Insurtech Analysis: Executive Summary

Waterdrop（水滴公司）

Funneling sales from social enterprise to commercial

水滴互助 · 水滴筹 · 水滴保

Deploying a marketing funnel concept in health insurance

What it offers?

- Providing health protection through crowd funding and mutual models, to educate and prospect clients to their insurance mall
- Uses AI to facilitate the process

How is it different?

- Users are filtered through the crowdfunding and mutual channels to insurance mall
- Highest number of users among other mutuals like Qing Song Hu Zhu, Xiang Hu Bao etc.

Management team

- CEO & Founder – Shen Peng (沈鹏)
- CTO - Qiu Hui (邱慧)

Tech deployed

- Deployed AI in throughout their value chain, including claims, customer service, risk management, marketing etc

Funding, revenue, clients and scale

- Valuation of 7 billion RMB as of Oct 2019
- Completed D series funding round in Aug 2020 of 230 million USD lead by Tencent and Swiss Re
- Over 40 million users as at end of 2019
- Over 6 billion RMB in premium in 2019

What to look out for

- Using AI for intelligent insurance, customer service, intelligent healthcare, risk control and sales and marketing

Further info   [Waterdrop (Chinese)](#)   [About Waterdrop (Chinese)](#)   [Waterdrop Enters Hurun Global Unicorn List 2019 (Chinese)](#)

So what?

- Creating awareness about risk and the need for insurance through crowdfunding and mutual, and leading them to insurance products.

Insurtech Analysis: Key facts

Waterdrop（水滴公司）
Funneling each drop of sales through a funnel

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Company overview
Founded in 2016, Waterdrop comprises of Shuidi Chou and Shuidi Charity that focus on Corporate Social Responsibility and Shuidi Shang Cheng and Shuidi Hu Zu focusing on the commercial side.

Waterdrop uses mobile technology to provide a "pre-protection and post-event relief" solution for diseases, and helping the disadvantaged to establish a personal health protection system.

Current position / development stage
- Waterdrop health mutual operation has the highest number of users with about 72 million, compared to 60 million for Qing Song Hu Zu and 37 million for Xian Hu Bao.
- Focus on third, fourth, fifth tier cities.
- It has completed multiple rounds of funding with the latest lead by Swiss Re and Tencent, with potential for an IPO.

Operational effectiveness
- Their AI claim processing has an accuracy rate of 99.7%
- Reduced manpower for data entry by 50%
- Relative low cost of customer acquisition and conversion

Business potential
- Waterdrop has 76% fund raising users, 72% donation users and 77% mutual users from third, fourth and fifth tier cities who tend to have higher stickiness.
- Conversion rate tend to be higher that usual online insurance mall as users are educated through crowdfunding and mutual on the concept of risk

Competitive position
- Entered the 2019 Hurun Global Unicorn Chart with a valuation of 7 billion RMB
- Won the Internet Insurance Traffic Platform Innovation Award at the 2nd Asia Pacific Internet Insurance International Summit of AIIS2019
- Won the 2018 China Top 100 Innovative Growth Enterprises issued by CY Zone

People
- Qiu Hui (CTO) graduated from, School of Software, Peking University. Qiu Hui had incubated a variety of products with over 100 million users, such as mobile browsers and mobile address books in 360 (https://www.360.cn/).
- Staff strength of about 1,200 in 2018.

Further info   Four major advantages of Waterdrop Insurance (Chinese)   Qiu Hui, CTO: Data is the cornerstone of Waterdrop Insurance (Chinese)

Insurtech Analysis: SWOT

TDI ACADEMY

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Strengths

- Its funnel based filtering system from health crowd funding, to health mutual, and leading to insurance coverage provides a unique operation model.
- Its ability to use big data to refine its operations, and recommend products based on the user profile
- "High usability" is the general evaluation by insurers like ZhongAn and PICC.

Opportunities

- Good pool of users that may be converted as their customers.
- Potential for growth of in lower tier cities, in turn fuelling growth for Waterdrop

Weaknesses

- Focus is more on lower quantum products, and third, fourth and fifth tier cities, likely lower margin
- With both operations of charity and commercial, there may be conflicts of interest at times.

Threats

- Other players may compete within the same space like Qing Song Chou, Bi Hu Bao

Insurtech Analysis: Further references

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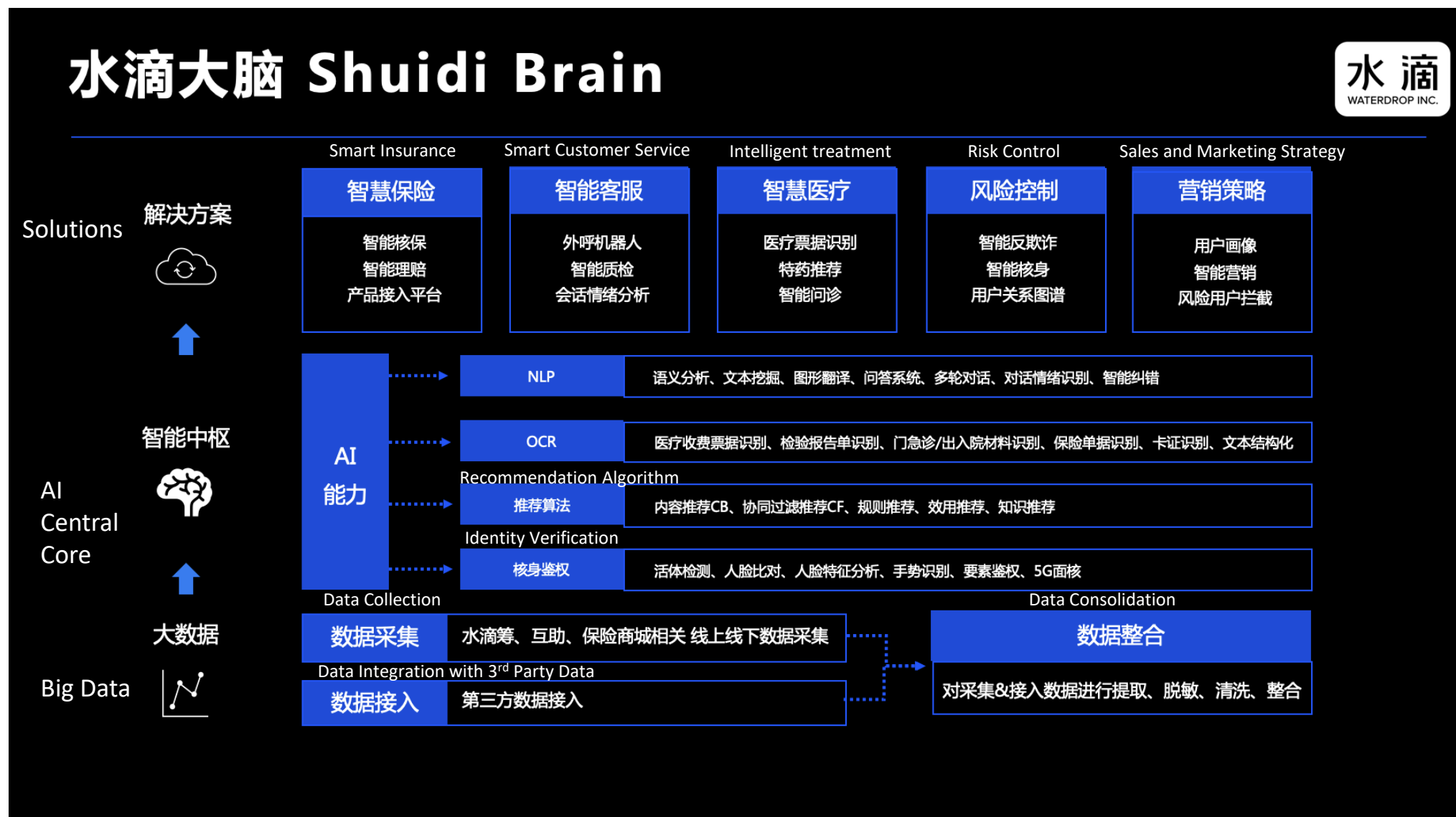| Reference link	Description and Source	Why it was useful
China's Waterdrop nabs $230M for its crowdfunded, mutual aid insurance platform	Waterdrop latest funding series and information of the premium and volumes	Funding news and introductory information about waterdrop
2018 Insurtech of the Year - TDI	Article on the emergence of the community model	The start of community model in 2018
Business model of Waterdrop Company: the crisis of "social trust" highlights three major industry problems to be solved (Chinese)	A look at Waterdrop's business model, looking into it being both a charity and company	The exploration of how it exists in both spaces

Insurtech Image: Development Timeline

TDI ACADEMY

水滴公司企业社会责任报告 保障亿万家庭

初心不变 砥砺前行

Apr 2016 Company incorporated

2016.04
水滴公司成立
水滴公司成立,同期获得腾讯、美团点评、高榕资本、真格基金、IDG资本、点亮基金等知名投资机构5000万元天使投资

Nov 2016 – Mutual completed first funding.

2016.11
水滴互助完成第一个互助案例,根据规则划拨互助金2万元

2017.04
年度十大慈善项目
水滴等荣获第十四届2017中国慈善榜"年度十大慈善项目"

Aug 2017 – Series "A" funding of 160 million

2017.08
1.6亿元A轮融资
水滴公司获腾讯、蓝驰创投、高榕资本、IDG资本、美团点评、创新工场、等知名机构1.6亿元A轮融资

2018.02
水滴累积筹款额超过35亿元,帮助30万大病患者

2018.04
水滴公司独立付费用户数突破1亿

Feb 2018 – Crowdfunding funded amount exceeds 3.5 billion

April 2018 – Paid users exceeds 100 mil

Jun 2018 – Insurance mall single day sum assured purchased exceeds 100 million

2018.06
水滴保险商城6.21单日保额突破1亿元,保障用户数接近600万人,成为多家保险公司的健康险第一分销渠道

Dec 2018 – Crowdfunding successfully helped over tens of thousands of major illness patients with donated funding of over 12 billion

2018.12
水滴筹成功为几十万名经济困难的大病患者提供了免费的筹款服务,累计筹款金额超过120亿元,捐款人次超过4亿
水滴公益扶贫活动曝光量过亿,筹集善款超过5000万元,捐款人次超过200万
水滴保险商城已与国内50多家知名保险公司建立了深度合作关系,推出了60余款高性价比保险优选产品。保障用户数近1000万个,单日规模保费突破1亿元

2019.06
水滴保险商城品牌升级,知名演员倪大红成为水滴严选官
水滴公司获得博裕资本领投超10亿元C轮融资

Jun 2019 – Waterdrop insurance mall upgraded.

Received "C" round funding of over 1 billion

2016.08
水滴互助上线100天,付费用户数超过100万人

Aug 2016 – Mutual reached 1 million users

2017.05
水滴保险商城上线,确立了健康保障领域首个成熟场景化、生态化的商业模式,影响整个行业的发展走向

May 2017 – Waterdrop insurance mall went online

2017.11
水滴保险商城双11单月保费突破1000万,创当下历史新高

2017.12
中国年度企业
水滴筹荣获中国公益年会"2017中国年度企业"

Nov 2017 – Waterdrop insurance mall 11.11 single month insurance premium hit 10 million

Dec 2017 – Won 2017 China Corporate of the year for China Charity Annual event

2018.05
水滴公司获得2018年度社会企业奖,水滴公益成为民政部认可的慈善组织互联网募捐信息平台

2018.05
水滴互助保障用户数超过3000万

May 2018 – Mutual users went over 30 million

2018.06
水滴筹累积帮助超过63万名大病患者,2.4亿多人次参与捐款,累计捐款额超过72亿元
水滴互助累积付费用户近4000万,帮助800多个家庭均推医疗互助金超过1亿元

May 2018 – Crowdfunding helped over 630k major illness patients

2019.01
独立付费用户数突破2.1亿

2019.02
水滴互助保障用户超过7000万,总计为2500余名患病家庭均摊了超过3.5亿元的健康互助金

2019.03
水滴公司获得腾讯领投近5亿元B轮融资

Jan 2019 – Individual paying users exceeds 210 mil

Feb 2019 – Mutual users exceeds 70 mil

Mar 2019 – Waterdrop receives "B" round funding of over 500 mil

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水滴互助
成立时间: 2016年5月
社会使命: 让大家花小钱、防大病
达成效果: 水滴互助已经为8626个会员家庭划拨超过11.8亿元互助金。

水滴筹
成立时间: 2016年7月
社会使命: 为中国老百姓解决医疗资金难题
达成效果: 为困难大病家庭累计筹集医疗救助金达到265亿元,累计3亿人在平台献出超过8亿人次爱心。

水滴保险商城
成立时间: 2017年5月
社会使命: 为广大人民群众提供更有性价比、更适合、更有质量的保险产品
达成效果: 平台单月新单年化保费超过8亿元,其中长险单月新单年化保费超1亿元。同时,平台保障用户数超4000万,保障家庭数超2560万。

水滴公益
成立时间: 2018年7月
社会使命: 为爱心用户提供随手做公益、指尖献爱心的便捷通道
达成效果: 1500万爱心人士通过水滴公益平台捐献善款超过3.3亿元,水滴公益现已跃居互联网公益平台第一阵营。

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Insurtech Image: Waterdrop AI Brain