

RIMAC



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Company Background

- RIMAC is one of the largest insurance companies in Peru (\$1.5B revenue, 600 employees), owned by Breca.
- In the last 3 years, the company has developed several Artificial Intelligence & Data Analytics models that helps its own insurance business, such as churn and cross/up selling models.
- It has a dedicated division consisting of data analysts and data scientists and has been evaluating the spin off opportunity of its analytics expertise beyond for internal use.

Project Objective

- To evaluate the spin-off opportunity for RIMAC's AI Division and blueprint high level go-to-market strategy for this potential spin-off.



Analysis and Recommendation

Our team took the following 3-step approach to address the questions to answer - why / where / how to enter the US AI/Analytics market for insurance companies.

<h3>Market Landscape</h3>	<ul style="list-style-type: none"> ❑ AI/Analytics market itself is growing fast and especially in the U.S. ❑ The market already has a great infrastructure with capital investment, which will give RIMAC a great opportunity to grow as a spin-off AI/Analytics player 	<p>U.S. has been pioneering the market in the insurtech industry</p>	<ul style="list-style-type: none"> • US is the biggest market in insurance industry worldwide (Market size: \$1.2T vs. \$150B of Latin America in 2018) • US has the highest number of AI companies and AI venture capital funding has skyrocketed to \$5B in 2017 with CAGR 75% from 2012
		<p>Insurance is one of the leading industries for AI/Analytics based on use case development</p>	<ul style="list-style-type: none"> • Most AI/Analytics use cases support financial services and insurance industries • AI spend in insurance is expected to grow 24% CAGR between 2019 and 2022 (Insurance industry is expected to spend \$1.1B on AI, growing to \$2.6B in 2022)
		<p>RIMAC can generate much more value in Latin America after entering into the high-bar market</p>	<ul style="list-style-type: none"> • After building up success cases in the US as the high-bar entry market, RIMAC would be able to re-enter to Latin America to generate more value • RIMAC can build up partnership models with various types of niche players

<h3>Competitive Analysis</h3>	<ul style="list-style-type: none"> ❑ To unlock the growth potential, RIMAC should keep focus on its current strength in Life, Health, and Auto insurance ❑ To benchmark other potential competitors, most players horn their competitive edges compared to incumbents; simplicity, data-analytics technologies, agility and collaborate with incumbents as well as insurers through diverse partnership models. 	<p>Laundry list of Insurtech players in US</p> <p>Criteria 1</p> <ul style="list-style-type: none"> • Running similar models • Playing in Life/Health/Auto 	<p>Top 6 picks of Insurtech companies for benchmarking</p> <p>Criteria 2</p> <ul style="list-style-type: none"> • Similarity to RIMAC; • Service type, Actual use of AI/Analytics, AI/analytics performance • Availability of case studies¹
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<h3>Go-to-market Strategy</h3>	<ul style="list-style-type: none"> ❑ Our team identified RIMAC's competitive edge; experience in AI insurance, low cost structure, tech adaptability, data resources. RIMAC needs to develop its go-to-market strategies; pricing, product mix, customer segmentation <ul style="list-style-type: none"> ○ Should use a combination of different pricing strategies based on its low cost structure and strong talent pool ○ Should prioritize vehicle insurance product given with RIMAC experience and compatibility ○ Should prioritize potential customers based on feasibility (small or mid-sized) and brand power/reputation in the market 	<p>Competency in AI Insurance</p> <p>RIMAC know-how of AI Insurance and insurance industry</p> <p>Tech Adaptability & Lean Teams</p> <p>Technology agnostic models and lean implementation teams</p>	<p>Competitive Cost Structure</p> <p>Less expensive labor structures & RIMAC capital backing to acquire new customers</p> <p>Underutilized Data Resources</p> <p>Potential compatible data from adjacent industries</p>