



Zego provides usage-based insurance (UBI) to gig economy workers on the platform

1.4 million hours have been logged by gig economy workers since launch in summer 2016. Zego's active management of short-term policies on the platform means it can maintain loss ratios 20% lower than the market average

What do they offer?

Zego integrates with gig economy apps (e.g. Uber, Deliveroo) to provide usage-based insurance.

Zego's cover automatically starts and stops when the driver logs in and out of the gig economy app, leading to a better customer experience and lower potential for fraud.

The company has launched four products to date:

- UBI for scooter drivers
- Social, Domestic and Pleasure insurance for scooters
- UBI for car drivers
- UBI for cyclists

The Oxbow Partners view

Traction: Zego has logged nearly 1.5m hours on its platform in under two years and attracted significant investment from high profile investors.

Potential: With Munich Re and Aviva amongst their capacity providers and accelerating worker sign-ups, this business looks set to make a real mark in the UBI / gig economy insurance space in 2018. We see opportunities in both D2C and B2B2C.

The 2018 challenge: Several companies are pursuing similar business models to Zego (including Impact 25 Member GUARDHOG). We foresee a 'landgrab', which means Zego will need to ensure sales continue to accelerate in 2018. It will also be interesting to see whether Zego can find a point of differentiation that is not just price/commission.

Year founded: 2016

FTE: 38

Investment to date: £7.5m

Key investors: Balderton Capital

Public insurance capacity providers: Munich Re, Aviva, Transatlantic Re

Revenue growth 2016-17: 1,780%

2017 revenue band: £50k - £1m

Current countries: UK

HQ: London

Tech Trend: UBI
Target Insurance Partners: SME, Commercial Lines

“It's an exciting and very innovative opportunity which addresses a clear consumer gap traditionally underserved by our industry.”

Brian Spinks,
Head of New Business, Aviva

What happens?

For customers

- Gig economy workers log into the Zego app to register and add funds to their account; Zego integrates directly with the driver's preferred gig economy platform and cover starts and stops automatically when they are on shift
- The cost is deducted from customers' Zego account

For insurers

- Zego offers access to a new cohort of users and a new revenue stream in an emerging sector
- Zego adds value through its bespoke tech stack that reduces the requirement for additional costs and third party services

Key Executives

Harry Franks
CEO & Founder

- Global Head of Procurement at Deliveroo
- Various roles at online hospitality business, onefinestay

Sten Saar
COO & Founder

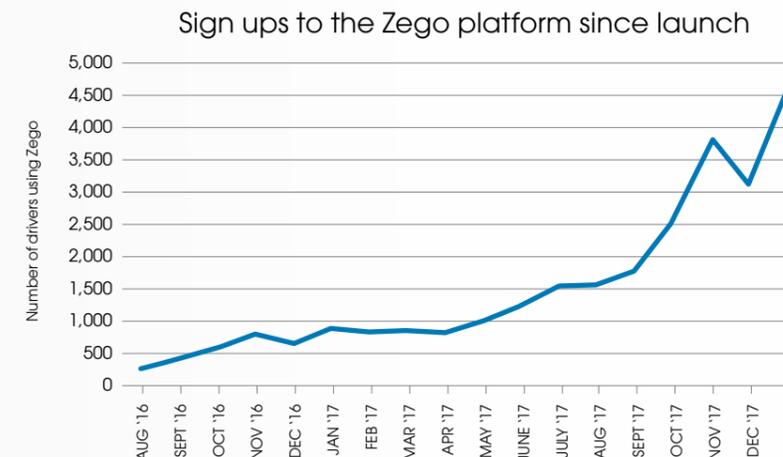
- Operations Director at Deliveroo
- Head of Operations at onefinestay

Stuart Kelly
CTO & Founder

- Head of Engineering at Hubble
- Lead Developer at Mainframe

Impact

Since launching in Summer 2016, the number of drivers signed up has increased steadily and has spiked in the last 6 months.



Case Study 1

Client situation: A delivery driver wanted to work flexibly around their university studies for just 15 hours per week as additional income. However, the proportional cost of commercial insurance across those working hours made the job commercially unviable.

What they did: Zego worked with the customer's gig economy platform to allow them to pay for insurance just when required.

Impact: With no fixed insurance costs, the insurance enabled the customer to truly be flexible in their working hours.

Case Study 2

Client situation: A large carrier wanted to explore new customer cohorts and new revenue streams in the on-demand economy but couldn't manage micro policies through their systems.

What they did: Zego integrated the carrier into their bespoke system, allowing the carrier to access customers using micro policies whilst being able to generate their own MI and reports.

Impact: The carrier was able to access a new cohort of users, a new revenue stream and utilise a new customer experience to develop their digital transformation through their partnership with Zego.

Future Applications

International expansion: Zego's product has been designed to work in other territories - Zego will be expanding into Europe in 2018.

Product expansion: Zego will utilise its high engagement and low distribution cost model to offer a range of products to gig economy workers. This will include an infrastructure of best practice around workers in an area where traditionally flexibility has come at the expense of support.