

Naked Insurance raises R290m in funding

AI-driven insurtech company Naked Insurance has raised \$17m (about R290m) in series B funding. International Finance Corporation (IFC) is leading the funding round. The German Development Finance Institution (DEG), and Naked's original investors, Yellowwoods and Hollard are also taking part in the funding round.



Naked's Johannesburg team | image supplied

IFC and DEG are both backing Naked in line with their goals of investing in companies that can make a social impact, increase competition in financial services in Africa, and foster financial inclusion. The funding round signals strong investor confidence in Naked's management, technology and positioning, as well as in the significant opportunity to use AI and digital experiences to grow Africa's insurance market in the years ahead.

Naked was founded by actuaries Alex Thomson, Sumarie Greybe, and Ernest North, with a vision of creating a more accessible, convenient and transparent insurance experience. They started developing the concept and systems in 2016, launched in 2018 and are now scaling the business fast. Naked has built an end-to-end digital platform that enables customers to manage their entire insurance experience online from an app.

Alex Thomson, co-founder of Naked, said: "More than five years ago, we set out to create an insurance platform that people would love for being fair, convenient, and transparent, at game-changing prices. Since our launch in 2018, we have been overwhelmed by customers' enthusiasm for our offering and have exceeded our growth targets every year.



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"We are excited to bring new investors on board in this funding round as part of accelerating our growth plans. This investment validates our position as a pioneer of fully digital insurance in South Africa and will enable us to grow our team, continue to invest in technology that puts customers in control, and expand into new markets.

Adamou Labara, IFC country manager for South Africa, commented: “Improving access to insurance products is a key driver of financial inclusion in South Africa as it has the potential to preserve assets, increase incomes and reduce uncertainties. IFC’s investment in Naked will help increase the penetration of tech-driven insurance in the country and contribute to job creation and economic growth.”

Ingo Schulz, vice president at DEG InsurTech Global Markets, added: “We believe that Naked is well positioned to drive digital transformation and inclusion in the South African insurance industry because of its unique technology and innovative business model. We recognise the enormous commercial potential in increasing access to insurance through the use of smart technology. We’re excited to partner with Naked, not only as the leader in this space, but also as a business that will have a significant positive social and developmental impact.”

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