



Flock uses big data to quantify the risk of drone flights in realtime, offering pay-as-you-fly insurance for drones via a mobile app

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What do they offer?

The 'Flock Cover' app provides on-demand insurance for drone pilots.

Flock's algorithms aggregate static and real-time data including drone information (e.g. model), operator profiles, environmental data and hyper-local weather conditions (accurate to within a few minutes and a few hundred meters) to support underwriting and provide risk management information to users.

Claims are processed by Flock's digital claims platform which minimises fraud by reconciling customer claims reports with actual machine and environmental data collected at the time of the incident.

The Oxbow Partners view

Traction: Flock has had an impressive start: there are an estimated 3700 commercial drone pilots in the UK and Flock has managed to sign up 500 of them just over two months. We are also impressed that the business has built sufficiently robust risk pricing methodology to persuade Allianz to rely on it as their pricing input.

Potential: The drone market is embryonic but growing fast. Flock has the potential to establish itself as the leading platform in the space. In our view, the bigger opportunity might however be the business's ability to convert complex data, including real-time situational data, into predictive pricing inputs. That could be hugely valuable to insurers for emerging, data-rich areas such as commercial IoT.

The 2018 challenge: Insurance is increasingly being 'embedded' in digital platforms - for example sharing economy users activate Guardhog or Zego insurance not directly but through the sharing economy platforms. Flock feels like the kind of proposition whose distribution will be driven by its ability to secure manufacturer or platform partnerships quickly.

Year founded: 2015

FTE: 7

Investment to date: £520k

Key investors: Downing Ventures, London Co-Investment Fund

Public insurance customers: Allianz Global Corporate & Specialty SE (AGCS)

Revenue growth 2016-17: Not disclosed

2017 revenue band: £50k - £1m

Current countries: UK

HQ: London

Tech Trend: UBI, AI & Data Insight

Target Insurance Partners: SME

“ Costing is good and the idea is brilliant to insure you only when you need it. Customer service is very helpful and friendly too. Highly recommended.”

Ryan Davidson, Flock Customer

What happens?

For customers

- Flock offers short-term policies which can be purchased instantly or scheduled up to 10 days in advance
- Pilots can select cover duration (between 1 and 8 hours) and public liability limits (from £1 to 10m)

For insurers

- Flock's algorithms convert complex static and real-time data into quantified risk analytics for individual drone flights; all calculations take place in the cloud and are computed in a matter of milliseconds
- The output is a single metric that represents the potential damage caused by any given drone flight at the point of take-off
- In current implementations, premiums are priced proportionally to the risk metric and underwritten instantly by the insurer (Allianz)

Key Executives

Ed Klinger
CEO & Founder

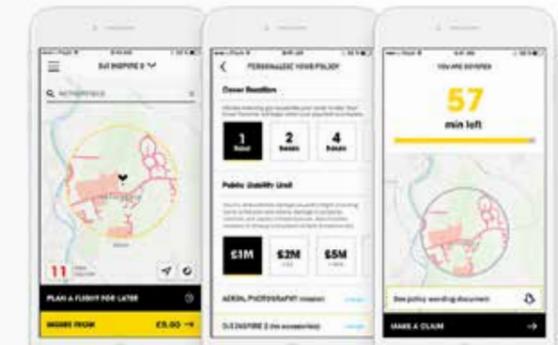
- M.Phil Technology from University of Cambridge
- M.Eng from University of Oxford
- Analyst at Blackstone

Antton Peña
Founder

- Concept car designer at AUDI
- UX designer at Scentee
- Co-founder of Farewill

Impact

Flock's platform is made available to customers via a mobile app.



Case Study 1

Client situation: Allianz wanted to access premiums in an emerging market, requiring a deep understanding of real-time risk, enhanced data about their customers, and protection from potentially high-risk scenarios.

What they did: Flock built and launched a drone insurance platform to facilitate the distribution of intelligent, real-time and risk-assessed insurance premiums through a smartphone application.

Impact: Over the first 2 months, 500 customers have registered with Flock, which represents 14% of the total commercial drone pilots in the UK.

Case Study 2

Client situation: A pilot flying occasional drone missions wanted insurance that reflected his requirements, rather than an inflexible annual policy.

What they did: Flock created their pay-as-you-fly drone insurance application, which allows the purchase of fully customisable, hourly insurance policies from £5.

Impact: The pilot now has more control over their insurance spending and is able to pass the insurance costs directly on to their customers.

Future Applications

Product development: Flock is continuing to develop its platform's capabilities, improving its ability to integrate with existing insurer workflows such as the claims process. When claims are made, Flock leverages insights from time stamped data in order to continuously validate and improve its Risk Intelligence Engine. Flock is also partnering with manufacturers, software providers and retailers to distribute its insurance platform.

New verticals: Flock is working with insurers to explore the expansion of its real-time pricing and distribution platform into new verticals.