**Company Background**

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

**Project Objective**

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

**Analysis and Recommendation**

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

### Market Landscape

- AI/Analytics market itself is growing fast and especially in the U.S.
- The market already has a great infrastructure with capital investment, which will give RIMAC a great opportunity to grow as a spin-off AI/Analytics player.
- U.S. has been pioneering the market in the insurtech industry.
- Insurance is one of the leading industries for AI/Analytics based on use case development.
- RIMAC can generate much more value in Latin America after entering into the high-bar market.
- US is the biggest market in insurance industry worldwide (Market size: $1.2T vs. $150B of Latin America in 2018).
- US has the highest number of AI companies and AI venture capital funding has skyrocketed to $5B in 2017 with CAGR 75% from 2012.
- Most AI/Analytics use cases support financial services and insurance industries.
- AI spend in insurance is expected to grow 24% CAGR between 2019 and 2022 (Insurance industry is expected to spend $1.1B on AI, growing to $2.6B in 2022).
- After building up success cases in the US as the high-bar entry market, RIMAC would be able to re-enter to Latin America to generate more value.
- RIMAC can build up partnership models with various types of niche players.

### Competitive Analysis

- To unlock the growth potential, RIMAC should keep focus on its current strength in Life, Health, and Auto insurance.
- To benchmark other potential competitors, most players horn their competitive edges compared to incumbents; simplicity, data-analytics technologies, agility and collaborate with incumbents as well as insurers through diverse partnership models.

### Go-to-market Strategy

- Our team identified RIMAC’s competitive edge: experience in AI insurance, low cost structure, tech adaptability, data resources. RIMAC needs to develop its go-to-market strategies; pricing, product mix, customer segmentation
  - Should use a combination of different pricing strategies based on its low cost structure and strong talent pool
  - Should prioritize vehicle insurance product given with RIMAC experience and compatibility
  - Should prioritize potential customers based on feasibility (small or mid-sized) and brand power/reputation in the market

#### Laundry list of Insurtech players in US

<table>
<thead>
<tr>
<th>Criteria 1</th>
<th>Running similar models</th>
<th>Playing in</th>
<th>Life/Health/Auto</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criteria 2</td>
<td>Similarity to RIMAC: Service type, Actual use of AI/Analytics, AI/Analytics performance</td>
<td>Availability of case studies</td>
<td></td>
</tr>
</tbody>
</table>

#### Top 6 picks of Insurtech companies for benchmarking

- Competency in AI
  - Insurancce
  - RIMAC know-how of AI Insurance and Insurance Industry
- Tech Adaptability & Lean Teams
  - Technology agnostic models and lean implementation teams
- Competitive Cost Structure
  - Less expensive labor structures & RIMAC capital backing to acquire new customers
- Underutilized Data Resources
  - Potential compatible data from adjacent industries