

November 18, 2021

Tokio Marine Holdings, Inc.

## **Transformation of E.design Insurance to an Insurance Tech Company**

Tokio Marine Holdings, Inc. (President and Group CEO: Satoru Komiya, hereinafter referred to as “TMHD”) has been promoting the provision of new value to our customers by utilizing technology and data. In order to further accelerate DX (Digital Transformation) of the group, TMHD will transform E.design Insurance Co., Ltd., (President: Shigeo Kuwabara, hereinafter referred to as “EDSP”) a direct non-life insurance company of the Tokio Marine Group, to an Insurtech\*<sup>1</sup> insurer, and will position it as the digital R&D hub of the group. EDSP will search, explore and share within the group cutting-edge technologies and operating models of domestic and overseas startups and digital insurance companies. .

\*<sup>1</sup> Insurtech is a coined word that combines insurance and technology.

### **1. Transformation into an Insurtech Company**

TMHD has been collaborating with Metromile (US) and Lemonade (US) in order to conduct research and explore the utilization of cutting edge technologies. These two partner companies have been increasing their presence in the US and Europe in recent years.

TMHD is working to advance DX for the Tokio Marine Group by leveraging the experience and insights gained from the collaboration with these two companies. TMHD will accelerate R&D for the group in relation to digital technologies, and will create new and unique value for customers and society by transforming EDSP into an insurtech company. As a first step of the transformation, we will transition to a full cloud system and in conjunction work to transform the management aimed at further strengthening the functions and systems.

### **Introduction of a Full-cloud, Advanced Insurance System**

EDSP will completely renew its existing system infrastructure in order to build a system that meets the speed of the digital age and rapid changes in customer needs which is unprecedented in Japan.

The advanced insurance system will be built in a full cloud environment, including:

- A service design created to ensure smooth smartphone access,
- The introduction of a microservice architecture\*<sup>2</sup> that enables quick response to changes in the business environment,
- A foundation to support a data-based decision-making model, flexible collaboration within the ecosystem, and a high level of security.

The system will go into full operation on November 18, 2021. The system was created over a short period of time (approximately two years) using a multi-vendor approach in order to maximize the support and product advantages of the collaborating companies.

With this full cloud infrastructure, it is possible to combine various advanced technologies such as artificial intelligence (AI), data analysis, Robotics Process Automation (RPA), IoT, and external API integration with a high degree of flexibility, enabling customers to meet their insurance more flexibly and quickly than ever before, leading to improvements in insurance products and services.

*\*2 Microservice architectures implement individual system functions as independent services, and each service can be flexibly expanded, changed, and developed in a short period of time.*

### **Strengthening the System for Data-driven and Agile Management Decision-making (Management Transformation)**

EDSP will accelerate collaboration with various organizations inside and outside Tokio Marine Group. It will also create an environment for further innovation by creating an agile development structure and introducing mechanisms that encourage flat and open decision making.

- Collaborating with Amazon Web Services Japan and Cinnamon AI

Utilizing the “Digital Innovation Program” provided by Amazon Web Services Japan Inc., we will accelerate the creation of mechanisms to realize new ideas. We will also collaborate with Cinnamon AI<sup>\*3</sup>, one of Japan's leading AI startups, to promote the implementation of a purpose-driven AI growth strategy.

*\*3 Cinnamon AI provides AI consulting and AI products with the mission of "Creating a Creative Society with AI", aiming to innovate core business of customers and promoting DX. (URL: <https://cinnamon.is/>)*

- Strengthen Collaboration with Tokio Marine dR

We will strengthen the collaboration between Tokio Marine dR (the company responsible for the core data functions of Tokio Marine Group), which started in July 2021, and the Business Analytics Department, which was established within EDSP in April 2021. We will accelerate the data-driven management of EDSP by strengthening the automobile driving data analysis function.

- Utilization of External Talent (Persol Innovation Co., Ltd.)

In March 2021, EDSP established “e-design Co-creation studio (eCs)” in cooperation with “lotsful”, a sideline talent matching service operated by Persol Innovation. At eCs, we are considering the future of insurance services based on a free ideas that are not restricted by the conventional concepts of insurance, while making use of outside knowledge.

## **2. Launch of Co-creation Automobile Insurance "& e"**

EDSP will launch a new automobile insurance product “&e”, an insurance product based on the Group's digital strategy. “&e” will provide new experiences to the customers by utilizing the latest technologies and staying close to each customer by working to reduce the number of customers who are involved in accidents and/or providing a safe driving

experience by linking IoT sensors <sup>\*4</sup> and smartphones. For details, please refer to the news release of EDSP

([https://www.edsp.co.jp/company/company\\_010/2021/2021\\_11\\_18.html](https://www.edsp.co.jp/company/company_010/2021/2021_11_18.html)).

*\*4 IoT sensors are provided by OCTO Telematics (OCTO) based in Italy. Founded in 2002, OCTO is the world's largest telematics service provider for automotive manufacturers. (URL: <http://www.octotelematics.com>)*

The Tokio Marine Group aims to realize a better society by promoting the use of cutting-edge technology and operating models throughout the Group. We will continue to challenge ourselves to be a company that can always support our customers and society in their time of need.