

Homesite

Disruptive Forces in Insurance

Small Business Insurance

May 2016

“It’s profoundly difficult, perhaps even impossible, to reconceptualize an industry when you have spent your entire life in it.”

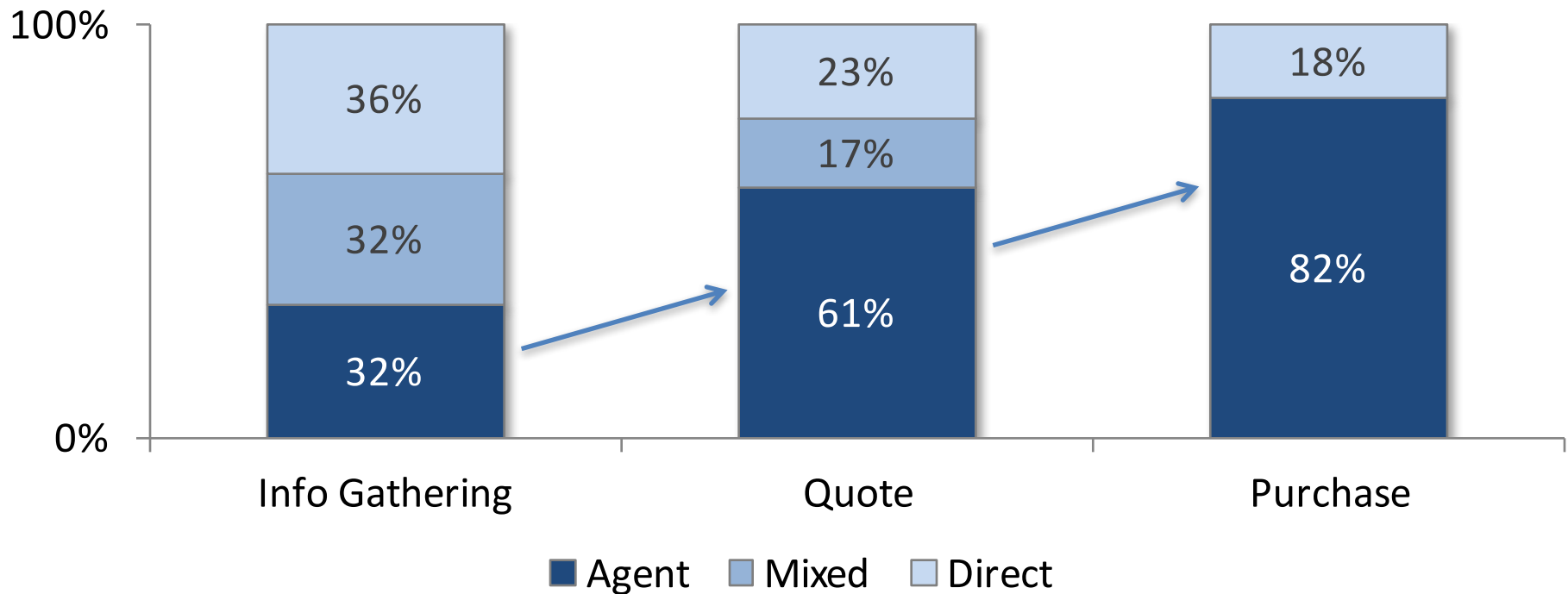
Daniel Schreiber

Co-founder of Lemonade

Small Commercial Insurance: Personal Auto's Past

While small business owners are interested in looking and quoting on-line, purchases still primarily happen with an agent.

Percent of Small Business Customers



Why is purchasing a commercial policy challenging?

Lack of Transparency

Comparing coverages and rates

Complex insurance forms

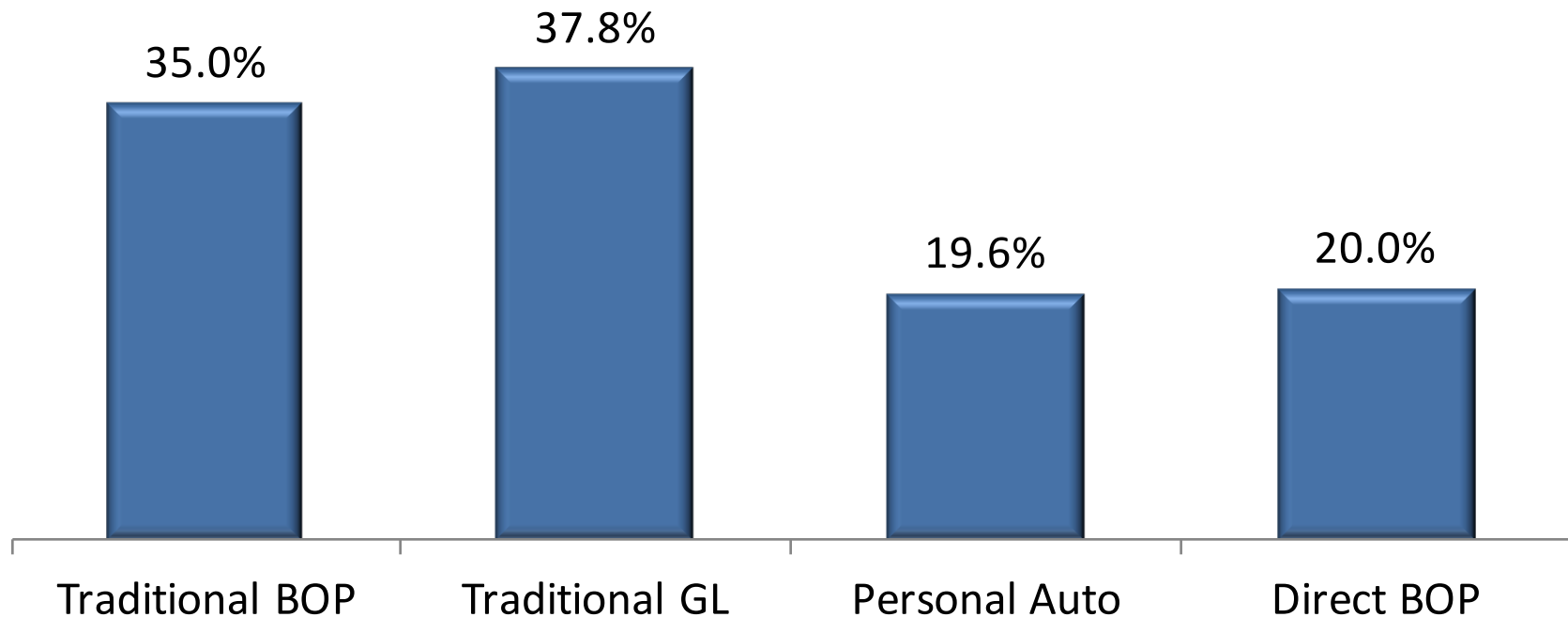
Multiple agent interactions

Time consuming underwriting process

Small Commercial Insurance: Personal Auto's Past

Processes for binding and underwriting are inefficient, shown by high expense ratios from traditional carriers.

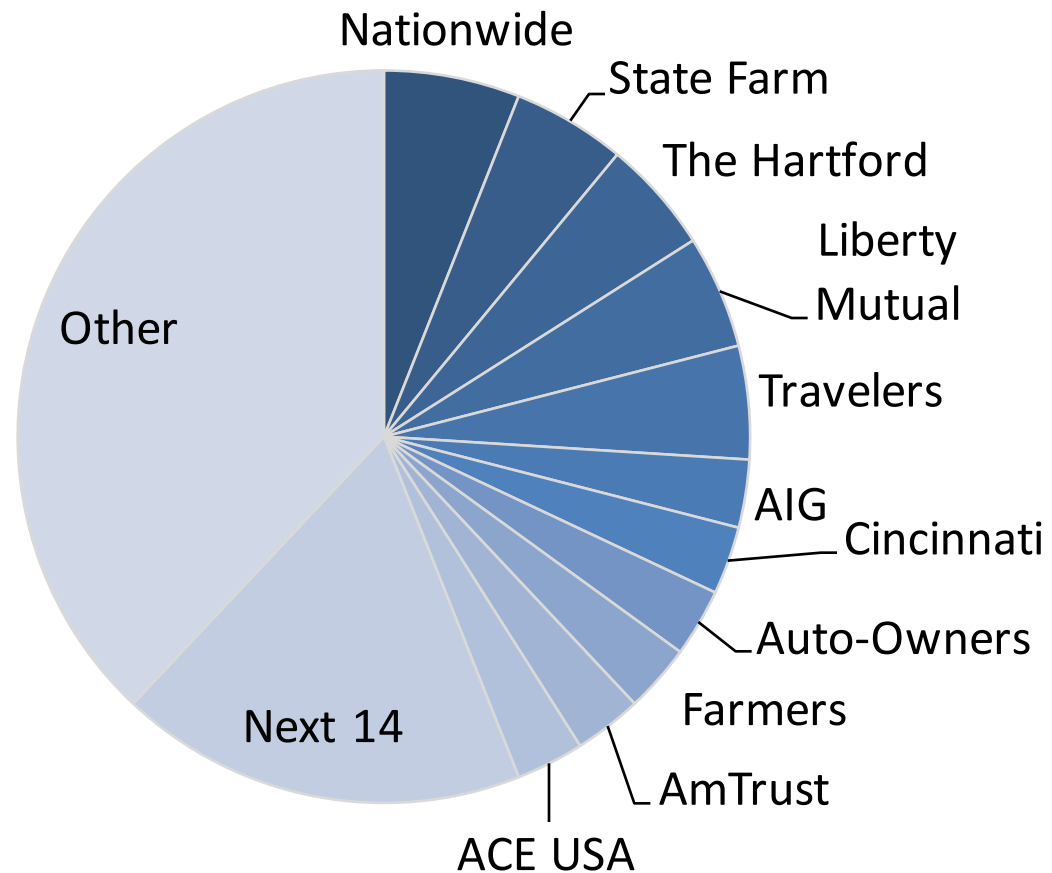
Actual Commercial Lines Expense Loads



Small Commercial Insurance: Personal Auto's Past

Product is becoming commoditized and industry is fragmented.

**2013
Small
Commercial
Market
Share**



Existing technology for small business owners

Payroll

Lending

Benefits

Sales Process



Funding for insurance tech startups is increasing

Peer to Peer

- Friendsurance
- Lemonade

On-Demand

- Slice Labs
- MetroMile

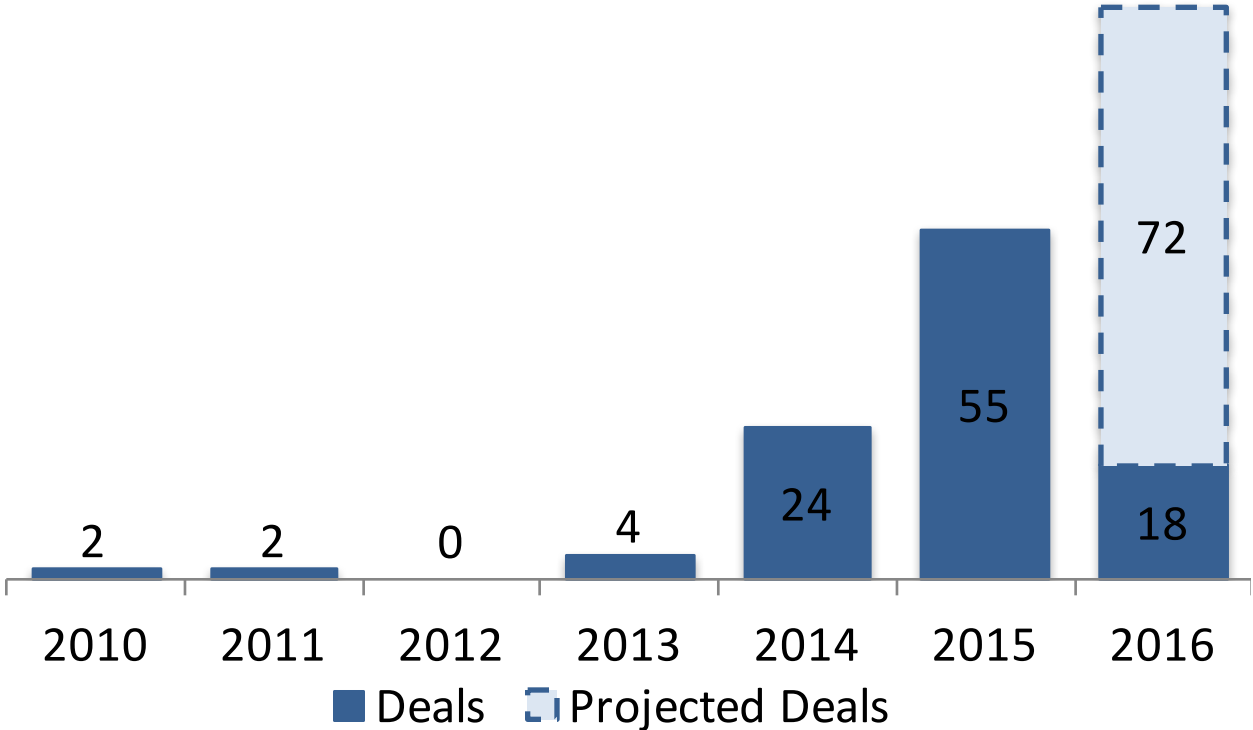
Platforms

- Next
- CoverWallet
- Policy Genius

Insurance Support

- YourMechanic

Tech Startup Investments By Insurers



Insurance Disrupted | Disruptive Business Models / InsurTech Invest Expo

INSURANCE DISRUPTED
CONFERENCE SERIES | 2016

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SVIA
Silicon Valley Insurance Accelerator



INNOVATION PARTNERS



Q2

Disruptive Business Models
& InsurTech Invest Expo
JUNE 7TH

Explore Next Gen Business Models,
Enabling Ecosystems, and
InsurTech Investment Opportunities

Wednesday, June 7, 2016 | 7:30 AM – 7:45 PM (PDT)

Plug and Play Tech Center, Sunnyvale, CA

Homesite®

How is technology disruptive to insurance?

The 'cloud' can provide flexible IT platform to new companies.

New 3rd party policy administration systems make it cheaper and easier to implement new products.



How is technology disruptive to insurance?

Web services open up options for vendors providing 3rd party data and other services.



Business Information

In what year did you start your business?

1994 ✓

What are your estimated gross annual sales? ⓘ

\$350,000 ✓

My business is a

Sole Proprietor ✓

Questions

How many property or liability claims, which resulted in a payment, have you filed with your insurance provider(s) in the past five years?

0 1 2 3 or more

Building Information

Does your building have an automatic sprinkler system installed? ⓘ

Yes No

Additional Interests

[open](#)

Are you required to name a third party as an additional insured or loss payee on your policy? (i.e. building owner, bank, landlord, etc.)

Back

Get Quote

Web-based underwriting questionnaire is dynamic and tailored to policyholder and class of business.

Technology helps reduce high touch underwriting



Small Business Insurance

In as little as five minutes, you can get your small business insured.

Get your Certificate of Insurance right away, just by answering a few questions about your business. We'll do the rest.

Ready? Let's get started!

+ Business Owner Policy (BOP)

+ Commercial General Liability (CGL)

better experience



Tailored to you

We'll lower your premiums, not your level of service.



We're there for you

We're online whenever and wherever you need us.



In your language

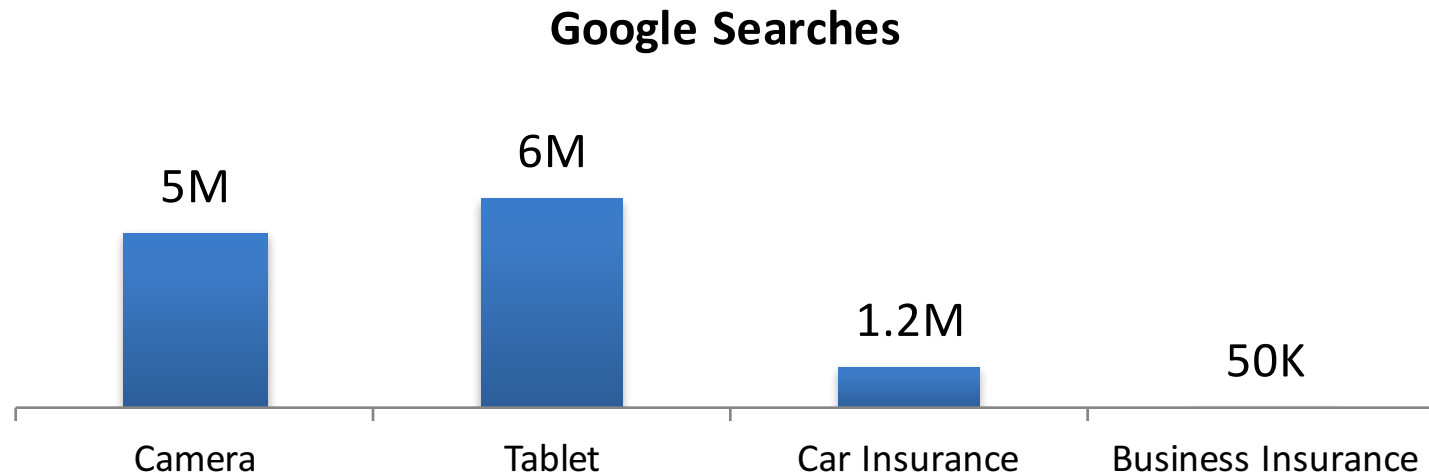
We'll translate insurance speak so you get it.

Being small has it's advantages



Challenges to disruption

- ❑ Capturing attention and trust without a brand
- ❑ Direct marketing is expensive
- ❑ Small business owners still want an advisor
- ❑ Small business market is fragmented



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THANK YOU