

CASE STUDY

Hippo Insurance Services



Rich consumer data helps provide accurate quotes in as little as 60 seconds

95B

TransUnion helps Hippo disrupt the \$95 billion US home insurance market

Like in so many other industries, digital transformation is causing innovative disruption in the home insurance industry. “Insurtech” startups raised \$1.7 billion across 173 deals in 2016, and companies like Hippo are disrupting the insurance business by bringing faster services and friendly digital interfaces to an industry known for forms and red tape.

Today’s customers are becoming more cost conscious and increasingly embracing mobile technologies, apps, dynamic insurance and financial services that can be customized to meet their individual needs and are faster to purchase.

Built for tech-savvy customers, Hippo’s mission is modernizing the \$95 billion US home insurance market by making the quoting process easier. The company uses trusted data sources to monitor homes and apply more precision to evaluating insurance claims and payouts. This translates to simpler processes and smarter coverage that is powered by technology.

The startup has worked closely with TransUnion from its inception. TransUnion’s insurance services, featuring rich consumer data, has helped Hippo provide accurate quotes in as little as 60 seconds. This is a huge competitive advantage since applying for homeowners insurance can take anywhere from two hours to two days, and few quotes even bind online.

“By working together with TransUnion, we are able to pilot an idea and implement it very quickly. It’s a wonderful two-way relationship that is helping us deliver innovative solutions to market, solutions that benefit the industry by pushing the envelope and benefit the consumer with better, faster and more inclusive options.”
- Mike Gulla, Director of Underwriting at Hippo

SCENARIO

Assaf Wand and Eyal Navon founded Hippo in late 2015 when they noticed strategic shifts in the industry that changed market perception. One stat that stood out was the average age of an insurance agent at the time was 59.¹ “The population of agents was decreasing year-over-year since far fewer new people were getting into the profession,” said Aviad Pinkovezky, Hippo’s Head of Product. At the same time, customers were more willing to do transactions online as FinTech firms like Betterment and Credit Karma² started providing user-friendly methods to do so.

“People were willing to pay student loans and even mortgages from new and nimble organizations such as SoFi and LendingClub,” said Pinkovezky. “Customers became much more comfortable with this notion of making decisions and trusting online brands with their insurance needs. Simultaneously, cloud-based resources and the availability of data sources driven by API integration leveled the playing field for new entrants,” he continued.

TransUnion showed interest in Hippo’s innovative business model from the outset. The company incorporated **TruVision™ Occupant Insight** into its system, helping it identify occupancy and insurable interest concerns and enabling the company to streamline the underwriting process.

TransUnion also helped Hippo manage acquisition costs and improve conversion rates with TruVision™ Credit Insurance Property Score, an industry-leading credit-based insurance score specifically built for the homeowners industry to help predict policyholders’ potential loss ratio risk.

STRATEGY

TruVision Occupant Insight, a comprehensive tool designed to flag high-risk applicants, helps Hippo streamline the underwriting process by identifying those high-risk policies appropriate for further review. Mike Gulla, Director of

Underwriting at Hippo, said that accurately underwriting a policy in such a short time would be nearly impossible without access to TransUnion’s services.

Hippo then fields its policies to its insurer partners, who have a combined **\$200 billion** in assets. TransUnion’s services help Hippo offer policies with confidence knowing that its exposure to risk is limited.

“Obviously, as a startup in the insurance space and being a pretty direct-to-consumer online program, we rely heavily on Occupant Insight as a key tool to help us understand risk,” Gulla said.

He added that having a realistic measure of risk helps Hippo build a sustainable business. “Occupant Insight has helped us flag the 5% of new business that requires our underwriters to put their hands on, whether it be a policy rewrite, additional premium capture, or ineligible or fraudulent risks that were identified using TransUnion’s property data services.”

TransUnion is also helping Hippo from a consumer perspective, by making Hippo’s offers attractive because the quoting process is so easy. While other insurers might ask up to 60 questions during the quote process, Hippo asks 12 to 15 based on which state the consumer lives in, nearly all of which are pre-populated with answers. Hippo notes it is able to save consumers up to 25% on their homeowners insurance.

RESULTS

For Hippo, the relationship with TransUnion has helped the company garner some **\$39 million** in funding so far and has aided its ability to help thousands of customers with their home insurance needs through radically simplified online processes. TransUnion sees partnering with startups like Hippo as an opportunity to collaborate on innovative solutions and market test new ideas.

¹ “13 occupations with worse aging problems than insurance agents,” ThinkAdvisor. <https://www.thinkadvisor.com/2014/11/11/13-occupations-with-worse-aging-problems-than-insu/?slreturn=20180631171434>; November, 2014.

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