

Company Snapshot

honcho

HONCHO SUMMARY

"Honcho Markets operates a real-time reverse-auction marketplace for the distribution of insurance products.

"honcho helps consumers to quickly get the cover they need at the best price and helps insurance providers to offer the right consumers the right products to match their needs via low-cost distribution.

"Insurance distribution is broken, with neither consumer nor provider having a great experience. honcho exists to change this, to closely meet the needs of time-poor consumers with a model that is better for everyone.

"honcho's values of fairness and transparency combined with our unique technology and disruptive commercial model enables us to focus relentlessly on helping consumers to easily get the cover that is right for them and sets honcho apart from other distributors."

KEY METRICS

Product(s):

Reverse-auction marketplace

Launched:

August 2019

Headquartered: **Durham**

Funding: **circa £3.65m** (May 2020)

Users: **15k** (May 2020)

Auctions: **18k** (May 2020)

ALTUS REVIEW

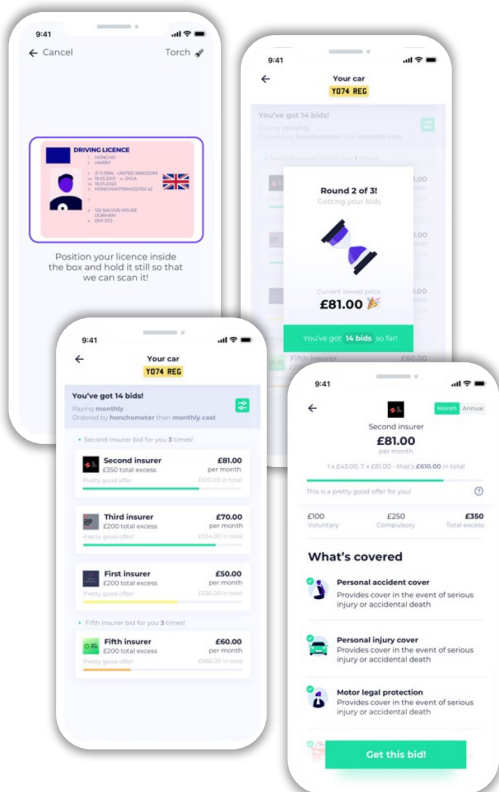
Marketed as a disruptor to the established price comparison industry, with its reverse auction marketplace, product focus and transparent pricing to insurers, honcho brings a refreshing openness to the process of buying insurance.

However, we see the marketplace as just the surface, there are two further significant aspects of the business.

The first of these is the education to customers about what they are buying through the use of a visual guide to how much the product meets their needs. By asking non-standard questions to establish a customer's product needs, this enables the results to be ranked by product-need fit, not wholly on price.

The second is the value in the data that an insurer can get from their participation in the bidding process. This is where honcho can support significant changes to how insurers' products and propositions are managed and updated. Using existing connections to insurers through software houses, honcho can pass enhanced information which can support real-time updates to pricing (e.g., to support the 2nd and 3rd rounds of bidding), or a future direction around real-time updates to products to meet the individual customer's needs.

On a final point, the customer-facing interaction is mobile-first, with ~90% of consumers using the app. They benefit from device-enabled functions such as scanning of a driving licence, to make the customer journey straightforward, together with the gamification of the selection journey. Once an insurer has been selected, the customer is passed through to that insurer's own digital journey.



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Altus Capability Mapping: honcho

The **Altus Capability Model** enables organisations to define what they do using a common language and understanding of the make-up of an end-to-end Insurance business.

Using the **Altus Insurance Capability Framework**, we have mapped **honcho** to our General Insurance reference model, across over 1,200 capabilities, summarised in the diagram below.

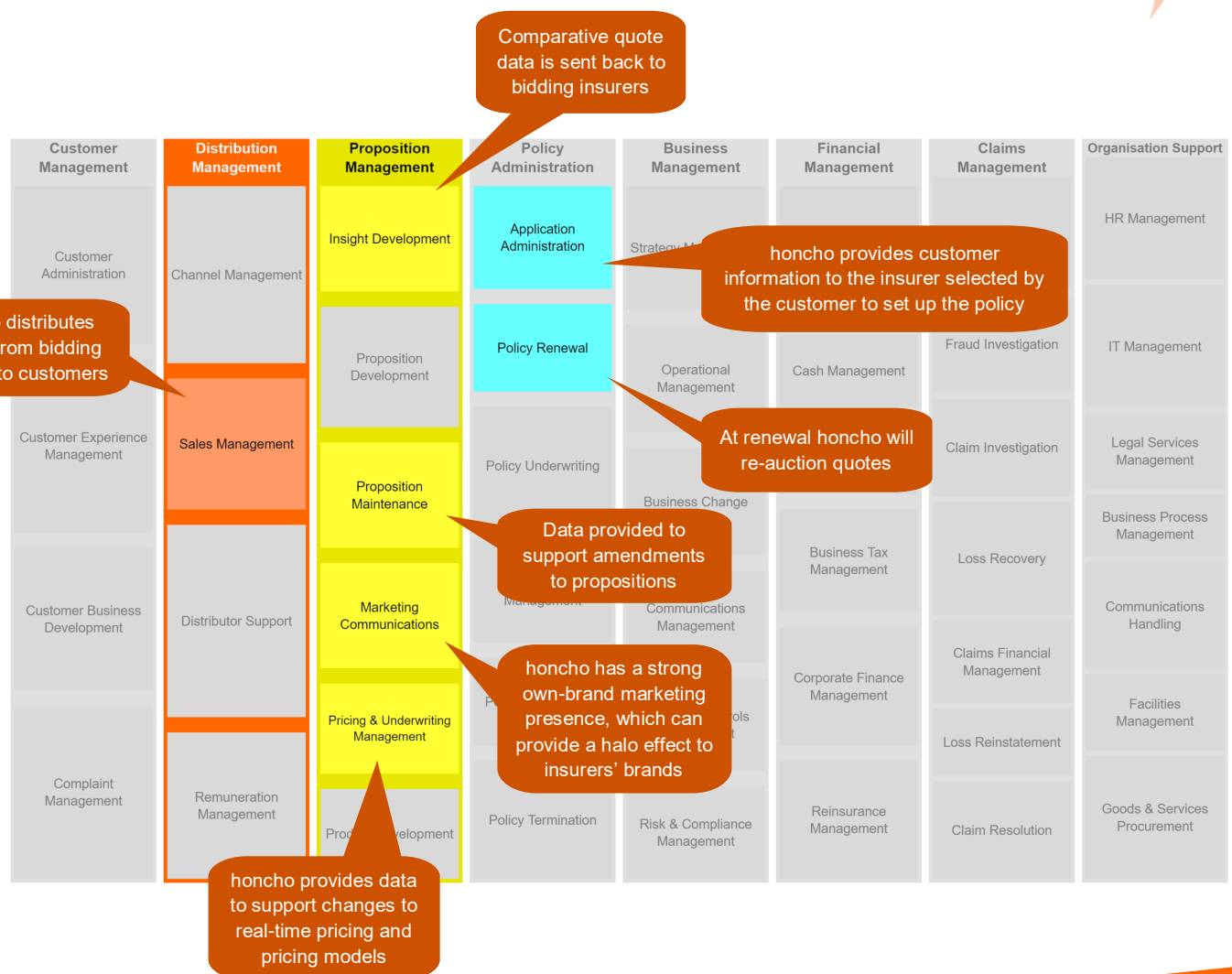
Additional lower level capability mapping has been captured in our PEAK platform and is available on request.

honcho provides a unique set of capabilities that insurers can benefit from, using the data behind the front-end. These are predominantly focussed around sharing the data from the reverse auction back to insurers, which can enable insurers to think differently with the use of that data, including real-time pricing and product updates.

“As shown by Altus’ capability mapping, honcho gives our insurance partners insight and transparency into the wider markets pricing and product fit responsiveness for individual customers, allowing them to optimise their offering to each individual customer in real time.”

Gavin Sewell

Founder & chief executive honcho



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