

business, individual, mortgage, and student. P2P loans can be secured or unsecured. Secured loans are much less common as they are secured with the borrower's property, which could be a luxury item, such as a house or boat. IMARC group, a market research firm, estimated the size of the P2P market to be \$147.9 billion in 2022, with growth projections to \$626.5 billion by 2028. Other estimates are even higher. Consumer lending is 80% of the market (globenewswire.com).

The P2P lending process is straightforward. The potential borrower fills out the application through an online platform. The applicant's risk and credit rating are assessed, including background checks. The applicant is assigned to a risk category with an appropriate interest rate based on the results. The borrower then chooses from among interested investors. The online platform handles payments, and charges a fee for their services to both borrowers and lenders.

As with all online transactions, P2P lending has risks. P2P loans are not protected by the government and are not insured by the FDIC (Federal Deposit Insurance Corporation). These loans are not allowed in some jurisdictions and may be subject to investment regulations. Lenders are exposed to high credit

when the losses exceed premiums paid.

New P2P insurers may use blockchain technology. For example, premiums may be added to an escrow-type account in a digital wallet to be used for future claims payments. Each insured's liability is limited to the amount in their digital wallet. Teambrella is an early user of blockchain in P2P insurance(content.naic.org).

According to sciencedirect.com, there are typically three models for P2P insurers. Self-organizers operate without an intermediary. Members usually know each other and share common interests. Premiums are pooled and money from the pool is used to pay claims.

The broker model uses an intermediary to create and manage the affairs of the groups of peers. Members typically do not know each other. Premium payments are made into a fund, with claims paid out of the fund. A portion of premiums is also sent to a traditional insurer as a backstop for claims that exceed capacity of the fund.

The third model is the carrier model, represented by Lemonade - recognized as the first P2P insurance company. Insurance is purchased online and most claims are handled