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yulife focused on hiring, adding customers, potential international expansion after raise, exec says

by Kevin Nafziger

yulife, a London-based group life insurer that is seeking to redefine life insurance around the idea of better living is focused on growing its team, adding customers, and possibly expanding beyond the UK after raising its Series A round at the end of May, co-founder and CPO Josh Hart told this news service.

yulife raised €11.3 million in the A round which was led by the Creandum Fund, which also invested in iZettle and Spotify. yulife was founded in 2016 and announced a partnership with AIG in June 2018, where AIG Life agreed to serve as the underwriter for yulife policies. In November 2018, the company officially launched its Life Cover product, and began selling it to businesses in the UK. The company has raised total funding of €16.6m, according to a press report.

The company now has achieved strong product-market fit and its priority is to grow. It will reach 50 employees by September, Hart said, up from a reported 25 employees to start the year. The company is fortunate to have Creandum Funds as a partner as they are playing an important role in crafting the company's plans for growth, he said.

yulife sells group life insurance to employers who then offer Life Cover as a benefit for their employees. The group life market is ripe for disruption as most companies in the space have very similar offerings to each other, Hart said. In fact, many people do not even know that their employer offers a life benefit, which, in turn, reduces the incentive for employers to provide one, Hart said. Among small to medium-sized businesses in the UK, 85% do not provide a life benefit to employees, according to yulife.

yulife is looking to create a global brand and is considering expanding into markets beyond the UK. The US is a market it will definitely consider later on, but yulife is not likely to expand there in the near-term, as the US has complex insurance laws that can vary widely from state to state.

Both in insurance and financial services generally, there are few if any companies that have created brands that stand for something beyond the products they sell, Hart said. Iconic brands such as Nike and Apple though, are associated with something larger than their own products. Like those brands, yulife is purpose-driven and its goal is to transform life insurance into a product that improves the way we live, he said.

At the moment, yulife has a B2B focus, although the potential exists for the company to sell individual policies, Hart said. Along with its group life offering, yulife has a mobile app for enrollees that rewards positive lifestyle choices such as walking, yoga and meditation. By doing those activities, users of the app earn yucoins, that can be redeemed for gift cards from companies like Amazon and ASOS or for Avios airline miles, Hart said.

The company's mobile app is sticky and has been download by 70% of plan enrollees. 50% of those who download the app have used it in the past 15 days and 20% use it daily, the executive said. Hart who is also yulife's CTO, was previously a founding partner at Chelsea App Factory, an IT consulting firm that helps companies with mobile app development.

Hart said he received a lot of the inspiration for the yulife app from the multi-player games he enjoyed growing up such as World of Warcraft. The idea behind the yulife app was to bring the immersive experience of those games to activities that provide greater benefit to society, such as helping people sign up for life insurance or encouraging people to download a meditation app or to take a bike ride. Life insurance has a public benefit, and without it, significant burdens are placed on the friends and family of a person who passes away. Some countries like Australia even offer incentives for people to buy life insurance. Part of the reason governments now feel compelled to offer such incentives is that fewer people are buying life insurance than in the past. In turn, this means society has to bears more of the costs, Hart said.

Hart started his first company when he was 17 and built his first app when he was 13. Because of his early entrepreneurial pursuits, he did not attend college, although this is a path he in no way recommends for others, Hart said. He created his first app using Visual Basic. The app commanded keyboards to automatically press keys at regular intervals, which permitted someone playing World of Warcraft to avoid being AFK, or "away from keyboard." This helped players earn more points on group quests and advance further in the game. While the app was created before the advent of online app stores, it was still downloaded more than two millions times. After that, Hart "had the bug" he said, as he saw the potential reach that apps could have.

When Hart was 20 he co-founded Chelsea App Factory, his second technology

business. Within six years, that company grew to 100 employees and was doing consulting work for a variety of blue-chip companies. After those six years, however, Hart grew tired of repeating the same lessons to the same companies. The companies never really seemed to apply the lessons and often didn't really seem to want to. This lack of a sense of progress from the work is what ultimately led Hart to sell his stake in the company, he said.

In 2016, about a year after leaving Chelsea App Factory, Hart met with ex-Vitality CEO Sammy Rubin and finance professional and rabbi Sam Fromson at a cafe in Chelsea. The two yulife co-founders were not initially planning to recruit Hart but only were seeking his advice for an app they wanted to build as part of their new company. At the time the company had not even raised funding. After a few hours of talking with Rubin and Fromson, Hart fell in love with the idea to transform the life insurance market and decided to join yulife. It has been the best three and half years of his life, Hart said.

yulife's mobile app uses AI for a few specific cases, such as determining why a user might disengage from the app, Hart said. Regarding AI's potential benefits and dangers, Hart said he sees the possibility that AI could help solve a significant problem like global warming, as it appears humans aren't capable of making progress on solving the problem on their own. That said, Hart shares the fears of many about the dangers of machines built not to solve a specific problem but to mirror human behavior. The idea that a machine might one day be smarter than a person is truly terrifying, although thankfully such a possibility is probably 10 to 20 years away, Hart said.

Hart likes to spend his free time with his family, but as a self-described "nerd" he also enjoys the sense of escape he gets from playing a well-designed video game. The detail that goes into creating immersive realities in videos games is incredible and is fun to explore, he said. The only drawback is that games like Fortnite can be addictive for some, and the time spent playing such games does not really provide much value. Games have the power to make people feel happy, something that can be used in apps with a positive end goal to help people improve their well-being, Hart said.

In addition to Creandum Fund, yulife backers include MMC Ventures, Notion Capital, Anthemis, Exponential Ventures, RGAX, OurCrowd and LocalGlobe

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