

Axis partners with AllDigital Specialty and will provide capacity to insurtech

25 August 2020

Blockchain and AI-driven start-up AllDigital Specialty has partnered with Axis Insurance to build its production platform ahead of releasing its first management liability policy by the end of the year on paper provided by the carrier, *The Insurer* can reveal.



[As previously reported](#), AllDigital, led by CEO Athula Alwis, has been building out a twin-track offering as an MGA and technology as a service (TaaS) provider after securing an early seed round of fundraising last summer that was oversubscribed.

The new investment from the Bermudian through its Axis Digital Ventures unit comes as it also commits to providing its admitted capacity in the US for the MGA to begin writing business, with a year-end target.

While AllDigital is continuing to talk to interested parties about offering TaaS it is expected to focus on executing the build out of the MGA platform for its launch before then offering TaaS to allow other carriers to distribute the product themselves.

“We are thrilled to initiate this strategic partnership with Axis to provide streamlined and automated management liability solutions to small US businesses,” said Athula Alwis, CEO of AllDigital. “The real growth engine of the US economy is our small businesses that employ tens of millions of Americans and pay close to \$2trn in payroll. It is exciting to partner with Axis, a specialty insurer that has made a clear commitment to digital transformation.”

Former QBE North America executive Alwis and his team have developed an AI module and teamed up with a blockchain vendor to build a private permissioned blockchain infrastructure.

The start-up is using machine learning based techniques to develop underwriting tools and analytics to drive better risk selection and pricing as it pursues lower loss costs.

It aims to rapidly speed up the process of underwriting, quoting and binding business, lowering the cost for insurers and brokers.

Alwis explained the goal of AllDigital is to improve efficiency, customer service, and profitability of all of its partners.

“An early design principle of AllDigital is to partner with firms that are committed to profitable growth and to disrupt the current outdated model. I am grateful for the opportunity to work with the highly skilled Axis underwriting team led by Mark Paccione. They have been true partners from the outset,” he added.

He also highlighted the role of Zach Powell and Felipe Jaramillo from Axis Digital Ventures in helping the start-up fine tune its business model and find a “practical solution that leads to long term success”, and the support of early seed investors .

Commenting on the tie-up, Powell said: “We’re pleased to partner with AllDigital, a company that is leveraging the opportunities presented by the specialty commercial insurance marketplace, which is a highly dynamic market that is ripe for innovation.”

The MGA is looking to start out by writing private company and not-for-profit company management liability insurance solutions for SME insureds, with the products offered via AllDigital’s online platform to wholesale broker partners.

Alwis pointed to “tech savvy” executives at brokers who had worked with the start-up in testing its prototype and advising on how to improve customer service and automated delivery.

The firm has been working with Trey Waldrep of wholesale giant AmWINS, as well as Chris Votta, and Brian DeGraw at Brown & Brown's Hull & Company.

“The senior leadership at both companies deserve a lot of credit for recognising and supporting the current digital transformation that is disrupting both US and global markets. Senior leaders Ben Sloop at AmWINS, and Joe Failla and Kathy Colangelo at Hull & Company have been supportive throughout our journey,” said Alwis.

Digital momentum builds

The push towards a launch of AllDigital later this year comes as momentum has been building towards digital transformation in the insurance sector.

The imperative to improve efficiencies has been brought home by the reality of new working practices resulting from the fallout of Covid-19, as carriers and brokers have had to adapt rapidly to minimise disruption to their businesses.

Pre-pandemic there was already a need to provide management liability in a more streamlined automated fashion for the underserved small companies segment.

Alwis said: “It’s one thing to do a prototype and demonstrate the tech solution works and the concept is right, but once we start issuing the policies that’s the real proof.”

“The brokers who have been testing our system are very happy because they can rapidly process many more applications working from home. Once people realise that all parties are much more efficient under this ecosystem it will catch on,” he added.