InvestTech Advanced Solutions

AGING ANALYTICS AGENCY

Longevity Financial Industry in the United Kingdom

Q2 2022

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Intro

While the majority of practical outcomes in healthy Longevity will be driven by precision health technologies, they will also require an assembly of other, non-biomedical components, including traditional financial products and services along with tech-enabled financial sectors such as InsurTech and WealthTech.

The United Kingdom can be considered as the market playing a significant role in the global Longevity financial industry as the country builds a favourable ecosystem allowing new companies to enter the market with new technological solutions as well as adjust the business strategies of market incumbents (mainly the financial institutions).

This report covers Longevity finance which can be defined as an industry focusing on the financial solutions that one way or another are tied to people's health. The best way to describe it is by drawing some examples, e.g., a life insurance company is a part of the Longevity finance, as well as age-friendly banks (e.g., banks with a special focus on retirement planning, financial products tied to Longevity, etc.), pension funds, etc. The report delivers an overview of the trends, investment activity, and risk assessment for a variety of Longevity finance subsectors in the United Kingdom.

APPROACH OF THE REPORT

Database

175
Companies

6
Subsectors

The database was formed on the basis of:

- the **identification of companies** that are engaged in Longevity financial market and are exposed to Longevity risks
- the **determination of major funding and M&A** deals of selected companies

Applied Research and Analytics Methods

- Descriptive Analysis
- Mixed Data Research
- Data Triangulation
- Comparative Analysis
- Qualitative Data Collection
- Data Filtering

Data Sources

- Media Overview (Articles and Press Releases)
- Industry-specialised Databases
- Publicly Available Sources (Websites)
- Industry Reports and Reviews

Relying on various research methods and analytics techniques, the analysis provides a comprehensive overview of the Longevity Finance Landscape. This approach has certain limitations, especially when using publicly available data sources and conducting the secondary research. InvestTech Advanced Solutions is not responsible for the quality of the secondary data presented herein; however, we do our best to eliminate the risks by using different analytics techniques and by cross-checking data. Please note that we did not deliberately exclude certain companies from our analysis, nor was their exclusion due to the data-filtering method we used or any difficulties encountered. The main reason for their non-inclusion was incomplete or missing information in the available sources.

LONGEVITY FINANCIAL INDUSTRY FRAMEWORK

InsurTech

- HALE/QALE-based Insurance
- AI-driven Insurance Premium Calculation
- NextGen Mobile Apps
- Healthy Lifestyle Bonuses
- Big Data Actuarial Models
- Biological Age Estimation

WealthTech

- Robo-retirement
- Digital Brokers
- Micro-investing
- Annuities
- Long-term Securities
- AI-driven Advisors

InvestTech

- Longevity Biomarkers for De-risking
- Longevity Investment Bank
- Longevity Stock Exchange
- Longevity Exchange Traded Funds
- InvestTech Bridge to Neutralize Liquidity Gap
- Longevity Innovation Marketplace

AgeTech

- Integration of AgeTech/HealthTech/ WealthTech
- Longevity Gamification
- Cognitive Enhancement and NeuroTech
- Technologically Empowering Largest Voter Demographic
- Advanced IT Solutions
- Combating Ageism With AgeTech

Longevity Asset Management

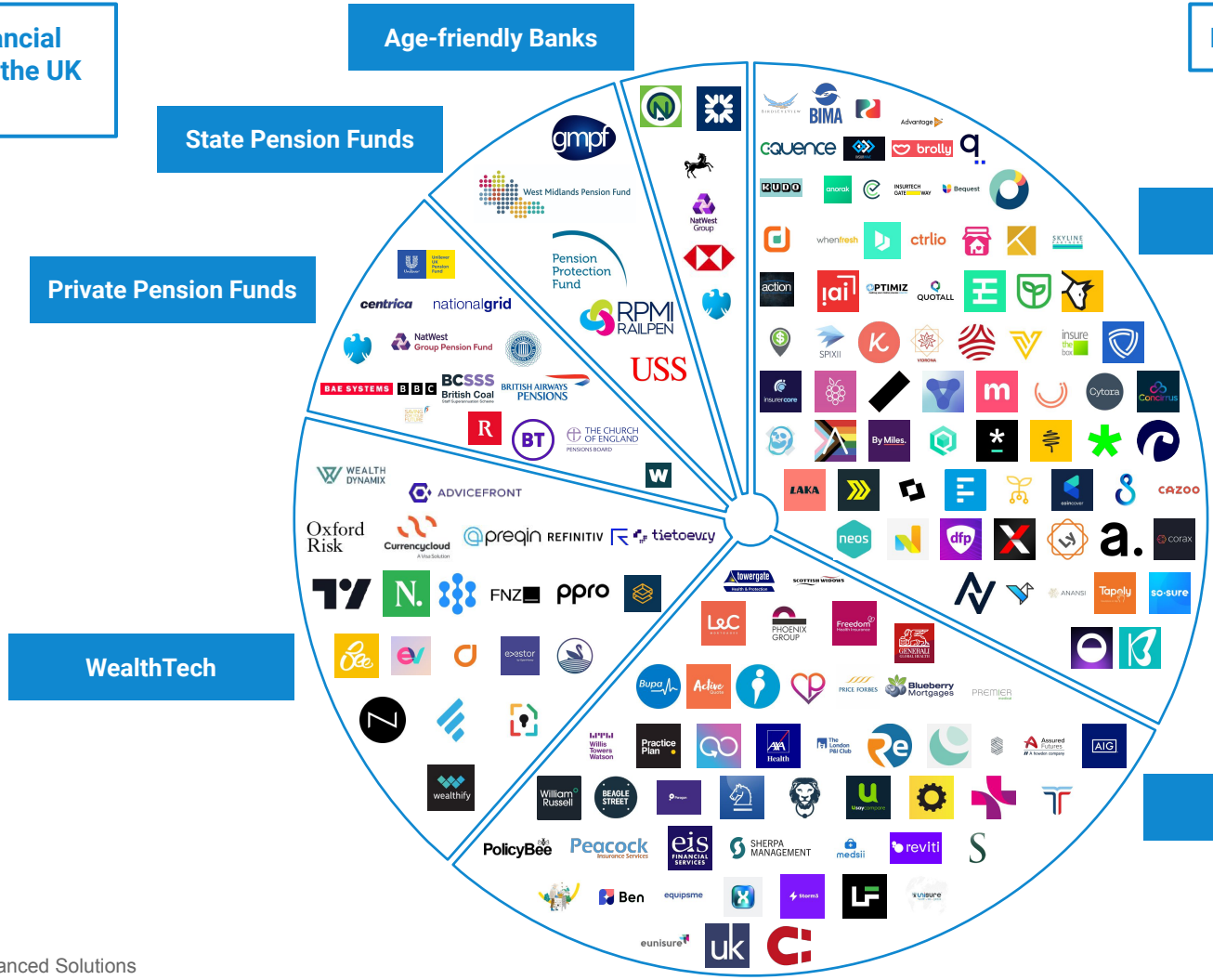
- Novel Retirement Plans
- Portfolio Management
- FinTech for the Elderly
- NextGen Mobile Apps for the Elderly
- Financial Planning
- De-risking

Novel Financial System

- Longevity Index Fund
- Longevity Hedge Fund
- Strategies Diversification
- Age-friendly Banks
- Longevity Derivatives
- Pension Planning

Longevity Financial Institutions in the UK 2022

Financial Institutions - 175



Interactive MindMap

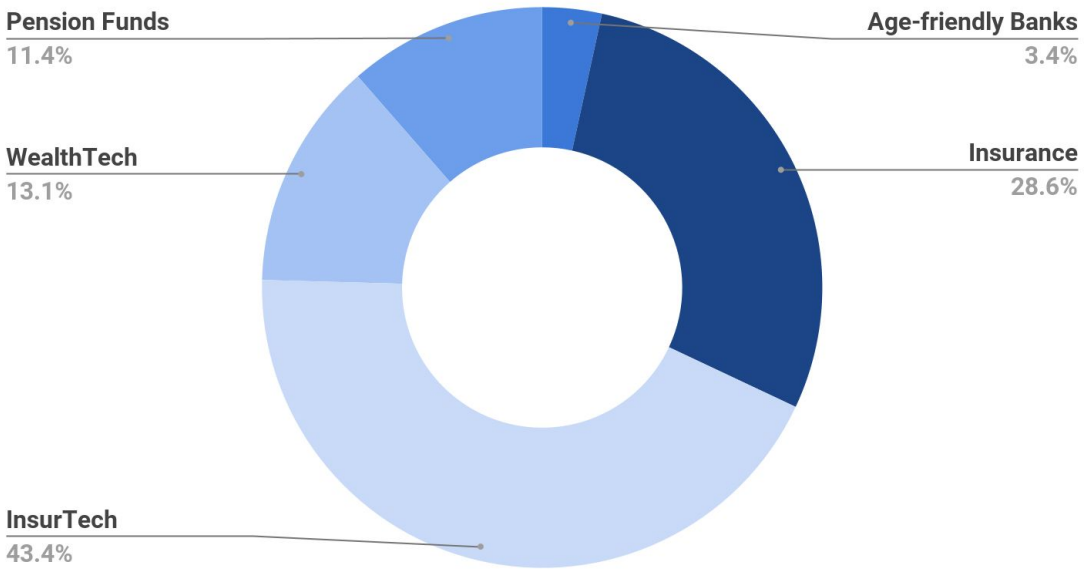
LONGEVITY FINANCE OVERVIEW

Longevity Finance is a diverse area, which takes into account different areas, such as pension planning, insurance, wealthtech and banking services.

A company, which targets this market, shall not only possess certain technological disruptions, even though it's one of the major trends on the market (with InsurTech accounting for 43% of the total number of the Industry participants) but shall also be proficient in the regulatory aspects since the latter playing a key role in the market development.

Despite pension funds being rather a rare market player here, they tend to accumulate significant financial leverages. This makes them, along with big Insurance companies the actual trendsetters in this market.

Distribution of Sub Industries

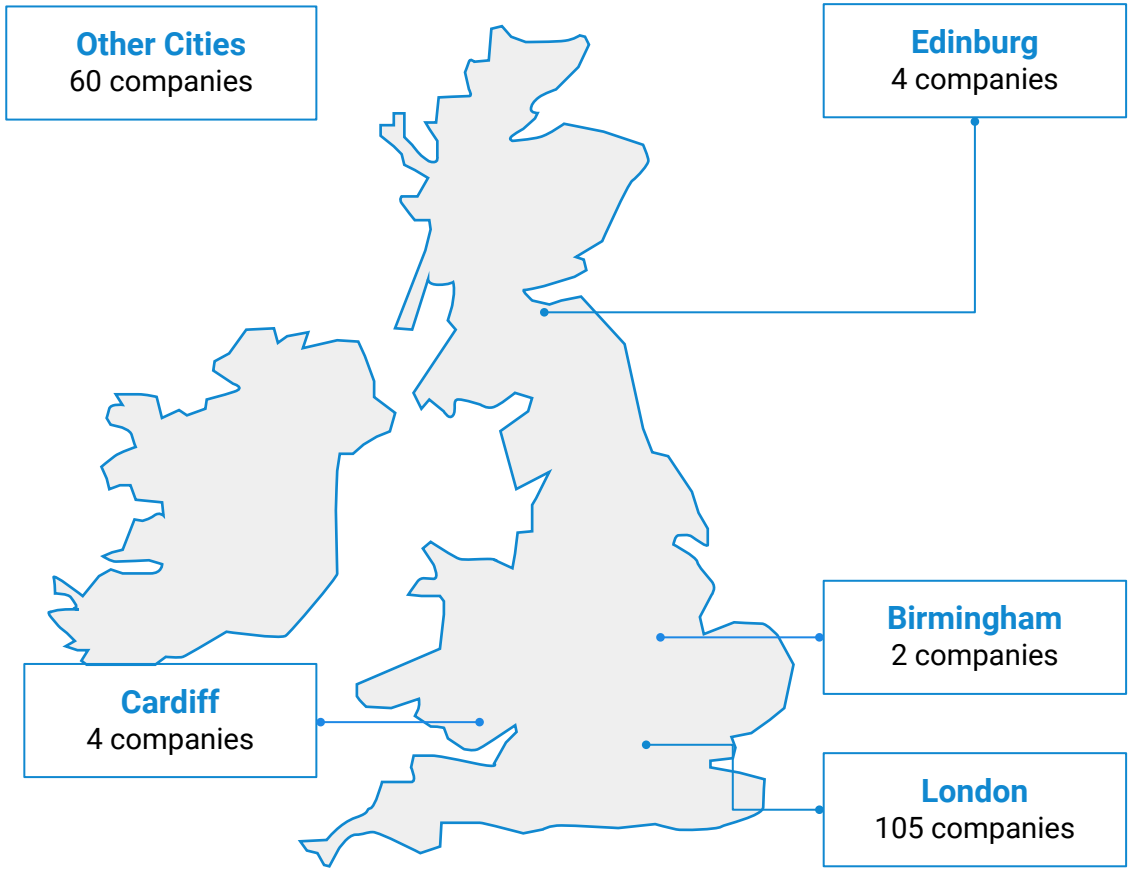


LONGEVITY FINANCE GEOGRAPHICAL DISTRIBUTION

The United Kingdom's market holds the decent share of the global Longevity financial industry both in terms of the number of the entities engaged in the industry, the level of development of the regulatory policies and the amount of investments allocated into Longevity-related activities.

Moreover, the country is among the economies having the increasing lifespan of its population, and, therefore, the UK is building the ecosystem aimed to tackle the challenges associated with that. At the national level policies targeting the financial industry are adopted to mitigate the negative outcomes of Longevity risk and to secure the financial inclusion of older population.

From the geographical perspective, London area is represented by the largest number of companies providing services and solutions in the Longevity financial industry. The rest of the companies are roughly evenly distributed across the regions.



LONGEVITY WEALTHTECH

The Longevity WealthTech industry comprises products and services that either simplify or enhance the creation and maintenance of wealth - from savings to investment - for all ages of society.

The term 'WealthTech' covers a new generation of financial technology companies that create digital solutions to transform the investment and asset management industry. New companies are arriving on the scene and are offering advice based on AI and Big Data. These forms of advice include the following types of solutions:

Robo advisors	Machine learning algorithms are used to give consumers advice based on the most lucrative investment possibilities, the user's risk aversion profile, and other data
Robo retirement	Building an investment portfolio based on clients' needs, such as when they want to retire and how much risk they can stomach
Digital brokers	Online platforms and software tools make stock market information and investment possibilities available to everybody
Customised financial products	Wealth management solutions are suited for investors who anticipate living for 100 years or more

MARKET TRENDS

The Longevity WealthTech market is yet to see the concentration of providers

The race for scale is on. The concentration of the market due to the increasing number of M&A deals is great for sponsors and participants as it improves the technology across the industry, driving efficiencies and improving the experience for clients.

A gradual decrease in fees for products and services

The trend is already stepping into the industry. Over time, it will be more clever to see the ways to get people to save.

Customization of workplace retirement plans

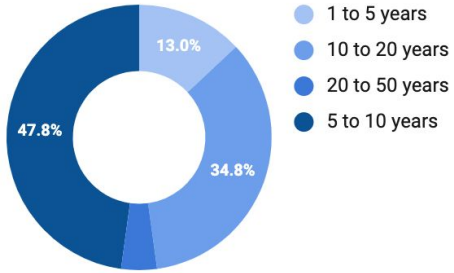
Retirement plans have historically been based on the investor's age and expected retirement date, but new technology can help to shift the emphasis from target-date funds to managed accounts. This will allow savers to choose retirement plans based on a greater number of factors and preferences that suit their needs.

The emergence of hybrid retirement strategies

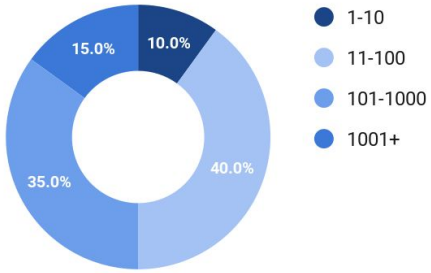
Longevity WealthTech begins to include international diversification and different types of assets that tend not to be perfectly correlated with one another, as well as tax management, rebalancing, and now direct indexing. Moreover, this trend will be accompanied by the wider inclusion of ESG options, alternative assets, or cryptocurrency in portfolios.

LONGEVITY WEALTHTECH

Years of Operation



Number of Employees



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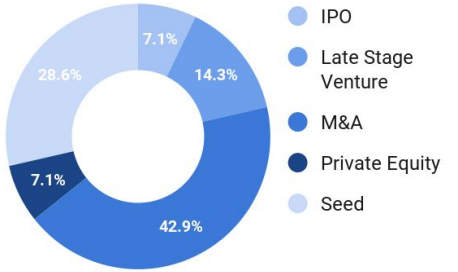

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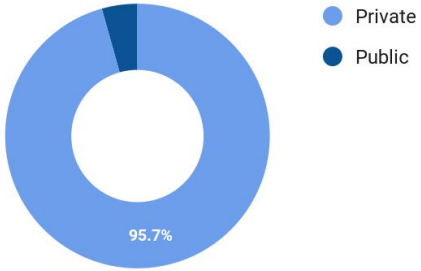
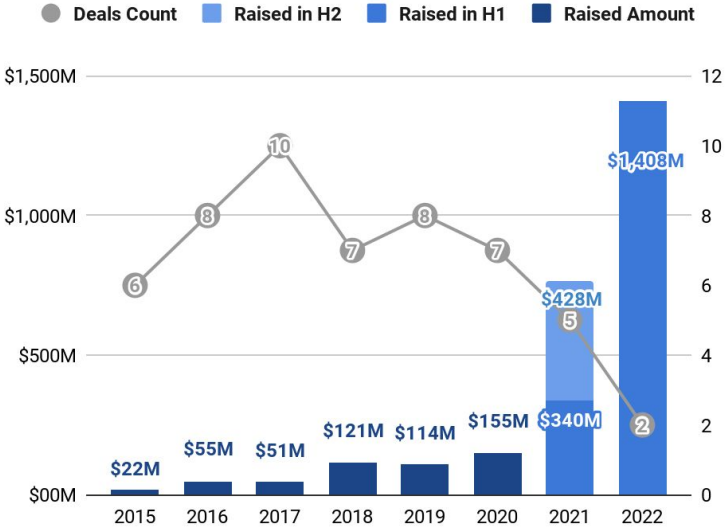


Investment Dynamics in Longevity WealthTech



2022 has witnessed the record high of private funding of Longevity WealthTech companies reaching $1.4 billion over 2 investment deals. Interestingly, the amount is 4 times higher than the corresponding figure for 2021 ($340 million in H1 2021). The reason for such a jump is that FNZ got $1.4 billion in private equity from Motive Partners and CPP Investments.

LONGEVITY WEALTHTECH

Major Funding Deals in Longevity WealthTech in 2021-2022

Company	Amount	Round	Date
FNZ	$1,400M	Private Equity	11-Feb-2022
Delio	$8M	Series Unknown	01-Mar-2022
TradingView	$298M	Series C	14-Oct-2021
PPRO	$180M	Private Equity	19-Jan-2021
TrueLayer	$130M	Series E	21-Sep-2021

WealthTech funding in the UK increased significantly in Q1 2022 compared to the corresponding period of 2021. So far, in 2022, two fundraising agreements worth $1.4 billion have been signed. Over the past year, more than $600 million worth of deals were signed, benefiting corporations from the United Kingdom.

Key M&A Deals in 2021-2022

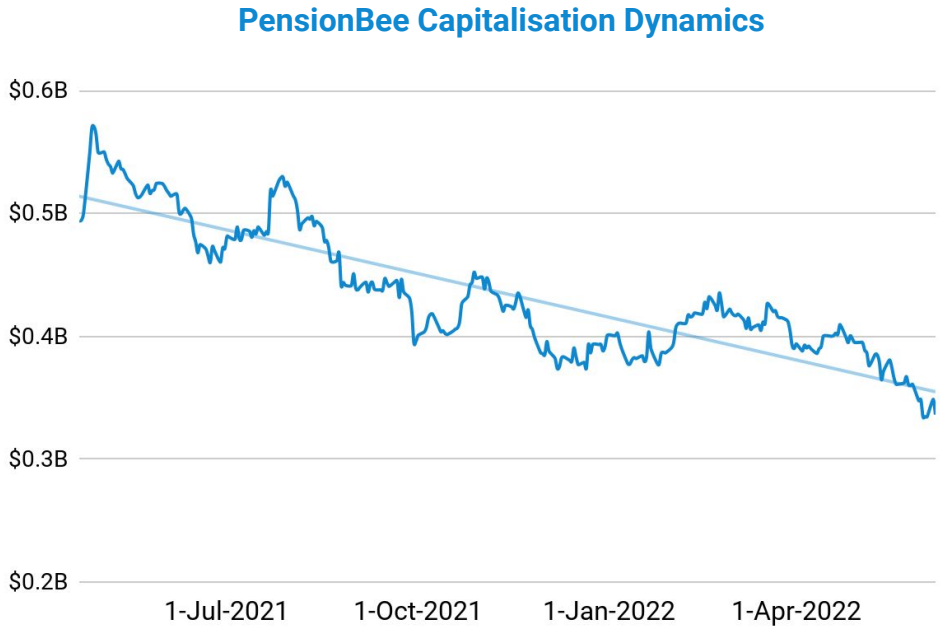
Acquiree	Acquirer	Date	Deal Type
Blue Prism	SS&C Technologies	1-Dec-2021	Acquisition
Charles Stanley	Raymond James	29-Jul-2021	Acquisition
Ziglu	Robinhood	19-Apr-2022	Acquisition
Colmore	Preqin	11-Aug-2021	Acquisition
Hubwise	SS&C Technologies	9-Dec-2021	Acquisition
Currencycloud	Visa	22-Jul-2021	Acquisition
Nutmeg	JPMorgan Chase & Co.	17-Jun-2021	Acquisition

PENSIONBEE CASE STUDY

Romi Savova founded **PensionBee** in **2014**, a pension consolidation company that merges and transfers clients' existing pensions into a new plan. Professionals such as Legal & General, BlackRock, State Street Global Advisors, and HSBC manage the pensions after that.

PensionBee **business model** is based around creating an **easy**, **user-friendly platform** for pension consolidation. PensionBee **makes money** only when a client's pension is invested, and they can charge an annual management fee. This is then split with the money manager. While other pension providers have other fees, PensionBee only has the one cost.

From a technical analysis perspective, PensionBee share price dropped by **20%** in the last year. It's a bit disappointing considering the market declined only by **1.5%**. On the other hand, PensionBee Group saw its revenue grow by **103%** for the same period. That's well above most other pre-profit companies.



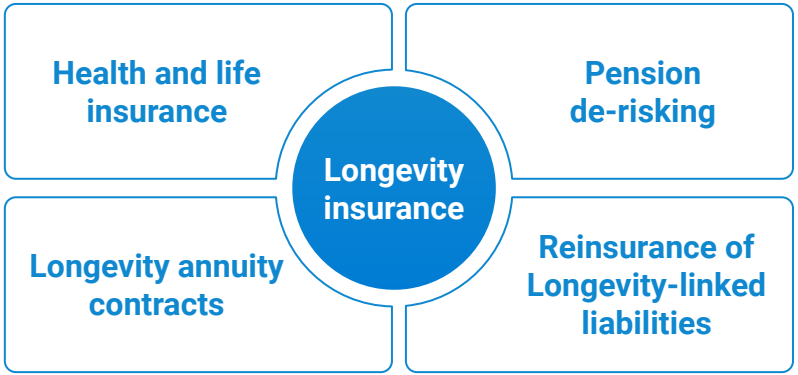
Company	Ticker	Valuation at IPO	Raised at IPO	Current Market Cap
PensionBee	PBEE	$508M	$77M	$0.34B

LONGEVITY INSURANCE

Longevity Insurance covers a wide range of products and services associated with the risks of the ageing population.

Life insurance companies have relatively flat exposure to Longevity risk, with annuity portfolios offsetting insurance policies. Hence, the market has overall negative exposure to Longevity improvements. Reinsurers neither have the capacity nor are willing to accept such a large risk. Capital markets, with their depth, capacity and experience in risk hedging, have the potential to hedge Longevity risk effectively.

Longevity risk is explicitly incorporated on a portfolio level of a life insurance company issuing participating contracts and being subject to default risk.



MARKET TRENDS

Longevity risk becomes the multiplier of other insured risks

In upcoming years the insurance industry must further develop the approaches to hedge the Longevity risk which acts as a multiplier: if the insured person lives for longer, all other risks (e.g. market, inflation, long-term care, deflation risks etc.) will multiple.

Life insurers have to revise business strategies: consumer engagement and tech should be put a priority

When compared to other financial services providers, insurance is usually seen to have fewer consumer interactions. The ability to engage with wearables, on the other hand, may result in more active connections that benefit both the consumer and the insurer.

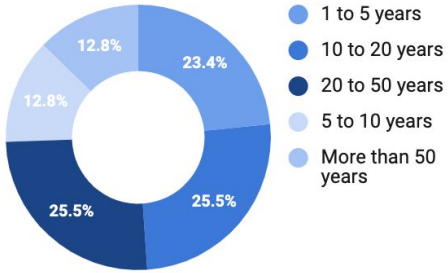
The emergence of connected devices presents an opportunity for insurers to assist consumers in managing personal risk and improving their health by providing services that adapt to their behaviour. Insurers can evolve from being perceived as merely "providers of policies that protect against risks" to being "the protectors of Longevity."

Solvency II reforms will facilitate to the growth of Longevity risk insurance

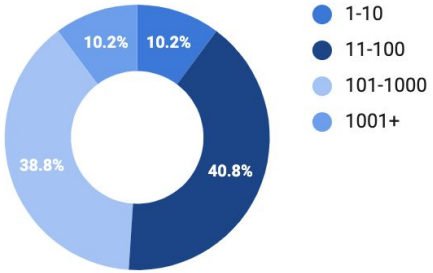
Reform of the insurance industry's Solvency regulations matters because it has implications for the bulk annuity market and policyholder protection. Over £150 billion of defined benefits has been insured in just the last three years, with demand for pension risk transfers expected to remain strong in coming years.

INSURANCE SUBSECTOR

Years of Operation



Number of Employees



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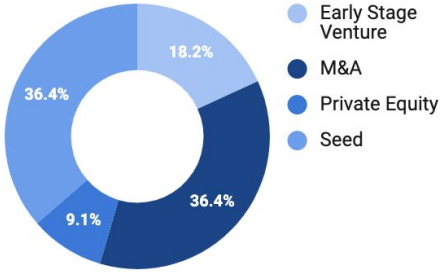
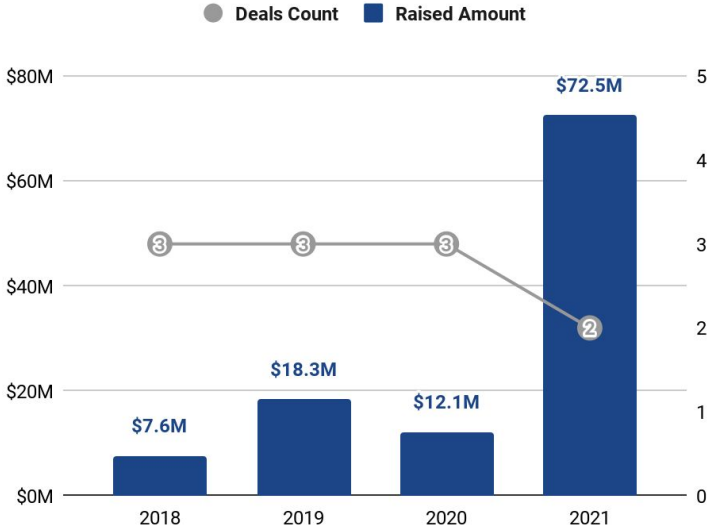


Investment Dynamics in Longevity Insurance



2021 has set the record value of investments allocated into the Longevity insurance sector ($72.5 million over 2 deals) exceeding the previous year by 6 times. As of June 2022, no investment deals were made in the sector starting from the beginning of the year.

INSURANCE SUBSECTOR

Major Funding Deals in Insurance Subsector in 2021-2022

Company	Amount	Round	Date
YuLife	$70M	Series B	14-Jul-2021
Ben	$2.5M	Seed	1-Feb-2021

In comparison to 2020, the funding level for the insurance subsector in the UK increased substantially in 2021. The reason for such a jump is a Series B $70 million funding of YuLife by Target Global and other investors. Since the beginning of the year, no investment deals have been made in the industry (as of June 2022).

Key M&A Deals in 2021-2022

Acquiree	Acquirer	Date	Deal Type
Property Partner	Better.com	3-Sep-2021	Acquisition
Trussle	Better.com	12-Jul-2021	Acquisition

UK-based InsurTech-focused SPAC plans £150m IPO

FINSAC, a new Special Purpose Acquisition Vehicle (**SPAC**) is all set to be listed on the London Stock Exchange (LSE) and to merge with a leading name insurance technology firm afterwards. According to media sources, two of the **UK's largest insurance companies** are planning a **£150 million fundraising** campaign for the SPAC, which is pursuing a merger with a major industry player.

According to **Sky News**, FINSAC's primary backers Empyrean Capital and asset manager Toscafund, led by Will Allen and Andy Rear, are supporting the launch. **Will Allen** previously worked for the investment bank KBW, while **Andy Rear** is a former employee of Munich Reinsurance Company.

The blank cheque company has already lined up a list of City veterans as non-executive directors, including insurance veteran **Paul Jardine** and fund manager **David Morant**.

CHANGES AND CHALLENGES IN THE INSURANCE INDUSTRY

Products are homogeneous and do not sufficiently meet consumer demands	The insurance industry should focus more closely on customer needs, provide differentiated products and services, expand insurance coverage, further enrich the insurance service experience, and enable the risk protection function of insurance.
Insurance companies' ability to control cooperative channels is weak. Customer acquisition costs are relatively high	Insurance companies, especially small and medium-sized companies, have relatively weak control over cooperative channels, including agents and third-parties such as banks, brokers, etc. That is why insurance companies urgently need to explore new ways to cooperate with other channels and acquire new customers.
The relatively low underwriting constrains long-term industry development	In addition to the high cost of obtaining consumers, management costs are high and, the loss ratio in some business lines is also relatively high or volatile.

With the ongoing emergence of InsurTech, which is a combination of modern technology applications and insurance operations, many traditional insurance companies are looking to further invest in developing their own internal technology infrastructure or start-up ventures.

Insurance companies do not always need to go through technological transformation by themselves. If they did, it would take them longer to build disruptive capabilities. Instead, insurers need to establish deeper relationships and collaborate in win-win partnerships with InsurTechs to fast track the transformation of the insurance industry. By working together, they can combine traditional insurers' underwriting capabilities and InsurTechs technological solutions to deliver greater efficiencies and innovative improvements to insurance customers.

LONGEVITY INSURTECH

Longevity InsurTech encompasses progressive and modern insurance solutions designed to meet the needs of individuals who plan to actively expand their healthspan and maintain prolonged periods of healthy Longevity.

Longevity InsurTech aims to offer discounted insurance rates in proportion to clients' decreased risk of ill health and disease, and supporting coverage for a broader array of products, services, and tools to help them maintain their health and wellness.

Most InsurTech companies are distributors. Comparison sites and apps offer consumers an easy, real-time way to compare coverage and price options.

Advanced analytics capabilities to identify client needs, define appropriate pricing structures

Simplified interfaces for customers, management tools for distributors/insures

Hardware/software solutions to streamline claims processing

MARKET TRENDS

Insurance providers will closely partner with seniors caregivers

Using innovative digital solutions such as non-invasive tools and devices or by improving home care aspects, insurers can become real partners to patients and caregivers by sharing the burden of care and helping patients increase their quality of life.

Insurers have to become simple and digital

Life and health insurers have woken up to the need to simplify and digitalise their businesses. Simplifying complex products, identifying, alleviating customer pain points and episodes, and creating a seamless customer experience across all channels are critical.

Embracing advanced analytics tools

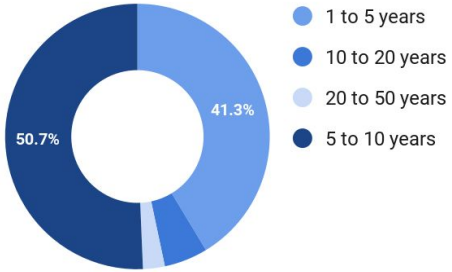
Longevity InsurTechs are mastering processes such as underwriting, which were formerly the sole domain of incumbents, through leveraging data and advanced analytics.

InsurTechs will ease the burden of the insurance industry

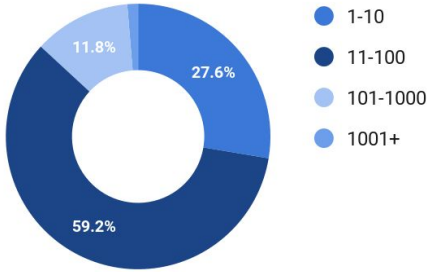
Older people are deemed more costly to the insurance system. Insurers make the decisions based on aggregate profiles that include gender and age. Using data from wearable devices, insurers can create more insightful individual profiles and provide personalised services leveraging behavioural analytics.

INSURTECH SUBSECTOR

Years of Operation



Number of Employees



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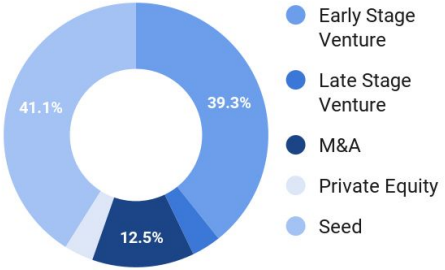
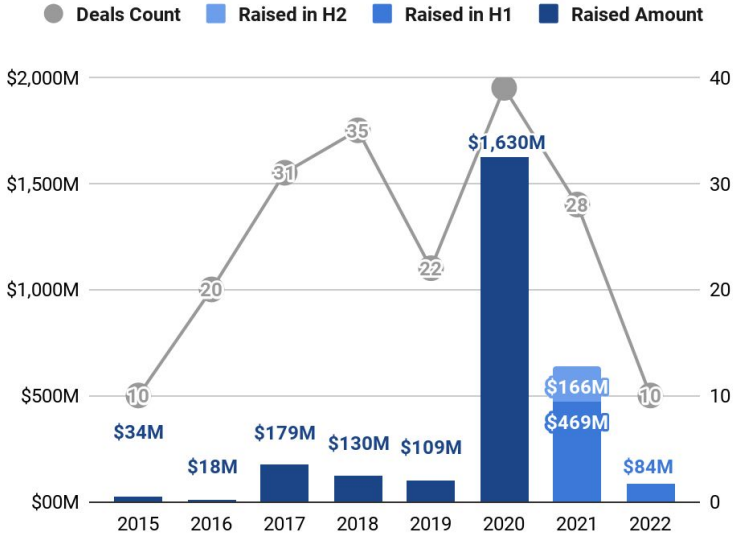


Investment Dynamics in Longevity InsurTech



2020 saw a new high in private funding for Longevity InsurTech companies, with $1.6 billion raised in 39 deals. As of June 2022, 10 investment deals were made starting from the beginning of the year in which Longevity InsurTech companies secured $83.8 million of total funding.

INSURTECH SUBSECTOR

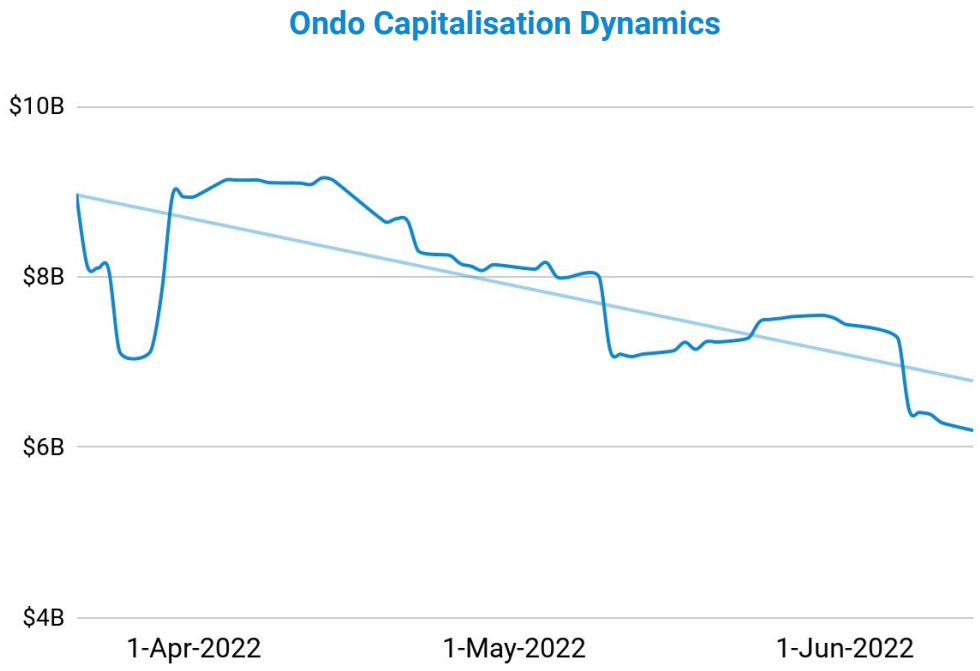
Major Funding Deals in Longevity InsurTech in 2022

Company	Amount	Round	Date
Urban Jungle	$20M	Series A	23-May-2022
DeadHappy	$15M	Venture Round	2-Mar-2022
FloodFlash	$14M	Series A	10-Feb-2022
Qumata	$13M	Series A	16-Feb-2022
Laka	$12M	Series A	26-Jan-2022
Climate X	$5.4M	Seed	22-Mar-2022
Skyline Partners	$1.8M	Venture Round	17-May-2022
Yokahu	$0.3M	Pre-Seed	1-Jan-2022
Kita	$0.1M	Pre-Seed	20-May-2022
Optimiz	$0.1M	Pre-Seed	1-Jan-2022

Key M&A Deals in 2021-2022

Acquiree	Acquirer	Date	Deal Type
The Floow	Otonomo	27-Feb-2022	Acquisition
Insurwave	IncubEx	23-Nov-2021	Acquisition
Cazana	Cazoo	2-Sep-2021	Acquisition
Digital Fineprint	hubb	6-Dec-2021	Acquisition
Setoo	Pattern	15-Jul-2021	Merger

ONDO INSURTECH CASE STUDY



Company	Ticker	Valuation at IPO	Raised at IPO	Current Market Cap
Ondo	ONDO.L	N/A	$4.5M	$6.2M

Ondo InsurTech PLC works with **home insurers** to deploy proprietary solutions to deliver sustainable risk reduction. The company's focus is on the global scale-up of LeakBot – an end-to-end internet of things solution for the detection of micro-leaks in residential properties.

Ondo currently partners with **nine blue-chip insurers** – among them Hiscox, Direct Line and TopDanmark – across the UK, Ireland, the US and Scandinavia. As of March 2022, there were approximately **39,000** devices supplied.

Ondo became **the first InsurTech to go public in the UK** when it was announced that the special purpose acquisition company (**SPAC**) Spinnaker Acquisition Plc had completed its acquisition of **LeakBot**. With this IPO, the company has raised **£3.4 million** (or $4.5 million). Furthermore, company's CEO Craig Foster has recently told the **commercial return** of its LeakBot technology for insurance carriers is twice what was previously claimed. Seems that investors may expect share price to go up.

SCOPE OF SOLUTIONS PROVIDED BY INSURTECH COMPANIES

InsurTech companies use emerging hardware, software and user interfaces to address inefficiencies or opportunities in the insurance value chain. It often involves technology, data and analytics. It targets the evolution and disruption of the interaction between insurers and their customers, the automation of processes, and the modification of old and creation of new insurance products. This is a broad definition as many companies can label themselves as InsurTech if they do business in insurance with modern technology.

Claims Management

Due to the surge in data for insurance, insurance companies that currently depend on robotic process automation (RPA) to review claims, and other insurers are also considering adopting this technology in the future.

Underwriting and Risk

Sophisticated prevention models can offer new approaches to underwriting risk and predicting losses. More data from sensors or wearables will result in a more holistic and accurate risk modeling, driving higher predictability toward personalised insurance products.

Customer Experience

InsurTechs are delivering innovative, personalised, simple, and digital products with a seamless customer experience. For example, artificial intelligence can improve customer interaction and conversion ratios, as well as reduce claims turnaround times.

Data Management

Data management is being enhanced by the development of data standards, blockchain technology, and aggregation, along with the application of enrichment capabilities through external data sources.

New Insurance Service Offerings

New products and offerings in the digital space have emerged, such as usage-based insurance, digital assets insurance, marketplaces, and insurance shopping platforms.

Scoring

By tracking drivers' behaviour insurers can create tailored insurance plans and improve risk management. For instance, telematics insurance can detect irresponsible and safe drivers by utilizing such disruptive models.

INSURTECHS LICENSING IN THE UK. OPTION #1: GETTING AN INSURANCE LICENCE

The first option of launching InsurTech company in the UK provides for the process of direct authorisation by FCA and PRA. This process can take up to six months, which requires detailed business plans and the provision of a large amount of information to be submitted to the FCA in respect of the business and financial controls, board composition, IT systems, PI insurance and the business process. **It is a long and expensive process, and the continuing costs of regulation thereafter should not be ignored.**

The basic requirements for getting an insurance licence in the UK include:

Legal form	Insurers must be a body corporate (other than a limited liability partnership), (b) a registered friendly society, or (c) a member of Lloyd's.
Suitability	The applicant must satisfy the PRA that it is a 'fit and proper' person with regard to all circumstances to conduct a regulated activity. The applicant firm's management have adequate skills and experience and act with integrity (fitness and propriety).
Location of offices	The UK incorporated corporate body must maintain its head offices and, if one exists, its registered office in the United Kingdom. If the applicant is not a body corporate but its head office is in the United Kingdom, the applicant must carry on business in the United Kingdom.
The minimum amount of capital	The amount of minimum capital required will depend on a number of factors, including whether or not the firm is a Solvency II or non-directive firm and the type of business the firm proposed to write. Within the United Kingdom, newly authorized insurers and reinsurers will be subject to the Solvency II regime if they meet all the conditions stated in **PRA Rulebook Insurance General Application rule 2.** Under Solvency II, non-Directive firms in general, are those with gross premium income below €5 million and gross technical provisions of less than €25 million.

INSURTECHS LICENSING IN THE UK. OPTION #2: ACTING AS MANAGING GENERAL AGENT

There are numerous InsurTechs in Britain that act as managing general agents. Such agents will underwrite policies and manage claims like an insurer, but the capital to pay the claims comes from the insurers they work with.

There may be alternatives which allow InsurTech company to offer similar products through another insurer without becoming an insurer itself. For example, if such company is interested in working in a niche area of the market or perhaps prefer to test its product first, operating as a managing general agent (MGA) may be more appropriate.

Key Characteristics of MGAs:

MGAs are not insurance companies in that they don't assume insurance risk (the responsibility of paying a claim if an insured event occurs).

MGAs provide underwriting and other critical services such as marketing, binding, and policy issuance. MGAs typically partner with insurers that provide their balance sheet to support the insurance risk.

MGA manages all or part of the insurance business of an insurer and acts as an insurance agent or broker for the insurer, while working as the intermediary between insurers and agents, and/or insureds.

Methods of Undertaking Regulated MGA Business:

Direct Authorisation

It is a long and expensive process, and the continuing costs of regulation thereafter should not be ignored.

Acting as an Appointed Representative (AR)

This is already a regulated intermediary which may be an insurance company that supports the start-up MGA taking on all the regulatory responsibility and liability. The process of appointment and approval by the Regulator takes little time.

INSURTECHS LICENSING IN THE UK. OPTION #2: ACTING AS MANAGING GENERAL AGENT

InsurTech Company

DEADHAPPY

Authorised Insurer

Brightside Insurance Agency L.L.C.

DeadHappy provides digital pay-as-you-go life insurance services. InsurTech specializes in flexible life insurance policies. In November 2020 DeadHappy announced its partnership with Brightside Life Insurance, a Top 30 UK insurance broker.

InsurTech Company

anorak

Authorised Insurer

AXA

Anorak offers a platform that uses data science and machine learning to find the life insurance policy suited to the user. It is backed by Kamet, and AXA Group's knowledge, capital, and assets.

InsurTech Company

FLOCK

Authorised Insurer

Allianz

Flock is a London-based InsurTech start-up backed by venture capital and the government, operating at the cutting edge of the data analytics and insurance space. Flock partnered with Allianz, the world's largest aviation insurer, to launch a suite of data-driven risk intelligence and insurance products for the drone industry.

INSURTECHS LICENSING IN THE UK. OPTION #3: APPLYING FOR THE INSURANCE LICENCE IN GIBRALTAR

The territory of Gibraltar has become an increasingly popular destination for British InsurTech start-ups seeking a licence. Insurers regulated in Gibraltar often have a lower solvency requirement than those regulated by the UK's Prudential Regulation Authority. But they can run business in the UK because Gibraltar remains a British jurisdiction.

- As long as InsurTech start-ups have relevant permissions from the Financial Conduct Authority (FCA) in the UK, obtaining a licence from the Gibraltar government enables them to trade in the UK.
- The difference is that **seeking prudential authorisation through Gibraltar provides an alternative to going through the Prudential Regulation Authority (PRA).** Instead of applying to the PRA, **Gibraltar offers a faster route** for prospective carriers looking to secure licences that provide the prudential permissions around capital requirements, which would enable firms to underwrite risks.
- While seeking the licence **through Gibraltar can take six months for a complete application, doing so via the PRA can take well over a year,** leaving Gibraltar an attractive prospect, particularly for InsurTech MGAs trying to set up operations quickly.
- Gibraltar, as it is part of the Schengen Zone, in which 26 European countries allow freedom of movement. The territory's government is also pursuing legislation to improve access for its regulated firms to EU markets.

Absolute Minimum Capital Requirement for Getting a Licence in Gibraltar

Direct Insurer	
Life insurer	€3.7 million
Non-life liability insurer	€3.7 million
Non-life other insurer (including captives)	€2.5 million

Reinsurer (Both Life and Non-life)	
Captive reinsurer	€1.2 million
Reinsurer (excluding captives)	€3.6 million

INSURTECHS LICENSING IN THE UK. OPTION #3: APPLYING FOR THE INSURANCE LICENCE IN GIBRALTAR

To date, there are 2 examples of obtaining the licence in Gibraltar: Zego and Marshmallow InsurTech startups.

Examining the case of Zego:

When Zego first started in 2016, its priority was to get customers insured and out on the road working as fast as possible. They knew that the best way to do this was to partner with an established insurer and operate as a broker. This meant that they could develop the concepts for flexible insurance products and build out tech platforms in-house, but count on an external party to take on the financial risk associated with claims.

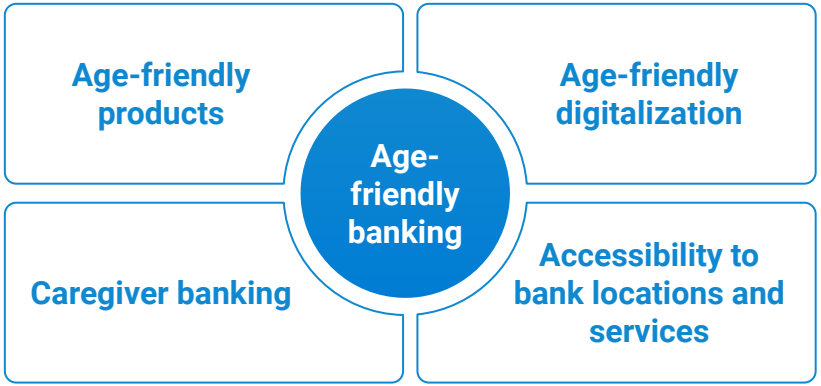
Zego says its insurance policies are backed by 15 A-rated reinsurers, including global giant Swiss Re.

In 2020 InsurTech company Zego secured its licence to underwrite insurance in the UK after granting the licence in Gibraltar. Their new licence gives them the power to create their own insurance products by assessing a customer's level of risk and deciding whether to insure them, rather than relying on partner insurance firms to do this for them. Although they'll continue to work in partnership with other insurers, Zego will no longer rely on partners' approval to launch products where there's a need to move quickly or an opportunity to try innovative risk assessment and pricing methods.

AGE-FRIENDLY BANKS

As AgeTech and WealthTech converge, the financial sector is expected to witness the rise of age-friendly banks, a new form of an organisation aimed at making banking easier for those over 60. In most ways, it would resemble a typical FinTech bank that had been adjusted for older clientele.

Age-friendly banking is centred on providing effective and tailored financial products, services, and protections specifically for low- and moderate-income older adults. Financial institutions have a responsibility as well as a distinct opportunity to better serve the nation's growing older adult population, which is their largest customer base. Keeping older adults independent and healthy in their communities benefits everyone and saves government money.



MARKET TRENDS

Seniors are eager for digital banking services

The surveys reveal that seniors face the issue of using digital banking products that are predominantly developed for clients of any age. At the same time, an ever-increasing number of older clients express the desire to learn more about how to use the products. Given the increasing proportion of the older population, especially in the developed markets, in the upcoming future banks are required to either develop services able to meet the needs of the elderly or make initiatives aimed at the education of such clients.

Security in the banking space remains to be a major concern for elderly

Seniors, who are often on fixed incomes and may already feel financially vulnerable, may be especially worried about the potential monetary loss from online identity theft and the like.

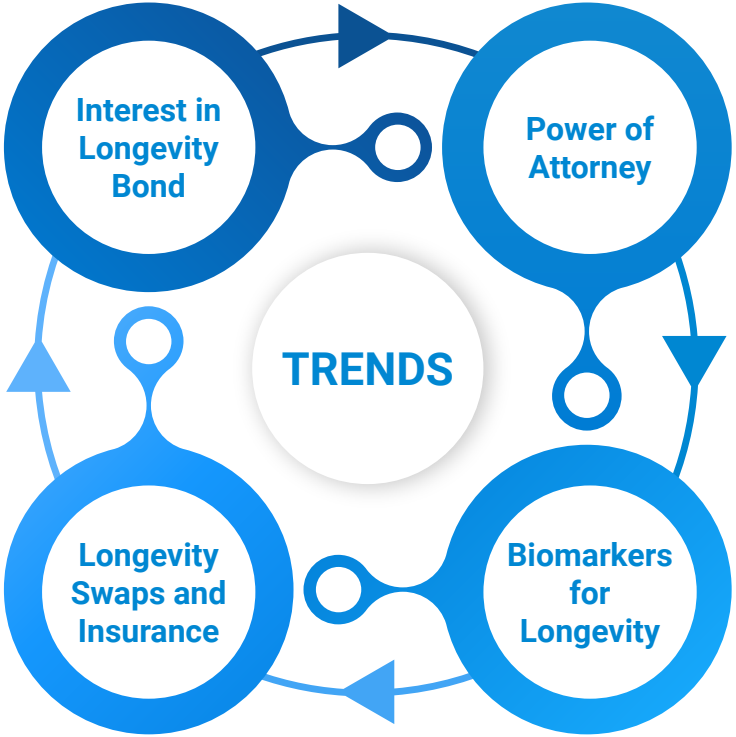
Offline banking is here to stay for some time

Despite the wider acceptance of digital banking by the elderly, the physical presence of bank branches in communities will play a vital role for the clients. While the adoption of web services, older customers can suffer because of organisations' failure of empathy, failure of inclusiveness and, above all, failure of customer strategy. That's why visits to a bank will probably be the only way to eliminate the problem in the nearest future.

MARKET TRENDS IN THE UK

The slow rise of Longevity bonds has been caused by a number of variables, some of which are relevant to both buyers and sellers. In general, the market for Longevity risk investors is depleted, and capital must be lured by enticing risk-adjusted returns.

In a Longevity swap, the pension fund is protected from higher-than-expected pension payouts in a similar way. The ability to hedge the Longevity risk associated with certain segments of the underlying population is one advantage of buy-ins and swaps. Swaps have the advantage of isolating Longevity risk, whereas buy-in and buy-out transactions generally also transfer asset investment risk.



Every year, more and more banks in the UK offer access to accounts through the Power of Attorney. Older people have the opportunity to transfer rights and access to their accounts to their close relatives or good acquaintances.

Biomarkers UK aims to present forward-thinking perspectives on the most recent trends and tools affecting biomarker research. In the United Kingdom, there are global pharmaceutical firms, innovative BioTech companies, and internationally renowned academic institutions working in a variety of therapeutic areas and stages of drug development.

TECH-ENABLED LONGEVITY BANKING SOLUTIONS IN THE UK

Revolut

Revolut, a payment and banking app, has reported an increase of over 215% in the number of UK users aged between 55-74 over 2020-2021. Data has also shown that older adults are back to travelling as the 55-64 UK age group has seen a tenfold increase in the amount spent in foreign countries over the past two years.

LONGEVITY CARD

Longevity Card wants to help people to live extra-long lives by combining mHealth and leading health and wellness companies in one place. Mastercard Debit Card and Web / Mobile banking app with mHealth integration.

Starling Bank

Starling Bank, a UK-based digital bank, has come up with the Connected card, an inclusive product for disabled consumers and older people who rely on support workers, relatives or neighbours.

Guardian Card

GuardianCard is a safe and simple solution to taking care of the finances of older or vulnerable family members. GuardianCard allows the holder to give a virtual, or physical card, to a carer, friend or relative to do shopping or pay bills.

LONGEVITY BANKING SOLUTIONS IN THE UK

AGE-FRIENDLY BANKS

The worldwide population of older people growing pushes even the most conservative financial institutions to examine how to make their products more "age-friendly." Banks that are age-friendly provide effective and specialised financial products, services, and safeguards for people over the age of 60.

The proportion of older people in the population is growing, which means there are fewer and fewer working-age people. Banks and financial services will need to meet the changing demands and expectations of customers in this new era.

Banks and financial institutions should think about creating new products for the growing number of older people, who are also living longer now and thus able to absorb higher financial risks than elderly people of past generations. So, there should be new thinking about investment plans and other products designed for this new generation of elderly citizens in this new era.

Innovation can be the answer to the decumulation of wealth as well. Banks should pay attention to single elderly people who tend to live alone without descendants. These types of people need different kinds of loans that are specifically designed for retired people, such as reverse mortgages. These products can provide people with the support they need for long-term, secure living.

Main Components of Age-friendly Banking

1. **Protecting older adults from financial abuse and fraud**
2. **Customising financial products and services to older adults' needs**
3. **Expanding affordable financial management**
4. **Guaranteeing access to critical income supports**
5. **Facilitating ageing in the community**
6. **Improving the accessibility of banking for those with restricted mobility or living alone in remote areas**

AGE-FRIENDLY BANKS. BARCLAYS

BARCLAYS

Barclays is a London-based multinational bank. Barclays operates as two divisions, Barclays UK and Barclays International, supported by a service company, Barclays Execution Services.

Barclays provides account services tailored to the needs of **older adults**. Representatives and tellers are trained to spot **unusual activity and fraud**, which they politely report to customers. Older adults are reluctant to admit they are being scammed, but will stop once a third party raises the possibility.

Barclays has also provided **'virtual tea and teach'** sessions to help older people improve their confidence in banking online, and allowed a "trusted third-party" to access an account on a one-off, temporary or permanent basis.

Stock Symbol	Price Per Stock	Market Cap	Beta	P/E	Operating Margin
BARC	£155.73	£25.99B	1.41	5.41	40.49%

Barclays Bank – Carer Forums

To respond to the challenges carers face, Barclays has been working with external organisations and charities to establish local Carer Forum events for ageing people. These forums, which are open to everyone, not just Barclays customers, provide a place to speak with experts so that carers can address multiple or complex concerns regarding the usage of online banking and a Power of Attorney.

The Barclays cheque imaging pilot

The pilot allows a Barclays cheque to be paid into a Barclays account. Since its launch, £1.5 million have been deposited by the over 50,000 Barclays customers signed up for the pilot. Customers click on the 'Deposit a cheque' icon within the Barclays Mobile Banking app, enter some basic details relating to the deposit and then take an image of both the front and back of the cheque using the mobile app.

AGE-FRIENDLY BANKS. LLOYDS BANKING GROUP

Lloyds Banking Group plc is one of the UK's largest financial services organisations formed through the acquisition of HBOS by Lloyds TSB in 2009.

Lloyds Banking Group developed an **improved system for registering Power of Attorney**, giving customers an efficient, one-visit experience, with the PoA being correctly recorded within one hour at the customer's branch.

Lloyds has also committed to making its branches more accessible for people with **physical or cognitive impairment**. Customers can request a quiet space or more time to make financial decisions. These preferences are on the customer's account so front-line workers can easily handle them. Lloyds has noticed a substantial reduction in bank complaints as a result of this program.

Stock Symbol	Price Per Stock	Market Cap	Beta	P/E	Operating Margin
LLOY.L	£42.83	£29.81B	1.32	6.72	49.87%

Lloyds Banking Group (UK) – an opportunity for registering a Power of Attorney

A Power of Attorney (PoA) is a legal document that authorises a third party (the 'attorney') to act on the part of the first party (the 'donor'). If someone is at risk of losing mental capacity or for other reasons needs a third party to carry out banking on their behalf, a PoA is an essential document. However, it has to be created before capacity is lost, be registered with the Office of the Public Guardian and recorded by the relevant bank.

Improved document handling

Scanning facilities have been introduced in all branches to avoid missing documents and long time scales. Documents are attached to an existing customer file as the system creates a footprint which generates a reference.

AGE-FRIENDLY BANKS. ROYAL BANK OF SCOTLAND (RBS) AND NATWEST

NatWest Group

The **Royal Bank of Scotland** (RBS) Group has **changed** its name to the **NatWest Group** in 2020. It is a British banking and insurance holding company, based in Edinburgh, Scotland.

In the United Kingdom, its main subsidiary companies are National Westminster Bank, Royal Bank of Scotland, NatWest Markets and Coutts. The group issues banknotes in Scotland and Northern Ireland.

There is a strategy called "**be the difference**" introduced in the bank. It encourages staff to spend the time on calls to better comprehend the customer's call and notice any discomfort that may signal an older adult may be the **victim of financial fraud or exploitation**. NatWest identified routine transactions for which customers could self-service, freeing up staff time for more complicated calls.

Stock Symbol	Price Per Stock	Market Cap	Beta	P/E	Operating Margin
NWG.L	£219	£22.97B	1.38	5.41	40.49%

Door-to-door service

RBS can provide door-to-door service for some customers with disabilities. NatWest staff visit an elderly care home weekly to serve a blind, wheelchair-using customer whose local bank is far.

Latest developments in mobile branches

RBS Group has recently added 28 new vehicles to its fleet to support new and existing routes. These vehicles have a satellite dish and iPads so customers can access their bank account anywhere. Mobile branches have high-visibility steps and handrails and open designs. By removing teller screens, hearing-impaired customers can communicate with staff without a hearing loop.

Accessible debit and savings cards

RBS and NatWest accessible cards have markings that help blind and partially sighted customers distinguish between their debit and savings cards. Each card can be identified by a series of raised dots.

AGE-FRIENDLY BANKS. HSBC

HSBC

HSBC Holdings plc is a British multinational universal bank and financial services holding company. It is the largest bank in Europe by total assets, with $2.953 trillion as of December 2021. In 2021, HSBC had $10.8 trillion in assets under custody (AuC) and $4.9 trillion in assets under administration (AuA), respectively.

HSBC is committed to **promoting 'age-friendliness'** as a means of caring for the elderly. There is a senior discount, for example, for those over the age of 60. The bank provides a variety of tailored products, services, and brochures to ensure that customers of all ages can use its banking services, stay vigilant about financial crime, and understand their legal options in the years ahead.

Stock Symbol	Price Per Stock	Market Cap	Beta	P/E	Operating Margin
HSBA.L	£515.60	£103.68B	0.58	8.59	34.01%

Securing ageing people's finances for the future

HSBC outlines two key considerations that help to ensure the assets are properly managed in the future: third-party authorities and legacy planning. If a customer plans to have a Power of Attorney or make a will to secure your finances in the future, HSBC can offer all needed services.

Age-friendly online banking

A comprehensive range of digital banking services to access finances simply and securely, at any time. Digital banking allows customers to: manage their finances anytime, anywhere; bank at their convenience; process all transactions and personal information through strict bank security systems.

Voice ID

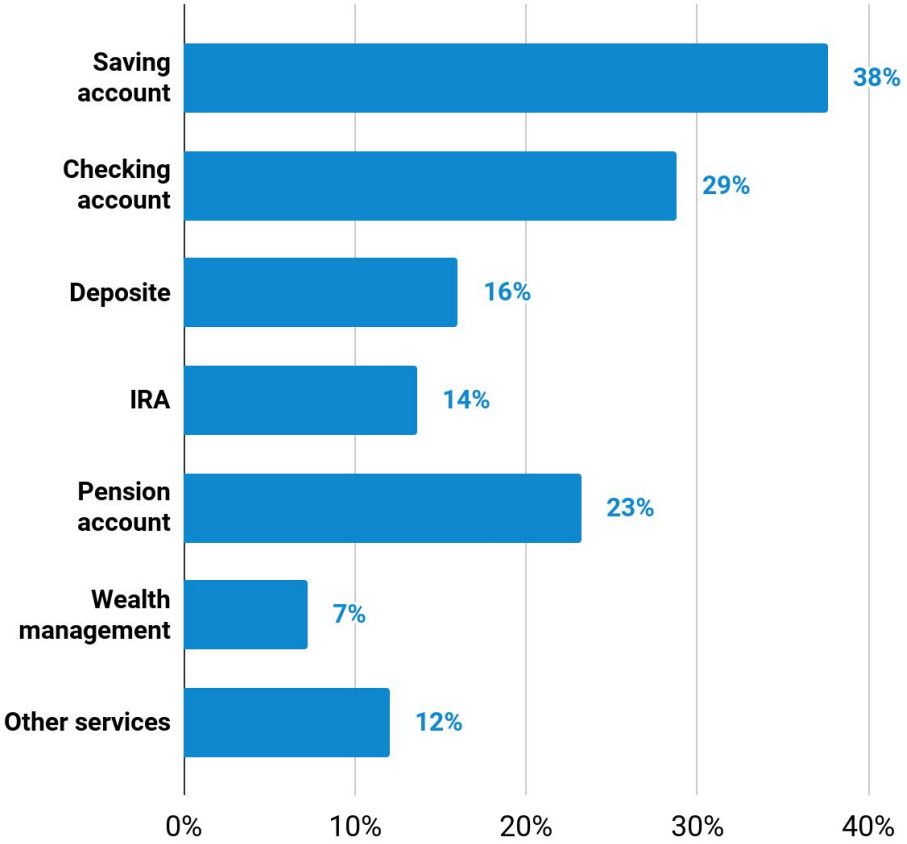
Voice ID uses advanced voice biometric technology to verify client identity with their unique voice. Clients are no longer required to use their phone banking PIN, which makes phone banking safer than ever.

SERVICES IN AGE-FRIENDLY BANKS

An examination of 125 age-friendly banks reveals that different types of services are available to elder customers, **36%** of banks have more than one age-friendly product.

The most popular services for senior citizens among the banks are **saving and checking accounts**, besides **deposits** provided by **72%** of banks in the sample. In addition, **36%** of banks target retirees by introducing **pension and retirement plans and accounts** (in US market IRAs), while almost **a third of banks diversify their products** to be active in both sections.

Only **nine banks** provide specific **wealth management** services to elder customers and most of them are large banks, finally, **12%** of the sample offer customers other services like financial pieces of advice, personal assistance, additional protections and training for clients.



AGE-FRIENDLY NEOBANKS VS. TRADITIONAL BANKS

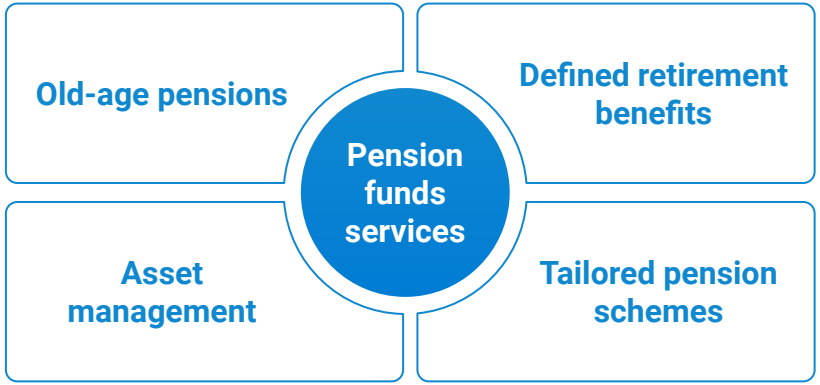
Neobanks	Traditional Banks
Neobanks are digital banks without any physical branches, developed for the growing masses of tech-savvy customers that prefer to manage their money using mobile apps or other digital media	Traditional banks have physical branches and actual people at the counters
Absence of expenses related to the maintenance of the bank's branch network	Additional costs for customer service in offices and branches
High speed and simplicity & comfort	Length of making changes and taking decisions, and administration (bureaucracy)
Neobanks offer a higher rate for savings and checking accounts	Traditional banks offer a lower rate for savings and checking accounts compared to neobanks
Neobanks work without reference to the office business hours. So, they are available 24/7 all year round. For a neobank, your location does not matter	Traditional banks also keep up to date. Many of them provide mobile solutions with a variety of options. However, they may not be available everywhere

Neobanks are disrupting the traditional banking system by **leveraging technology** and **artificial intelligence (AI)** to offer a range of personalised services to customers. On the other hand, **traditional banks** follow an omnichannel approach i.e. having both physical (through branches and ATMs) and digital banking presence to offer a multitude of products and services. The upcoming **Age-friendly Banking Report** by **InvestTech Advanced Solutions** assembled information about key industry trends of 150 age-friendly banks including 15 neobanks.

PENSION FUNDS

Defined benefit pension funds are exposed to Longevity risk more than any other type of Longevity financial institution, due to lasting trends when their retirees will live longer than expected. As life expectancy has increased in recent years, their exposure has risen fast; just one additional year of life expectancy can contribute 5% to a pension fund's overall liabilities. Pension trustees are finding it challenging to achieve appropriate returns, especially in a low-interest rate climate.

Transferring Longevity risk to the reinsurance market is gaining wider adoption as it's an effective instrument to tackle the existing problem. Both sides may be interested in such a move.



MARKET TRENDS

The pensions risk transfer market in the UK sees significant growth in recent years

The UK defined benefit schemes completed £43.9 billion worth of pension risk transfer deals in 2021 across buy-ins, buyouts, Longevity swaps and Assured Payment Policies (APPs). The market for pension risk transfer, across Longevity swaps and bulk annuity arrangements, is forecast to see a bumper UK £65 billion of deals in 2022, with strong growth on the Longevity swap side anticipated, according to Willis Towers Watson.

ESG under the focus of the pension industry

2022 will see the continued rise in the incorporation of key ESG issues, including but not limited to climate change, into defined contribution (DC) investment design.

The UK defined contribution pension market keeps on consolidating

The UK's occupational defined contribution (DC) pension market has consolidated by nearly 40% (38.6%) in a decade, according to the latest data from The Pensions Regulator (TPR). According to TPR, membership and assets of schemes in the market show the number of DC schemes as of the end of 2021 stood at 27,700, from 45,150 in 2011. This trend of DC consolidation is expected to continue as small schemes are now required to demonstrate that they provide value for members. The regulative bodies, namely TPR, expect to remove weak market players or make such pension funds take immediate action to make improvements.

LONGEVITY RISK MARKET IN THE UK

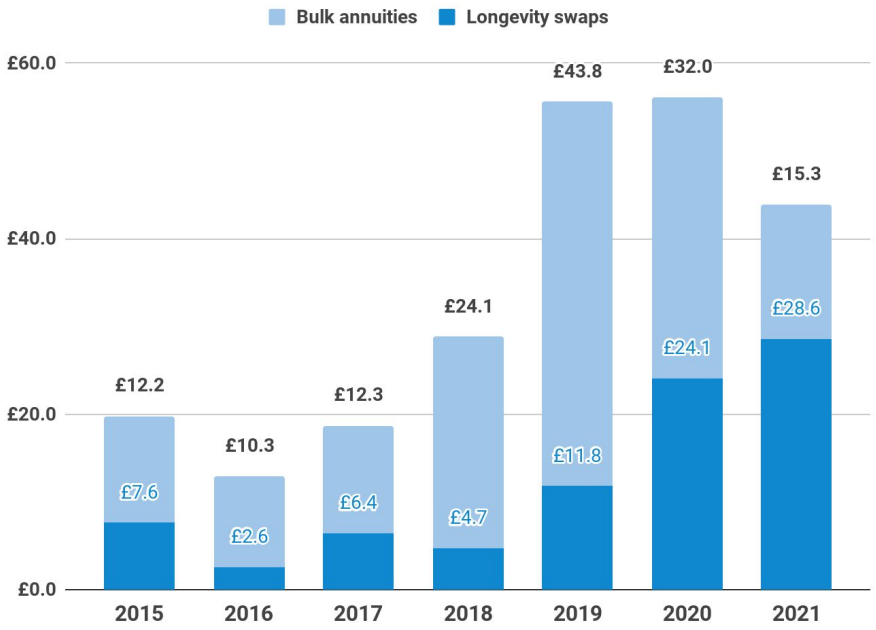
- The last couple of years have shown that Longevity swaps continue to be popular for pension schemes and their increased flexibility is attracting more mid-sized pension schemes to consider this as a risk settlement option. In 2021 the UK market for Longevity swaps has outpaced the use of bulk annuities (£28.6 billion) when it comes to pension risk transfer deals.

- In 2021, there were three bulk annuity deals clearly in excess of £1.0 billion – **Metal Box** for £2.2 billion, **Imperial Tobacco** £1.8 billion, and **Gallaher** for £1.7 billion.

- Competition for buy-ins and buyouts has increased, with five insurers securing a 10%+ market share in 2021. The five were **Aviva**, **L&G**, **Pension Insurance Corporation**, **Rothesay** and **Standard Life**, each with £3.0 billion or more of deals.

- The market is not fully utilised: current volumes are about £30.0 billion per year on average, whereas the market probably has a capacity of up to £50.0 billion per year.

Longevity Risk Transfer Settlement Transactions in the UK, Billion GBP*



Source: Artemis

LONGEVITY RISK MARKET

Fortunately, a more developed global value chain is already emerging for transferring Longevity risk from traditional holders of such risk — public and private pension funds — to a broader set of risk-takers, including the capital markets.

At the inception of this value chain are the public and private retirement systems that are presently responsible for meeting the vast majority of retirement obligations. Public and private pension plan sponsors are not compensated for holding Longevity risk and, in some cases, are not particularly well suited to manage it, either.

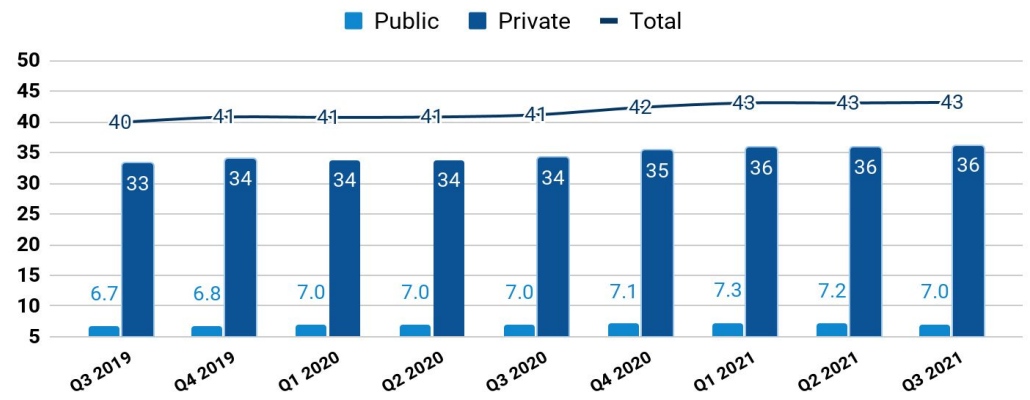
Therefore, they are increasingly taking advantage of opportunities to shift liabilities off their balance sheets using a variety of transactions, called pension buy-ins, pension buy-outs and Longevity swaps (collectively, "pension risk transfer contracts").

Fund / Sponsor	Provider(s)	Solution	Size	Date
Lloyds Banking Group pension schemes	Scottish Widows / SCOR	Longevity swap and reinsurance	£5.5B	Feb 2022
NN Life	Reinsurance Group of America	Longevity reinsurance	€4.0B	Dec 2021
Phoenix Group	Metlife	Longevity reinsurance covering UK pension liabilities	$2.4B	Dec 2021
Unnamed UK pension	Zurich / Metlife	Longevity swap and reinsurance	$3.5B	Dec 2021
Aegon	Reinsurance Group of America	Longevity reinsurance	€7.0B	Dec 2021
Athora Netherlands	Reinsurance Group of America	Longevity reinsurance	€3.3B	Sep 2021
ICL Group Pension Plan (Fujitsu)	Swiss Re	Longevity swap and reinsurance	£3.7B	May 2021
Unknown UK pension	Prudential Financial, Inc. and Zurich	Longevity swap and reinsurance	£6.0B	Mar 2021
Athora Netherlands	Canada Life Re	Longevity reinsurance	€4.7B	Mar 2021
AXA UK Pension Scheme	Hannover Re	Longevity swap	£3.0B	Mar 2021

PUBLIC AND PRIVATE PENSION FUNDS IN THE UK

Pension Funds Members

There are approximately 43 million people in the UK who are members of pension funds. The majority of funds are private ones and only 16% of employees are covered by public pension funds (this number has increased by nearly 8% from 2019 due to the recovery process following the COVID pandemic).



Pension Funds Assets

Pension funds in the UK manage about $3.3 trillion of assets. This number has gradually increased from $3.0 trillion since 2019.
More than 80% of these assets under management (AUM) belong to private funds. In the last 3 years, the AUM of private funds have increased by 8% and at the same time, public funds assets increased by 22% and reach 18% of total pension funds AUM in the UK.

PRIVATE PENSION FUNDS IN THE UK

The UK has 11 large corporate pension funds and ranks second in the world after the US, according to an analysis of the 100 largest corporate pension funds in 14 countries with nearly $3 trillion in AUM. There are 24 pension funds with more than $1 billion in assets under management. These 100 funds oversee a total of $684 billion in assets.

There are two main types of occupational schemes established by employers in the UK:

- **Defined benefit (DB)** - pensions based on years of service and final pay
- **Defined-contribution (DC)** - pensions based on contributions and the investment returns they generate

Employers also now have a duty to enrol workers into a pension. To this end, the UK has established the National Employment Savings Trust (NEST), a DC scheme that employers may use to fulfil their obligation. Many schemes are sponsored by single employers, although multi-employer schemes are becoming more popular in the private sector and there are a few industry-wide arrangements.

The United Kingdom, which experienced structural adjustment policies in the 1980s, have a higher number of large private pension funds

BT Pension Scheme	NatWest Group Pension Fund	Barclays Pension Fund	British Airways Pensions Investment Management Ltd	BAE Systems Pensions
$85.0B	**$73.9B**	**$35.5B**	**$34.4B**	**$31.6B**

STATE PENSION FUNDS IN THE UK

Three UK public pension funds are among the top 100 state pension funds from 26 countries. The UK government has a state pension system in place, which provides regular payments to those who have worked in the UK and paid National Insurance (NI) contributions. Citizens can begin claiming the state pension when they reach the state pension age, which has been gradually increasing over the last few years, from 65 in 2018 to 66 in 2019, and will continue to rise to 67 in 2028.

The New State Pension replaces the Basic and Additional State Pensions and is available to people turning State Pension age on or after January 1, 2016. Members of some pension schemes could opt out of the Additional State Pension and pay lower National Insurance contributions before April 2016.

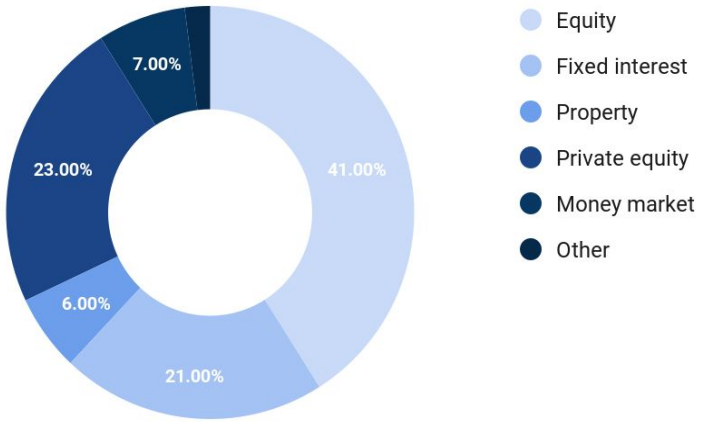
USS Investment Management	Pension Protection Fund	RPMI Railpen	Greater Manchester Pension Fund	West Midlands Pension Fund
$82.0B	**$64.0B**	**$43.0B**	**$36.4B**	**$17.0B**

INVESTMENT TARGETS OF PENSION FUNDS

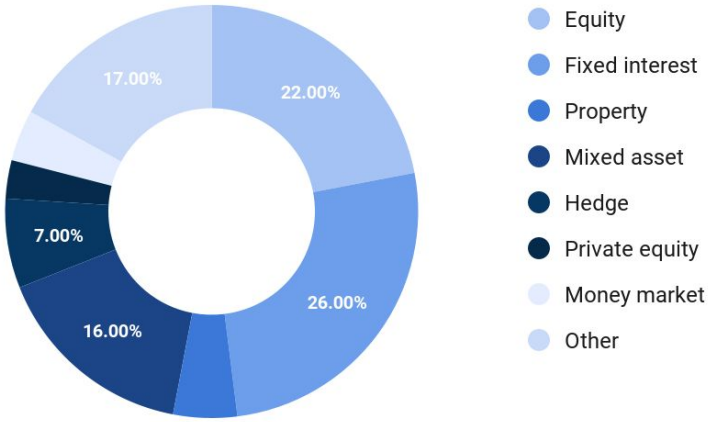
After examining the portfolios of large pension funds in the United Kingdom, it was discovered that public and private equity, as well as fixed income, are the most popular asset classes among pension funds, with properties and money market instruments accounting for the majority of portfolios in both public and private funds.

- Public pension funds invest in private equities almost 8 times more compared to private funds
- Private funds allocate almost 17% of their portfolio to alternative investment and risk adjustment strategies
- Public funds invest 5% of fixed income instruments in short-term bonds and at the same time save a higher percentage of liquid assets in their portfolio

The Asset Allocation of Public Pension Funds



The Asset Allocation of Private Pension Funds



PENSION FUNDS PERFORMANCE

The portfolios of 145 pension funds around the world were examined, and it was discovered that ten of them are based in the United Kingdom. While the UK pension funds have an average performance of around 15.3%, nearly 40% of funds have a performance of less than 10%. The UK funds are smaller than the global average, but they perform better and have a more diverse portfolio. Furthermore, foreign investment in these funds was significantly lower than the global average, which can harm returns but can also be beneficial for risk management.

	UK	World
Average AuM	$38B	$133.7B
Average Performance	15.3%	14.7%
Average Number of Asset Classes	8	7

Univest Company (Unilever) UK	Strathclyde Pension Fund	The Pension Protection Fund	Universities Superannuation Scheme (USS)	British Coal Pension Schemes
$8B 33.6% Performance	$26B 25.1% Performance	$53B 23.9% Performance	$113B 20.5% Performance	$13B 16.6% Performance

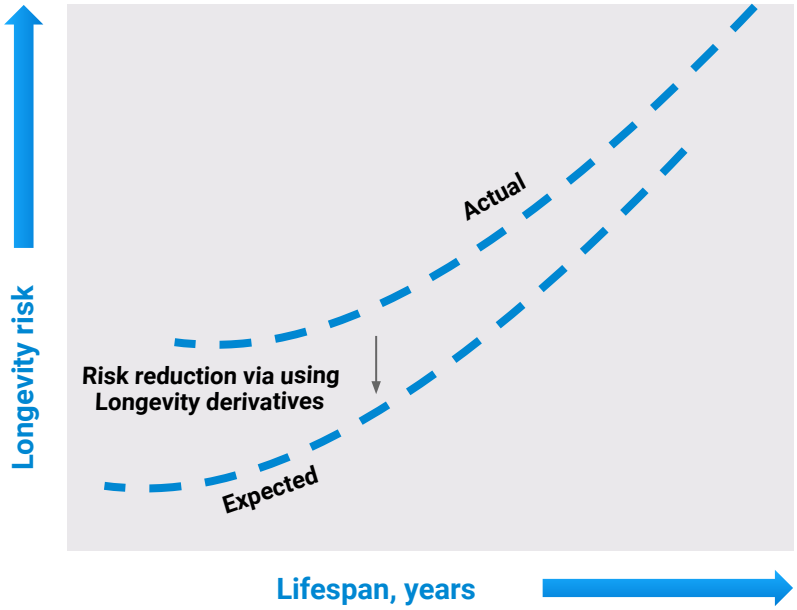
LONGEVITY RISK / LONGEVITY-DERIVED FINANCIAL INSTRUMENTS

A new global capital market, the Life Market, is developing and "Longevity pools" are on their way to becoming the first major asset class of the twenty-first century.

Longevity risks arrive due to inaccurate predictions of the level of mortality rate and numbers of retirees. Another reason why managing Longevity risks has become more important for the entities is new regulation requirements. **Solvency II** is the directive in European Union law and it requires that insurance companies measure and evaluate Longevity risk and as a result increase the capital level required for Longevity risk.

Thus, Longevity-derived financial instruments are used in order to hedge such risks. In general, these derivatives are designed to generate income for investors due to increased Longevity, as well as reduce the negative impact for companies suffering from Longevity risks. Longevity risks have weak correlation with other financial risks, therefore **small beta coefficient** (the measure of volatility of an individual stock compared to the systematic risk of the entire market) **attracts investors a lot**.

Hedging with Longevity Derivatives



In order to get access to a full-scale study on Longevity Financial Instruments visit **www.invest-solutions.tech** or contact us at **info@invest-solutions.tech**.

TAKEAWAYS

The Longevity Financial Industry in the United Kingdom is actively developing which can be explained by the ageing population, traditionally well-established market of financial services and the favourable tech ecosystem. The UK market keeps holding the leading position in the global industry since the companies deliver practical solutions to address the needs of older clients, to ease the burden of Longevity risk through products that didn't found so wide applications in other markets.

Longevity WealthTech subsector comprises both large financial institutions (e.g. wealth management firms, investment funds etc.) and emerging tech start-ups. Both types of organizations target clients requiring a far longer horizon of financial planning and specifically designed financial products.
The WealthTech companies have secured record amounts of private funding during 2021-2022.
Longevity WealthTech will probably witness the emergence of new tech solutions for retirement and wealth management in old age in the upcoming years.

Longevity Insurance companies are more closely facing the outcomes of the Longevity risk. Therefore, the upcoming years will be crucial for the insurance industry to revise the approaches to due diligence, pricing models and clients relation along with finding the instruments to eliminate the adverse effects of increasing human Longevity.
It will be also crucial for insurance companies to embrace technological solutions to achieve business goals and solid levels of profitability while meeting the needs of older clients and gaining a larger proportion among clients.

Longevity InsurTech segment experiences exponential growth over the last few years both in terms of secured record amounts of private funding and the number of exits.
InsurTechs are poised to be game-changers for customers willing to live longer and secured life and insurance companies aiming to find effective solutions to mitigate the adverse effects of Longevity risks.
The UK market holds the front position in the global perspective in terms of the acceptance, size and ecosystem for the development of the Longevity InsurTech industry.

TAKEAWAYS

The Longevity finance industry in the UK sees the lasting trend of increasing demand for tech solutions aimed to supplement and improve the services provided by larger financial institutions. InsurTech segment accounts for the largest number of companies developing innovative solutions for clients, and, to some extent, challenging traditional insurance. Moreover, the UK Longevity risk transfer market is the second-largest in the world offering a variety of options to minimize the adverse pressure on the pension funds.

Age-friendly banking comprises the development of banking services and products able to meet the needs of senior clients.
In the UK age-friendly banks are mostly traditional banks with expanded functionality for senior clients. Some of them already started to adjust the way how they provide services to the specific needs of the elderly (e.g. closer cooperation with caregivers, assisted services at bank branches).
The UK market has a few examples of neobanks providing services exclusively for the elderly. Yet, the banking industry poses opportunities for future market entrants.

Private pension funds are exposed to the effects of Longevity much greater compared to the other categories of Longevity finance. Therefore, the transactions of pension risk transfer are gaining popularity across the industry over the last 3 years.
In 2021 the UK market for Longevity swaps has outpaced the use of bulk annuities accounting for £28.6 billion when it comes to pension risk transfer deals.
Membership and assets of schemes in the pension market in the UK shows the number of defined benefit schemes as of the end of 2021 stood at 27,700, from 45,150 in 2011.

State pension funds.
Three UK public pension funds are among the top 100 largest state pension funds.
The UK government has a state pension system in place, which provides regular payments to those who have worked in the UK and paid National Insurance (NI) contributions.
Official data showing a slowing rate of increase in life expectancy in the United Kingdom has cast doubt on government plans to raise the age at which people can claim their state pension.
In April 2023, state pensions are expected to increase by 7.5 percent. This would be the largest cash increase in state pensions in the UK's history.

ABOUT INVESTTECH ADVANCED SOLUTIONS

Hedge Your Risks and Understand Market Better

Use Big Data to Get Unique Market Insights

Create Your Longevity Investment Portfolio

Quantify and Optimise Your Investment Decisions

WHO WE ARE

InvestTech Advanced Solutions provides modern investment analytics and data management tools and algorithms.

Our products are **sophisticated data-driven quantifiable investment recommendations** generated to conduct tangible, fast, comprehensive, and inexpensive **analysis and due diligence for deep tech startups, companies, and corporations,** represented in investment reports.

In addition, InvestTech Advanced Solutions provides proprietary **real-time financial analytics and consulting** for publicly traded corporations in deep tech sectors, which includes 3 stages: data parsing, AI-driven data analysis, and user-friendly data visualisation.

InvestTech Advanced Solutions

www.invest-solutions.tech

ABOUT AGING ANALYTICS AGENCY

Our Value Proposition:

- **Open Access and Proprietary Analytical Case Studies**

  Aging Analytics Agency is producing regular open-access reports covering emerging Longevity markets — technologies, innovations, companies, and trends. Our clients and partners can enjoy access to proprietary reports featuring additional in-depth research conducted by our team on a regular basis.

- **IT-Platform and Big Data Analytics Dashboard**

  Our company is building a sophisticated cloud-based engine for advanced market and business intelligence in the Longevity biotech, medicine, finance, and governance industries. It includes a data mining engine, infrastructure for expert data curation, and advanced visualisation dashboards, including mindmaps, knowledge graphs, and 3-dimensional visualisations.

- **Strategic Consulting**

  Aging Analytics Agency offers a comprehensive range of consulting services, conducting customised case studies, research, and analytics for internal (organisational) use, tailored to the precise needs of specific clients.

WHO WE ARE

Aging Analytics Agency is the world's premier provider of industry analytics on the topics of Longevity, Precision Preventive Medicine, Economics of Aging, and the convergence of technologies such as AI, Blockchain, Digital Health, and their impact on the healthcare industry.

Aging Analytics Agency is open to cooperation with strategic clients via a variety of approaches, including:

- Conducting customised case studies, research and analytics for internal (organisational) use, tailored to the precise needs of specific clients;
- Producing open-access analytical reports;
- Offering customised analysis using specialised interactive industry and technology databases and IT platforms.

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LONGEVITY FINANCE BIG DATA ANALYTICS DASHBOARD

Developed by InvestTech Advanced Solutions based on the data provided the Aging Analytics Agency, the Longevity Finance Analytics Dashboard is a **licensed white-label solution** designed for financial corporations (e.g. banks, pension funds, asset management firms and insurance companies) looking to adjust their business models to longevity-focused banking and **tap into the multi-trillion dollar market of 1 billion people** in retirement.

The project aims to provide **tangible, data-driven, fast, comprehensive and inexpensive SWOT analysis, customised practical recommendations, benchmarking, forecasting and guidance** needed to transform financial institutions for longevity-related challenges in the future.

The analytics provided herein can help deliver value to financial institutions and adjust their business models to Longevity-related challenges in the future

- Financial statements analysis
- Real-time monitoring of the developments in the Longevity financial industry
- Benchmarking of the most market-ready Longevity finance technologies
- Due diligence of emerging technologies' strengths
- Portfolio optimization

dashboards.invest-solutions.finance/longevity-finance

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