

# life annuity specialist

## Insurtech Startups

### These Startups Are Trying Hard to Predict Your Future

By Hannah Miller December 9, 2020

*“The Startups” is a series of short profiles of new companies trying to innovate and change how the life insurance industry operates. Each article covers a different part of the life insurance business. See more articles in the series [here](#).*

With 2020 being a year no one could have expected, it makes sense that insurers may be looking for insight into what lies ahead. These startups aim to help carriers accurately predict customer behavior during this unprecedented time.

#### **Atidot**

**Headquarters:** San Jose, Calif.

**Number of employees:** 20

**Founded:** 2016

**Investors:** The company has raised \$9 million in funding from investors that include **Moneta Venture Capital, SixThirty, D.E. Shaw & Co.** and **Vertex Ventures**.

**Clients:** **Pacific Life, iPipeline** and **Guardian Life**

Atidot’s software platform, backed by artificial intelligence, helps life insurers predict customer behavior and gain insight into what causes policies to lapse.

“With low interest rates and companies struggling for profit margin, companies are more and more relying on understanding the policyholder and policyholder behavior,” said CEO **Dror Katzav**, whose background includes 11 years working in Israeli intelligence.

Atidot can scrape market and demographic data from external sources, for example, and can also incorporate internal data uploaded by a life insurer. The platform displays information in a dashboard format that includes insights such as how likely a customer segment or individual client is to let a policy expire.



*Dror Katzav, CEO of Atidot*

The startup has also teamed up with iPipeline to gain access to distribution data that helps life insurers understand the overall market.

Through the partnership, Atidot can help predict product performance, help life insurers spot gaps in the market where a new product may be needed and allow carriers to see how their performance stacks up against top performers, according to Katzav. Pacific Life has used the service.

Atidot operates on a licensing and subscription model. The price is customized to the size of the carrier, according to Katzav.

Subscriptions are typically annual, but often include a three-year term.

## **Pinpoint Predictive**

**Headquarters:** San Mateo, Calif.

**Number of employees:** Less than 25

**Founded:** 2015

**Investors:** **Stanford StartX Fund, Jazz Venture Partners**

Pinpoint Predictive uses artificial intelligence to help insurance carriers predict customer behavior with insights backed by psychometrics, or the mathematical science of measuring individuals' psychological differences and personalities.

Pinpoint founder **Avi Tuschman** has a background in this field as well as in quantitative psychology, and believes these areas can help carriers analyze the risk posed by their customers.



*Avi Tuschman, founder of Pinpoint Predictive*

"There's a lot of peer-reviewed research showing that risk is not random with respect to behavior," he said.

Carriers can submit consumer records to the startup's OnPoint platform, which uses algorithms, publicly available information taken from third-party sources, as well as proprietary psychological data to analyze both individuals and books of business, according to Tuschman.

The platform then assesses how likely a particular customer is to commit claims fraud for example, or whether a book of business is at risk for a high number of cancellations. It assigns scores on a scale of zero to 1,000, with higher numbers indicating more risk.

The startup charges carriers per data pull, offering discounts for larger volumes of requests. It currently focuses on property and casualty carriers, but Tuschman said he's looking into expanding into life and annuities, and has already consulted with people in the industry.

### **InterGen Data**

**Headquarters:** Plano, Texas

**Number of employees:** Three full-time, three contract

**Founded:** 2017

**Investors:** The company has raised \$770,000 from investors that include **Techstars** and **ACH Processing Company**.

**Clients:** The company has worked with **MetLife** through a digital accelerator program.

Unlike other startups helmed by young hotshots, InterGen Data takes pride in the fact that it's run by an older team with decades of experience in financial services.

Having a greater knowledge of life's curveballs may have been useful in developing the company's Digital Advice Via Demographics or "DAVID" product, which uses algorithms to predict the financial impact of milestones like marriage, buying a house or having a child. It can also factor in negative events like cancer, dementia or divorce.

Life insurers can offer the web platform on their own site or introduce it through an employee benefits page. Users can enter demographic data such as age, gender, race and family medical history and see how different events would affect their financial wellness, such as having two children instead of one, and what the medical costs of getting cancer would be.

The digital advice software presents a cash flow chart showing the cost of these events over time. For example, after adding a child, a user would see the expense of college tuition pop up 18 years in the future.

The platform can also be customized to suggest a life insurer's products and include links to more information about specific policies.

"We're tying life event to expense to product," said CEO **Rob Kirk**.

He said InterGen offers the platform as a white-label product, where insurers can introduce their own branding, or can charge insurers per each individual use of the platform.

### **Carpe Data**

**Headquarters:** Santa Barbara, Calif.

**Number of employees:** 117

**Founded:** 2016

**Investors:** Carpe Data has raised \$21 million in funding from investors that include **Aquiline Capital Partners**.

**Clients:** **Allstate, The Hanover Insurance Group, Farmers Insurance, The Hartford and Zurich UK**

Carpe Data's predictive technology is mainly reserved for commercial insurers — its Minerva product helps carriers underwrite more accurately by assessing how businesses may perform in the future.

For life insurers, the startup has a ClaimsX product that's useful for disability policies, according to COO **Geoff Andrews**.



*Geoff Andrews, COO of Carpe Data*

The service uses algorithms to pull information on a claimant from publicly available web sources such as news articles, social media and online forums. Unlike other platforms that extract web data, ClaimsX doesn't "bombard" insurers with pages of information that may not be useful, according to Andrews.

If ClaimsX finds something related to the disability, such as an article on an accident or a person's blog documenting their injury, it will send an alert to the insurer with an internet link. The alert can be customized to be sent through an insurer's application programming interface or even by email.

ClaimsX's automated data pull and analysis saves insurers from having to do it themselves, he said. It can also help them identify claims fraud or determine whether there's more or less need for coverage.

Carpe Data operates on a subscription model with different pricing tiers for different products. Carriers typically pay for a multi-year license, but Andrews said pricing can be customized based on size. A smaller carrier might have a monthly subscription.

He said even the smallest customers often strike a six-figure deal.

*Correction: An earlier version of this article had incorrect details about Pinpoint Predictive, including the number of employees, names of investors and the data sources it uses.*

*Life Annuity Specialist is a copyrighted publication. Life Annuity Specialist has agreed to make available its content for the sole use of the employees of the subscriber company. Accordingly, it is a violation of the copyright law for anyone to duplicate the content of Life Annuity Specialist for the use of any person, other than the employees of the subscriber company.*

## An Information Service of Money-Media, a Financial Times Company