

Fintech

Hank Greenberg backs funding round for AI underwriting start-up

Cytora aims to revolutionise the insurance industry by using artificial intelligence

Oliver Ralph in London
8 HOURS AGO

Former AIG chief executive [Hank Greenberg](#), one of the biggest names in the insurance world, has backed a funding round for Cytora, a start-up aiming to revolutionise the industry by using artificial intelligence.

Mr Greenberg, now chairman of Starr Companies, has joined others including insurer QBE and Cambridge Innovation Capital, in backing the company in a £4.4m funding round.

[Artificial intelligence](#) is attracting huge excitement in insurance. Underwriters say that it could help them to make [better assessments](#) about the kind of risks that their customers present, leading to more accurate pricing. It could also help them to manage claims.

Mr Greenberg said: “With ever-increasing levels of available data, we can really see the benefits that artificial intelligence and other similar technological advances bring to the industry. We believe that Cytora can use this information in a powerful way to provide a competitive edge to Starr and its other clients.”

London-based Cytora was spun out of Cambridge university four years ago, but has only been focusing on insurance for the past 12 months.

Richard Hartley, chief executive, said: “We are working on questionless underwriting, moving the insurance industry to a point where you can deliver a superior underwriting profit while reducing the need to ask questions.”

He added: “Every company can be priced and ranked purely using data on the web and from external sources . . . Today a lot of underwriting is subjective. That’s really bad for businesses as they get unfair pricing. Data will bring more objective pricing.”

Mr Hartley said his company’s systems had thrown up some surprising results. Businesses located close to similar companies, for example, were better risks than those that are more isolated.

Some insurers are already planning to put Cytora’s systems into practice. [QBE](#) will use Cytora’s “risk engine” across its property and casualty lines from next year.

Richard Pryce, chief executive of QBE’s European operations, said: “This is an incredibly innovative use of the ubiquitous open source data available. Combining external information with our own internal intelligence gives a more complete view of a risk which in turn enables QBE to provide protection to our customers at a fairer price that reflects the true level of exposure.”

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