Northwestern Mutual starts $50 million fintech venture fund

By Editorial Staff *Fri, Jan 20, 2017*

Investments will range from $500,000 to $3 million. The insurer will focus on"digitizing internal capabilities" rather so-called robo-advice per se.

Northwestern Mutual, which embraced the digital revolution by buying LearnVest in 2015, said it will create a $50 million venture capital fund, Northwestern Mutual Future Ventures, to bankroll “startups whose technologies have the potential to transform how consumers experience and achieve financial security.”

Northwestern Mutual has been “ramping up investments in and relationships with early stage companies” following the LearnVest acquisition, according to a release. Investments will range from $500,000 to $3 million. From the insurer’s release, its focus appears to be on digitizing internal capabilities rather so-called robo-advice per se.

Other firms are aggressively pursuing more sophisticated information technology solutions. Vanguard recently created a Center for Investor Research. It will examine how investors make decisions through observational studies based on Vanguard’s administrative data and the growing pool of digital interactions.”

When RIJ asked Vanguard recently if it were exploring the use of “chatbots,” which are chat windows where bots can engage in human-like text-based exchanges with client, a spokesperson for the mutual fund giant wrote:

“Vanguard continues to utilize new and innovative technologies in an effort to best serve our clients. As such, we are currently exploring the potential business applications of voice or text-recognition software.”

The new Northwestern Mutual fund has four priorities, the Milwaukee-based mutual insurer said: “Consumers’ changing preferences, re-imagining the client experience, the digital health revolution, and transformational analytics and technologies.

“This multiyear commitment will focus on innovation to build greater digital relevance for clients, increase data-driven decision making and create back-end efficiencies with the goal of creating greater value for [Northwestern Mutual’s] more than 4 million clients.”

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