

The Zebra scoops up new funding and becomes a unicorn

Article

US-based insurance comparison platform The Zebra has secured a \$150 million Series D funding round, making it the latest fintech unicorn, [per](#) TechCrunch. This brings The Zebra's total funding to date to \$261.5 million since its founding in 2012. The fresh capital was raised not to fund operations, but to accelerate growth and new product plans, as the startup isn't "highly unprofitable or burning through money," per its CEO Keith Melnick.

The Zebra has expanded its product suite in recent years, providing it with a more rounded value proposition—and fueling its revenue growth.

- **The insurtech’s broadened offering aims to provide users with a one-stop shop for insurance needs.** The Zebra initially focused on auto insurance with its real-time quote comparison tool, teaming up with the top 10 auto insurance carriers in the US. It has since evolved its product to include homeowners insurance and aims to launch renters and life insurance options in the future. The Zebra also recently introduced a home and auto bundled product, yet most of the insurtech’s growth still stems from its core auto offering, per Melnick. In the future, it also wants to help **enable** better communication between agents and customers.
- **Its ever-expanding product suite enabled The Zebra to more than double its revenues from \$37 million in 2019 to \$79 million last year.** Moreover, March 2021 was the startup’s highest-performing month ever, with revenues totaling \$12.5 million, putting it on track to reach an annual run rate of \$150 million this year. And its revenues per applicant has grown at a clip of 100% year over year. These statistics likely enabled The Zebra to raise the new capital, and new products will further accelerate its growth over time.

Going forward, The Zebra should focus on supporting the agent-user relationship and striking new partnerships to diversify its distribution channel.

- **By doubling down on communication between agents and users, The Zebra can build strong relationships.** The insurtech allows users to get free insurance advice from agents on demand. Having a digital approach to the customer relationship is likely a benefit during the pandemic—especially as The Zebra is building out its coverage options to more complicated areas, such as life insurance—as **50%** of US insurance agents stated that remotely building new customer relationships has been a major challenge amid lockdowns.
- **Further, The Zebra could team up with nonfinancial platforms to enhance awareness for its offering.** Small business insurtech Next Insurance, for example, recently **partnered** with Amazon to offer Amazon Business Prime members access to its offering. Such partnerships would be especially beneficial as The Zebra needs to stave off **competition** from other insurance marketplaces including Insurity, Gabi, and Policygenius.


US Insurance Agents' Biggest Challenge During the Coronavirus Pandemic and the Most Significant Capability They Want from Insurers

Agents that stated remotely building new customer relationships is the biggest challenge during the pandemic



50%

Agents that rated digital tools as the most significant capability insurers can invest in to support them



44%

Source: McKinsey & Company as cited in a company article, June 2020

Methodology: Data is from the May 2020 McKinsey survey "COVID-19 US Insurance Agent Pulse Survey." 341 insurance agents were surveyed online in May 2020.

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