

 phinsys

2020 MEMBER



# 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



# Phinsys automates insurers' finance functions

The company operates across 4 countries with clients such as Starr, Lloyd's syndicate Apollo, ILS manager Nephila and run-off specialist Enstar

|              |                    |                  |            |
|--------------|--------------------|------------------|------------|
| Distribution | Product innovation | Data & analytics | Operations |
|--------------|--------------------|------------------|------------|

## Bitesize profile

Phinsys began life in 2010 designing and building custom finance solutions for the insurance industry. It retained the IP from its first clients and developed a modular platform to automate financial management and accounting, regulatory and statutory reporting, and analytical processes.

Typically, 80% of any implementation is out-of-the-box, with configuration generally restricted to client-specific accounting rules and calculations such as earnings and reserving. The products improve productivity, reduce costs and enable finance and actuarial resources to focus on value-add work.

The company has grown primarily via word-of-mouth and has only engaged in two competitive RFPs, winning both. Over 85% of revenue is generated from its products with the other 15% coming from related consultancy. In 2019 the company participated in the Lloyd's Lab (cohort 3) and the Future at Lloyd's Blueprint project has created R&D and new business opportunities.

To date, Phinsys has been UK and Lloyd's focused, but successful deployments with Bermudan and US insurers and ILS funds suggests wider international potential.

**"Reducing the cost of doing business at Lloyd's was a key driver in choosing Phinsys as our finance technology partner. By streamlining our finance back office operations, we can minimise our expense ratio and accelerate our regulatory reporting."**

**Adam Beatty**, MD, Nephila Syndicate Management

## Plans for 2020

1. Expand its offering in the US and continue growing in Bermuda
2. Recruit high-calibre staff with domain expertise
3. Convert pipeline opportunities from its participation in the Lloyd's Lab
4. Contribute to Future at Lloyd's initiatives

## Who should speak to this company?

CFOs seeking streamlined finance operations and a single finance data model and automated processes to accelerate multi-jurisdictional financial close activities

## Company summary

**Year founded:** 2010

**Revenue band:** £1m - £5m

**Total investment:** £Nil

**Latest round:** N/A

**Main investors:** Management

**Offices:** London, UK; New York, US; Hamilton, Bermuda

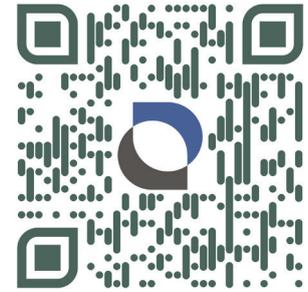
**Live in:** Australia, Bermuda, Europe, UK, US

**FTEs:** 35 (2018:25)

**Key insurance clients / partners:** Apollo, Ascot (Bermuda & UK), Atrium, CNA Hardy, Dual, Enstar (Bermuda, UK & US), HDI (Australia & UK), MS Amlin, Nephila, Pillar Capital (Bermuda), Starr, WRB

**Key execs:** **Richard Tyler**, CEO: Former Finance roles at ACE European Group & Chubb. **Stuart Conibear**, CCO: Former Enterprise Sales & Consulting roles at Accenture, Duck Creek & NIIT. **William Moore**, CFO: Former COO & CFO at Credit Suisse Emerging Markets. **Neil Greenacre**, Delivery Director: Former Head of Delivery at Moore Stephens Consulting & NIIT

View on  
Magellan



## Company in action

Phinsys has deployed its products with clients such as Apollo, Enstar, Nephila and Starr in the UK, Bermuda, US and with ILS funds to deliver the following benefits:

### INTELLIGENT FINANCE AUTOMATION



Maximise financial, actuarial and IT resources by eliminating manual processes



Automate timely and accurate enterprise-wide, multi-jurisdictional financial information



Consolidate finance data from disparate systems in to a single, consistent data warehouse



Accelerate close processes and the production of management, statutory and regulatory reporting



Future proof financial reporting to meet ever changing requirements



Reduce operating costs and make better decisions to drive profitable growth across the business

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## Case study

**Client situation:** An insurer had inconsistent finance data which required staff to collect, process and review data manually before generating regulatory and statutory returns. There was an over-reliance on spreadsheets and dated customer-built solutions which required regular reconciliation exercises.

**Solution:** The insurer migrated all data sources into a single finance data warehouse which enabled it to implement streamlined financial close processes for its finance and actuarial functions. The off-the-shelf solution was customised slightly and configured to produce consolidated group, entity, statutory and regulatory reporting including PRA, Lloyd's, US/UK GAAP and Solvency II Pillar 3.

**Results:** The solution has improved efficiency and allowed finance and actuarial staff to work on value-added activities. The gains reduced manual processing by 90%, time spent on Lloyd's returns by over 500 hours and the financial close from 10 days to 3. Tellingly, this successful UK implementation subsequently opened doors with multiple multi-national clients.

### The Oxbow Partners view

We have selected Phinsys as an example of niche software that is allowing insurers to move away from spreadsheets to tailored solutions with the ability to improve business efficiency and effectiveness. It is notable that Phinsys has won almost every contract for which they have bid over the past 10 years via word-of-mouth.

We expect to see an accelerating shift from spreadsheets to cloud solutions in the next few years as more and more niche technology vendors emerge. The \$87m valuation of Rulebook, a cloud-based solution that replaces pricing spreadsheets, when it exited from Moore Stephens Consulting to Verisk in 2018 perhaps confirms this hypothesis. The finance department is an area where software can have a huge impact given the proliferation of reporting requirements, and their increasing complexity.

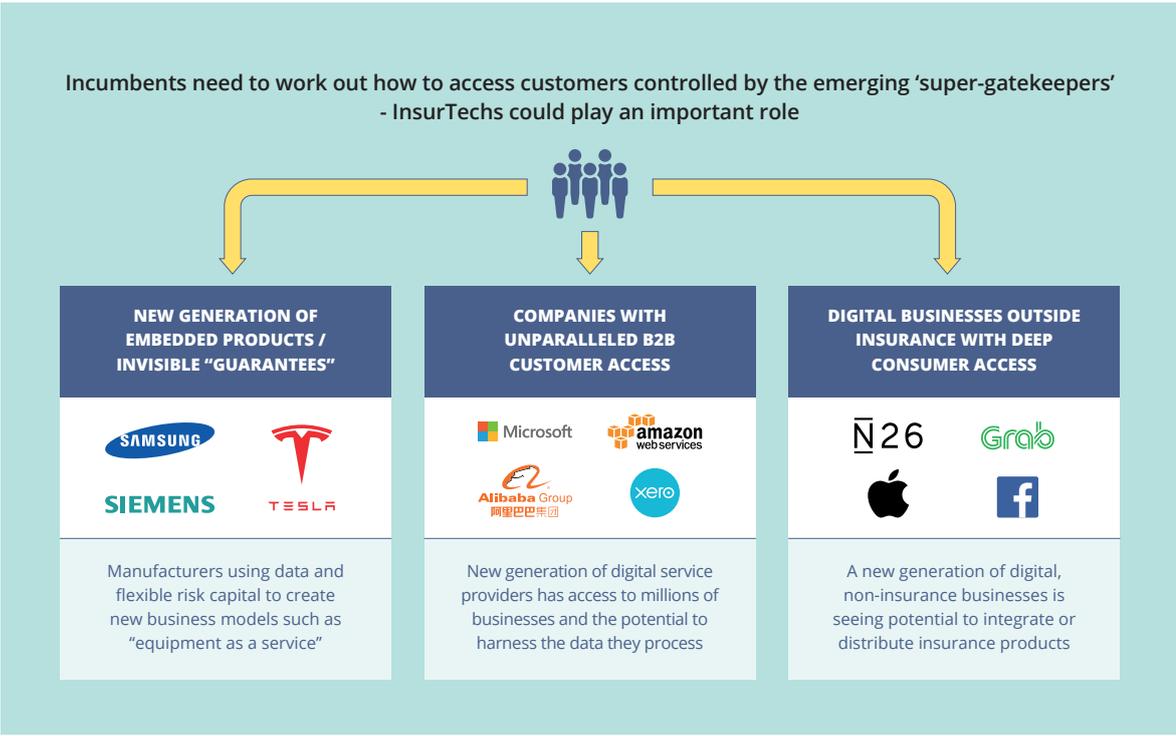
# SOME THOUGHTS FROM OUR 2020 REPORT

## 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.

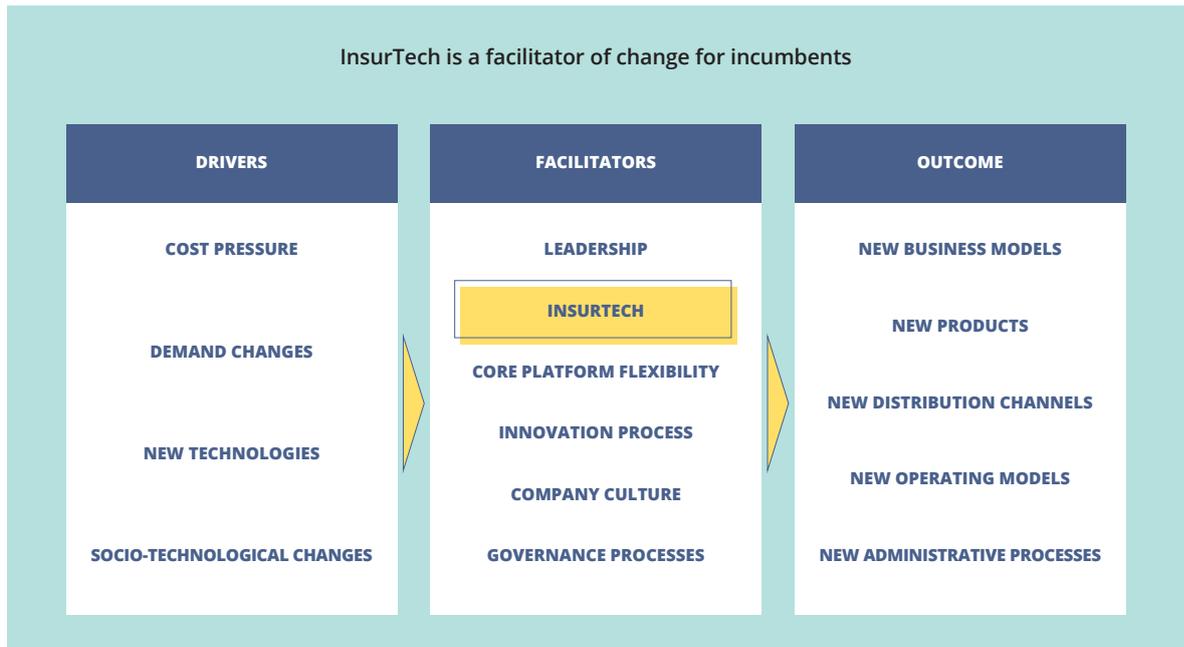
Oxbow Partners believes that this will change in the 2020s – the 'digital decade'. The 'digital agenda' will be critical for success. 2030's winners will be those companies who were able to build digital propositions that attracted the millions of millennials who became first-time insurance buyers in 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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