

In response to the Smart Specialisation Strategy (S3) Consultation I am keen to respond for the Insurtech Network Centre (INC) at Institute of Technology Carlow. INC is a collaborative Insurance Innovation Platform brought to you by IT Carlow and supported by Enterprise Ireland under the Government of Ireland Regional Development Fund.

The Insurtech Network Centre (INC) commenced activity in November 2018 as Enterprise Ireland / IT Carlow funded initiative to deliver a sector specific enterprise development centre. INC provides business development services to support the creation and commercialisation of technology solutions to the insurance sector, including the delivery of business development programmes, technology transfer services, and providing work spaces for entrepreneurs and related services including inter alia training, formal education programmes, mentoring and peer to peer collaboration.

The main objectives of INC are fostering collaboration between Insurance Incumbents and Insurtech Startups, as well as facilitating access to the Research & Innovation resources of Carlow Institute of Technology for Insurance sector firms and developing Insurance focused training and educational content.

Although based in Carlow INC has a national remit with a diverse and growing panel of Insurers and Insurtechs based around the country and indeed internationally. We are keen to bridge the gap and foster collaboration between Insurtechs, Industry and Academia and between theory and practice in the area of startup development

In response to the specific questions I will attempt to reply to the relevant questions in the order they were presented.

Q: Do you agree with the suggested areas of strength for the three Southern regions as set out above? Are there other areas of strength to be highlighted?

Within the FS Sector there is considerable strength in the Insurance sector in the region with a strong and growing presence of Insurers (international and domestic covering a variety of functions in the value chain)

Q: What, in your opinion, are the key sectors in your region? What are the skills, assets and capabilities within your region? See below

Q: Which sectors could achieve critical mass in Ireland over the next seven years? Where are the opportunities and what needs to be done to unlock these opportunities?

There is scope for an Insurtech accelerator to be based out of the region which could attract startups nationally and indeed internationally (much like similar accelerators such as the Insurtech Hub in Munich, the Global Insurance Accelerator in Des Moines Iowa and the Fintech accelerator in Bolder Colorado) Following a series of positive engagements and participation in facilitated workshops on driving Insurtech growth in Ireland, the Insurtech Network Centre (INC) were invited to outline their vision on how INC could contribute to this emerging ecosystem as a founding member whilst being cognisant of the budgetary constraints imposed under our funding structures.

IT Carlow and INC are keen play a central and founding role in this emerging Insurtech hub. We have demonstrated our willingness to collaborate with all and any interested parties to further the development of the Irish Insurtech landscape. We would welcome the opportunity to discuss this document further and look forward to an exciting period ahead for Insurtech in Ireland.

The Insurtech Network Centre (INC) & Centre for Insurance, Risk and Data Analytics Studies (CIRDAS).

The Insurtech Network Centre (INC) commenced activity in November 2018. Significant progress has been made by INC across its pillar activities specifically:

Expand - Innovation by accessing the Research & Development capabilities of IT Carlow and the Design+ gateway, and utilise an innovative purpose built flexible / co-working facility.

Start - Building partnerships: mentoring, launching and funding new Insurtech Startups in the Insurtech Accelerator.

Engage - Leveraging Educational resources of IT Carlow to develop your employees and grow your business through INC Online (blended learning and Face to Face) via **CIRDAS** (Centre for Insurance Risk and Data Analytics Studies)

Work - Constructing a facility on campus at Institute of Technology Carlow to accommodate these collaborative activities, and develop as an Internationally recognised centre of excellence for innovation & insurance

INC has focused on leveraging the resources of Institute of Technology Carlow to support the wider industry as evidenced in the Q4 2020 funding secured for Centre for Insurance, Risk and Data Analytics Studies (CIRDAS). INC developed and led out on this proposal for IT Carlow for €1.8m multi annual funding for Insurance / Insurtech sector specific educational / upskilling course development (in areas currently underserved (like Data Analytics, Design Thinking – ranging from Masterclass up to Level 9 Masters programmes).

The IT Carlow / INC contribution

In terms of our contribution to an emerging Irish Insurtech Hub our contribution in kind would come in the form of the complementary existing funded Insurtech / Insurance focused centres specifically INC and CIRDAS but also in other supports including:

- ✚ Both INC and CIRDAS are wholly owned, operated and co-located with Institute of Technology Carlow and will from January 2022 form part of the Technological University of the South East.
- ✚ Purpose Built Insurtech space in new facility to come on stream in 2022 (renderings in appendix). Co-work office space and associated facilities at Institute of Technology Carlow for startups.
- ✚ Via the Insurtech Network Centre (INC) and CIRDAS we have a strong industry presence both in insurance (incl reinsurance and back office operations) and adjacent support industry (tech, actuarial, FS firms).
- ✚ Extensive and growing existing network in insurance / Insurtech domain. For example INC has already engaged with 50+ Insurtech specific startups engaged with from idea stage to well established Insurtechs on a strong growth path. INC is developing truly collaborative relationships with startups linking in with NF programme, leveraging the Design+ offering and also utilising founders for technical masterclasses (Great Minds Like a Think Masterclass series).
- ✚ Collaborative Partner access to strong and growing accredited academic provision in Insurance / Insurtech supporting areas (Data Science, AI, ML etc) via CIRDAS €1.8m multi

annual funding (up to 2025) for Insurance / Insurtech sector specific educational / upskilling course development

- ✚ Strong track record in securing Research and Innovation supports (via Enterprise Ireland and others) from Innovation Vouchers, Agile Innovation Funds, Innovation Partnerships, spin-out / spin-in enterprise and research commercialisation activity. etc. We have also worked with start-ups to navigate and secure the CSF, HPSU and onward funding avenues to progress their development.

Section 2: Comments on Digitalisation and Digital Transformation

4. Q: Is digitalisation impacting your sector or region? How?

Very much so, insurance is witnessing a period of intense disruption, disintermediation and digitalisation as best experienced in the vibrant and growing Insurtech sector we work closely with.

The impact of this transformation will be profound in the years to come, Ireland and the South East in particular has an opportunity to position itself as a location of choice for Insurtech activity and location serving as a gateway East and West (EU, UK and US). A recent Deloitte summary report on the nature of this opportunity is attached to this submission)

5. Q: Could your business or sector benefit from new digital technologies? What support would you need to adopt these digital technologies?

The need for targeted Insurtech and Insurer support to de-risk the pilot / POC process would be critical coupled with the development and deployment of a Sandbox environment to safely and cost effectively test new solutions (this is an issue common to funds in FS, Banking and Funds)

6. Q: How can we improve the alignment of the country's ICT and digitalisation expertise, initiatives and investments?

Resourcing bridging entities with personnel with domain knowledge and contacts and work to ensure that interaction between the various parties is as seamless as possible (a simple measure would be to consider allowing Fintech / Insurtechs fund some of their work for client companies via existing EI and other support schemes like innovation vouchers etc. as eligible contractors). This simple measure would give the startups exposure and reference sales /POC's whilst also derisking the process for incumbents.

Section 4: Comments on Innovation Diffusion

10. Q: What are the barriers for innovation diffusion in Ireland? How can these barriers be broken down? Are their regional differences in these barriers?

As outlined above insurance is a risk averse industry by default lowering the barriers to engagement coupled with the intelligent and creative use of supports in existence could really assist in innovation diffusion.

11. Q: What channels for diffusion are used by your business or sector?

We facilitate connections between Insurtechs and industry (domestic and international) on an ongoing basis. We also facilitate research and innovation projects and develop bespoke educational offerings.

12. Q: How can we enhance collaboration between industry and the higher education sector?

Through the enhanced funding, resourcing and support of bodies such as INC etc. A lot of this centres around awareness and network / relationship building which is a longer term play to create a vibrant ecosystem.

Section 6: Comments on actions to improve the national or regional enterprise research and innovation system

16. Q: Which RD&I initiatives have been successful for your sector/region? Which programmes should continue? Which RD&I programmes for enterprise are not working?

17. Q: How do we generate a stronger, unified ecosystem approach to RD&I across the country to strengthen the visibility of our RD&I supports?

There are number of gaps in the funding structures in terms of eligibility and type of project funded that has not kept pace with the level of change in the Insurance / FS sector. We have witness cases where large employers in this space fell between IDA and EI stools as they did not export but were also not IDA clients who were actively considering supported RD&I projects. Also a lot of high value employment and growth is located within the broker, MGA (wholesale broker) and Reinsurance market most of which was also deemed ineligible for support. A very binary view around the entity undertaking to cover the risk was used to determine eligibility. However, even insurers (by regulation) use reinsurers to spread risk and the broker and MGA sections of the market provide critical cover capacity for sections of the economy who simply could not secure cover otherwise (heavy liability, manufacturing, childcare, Professional indemnity, and medical malpractice cover etc)

18. Q: How do we target RD&I spend in a way which maximises impact for the economy and which addresses the market failure evident in low RD&I in the indigenous SME sector?

Open up the access to the programmes to address some of the issues outlined above.

Future opportunities under Technological University of the South East

The Ireland for Finance (2021) report also comments on the creation of Technological Universities stating that:

“They will deliver a range of disciplines and levels of qualifications from apprenticeship to PhDs in order meet regional and national skills needs. The potential benefits of the TUs include international recognition, building research capacity, attracting foreign direct investment (FDI), creating and retaining skills, regional development, enhanced staff and student experience and opportunities, and socio-economic progression.”

Both Institutes are well placed to contribute to the development of this sector into the future with an exciting blend of research and innovation activities in each institutes. There is significant potential for

synergistic and complimentary offerings to emerge across the current active academic research groups and innovation development activities being undertaken in Carlow and Waterford. For example, Insurtech Network Centre (incl CIRDAS), RIKON, TSSG, Design+, AIB Centre for Finance Research.

TUSE will integrate the deep domain knowledge in Insurance / FS spread across the two institutes. The TUSE will also monitor international best practice and emerging developments in the development of financial products and services and will transfer this knowledge to the Financial Services sector in the region and nationally. We will embed this in the region utilising the significant established networks nurtured by both Waterford and Carlow Institutes.