

Thank you everyone and thank you to the FSI for having me here today. I'm incredibly excited to meet all of you and share what I know about creating disruption both in my past experience and with my current endeavor, Thimble. Thimble is my first foray into Financial Services, and specifically insurance, so my story should resonate — and maybe even scare you a little bit. Because change is coming. Fast.

My name is Jay Bregman. Many of you know me from Hailo (or at least that's what it was called before big auto turned it into a fairground for big branding agencies). But there is more to the story.

eCourier

My first startup, eCourier, was founded in 2004 and brought intelligent automation to London's same-day delivery and logistics industry. We built an dispatch algorithm we christened "Larry" that allocated jobs automatically. I founded it after graduating from LSE with a master's degree in Media and Communications Regulation & Policy. A startup was really the only option – I couldn't get a job, but with the degree at least I knew why.

At its peak in 2009, eCourier was the leading technology-enabled delivery service in London, providing overnight on-demand services to most of the city's premier investment banks. It was great business while it lasted, but as the deals dried up in the crisis so did our deliveries. We held on and recovered, and after nearly a decade, it was sold to the Royal Mail where it lives on as part of the capital's delivery infrastructure.

Hailo

In 2010, Hailo gave birth to the concept of e-hailing in Europe by connecting London's licensed taxi drivers to passengers via complimentary apps. Hailo grew rapidly, entering dozens of new markets and becoming an international company very quickly, starting right here, in Dublin.

Dublin

Everyone thought we were crazy to go to Dublin, but we had a really talented country manager and a big city with poor public transport and a penchant for going out at all hours, particularly every Thursday night. I remember getting frantic

calls every holiday season when demand outstripped supply – the Irish were such devoted users they even crashed the global network on many occasions. After some exciting adventures all over the world, Hailo was sold to Daimler in 2016 and lives on as Free Now. The way I see it, Hailo’s legacy is now part of the strategic crown of the company that invented the automobile in the first place.

Patterns

I’ve had a good shake at creating disruptive companies and I’ve learned that there’s a pattern in how successful companies approach three key relationships. I believe that companies who nail these relationships will become the next generation of industry powerhouses. But before I dive in, I’d like to share how a childhood passion inspired my latest venture, Thimble.

Rockets

As a kid in suburban New Jersey, I was obsessed with dismantling and creating all sorts of machines and robots. I’d spend hours building radio-controlled cars and small rockets in my parent’s basement. And, when I wasn’t tinkering

underground, I'd bring my creations to the streets often launching homemade rockets into the sky. Our poor neighbors.

Discovering Drones

Fast forward to 2014, my time at Hailo was winding down and this passion from my youth re-emerged with the advent of Unmanned Aerial Vehicles commonly known as drones. Flying a drone recreationally was thrilling, but the businessman in me found the commercial applications equally so - I knew that everything including photography, logistics, medical supply delivery, search and rescue, and much, much, more would be re-imagined because of these tiny flying machines.

The idea of UAVs everywhere was new, and, in many ways, it was a terrifying concept. It was this fear factor that opened my eyes to the opportunity of creating products that could help drone pilots mitigate risk and take on any job that came their way.

So, that same year, along with my cofounder Eugene Hertz, who co-founded ecommerce giant Diapers.com that sold to

Amazon in 2011, I started Verifly, and began creating technology to assess the risk of any single drone flight. We used that assessment to provide the necessary commercial insurance policy for as little as an hour in duration - this was the perfect unit of time to cover that new side hustle. It sounds crazy, but no one had created the insurance contracts, pricing, or tech, to allow policies to be sold anytime less than a full year.

Furthermore, professional pilots (who were really just independent photographers or real estate brokers with a drone) needed to show proof of aviation insurance to cover the liability of flying their drone – something excluded under normal business insurance.

New Insurance Stack

In order to create a truly disruptive user experience we realized quickly we needed to create new insurance filings – contracts – the legal forms and rate manuals that describe how insurance is sold. There was no way to hack the existing filings. We had to build a new stack. So, we dove into insurance, hired great people, engaged regulators, and figured out how to create an insurance platform that would

sell micro policies from 1 to 8 hours, with zero-underwriting questions. We just needed to know where you were flying (which your phone knows automatically). The only alternatives were annual policies which trapped you in a yearly contract and required a bunch of mostly unnecessary questions about you and your history. Two weeks ago, we won the patent to this technology in the US.

Our customers, who were in fact very small businesses using drones as an adjunct to their core business, kept asking since Verifly was so simple, why couldn't we extend it to handle their normal business insurance? Why couldn't it help them get into venues, onto job sites, and solve other common mass-market insurance bottlenecks? Light bulb.

Eugene and I realized that we were onto something big — every small and independent business, from handymen to hairdressers, painters to personal trainers, need insurance in order to take on their next job just like the drone pilots we were already servicing. We were witnessing what I first saw at Hailo – work was becoming more transactional and existing business models were struggling to keep pace. This was our opening – new customer behaviors crying out for an insurgent to step up.

\$100B Market

The market for small business insurance in the US is over \$100B in premium and that's with 40% of sole proprietors not buying insurance at all. Over a third of the US workforce has some form of commercial side-hustle. Every business no matter how small would benefit from insurance, either to get more work or protect their assets, but when we started their only choice was an annual policy and to buy time they didn't need. We have since learned that even if they are only saving a few cents, people really don't like buying what they don't need. This is especially true for the next generation of workers who want more than anything to work on their own terms. This is what the gig economy means to me.

Becoming Thimble

Early this year after having raised \$22M in new funding we came to the conclusion that we wanted to build the most recognized and loved brand in small business insurance. We needed a new name that captured the iconic business we wanted to become, and a new logo and identity as disruptive as our product. We love Thimble because it allows us to own

a real object in the world, a largely forgotten small protector of creatives. Because it's a real object we express it in three dimensions and with animations – we think that's where brands are heading. The process wasn't without its challenges though – in another world the business could have been called “Lobster”, “Kelp”, or even “Rollercoaster”.

Insurance & Complexity

The insurance industry was born out of a fire, quite literally as its inception is most often attributed to an outcome of London's Great Fire in 1666. And today, 350 years later, even though we live in an instant-gratification, on-demand, one-swipe-away society, the insurance industry remains driven at the front line by over 1 million insurance brokers in the US alone who sell one-size fits all annual policies often out of brick and mortar establishments. They exist because insurance policies, like all barnacle-encrusted legal contracts, are complicated, and as more case law appears, they are further bloated by additional endorsements, corrections, and exclusions. Insurance policies never become simpler; they never get shorter. They are so complicated only humans can sell them and *boy* do they really need to be sold. The core insurance product has been getting more complicated, while

the premium customers place on simplicity is getting much more substantial. Complexity has a cost and nowadays people just don't want to pay it.

Product Vision

We dreamed of an insurance product you could buy instantly on your phone for only the amount of time you needed it, and then you could change, extend, or even cancel it if that's what you needed to do, without speaking to anyone and in a crisp, fair, and simple way. All other insurance companies have manual processes associated with these actions, but we couldn't afford any people, so we had no choice but to fully automate. We will have one customer service agent for 100,000 policies sold which is an incredible ratio in any business, but particularly insurance. And the customers are happier – our Net Promoter Score is 185% higher than the industry average.

The Three Relationships

So, while I love my company and what we're trying to do, the reason I share our story is because Thimble is the

embodiment of the three relationships that I believe are pivotal to building a sustainable disruptive company.

Relationship Number 1: For those whose livelihoods you're about to impact, be sure to hold nostalgia's hand.

Terry, Russ, and Gary. These were the three London Cab drivers with over a century of combined experience who helped us build Hailo and what would go on to be a network of over 100,000 registered taxi drivers. For eCourier, working with existing couriers was pivotal to success and, today with Thimble, we've worked closely with industry veterans, regulators, and experts to create a broker program where the 1 million insurance brokers in the US today can actually refer and resell Thimble. In return, they'll receive a commission on every policy ever purchased. Sophisticated startups know that there is no shame in working with the existing supply and distribution structure – as long as it doesn't require you to compromise your customer experience – or supplier livelihood.

A courier, a cabbie, an insurance agent – these are the backbones of multi-billion-dollar industries. Much as a trader,

analyst, controller, or bank teller are at the core of finance generally.

In an economic sense, the service offered by these individuals become a company's supply but the second we treat them as a product, a/b testing their livelihoods, is when things begin to crumble. We, as entrepreneurs, startups, and tech companies must remember that we need their participation as much as they need our support to evolve.

Relationship Number 2: As a technology operator in a highly regulated industry it is an absolute requirement to be a "compliant" pirate.

The relationship between policy and technology is...well it's complicated. As you know, the finance industry is as regulated as any of the others I've discussed tonight.

Steve Jobs famously said, "It's more fun to be a pirate than to join the navy." And it's true. Smart, driven people want to be trailblazers, not tour guides. People want to work for companies that build new things, not those that sit around saying no to every new idea.

One of the fallback reasons in financial services for saying “no” is compliance. But often this is really just a convenient excuse for not wanting to do things differently. Successful fintech startups need to be better at compliance and government relations than the best incumbents. They need to engage with the choicest compliance firms, lobbyists, and other advisors, early and often. They need to speak to regulators. They need to find creative ways around compliance problems in order to get their product to market. At Thimble we call this being a “compliant pirate”. One final piece of advice from Steve Jobs – “real pirates ship”. It’s all about delivery and in fintech delivery of anything innovative means compliance has to be in your DNA.

Tech’s increase in potential has also increased its ambition which means that tech companies find themselves increasingly playing in highly regulated spaces. We need to be creative within the box.

And finally, Relationship Number 3. The one between you and your customers, the one where if you listen harder, you’ll hear the sound of winning.

Having the right tools to capture feedback and spending time face-to-face in the same room as customers is pivotal. But this isn't a data volume game. The company with the most data won't necessarily win. Incumbent insurers go on and on about their data advantage, but they rarely use this data to build anything new.

Filtering is one of the most important skills to find signal from the noise. Our tech stack at Thimble involves over a dozen tools and, given the uniqueness of our product as the only insurance available entirely from an app and for as little as an hour, we can see intraday trends and seasonal impacts unlike anyone else.

But the truth is, we probably know too much.

The Beatles spent the majority of their career limited to 4 track tape recorders. Constraint breeds creativity.

Endgame

These three relationships, the one between you and the incumbent participants, you and your gatekeepers, and you and your potential customers are so vital to your ultimate

success. And by that, I mean becoming an institution, not just scoring a high valuation.

As you all know too well, the days of crazy IPOs in the 90s and early 2000's are gone. The days of private investment whitewashing fundamentals are gone. The work, and the challenges we face, are too mainstream now. Too ordinary. *Like the customers we serve, we each need to figure out how to win on our own terms.*

Thank you again to the FSI and to you all for your time tonight - I look forward to meeting some of you this evening, working on a few new relationships, and continuing our conversation in the future.