Covera

Damage insurance/InsurTech Startup | Montreal, QC | Founded: 2016 | Employees: 10 | http://www.covera.ai/

PHONE: 1 888 626 8372
FACEBOOK: https://www.facebook.com/covera.co
BLOG: https://medium.com/@covera
BLOOMBERG: https://www.bloomberg.com/profiles/companies/1547254D:CN-covera-technologies-inc
LINKEDIN: https://www.linkedin.com/company/covera/

COMPANY OVERVIEW

Covera is digital insurance brokerage which specializes in finding and comparing insurance plans for its online users in Quebec. Based on the users' answers, Covera builds a detailed profile on the users' behalf and when the users' insurance policy expires, Covera will present to the user a small number of alternatives which will save the user money and can be purchased in minutes. This service is provided free of charge to the user.

SENIOR MANAGEMENT

Scott Loong: Co-founder and CEO (2016 – Present). Previously: Entrepreneur in Residence at Ferst Capital Partners (2015 – Present); Advisory Committee Member at National Crowdfunding Association of Canada (2013 – Present); Associate at Gowling Lafleur Henderson LLP (2010 – 2015). Education: B.C.L, LL.B, MBA, Faculty of Law, Desautel Faculty of Management (2011), McGill University.

Paul O'Reilly: Co-founder and CTO (2016 - Present). Previously: Product owner, Senior business analyst, Business analyst at Oceanwide (2011 – 2017); Application developer at Sun Life Financial (2010 – 2011); Software developer at Relay Business Software (2008 – 2010); Graduate software engineer at Asidua (2007 – 2008); Assistant software developer at Liberty Mutual (2005 – 2006). Education: Bachelor of Engineering and Computer Science (2007), Queens University Belfast.

Dominique Ferst: Member of Board of Directors (2017 – Present). Previously: Member of Board of Directors at Mylo Financial Technologies (2016 – Present); Advisor at Holt Accelerator (2018 – Present); Member of Board of Directors at North One (2016 – Present); Managing Partner at Ferst Capital Partners (2012 – Present); Member of Limited Partner Advisory Committee at TandemLaunch (2013 – Present); Co-CEO at Ferst Group (2008 – 2012); Founder and Co-CEO at TradeFreedom Securities (1999 – 2008); Founder and Co-Ceo at Odyssey Internet (1994 – 1997). Education: Bachelor of Arts, History, McGill University.

HISTORY

Covera was founded in 2016 by Scott Loong and Paul O'Reilly who recognized that most Canadians were paying too much for home and car insurance policies that didn't provide the best coverage. After conducting a survey in which 80% of participates admitted to staying on the same insurance plan due to the inconvenience of switching[1], Covera sought to change this. As a relatively young start-up fintech company, Covera sought out seed money in 2016 to fund its operations[2]

FUNDING

To date, Covera has raised $1.5million in seed money[3]. Of this $1.5million, $500,000 was raised by February 2nd 2016 and the other $1million was raised by October 17th 2017, both rounds were led by Ferst Capital Partners with

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[1] https://www.insurancebusinessmag.com/ca/news/breaking-news/covera-ceo-canadians-pay-too-much-for-insurance-92662.aspx
[2] https://www.crunchbase.com/organization/covera#section-overview
[3] https://www.crunchbase.com/organization/covera#section-funding-rounds

participation from fintech angel investors[4]. The financing will be used to support growth and user acquisition initiatives, drive geographical expansion across Canada and to increase staff to accelerate product development[5].

KEY CORPORATE DEVELOPMENTS

Press releases
Oct 18, 2017:   Covera raises $1.5million to help customers overcome boring insurance shopping
Oct 19, 2017:   Montreal-based insurtech startup Covera raises $1.5million
Feb 20, 2018:   Covera CEO: Canadians pay too much for insurance
Apr 30, 2018:   How digital startups are developing Insurance-As-A-Service

BUSINESS HIGHLIGHTS

STRATEGY

Covera uses a go-to-market strategy by targeting the insurance renewal space. This gives them an edge in the market as the company is able to avoid the high marketing costs of incumbents as the customers who currently have an insurance policy are more likely to renew or switch policies rather than cancel the insurance policy[1]. Covera's main business strategy is to integrate analytics and proprietary historical information, automate non-critical tasks in the brokerage value chain with the use of AI, and to cross sell related financial and non-financial products.

PRODUCTS / PRICING

Since Covera provides a free service to its online users, the company does not generate revenue directly from the user. Instead, Covera earns revenue based on the sale of customer leads to incumbent insurance brokers[6]. Thus, earning a commission from these carriers. Covera seeks out partnerships mainly with digital brokers who focus on automating customer shopping during the renewal process[6].

TECHNOLOGY

Covera develops their own technology and utilizes AI and hired brokers to select the best available plan (based on pricing and coverage) for the user. There is limited information in regards to this technology as the company is relatively young at this point in time.

DISTRIBUTION / LOGISTICS

Covera is an online service currently operating in Quebec. There is one office located at 4767 Dagenais St, Montreal, QC. Covera has collected data on "fully online purchases" of insurance and has found that there have been below average conversion rates and so telephone contact remains an important part of insurance distribution.

MARKETING

As a relatively new fintech start-up, Covera markets its service heavily via social media. Having set up a Facebook page, Twitter, LinkedIn and blog, Covera has a decent social media presence. The webpage is also created with an easy to use interface as the target market is those who prioritize convenience.

COMPETITORS

Covera's main competitors would be other fintechs in the insurance sector, namely:
1. Zensurance – (Toronto, ON). An online service which helps start-ups and small businesses to manage their business insurance needs. Based on the business needs, Zensurance compares insurance rates from their database and recommends the most suitable one based on cost and coverage.
2. League – (Toronto, ON). Specialises in providing the best health insurance policies for employees. This platform allows users to build their own customized health plan which would then be used to recommend the user a health insurance plan.

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[4] https://www.canadianunderwriter.ca/insurance/montreal-based-insurtech-startup-covera-raises-1-5-million-1004122342/
[5] https://betakit.com/covera-raises-1-5-million-to-help-customers-overcome-boring-insurance-shopping/
[6] https://covera-prod-content-web.azurewebsites.net/documents/whitepaper.pdf