IoT insurtech LeakBot will go public in SPAC deal

Article

The news: UK insurtech **LeakBot** will go public under the name of **Ondo Insurtech** in a SPAC deal with Spinnaker Acquisitions, per UK Tech News.

- The firm will focus on insurtech product development for the connected home.

- It builds on LeakBot's partnerships with nine insurers—including **SageSure**, **TopDanmark,** **Hiscox**, and **Direct Line**—across the US, the UK, and Scandinavia.

What does it do? The IoT company has created a device that helps protect homes from water damage—as well as save water and decrease building material waste—to reduce insurance

claims and payouts.

Here's how it works: A single sensor that a policyholder can install by themselves monitors a home's water use.

- The sensor uses patented Thermi-Q technology to detect water leaks by measuring both the air and water temperatures in homes—any leak or water irregularities will create a consistent drop in temperature.

- The sensor connects to the home wireless network to communicate with the LeakBot mobile app. If it detects a leak, it triggers an alert to the policyholder via the app.

- If the policyholder can't locate or resolve the leak, the app alerts and dispatches a licensed plumber at no cost to find and fix the leak.

Key context: Water damage (including damage from freezing) is one of the most common and most costly homeowners insurance claims.

- Every year, about **one in 50 homeowners will file a water damage or freezing claim**, accounting for almost 24% of all homeowners insurance claims, according to the Insurance Information Institute.

- The average cost of a water damage or freezing claim is **about $10,900**.

- In a LexisNexis study of 2,306 U.S. homes that installed a Flo by Moen Smart Water Leak detector—whose capabilities are similar to LeakBot's—**water-related claims dropped 96%** compared with the two years prior to installation.

Why it matters: Smart housing is one of four emerging digital ecosystems that are relevant and attractive to insurers—the other three are mobility/connected cars, connected health, and commercial lines, per McKinsey.

- Smart home technology matured rapidly after **Google**, **Amazon**, and other providers marketed their offerings. The mass market facilitates simple connections with more devices— which insurers should explore and encourage.

- Real-time data streams from water leak alarm sensors like LeakBot, heat and gas sensors, and functional fire alarms enable insurers to assess risk far more accurately and help customers prevent losses.

- These devices also tend to strengthen the relationship between insurance companies and their customers.

Shipment Value of Smart Home, Wearable, and AR/VR Devices Worldwide, 2021 & 2025
billions and CAGR

	2021	2025	CAGR (2021-2025)
Smart home	$289.9	$400.4	10.1%
Wearables	$77.8	$106.4	9.9%
AR & VR	$1.9	$18.2	67.9%
Total	**$369.6**	**$524.9**	**10.8%**

Note: numbers may not add up to total due to rounding
Source: International Data Corporation (IDC), "Worldwide Quarterly AR/VR, Smart Home, and Wearables Trackers" as cited in press release, Oct 4, 2021

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