

 **AKUR8**

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2020 MEMBER

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# ABOUT OXBOW PARTNERS

Oxbow Partners is an advisory firm exclusively serving the insurance industry. Our clients include the world's leading insurers, reinsurers, brokers and private equity investors.

Our Management Consulting team helps clients on growth, operations, technology and M&A. We excel where engagements span multiple practice areas and where we can combine our deep understanding of today's market with insight into the drivers of change.

Our Insights teams are a leading source of data and analysis. Our Market Intelligence product provides qualitative and quantitative insight to UK management teams to help inform strategic decisions. Magellan is used by corporates and investors to find new insurance technology partners and powers our technology and innovation insights.

Common to all of our engagements is a need for deep industry expertise, bespoke thinking and an agile-inspired approach.

Visit us at [www.oxbowpartners.com](http://www.oxbowpartners.com) or email the team at [info@oxbowpartners.com](mailto:info@oxbowpartners.com).

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# ABOUT THE OXBOW PARTNERS INSURTECH IMPACT 25

The Oxbow Partners InsurTech Impact 25 is an annual list of 25 emerging technology-led businesses that Oxbow Partners believes are well placed to have an impact on the insurance industry. It is now in its third year.

Along with our Advisory Board of industry leaders, we spent five months reviewing over 100 companies to select this year's Members. We believe that our rigorous review process distinguishes the InsurTech Impact 25 from other company lists. Our track record suggests that our Members are truly the trailblazers.

Our Advisory Board includes: Paolo Cuomo (Director of Operations at Brit Insurance and Co-Founder of InsTech London), Stefaan de Kezel (Director of Innovation and Business Development at Ageas Group), Anna Maria D'Hulster (Non-Executive Director of UNIQA, CNA Europe & Hardy, Athora Holdings), Sam Evans (Founding Partner of Eos Venture Partners), Arslan Hannani (VP of Innovation at Travelers), William Hawkins (Co-Head of European Research (Insurance) at KBW), Jonathan Hughes (MD EMEA at RGAX), Will Thorne (Head of EMEA, Specialty and Lloyd's Ventures at SCOR Global P&C), and Tom van den Brulle (Global Head of Innovation at Munich Re).

We deliberately choose companies from all parts of insurance, across the value chain, and at different stages of their life. This year's Members have all demonstrated both traction in the market and a business model with potential.

To read the full report go to <https://oxbowpartners.com/impact25/> or scan the code below.



**“The Oxbow Partners InsurTech Impact 25 has become an important report for insight into the rapidly evolving insurance technology landscape. My team and I value its trenchant analysis and the process with which Members are selected.”**

**Tom van den Brulle**, Global Head of Innovation at Munich Re and member of our 2020 Advisory Board







# Akur8 creates AI pricing algorithms with transparent and auditable output

The solution is live at prime global insurers and reduced the time taken to build pricing models by a factor of 10

Distribution

Product innovation

Data & analytics

Operations

## Bitesize profile

Akur8 has developed an AI and machine learning SaaS platform that enables actuaries to build and update pricing models much quicker than traditional tools. It was established by a former member of AXA's R&D team in 2018 and has collaborated with ENS-International Centre for Fundamental Mathematics and Algorithms with funding from the French Ministry of Research and Innovation.

To date, the Akur8 solution is live with several AXA entities, and successful pilots were completed with other Tier-1 entities in 2019. These will convert into recurring SaaS contracts this year. The implementations within AXA have generally decreased the time taken to create and deploy models by a factor of 10. Additionally, some portfolios examined with the Akur8 algorithms have generated new insights leading to price optimisation decisions and corresponding profitability improvements.

Akur8 describes its algorithms as transparent AI. Many AI solutions are 'black box', meaning that they generate outputs that are difficult to interpret and can lead to costly and reputationally damaging errors. Transparency and auditability have therefore been central design principles for the Akur8 solution. All decisions made during the modelling process are automatically tracked, enabling actuaries to explain their decisions. This functionality is particularly important for global (re)insurers who often operate multiple models independently to meet local market regulatory requirements.

**"Akur8 allows me to quickly and easily design high-performance models almost automatically. I can focus on bringing my business insights to the model thanks to a comprehensive customisation and review."**

**Amaury Rault**, Senior Pricing Actuary, AXA

## Plans for 2020

1. Close Series A
2. Scale the team from 25 to 45
3. Open a US office to service US clients
4. Convert several global Pilot into recurring SaaS contracts

## Who should speak to this company?

Head of Pricing / Head of Underwriting / Head of Product / Chief Commercial Officer with an objective to reduce its loss ratio and/or to grow its client base while reducing pricing time-to-market

## Company summary

**Year founded:** 2018  
**Revenue band:** £100k - £1m  
**Total investment:** £8m  
**Latest round:** £6m Series A  
**Main investors:** Not disclosed  
**Offices:** Paris, France  
**Live in:** Belgium, Colombia, France, Italy, Spain  
**FTEs:** 25 (2018: 6)  
**Key insurance clients / partners:** AXA  
**Key execs:** **Samuel Falmagne**, CEO:

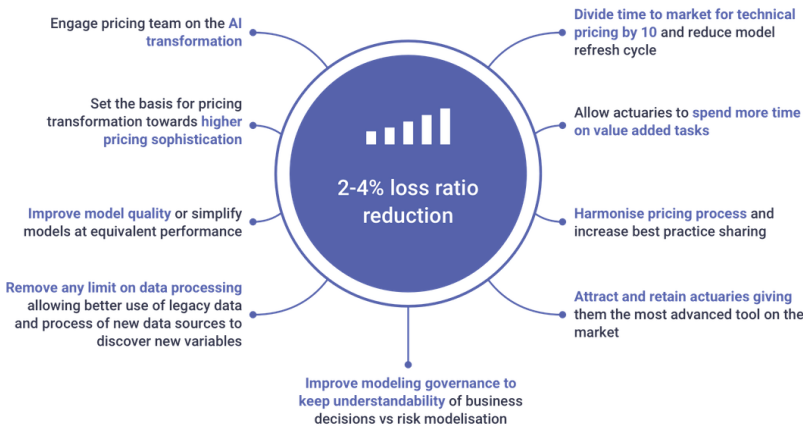
Former Sales Management roles at Shift Technology & IBM. **Anne-Laure Klein**, COO: Former Strategy Consultant at L.E.K. and Head of Strategy and Digital Transformation roles at Carrefour and Sodexo. **Guillaume Beraud**, Chief Actuary: Former Head of R&D, Lead Data Scientist and Actuarial roles at AXA. **Jean-Marc Leoni**, CTO: 15 years technology experience including 4 years at AXA. **Brune de Linares**, Head of Sales: Sales management roles at Google and IBM

View on Magellan



## Company in action

Akur8 automates many pricing-related activities which are usually performed by valuable actuarial resources and are therefore expensive and time consuming. It enables actuaries and cross-functional groups to focus their efforts on price optimisation strategies rather than processing and manipulating data. The platform consolidates all pricing-related data and processes into one solution.



## Case study

**Client situation:** AXA France wanted to accelerate its pricing time-to-market to capitalise on opportunities, improve the accuracy of its pricing risk models, and strengthen the governance and auditability of its pricing process.

**Solution:** AXA decided to deploy Akur8's P&C personal lines risk module to inject AI and machine learning into the pricing process, replacing the existing solution from a large vendor. This module allowed AXA to automate a significant portion of the process and leverage external data sources. It also enabled AXA to discover new, highly predictive variables while retaining full transparency and control of the new model.

**Results:** The Akur8 solution accelerated the modelling speed by a factor 10, reducing time-to-market from months to weeks. It also increased the model's accuracy by 10% following the selection of stronger variables and the addition of new variables into the model. AXA France subsequently expanded the use of this module to P&C commercial lines. The solution is currently used by over 50 AXA France staff.

## The Oxbow Partners view

We have chosen Akur8 as it demonstrates impact in the pricing function, one of any insurer's most critical capabilities. A strong signal of traction is the fact that it recently replaced an established industry vendor at AXA France.

We believe that Akur8's focus on transparency is also important. As pricing sophistication increases through techniques like machine learning, there is a risk of unintended outcomes. Indeed, we believe that one of the biggest emerging reputational risks for the industry is that 'black box' pricing approaches accidentally discriminate against certain demographic groups. For example, a company may not be deliberately discriminating against a minority group but may be doing so accidentally because of correlated data used as pricing inputs.

Whilst the ethical principles of price discrimination in insurance are yet to be fully defined (gender, for example, was an early decision taken in Europe), we believe process transparency is an imperative for companies so that they can minimise exposure to reputational issues and be prepared for future rules.

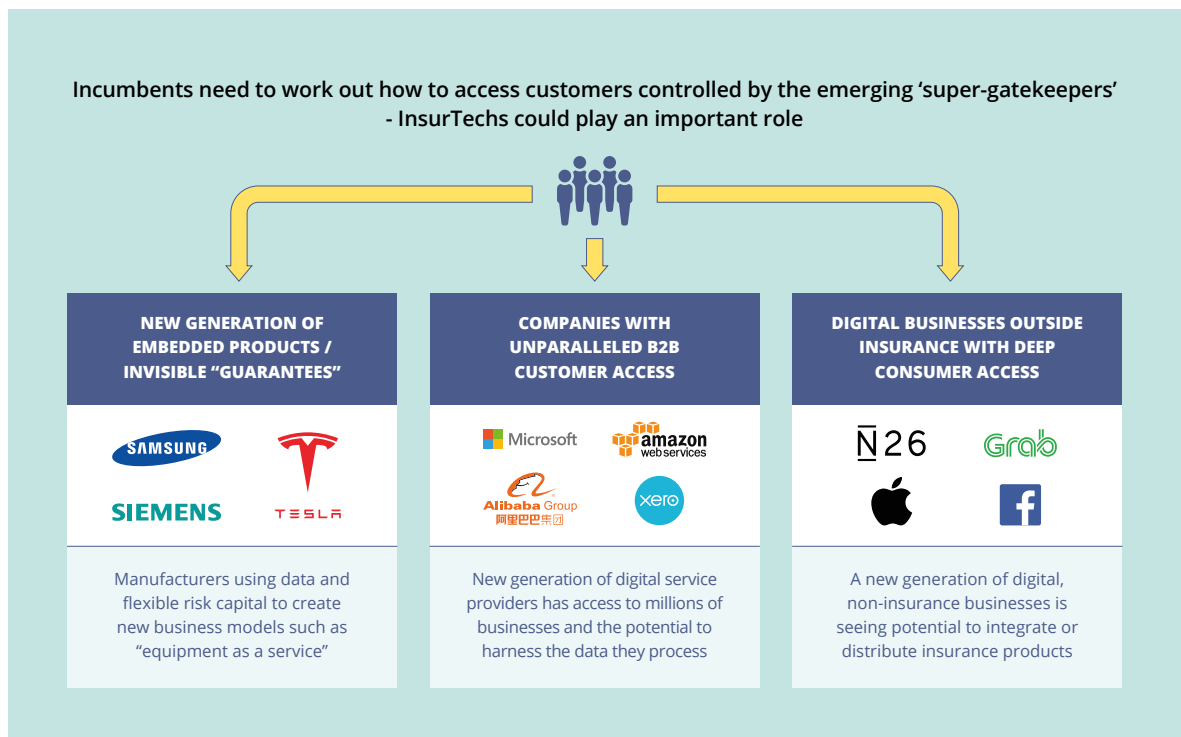
# SOME THOUGHTS FROM OUR 2020 REPORT

## The insurance industry is in flux: Winning the 'digital decade'

Things move slowly in insurance. Insurers do not have developer conferences to showcase their latest innovations. Insurance has been much slower than, say, retail to digitise.

But things do change. Our analysis of the market cap of European quoted insurers shows that the industry is more in flux than many might have noticed. That said, the value creation story from the 2010s was not materially about digitisation or innovation; traditional levers such as corporate strategy, cost control and capital management have been key.

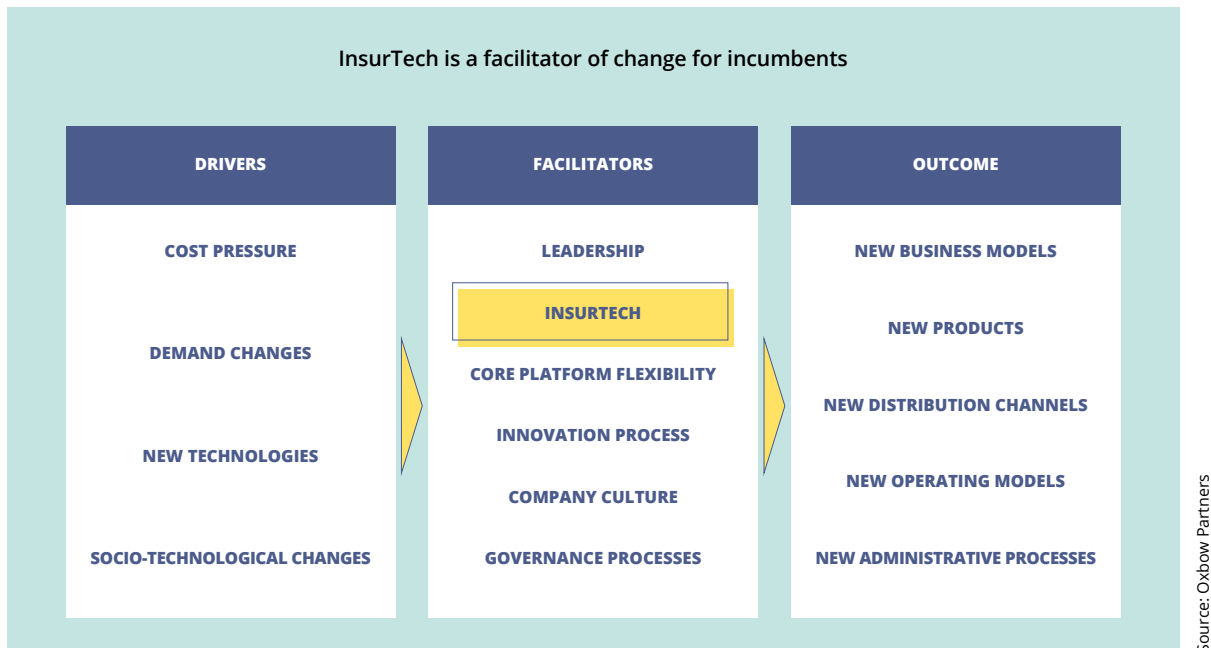
Oxbow Partners believes that this will change in the 2020s – the 'digital decade'. The 'digital agenda' will be critical for success. 2030's winners will be those companies who were able to build digital propositions that attracted the millions of millennials who became first-time insurance buyers in the 2020s, who innovated their use of data and applications, and who built the scalable infrastructure that enabled the next wave of consolidation.



The digital agenda is much bigger than InsurTech, but leading InsurTechs like our Impact 25 Members could play an important role.

## InsurTech in 2020: InsurTech is no longer a special category

InsurTech and established technology have levelled in terms of status. Corporate objectives have moved away from InsurTech experimentation to achieving business outcomes. Instead, we are now seeing InsurTechs and established insurance technology vendors being evaluated on their own merits in selection processes. InsurTech is now (rightly) seen as a facilitator of change of equal status to things like effective leadership.



This is both good and bad news for InsurTechs: on the one hand they are invited to pitch for major contracts, on the other hand they are measured against the same standard as any other vendor. InsurTechs who invest in the capabilities required to win will thrive; those who do not will fall away.

Our Impact 25 selection process seeks out InsurTechs who are more than just maverick technology businesses.

To read the full report, visit [www.oxbowpartners.com/impact25](http://www.oxbowpartners.com/impact25) or scan the QR code below.





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