Ty R. Sagalow
Chief Insurance Officer
Founding Member
Urban Dictionary

INSURANCE: A business that involves selling people promises to pay later that are never fulfilled.
Francesco di Marco

”For when they insure, it is sweet to them to take the monies; but when disaster comes it is otherwise and each man draws his rump back, and strives not to pay”

Circuit: 1384
What Insurance Used To Be

Members of communities insuring themselves
The Lemonade App in 1 minute, 42 seconds
Claim Decision in 3 seconds
“If you *tried* to create a system to bring out the *worst* in humans, it would look a lot like the insurance of today”

Professor Dan Ariely
Chief Behavioral Officer, Lemonade
Author of *The Honest Truth About Dishonesty*
NEW YORK TIMES BESTSELLER

THE (HONEST) TRUTH ABOUT DISHONESTY

HOW WE LIE TO EVERYONE—ESPECIALLY OURSELVES

WITH A NEW CHAPTER FROM THE AUTHOR

DAN ARIELY

AUTHOR OF PREDICTABLY IRATIONAL

“Outstanding.”
—New York Times
What do Lemonade’s customers think?
Traditional Insurance Reaction

• Fear: PWC: 9/10 insurers “fear losing business to FinTechs” but

• Without Reaction:
  • less than half has fintech as a part of their strategy
  • < 1/3 partnered
  • <14% actively invested
  • 1/3 don’t deal with it at all
Some of less creative than others...
And some just seem to copy...
1. **Runs Created Formula:**

\[
\frac{(\text{Hits} + \text{Walks} - \text{Caught Stealing}) \times (\text{Total Bases} + 0.7 \times \text{Stolen Bases})}{\text{At Bats} + \text{Walks} + \text{Caught Stealing}}
\]

2. **Isolated Power** is simply slugging percentage minus batting average.

3. **Defensive Efficiency Record (DER)**

To figure DER, you begin by making two estimates:

- The first is the number of walks allowed by a fielder to a batter.
- The second is the number of stolen bases committed against a fielder.
1. Runs Created Formula:

\[
\text{Runs Created} = (\text{Hits} + \text{Walks} - \text{Caught Stealing}) \times \frac{\text{Total Bases} + 0.7 \text{ Stolen Bases}}{\text{At Bats} + \text{Walks} + \text{Caught Stealing}}
\]

2. Isolated Power is simply slugging percentage minus batting average.

3. Defensive Efficiency Record (DER)

To figure DER, you begin by making two estimations of the probability of different fielding situations.
Questions?

Contact Information:

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