

sonnet™

Insurance | Toronto, ON | Founded: 2016 | Employees: 159 | <https://www.sonnet.ca/>

PHONE: 1 844-766-6384

WIKIPEDIA: https://en.wikipedia.org/wiki/Economical_Insurance

BLOOMBERG: <https://www.bloomberg.com/research/stocks/private/snapshot.asp?privcapId=1511095>

LINKEDIN: <https://www.linkedin.com/company/sonnet-insurance/>

COMPANY OVERVIEW

Sonnet Insurance Company (Sonnet) is a digital direct insurance business launched in 2016 by its parent company, Economical Insurance. Sonnet is a federally regulated insurance company, and the only insurer in Canada to currently nationally sell home and auto insurance completely online. Sonnet's Parent Company, Economical Insurance is based in Waterloo, Ontario and has been operating since 1871 as the 9th largest property and casualty insurance company in Canada and the 20th largest insurance company in Canada by total assets.

SENIOR MANAGEMENT

Rowan Saunders: President & CEO, Economical Insurance Company (2013-Present), Board Member, Equitable Bank (2013-Present), Board Member and Past Chair, Insurance Bureau of Canada (2004-Present). Previously: Board Member, RSA (2003-2016); President and CEO, RSA Canada (2003-2016); CEO, Johnson Insurance (2003-2016); CEO, Noraxis Capital Corporation (2003-2014); Member of the Board, Codan Forsikring (2007-2011). Education: BA, York University.

Roger Dunbar: SVP (2017-Present). Previously: VP Marketing, AutoTrader.ca (2012-2017); Managing Director, Ancestry.ca (2010-2012); VP Digital & Business Development, the Globe and Mail (2004-2010); Regional CEO, The Nuance Group (2000 -2004); Director, Strategic Planning, The Walt Disney Company (1995 – 2000). Education: BA Business, Marketing, Wilfrid Laurier University; MBA, Marketing, University of Toronto – Rotman School of Management.

Marcus Lepkowski: Director, Customer Experience (2017-Present). Previously: Senior Offering Program Manager, Intuit (2015-2017); Senior Project Manager, Strategic Clients, Desire2Learn (2012-2015); Project Manager, AFGA Healthcare (2001-2010). Education: BCom, University of Guelph; MBA, Queen's University.

HISTORY

Market research conducted by Economical Insurance revealed that customer behavior was shifting throughout Canada. The shift identified an under-served segment that is comfortable with digital technology and sought new ways to buy insurance. Seizing an opportunity to disrupt the industry, Economical launched its digital direct business, Sonnet in 2016.¹

FUNDING

Sonnet Insurance Company is a part of the Economical Insurance Company group and fully funded by Economical Insurance Company.

KEY CORPORATE DEVELOPMENTS

Press releases: <https://www.sonnet.ca/news>

Mar 17, 2017: [Sonnet Recognized for Innovation in Customer Service, Technology, Business and Marketing](#)

May 11, 2017: [Sonnet Kicks Off Partnership with Toronto FC](#)

Oct 9, 2018: [Sonnet Insurance Teams Up With National Hockey League Players' Association](#)

¹ <https://www.ibm.com/case-studies/d293053g35886i68>

BUSINESS HIGHLIGHTS

STRATEGY

Sonnet leverages technology to target two lines of business:

- **Insurance Quoting** – Sonnet leverages technology to allow customers to get home and auto insurance quotes directly online instantly by filling out their information and without having to visit a physical location.
- **Insurance Purchasing** – Sonnet allows customers to directly purchase their insurance policy online with immediate activation after quoting without the need to arrange a phone call or visit a physical location.

PRODUCTS / PRICING

- **Home Insurance:** Sonnet offers home insurance policies for house owners, condos owners, rental tenants, and landlords. Customer needs to first obtain a quote online by filling out the necessary information. Sonnet's platform then uses this information and any publicly available information on the property to calculate the quote for the insurance policy. The customer is able to select from a variety premade packages with different features and levels of coverage. In addition, the customer is also able to create their own package of different features based on their needs.
- **Auto Insurance:** Sonnet offers auto insurance policies for vehicles. Customer needs to first obtain a quote online by filling out the necessary information. Sonnet's platform then uses this information to calculate the quote for the insurance policy. The customer is able to select from a variety premade packages with different features and levels of coverage. In addition, the customer is also able to create their own package of different features based on their needs.

TECHNOLOGY

Sonnet leverages its hybrid cloud platform that was developed in partnership with IBM Global Business Service (GBS) and Deloitte to accelerate its speed to market and its scalability. IBM manages the platform's security services and Deloitte worked with Sonnet to help develop its applications. Sonnet deployed Guidewire, an insurance policy administration system, on the cloud infrastructure. The hybrid platform allows customers to quote and purchase policy online directly with the policy becoming active immediately.²

DISTRIBUTION / LOGISTICS

Sonnet serves Canadian consumers directly through their digital platform without the need of the traditional broker partner channel. However, the parent company of Sonnet, Economical Insurance is also offering the same platform technology used by Sonnet to its broker partners as well.

MARKETING

Sonnet conducts its advertising campaign through partnerships with Canadian sports leagues or teams, notably the Toronto FC and the National Hockey League Players' Association. Sonnets tries to target a more cost-conscious consumer segment that wants to purchase their insurance policies online. Sonnet advertises through online video advertisements featuring Canadian Athletes and music festival goers.³ Sonnet also has company blog where it regularly posts financial advice for Canadians and interviews featuring executives of other well-known Canadian fintech startups.⁴

COMPETITORS

Many established insurance companies in Canada have launched digital direct insurance platforms. While Sonnet was one of the first of its kind in Canada, there are several recent entrants, for example:

1. **Nuera Insurance** – (Calgary, AB) Nurea Insurance is an online insurance broker that offers customer both quoting and purchasing insurance completely online.
2. **Aha Insurance** – (Waterloo, ON) Aha Insurance is an insurance broker that provides home and auto insurance coverage with a fully online quoting and purchasing process.

² <https://www.ibm.com/case-studies/d293053g35886i68>

³ https://www.youtube.com/channel/UCeOXIbT5710DW8JhHfD_ghw/videos

⁴ <https://www.sonnet.ca/blog>