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Chisel AI targets Q3 Series A raise, aiming for an eventual IPO, CEO says

by Ben Koconis

Chisel AI, which uses natural language processing to extract, classify and analyze unstructured insurance data, is targeting a Series A raise in Q3, CEO Ron Glzman told this news service.

The company, which was founded in 2016, has developed an AI platform specifically for commercial P&C insurance carriers, brokers and reinsurers. It currently has 3 products on the market, the CEO said.

Toronto-based Chisel is planning to raise about \$20m in its Series A, targeting a raise in Q3 of this year, Glzman said. In 2017, the company raised about \$5m in seed funding, led by Venrock, he said.

Series A proceeds will be used for onboarding more engineers, as Chisel continues to implement its solutions with new customers, the CEO said. The company has a backlog of about 22 companies waiting to use its products, he said.

Chisel is now offering 3 products to the commercial P&C market through SaaS contracts. Its core product is a data extraction tool which typically can pull about 500 data points from unstructured data sources such as Excel, Word, PDFs, or email, Glzman said. A second product, Submission Triage, can be integrated into a customer's email inbox. Almost instantly, this tool can extract relevant data from submitted documents, apply business rules set up by the customer, such as decline or accept an application, and then route the information to the appropriate department. Policy Check, an error mitigation solution, is a third product the company is now offering.

Chisel's products are aimed at increasing speed, accuracy and efficiency. First responders win business 56% of the time, Glzman said. Customers Chisel is talking to are only able to respond to 40-50% of the submissions or applications they receive. Chisel can boost response rates up to 80-90%, he said. Some of

Chisel's customers have been able to get a 30-50% lift on their net written premiums, without having to hire a single person, the CEO said. Chisel's current customers include 2 of the top 5 carriers in North America and a couple of the top brokers, he said.

The company is eventually planning to expand outside of North America, but such a move will probably start after Chisel raises its Series B round, the CEO said. The EU, South America, and APAC are "calling our name," Glozman said. As Chisel expands internationally, it wants to build out its new operations in-house and not outsource. Series B proceed could be used to hire local talent who speak the language and have experience in those regions, he said.

Eventually Chisel wants to go public, as it grows into a large company offering an entire suite of products, Glozman said. The company's roadmap includes launching 9 more products in addition to the 3 it has on the market today. Ideally, the company would like to list on NYSE between 2022-2025, he said. Chisel aspires to become "the Microsoft of insurance." Everyone uses Microsoft Office; Chisel wants every insurance professional to use its product suite, he said.

The foundation for Chisel was laid about 6 years ago when Glozman was still a student at University of Waterloo. Hating to read textbooks, Glozman said he developed an app which taught computers how to read and provide a summary of the text. That product turned out to be very successful and was used in 33 countries around the world at some of the top universities, including Princeton, Stanford and Harvard, he said. In 2015, Glozman was invited to speak on a panel about AI and reading documents. Following the panel, he was sent an email from an insurance executive, who said the industry could really use a similar solution to what had been discussed. Glozman decided to transition from the student market to focus exclusively on insurance, specifically commercial P&C, he said.

Chisel won the Gold Award at the 2019 Zurich Innovation World Championship, and was crowned the 2018 ACORD InsurTech Innovation Challenge Winner. Glozman was recently named an Insurance Innovator to Watch by Digital Insurance.

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