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Embedded Insurance
for the insurer of the
future: who will lead
the Money Movement
& Management
disruption

Salone dei Pagamenti, Milan

November 24th, 2022



Main topics covered

1

MARKET OVERVIEW ON DIGITAL PAYMENTS IN THE INSURANCE INDUSTRY: TRENDS & HOT TOPICS

A snapshot of the key trends in the Financial Services, with a focus on the Insurance Industry

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2

STRIPE: MONEY MOVEMENT INTEGRATED PLATFORM

An overview of the main use cases developed by Stripe for the Insurance Industry

Richard Wall



EMEA Partner Solutions Engineer

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Embedded Finance – Integration of financial services into nonfinancial distributors' customer journeys



\$7,2TN

Global embedded finance
expected market value by 2030



24%

Global CAGR market value
in embedded finance in '22-'30

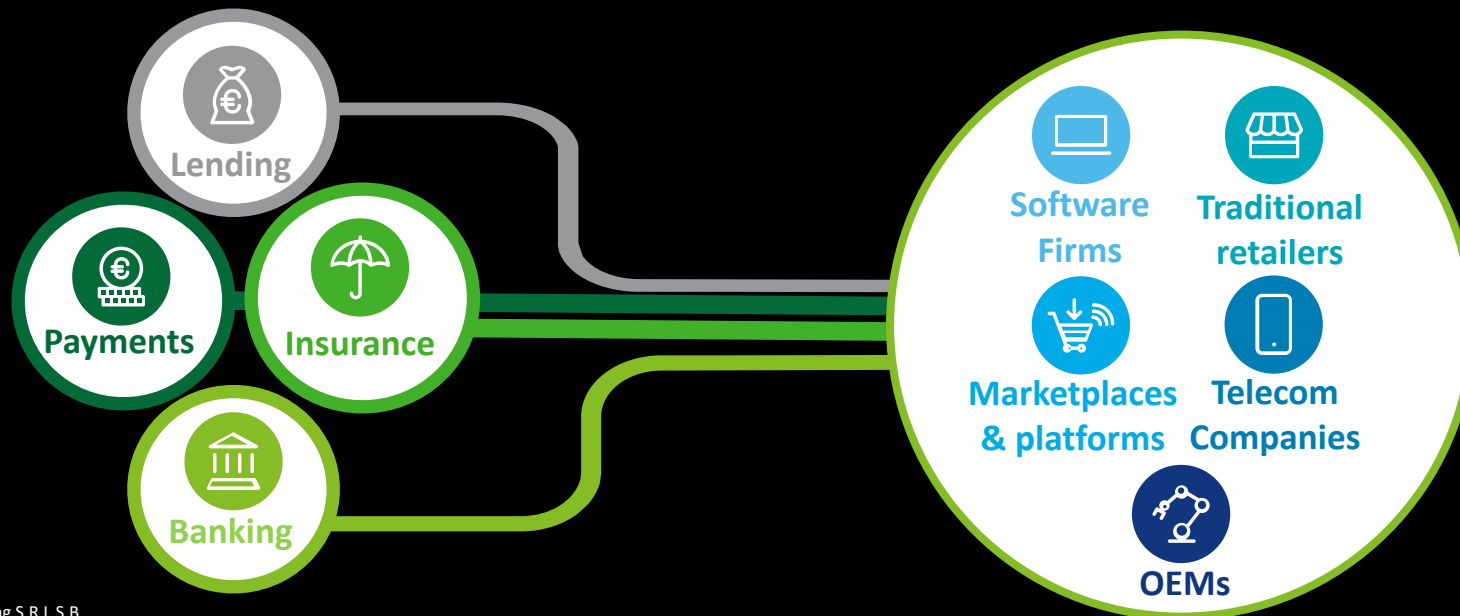


\$780B

Expected revenues from
embedded finance by 2030

4 DOMINANT AREAS

DISTRIBUTORS



Embedded Insurance – Integration of Insurance products into 3rd party distributors' customer journeys



\$3TN

Global embedded insurance expected market value by 2030



20%

Global CAGR market value in embedded insurance in '22-'30



\$720B

Expected premiums from embedded insurance by 2030

EMBEDDED INSURANCE USE CASES



Metaverse

Insurance products purchase in Metaverse stores linked to **luxury goods**, **digital identity**, **NFTs**



Mobility

Purchasing of a **new vehicle** with an **embedded motor insurance**



E-Commerce

Distribution of insurance products linked to **retail goods** purchased via **e-commerce**



Travel

Travel insurance during flight/travel **purchase funnel**

FACILITATORS

Money Movement & Management Integrated Platforms



Handling the **complexity of the integrations** among all parties involved

Purchases

Reimbursements

Fees & Commissions

Reconciliations

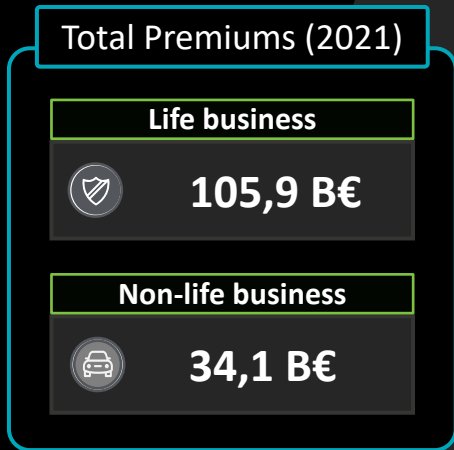
Billing

Invoicing

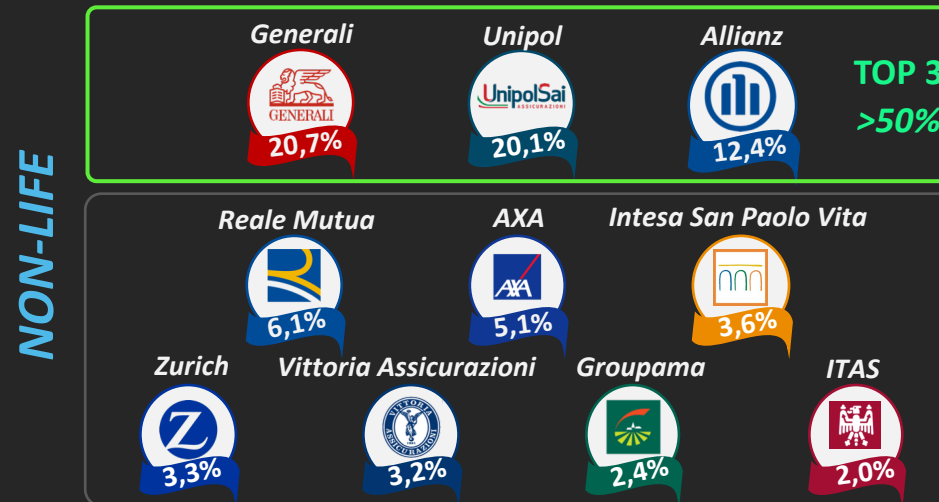
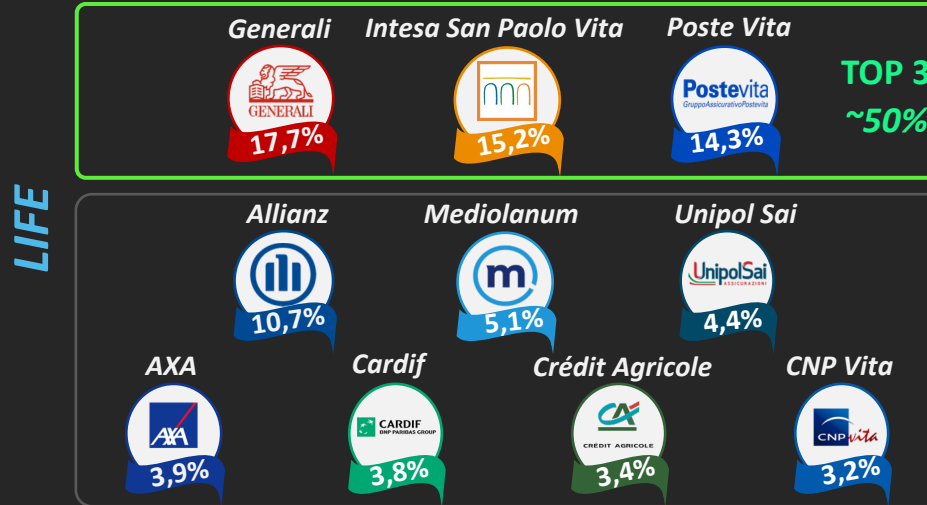
“Is the Italian Insurance market ready for digital payments?”



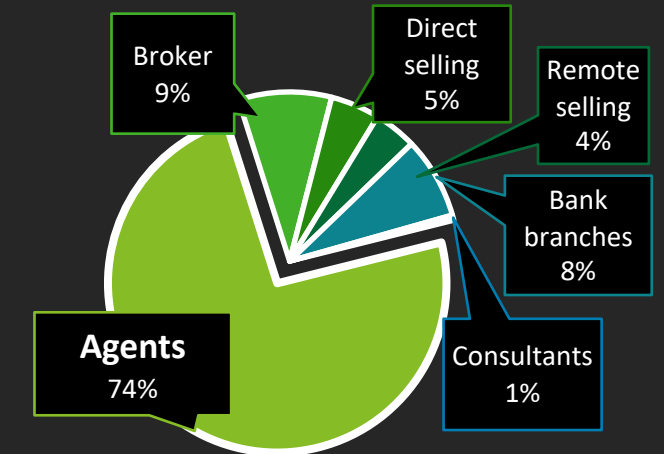
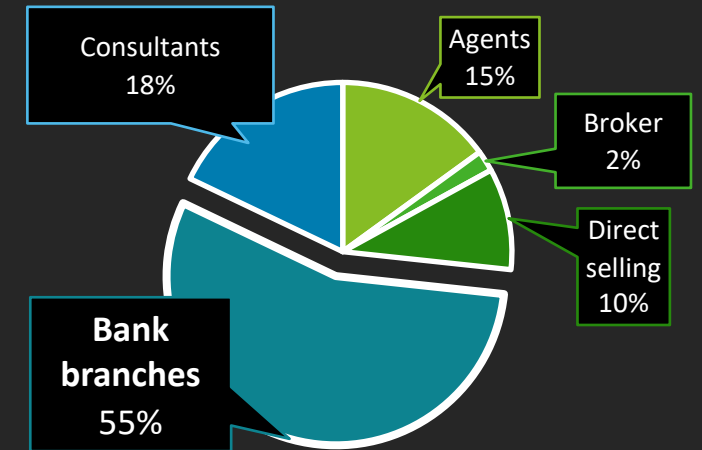
The Italian insurance market



Top 10 companies (% of total premiums)




Distribution channels



It's Time To Change...

↓ -20% 

CO2 emissions reduction per transaction through digital payments (in accordance with Paris Agreement)

↓ -40% 

Frauds Risk is lower with digital payments, compared to cheques

↑ 50% 

Payments made by cheques in the insurance industry, compared to only 22% in other industries

+80% 

Volume of transactions with digital payments is expected to increase up to 1.9 trillion by 2025

+90% 

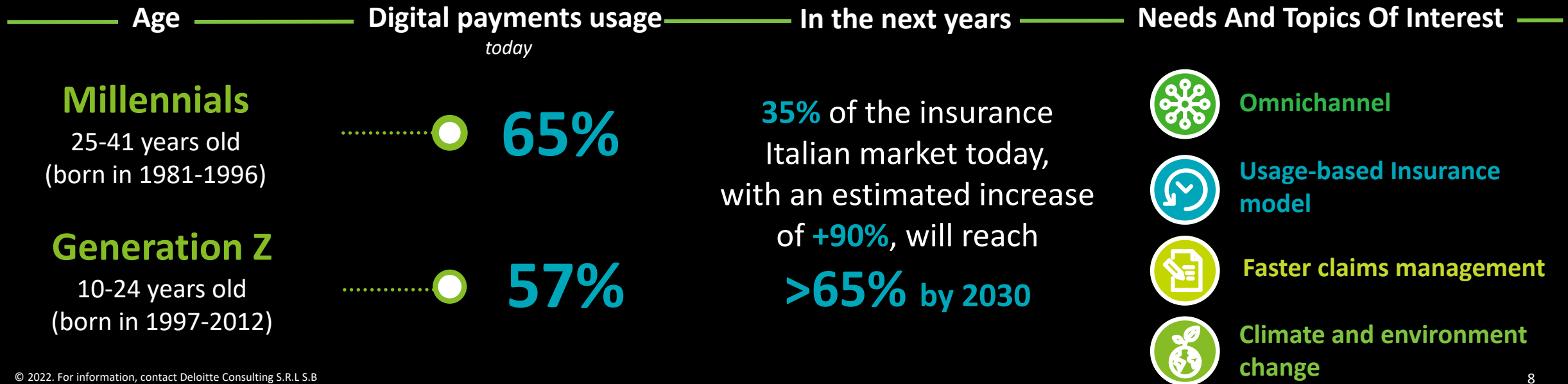
Global insurance digital customers are expected to increase by 2030

+52% 

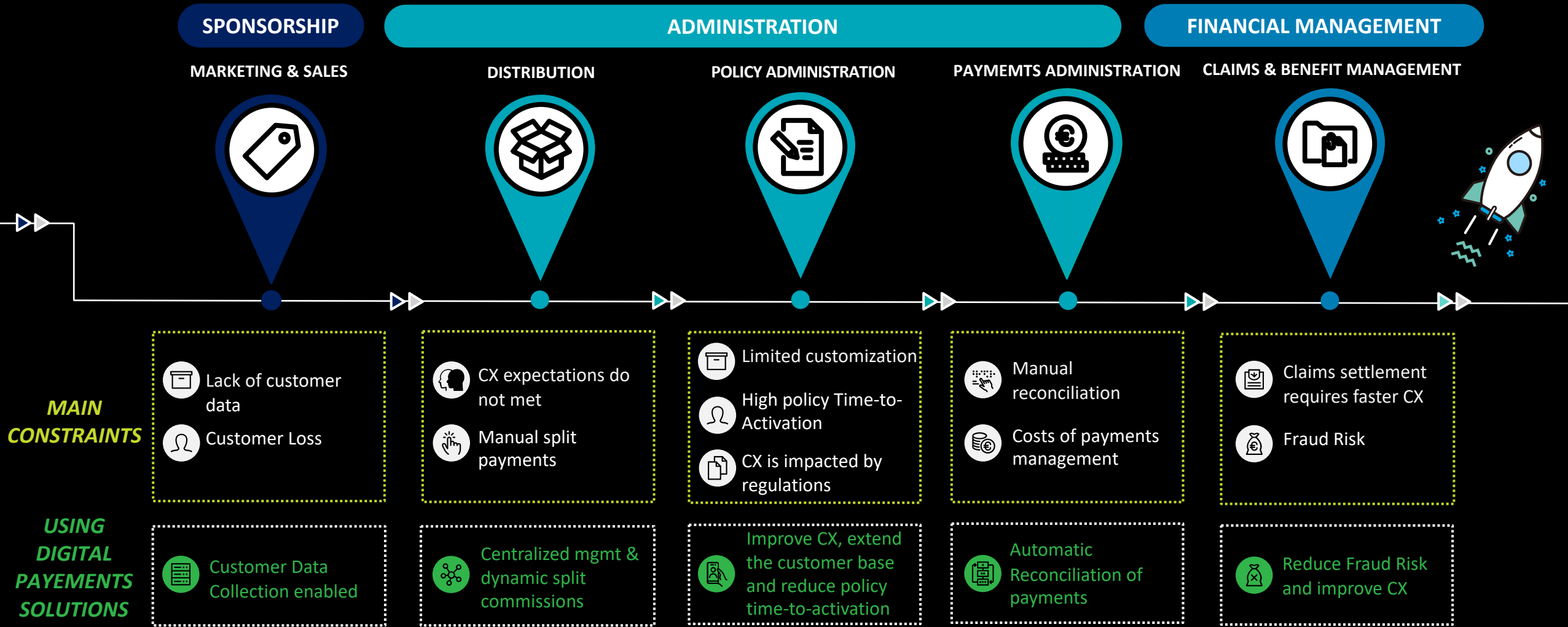
Expected CAGR for innovative insurance solutions (on-demand, microinsurance, pay-per-use, embedded...), reaching a size of \$152 billion by 2030

The Digital Insurance Customer

Business models in the Insurance Industry are evolving digitally, this is also due to the **change in customer base**



Insurance Value Chain & Digital Payment solutions



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Stripe: Money Movement Integrated Platform

Agenda

- 1 The Stripe Platform
- 2 Insurance use cases
- 3 Use case demo
- 4 Q&A

The Financial Infrastructure Platform for digital businesses

Use cases
Millions of businesses of all sizes

Solution areas
Fully integrated suite of capabilities

Cloud platform
The foundation of money movement

Ecosystem
Pre-built connectors & no-code integrations



- eCommerce
- Marketplaces
- Platforms
- SaaS
- Enterprises
- Creators

Global Payments
Accept payments online or through your platform

- Online payments
- Multi-party payments
- In-Person payments
- No-code payments
- Pre-built payments page
- Customizable payment UIs
- Fraud management

Revenue & Financial Management
Automate revenue collection & finance

- Subscription management
- Online invoicing
- Sales tax & VAT automation
- Accounting & reconciliation automation
- Custom reports
- Linked financial account data
- Online identity verification

Embedded Finance
Embed financial services in your platform or product

- Banking as a Service
- Business financing / lending
- Company cards
- Startup incorporation

Global Payments & Treasury Network

45 payment methods	135 currencies	47 countries	99.99% system uptime	PCI level 1 compliance
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Cross-Functional Integrations

CRM 	Accounting 	ERP 	Commerce 	Marketing 	Operations
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Insurance use cases - Powered by Stripe



Premium Collections & Reconciliation

Collecting subscriptions, or using invoicing to collection regular payments linked to an insurance finance agreement.

Reconciling money movement automatically with accounting platforms



Funds Distribution & Reconciliation

Automatically paying commission fees to agents after a policy is booked.

Automatically paying out underwriters after one off or regular policy payments.

Ring fencing client money from payment fees to meet regulation.

Reconciling money movement automatically with accounting platforms



Payouts & Reconciliation

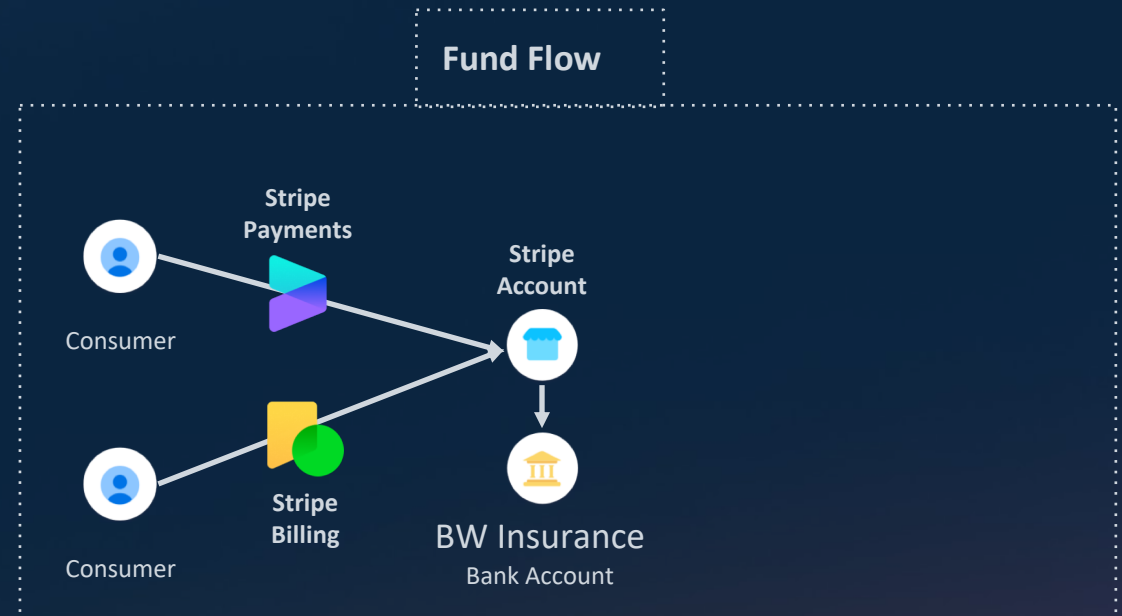
Paying out an individual for a claim that they have made, using virtual cards, bank transfers or debit card instant payouts.

Paying out a supplier for any service provided to the insurer, mainly focused on claims payouts, using virtual cards or bank transfers

Reconciling money movement automatically with accounting platforms

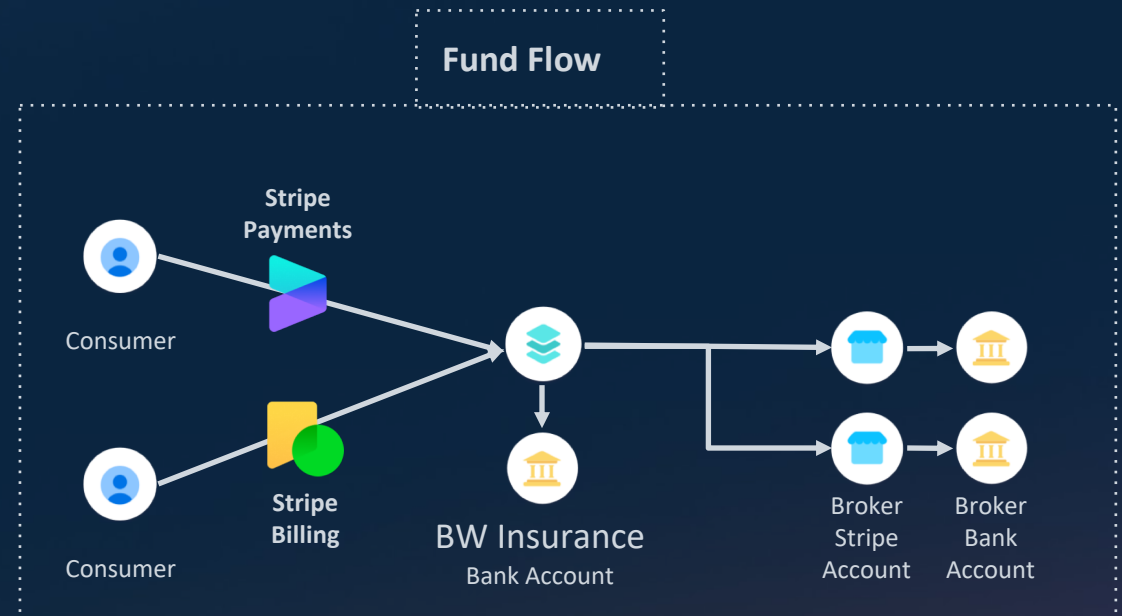
Use Case 1: Consumer paying for an insurance policy

- Consumer pays for an insurance policy
- Consumer sets up a regular monthly collection of payments
- Stripe acquires the funds back to a Stripe account
- Stripe pays funds out to the Insurance company bank account
- Stripe outs a settlement report which can be used to automate reconciliation reporting with CRM/ERP/Accounting platforms



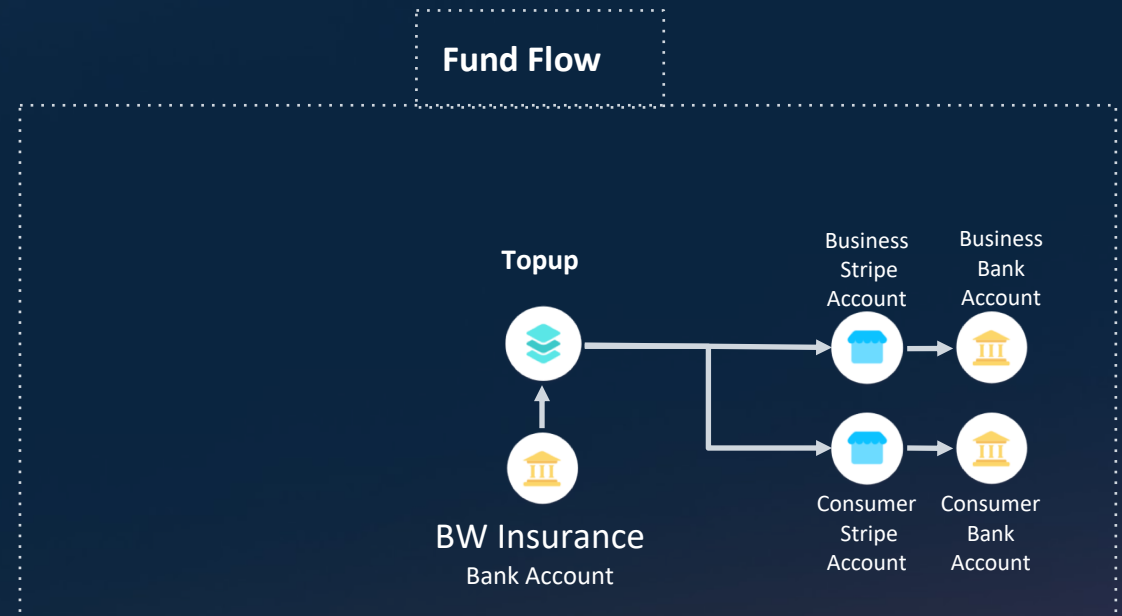
Use Case 2: Broker/Agent commission for selling a policy

- Stripe pays 95% of funds out to the Insurance company bank account
- Stripe pays 5% of funds to the broker/agent



Use Case 3: Claims payouts - 3rd parties and consumers

- Consumer files a claim
- 3rd party business completes service
- Stripe sets up Stripe account for the business or consumer
- Insurance company tops up Stripe account
- Stripe pays out the business or consumer
- Stripe send events to Claims Mgt system to update records in real time



Business value Stripe can deliver



Improve customer experience

Stripe can reduce the friction around payments and payouts for the customer, thus improving the customer experience, reducing customer churn and increasing LTV.

API based payouts change customer experience from weeks to minutes.



Cost reduction & Improve productivity

Stripe's API allows for automation in business processes and reduction in FTE.

Stripe will also provide accurate insight for the contact centre on the payment history so queries and disputes can be handled faster.



Increase visibility & accuracy

Stripe's solution will deliver fewer errors and you will understand precisely where the payout is in its lifecycle, but also get insights into preferred payment methods to improve customer acquisition and collect other data points to inform your underwriting.



Operational Resilience

The above benefits are underpinned by enterprise grade SaaS infrastructure, with trailing 99.999% uptime







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Conclusions



Sum up and Takeaways

-  **Embedded Insurance** is the main **trend** for **insurance products distribution** for the next decade
-  **Digital Payments** will play a key role in the **Embedded Insurance revolution**
-  **Money Movement & Management Integrated Platforms** such as **Stripe** will lead the revolution, helping the Insurance Ecosystem Players in **improving customer experience** and **reducing operative costs**
-  **Deloitte's expertise** in the **insurance market, business processes, regulations and payments industry**, combined with **Stripe's cutting-edge technology**, can lead **value to clients' businesses**



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