FinTech Case Study

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Introduction

A company that caught my interest was League, which is a type of InsurTech company.

League began in 2014. The main founder and current CEO of League is Michael Serbinis; and he is a successful entrepreneur, engineer, technologist, and investor. He has his Master of Industrial Engineering at the University of Toronto. Michael has been the founder to many companies, this includes DocSpace and Kobo. One of the co-founder and Chief Product Officer of League is Dan Leibu; and he specializes in making sure his companies are marketable. Dan has his Bachelor of Computer Science at Concordia University. The other co-founder and current Chief Technology Officer is Dan Galperin; and he’s known for his innovative technology platforms that have changed and improved the way of life for everyone. Dan has his Bachelor of Education Technology at ORT Academic College. All three founders’ vision when starting up the company, was a way to encourage people in our society to live healthier, which in return leads to a happier life. They wanted to find a way they could use technology, so they can contribute to people’s livelihoods quickly and efficiently.

The company itself has multiple investors who believe in League’s vision and view them as a profitable organization. League’s investors include: “Telus Ventures, Wittington Ventures, RBC Ventures, OMERS Ventures, Portag3 Ventures, Real Ventures, Manulife, and BDC, among others” (Soltys, 2021).

Business Activities

League was created to satisfy people of their healthcare needs and help businesses to take care of their employees’ well-being. In the past businesses had to account a lot of their expenses towards healthcare benefits for their employees; but when businesses use League’s platform, all their employees’ healthcare needs are attended to in an efficient matter, while the businesses are saving a lot of money. League specifically do not have any financial issues, as many organizations benefit from their platform greatly; which in return leads to more and more investors for League.

The company’s intended customers apply to everyone, especially business owners who are looking to save money with the benefits they must accommodate their employees with. Every individual today is keen on taking care of their healthcare, but that also means investing a lot of money into your health. That is why League’s digital platform gives people the power to manage and take care of their health, while feeling comfortable and being affordable. Businesses reimburse their workers with multiple health benefits and this costs a lot to implement; but partnering up with League allows companies to save expenses, while still offering great (if not better) healthcare to their employees. The market size for healthcare is global, as everyone needs to take care of their health; and League is continuing to expand.

In terms of differentiating from their competitors, League was one of the first companies to introduce digitalized health care, and today it is the biggest digitalized healthcare platform. People tend to not visit health clinics often because their engagement experience with the health officials were not pleasant; but League’s platform first prioritizes to strengthen the relationship between their customer, which ensures that consumer is engaged and motivated. You might assume that a digitalized health system might not accommodate all your needs, but the system allows individuals to receive personalized messages that attend to the specific needs of the individual.

League’s platform can be used on any technological system, most commonly the App is downloaded on phones. League uses multiple recourses to run their business. For application and data the company uses: JavaScript, jQuery, React, NGINX, PostgreSQL, MongoDB, Google Drive, GraphQL, Swift, Google Compute Engine, and Objective-C. For utilities the company uses: Google Analytics, Google Maps, and PayPal. For DevOps, the company uses are: GitHub, Git, Docker, Jenkins, PyCharm, Android Studio, ESLint, Docker Compose, Grafana, and CircleCI. Finally, the business tools the company uses are: Slack, Jira, G Suite, and Salesforce Sales Cloud.

Landscape

League is in the Insurance domain of the finance industry. Insurance industry has been growing exponentially over the last decade, as more and more people need a safety blanket over their valuables. More recently in the past five years, Insurance companies are moving into InsurTech, where companies are using technology to run their operation more efficiently. “Global Insurtech Market revenue is valued at 5.48 billion in 2019 and is expected to reach 10.14 billion by 2025, growing at a CAGR of 10.80% during the period 2019-2025” (Businesswire, 2020). This shows that the industry is currently successful and will continue to strive even more. The competition in the industry is limited, which is why there is no need for too much innovation and differentiation amongst Insurance companies. There is continued technological development in the Insurance industry, as more companies are beginning to incorporate “artificial intelligence, machine learning, and block chain technology” (Businesswire, 2020). The top ten major companies in the InsurTech industry, excluding League, include: Mojio, Dream Payments, Apollo Exchange, Briza, Relay Platform Inc, Finaeo, ProNavigator, ClearRisk, and Foxquilt. League ranks second on the top ten list for best InsurTech companies in the world.

Results

League has shown the ability to change the way the public think about healthcare. In the past healthcare was something that you had to access in person, while paying hefty charges; but League has changed the whole dynamic by digitalizing the whole system and making it more efficient and cost friendly for people to take care of their health. There are multiple metrics League can use to measure their performance. For instance, they can view the number of new clients they gain on a monthly basis and see the number of clients they lose. Since 2014 when League launched, they have been gaining more and more investors, which just proves that League has been successful in reaching their goals. On League’s website they specifically use member enrollment rate, industry average engagement, and net promotor score (NPS) to base their success, and in each of those criteria’s they have high scores. As mentioned above, League ranks second on the top ten list for best InsurTech companies in the world, as they have more that $140 million USD invested into the company. In terms of just the healthcare industry, no competitor comes even close to what League has to offer; but they must continue find ways to differentiate themselves, as more companies try to replicate and be better than what is League is right now.

Recommendations

The next step League should take is, expanding their business to other countries, especially in third world countries. As mentioned above, healthcare is something that all human beings need, so every country would benefit from League’s services. If we think healthcare is expensive in Canada and USA, healthcare is much more costly in third world countries, where many individuals are not able to afford sufficient healthcare to survive; but with League digitalized system, everyone will have the ability to manage their health. If League can do this, they would be able to grow their business even more and generate more revenues. Expanding to multiple countries offers a few sets of obstacles as the organization would have to figure out how to organize the money amongst different currencies and figure out how to supply everything amongst many systems efficiently. To solve all this confusion, League can expand their own blockchain, and create their own NFT; so it would be easier to keep everything organized for the company’s books. In conclusion, from League’s start-up they have grown tremendously and been successful; and they will grow continue to grow with the amount invested into the company.

References

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