



## Case Study: Qumata

### AI solution for medical-free underwriting with a performance guarantee

#### The case

Life insurance fraud and the inherent risks associated with it prompted (re)insurers to introduce physical medical exams as a compulsory step for a large majority of applicants. Qumata believes technology can be utilised to predict distributor or customer-led fraud, enabling more people to buy critical protection products, as fewer medicals will be required.

#### The challenge

Given the effort involved in undergoing a medical assessment, life insurance companies tend to lose a significant portion of potential business. In India, close to 100% of applicants have to undergo a medical, causing insurers to lose 15–25% of their business as applicants regularly don't show up to pre-booked medicals or refuse to attend given the time and effort involved.

#### The solution

Qumata's product is an ML/AI underwriting solution that triages customers into a non-medical underwriting journey if the solution predicts that an individual is in good health. To make this assessment, Qumata's algorithm combines data for key variables (like age, biological sex, smoking status, BMI) with health data such as vital biomarkers, activity information, and location details stored on a user's phone. It is important to note that customers must grant Qumata consent to access the data – customers can always opt to undergo either a medical or a digital assessment. Qumata's algorithm can also protect insurers against fraudulent submission of data or non-disclosure.

#### On the guarantee

Qumata's AI solution includes a performance guarantee for the risk that the mortality rate computed with Qumata's support for the medical tests might be incorrect. Munich Re ran technical due diligence to assess the accuracy of Qumata's AI solution, which clearly demonstrated its reliability. Munich Re Group backs this guarantee by insuring (subject to the terms and conditions contained in the policy) certain liabilities under the Qumata guarantee.<sup>1</sup>

## 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 unrivalled 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 Qumata is underwritten by a primary insurance carrier of Munich Re Group, which is an international insurance company rated AA by S&P.

## About Qumata

Founded in 2017, Qumata is a global InsurTech focused on augmenting insurance underwriting processes through its AI solution. Its global client base, including AIA, Allstate, and others, uses Qumata to triage applicants into simpler underwriting processes such as avoiding medical exams. We are active in several markets including India, the US and Southeast Asia, among others. To learn more, visit [www.qumata.com](http://www.qumata.com).

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<sup>1</sup>The insurance provided by Munich Re Group has no relationship and no interaction or overlap with any life reinsurance ultimately provided to, or life insurance provided by, Qumata's customers. This insurance only backs Qumata's guarantee.

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