

Wefox secures \$650M mega-round to repeat the feat of doubling its revenues

Article

A Series C funding round of \$650 million at a valuation of \$3 billion will help power the European insurtech's product and geographic expansion, [per](#) TechCrunch. Along with its main

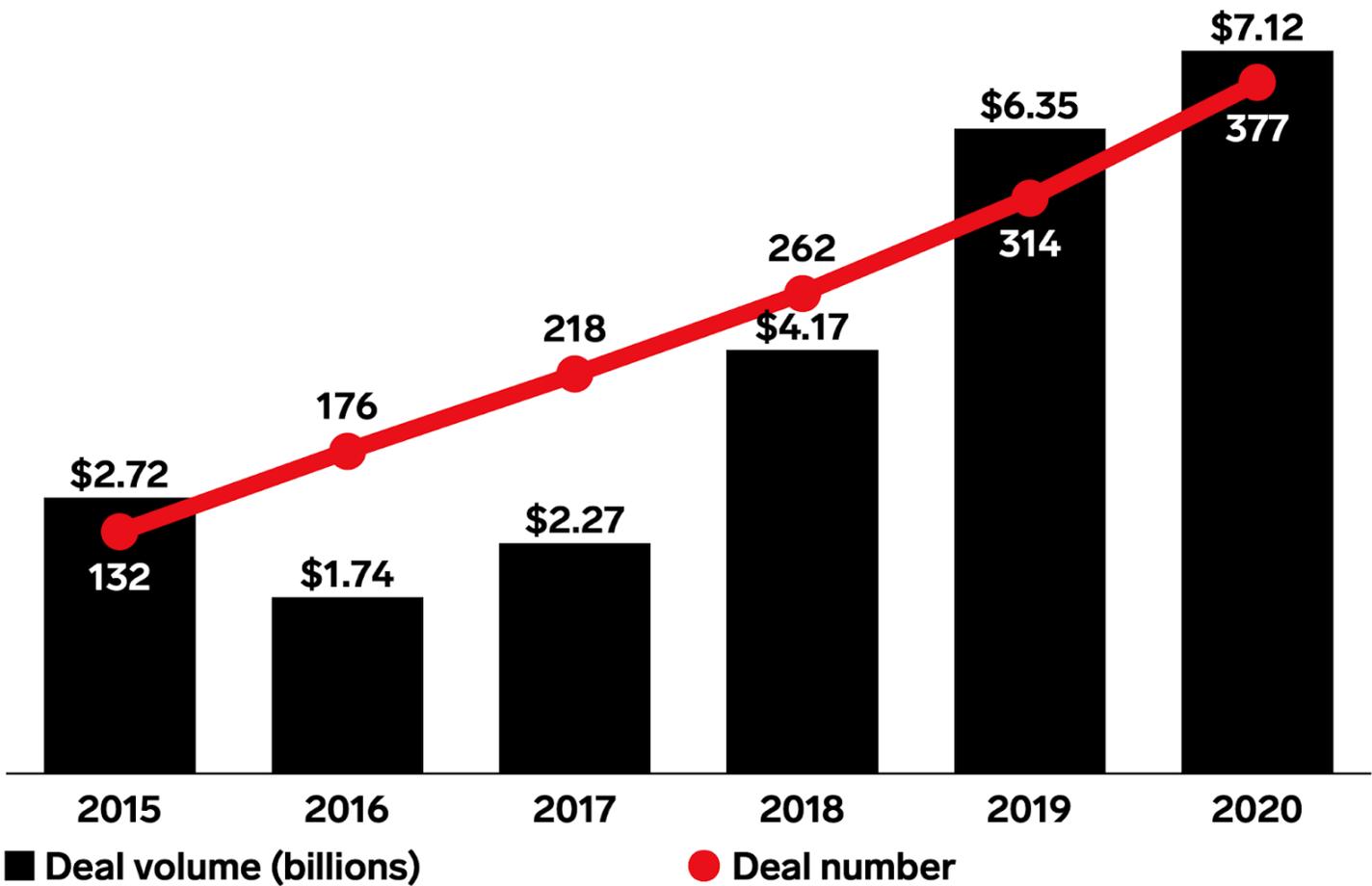
platform, which connects brokers to customers, wefox offers coverage in household, auto and other areas through direct-to-consumer insurance products. As a licensed carrier in Liechtenstein, wefox can take advantage of passporting rights across the European Union and looks to build up its presence in five markets. In 2020, wefox doubled its revenues to €119 million (\$152.6 million) and expects to double them again in [2021](#).

Wefox has boosted its growth trajectory by digitally augmenting human agents. Many insurtechs prioritize cost reduction by cutting out middlemen and only selling policies online. Wefox has followed a different strategy, giving human agents access to digital tools. In Europe, human agents remain the dominant sales channel—around [9/10](#) of policies are sold via insurance agents. For example, [55%](#) of German policyholders stated they wouldn't purchase a policy online. Conversely, European policyholders indicate that they want to use digital touchpoints at other steps during their customer journey, such as receiving additional information, per McKinsey. The success of wefox suggests that it's struck the right balance between selling policies through the favored sales channel in Europe and augmenting agents with digital tools that improve customer service.

As the European insurtech space heats up, wefox's timely new funding gives the insurtech an opportunity to scale across Europe.

- **Several European insurtechs that enjoyed strong customer growth in 2020 reaped large funding rewards.** UK-based Zego's [\\$150 million](#) raise in March and French insurtech Luko's [\\$60 million](#) capital injection in December 2020 both offer evidence of the recent success of European insurtechs. Investor interest in Europe stems from the growing consumer appetite for insurtech products. With its mega-raise, wefox can further exploit this trend and become a dominant European-wide player.
- **Wefox can profitably target new markets with high fintech adoption, like [the Netherlands](#), as well as undertapped insurtech markets, like Spain.** Since global insurtech Lemonade is pursuing an [European expansion roadmap](#), it makes sense for wefox to prioritize scaling across Europe before Lemonade gains first-mover advantage. A European-focused strategy might leave wefox with fewer funds for a US and Asia expansion, if that's in the cards—but wefox may better optimize its new war chest by doubling-down where it's already a success.

Annual Global Insurtech Funding



Source: Willis Towers Watson, "Quarterly InsurTech Briefing Q4 2020," January 28, 2021
Methodology: This data is reported quarterly by Willis Towers Watson.

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