



Pineapple

Website: <http://www.pineapple.co.za>

Location: South Africa, USA

Insurance Line: Personal Lines

Technology: App, AI, Social network

Stage: customer growth – revenue generating

Funding: ~\$1.7m

Revenue Model: Direct / B2B2C Sales - fixed fee: 15% of premium, 15% to carrier partner

Customer Segments: D2C Model - Sportsman, photographers, gamers etc. use it to insure equipment. Drivers use it to insure autos. Gadget owners use it for Smartphone, laptop, and tablet insurance.

Traction: Over 12K current users in 8 months since launch. Growing at around 25% per month. CAC is ~ R1000 (~\$70); lifetime value on is ~ R6000 (~\$400)

Team Size: 10 FTEs

Founded: 2017

Founders & Key People

Co-CEO: [Matthew Elan Smith](#), Actuary with 5+ years in insurance/tech

Co-CEO: [Marnus van Heerden](#), Law and Accounting (KPMG) with 5+ years in insurance and behavioral economics.

COO: [Hugo Mouton](#), Actuary and MBA with 10+ years experience in insurance and software development

Co-CTO: [Ndabenhle junior Ngulube](#), Accounting and software engineer with 5+ years experience

Co-CTO: [Sizwe Ndlovu](#), Software engineer with 7+ years experience

CMO: [Yashoda Ram](#), Marketing Actuary with 15+ years experience in insurance and marketing.

Summary

Pineapple offers a fair, transparent, and affinity based insurance model whilst building a user experience, product offering and brand that resonates with a younger audience to get them insuring. Pineapple allows members to get insured with just the snap of a picture using AI. Members see exactly how their premiums are used and are rewarded whatever is unused in policy benefits.

Market Overview

Pineapple is structured in a way to partner with existing carriers in each region and for each product who provide pricing and procurement and act as the "reinsurer" in the Pineapple system - underwriting the policies.

P&C insurance market: SA market - \$3bn, Asian markets - \$190bn, USA market - \$195bn, Europe - \$130bn

Total investment in the startup on-demand insurance market is ~\$258M with leading competitors including Slice Labs, Trov, Bind, Laka. In the P2P insurance space, competitors include goBundl and Friendsurance.

Problem

- 1) Currently insurance is mistrusted by consumers due to inherent conflicts of interest, lack of cost transparency, and loss of affinity. All of this results in fraud which diminishes value for all parties. Additionally, insurance does not include financial incentive structures for risk-mitigating behavior.
- 2) Younger people are not insuring despite being risk averse. Insurance has not followed suit of other services in offering an experience, product and brand values that align with the expectations of a younger audience.

Solution

Fully covered, decentralized social insurance product. How it works: a) Get covered in seconds with a snap of a picture using AI-powered app. Flagship SA product allows people to insure anything they own such as gadgets, equipment etc, with auto in the pipeline. B) Premiums are paid into your Pineapple Wallet (market related premium). C) Pineapple takes a fixed fee from this wallet for revenue and reinsurance expenses (so that valid claims can always be paid). D) When claims occur, they are distributed and paid out against premiums stored in the wallets in real time, with real time transparency. E) Whatever is leftover is given back to the insured. Pineapple partners with a carrier to make sure claims can always be paid.

Competitive Advantage

Primary differentiation is transparency and ease of insurance as well as a social networking component which adds a long-term sustainable competitive advantage and brings a new dimension of risk data.

The business model structure allows for complete oversight and reintroduces morality into the insurance model by aligning interests to reduce fraud. The social networking element allows Pineapple to make deductions about fraud and risk profile and feed the trust score back into the underwriting process and claims process so that when a claim occurs they can initiate payouts instantaneously.

It is all brought together by a slick user experience which issues cover with just the snap of a picture.

