



# INSURANCE ECOSYSTEMS: FROM BUZZWORD TO REALITY

2021



Insurance discourse is awash with articles advancing ecosystems and the vital role they will play in the provision of insurance in the digital future. Ecosystems are an increasingly common feature of retail insurance, but what about the world of specialty?

The acquisition of Whitespace by Sequel (a Verisk company) combines front office, back office, and Verisk's many other capabilities under one roof. For this session we brought together a panel to discuss the ecosystem framework being created around Sequel for the specialty market, and how it could benefit clients. We also learned how Verisk's capabilities fit into this framework, the motivations for the acquisition and what lies ahead for both Sequel and Whitespace.

**Robin Merttens**

InsTech London Co Founder & Partner

[View original recording here](#)



[Instech London](#)



A Verisk Business

[Sequel](#)

## Speakers



**Ian Summers**  
Sequel  
Chief Executive  
Officer



**Marcus Broome**  
Whitespace  
Chief Platform  
Officer



**Ian Fantozzi**  
Beazley Digital  
Chief Executive  
Officer



**Kirk Maddern**  
Liberty Specialty  
Markets  
Chief Operating  
Officer

### Ian, why did Sequel acquire Whitespace back in March?

**IS:** It's about getting data from the beginning of processes to the end, and the Whitespace Platform is data driven. Technology has always been blamed for not being right when it comes to electronic placement. It's more about the business change programme and adoption. The Whitespace Platform is user friendly and since everyone is working at home because of COVID, it was perfect timing for the product to come into the Sequel suite.

### How are you planning on making use of the product?

**IS:** We have broker and underwriter clients, so with their broker or policy administration systems we will be able to feed both in and out of the Whitespace Platform. This will get data flowing seamlessly all the way through the process.

### Marcus, how does Whitespace feel about the deal with Sequel?

**MB:** At the beginning of the first lockdown, we thought we were going to do a funding round. But as lockdown carried on, customer uptake of our product started to grow faster, and funding didn't seem like the right move. Sequel made contact and their offer was very attractive. We're really happy to be part of Sequel, even though our route to it wasn't precisely planned.

### What can Whitespace do now that it couldn't before?

**MB:** At Whitespace, we've always wanted to focus on impressing our users with their experience of our technology, not by what we say. Our high ambition will stay the same, but now with Sequel we've got a new capability and credibility. We're still interested in integrating with anyone, whether they're a Sequel customer or not.

### Ian, tell us about your new role at Beazley Digital.

**IF:** I now lead Beazley Digital - a new business unit which primarily focuses on higher volume, simpler risk business - the types of insurance that are most suited towards dig-

ital and automation - and we're going to develop something specific to handle this. The difference between this and other solutions we've offered in the past is that now we've combined our underwriting, technology and operations teams into one cross-functional business unit. Everyone is working together to roll out products. We want to provide a frictionless service, and Sequel is one of the key solutions that we will use to do that.

### **What did you think when you heard about Sequel's acquisition of Whitespace?**

**IF:** We really like Whitespace and were pleased to hear the news. Their platform has an intuitive user interface and underwriters like it, and it also works well for larger complex risk business. But it's been on quite a small scale, so the deal with Sequel should help with this.

### **What were your thoughts when you heard the news?**

**KM:** The Whitespace and Sequel collaboration allows everything to be done under one roof, which makes things a lot easier. There are brokers looking at this strategy, and it's great to have it as an option. For us as a market, not just Liberty Specialty Markets, the Sequel and Whitespace collaboration is positive news. It will also hopefully accelerate some competitiveness in the software market.

### **What is the Sequel6 and what does it aim to do?**

**IS:** It was started as a way to address and solve issues around the "portal wars" - brokers and underwriters insisting on the use of their own proprietary portals. We got a group together to address the issue, and other ideas were sewn in. For example, how coming together as a consortium, rather than an individual syndicate, might enable us to compete more effectively in the global marketplace. We've worked closely with ACORD, Corporation of Lloyd's and the broker community.

### **Are you both members?**

**KM:** Liberty is a member of the Sequel6 - it's not an exclusive club. What we want to do is accelerate the solving of business problems. Frictionless trading is becoming a greater demand from brokers, so we want to solve this in a quicker time frame.

**IF:** The demand for API's is huge now. It's a risk today that companies could all build their own APIs to different standards. When getting together as the Sequel6, one of the things mentioned was having a common data standard and working with ACORD and Lloyd's. Beazley uses a Sequel platform, so it all fits together well. We're optimistic about bringing APIs into alignment, and it's a good example of the kind of thing that the Sequel6 wants to solve.

### **Ian, are there plans to incorporate any Verisk tools?**

**IS:** Verisk has been building up tools for the specialty insurance market for 50 years now, so there's a huge variety of opportunities. For example, we could incorporate tools to help automate underwriting processes and reporting. The main opportunity is data augmentation, so users don't have to key in lots of data. Instead, the data could be brought together from say a building address, which will give all the attributes of the building.

We have all the individual components of the puzzle, but they don't naturally fit together because they've been building in isolation. We're putting together the puzzle, but we're

doing it in a way that makes sense to us. We want to know where potential clients would like to see us focus.

### **Ian, where is Sequel at from a broker perspective?**

**IS:** Brokers want to make things easier for underwriters. The Sequel6 has been going to brokers together, and bringing them a pool of capacity. Whilst brokers are going through the phase of digitalising their processes, they need trading partners on the same path. What we can do is bring them a group of trading partners.

Another thing is that although portals are great, lots of risks fall out of the portal. What we're doing now is if any risk falls out of the portal or API process, we'll automatically switch back into the open market using the Whitespace platform.

**MB:** In the early days of Whitespace, I was told brokers were reluctant to share their data. We've seen a big shift from that - plenty of brokers see sharing data as a competitive differentiator. There is now interest in sharing data not just between the broker and underwriter, but also between brokers. This is coming to Whitespace soon.

### **Marcus, is the change of attitude from brokers as a result of the acquisition, or was it happening anyway?**

**MB:** It's partly as a result of Sequel. There were a few things that Whitespace was already doing that have become a part of something bigger. We always had a data driven approach, but it didn't have the scale of interest across the market that it does now. We also now have a fantastic relationship with Lloyd's. Things were moving in the right direction before the acquisition, but now large scale brokers are talking to us in a way that they weren't before.

## Audience Questions

**What are best practices for smaller commercial carriers in developing and implementing their ecosystem strategy in partnering with insurtechs? Ian, does Beazley do partnerships and do you see insurtechs as a way to increase efficiency?**

**IF:** Yes, we do. In the SME space, a really solid automated platform is crucial. Partnering with an insurtech can bring in new capabilities and ideas will help, but the ones of most interest to a smaller carrier are likely to be those that manage transactions as efficiently as possible.

**Ian, how do third parties build software businesses using APIs and still find a way to protect IP, and not just have their businesses imitated and 'stolen'? Is this a concern for Sequel, or is it an opportunity?**

**IS:** APIs and standards are not a threat today. In fact, they help us to provide solutions to our trading partners at a lower cost. The AI and the way we interpret the insurance domain information - the more clever bits of technology - are our IP, and we protect that..

When a company invests multiple millions a year, they're going to stay slightly ahead of insurtechs. Insurtechs tend to come up with very specific solutions, but they usually don't fit nicely into the overall stack. Customers increasingly want broader solutions covering more than just one part of the value chain.

**Ian, how does your growing use of Whitespace square with your considerable and continued investment in PPL?**

**IF:** We've got a considerable volume going through PPL, so that's still a major focus. Everyone on this panel has been through many years of different platforms that have had almost no adoption, and now we suddenly have plenty of adoption. To have the choice between two good market scale platforms is a great opportunity.

**MB:** Choice and competition is key. Where companies have gone with a single supplier, and in effect created a market monopoly, the supplier has no incentive to improve. The approach Lloyd's is taking now of creating competition in this space is likely to drive change. It's important to have multiple suppliers in the market.

**IS:** Standards are important because they allow for competition. There is competition for Sequel's Whitespace, but it's not unwanted. Competition is needed to thrive.

**This panel clearly wants to drive digital adoption. Based on experience to date, how do you see this panning out in the light of the arm-wrestling experienced between the various key stakeholders?**

**IS:** For almost all of the services that Sequel provides, there are competing products from other suppliers. What we are doing is bringing all of our products together into one family, especially for the specialty market. We're trying to position ourselves as the best in everything: for example, the best placing platform and the best policy administration platform. We may not be the best in everything yet, but our solutions are plug and play. This means if a company prefers a different application for a particular area, they can

unplug ours and plug the other one in.

### Ian, what was the thinking behind Beazley Digital's cross-functional team, and what have you learned from it?

**IF:** To be successful in the digital world, different skill sets need to be working together towards a common business goal. There are lots of different teams within Beazley, and although we work well together, there's still an element of silos. People have slightly different business goals that they're all aiming towards. The point of Beazley Digital is to tackle this - we've created a cross-functional team with everyone aiming for the same business goals. We're still quite early in that journey, so we'll see how it goes.

### Kirk, assuming Verisk and the Sequel6 are planning to progress at pace, what does that mean for the future of Lloyd's and the broader market?

**KM:** The Lloyd's Blueprint is more longer-term, and more actors need to be brought in. Some capability needs to be created quickly - as the Sequel6 is doing - so we can keep progressing and improving whilst the superstructure is being pulled together behind the scenes.

**IS:** It's important to demonstrate progress and success by fast leaders in the market. The whole market can't move at the same pace, and in trying to do so everything would just slow us down. It's beneficial to everyone to have a handful of companies moving a bit faster and paving the way.

**MB:** A market reform approach hasn't gone well, as people tend to object to being instructed. The key is to create something that of itself creates demand to use it. This is how to create an environment that can drive change. The market itself becomes more bought into it, rather than being driven in that direction.

[View original recording here](#)



**InsTech London** identifies and promotes the use of the best technology, data and analytics within insurance and risk-management around the world. Our network of over 17,000 people works for insurers, brokers, consultants, investors and technology companies from start-ups to the established global enterprises. We have been supported by over 200 companies since founding in 2015.



**Sequel** has been a leading (re)insurance software specialist for over 25 years, delivering impactful, reliable solutions that provide end-to-end management of all insurance and reinsurance business. As a result, our clients are able to grow and better manage their business through greater efficiency, flexibility, and data governance.

[WWW.INSTECH.LONDON](http://WWW.INSTECH.LONDON)

[WWW.SEQUEL.COM](http://WWW.SEQUEL.COM)