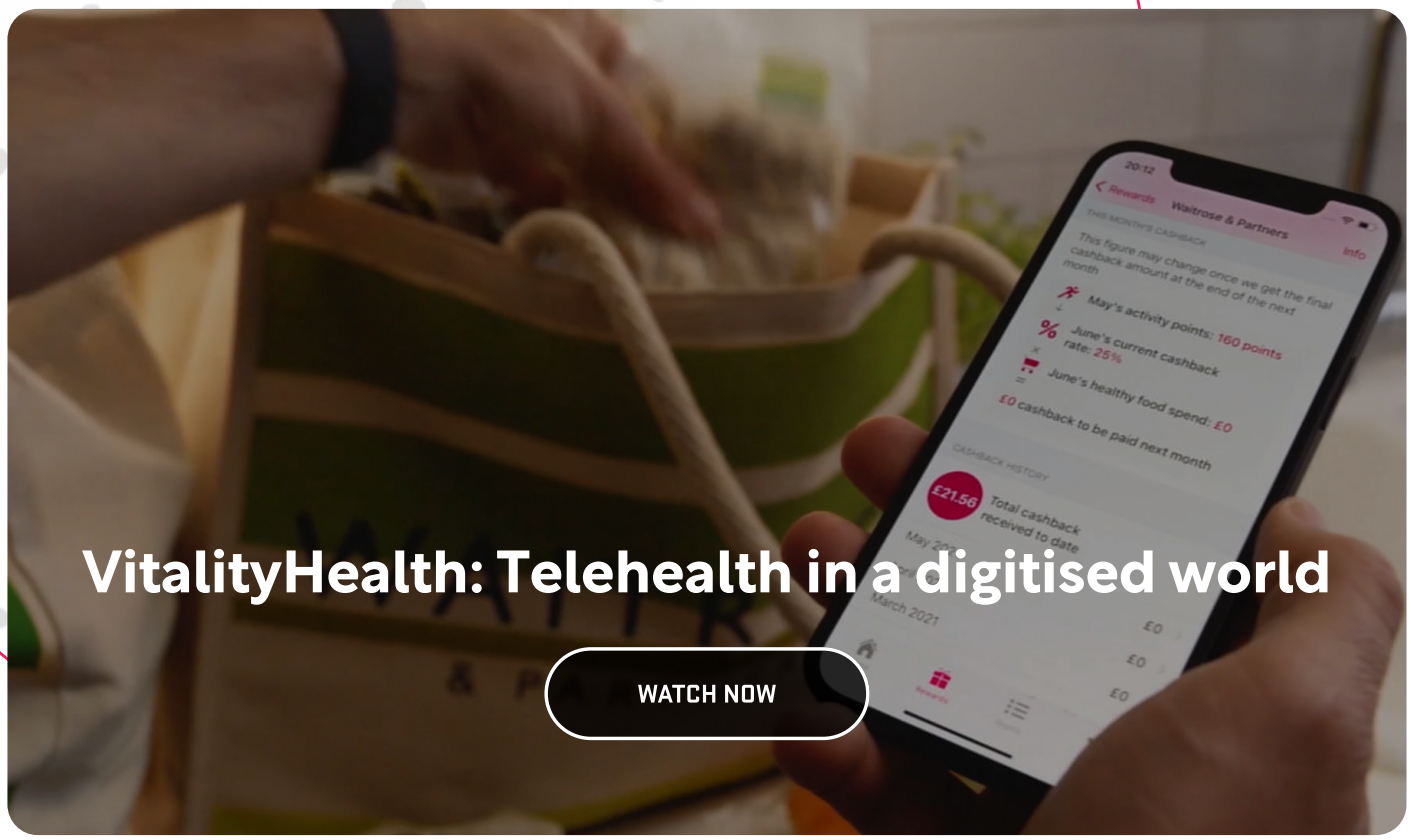
Preventative medicine and wellbeing have never been as popular as they are now, in the wake of the COVID pandemic. In fact, with medical services globally undergoing massive transitional shifts and treatment waiting lists for commonplace conditions at an all-time high, private health services, especially those which are delivered digitally, are in demand.

Health insurers around the world are responding by developing rapid digital pathways for customers to access benefits.

Vitality health insurance is one such organisation. An insurance provider that offers a multitude of services and protection products to its customers, it was originally founded in 2004 when a partnership between Prudential and Discovery – a South African insurer – was formed.

Vitality current Managing Director for Health, Dr Keith Klintworth, joined the company in 2010. At that time, Vitality had just acquired Standard Life Healthcare to drive forward the economies of scale and to increase its health membership base. By 2014, Vitality had bought out Prudential and was operating as a composite insurer across Life and Health insurance.

"We've gone from strength-to-strength," says Klintworth with pride. As a healthcare expert with a 25-year-career in medicine – during which he has worked in the role of both a Managing Director for the insurer and as a consultant anaesthetist – it's comforting to see this softly-spoken South African's



VitalityHealth: Telehealth in a digitised world

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enthusiasm for Vitality offerings. After all, this is no ordinary health and life insurance operation: its leaders are doctors and the wellbeing of its customers is considered of paramount concern.

Klintworth explains: "Discovery in South Africa was well known to me as an insurance provider. Their core purpose of making people healthier – which is Vitality's purpose, too – resonated with me as I spent so many years treating, and not enough on preventing, illness. Prevention is a really complex challenge."

As part of this they have what they call the Vitality Programme embedded into their insurance products, he explains, an incentive-based behavioural change programme encouraging personal behaviour change and incentivising people to make healthy decisions through rewards. Launched in 1997, the evidence of the programme's success spans 25 years.

> "Digital diversity is an ever-evolving, ever-changing definition as we consider more and more facets"
>
> KEITH KLINTWORTH
> MANAGING DIRECTOR, VITALITY

As a result, the well-structured offering has plenty of data to back up the impact it has in driving positive behaviour change and the significant difference it has made to its members during its quarter-century tenure.

"The Vitality Programme is part of our completely different approach to insurance – the incentive-based programme where, if you get active each week and look after yourself, it rewards you with regular treats and discounts from our partners. By sharing the benefits of healthy living in this way, we

find members benefit from better health, tangible financial value, enhanced insurance benefits, alongside compelling rewards."

He continues: "Health is a key concern for us, post-pandemic, which makes our member-led approach, with health and wellbeing at its core, really relevant and empowering to our members."

Member-led digitisation

Vitality is driven by its member-centric digital functionality, which has been responsible for developing in-depth customer insights to understand their customer needs. More importantly, it is driven by learning from customer feedback and experience surveys across medical pathways and treatment to really ensure that the customer journey being built matches and manages their expectations, while driving excellence in the customer experience.

Klintworth points out that the member-driven healthcare approach is one that responds to the full spectrum of members' healthcare needs. Rather than just focusing on the traditional features that people think of within PMI – specifically, private health insurance – such as in-patient and day patient treatment, Vitality prioritises prevention, primary care, and digital pathways that enable its members to better understand and also navigate the complex healthcare system so that they can access their needs quickly and seamlessly.

"Additionally, our digital experience teams are composed of both UX teams and the customer experience (CX) teams, as it is imperative that they bring together their different skills and effectively collaborate in a way that will ultimately result in an enhanced journey for all our customers," says Klintworth.

EXECUTIVE BIO

KEITH KLINTWORTH

TITLE: **MANAGING DIRECTOR**

INDUSTRY: **HEALTH**

LOCATION: **ENGLAND**

Keith has had an enriching medical career, culminating in specialising and practising as an anaesthesiologist for 15 years. He further extended his interests into private hospitals, eventually becoming shareholder and director of two private hospitals.

He moved into the insurance industry when he joined the then PruHealth in October 2010 as Director of Clinical Risk and successfully expanded his role to Managing Director of VitalityHealth. He was appointed to lead Vitality's Group Operations as Group Chief Operational Officer (COO) in October 2020.

Keith is committed to sustainable private healthcare market focussing on preventative healthcare. His interests also include digital healthcare with focus on primary care services, including virtual GP, CBT, Physio and skin analytics.

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Tata Consultancy Services: Vinay Singhvi on Transformation

Vinay Singhvi, VP & Business Unit Head of Banking, Financial Services & Insurance, UK & Ireland at TCS, discusses transformation and change in the industry

Tata Consultancy Services (TCS) is one of the leading IT and tech service providers the UK, as per the latest software and IT services ranking by Tech Market Review; and is the largest provider of IT services in the UK. “TCS is part of the Tata Group and we have been in the United Kingdom for over 50 years,” says Vinay Singhvi, Vice President and Business Head for UK and Ireland Banking, Financial Services, and Insurance (BFSI) unit for TCS. “We have the privileged position of being the purpose-led transformation for our customers, including vitality.”

As the world recovers from the pandemic, we are seeing businesses across industries - not just financial services - accelerating their use of technology. “Organisations are now looking to adapt new business models to build more customised products and services, as the needs of the end-customers are changing so rapidly.”

The segment will also continue to have a lot of competitive differentiation. “We are, for example, seeing the rise of a lot of challenger banks,” says Singhvi, “especially over the past two or three years, as well as Insuretechs, Fintechs and innovative, creating the right competitive tension within the industry to make sure that the existing organisations are able to cater to their end-customers in much more predictable, efficient, agile and nimble ways.”

To summarise, Singhvi says, “I believe that all of this is leading to our customers focusing on understanding their own end-customers better. They are looking at hyper-personalisation in terms of what products and services they offer. They want to service them through seamless end-to-end digital journeys, and most importantly all of this depends upon making sure that the data and personal information that we have is kept secure.”

Get in touch

Personalised digital healthcare

The idea is that healthcare and coverage should be as personalised as possible so it can support people throughout all the health changes in their lives, minor or major, to maximise their health. In 2021, Vitality announced its data-driven approach to realise this. Called 'Next Best Action', the new initiative brings together Vitality's data science capabilities with its expertise in understanding individual health risks to provide members with that one action that would have the biggest impact on their future health.

"We all have risks, whether they're lifestyle or they're clinical risk factors. But where do you start? You can take an overweight person and tell them 'you need to eat healthy'. Well, we all know that. But what is the trigger, the pathway, for that person that would resonate and help them get started on that journey? It might just be, can you do 5,000 steps, four days a week, as a starting point? After that, you can expand your usage of the Vitality Programme."

DID YOU KNOW...

LEADING IN BEHAVIOURAL CHANGE

"I think it is really important to appreciate that Vitality is a behavioural change programme. We're not just telling you, 'you're overweight', 'you're inactive' or 'you're a smoker and you need to stop'; we give you the tools and support and help to make that change happen, in a way that is sustainable for the long term."

- Dr Keith Klintworth

Ultimately, it's down to behavioural changes, incentivised by Vitality. Users are encouraged to alter their lifestyles and adopt healthier habits. "I think it is really important to appreciate that Vitality is a behavioural change programme. We're not just telling you you're overweight, you're inactive, or you're a smoker and you need to stop; we give you the tools and support to make that change happen in a way that is sustainable for the long-term.

> "Health is a key concern for us, post-pandemic, which makes this member-led approach – with health and wellbeing at its core, really relevant and empowering to our members"
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> MANAGING DIRECTOR, VITALITY

Habits take a while to change though, explains Klintworth, and all of us frame our habits in different shapes or forms. "We will either minimise it, or we will recognise it as an issue. But we all have another trigger, or incentive, that can help us do something about it. Whether it's suddenly waking up to the reality of your own health and that you won't be a grandfather, or you won't see your kids grow up, or something else, we all need that occasional reality check to suddenly take heed and say, 'Oh, I need to do something differently'," he points out.

If customers adopt better habits, not only are they benefitting from being healthier, but their health risk factors are reduced, which is better for insurers and society as a whole. Ultimately, it's what the company calls 'Shared Value'.

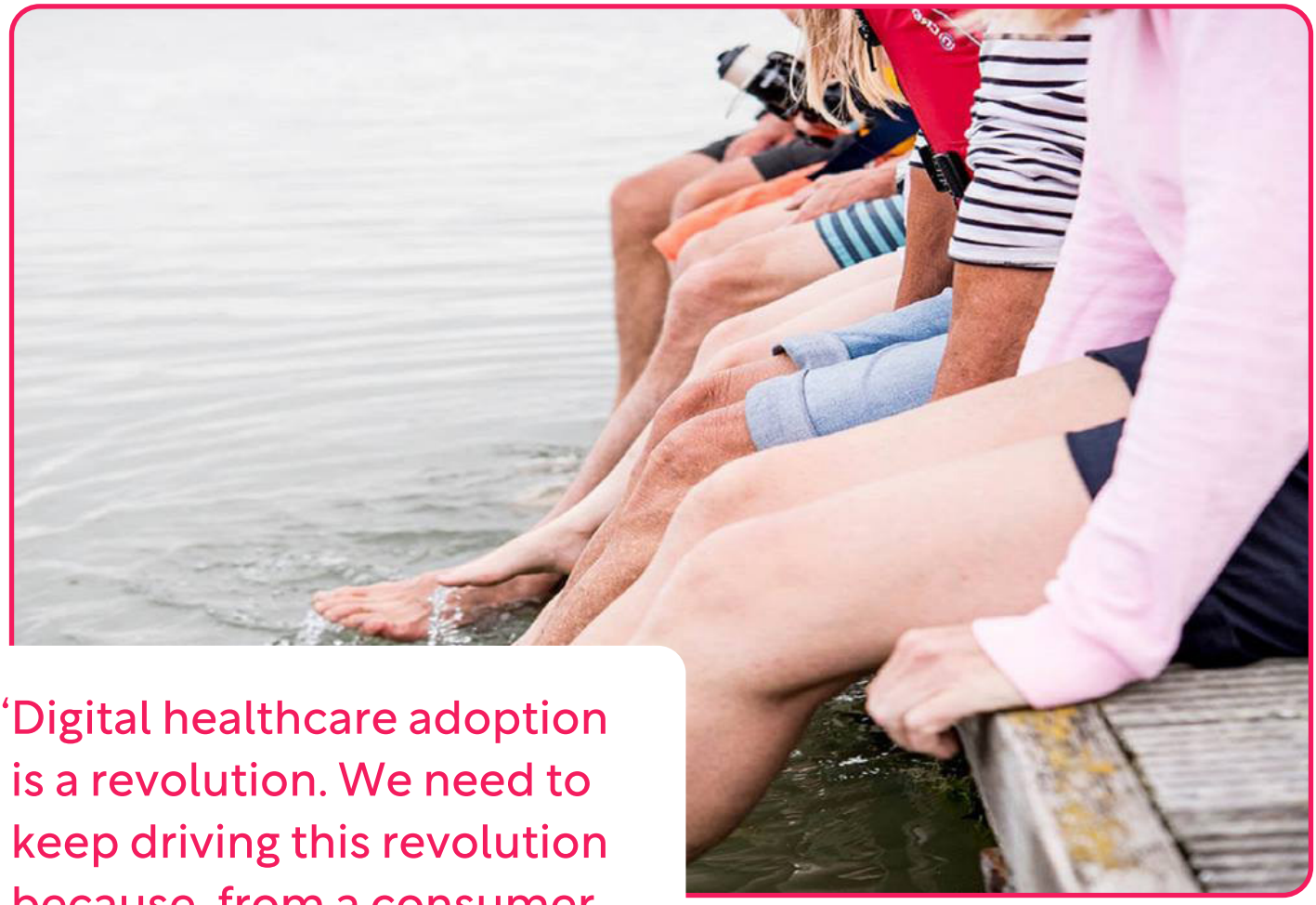
Klintworth says: "Society is demanding that companies have a strong social purpose. By focusing on the creation of a healthier society, we believe we are at the forefront of this. Ultimately, what's good for us is good for our members and thus for wider society – member-led healthcare actually fits into that whole framework."

A growing customer base

Vitality's target market is twofold: the first target is made up of individual members who, through accessibility, convenience, and speed of access, drive some of the market's needs; the second big component is employee health and wellbeing. More and more companies are offering private medical insurance and are aware they need to provide something that's appropriate for their entire workforce.

"We seek to provide the private medical insurance that is right for each company's circumstances. Some, for example, may for whatever reason not cover all employees. Recognising that these companies often still wanted a wellbeing programme for the wider workforce that could support them to be healthier, we devised a programme that featured key aspects of the Vitality Programme and access to primary care for the whole workforce."

The Vitality team is increasingly seeing primary care, which would previously have fallen out of the remit of private health insurance, becoming one of the most used services. Klintworth explains that there is much people can now do to understand their own health better. When they have



"Digital healthcare adoption is a revolution. We need to keep driving this revolution because, from a consumer perspective, I do believe it works best for the majority of people – that's really important to us"

KEITH KLINTWORTH
MANAGING DIRECTOR, VITALITY

a Vitality GP consultation or see their physio, it's often not just about treating that acute event; instead, it's a process that informs the member about what their risks are. Understanding risk as a consumer is, Klintworth believes, paramount in the preventative medicine journey.

"As a Vitality memberyou can also do a health questionnaire, get a health check to see where your numbers are sitting, like your blood pressure and your weight, etc. Then, if there are any risks that are identified, you can take action to prevent it. If you add into this our Vitality programme, with what we know about behaviour change and incentives, you have the potential to have a far healthier society.

"While our model encourages members to live a healthier lifestyle, we do attract a healthier client base to start off with, whether that be a 30-year-old gym member or a 50-year-old cyclist, as the product offering resonates with them."

In general, Klintworth says that a significant proportion of the Vitality membership base is active, which supports their prevention agenda. The provider's aim is then to leverage the data they have as part of the Vitality Programme and claims' data to

make the less active or at-risk more active, thus improving their health.

Technological innovation

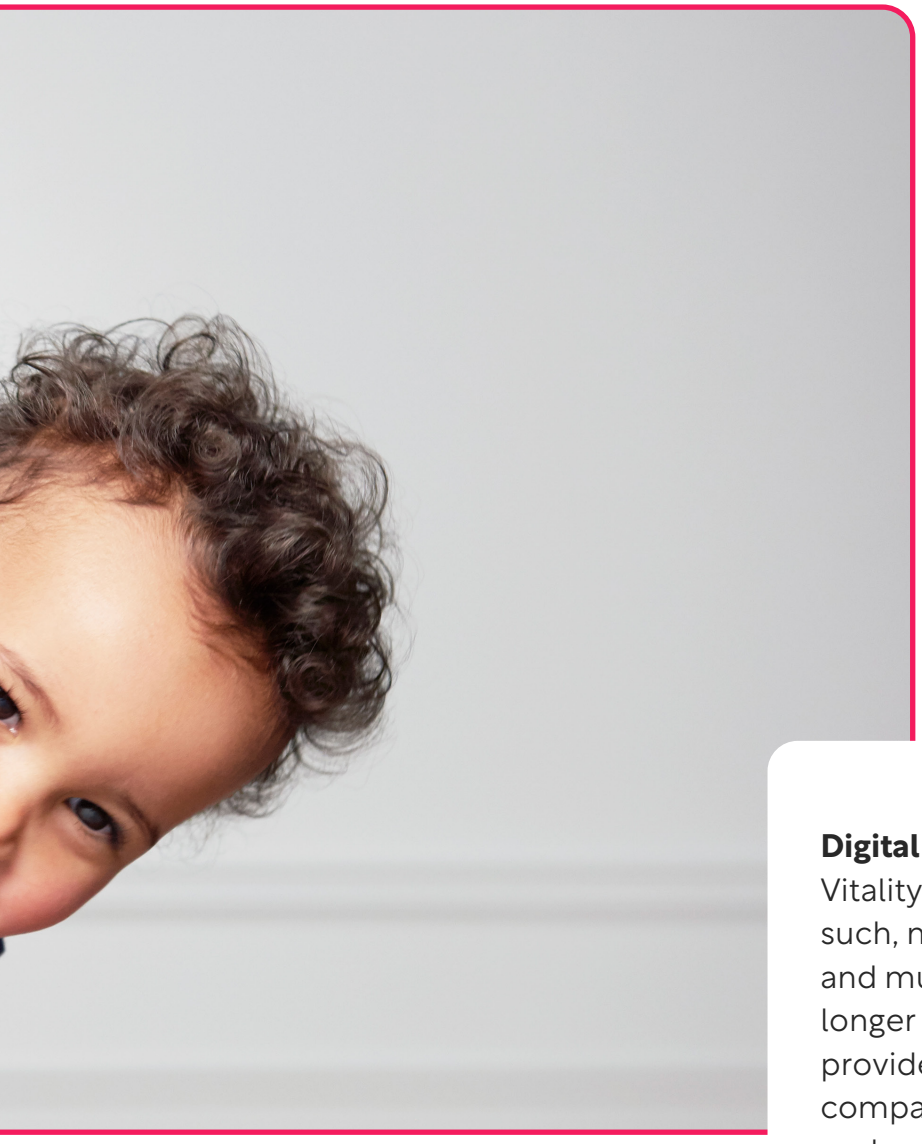
Technology plays a crucial role in everything Vitality does, with a clear focus for the company centred on using technology to improve customer experience, access and clinical pathways. It is also a powerful tool for their own employees. To empower employees, it is imperative that they have the necessary technology tools to do their job well.

"The key consequence of empowering one's employees is that it drives service improvement and understanding of our customer's needs. And why do I think that's important? Well, it's to build advocacy among the actual membership base."

Klintworth says businesses need to drive scalability, and economies are scaled through different efficiencies of technology use.

"You need to continually invest in technology because it is critical to our offerings. Within the Health and the Life business for example, we need technology to support claim fund management as it relies on technology assets such as rules engines.

"For cyber security, we are duty bound and committed to ensuring our data and our assets are protected from cyber attacks. Our customers rightfully want to know that we govern their data properly, that it's ethically managed, and that it's collated consistently and stored safely."



"Concentrating on continuing to reduce future morbidity and mortality, and really giving people healthy life years, remains our key strategic focus"

KEITH KLINTWORTH
MANAGING DIRECTOR, VITALITY

Digital diversity and an expanding ecosystem

Working on a core value of promoting digital diversity is another motivating factor behind Vitality. "Digital diversity is an ever-evolving, ever-changing definition as we consider more and more facets. But I think it does include all aspects of technology and its impact on people, whether its a physical, mental, emotional or ethical impact.

"When you're building technology or digital programmes, you have to consider the diversity of your customer mix and the demographic you're targeting. We need that balance of understanding and the conscious and unconscious biases that are at play."

Digital transformation in the DNA

Vitality is a fairly young company and, as such, may not be as hampered by legacy and multiple technology systems that other, longer established health and life insurance providers have endured. The culture of the company is dynamic, and the teams actively embrace new innovations and solutions as they appear on the market.

"The people who work here know that change happens. To quote my CIO, 'We look for shiny new objects all the time, and we build and enhance and optimise'.

"Another component is language – consistency of language across your different technology routes, whether app or web, is critical. After that, it's a case of continuing to optimise and use technology to understand and continually improve the customer experience."

Vitality's technology integration is complex. As part of the company's focus on health and wellbeing and the way the Vitality Programme runs, they needed to integrate their technology systems with a range of fitness devices that are essentially wearable data sources. Additionally, the company

needs its technology to integrate with the partners it has within the Vitality Programme, such as Caffé Nero, ODEON and Vue.

The next process has been to integrate the relevant health and wellness data into medical care. Klintworth began working on developing the first virtual GP service back in 2015, at a time when these kinds of appointments were largely unheard of. Yet, now, after the pandemic has caused millions of face-to-face appointment cancellations, the forward-thinking moves Vitality made in this direction are now setting an example to other health providers.

"If I just look back at the GP market that I surveyed at that time, 50% of GPs were against telehealth, 50% were for it. It was age and gender agnostic, which was surprising. Yet, customers recognised it as a really important route of access for GP services. Following a market review, we identified US partner second MD, who did the initial application development for the virtual GP service and outsourced the medical service to a UK GP provider."

Klintworth says that in continuing to drive scalability, member experience and digital innovation, Vitality recently partnered with Livi, a Swedish-based digital company, to provide its digital GP service. Livi is working with a number of NHS Primary Care Trusts, which ensures they understand the challenge to deliver an exceptional customer experience in digital healthcare.

He then emphasises that it's about more than having convenient access to a GP. "We devised a new pathway so these GPs could make onward referrals where a member needs it, as well as training the GPs to prescribe 'wellness'." GPs, he stresses, need to have visualisation of patients' health checks, their activity data and their lifestyle and clinical risk factors so that they are not only treating the sore throat, but they're also prescribing wellness.

"Our Vitality primary care digital services also include physiotherapy and CBT services. We introduced the use of smartphone cameras to support diagnosis of skin lesions, for example. Our customers are sent a high-resolution lens that attaches to their smartphone and with which they take a photograph of their skin lesion, upload it, and our partner, Skin Analytics, will use Artificial Intelligence processes to assess it."

Klintworth, who is passionate about progress, believes the company was well positioned to embrace digital healthcare at the start of the pandemic because it had all the foundations in place. "Recently, we launched the next iteration of the digital care journey for our members – an online Care Hub where our members can start a claim, get authorisation and choose a consultant in one seamless digital process," he says.

New solutions for healthcare providers

The Care Hub's includes a Consultant Finder which features a range of different doctors, including Vitality Premier Consultants, a specially designated panel that demonstrates superior performance outcomes. The solution is supported by a Vitality partner, Doctify, and enables members to input their condition(s), bringing up a list of consultants for members to look through so they can choose who is most suitable to treat them.

"People demonstrate different preferences when it comes to choosing a doctor. We provide each doctor's details, such as academic background or specialist interest, as well as patient reviews to support each customer in making an informed choice.

"It's about the journey," Klintworth continues. "And our journeys in healthcare can be wasteful. The amount of time that is wasted by consumers going to see a GP, waiting for your appointment, being referred somewhere else, and then you wait again. Why do you always need follow-ups to be done in person? They're generally five to 10-minute follow-up consultations. With the current in-person system, customers may find themselves impacted for three hours out of their day. Having a digital

> "Our focus has always been about creating innovative and disruptive products. We work from both understanding consumer needs, but also developing products or journeys that people haven't thought about before"

KEITH KLINTWORTH
MANAGING DIRECTOR, VITALITY

process in place is far more efficient for the consultant and the customer and can, for many conditions, still provide a good medical outcome."

Turning of the tide in healthcare

Despite some initial resistance to the digital healthcare system, both from members and providers, Klintworth says the tide is now turning. People are understanding the value of technology, while also appreciating the convenience and speed at which their medical needs can be met. This is all made possible through the strategic partnerships Vitality operates with.

"We have a very wide partner ecosystem. Not least of all, our external technology and digital companies. One of these is TCS, which is a valued partner of ours and has been since before our Standard Life days. Vitality also has a substantial number of digital wellness, screening providers and reward partners.

"You need the attraction for a broad base of appeal. You're either an Apple Watch lover or you prefer something else, such as your Garmin, your Fitbit, or your Polar. So we have built the capability to integrate with all of these fitness tracking devices within our Vitality Programme.

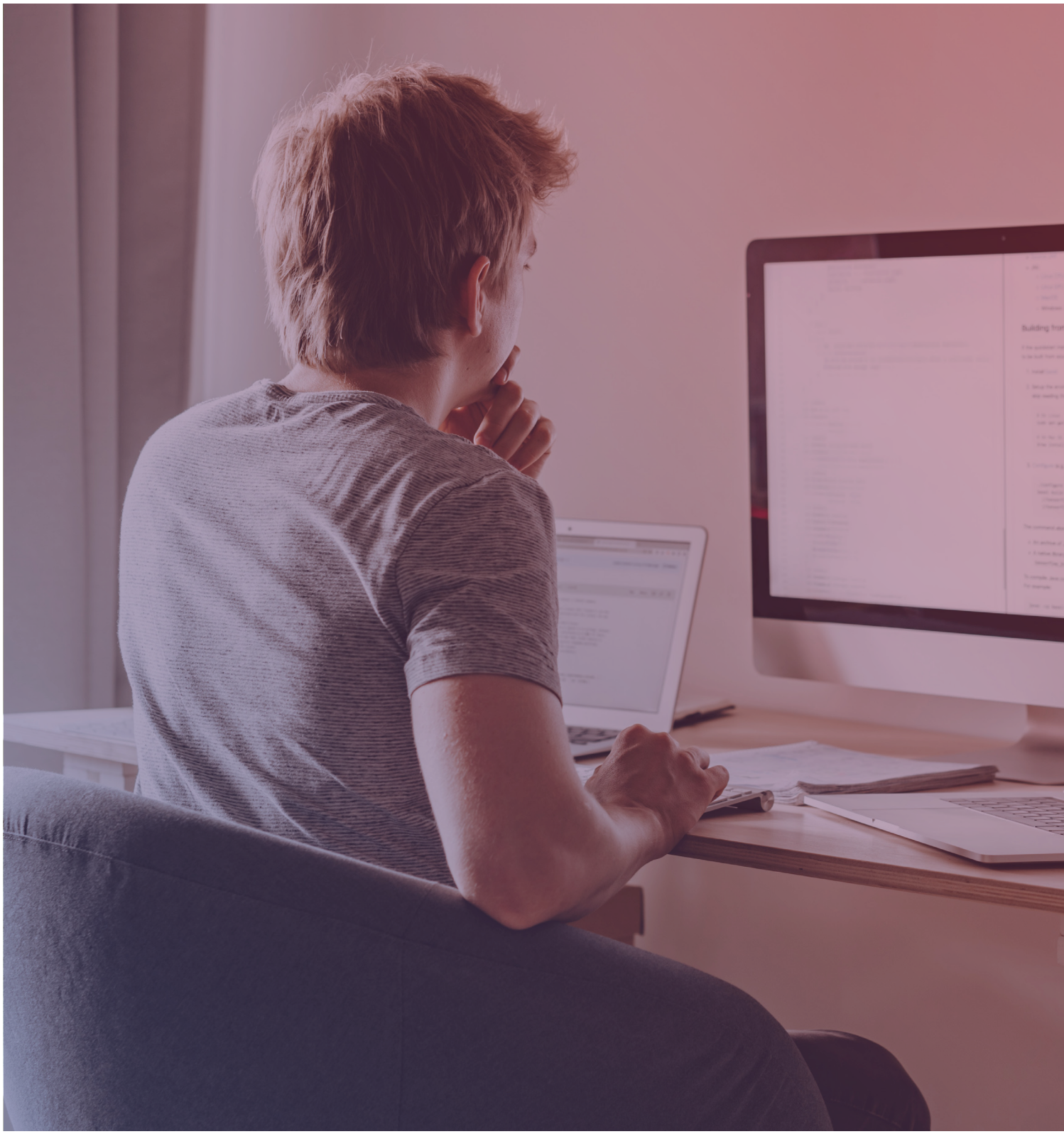
"Our focus has always been about creating innovative and disruptive products. We work from understanding consumer needs, while also developing products or journeys that people haven't thought about before."

A bright future for digital health providers

"We have always been known as a disrupter in the health insurance market, approaching things differently. Using the data we collect to develop behavioural change incentives that support better health and wellbeing while reducing health risks will always set us apart," concludes Klintworth, who goes on to say that, at least annually, Vitality launches new initiatives, product enhancements, and new reward and health provider partners to its programmes and products. Ultimately, consumers and market demand for better services are driving this initiative.

He adds: "Digital healthcare adoption is a revolution. We need to keep driving this revolution because, from a consumer perspective, I do believe it works best for the majority of people – that's really important to us. Concentrating on continuing to reduce future morbidity and mortality, and really giving people healthy life years, remains our key strategic focus."

BANKING TECHNOLOGY AND DATA PROTECTION



As banks move to the cloud and data becomes ever more important, we explore the ways in which banking technologies are evolving to protect customer data

WRITTEN BY: JOANNA ENGLAND

The days of traditional banking are over. The monolithic incumbents that have dominated the financial markets for the past few centuries have awakened with shock to the realities increased digitisation is bringing. Most are embracing the new normal; some had the forethought to see it coming and duly transformed before the 2020 rush.

Data has also become the greatest asset, and, as the IoT expands exponentially, it becomes increasingly under threat from cyber attacks that could reap devastating events if not properly addressed. We spoke to the experts about how the new innovations that are changing the space are also securing the future.

Banks going cloud native

As part of digital transformation, a major change for most banking institutions has been the shift to the cloud. Gone are on-site technology stacks and purpose-built systems managed by in-house teams, as outsourcing security and data storage becomes 'de rigour'.

But many institutions remain behind the technology curve, says Simona Covaliu, VP Risk and Compliance at Mambu. "Given that 62% of European customers are interested in switching from physical to digital banks, it's safe to say that the future of banking is digital.

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In response to this, many financial institutions are migrating to the cloud in order to future proof their business and stay ahead of the curve. In the UK alone, 40% of new banks now operate on Mambu's platform, providing customers with the ability to provide modern financial experiences flexibly and at speed.

"But while the majority of banks are welcoming the move to a more agile business model, legacy systems remain a barrier to progress, with 43% of banks still using COBOL – a programming language dating from 1959 – in the US."

"ACCORDING TO MAMBU RESEARCH, MORE THAN TWO THIRDS (67%) OF BANKS THINK THEY WILL LOSE MARKET SHARE WITHIN TWO YEARS IF THEY FAIL TO DIGITALLY TRANSFORM"

SIMONA COVALIU
VP RISK AND COMPLIANCE, MAMBU

Sébastien Marotte, President EMEA at Box, agrees and says digitisation is not an option. Rather, it is critical if an institution wishes to survive. He explains: "Financial services organisations can no longer turn a blind eye to the fact that their legacy infrastructure simply does not comply with data and security regulations and, on a whole, they are recognising this by modernising their systems, utilising new technologies to remain compliant. As such, banks are able to offer safer payment processes and faster response times for customers. But, most importantly, they can rely on cloud service providers to protect their customers' data from cybersecurity threats."

Marotte says that, in order to maximise time efficiency and ensure compliance, banks should re-evaluate their digital strategies and make the leap to the cloud, as it poses much less of a risk than legacy platforms do. "Cloud-based infrastructure makes compliance reporting less time consuming, too, as banks can monitor who has uploaded, viewed, and shared content, which in turn helps them to remain GDPR compliant and in line with data protection regulations"

He continues: "In addition, cloud-based infrastructure can save banks time when it comes to onboarding, loan origination, and claim management. And, in future, other technologies such as IoT, blockchain, and more will help to substantiate banks' digital offerings, ultimately providing a better customer experience and further safeguarding their data. That said, cloud-based platforms will continue to underpin all of this – and legacy banks, in particular, must prepare for a digital future."

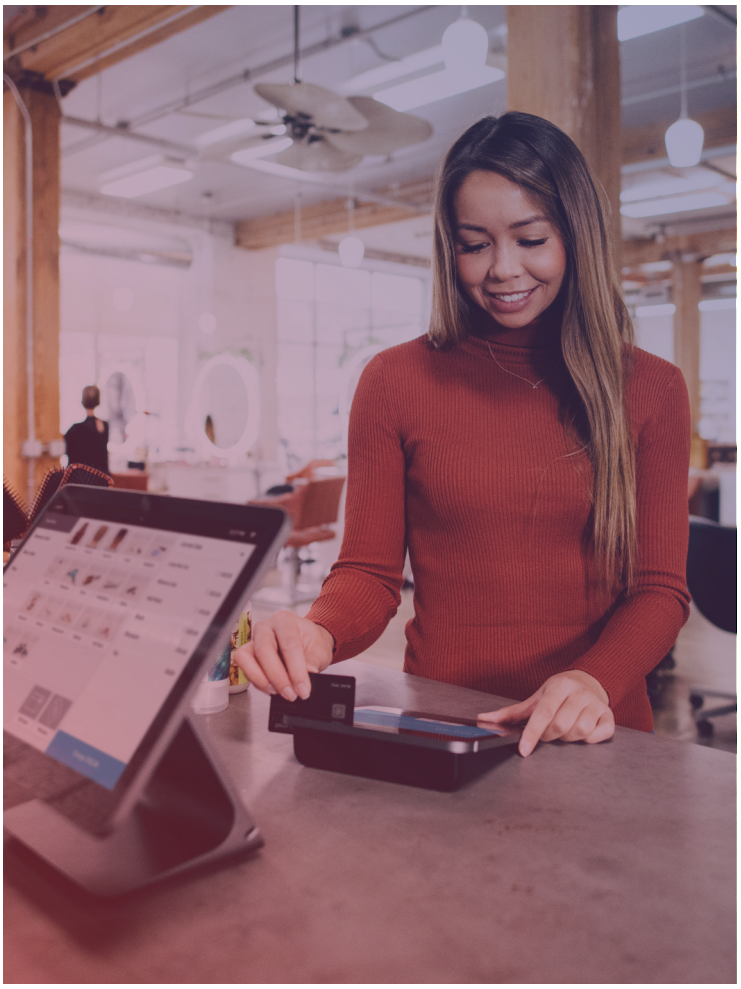
Security and cloud-based banking technologies

Identity verification is one area that has excelled since its inception to counteract the problem. However, the technology hasn't been received well by all parties, as experts on privacy issues have expressed concern regarding the ways in which biometric identification could be exploited. Indeed, China already has a finely-tuned biometric ID system that is plugged into its social credit score platform.

Adam Brown, Managing Security Consultant at the Synopsys Software Integrity Group, does not consider this problematic and points out that, without new forms of better security, customers are at risk of breach from cyber criminals.

CYBER ATTACKS ON BANKS

According to the latest Banking Priorities Survey, cyber attacks are considered one of the biggest threats to banks in 2022. Information gleaned from the survey respondents show that 24% of financial experts cited data theft as their priority, followed by compromised devices (21%), synthetic identity fraud (17%), endpoint security (10%), and denial of service (7%). Some of the most serious threats to bank security in recent years include ransomware attacks, the growth of contactless payments, mobile malware attacks and even data breaches of major banking and finance apps.



"While not new, biometrics are a necessity for convenient multifactor authentication and, if done correctly, can be secure, enabling their use in financial technology. Banks must be careful to ensure that any biometric technology implementations they use are secure."

He continues: "In our experience assessing this technology, new and emerging manufacturers can get this wrong and must be assessed before any authentication decisions are made. For example, biometric data can often be proved to be available outside of trusted execution zones on mobile devices, in other cases the authentication mechanisms can be spoofed sometimes with trivial methods."

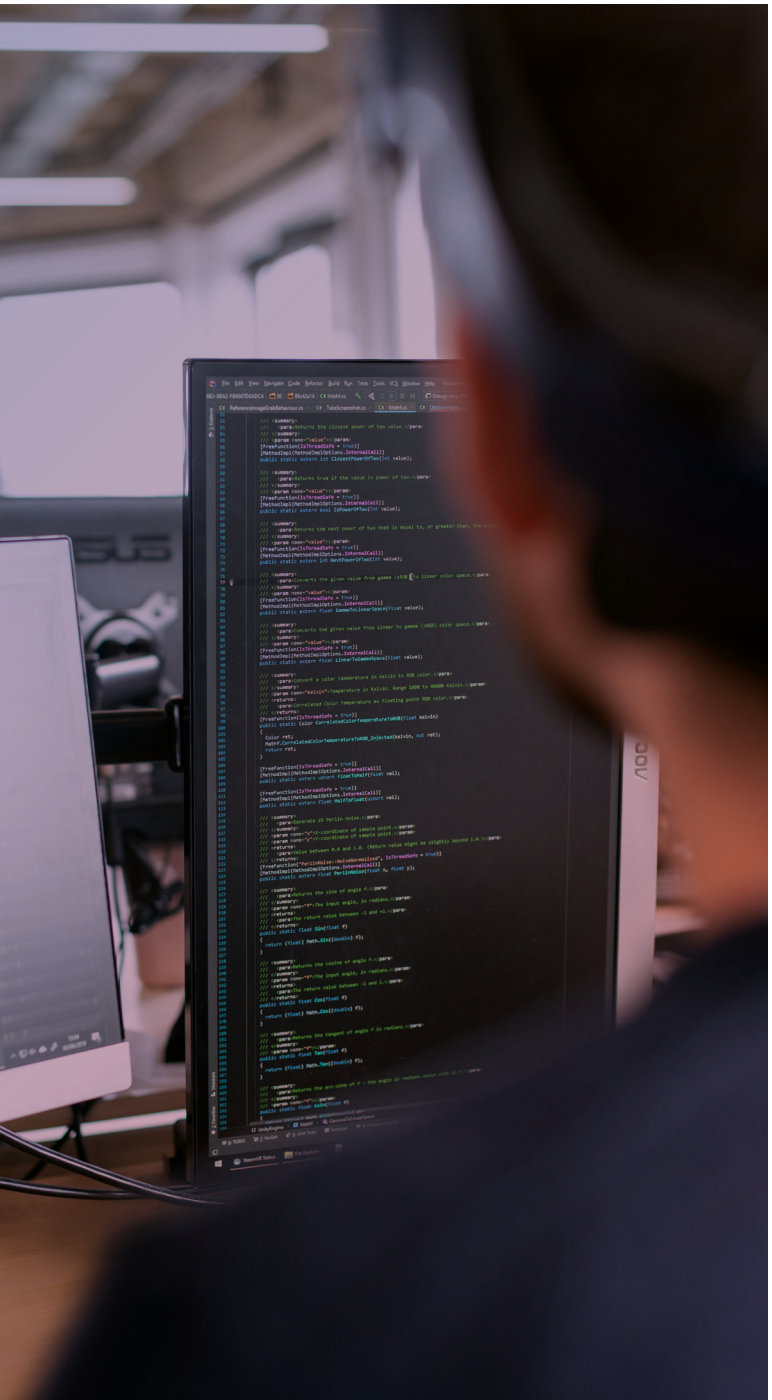
Covaliu says that, as banking services continue to integrate new technologies, it's integral that screening approaches

"BANKS MUST BE CAREFUL TO ENSURE THAT ANY BIOMETRIC TECHNOLOGY IMPLEMENTATIONS THEY USE ARE SECURE"

ADAM BROWN
MANAGING SECURITY CONSULTANT,
SYNOPSYS SOFTWARE INTEGRITY GROUP

"CLOUD-BASED INFRASTRUCTURE MAKES COMPLIANCE REPORTING LESS TIME CONSUMING"

SÉBASTIEN MAROTTE
PRESIDENT EMEA,
BOX



continue to evolve to support end-to-end visibility of potential red flags and combat financial crime.

"To deal with this, solid KYC and digital identification procedures must be backed up by comprehensive strategies and organisational understanding of financial protection systems. SaaS platforms are already driving progress in this field; these platforms are built on the concept that change is constant, thus they can swiftly bend and adapt to changes in attackers' approaches to aid in their detection," she says.

The future of banking technologies

Most experts agree that in an industry undergoing constant change, it's difficult to say exactly what banking will look like over the next five years, let alone decade.

But Covaliu believes that agility and flexibility will be critical. "It's clear that demand for financial products outside of traditional ecosystems has changed both where and how consumers engage with financial services. Customers no longer want to be tied to a single bank or financial institution; they want to access products and services anytime and anywhere – with mobile and digital-only options a must. This extends to security and compliance, too; they want their financial information to be safe and secure, but not in a way

that's intrusive or at the cost of the user experience."

Covaliu points out that banks know all this but are struggling to keep pace with innovation. "According to Mambu research, more than two thirds (67%) of banks think they will lose market share within two years if they fail to digitally transform. Meanwhile, a further 53% believe that they're at risk of missing digital transformation targets."

She adds: "Ultimately, as traditional and legacy banks continue to move towards digital, greater collaboration within the banking community is needed in order for these financial institutions to stay afloat and succeed. Teaming up with players like Mambu can help banks plug gaps and bring about the changes that customers want to see at a speed they wouldn't be able to achieve on their own."

Incubators and accelerators

THE EARLY DAYS IN THE LIFE OF A FINTECH ENTREPRENEUR ARE A STEP INTO THE UNKNOWN – BUT THAT'S WHERE INCUBATORS AND ACCELERATORS CAN LEND A HAND

WRITTEN BY: ALEX CLERE

Navigating the first few years of business is one of the hardest things for a fintech entrepreneur to do: establishing contacts, gaining traction, attracting investment and honing your product are dizzying endeavours. Early-stage startups require a lot of support in the right places – and that's where incubators and accelerators come in.

What's the difference between incubators and accelerators?

Incubators and accelerators work in similar ways, but they are targeted towards different stages of the growth journey. Incubators are intended for entrepreneurs with the seed of an idea that they want to build entirely from scratch; in the case of fintechs, it may involve building an MVP. Once startups are finished with an incubator programme, they may graduate to an accelerator programme, which is designed for startups that are already up and running. Accelerators, as the name suggests, help innovators to scale and grow their business, and may also put you in touch with useful contacts or investors.

What are the biggest incubators and accelerators?

As the fintech sector has grown, more organisations have jumped on board. Local and national governments set up business programmes to foster innovation, while venture capital firms often set up incubator or accelerator schemes to complement their existing investments, giving themselves a headstart on identifying the next big startups.

The platform economy is not just changing banking

It's fighting hunger, too.

The platform economy is changing the globe, creating and connecting communities in every industry. Digital access allows new markets to flourish, so that users can share resources, interact and transact with more reach and impact than ever before. As a result, businesses and their customers are forging meaningful relationships that support more than just the bottom line.

Financial services institutions are realising the opportunities this new economy offers. Recently, Standard Bank Group released the paper *The Power of the Platform Economy for Financial Services*, which highlighted the need for end-to-end solutions and the necessity of building strong partnerships and ecosystems driven by data and insights. The Standard Bank Group is involved in developing such partnerships with fintech and BigTech companies such as Salesforce, Microsoft Azure and Amazon Web Services.

One strategic partnership that has evolved over the past two years to make a positive impact in communities is OneFarm Share. The platform grew as a response to the challenge faced by many developing countries and amplified during Covid-19 lockdowns: food security and hunger. OneFarm Share (facilitated through a partnership between HelloChoice and Standard Bank Group) provides a digital business-to-business platform that allows emerging and commercial farmers to sell and donate their produce to new markets. By December 2021, 5 900 tonnes of produce had been distributed and nearly 24 million meals provided through the platform. This year, the plan is to distribute 10 000 tonnes of food and provide more than 50 million meals across South Africa.

Visit standardbank.com to find out more.

IMAGE: GETTYIMAGES.COM

OneFarm Share is a digital business-to-business platform (facilitated through a partnership between HelloChoice and Standard Bank Group) that allows emerging and commercial farmers to sell or donate their produce to new markets. Since its launch it has provided more than 24 million meals to various communities. **Watch our video here.**

Standard Bank *IT CAN BE*™

The providers of technology platforms sometimes establish incubators or accelerators to encourage the industry in general to adopt their technology – an example is the German software company SAP, which has invested in more than 200 startups that are using the SAP platform through its SAP.io accelerator. And, finally, as crypto becomes more popular, a new category has emerged where incubators and accelerators are specifically tailoring their curricula towards blockchain businesses.

> "Only 43% of black business owners trust banks to have their best interests in mind"
>
> LLOYDS
> BLACK BUSINESS NETWORK REPORT

TOP 5 ACCELERATORS

#1 Y Combinator (US)
Total investments: 4,420

#2 Techstars (US)
Total investments: 3,581

#3 500 Startups (US)
Total investments: 2,788

#4 Plug & Play Tech (US)
Total investments: 1,381

#5 Startup Bootcamp (UK)
Total investments: 539

TOP 5 INCUBATORS

#1 Venture Kick (CH)
Total participants: 841

#2 Agoranov (FR)
Total participants: 359

#3 Velocity (CA)
Total participants: 400

#4 F10 Global (CH)
Total participants: 200

#5 Venture Catalysts (IN)
Total participants: 110

Although there are thousands of accelerators globally, the most prestigious still seems to be Y Combinator. Founded in 2005, the Silicon Valley-based programme invests US$500,000 in a large number of startups spread across two separate cohorts every year. It has invested in high-profile businesses like Stripe, Coinbase and Airbnb. Between them, alumni of the programme have gone on to achieve a combined valuation in excess of US$300bn.

> "If I filled in every application form and accepted every invite to an accelerator, there's no chance our business would exist"
>
> LIAM CHENNELLS
> FOUNDER AND CEO
> DETECTED

Using the power of accelerators for good

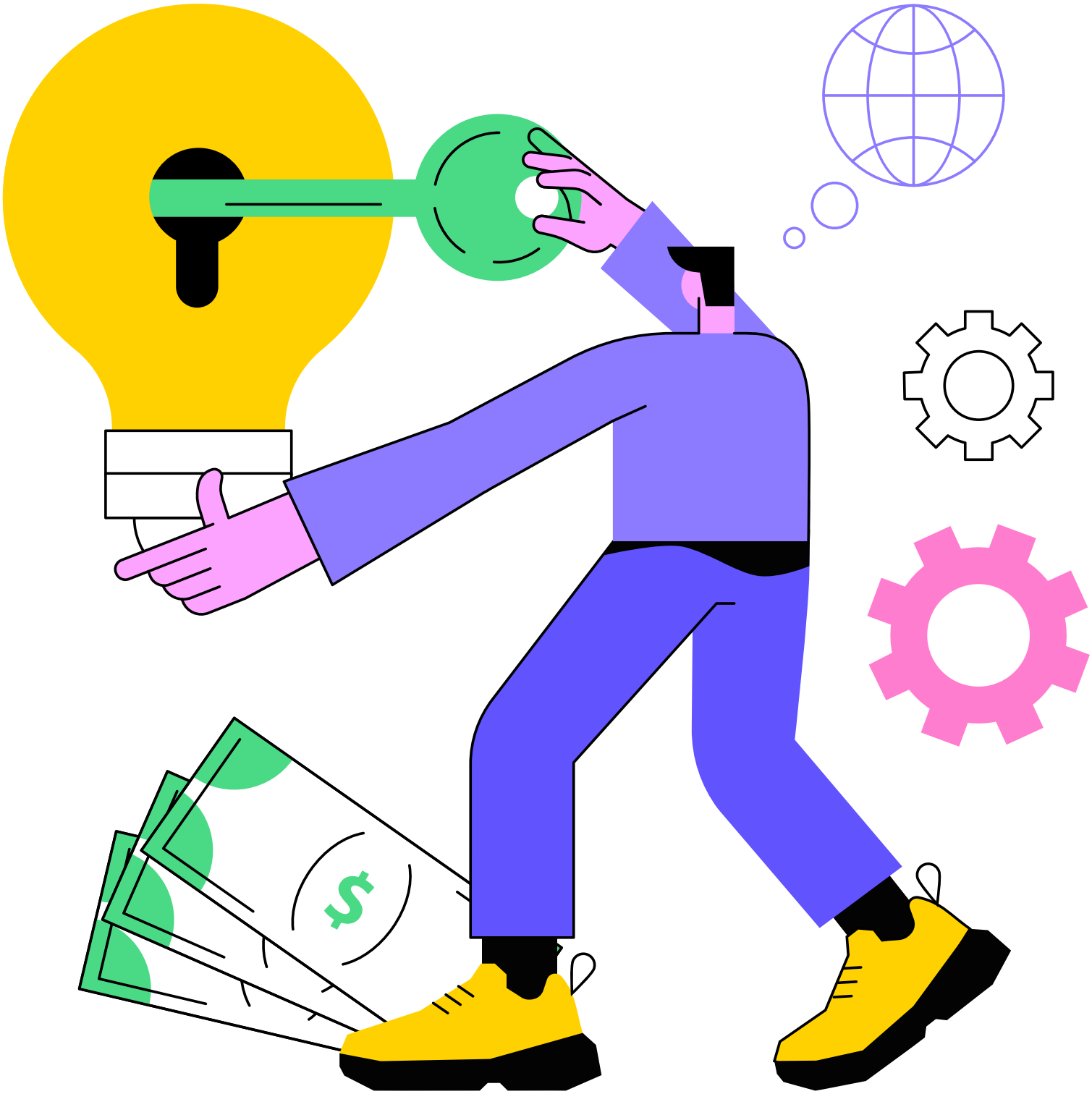
For growth-stage startups, accelerators can be an incredibly useful tool to help them scale. And, even better, accelerators are also increasingly being used to drive positive change right across the financial sector.

In partnership with Lloyds Bank, Foundervine is a UK-based programme that combines events and networking with a series of accelerators. Its aim is to create "an equitable landscape" for black and other underrepresented founders. It was created in response to the 'Black, British, In Business & Proud' report, published by Lloyds in conjunction with the Black Business Network, which found that only 43% of black business owners trust banks to have their best interests in mind.

Programmes exist for other underrepresented groups, too. StartOut Growth is a US startup accelerator for businesses with LGBTQIA+ founders, while The Female Innovators Lab is a partnership between Barclays and Anthemis that's setting out to support female founders at the idea stage of their business journey. Accelerators like these will hopefully have a positive impact on diversity within fintech. According to a new report published jointly by EY and Innovate Finance, there is still a disparity between male-led and female-led businesses when it comes to access to funding, and the gap is having an effect on the number of female-led companies reaching the scale-up stage.

Is an incubator or accelerator programme right for me?

The decision about whether to apply for an incubator programme is a personal one. Startups and founders will invariably have different approaches to growth



and, for some accelerators, won't be the right answer.

"If I filled in every application form and accepted every invite, there is no chance our business would exist," says Liam Chennells, Founder and CEO of KYB compliance fintech Detected. "Instead, I've spent that time building a board and investor base that supports me as well as the needs of Detected. I've raised money without having to pitch in front of 40 other startups. I've considered who I want to invest in the company and approached them with a considered summary of the opportunity, ruling it in or out quickly. I might have been connected to more investors more easily had I been part of an incubator, but lots of connections doesn't necessarily mean lots of capital – it's more about engaging with the right people."

However, Chennells says that incubators are still the right approach for some entrepreneurs – particularly if you don't have a sales background or you don't have a "black book" of contacts that you can bring with you. Liudas Kanapienis, Co-founder & CEO of KYC compliance company Ondato, agrees that accelerators can have a lasting impact.

> "The accelerator was a good way to acquire some of the necessary skills along the way and learn lessons from the mistakes already made by others"
>
> **LIUDAS KANAPIENIS**
> CO-FOUNDER & CEO, ONDATO

"We joined Startup Wise Guys' Fintech 3 programme," Kanapienis tells us. "The experience was positive and certainly the right move for us at the time. Our objective in looking for acceleration was to not only get help to grow faster, but to also be better equipped to do so long-term and sustainably.

"What we found attractive about SWG is their hands-on approach of helping early-stage startups get off the ground. The acceleration was a good way to acquire some of the necessary skills along the way faster and learn lessons from the mistakes already made by others. Some of the areas that benefitted the most include hiring, fundraising and early-stage startup accounting. They also leveraged their network to help us find financing, people and other resources. And we leveraged the SWG brand to transmit an element of trust that later-stage investors are looking for."

Crypto Innovators

WRITTEN BY: **ALEX CLERE**

Crypto has come a long way in a decade. But while a lot of attention is given to crypto exchanges, we wanted to shine a light on the innovators behind them

Crypto is such a vast subject that a Top Ten list always seems to do it a disservice. If we were choosing the top crypto exchanges, we could comfortably compile a list of 100 – and still risk disappointing a handful of companies that we don't have room for. That's how far the industry has come from its infancy just a few years ago.

But it's not the Top Ten crypto exchanges that we're covering this month; it's the innovators behind them. These are the ten most vocal, most pioneering entrepreneurs in the world of digital currencies.

in

10

Vitalik Buterin
Ethereum

Although he is not the creative force behind a crypto exchange, Canadian computer programme Vitalik Buterin is one of the co-founders of Ethereum. He conceived the platform as an alternative to bitcoin in the early days of digital currency; he thought that bitcoin needed a scripting language for application development, so he set out to build Ethereum.

Today, the platform and its associated cryptocurrency, Ether, are among the most-traded on the market, earning Buterin a reputed net worth of around US$1.5bn.

in

09

Sam Bankman-Fried
FTX

FTX describes itself as “a cryptocurrency exchange built by traders, for traders”. In fact, before starting the platform, Founder and CEO Sam Bankman-Fried was a trader himself, working on the international exchange-traded funds (ETF) desk of New York-based trading firm Jane Street Capital.

An MIT graduate, he joined forces with Google software engineer Gary Wang in 2019 to create FTX. Led by Bankman-Fried, the platform is seeking to create a derivatives exchange that nudges the industry closer towards institutional investing.

in

08

Nejc Kodrič
Bitstamp

According to Fortune magazine, Kodrič started crypto exchange Bitstamp in his garage in 2011 alongside fellow co-founder Damijan Merlak, before moving the business to London and, later, Luxembourg.

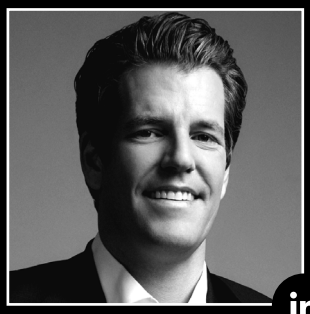
As Bitstamp CEO, he oversaw a period of enormous growth before leading Bitstamp into a majority buyout by Belgian investment firm NXMH in 2018. Kodrič remained as CEO for almost a decade and was on the board until February 2022. He's now a board member at Standard Custody & Trust Company, a digital asset custody solution.

in

07

Eagle Huang
Deepcoin

Deepcoin is a crypto derivatives trading platform that is primarily aimed at the Asian market. Before founding the company, CEO Eagle Huang had over ten years of digital experience and served as the head of a wealth management company with more than US$7bn of assets under management. So Huang will certainly not be out of his depth, having built a platform that boasts 1mn users with a reported daily volume of over US$2.5bn today.



in

06

Tyler Winklevoss
Gemini

Fans of the film The Social Network will recognise the name Winklevoss; before launching crypto exchange Gemini in 2013, Cameron and Tyler Winklevoss sued Facebook founder Mark Zuckerberg, claiming he stole an idea for a social network they conceived at Harvard. While Facebook has enjoyed its own success, Gemini has turned into a force to be reckoned with, too. The business, which Tyler Winklevoss continues to lead, is one of the largest crypto trading platforms with a reported US$100mn in daily volumes.

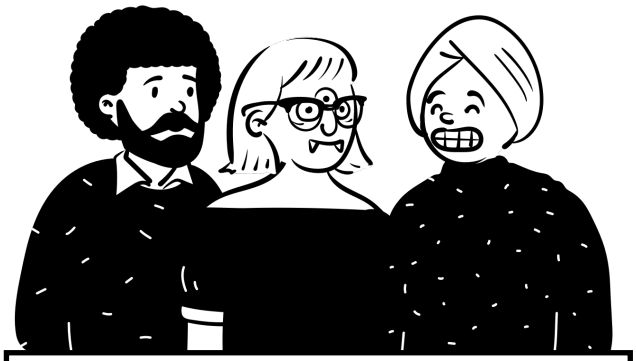
in

05

Jesse Powell
Kraken

Enigmatic founder of crypto exchange Kraken, Jesse Powell, started the platform back in 2011. It became the first US crypto firm to receive a state-chartered banking licence and was one of the first exchanges to offer spot trading with margins, regulated derivatives and index services.

Over the course of a decade, the California State University graduate has overseen transformational change at the company. Today, Kraken reportedly handles daily volumes in excess of US$500mn.



in

04

Star Xu

OKCoin and OKX

While this serial crypto entrepreneur has a chequered past, he has no doubt left his mark on the industry. He founded the crypto exchange OKCoin in 2013, before becoming CEO of OKGroup. In 2017, he founded OKX, although he is reportedly not involved in the venture anymore.

Chinese authorities arrested Xu in 2020 on suspicion of fraud, though he reemerged the following month, denying any wrongdoing.

in

03

Kris Marszalek

Crypto.com

Described by Crypto.com as “a seasoned company builder”, Marszalek co-founded ecommerce business Beecrazy before selling it to iBuy Group for US$21mn in 2013. He also led Asian discount retailer Ensogo before joining Crypto.com as CEO six years ago.

Under his stewardship, it has become one of the largest and most important crypto platforms, with more than 4,000 employees and 50mn users. The platform is reported to have more than US$250mn in daily volumes.

02

Brian Armstrong
Coinbase

Armstrong, the Co-Founder and CEO of Coinbase, studied computer science – a Bachelor's that was then followed by a Master's, both obtained from Rice University in Texas. Before starting Coinbase in 2012, Armstrong worked at IBM and Deloitte before a stint as Technical Product Manager at Airbnb – by that time, a four-year-old startup synonymous with 'couchsurfing'.

Along with Fred Ehrsam, Armstrong founded Coinbase in 2012 as a way for crypto enthusiasts to trade in bitcoin and other digital currencies. In April 2021, Coinbase went public with a direct listing that saw it reach a valuation of US$85bn, increasing Armstrong's personal fortune to a reported US$2.4bn.

Today, the platform proclaims that it is on a mission to deliver a fairer and more transparent financial system. Users can choose to buy or sell more than 10,000 different digital assets, with Coinbase boasting more than US$300bn in quarterly volume traded.

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Talk to our specialists

#CryptoConversations: A Chat With Binance CEO Changpeng Zhao

WATCH NOW

Changpeng Zhao
Binance

01

It's no surprise that Changpeng Zhao tops our list. After all, he did build a crypto empire in less than six months – an incredible feat. Born in China, Zhao later moved to Canada with his family at the age of 12, where he studied Computer Science at McGill University in Montréal before learning about bitcoin during a poker game in 2013. Despite cryptocurrency still being a nascent area, Zhao decided to throw everything he had at it, even selling his apartment to buy bitcoin.

When he started Binance in July 2017, he wanted to build a platform that combined the high frequency of trading platforms – much like the ones he helped build for the Tokyo Stock Exchange and Bloomberg's Tradebook when he was fresh out of college. After some initial setbacks, he then transformed Binance into a decentralised platform with a global workforce. Today, it is the largest crypto exchange with daily trading volume of US$76bn.