



Case Study: MKIII

AI-Powered Loan Decision Model for credit unions to say yes to more borrowers.

The case + challenge

Lending today is constrained by a system that makes it hard for lenders to say yes despite strong borrower demand. The abundance of data and limited resources make it challenging for lenders to accurately assess credit risk, leading to overly conservative lending practices.

Credit unions serve over 143 million Americans and manage \$2.37 trillion in assets, enough to rank as the third-largest financial institution in the United States. Yet, due to limited capital and outdated tools, **they struggle to assess credit risk.**

MKIII addresses this challenge with its AI-Powered Loan Decision Model (LDM), backed by insurance, enabling credit unions and lenders to approve more borrowers confidently, without additional risk or capital reserves.

The solution

The future of lending has arrived: MKIII provides **the first underwriting model whose performance is guaranteed by AA+ rated insurers,** unlocking massive lending opportunities at scale that were previously impossible.

MKIII abstracts the entire lending stack into programmable software, enabling **any financial institution to lend like a fintech seamlessly, securely, and at scale.** Its proprietary **Loan Decision Model (LDM)**

is powered by advanced machine intelligence to predict loan defaults evaluating over 4,000 variables per borrower and trained on over 5 million loan records.

To further enhance lender confidence, **MKIII's model is backed by Munich Re's aiSure™ performance guarantee insurance**, which covers losses MKIII incurs from inaccuracies in model predictions. With MKIII's insured lending infrastructure, financial institutions can reduce capital constraints, mitigate risk, and confidently grow their lending portfolios.

About Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance, and insurance-related risk solutions. Since it was founded in 1880, Munich Re has been known for its unrivaled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage. Munich Re possesses outstanding innovative strength. The company is playing a key role in driving forward the digital transformation of the insurance industry and in doing so, has further expanded its ability to assess risks and the range of services that it offers. The insurance of MKIII is underwritten by a primary insurance carrier of Munich Re Group, which is an international insurance company rated AA by S&P.

About MKIII

MKIII is a full-stack embedded lending platform empowering credit unions, banks, and lenders to say yes to more borrowers without increasing risk and uncertainty. Founded on the principle of using technology to improve lending outcomes, MKIII has developed a proprietary LDM that uses machine learning to predict loan defaults. By providing accurate and reliable predictions, MKIII enables lenders to make better decisions, reduce risk, and increase profitability without capital drag. Learn more at mkiii.ai.

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