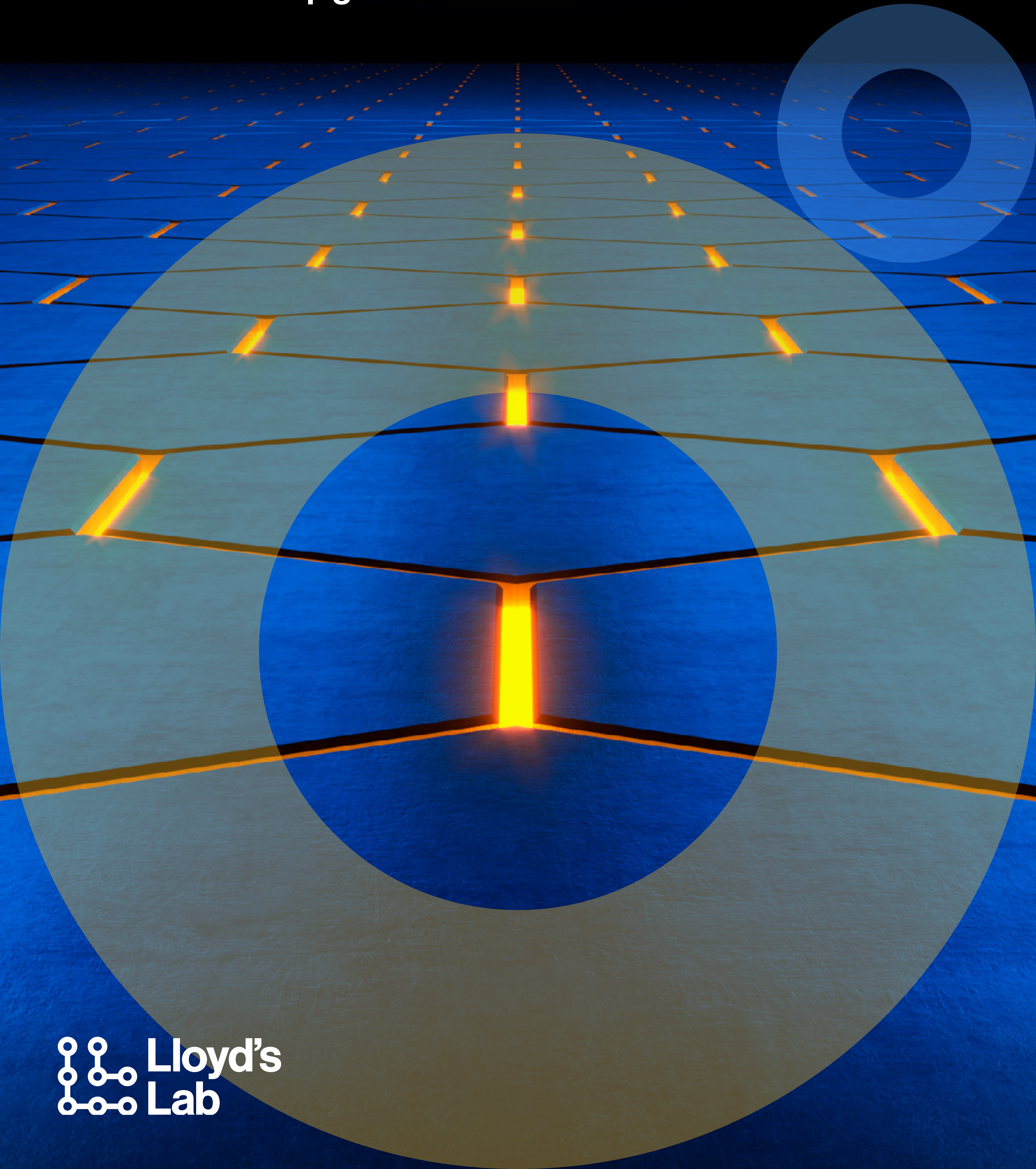
LLOYD'S

Getting off the ground

InsurTech start-up guide



Lloyd's Lab

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We've created this guide to empower founders starting out on their entrepreneurial journey

How Lloyd's Lab works with start-ups

Rosie Denée, Senior Manager, Lloyd's Lab

We launched the Lloyd's Lab Accelerator in 2018 as a hub for ambitious new InsurTechs, based in the heart of the Lloyd's market. Every six months, we review some 250 applications to select just ten promising ventures. The chosen few have a unique opportunity – to collaborate with the world's largest (re)insurance market to revolutionising the way business is conducted.

The highlights since 2018 show the value Lloyd's Lab adds for all participants:

120+
Over 120 startups through Lloyd's Lab.

97%
success rate (still operating or successfully sold).

85%
still working with the Lloyd's market today.

78%
of these relationships were formed during time spent on the Accelerator.

What sets the Lab apart is our unparalleled access to a vast pool of expertise and diverse risk appetites, courtesy of backing from 100 syndicates and over 300 brokers. As the Lloyd's Lab continues to grow, our commitment to nurturing the Lab alumni and fostering a thriving ecosystem has taken centre stage.

Most of our alumni enter the programme at an early stage, with less than three years since inception and fewer than ten employees. It's why we've created this guide: to empower founders starting out on their entrepreneurial journeys and set them up for sustainable success.

Our goal is to offer support beyond product development and implementation, to the topics that really matter for start-ups: how to prioritise the customer experience; how to raise funds and supporters; how to build a strong brand; how to assemble the best team of leaders.

We hope this guide serves as a valuable resource for your business endeavours.

And if you're not already part of the Lloyd's Lab ecosystem – we look forward to seeing your application in our inbox in the near future.

The Lloyd's Lab team

The many faces of a modern InsurTech

The many faces of a modern InsurTech

Emily Peters, Head of Research, Sønr

For several years now, the insurance industry has been embracing collaboration between insurers and a wide range of start-ups. That collaboration has been driven by a desire to solve customer pain points, develop new products and boost profitability for the firms behind the innovation.

At the Lloyd's Lab, we see all kinds of different InsurTechs. Each has its own nuances, challenges and opportunities to grow and innovate. The question is, are some InsurTechs more likely to achieve innovation and success than others?

Our view is: successful innovators can come in any form. But to help understand the different paths to growth, let's look at the main InsurTech business models and where their opportunities and challenges lie.

Traditional Broker

Brokers advise clients on insurance products, typically from a selection of companies, based on individual needs.

Some opportunities:
- Broker services are in persistent demand because their advice is tailored to individual customers
- Rapid early growth is more common, and acquisition costs are low

Some challenges:
- Geographic expansion can be hindered by regulatory requirements
- Success relies heavily on building relationships and nurturing the broker's reputation

Managing General Agent (MGA)

MGAs underwrite and manage claims for insurers, acting as intermediaries.

Some opportunities:
- MGAs reduce insurer market entry risk with their local and sector expertise
- They are often more agile and efficient than a full-stack insurer

Some challenges:
- MGAs depend on securing a partnership with an insurer
- Expansion into new lines requires investment into specialists and upskilling

Full-stack InsurTech

Full-stack InsurTechs have their own balance sheet. They're regulated by a supervisory authority.

Some opportunities:
- Full-stack InsurTechs enjoy complete control over terms, pricing, and underwriting
- They take a larger cut of the profit, as the profit pool doesn't need to be shared with partner risk carriers

Some challenges:
- Securing a licence and capacity, and building a trusted brand, takes greater effort and cost
- Full-stack start-ups compete directly with large insurers and their economies of scale, established reputations and deeper pockets

Data and Analytics

These are companies providing data and models to improve insurer knowledge and operations.

Some opportunities:
- Ample scope to expand across new lines of business and through the value chain
- Wealth of demand from ever-growing global data volumes and use

Some challenges:
- It's a competitive sector. Creating a differentiated offer through unique data and models is key
- Cybersecurity risks and data protection regulations are likely to rise

SaaS Player

Software as a service (SaaS) players are tech providers offering digital solutions to insurers to help them scale.

Some opportunities:
- Cross-border expansion is easier due to fewer regulations (depending on proposition)
- High gross margins are available once the business has been established

Some challenges:
- Integrating with large insurer legacy systems can be complex
- Each partner insurer's security and compliance standards have to be complied with

Data and Analytics

These are companies providing data and models to improve insurer knowledge and operations.

Some opportunities:
- Ample expansion opportunities across all lines of business and the entire value chain.
- Ever-growing data volumes driving demand.

Some challenges:
- It's a competitive sector. Creating a differentiated offer through unique data and models is key.
- Cybersecurity risks and data protection regulations are likely to rise.

The message is: there are pros and cons to every InsurTech model, and no single path to success. But being aware of the opportunities and restrictions for each model before you start out will help your business scale and succeed.

In today's market, building a full-stack InsurTech is a particularly tough endeavour – but rewarding for those wanting a chance to 'build from scratch'. Parallel data, SaaS and MGA companies are in high demand – a trend that looks likely to continue.

If there's a common success factor across all InsurTechs, it's the degree of sector knowledge founders hold starting out on their innovation journey. The more prepared start-ups are, the smoother the process off securing funding, building partnerships and develop a relevant, cutting-edge product.

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Legal: building firm foundations

Legal: building firm foundations

Rachel Hillier & Charlotte Gregory, Partners, Capital Law

No area is more important to starting out in InsurTech than navigating legal requirements and establishing a core legal structure that supports growth.


Let's explore some of the legal issues at each phase, which often relate to:

- Regulation
- Corporate matters
- People
- Data and IP
- Commercial partners

Starting out

Founders often seek to limit personal liability by trading as a limited liability company. When they do, a shareholder agreement can be useful to set out the arrangements between stakeholders – even at an early stage (e.g. when seeking tax/accounting advice).

From the start, it's essential to establish whether your business will carry on regulated activities or make financial promotions. Doing so without authorisation (or exemption) from the Financial Conduct Authority (FCA) is a criminal offence that could result in a prison sentence, fine and/or unenforceable agreements. FCA authorisation usually takes 6-12 months to complete.

An alternative path is to become an appointed representative (AR) of an FCA authorised firm, giving you exemption from additional authorisation. At 6-12 weeks, this is a notably shorter process, though it can be costly: the principal firm will usually charge ongoing fees. Businesses looking to enter the Lloyd's market may also consider obtaining Lloyd's permissions.

Some InsurTechs become an AR as a quicker route to market while they make an application for FCA authorisation.

When hiring, you'll need to consider the impact of off-payroll working, immigration and employment law: having all work contracts, policies and procedures in place. Authorised firms also need to consider the Senior Managers & Certification Regime (SMCR), while ARs must observe the approved persons regime.

You'll also need to consider data and Intellectual Property (IP) and establish how data will be processed – the extent of personal data handling is often a high priority for new businesses. A privacy notice and cookies policy will be required for any website, while IT and information security protections are needed for any proprietary tech, branding or other IP owned by the business.

Product and services launch phase

For regulated products and services, product design, distribution models and customer facing documents, these must comply with FCA (and Lloyd's) regulations and insurance law. Your business will need to keep good records of internal controls to ensure regulated activities remain compliant.

Privacy and security are ongoing challenges, so managing data protection obligations, cyber security, brand management and tech services is crucial (e.g. digital commerce, tech terms of use and supply and licensing of software and AI).

In terms of people, there's lots to consider: workforce and resourcing strategies; management structure development; training, benefits and incentives; plus any changes to approved persons, certified and senior manager functions. Embedding sound company values can help direct decision making and attract (and retain) the right talent to your start-up.

Early commercial arrangements are often crucial to success.

Maintaining organised records is key to good corporate governance – including logging any strategic decisions in directors' board minutes. InsurTechs often need to negotiate early stage funding arrangements, including equity or debt investments, so well-drafted investment documents are vital.

Early commercial arrangements can be crucial to success. Ill-considered contracts can be a barrier for growth or a source of dispute later. Arrangements might include: delegated (binding) authority, outsourced services, risk transfer, introducers and lenders. For regulated InsurTechs, each arrangement must meet regulatory requirements.

Expansion phase

Businesses expanding outside the UK require gap analysis and revisions to business models to comply with non-UK regulation. There may be new product design and distribution models, new regulatory permissions and new activities to be authorised. Management of group company arrangements should be recorded in intra-group outsourced services agreements.

Continuing the corporate governance of earlier stages is important. Expansion might mean dealing with the legal aspects of group restructuring, joint venture arrangements or fundraising rounds. Businesses may seek to incentivise their management and employees by implementing employee share incentive schemes (with the tax aspects requiring separate expertise).

If people move to or from the UK, immigration rules need to be complied with.

As you scale, your business will want to monitor changes to resourcing, structure, training/development and senior manager regulatory requirements to reflect your expanded size. If employees move to or from the UK, immigration rules will need to be complied with. Businesses may need to deal with employee issues including absence management, disciplinaries and grievances as the business grows and diversifies.

Continuing management of data protection, cyber security, brand management and tech services will become more important as the firm's technology increases in value. Data and tech arrangements may become more complex, requiring review and updates to contracts, data policies and security systems.

At this stage, managing contract renewals, winding down relationships and starting new ones all grow in importance. Commercial arrangements may vary, requiring renegotiation of contracts as new products and services are rolled out.

As the business grows, it may be able to negotiate new and more favourable terms with existing partners.

Maturity phase – consolidation or sale

At this point, ARs can obtain full FCA authorisation. Fully authorised insurance distributors may seek to provide their own capacity as an insurer or "syndicate in a box", requiring authorisation by the Prudential Regulation Authority (PRA). Regulated businesses will review regulatory processes in preparation for a sale or Initial Public Offering (IPO). Changes in control brought about by a sale of the business or exits by founders or early investors may need FCA approval.

A sale will involve a preparation and transaction process, from due diligence to negotiating and executing the key legal documents for a share or asset sale. Transactions such as management buyouts, trade sales, private equity investments and employee ownership trusts form part of this process.

Changes in control precipitated by a sale of the business or exits by founders or early investors may need FCA approval.

In an expanding business, you may need to adjust and realign roles and reporting lines. That could include restructuring, efficiencies and associated redundancy processes. On sale, the business will need to comply with Transfer of Undertakings Protection of Employment (TUPE) regulations and manage changes to approved persons, certified and senior manager functions.

Keeping data, cyber security and tech services management under review is crucial – while ensuring the business is compliant with data protection laws and owns all proprietary IP rights prior to initiating a sale.

An InsurTech may expand by purchasing business assets from others (including ongoing contracts). When it is sold, contractual relationships may be terminated or require notice and/or consent where there is a change of control.

From birth, and as a new InsurTech grows, setting up a core legal structure that allows for growth is key to success.

Insurance: getting covered

Eloise Morgan, Director of UK FI, Paragon

As emerging technologies reshape the insurance industry, InsurTechs must make sure that they have their own insurance protections in place. Let's look at the key insurance considerations for each stage of your business journey.

Early Stage

Employers' Liability Insurance is a legal requirement for companies operating a pay-as-you-earn (PAYE) scheme, as it is for limited companies with two or more directors. Failing to have this protection in place could result in fines of up to £2,500 per day.

Since business value is rooted in differentiation, it's also wise to protect any patents, trademarks, copyrights and other intellectual property (IP) that helps your business stand out from the rest.

IP insurance covers the defence of intellectual property infringement claims, as well the costs associated with enforcing your rights.

Fundraising

Investors often focus on insurance policies as part of their wider due diligence process. Most will insist on Directors & Officers (D&O) Liability insurance and Keyperson insurance being in place.

D&O Liability insurance provides financial protection when directors and senior managers are held personally liable, or face allegations of breach of duty, neglect, misstatements or errors and omissions. Policies provide cover for the costs to defend any allegations, as well as for damages and settlements that may be awarded (up to the policy limits). These policies typically extend beyond director-level personnel to include management, shadow directors and non-executive directors.

As a director, you carry significant responsibilities and are subject to scrutiny from investors, employees, authorities, regulators and even customers. Proactive dialogue, clear corporate governance and a compelling set of company values and ethics will help keep these grievances away from the courts – but D&O insurance will help recover the costs when these 'worst case' scenarios happen.

Specialist policies also include cover for regulatory investigations and approved persons.

Keyperson insurance is a life and critical illness policy providing protection against financial loss in the event that an integral business member – someone key to the company's success – passes away or receives a critical illness diagnosis.

Regulatory & Contractual Requirements

Increasingly, clients and vendors are insisting on Professional Indemnity (PI) and Cyber Liability insurance as conditions of their contracts.

If you are applying for regulatory permissions, whether directly to the FCA or as an Appointed Representative, you may find that you are required to at least have a quotation for these protections as part of your application.

> Increasingly, clients and vendors are insisting on Professional Indemnity and Cyber Liability insurance as contractual conditions.

PI insurance provides cover for allegations of professional negligence which could lead to a potential financial loss. Specialist InsurTech policies cover the costs involved in defending allegations of professional negligence for both regulated and non-regulated activities, as well as any liability arising out of technology services and breach of contract. Anyone applying for insurance distribution permissions (to write insurance on behalf of others) will need to ensure their insurance meets the minimum regulatory requirements set out by the FCA.

You are responsible for all the data that you collect and hold – so it's vital you take measures to protect it. Cyber Liability insurance can help you to manage your cyber risk, as well as minimise the impact of any data breaches. Without insurance, any malicious attack or data breach could have catastrophic consequences for your business – both financially and reputationally.

Cyber Liability insurance provides cover for the costs associated with a data breach or malicious cyber-attack. Policies act as your emergency response, providing you with access to a panel of experts who offer:

- Legal support to help you notify your customers, the regulator and any other relevant parties
- IT forensics to investigate, recover and restore your data and systems
- Public relations advice on how to communicate the issue to stakeholders and minimise any damage to your reputation.

Policies also cover:

- Costs incurred as a result of an interruption to the business following an attack
- Costs associated with extortion, including amounts paid in the event of a ransomware attack
- Legal defence costs and damages awarded against you in the event that you are accused of being negligent by those who have had their data compromised.

Scaling up

Once you're an operational business, you might be moving into an office or a shared working space. You can protect any assets that the company owns by arranging a package insurance policy which also includes Public Liability insurance. This provides cover for your legal liability to third parties should they suffer bodily injury or damage to their property as a result of the employer's negligence.

As you take on more employees and it becomes harder to monitor them, Crime insurance provides protection for your losses if an employee is dishonest or you are defrauded by a third party, such as fraudulent payment instructions and social engineering.

This is not an exhaustive list of the insurances an InsurTech might require – but the policies listed above will give you a solid basis to mitigate potential risks.

As you grow, it will be important to ensure that your insurance covers reflect your changing size and requirements – and can adapt accordingly – so be sure to review these regularly and keep your insurers informed of any changes which could affect your cover.

As you take on more employees and it becomes harder to monitor them, Crime insurance provides protection for your losses if an employee is dishonest or you are defrauded by a third party, such as fraudulent payment instructions and social engineering.

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Tax: paying your dues

Tax: paying your dues

Richard Louden, Partner, Tax &
Ben Harris, Director, Lloyd's Lead

Like any new business, an InsurTech start-up needs to have a clear understanding of its tax obligations – both in terms of direct, and indirect, taxation.

Direct Corporate Tax

Nearly all countries have a direct tax system designed to levy corporate taxes on profits from business enterprises. The rules can be complex, but you must ensure you are aware of the direct tax compliance requirements in any countries you operate in – what's required, and by when – to avoid issues and costs down the line.

Here are some key focus areas, and some things to avoid.

Actions and considerations

1. Ensure you understand your compliance obligations across different jurisdictions – what information is required, by which deadlines.
2. Proactively build out a "tax calendar" outlining all obligations which will help ensure any deadlines are met.
3. Make sure the position is revisited regularly as the business matures and comes into scope for any additional compliance requirements.

Common pitfalls

1. Failing to properly consider what filings and payments would be required by the business, and not factoring these considerations into business planning.
2. Not revisiting the position regularly, causing you to miss additional compliance requirements as the business grows and matures.

Transfer Pricing (TP)

Transfer pricing rules are included in the direct tax system of most countries. The rules can be detailed and vary by country, but in broad terms they require that transactions between companies within the same group take place on an 'arm's length' basis (i.e. on the same terms as if the parties were unrelated). Common intragroup transactions include provisions of services, financing, and assets.

There is equal emphasis on the substance and the pricing of a transaction. So if a company charges for licensing an intangible asset, then it must show it has performed activities relating to the intangible's development, enhancement, maintenance, protection, and exploitation. The rules can apply to domestic transactions but usually focus on cross-border transactions.

Specified documentation evidencing compliance is usually required, sometimes requiring other filings. Flat and/or tax geared penalties for failure to prepare documentation or comply with the arm's length principle may apply.

Again, there are some key dos and don'ts here.

Key actions and considerations

1. Proactively design TP policies when restructuring the group.
2. Include TP data/evidence requirements in ongoing financial and governance protocols.
3. Prioritise TP policies aligned with commercial substance and rationale.

Common pitfalls

1. Designing, documenting or defending TP policies after the event has occurred.
2. Creating TP policies that are hard to implement, explain or evidence.
3. Creating TP policies that are inconsistent with each other or the underlying commercial substance.

Indirect Tax

Indirect taxes reach the government by a less direct path, taking effect somewhere along the supply chain – often, at the point of a purchase.

Value-added tax (VAT)

The provision of insurance is exempt from VAT in both the UK and EU. In addition, and provided certain conditions are met, insurance-related services (broking including for example claims handling) can be VAT-exempt in the UK.

VAT exemption also extends to the provision of insurance-related services in the EU, but the scope for exemption is much narrower with the supplier needing to seek [exemption in order] to introduce new insurance business.

> InsurTech businesses need to assess the services they are supplying to determine if they are the provision of technology (subject to VAT), or a VAT-exempt insurance related service.

Where VAT exemption applies, no VAT is due on income – however this is likely to lead to the inability to reclaim VAT incurred (either partial or in whole) on the cost of sales and overheads. Insurance and insurance-related services provided in connection with a UK policyholder do not carry a right to VAT recovery. In contrast, insurance and insurance-related services supplied in connection with non-UK policyholders do carry a right to recover VAT incurred on costs.

InsurTech businesses need to carefully assess the services they are supplying to determine if they involve the provision of technology (subject to VAT), or the provision of a VAT-exempt insurance related service. Getting this wrong can be costly when the VAT rate is 20% in the UK, and higher in several EU countries. Penalties can be significant for not charging VAT correctly, while interest charges on the late payment of VAT are at their highest level for several years.

A key feature of both UK and EU VAT systems is that services procured from a supplier outside the recipient country can create the requirement for the recipient to register and account for the VAT due. This is known as the reverse charge.

Insurance Premium Tax (IPT)

Insurance Premium Tax applies to contracts of insurance that are not exempt. There are two rates in the UK:

- The standard rate of 12% that applies to most contracts of insurance
- A higher 20% rate applying to travel insurance, insurance related to domestic goods (such as electrical items) and certain policies connected to motor vehicles (such as extended warranties)

There are several exemptions, the main ones being contracts of reinsurance and contracts of insurance where the risk is located outside the UK.

Accounting for IPT is the responsibility of the insurer in most cases. The exception to this is where an intermediary charges a fee to the insured in connection with a contract of insurance subject to the higher rate.

In addition to the amount charged by the insurer to cover the risk, the amount subject to IPT includes other amounts such as commissions and costs of administration.

Many countries operate insurance premium taxes or equivalents. There is no harmonised system of premium taxes in the EU or globally. The rules and taxpayer responsibilities can, and often do, vary from country to country.

Key actions and considerations

1. Applying the correct VAT treatment to services.
2. Understanding what VAT registration obligations exist and whether it is beneficial to register for VAT voluntarily.
3. Determining what responsibilities you have in connection with IPT and where.

Common pitfalls

1. Applying a VAT exemption where the service does not qualify, e.g. assuming the receipt of a commission means a service is VAT exempt.
2. Recovering VAT incorrectly or not recovering VAT you are entitled to.
3. Not correctly identifying services subject to the reverse charge procedure in the UK and EU.
4. Missing IPT responsibilities in the UK and elsewhere.

Innovation relief and incentives

Innovation is critical to enabling UK InsurTech companies to flourish, and the UK has a number of established tax reliefs and incentives to support innovation-driven businesses.

R&D tax incentives

R&D tax credits are available for companies undertaking research and development. The tax credit available is 20% for large companies ('RDEC'), and an 86% additional deduction for Small and Medium sized Enterprises (SME's) companies, with potential for a 10% tax credit.

The definition of R&D is broader than you may expect. R&D for tax purposes takes place when a project seeks to achieve an advance in science or technology and in doing so, aims to resolve a scientific or technological uncertainty. Examples of R&D could include development of completely blue-sky technology, enhancing existing products, or establishment of cloud-based technology platforms offering new products or customer journeys.

Some more changes include:

- Extension of qualifying expenditure to include data and cloud costs
- Innovation in pure mathematics is now eligible for R&D claims
- Restrictions on overseas costs
- Merged regime for Research and Development Expenditure Credit (RDEC) and SME incentives from accounting periods starting on or after 1st April 2024.

Qualifying expenditure may include:

- Salary for employees undertaking R&D – this may include those managing the R&D
- Cloud, Data and Software used in the R&D activities
- Contractor costs (if you hired a third-party to extend your team or conduct R&D on your behalf).

There are three steps to making a claim:

1. Identify R&D activities.
2. Quantify the related R&D expenditure.
3. Document the qualifying activity with the additional information form.

Key actions and considerations

- Make sure an understanding of the activities qualify as R&D is provided for by the DSIT Guidelines
- Substantiate the activities and expenditure with sufficient appropriate evidence. Providing technical detail is critical
- Establishing a robust claim methodology.

Common pitfalls

- First time R&D claimants and R&D claimants who have not made an R&D claim in any of the previous three calendar years will need to submit a claim notification within six months after the accounting period
- Not submitting an Additional Information Form before submitting the R&D claim within the tax return, will mean that the claim is invalid
- Not exploring global **R&D opportunities.**

Other incentives are also available:

- **Patent box** offers a 10% tax rate for patent supported profits. If IP is located in the UK and licensed globally, this could drive significant tax savings
- There are a range of **grants** available, particularly for investment in key technologies, such as artificial intelligence or quantum computing.

Capital: raising the money

Ravi Shah, Vice President, IA Capital Group

High growth companies require capital. While some startups are able to bootstrap (self-fund), the great majority need to raise outside capital to sustain growth before they reach profitability.

Here we offer some guidance around securing the financing, covering the core knowledge most founders will need to raise venture capital.

When to raise and how much?

There are generally three core requirements for InsurTechs seeking to raise venture capital:

1. The ability to articulate the business concept/product and its need in the marketplace.
2. A team in place able to realise the potential of the opportunity.
3. An opportunity that is large enough to provide attractive returns for an investor relative to the risk they are taking.

1. Articulating the business concept

Sometimes, an idea and a vision can be compelling enough to raise capital. More typically, investors require robust convincing that the business concept is a more credible investment opportunity than perhaps thousands of others that come before them.

With software development tools and new technologies such as generative AI, companies are now able to launch a minimum viable product (MVP), validate need for their product, and gather valuable customer feedback around how well it matches market demand, all at a relatively low cost.

> InsurTechs can partner with intermediaries in the insurance ecosystem to enter the market faster.

Given the long sales cycles in insurance, start-ups should prioritise forward-looking carriers that may be able to make decisions without the weight of bureaucracy of the larger organisations. They can partner with intermediaries in the insurance ecosystem to enter the market faster, and work with other InsurTechs to demonstrate the value of their solutions, adapt to real-world feedback, and establish a track record of success whilst they go through longer sales cycles for larger customers.

For MGAs/MGUs it's important to have a clear understanding of the opportunity and regulatory landscape, and to be able to articulate their plan to leverage technology to price/underwrite products in the market. As well as convincing investors of the viability of the product in its competitive set and the business' ability to profitably underwrite and distribute the product, start-ups need to prove they have the capacity to underwrite as they scale. Initiatives like the Lloyd's Lab have helped bridge the gap in bringing these innovative products to launch. And once the business is up and running, investors want to see scalable distribution, strong unit economics and a clear path to profitability in an industry that typically exits based on EBITDA.

2. Showing that the team is right for the opportunity

The earlier the stage of the company's development, the more emphasis there is on the team. Demonstrating team members' success in product/sales or demonstrating knowledge/depth in your market can go a long way. As a part of the diligence process, investors spend time with the broader team to better understand the technology or platform, marketing and go-to-market plans, the financial model and more, to better evaluate the team as a whole.

3. The scale of the opportunity

Venture capitalists (VCs) often look for companies operating in large and growing markets, and typically look to underwrite an opportunity that can return several times its investment within its holding period (5 -10 years), while factoring in dilution for future rounds and the probability of success within its portfolio. Founders need to convincingly articulate the plan for tackling the opportunity and how the business will achieve sufficient venture scale at high growth and deliver profitable margins at exit.

A key decision centres around the level of capital the business needs to raise. Founders need to consider the length of the runway the business will need and the specific goals for the capital raised. The more confidence you can establish around concept, team, and opportunity, the better your chances of success in dictating terms and avoiding excessive dilution.

Getting the attention of the right investors

Relationships matter, and it's worth building them early. Tools like NFX and Crunchbase can help you find relevant VCs within your stage or vertical.

When meeting with venture firms, it pays to know their investment philosophy and the milestones they'll want to hit. Establish a regular cadence of contact if you can, perhaps through a digital newsletter that keeps potential investors engaged and updated on your progress ahead of a capital raise.

When meeting with venture firms, it pays to know their investment philosophy.

In the Insurtech space, insurance carriers often use a mix of corporate venture capital and independent funds to understand strategic insights and be an extension to their strategic priorities. These groups can be helpful in connecting you to the right person within a potential partner or customer, and may provide substantial value through their network and connections in the insurance industry.

What can investors do for you?

Beyond capital, investors can provide guidance on strategic decisions and can become an extension of your personal network for potential hires, customers, and partners. They can enhance your market credibility and provide value creation in other ways.

While your company's investors might be most incentivised to provide incremental value to your business, the community at large can be helpful in navigating the right introductions and adapting to feedback as you grow. Removing friction (for example, by writing emails that can be easily forwarded) and making requests clear and specific can help founders extract maximum value from the investment community, who are advocates of emerging companies in the space as a whole.

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Branding: creating your identity

Sam Crocker, Managing Partner, Bray Leino

In today's rapidly evolving digital landscape, the insurance industry is undergoing a transformational shift, driven by technology. InsurTech start-ups are at the forefront of this revolution, using innovation to provide more efficient, personalised, and accessible insurance solutions. In such a competitive landscape, effective marketing and branding strategies are vital to enable startups to stand out, attract customers, and build a loyal following.

Let's look at ten key principles and strategies to help InsurTech start-ups effectively market their brand and services.

1. Define your Unique Value Proposition (UVP)

Before diving into marketing tactics, it's essential to clearly define what sets your InsurTech start-up apart from traditional insurers and competitors – the Unique Value Proposition that your company offers to customers.

2. Know your target audience

Understanding your target audience is fundamental to crafting effective marketing campaigns. Well-constructed market research can identify the demographics, behaviours, and preferences of your ideal customers. Consider factors such as age, location, income level, lifestyle, and insurance needs. Tailor your messaging and communication channels to appeal to your target audience and address their specific needs and concerns.

3. Build a strong brand identity

A strong brand identity helps differentiate your company and fosters trust and credibility amongst customers. Take time to develop a compelling brand story that communicates your start-up's mission, values, and vision. Using a reputable creative agency with experience in the InsurTech market will help to create a memorable brand name, logo, and visual identity that reflect your brand's personality and resonate with your target audience. Your agency will help you make sure that your brand consistently conveyed across all marketing channels to create a cohesive message and reputation.

4. Establish your thought leadership

Position your InsurTech start-up as an authority in the industry by sharing valuable insights and expertise. Aim to produce high-quality content on a regular basis: blog posts, whitepapers, case studies, and educational resources that demonstrate your knowledge and understanding of insurance trends, challenges, and solutions. Engage with industry influencers, participate in relevant events and conferences, and leverage media opportunities to showcase your thought leadership and niche expertise.

5. Make the most of digital marketing channels

An experienced agency partner will be able to help you harness the power of digital marketing to target, reach and engage your core audiences effectively. They will work with you to develop a comprehensive digital marketing strategy that includes a mix of channels and strategies that may include social media, search engine optimisation (SEO), content marketing, email marketing, and paid advertising. Data analytics can be valuable to help you track and measure the performance of your campaigns, optimise your strategies, and maximize your ROI.

6. Prioritise customer experience

Providing exceptional customer experience is crucial for retaining customers and fostering brand loyalty. Think about all the touchpoints where customers experience your brand and aim to create a seamless and user-friendly experience across them all, from the initial quote request to claims processing and customer support. Lean on technology to help streamline processes, automate tasks, and enhance efficiency. But don't neglect the human touch and a personalised approach that relationships are built on.

7. Embrace innovation

As an InsurTech start-up, innovation can be your greatest advantage, the core of your business model. Stay open to new technologies, trends, and opportunities to innovate and improve your insurance products and services. Do all you can to stay ahead of the curve – invest in research and development, collaborate with technology partners, adopt emerging technologies such as artificial intelligence, machine learning, blockchain, and IoT. Innovation enhances your offering and delivers greater value to customers.

8. Cultivate a community

Building a community around your InsurTech start-up fosters engagement, loyalty, and advocacy among customers. Forums, online communities, and social media groups enable customers to connect with each other, share experiences, ask questions, and provide feedback. Encourage user-generated content, testimonials, and reviews to amplify your brand's reach and credibility.

9. Monitor your results and adapt

In the evolving world of InsurTech, you'll need to keep a sharp eye on market trends and the competitive landscape and make full use of customer feedback. As a young business, agility and adaptability are great assets, so be ready to adjust your marketing strategies and tactics based on insights and data analysis. Experimenting with new ideas, testing different approaches, and learning from the results can help you stay relevant, competitive, and ahead.

10. Measure success and iterate

Start-up businesses need targets, so make sure you establish key performance indicators (KPIs) to measure the success of your marketing and branding efforts. Track metrics such as customer acquisition cost (CAC), customer lifetime value (CLV), conversion rates, brand awareness, and customer satisfaction. These insights will allow you to refine your strategies, optimise your campaigns, and drive continuous improvement in your marketing and branding initiatives.

Aim to produce high-quality content on a regular basis: blog posts, whitepapers, case studies, and educational resources that demonstrate your knowledge and understanding of insurance trends, challenges, and solutions.

Think about all the touchpoints where customers experience your brand and aim to create a seamless experience across them all.

Recruitment: finding the right people

Recruitment: finding the right people

Kate Grussing, Managing Director, Sapphire Partners

Assembling the right team is an important component of establishing an InsurTech start-up's credibility and is key to ultimate success. Even with the best technology and brightest ideas, progress will be limited unless the right people are in place to build out, and eventually monetise, the core capabilities.

The key roles

As a business gets off the ground, a range of roles will need to be created. In the early days, founders may wear many hats, but securing senior leaders with the right set of complementary skills and experience will give any business the leverage and foundations it needs to succeed and scale. Beyond the essential leading roles of Chief Executive Officer (CEO) and Founders, key skillsets and roles will typically cover: Technology, Finance, Operations, Marketing, Sales and Legal.

The Role of Non-executive Directors

Boards are important as companies grow in ambition and sophistication. With expansion comes the need to deliver compliance with corporate governance requirements, especially in regulated industries. Regulators and clients will look to the board for the quality of their relevant experience and ability to ensure good governance. Board members who are not full-time employees but who bring expertise in the domain can help founders scale the business faster. Board members of startups will often be paid very modestly, with the promise of equity in a flourishing business.

> Non-executive board members often play the role of a critical friend.

The role of a board is usually broad: at its core, it is to ensure effective governance and to contribute to strategic direction. Non-executive board members often play the role of a critical friend – helping to open doors with customers and investors, recruiting and vetting key senior hires and holding the leadership team to account. They are a source of expertise and a counterbalance, reviewing the strategy and underlying business plans.

How to build a Board

Founders should identify the key skills and experience they feel they need around their boardroom table. They may invite the views of advisors to help them land on the right range of skills, guiding the creation of a skills matrix which potential board members can be evaluated against. A Chair who is not a founder but has ideally broad and pertinent experience is a key hire. That Chair will be pivotal in attracting capital for growth, future board members, and coaching and guiding the senior leadership team.

Boards will typically meet on a regular basis and have a schedule for meetings, often monthly or quarterly, as well as an annual strategy day. In hiring board members, it is best practice to set out how many days a year board members are expected to dedicate to the company. For example, with ten board meetings a year, 20 working days a year would be a reasonable commitment to expect.

Advisory Boards

The role of advisory boards is considerably different from corporate boards. Advisory boards can be complementary to a corporate board. Advisory boards typically would not have a governance or fiduciary role, but can be helpful in gathering input from stakeholders, developing a product, business development, or extending into a new geography. They can also lend credibility to a startup which may have limited resources to justify or remunerate a corporate board

How to source help

Hiring channels can vary, but partnering with a recruiter or an executive search consultancy can be good way to jump-start your people capabilities and broaden your reach for top talent. Hiring mistakes can be costly so always focus on the specific role you are hiring for. Spell out the key skills needed, ideal background and scope of the role.

Recognise that what you are looking for may evolve over the course of the search. As you learn more about the pool of talent available or in your budget, build from an outline role description. Be clear on who is the hiring manager and who will be part of the interview process. Don't overlook reference-checking; a good recruiter will do so as standard practice. If you are recruiting directly, take the time to check out potential new hires with former colleagues and clients.

Hiring board members can be facilitated by using a search firm who can leverage their networks to attract senior leaders in the sector. Established former industry leaders and board members have an appetite for increasing their exposure to InsurTech companies given the growing importance of technology. Search firms can recruit a range of board members at the same time to help populate a new board and balance out the mix of experience.

Remuneration

In the early days of most start-ups, remuneration is typically highly constrained. As the business grows, its financial resources and remuneration framework should support that growth. For example, benefits such as private health insurance can be introduced when the business is profitable. Executive bonuses are typically linked to key metrics such as profit, or important milestones like regulatory approval.

Benchmarking pay is standard practice for most roles, but most start-ups will need to start salaries at a modest level relative to the employment market to keep their early costs as low as feasible. Most start-ups s involve a high degree of risk for their early employees, so future remuneration incentives are often provided in the form of options and equity. Start-ups also need to be very frugal in allocating equity and ensuring that they can grow their shareholders as they increase their funding and employee base, and also be able to claw back equity if employees leave or are unproductive.

The importance of the ecosystem

Ideally, recruitment will come from many sources. Most firms start with a small group of founders who typically know each other, who then draw in key early hires. Your team and board can come from a range of places, which means it is essential that there is alignment in values and vision across all the recruitment sources. Your lawyers, accountants, consultants, advisers may all have potential hires to recommend to you. Don't forget to protect your IP. Put employment contracts in place that limit your employees from joining competitors for a reasonable period of time if they depart the company.

Diversity matters

Ensuring that your team has a broad range of skills and backgrounds will set it up for success in the future. In the early days when hiring options are limited, achieving diversity may be more challenging. However, as hiring accelerates, take care not to recruit too narrowly. High performing teams have a mix of ages, genders, skills, backgrounds, and styles. An executive team which is not diverse will fail to attract the best talent.

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Support: How Innovate UK can help

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Innovate UK

InsurTech start-ups can get innovation support from Innovate UK, the UK's innovation agency, part of UK Research and Innovation. Innovate UK has a declared mission to create a better future by inspiring, involving and investing in businesses developing life-changing innovations.

The organisation helps companies to grow through the development and commercialisation of new products, processes and services, supported by an easy to navigate innovation ecosystem.

Alongside grant funding, Innovate UK offers a range of products and services aimed at helping ambitious, innovative businesses grow at pace. One of these is Innovate UK Business Growth, a national business growth and scaling service. The service is available to all established small to medium sized innovation-focused growth companies, including Innovate UK grant winners.

One of the ways in which Innovate UK supports Innovative Businesses is through access to funding competitions.

Innovate UK Business Growth is able to offer one-to-one support from a pool of over 400 innovation and growth specialists and scaleup directors across the UK. Their advice can be tailored around the needs and goals of your start-up, helping to focus your commercial strategy, realise more from your IP and raise investment.

Coverholders: how to become one

Jane Harley, Head of Delegated Authority, Lloyd's

Syndicates may enter into Delegated Underwriting, an arrangement under which its managing agent delegates the syndicate's authority to a third party to enter into contracts of insurance on its behalf. This third part is known as a Coverholder.

Any company who wishes to bind insurances and/or issue documents on behalf of a Lloyd's underwriter must first be approved to act as a Lloyd's Coverholder. Each applicant needs a sponsoring managing agent, who performs due diligence before the application is submitted to the Lloyd's Delegated Authorities Oversight Team for approval.

Due to regulatory requirements, the process for Lloyd's Europe is slightly different. For all Coverholder applications that require Lloyd's Insurance Company ("Lloyd's Europe") approval, there is additional guidance that can be found on Lloyds.com.

How to become a Coverholder: the application process

To become a Coverholder, you must have a Managing Agent to sponsor your application. A Lloyd's broker can support you through this process. You can find a directory of Lloyd's brokers and managing agents on Lloyd's website in the Market Directory.

If you choose to use a Lloyd's broker, they can help you find an appropriate Managing Agent to sponsor your application.

If the Managing Agent agrees to sponsor your application, they will complete a process of due diligence on your firm with the aim of granting you a binding authority, post-approval. The sponsoring broker or Managing Agent must then start the application on a Lloyd's system called ATLAS. This will generate a unique Coverholder PIN (such as 111000ABC).

This is where all the Coverholder's records and permissions will be stored, including Managing Agent relationship, class of business and regional permissions. ATLAS can also be used to request changes to these permissions post-approval. The Coverholder will be granted access to ATLAS to complete and sign off the application.

The Managing Agent is then required to contact the Lloyd's Country Manager in the relevant territory. Some applications will require additional reviews by Lloyd's teams which the sponsoring Managing Agent must complete before submitting the application to the Lloyd's Delegated Authorities Oversight Team on ATLAS for approval.

The Innovation Coverholder Approval Process

This process removes barriers for 'experimental' insurance products. These are likely to be small startup companies offering new products that fall outside of, or offer innovative solutions to, Lloyd's traditional lines of business.

Lloyd's reviews proposals on a case-by-case basis. An overview of how Lloyd's looks at innovations is set out on Lloyds.com. If you think your firm falls into this category, the sponsoring Managing Agent will contact the Lloyd's Delegated Authorities Oversight Team to discuss your business in more detail. Lloyd's will work with you and the Managing Agent closely to make sure the proposals are given support where needed.

How long this takes

Much of the Coverholder process is carried out before the application reaches Lloyd's, so the timescale will vary. Once all the steps have been completed and the application is submitted to Lloyd's on ATLAS, the Lloyd's Delegated Authorities Oversight Team will aim to issue their approval as soon as possible.

Helpful general advice

Joan Schmidt, CDL

Insurance is a critical component of the nation's economic development. It is a mechanism that lowers risk and spreads costs amongst many. The concept of insurance has existed since ancient times, perhaps beginning with the running of caravans in Babylon, evolving as needs and opportunities change.

Insurance can be seen as slow-moving, but InsurTech is an innovation leader, rich in ideas: data plays to improve prediction accuracy in underwriting and claims handling; chatbots; new insurers with advances in coverage and contract language; and the use of AI to pay claims quickly.

Yet there are risks for founders. One hazard is an excessive focus on growth, especially if that growth is driven by the wrong kinds of customers – known as 'adverse selection'. When the customers who choose to buy coverage are those more likely to have losses, adverse selection can sink a company.

> One pitfall is an excessive focus on growth.

Another common founder error is burning too much capital in customer acquisition. Founders are well advised to seek a profitable distribution path.

Perhaps most frustrating for many participants in the InsurTech ecosystem is the slowness with which insurers move. Founders should not rely on industry participants acting quickly.

Sound advice

One way to minimise the start-up risks is to identify valuable mentors along the way – people who understand insurance, yet who are not tied to the traditional way of doing things. Identify people who can add to your knowledge set, rather than replicating what you already know.

Work with these mentors to identify who you are in a differentiated market. What does your business model have to offer that others do not? It's always valuable to make sure the market knows what makes you different. Then, assemble a team with diverse expertise, especially in the CFO role – you need someone who truly understands insurance, the complex regulations, and nuances in the field.

> You need someone who truly understands insurance, the complex regulations, and nuances in the field.

Be sure to maintain good relationships with everyone in the ecosystem. The InsurTech space is a close-knit community. Carriers, reinsurers, MGAs, and major distributors can all spread the word about you in a positive light... or a less positive one. Get to know the founders who have been successful. People are generous with their time, recognizing that when new entrants are successful, it's good for the industry as a whole.

Most of all, enjoy the journey. While there are ups and downs, the journey itself should be positive.

Growth: scaling up

Aurelien Bonnefous, Manager, Strategy & Transformation &
Paul Merrey, Partner and Head of Commercial & Specialty Insurance

There is enormous opportunity to disrupt the status quo across the insurance value chain, from providing (re)insurers with new technology platforms that support their digitalisation journeys, to partnering with carriers to offer innovative products to the market.

But clear though the opportunity may be, the InsurTech space is challenging. Incumbents are often slow to transform, and investors are becoming increasingly demanding before they open their chequebooks.

InsurTechs which have been through successful funding rounds or achieved scale have some key characteristics which investors or incumbent partners look for:

- Strong distribution, with a clear route to market, perhaps through established partnerships with brokers.
- An innovative product that solves a market or customer challenge, like a technology-based marketplace for (re)insurance.
- A track record of positive financial performance, such as an MGA delivering strong underwriting results for their partners.
- A digital-first solution which is futureproofed, for example, cloud-based or AI-driven.
- Scalable operations which enable the business to grow without adding cost at the same rate.
- A plan for how the business will evolve over time – expanding into new markets or adjacent products, for example.

Defining an ambition and supporting business model will enable you to deliver and clearly articulate these characteristics to your key stakeholders. Internally, that clarity will allow you to focus your time and resources in the areas that will have the most impact on your ability to scale the business and secure funding.

Financial and non-financial ambitions

To set an ambition for your business, there are some targeted financial and non-financial questions which you and/or the management team should align on. Following this process will create a single set of goals for the business to work towards and enable more strategic decision-making. There are a few key principles to follow as you go through the ambition-setting process:

- Set your ambition considering both financial and non-financial goals.
- Consider your own long-term objectives, and those of key stakeholders like investors.
- Test your ambition with trusted advisors to gather feedback and iterate.

Example considerations of financial ambitions

How much funding do you require? What valuation are you aiming to achieve? What does your path to monetisation and profitability look like? Are you targeting a future exit or are you planning to build the business long term?

Example considerations of non-financial ambitions

What do you want to be known for in the market? What role does your business want to play in the value chain? Are you aiming to disrupt the status quo or enhance existing ways of working? There are three core features of ambitions that are strong and meaningful. They should be simple to articulate and understand. They should be customer-led and investor-conscious. And they should be stretching for your business, but not unachievable.

Setting the right business model is key to scalable growth

Many InsurTechs start with a disruptive idea but face challenges because they are not able to articulate the potential value of that idea, or to build a profitable business around it.

Purposefully defining your business model will create clarity internally and externally on how your company will create, deliver, and capture value. This will help you to know where to focus time, effort, and capital to deliver the highest returns. Think about these three important levers of value and the key considerations they pose.

Value lever 1: Products and propositions

Think about what products are you offering and your broader value proposition.

What is the market or insurer challenge you are solving? How will your products and services generate revenue? What's your pricing strategy? Is the product too niche and/or is it scalable in the future? How does your product compare with the competition? What additional services could, or should you offer?

Value lever 2: Customers and channels

Consider the demographics of your audiences and the channels you'll use to reach them.

Which demographics does your product create most value for (e.g. brokers, insurers, reinsurers)? What experience do my target demographics expect? Which distribution channels will maximise reach to target demographics, at the appropriate cost? Do customers view your product as push or pull and how does that impact your approach?

Value lever 3: Markets

Define which market(s) are relevant to your products and which you want to focus on serving.

What is the total addressable market size? What share of your total addressable market will you need to capture to create scale? Which markets does your product add relevance to and/or present the largest opportunity in (e.g. retail, commercial, specialty)? Which geographies is your product relevant to, and which present the largest opportunity?

Some actions and next steps

As we've discussed here, it's wise to clearly define and articulate your proposition at an early stage, with a focus on the value you will provide and your commercial model.

Understanding your target market will allow you to prioritise effort in the important areas. Identify your customers' core challenges and pain-points so you can express the value your solutions can create. Be clear too about the scale of your addressable market so you can validate the feasibility of achieving the financial ambition you've set.

Finally, consider the operating model you will need to deliver the business model you have defined – including people, process, and technology capability.

Some common pitfalls

Avoid the trap of aiming for perfection rather than miniumu viable product. Being over-ambitious will increase your time to market and can mean missing opportunities to test and learn.

Failing to think long-term from the start is likely to create scalability and cost challenges in the future. Problems might include developing specialised capability that is not transferrable, or investing too heavily in a niche that does not provide access to a large enough customer base to achieve your growth targets.

Failing to think long-term from the start is likely to create scalability and cost challenges in the future.

Risk: avoiding the pitfalls

Risk: avoiding the pitfalls

Dave Lennon, Director, Regulation & Compliance

Knowing your way around the UK Regulatory landscape is critical for startups. Let's look at the key regulatory bodies and standards, along with the key considerations that will help you navigate the complexities of the insurance market effectively.

Regulatory bodies and Standards

Three bodies are pivotal in setting standards in the market.

Financial Conduct Authority (FCA)

The FCA plays a crucial role in regulating Lloyd's market participants, ensuring they adhere to standards that promote integrity, fairness, and competence within the UK's financial systems. This includes oversight of marketing materials, sales practices, and the overall treatment of policyholders.

Prudential Regulatory Authority (PRA)

The PRA's role is in ensuring the financial stability and solvency of Lloyd's market participants. The PRA sets standards and regulations related to risk management, capital adequacy and liquidity, to prevent financial failures that could disrupt the broader insurance market.

Lloyd's

Lloyd's itself sets and enforces strict regulations and standards for its participants to ensure the overall market's integrity, stability, and reputation. This includes oversight of the financial health and underwriting practices of its syndicates, as well as ensuring compliance with internal rules and external regulatory requirements. Lloyd's also provides frameworks for risk management and dispute resolution, and conducts audits and reviews to maintain high standards of conduct within the market.

Market Conduct

As a Lloyd's market participant, adhering to market conduct rules is essential. This includes treating customers fairly, managing conflicts of interest, and managing the confidentiality of client information. You will need robust processes to ensure compliance with these standards.

The Consumer Duty, enforced by the FCA, requires firms, including InsurTechs entering the Lloyd's market, to act to deliver good outcomes for retail consumers. This means ensuring that products and services are designed to meet the needs of their customers, provide fair value, and are marketed transparently.

Data regulations

Any organisation looking to employ individuals or work with customer data will need to prioritise compliance with the UK General Data Protection Regulation (GDPR). This legislation seeks to safeguard the security and privacy of personal data and places a number of obligations on organisations.

Compliance can be an onerous task and penalties for non-compliance are serious, including fines of up to £17m. The UK GDPR requires organisations to integrate 'privacy by design', meaning that setting up new systems, processes, contracts, and relationships should factor in data protection from the outset.

The UK GDPR is complex and requires organisations to comply with principles including:

- Lawfulness – ensuring the use of data can be justified in accordance with the lawful bases set out in the UK GDPR.
- Fairness – using data in a way that individuals would expect.
- Transparency – being clear and open as to how you will use data.
- Purpose Limitation – only using data for defined purposes.
- Data Minimisation – only using the minimum data required to achieve the aim.
- Accuracy – ensuring data is correct.
- Storage Limitation – only keeping data for as long as is necessary.
- Integrity – putting in place measures to safeguard data.

The UK GDPR also requires organisations to put in place appropriate technical and organisational measures to protect personal data. It obligates certain data breaches to be notified and guarantees a number of rights for individuals to access and correct their personal data.

Some key areas to focus on

Establish a regulatory compliance strategy. Develop a clear strategy for compliance, including understanding the requirements of the FCA, PRA, and Lloyd's own regulations.

Get expert guidance. Invest in or consult with legal and regulatory experts familiar with insurance regulations and unique aspects of the Lloyd's market.

Take a consumer-centric approach. Focus on meeting the needs of consumers, ensuring products offer fair value, and are marketed transparently, aligning with the Consumer Duty.

Review and map the types and scope of personal data. Which will need to flow in and out of your organisation.

Review your processes and technology. Ensure you have suitable organisational measures in place to protect personnel (e.g. from data leaks or cyber breaches) and develop appropriate mitigation plans.

Establish an accountability framework. This should include processes and policies to ensure personal data is managed in accordance with the legislation.

Some common pitfalls

Underestimating compliance costs. Failing to budget for costs associated with ongoing regulatory compliance – especially as your footprint grows and evolve in line with your strategy.

Lack of expertise. Not having enough knowledge or expertise in regulatory requirements specific to the insurance industry and Lloyd's.

Inadequate risk management. Overlooking the importance of establishing robust risk management systems that comply with regulatory standards.

Overlooking Consumer Duty requirements. Failing to design and implement processes that ensure fair treatment of customers, potentially leading to non-compliance with the FCA's consumer duty.

Neglecting data protection laws. Underestimating the complexity of data protection regulations such as GDPR, which can lead to significant fines and reputational damage.

Knowing your way around the UK Regulatory landscape is critical for startups.

As a Lloyd's market participant, adhering to market conduct rules is essential. This includes treating customers fairly, managing conflicts of interest, and managing the confidentiality of client information.


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We hope you've found inspiration, direction, and actionable knowledge in this guide. The content has been created with the support of trusted Lloyd's ecosystem partners. We have tried to ensure that the content is informative and relevant, while promoting partners who are trusted and supported by Lloyd's.

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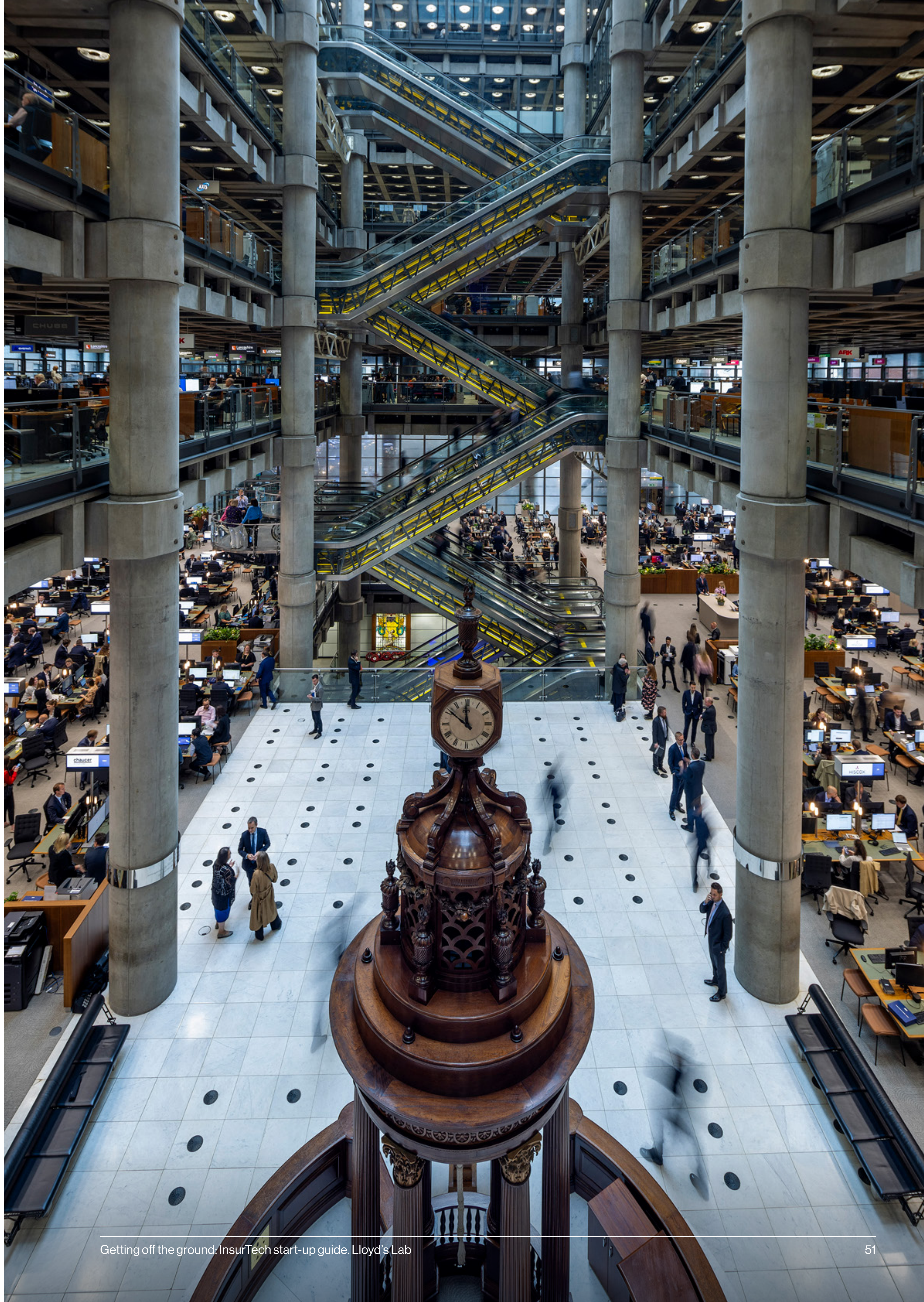

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