



Virtual Broker B.V. - Netherlands

Disasters in Emerging Insurance Markets

Example: 10 years of floods in Eastern Europe

On July 31, 2008

Worst flooding in decades devastates Central and Eastern Europe.

At least **27 people died** in Ukraine, Moldova, Romania, Slovakia and Hungary, following days of severe storms and flooding.



On July 9, 2010

Large swathes of Eastern Europe, including regions within Ukraine, Romania, Moldova, have been hit by heavy floods, plunging rural communities into vulnerability.



On May 19, 2014

Low pressure cyclones hit Bosnia and Herzegovina, Croatia, Serbia and Romania between 13 and 18 May producing the heaviest rains in century. **86 victims died** and hundreds of thousands have been forced from their homes.



On June 19, 2014

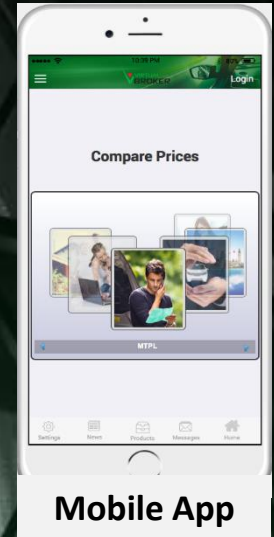
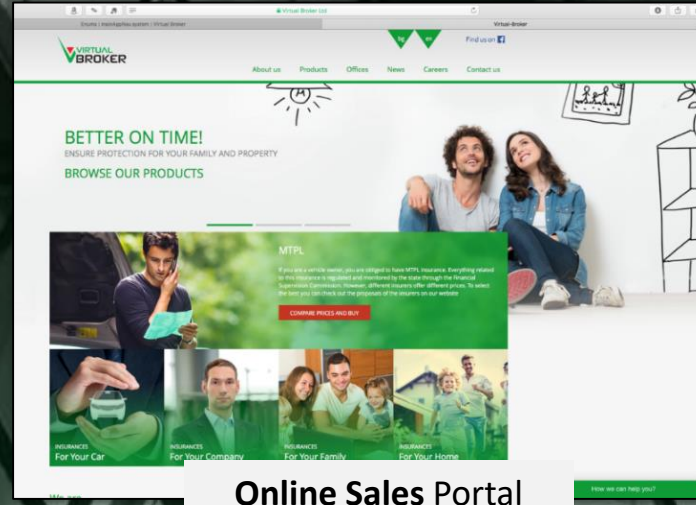
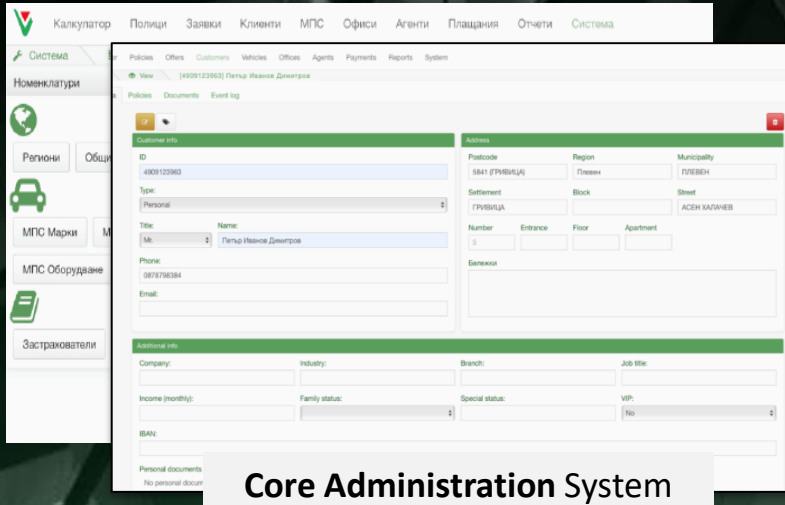
Torrential rains caused severe flash flooding across north-eastern Bulgaria. **16 people were reported killed** (4 of which children) in Varna, Dobrich and in Shumen Provinces.

Our “raison d’être”

*“Many flood victims had no insurance because they didn’t have **access** to it !”*

Virtual Broker is a software & technology company dedicated to **deliver access to insurance** in Emerging Insurance Markets

Highly integrated platform



The platform **automates the sales process of insurance intermediaries** – integrating their **backend administration, online sales, mobile apps** with the insurers' systems.

It is a **white labeled, highly scalable, cloud based SaaS** that may run on any browser. The backend is built over **node.js** technology, on **mongoDB** data base, and **Aurelia** as a front end framework.



Our Focus – Emerging Insurance Markets

EIM are fast growing markets with **low insurance penetration** rates and **low tech based sales** – e.g. CEE markets.

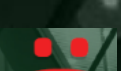
Non-Life Insurance * (2015)	Market Size (billion USD)	Penetration (% of GDP)	Growth Rate	Online Sales
World	2020	6.2%	3.8%	
Advanced Markets	1614	8.1%	2.5%	
Emerging Markets	406	2.9%	9.8%	
European Union	343	8.1%	2.1%	up to 25%
CEE	54	1.9%	-4.5%	< 3%

* Data from McKinsey, Swiss Re, Morgan Stanley & BCG reports

In EIM **3 retail products represent 75% of all property and casualty policies** - motor, household & travel insurances.

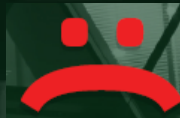
Distribution problems in EIM

 Sales growth is **below expectations** in many EIM Markets

 50% of all insurance customers (in the world) and **67% of millennials are not happy** with their purchasing experience

 Online sales are **below potential** relative to mature markets

WHY



?

Because the most important distribution channel of the industry, **intermediaries**, representing **70%** of global sales, **are missing the digital revolution !**

Intermediaries in the European Union

140'000

Intermediaries

90%

SMEs

413 000 000 000 €

yearly sales in EU only

With
increasing
market share
year after year



Intermediaries in the EIM

Many customers in EIM are new to insurance, they need to understand why insurance makes sense for them.

Selling the first insurance is as much persuasion as education, it has to be done by real people - agents, brokers and advisers – not robots.

Customers buy insurance primarily from people they trust, not directly from the insurance companies.

**The efficient way to sell in EIM is by intermediaries
BUT equipped with the right technology!**

Lack of available solutions

As a team of **experienced C-level insurance executives** former directors, country CCO and CEO of Allianz and Generali, we have met hundreds of professionals and asked about their vision and needs. **What did we hear ?**



"I NEED BETTER tools TO SATISFY MY CLIENTS but can't find these tools !"

Business model

We are **a software company !**



Our clients are insurance intermediaries



Our solution becomes their own personalized one



Our software is portable internationally



B2B



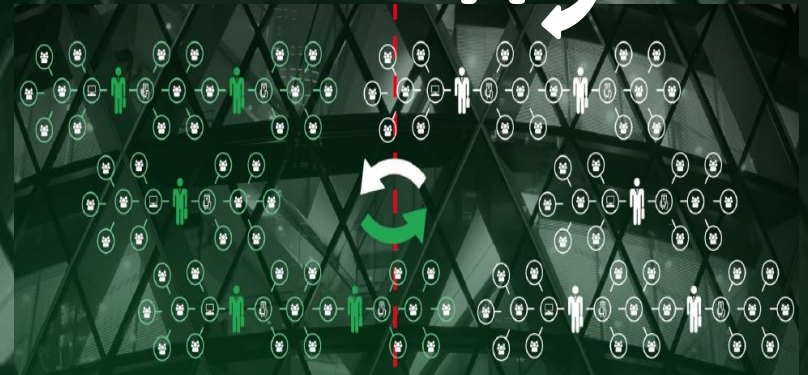
**White label
SaaS**



**A commission
per transaction**

Scalability by *uberization*

We **empower intermediaries** with our software for administration and online sales – almost any independent broker or agent can use the platform



As the **platform is portable** the process is **repeatable in several markets** - starting with EU countries having similar legislations.

Because our platform is customizable, national intermediaries can **go international for new sales** of foreign products but **with the same platform**.

Competition

In Bulgaria



Competitors don't match
our value proposition

- Lack integration
- Lack portability
- Lack focus or design
for intermediaries

In Europe



Pilot traction – initial 30 months

Processed
5'000
policies

Users in
21
offices

LOI from
10
brokers

100% of online clients from 2016
have bought again from us in 2017.

So – **0% churn rate!**

We have a **secured revenue of €150'000+** in 2018
(as of Jan)

Recognition

Selected in accelerator programs

Amsterdam

January to April 2017



Lisbon

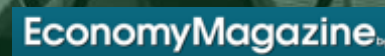
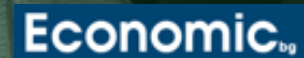
May 2017



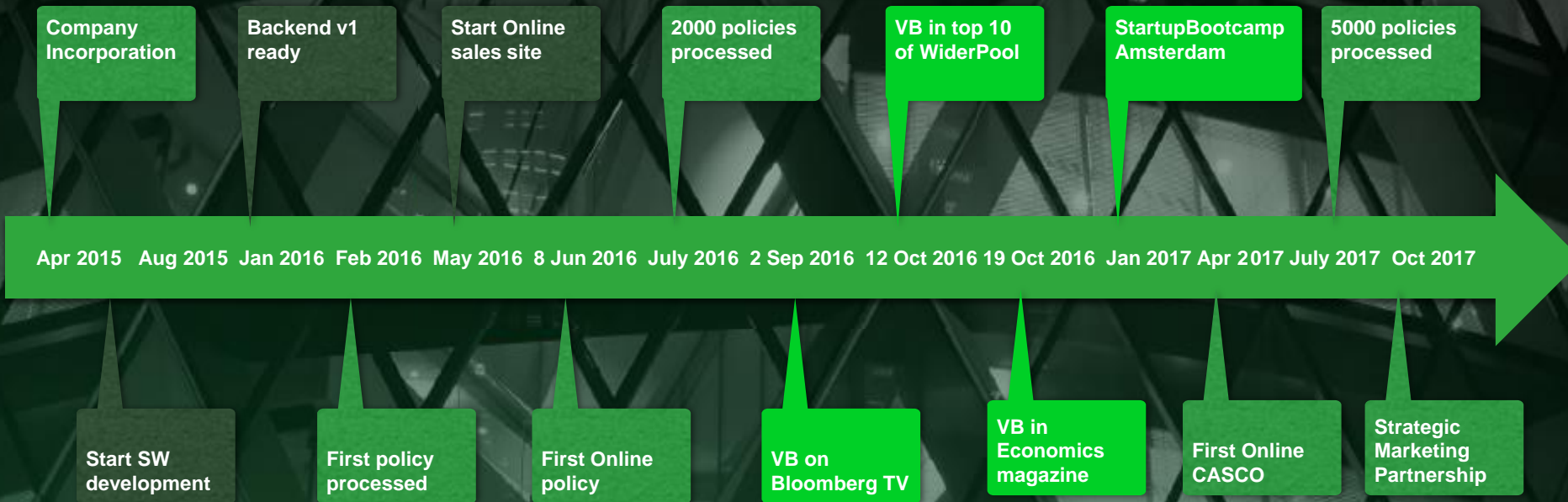
Presentations



Media



Milestones Timeline



Strategic partner - ITC Tech

ITC TECH Ltd. develops a self-service kiosk for the insurance sector accepting instant electronic payments.

The kiosk provides access to some of the most used retail insurance products like travel assistance, household insurance, professional liability, motor third party liability or accident coverage.

The kiosk can serve insurance companies as well as intermediaries, to provide an alternative distribution channel to boost sales and decrease operational costs.

Virtual Broker shall provide the kiosk with the back end software to support the insurance sales process.



Next Markets



We have preliminary agreements for Romania and Poland, as our next two markets

Software Readiness

Backend
90%

Sales site
60%

Mob App
20%

Online MTPL since June 2016 & **24/7 Casco** since April 2017

Sales objectives



Funding

We have
invested

€ 380,000

from our own
money

We have
raised

€ 430,000

from
investors

We now seek

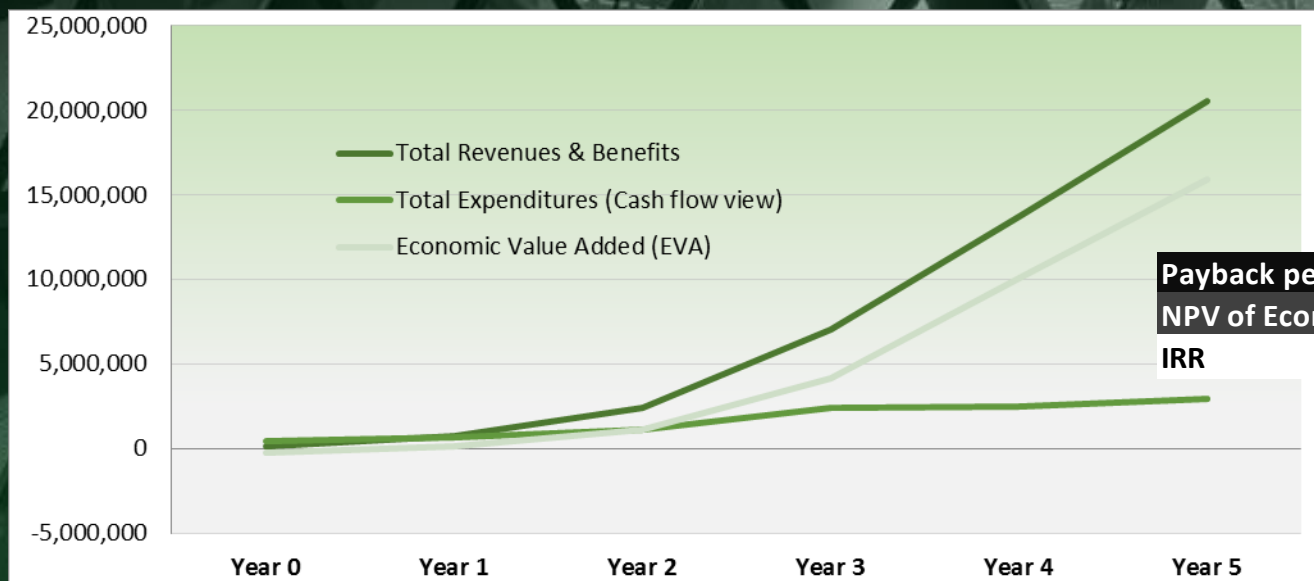
€ 1,500,000

In this round

- To add more products on the online and mobile apps
- To sell the platform service in Bulgaria to the brokers awaiting it
- To go international and launch in two new markets
- To reduce our financial costs by changing the debt structure

Financial projections

Financial projections	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Total Revenues & Benefits	127,969	749,167	2,389,583	7,075,625	13,678,021	20,559,688	44,580,052
Total Expenditures (Cash flow view)	407,899	634,119	1,138,327	2,445,387	2,470,820	2,919,850	10,016,403
Net Cash Flows	-279,930	115,047	1,251,256	4,630,238	11,207,201	17,639,838	34,563,649
Profit & Loss view	-251,035	107,811	1,133,695	4,176,860	10,082,557	15,877,274	31,127,161
Economic Value Added (EVA)	-251,041	107,769	1,133,572	4,176,617	10,082,275	15,877,009	31,126,200



Payback period (Years)	1.13
NPV of Economic Value Added	17,883,290
IRR	279%

Boosting Sales growth

Car sales are booming since leasing is proposed to clients, TV sets and furniture sales rely on customer credit, real estate sales depend on mortgages. **Sales growth requires access to dedicated credit !**

But there is **no dedicated credit to pay insurance premiums !**

*Now imagine a credit available online 24/7 for clients buying insurance from our platform, at ZERO-interest . An offer designed for EIM by **InsCred** – a business partner !*

Founders



Alexander Dzhoganov

CEO

Top insurance and banking executive, with more than 15 years of expertise in sales & marketing, strategy and general management.



Iskra Nikolova

CCO

Former Regional Life Sales Manager of Allianz and Retail salesforce network Director of Generali.



Ivaylo Yossifov

COO

Former CEO, Chairman of the Management Board, CIO, COO at Generali Bulgaria, CIO and IT Director of BTK – the Bulgarian Telecommunications Company.



Dessy Todorova

Business Development Advisor

Serial entrepreneur, Harvard educated seasoned general management & marketing executive, with more than 20 years of in-depth expertise



Peter Petkov

Technology Advisor

Senior software developer, product architect and project leader, possessing skills across various IT development tools, industries and solutions.



Stéphane Alec

Financial Advisor

Serial entrepreneur, finance & IT veteran with more than 30 years of practice. Vast experience in international investment and risk management.

Thank you!

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Back-up

Recognition

Virtual Broker Group was shortlisted for next stages into numerous start-up competitions and venture events in Switzerland, USA, NL and beyond:

- 1) **Startupbootcamp FinTech & Cybersecurity** accelerator, **accepted into the program, from among 2500+ co's considered**, Jan '17, Amsterdam, Netherlands, <https://www.startupbootcamp.org>
- 2) **The 25th SICTIC Investor Day**, Swiss ICT Investor Club, Apr '16 Lausanne / CH, <http://www.sictic.ch/>
- 3) **Fintech FUSION**, Switzerland's Fintech Acceleration Program, Jun '16, Geneva / CH, <https://fintechfusion.ch/>
- 4) **Tech.co competition for the most innovative start-up of the year**, Jul '16, Silicon Valley Tech.co
- 5) **VentureOut New York**, hyper accelerator for global start-ups, July '16, New York / USA, www.ventureoutny.com
- 6) **Go Beyond Angel Network** FinTech Investment Event, Sep '16, Zurich / CH, <https://go-beyond.biz/>
- 7) **Astia**, multi-stage investment program, Oct '16, Silicon Valley / USA, <http://astia.org/>
- 8) **Swiss FinTech Association**, ReversePitch Day, Oct '16, Zurich / CH, <https://swissfinte.ch/>
- 9) **WiderPool 2nd Global Technology Call**, identifying solution providers to the global corporations with innovation strategies, Oct '16, London / UK, New York / USA, www.widerpool.com



Media Coverage

Tech.co

TECHCO

["Capital" newspaper](#)

КАПИТАЛ

[Bloomberg TV – Bulgaria](#)

Bloomberg
TV BULGARIA

Economic.bg

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Investor.bg

 **INVESTOR.BG**

Ambicia.com


AMBICIA

["Economy" magazine](#)

EconomyMagazine_{bg}

[Swiss FinTech Association](#)

 **Swiss Finance +
Technology Association**

Table 1: Developments in the major insurance markets in 2015

	Ranking by premium volume 2015	Life premiums		Non-life premiums		Total premiums		Insurance	Insurance
		USD bn 2015	Change* vs 2014	USD bn 2015	Change* vs 2014	USD bn 2015	Change* vs 2014	density (USD) 2015	penetration 2015
Advanced markets		2090	2.5%	1614	2.6%	3704	2.5%	3440	8.1%
US	1	553	3.9%	764	3.1%	1316	3.5%	4096	7.3%
Japan	2	344	2.8%	106	3.1%	450	2.9%	3554	10.8%
United Kingdom	4	214	2.4%	106	1.5%	320	2.1%	4359	10.0%
France	5	150	2.9%	80	1.5%	231	2.4%	3392	9.3%
Germany	6	97	-2.5%	117	2.0%	213	-0.1%	2562	6.2%
Italy	7	125	2.9%	40	-2.7%	165	1.5%	2580	8.7%
South Korea	8	98	6.2%	55	4.0%	154	4.8%	3034	11.4%
Emerging markets		444	11.7%	406	7.8%	850	9.8%	135	2.9%
Latin America and the Caribbean		66	7.5%	92	2.3%	158	4.6%	251	3.1%
Brazil	14	37	6.7%	32	-2.6%	69	2.2%	232	3.9%
Mexico	26	11	4.7%	14	7.9%	25	6.4%	198	2.2%
Central and Eastern Europe		15	-3.5%	38	-4.9%	54	-4.5%	166	1.3%
Russia	31	2	3.4%	15	-12.0%	17	-10.3%	117	1.4%
Emerging Asia		312	15.6%	212	14.6%	524	15.2%	140	3.3%
China	3	211	19.7%	176	16.6%	387	18.3%	281	3.6%
India	12	57	7.8%	15	8.1%	72	7.9%	55	3.4%
Middle East and Central Asia		13	8.0%	41	9.0%	54	8.9%	152	1.9%
United Arab Emirates	39	2	9.3%	8	8.6%	10	8.7%	1102	2.3%
Africa		44	2.8%	20	1.3%	64	2.4%	55	2.9%
World		2534	4.0%	2020	3.6%	4554	3.8%	621	6.2%

Notes: *in real terms (ie, adjusted for inflation).

Insurance penetration = premiums as a % of GDP; insurance density = premiums per capita.

Source: final and provisional figures released by supervisory authorities and insurance association. Estimates by Swiss Re Economic Research & Consulting.

Insurance
penetration

Total
Premiums
Change vs
2014