

PRESS RELEASE

Innovation Lab for Insurers: msg's Cookhouse Lab Coming to Munich

Pop-up lab helps insurance companies realize digital innovation projects / For two months at Germany's top insurance location, starting October 16

Munich, October 10, 2017. IT consulting and system integration company, msg, will be opening its first European Cookhouse Lab to insurance companies in Munich, Germany's top insurance and insurtech location, on October 16, 2017. The lab will remain open for two months.

The temporary pop-up lab helps insurance companies drive their processes and business models within the context of digitalization and handle the increasing pressure to remain competitive. Cookhouse Lab pursues the goal of establishing a global innovation network for the insurance industry. Based on its open innovation approach, it is offering the first insurtech lab, where insurers can come together for short innovation sprints to address solutions to current and future problems.

The concept has already gotten off to a successful start in the North American insurance hub of Toronto, where msg introduced it at the beginning of 2017. More than 20 well-known companies are now members of the lab, including AIG, IRB Brasil RE, Royal Sun Alliance, Manulife and Munich Re, all of whom are working together to create shared solutions. An overview of the projects and the results can be found on the Cookhouse Lab website (www.cookhouselab.com).

Among the topics that will be addressed at the pop-up lab in Munich are chatbots, blockchain, Millennials, IFRS17, as well as autonomous driving. Companies are also asked to contribute their own topics. The Cookhouse Lab will be located at WERK3, Atelierstraße 14 near Munich's east train station.

Digitalization and New Competitors Are Forcing the Sector to Take Action

Being innovative is an essential challenge that insurance companies must meet. The pressure to change is constantly growing and new competitors are joining the market. Traditional business models and processes must thus be made sustainable and digitalization used to create profit.

A key role in doing so is the so-called “open innovation” approach. The approach is based on the expertise of an international network of specialists, from insurance and reinsurance, financial services, consultants, start-ups and universities. Interested parties who register for the projects work with interdisciplinary teams to draft solutions to current problems or test new technologies to see whether they are suitable and what chance they have of succeeding. In addition to the insurance ecosystem, modern methods such as lean innovation and design thinking also play a central role.

“Our Cookhouse Lab is an insurtech company that we want to use to take the whole industry a step further and to improve it. In contrast to other insurtech companies, we are not a competitor, but a partner, one that plans on bringing the entire industry together. After all, we want to facilitate the creation of shared and sustainable solutions,” explains Bernhard Lang, a member of the Board of Directors at msg. “At Cookhouse Lab, insurers can basically throw their problems and ideas into the same pot and then, as if holding a menu in their hands, decide how and where they want to get involved themselves. Our innovation kitchen makes sure that individual projects effectively move ahead and are supported by designers, technology experts and coaches. The combination of innovative methods and collaborative work with a variety of different experts has already paid off in North America. We see great potential in Germany as well for insurance companies to use our Cookhouse Lab to get innovations ready for market, innovations they would not be able to realize with their own resources alone.”

The Insurance Industry Is an Important Economic Factor in Munich and Germany as a Whole

According to the GDV, the German Insurance Association, Munich was the lead insurance location in 2016, ahead of Cologne and Hamburg, with more than 32,000 employees. Across Germany, the industry employs around 529,000 in total. In the same year, it recorded revenue of 194 billion euro, making it one of the highest-revenue industries.* According to the GDV’s chief econ-

omist, Klaus Wiener, investors around the world invested more than 6 billion in insurtech in recent years.**

*GDV (2017): Die Versicherungswirtschaft – Fakten im Überblick [English: The Insurance Industry – An Overview of the Facts]: <http://www.gdv.de/wp-content/uploads/2016/11/GDV-Die-Versicherungswirtschaft-Fakten-im-Ueberblick-Download-Nov-2016.pdf>

**GDV (2017): “Schumpeterscher Moment” für die Versicherungsbranche [English: A Schumpeter Moment for the Insurance Industry]: <http://www.gdv.de/2017/02/schumpeterscher-moment-fuer-die-versicherungsbranche/>

msg

msg is an independent, international group of companies with more than 6,000 employees around the world. The group of companies offers a holistic service spectrum of creative, strategic consulting and intelligent, sustainable and value-added IT solutions for the following industries: automotive, financial services, food, insurance, life science & healthcare, public sector, telecommunications, travel & logistics, as well as utilities, and has acquired an excellent reputation as an industry specialist during its more than 35 years in business.

Within the group, independent companies cover the wide variety of industry and issue-based competence: msg systems ag forms the core of the company group and works in close cooperation with the subsidiaries, both on a business and organizational level. This allows the competence, experience and know-how of all the members to be bundled into a holistic solution portfolio with measurable added value for its customers.

msg holds seventh place in the ranking of IT consulting and system integration companies in Germany.

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