

# **GIG ECONOMY MOTOR INSURANCE European Study**

**FREE  
ABSTRACT**

Identifying the  
growth and  
opportunities in  
Europe



***How the gig economy is disrupting  
commercial motor insurance in last mile mobility***

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# Gig Economy Motor Insurance European Study - Free Abstract

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**About PTOLEMUS Consulting Group**

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# The first strategy consulting & research firm entirely focused on augmented mobility & automation

## Strategy consulting services

Strategy  
definition

Investment  
assistance

Procurement  
strategy

Innovation  
management

Business  
development

Project  
management

## Market research services

Off-the-shelf  
reports

Subscription  
services

Custom  
market  
research

## Fields of expertise

### Mobility services

Car pooling  
Car sharing  
MAAS

Micro-mobility  
Ride hailing  
Shared mobility

Smart parking  
Tax refund

### Vehicle services

bCall  
eCall  
FMS  
SVT / SVR

Tracking  
VRM  
In-car Wi-Fi  
Parking

Navigation  
Speed cameras  
Traffic information

### New energies

BEV  
EV charging  
Fuel cards

Fuel cells  
Hydrogen

PHEV  
Vehicle-to-grid

### Usage-based charging

Car As A Service  
Electronic Toll  
Collection

Mobility-as-a-  
Service  
Road charging

UBI / PAYD  
Vehicle rental  
Vehicle leasing

### Vehicle data & analytics

AI  
CAN-bus  
Crowd-sourcing  
Data protection

Driving behaviour  
OBD  
Predictive  
analytics

Remote  
diagnostics  
xFCD

### Vehicle automation

ADAS  
Autonomous cars

Autonomous  
trucks

Robo-taxis  
Shuttles

### Enabling technologies

Positioning (GNSS  
/ WiFi / cellular)  
M2M /  
connectivity

Smartphones  
Sensors

Telematics  
devices  
V2X

# 160 consulting assignments to help our clients define their connected insurance and fleet strategies...



Defined strategic positioning in insurance telematics value chain

Global tier-1 automotive supplier



Evaluated UBI market opportunities in Europe, Asia and Latin America

Global insurance group



Defined the strategy & business plan of its telematics programme

Global insurance company



Helped the company's Board understand the impact of telematics

European insurance group



Led the commercial due diligence of Wunelli

Financial investor



Assisted in designing a digital roadside assistant solution using OBD dongles

Global roadside assistance group



Appraised future telematics technology & market trends and their impacts

Leading EU insurance group



Evaluated the business potential of a major SVR, UBI and FMS telematics supplier

Holding company



Helped evaluate European OBD market opportunities in FMS, UBI and roadside assistance

Major telematics device vendor



Appraised future telematics technology & market trends and their impacts

Leading EU insurance group



Helped the company define its strategy towards OEMs

Major insurance TSP



Helped define the insurance and fleet management specifications of its eCall on-board unit

Global automotive OEM



# ... perform market sizing, due diligence & business planning projects...



Conducted the commercial due diligence of Octo Telematics



Assisted in the review of the global insurance telematics market

KKR



Helped the client define the strategy & business case of its new telematics business

Automotive tier-1 supplier



Performed a global review of the telematics insurance market

SILVERLAKE



Performed the vendor due diligence of Cobra Automotive prior to its acquisition by Vodafone

INTEK GROUP



Evaluated the business plan of Cobra Automotive

HUTTON COLLINS PARTNERS LLP



Evaluated the analytics solution of a global insurance TSP

Private equity fund



Evaluated the impact of telematics on claims losses

French insurance company



Evaluated the EU market for smartphone-based fleet management



Built insurance telematics business plan in 5 EU countries



Conducted the red flag due diligence of a UK fleet Telematics Service Provider

Private equity fund



Conducted a global review and forecast of the Usage-Based Insurance market

Cinven

## ... and help them deliver their strategy



Defined & implemented its partnership strategy in the connected vehicle ecosystem



Assisted in sourcing a driving behaviour database across Europe

Global tier-1 automotive supplier



Helped the company build its driver behaviour scoring solution

Telematics Service Provider



Helped the technical team identify valuable OBD data for its future telematics diagnostics offering

Roadside assistance operator



Evaluated the technical & safety characteristics of a telematics solution using an OBD dongle

Mid-sized insurance group



Evaluated the solution of an Irish fleet Telematics Service Provider

Strategic investor

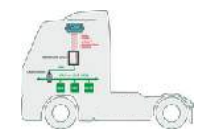


For its fleet, evaluated the benefits of telematics and scheduling solutions



Helped identify & select potential acquisition targets in US fleet services

Fuel card operator



Evaluated the technical solution of a CAN-bus telematics solution provider

Tyre maker



Defined the telematics platform specifications on analytics & driver coaching

Consumer electronics player



Assisted in sourcing an OBD dongle for mass deployment in China

Major connected platform provider



Evaluated the security of the solution of a green driving service provider

Major financial group



# PTOLEMUS can help your organisation define and achieve its strategy in fast moving times

- **Strategy definition**

- Market entry assistance
- Data strategy and analysis
- Mobile insurance strategy development
- End-to-end UBI programme definition
- Data monetisation strategy

- **Investment assistance**

- Strategic review
- Commercial due diligence
- Market forecasting

- **Innovation management**

- Insurance policy definition
- Integration with fleet telematics
- Telematics pricing strategy
- Reward strategy
- Value added services (VAS) strategy
- Loss reduction plan

- **Procurement**

- Identification of relevant suppliers
- Selection of telematics technology & suppliers

- **Business development**

- Partnership strategy definition
- Partnership strategy implementation

- **Deployment**

- Data privacy strategy
- Analytics, scoring and pricing strategy
- Specifications of telematics-enabled products
- Design & deployment of telematics platform

# Gig Economy Motor Insurance European Study - Free Abstract

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About PTOLEMUS Consulting Group

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**Introduction to the report**

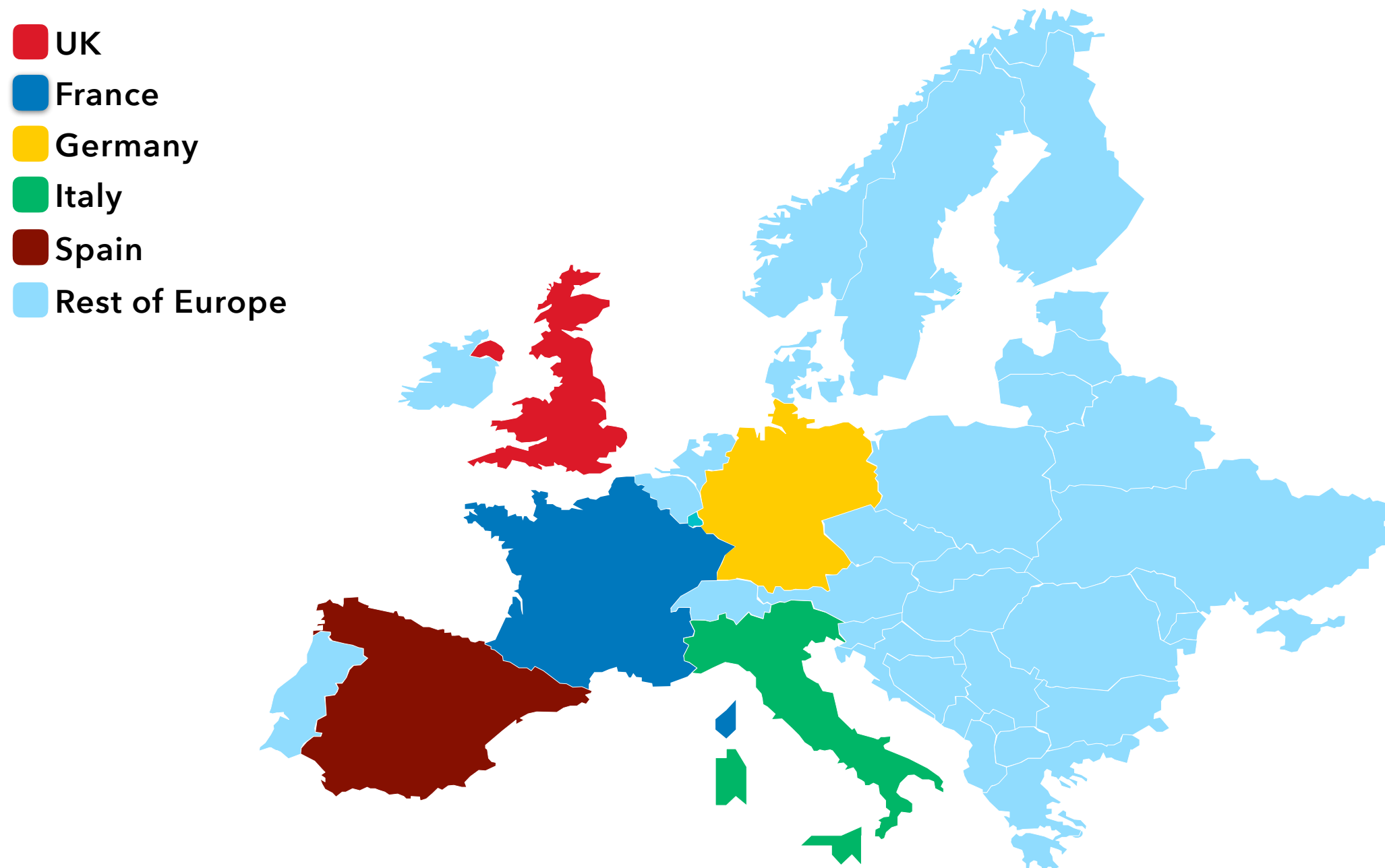
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# The report covers the top 5 European economies and summarises the prospects for other European countries





# This study is the first in-depth assessment and forecast of European motor insurance market for the gig economy



*All the facts,  
numbers and  
analyses...*

**225 pages** on the gig economy motor insurance in Europe, leveraging:

- The **Fleet Insurance Telematics Global Study**
- The **Mobile Insurance Global Study**
- **3 months** of research
- **Over 160 consulting assignments** in mobility and insurance domains

## **The report brings:**

- **A general overview of the commercial insurance market in Europe and the role of last mile mobility**
  - A summary of commercial line insurance and its complexity

- An analysis of the key pain points for insurers targeting last mile mobility

- **An appraisal of the market for self employed drivers using cars, vans, and scooters**

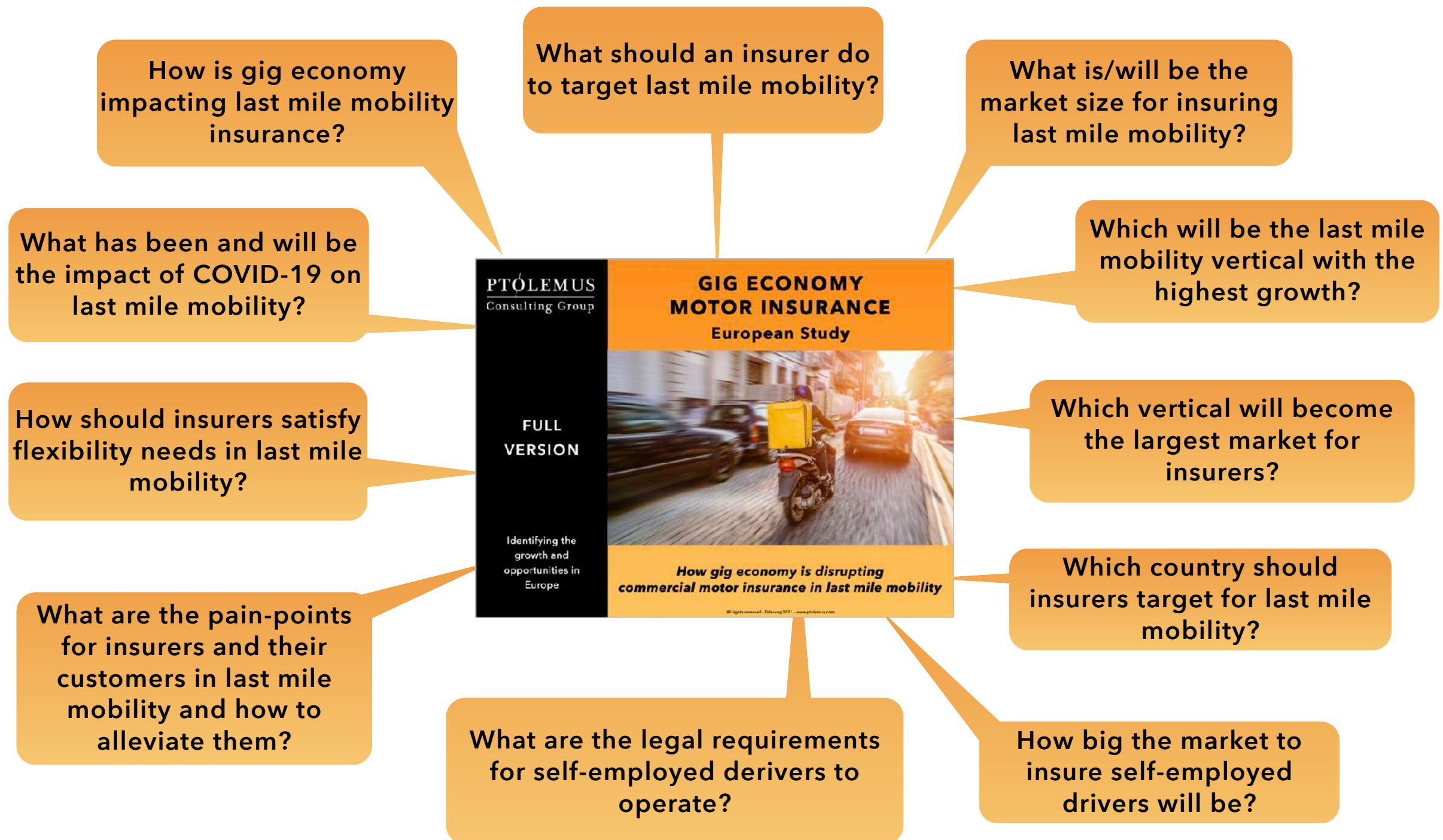
- An investigation on how the gig economy is evolving and how it is impacting last mile mobility
- The impact of COVID-19 on the mobility of persons and goods
- The role of self-employed drivers in last mile mobility and the regulation affecting this phenomenon

- **2020-30 forecasts of insurance premiums generated by last mile mobility drivers**

- Insurance policies volumes and premiums generated
  - ✓ By both employed and self-employed drivers
- For **5 key European countries and Rest of Europe**
- In **3 vertical markets**
  - ✓ Food delivery
  - ✓ Public and private hire
  - ✓ Courier drivers

- **Conclusions and recommendations for insurers willing to offer motor insurance coverage for last mile mobility**

# The report tackles numerous strategic questions



# The report provides a comprehensive review and forecast of the European market value and volume of last mile delivery commercial motor insurance

## 1. Describing the commercial insurance market

- A. Vehicle segments and fleet types
- B. Personal vs commercial policies in key markets
- C. Key market developments

## 2. Appraising the market for self employed drivers using cars, vans, and scooters

- A. Introduction to the gig economy
- B. The impact of COVID-19 on the gig economy & self-employment insurance

## C. Regulatory frameworks and statistics on self-employed workers

## D. Legal and insurance requirements for gig workers operating in last mile delivery

## 3. Predicting the market outlook through 2030

- A. Introduction to the forecast
- B. Food delivery
  - ✓ Summary
  - ✓ UK
  - ✓ France
  - ✓ Germany
  - ✓ Italy
  - ✓ Spain
  - ✓ Rest of Europe
- C. Taxi and ride hailing

- ✓ Summary
- ✓ UK
- ✓ France
- ✓ Germany
- ✓ Italy
- ✓ Spain
- ✓ Rest of Europe

## D. Courier

- ✓ Summary
- ✓ UK
- ✓ France
- ✓ Germany
- ✓ Italy
- ✓ Spain
- ✓ Rest of Europe

## 4. Concluding on the market potential for insurers



# The report was written by a diverse team of experts



**Frederic Bruneteau**  
Managing Director, Brussels

The **founder** of PTOLEMUS, Frederic has accumulated **25 years of experience of the mobility and transport domains** and 15 years of strategic and financial advisory.

He has become **one of the world's foremost experts of connected insurance** and is interviewed on the subject by publications such as the *Financial Times*, *Forbes*, the *Wall Street Journal* and *The Economist*. He has also spoken at over 40 conferences on the subject.

**He has led over 140 consulting projects and helped many world leaders define their strategy and implement it.**

Clients he has served include AAA Data, Abertis, AGC Automotive, Allianz, AXA, Baloise, BP, Bridgestone, Cihon, CNH Industrial, Danlaw, DMP, Europ Assistance, the European Commission, HERE, Kapsch, the Netherlands' Ministry of Transport, Mobile Devices, Octo Telematics, Michelin, OMV, Pioneer, Qualcomm, Scania, Société Générale, Telit, TomTom, Toyota and WEX.

Frederic led the research for over 15 reports including the **Global Mobility Roadbook** and the **Fleet Insurance Telematics Global Study**.

**Frederic reviewed this report.**



**Andrew Jackson**  
Research Director, London

With a career in market research spanning 12 years, **Andrew has over 8 years of experience working in the automotive and industrial sectors.**

He has delivered **advisory services, custom projects, data and insights for some of the biggest names in the automotive OEM and OES sectors**, e.g. BCA, Continental, CNH Industrial, Delphi, Johnson Controls, Hyundai, LeasePlan, Mannheim, Mercedes Benz, Mobis, Philips Automotive Lighting, PSA, SEAT, Tenneco and Volkswagen.

Over the years, he has been sought to share his opinion via a variety of publications such

as the *Financial Times*, the *Wall Street Journal* and *Automotive Industries*, *AMonline*, *Fleetworld* and *Fleet News* as well as a variety of national newspapers. He is also interviewed on global automotive events by Bloomberg, CNBC and Reuters.

Andrew is a **Certified Member of the Market Research Society (CMRS)**. Andrew is also a qualified Change Management Practitioner, a Certified Scrum Product Owner and Agile Business Analyst.

**Andrew directed the research and entirely reviewed this report.**



**Chirag Ramesh Kalose**  
Senior Business Analyst, Paris

An engineer and a business graduate, Chirag has gained 4 years of experience **in the automotive and mobility industries**, helping companies such as Advent, Bain Capital, CNH Industrial, Faurecia, Octo Telematics, Toyota, Sansera, Sentiance, and wejo.

He has participated to several connected car projects, at PTOLEMUS:

- For a private equity fund, he conducted the **vendor due diligence** of a vehicle and driver risk assessment platform
- For a large engineering group, he **analysed telematics-related market opportunities**,

- For an analytics platform provider, defined its strategy in the connected car markets,
- He estimated and forecast the volumes and revenues from 8 car data hub markets.

**Chirag has extensively researched about the fleet telematics, the insurance telematics and the driving risk management markets.**

He also led our post-COVID 2020-2030 global automotive market forecasts.

**Filippo contributed to the research, analysis and writing of this report and its forecasts.**



**Filippo Frezet**  
Business Analyst, Brussels

Filippo has gained experience **in the mobility and emergency services industries**, helping companies such as Advent International, Bain Capital, the European Commission, SkyToll and wejo.

He has contributed to several consulting and research projects e.g.

- **For the European Commission, he conducted an impact analysis** of mandating a combination of positioning technologies (under the name of Advanced Mobile Location or AML) on mobile phones for emergency applications (E112)

- **Helped a European ITS company defining its expansion and M&A strategy**

- **For a leading private equity fund**, he conducted the **vendor due diligence** of a leading European electronic tolling service provider

- **He participated in the research and writing of PTOLEMUS' Vehicle Data Market Global Study**, the first in-depth analysis of car data hubs worldwide, analysing companies such as Caruso, LexisNexis, Otonomo, Verisk and wejo.

**Filippo contributed to the research, analysis and writing of this report and its forecasts.**



# Will the skyrocketing on-demand economy trigger the take-off of on-demand insurance?



Dear reader,

COVID-19 unexpectedly shook-up mobility as we know it, leaving behind confusion and a need to for a new way of doing business in its wake.

Whilst passenger transport **losses in Europe are expected to exceed €80 billion**, we have found that the market value for gig-economy insurance (of scooters, cars and vans) will grow at 6.9% overall for the next decade, catalysed by surging e-commerce as families and business turn to the internet to purchase goods and services.

## COVID-19, driving the e-commerce agenda?

Since the COVID-19 pandemic began in Europe, **the market potential for the insurance of last-mile delivery has exploded**. Across the top 5 economies in Europe, as well as further afield the message is the same; the demand for last-mile delivery services is booming, especially in the courier and food delivery sectors.

Literal examples of how this industry is being affected can be seen in bellwether organisations such as **Deliveroo**: in the past year **20,000 new restaurants have joined the service**, it doubled its delivery workforce, and it plans to expand into 100 new towns and cities across the UK alone, and the story is very similar throughout all European countries.

It is not just isolated to food delivery either. Martijn de Lange, CEO of courier firm **Hermes UK**, stated that as a result of the pandemic and lockdown, the company has had to **compress its 5-year plan in just 5 months** as the level of parcel volumes being handled are at a level that was originally planned for in 2025, and he sees **no sign of this demand slowing in 2021**.

## How will things play out?

But despite the boost that has come to the last-mile delivery industry, not all sub-sectors are poised to benefit from the impact of COVID-19.

Public- and private-hire taxi firms, whilst representing one of the largest sectors in terms of total addressable market (at €2.6 billion) have been **experiencing a severe downturn as a result of the pandemic**.

In Berlin, **40% of taxis are no longer operating**, and in a twist of irony, these traditional beige cabs are now seen transporting parcels as frequently as they are people, in a bid to maintain a living.

From a regulatory perspective, whilst we see that the market is destined to grow fast, this will not be consistent throughout the countries we investigated.

The UK is ahead due to the **deregulated nature of its employment market, creating the ideal condition** for gig economy growth, whilst in countries such as Spain and Italy the opposite can be said, with a **clear correlation between the regulatory strictures** (or in some cases lack thereof) creating either the perfect breeding-ground, or a bed of thorns.

## What will the future hold?

**Insuring the mobility of gig workers presents considerable challenges for underwriters**: short-term contracts, unpredictable workloads, drivers' inability to afford high premiums and high claims frequency and severity. Most commercial line insurers are ill-prepared to this.

Therefore, **insurtechs such as Inshur, Qover and Zego**, which are all building **On-Demand Insurance (ODI) products** for this growing flexible workforce,

are set to be at the forefront in the battle for the custom of the gig economy worker. But how long will it be until there are more entrants into this exciting new market? Time will tell...

Our detailed assessment of this segment of the commercial motor insurance market will give you a lucid picture of why and where it will grow the fastest.

**PTOLEMUS** has leveraged its **10 years of experience in tracking the UBI insurance industry, to bring you what we believe is a ground-breaking and truly unique report in 2021**.

It contains 225 pages of analysis on the current and future volume and value of the European gig economy motor insurance market across 6 markets: **the UK, France, Germany, Italy, Spain and Rest of Europe**.

The report identifies which industry verticals will display the highest growth, and its conclusions detail where the major revenue opportunities will be across 3 industry verticals: **Food delivery, Courier and Taxicabs**.

The report forecasts cover the **volume and value** of the European gig economy commercial motor insurance market from 2020 to 2030, taking into account the impact of COVID-19.

**As consultants**, we also look forward to help you shape your **market strategy** in this swiftly evolving insurance landscape.

Sincerely,

Andrew Jackson

Research Director

# Gig Economy Motor Insurance European Study - Free Abstract

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The report is structured into 4 major sections...

1 Describing the commercial insurance market

2 Appraising the market for self employed drivers using cars, vans, and scooters

3 Predicting the market outlook through 2030

4 Concluding on the market potential for insurers





Section 1 provides a general overview and backdrop to the commercial insurance market in Europe

1 Describing the commercial insurance market

2 Appraising the market for self employed drivers using cars, vans, and scooters

3 Predicting the market outlook through 2030

4 Concluding on the market potential for insurers





Section 2 details self-employed flexible working within the industries & vehicle types in the report scope

1

Describing the commercial insurance market

2

**Appraising the market for self employed drivers using cars, vans, and scooters**

3

Predicting the market outlook through 2030

4

Concluding on the market potential for insurers





## Section 3 details PTOLEMUS' forecasts of the addressable market for insurers targeting last mile mobility

1

Describing the commercial insurance market

2

Appraising the market for self employed drivers using cars, vans, and scooters

3

**Predicting the market outlook through 2030**

4

Concluding on the market potential for insurers



A background image showing a delivery person in a white cap and uniform carrying a large cardboard box, walking on a city street next to a white delivery van. The scene is slightly blurred, suggesting motion.

Section 4 provides conclusions and a “call to action” for the reader, indicating where opportunities exist

1

Describing the commercial insurance market

2

Appraising the market for self employed drivers using cars, vans, and scooters

3

Predicting the market outlook through 2030

4

Concluding on the market potential for insurers



PTÓLEMUS Consulting Group

## Describing the commercial insurance market







The commercial insurance market is analysed from three critical viewpoints

- A Vehicle segments and fleet types
- B Personal vs commercial policies in key markets
- C Key market developments





The commercial insurance market is analysed from three critical viewpoints

A

Vehicle segments and fleet types

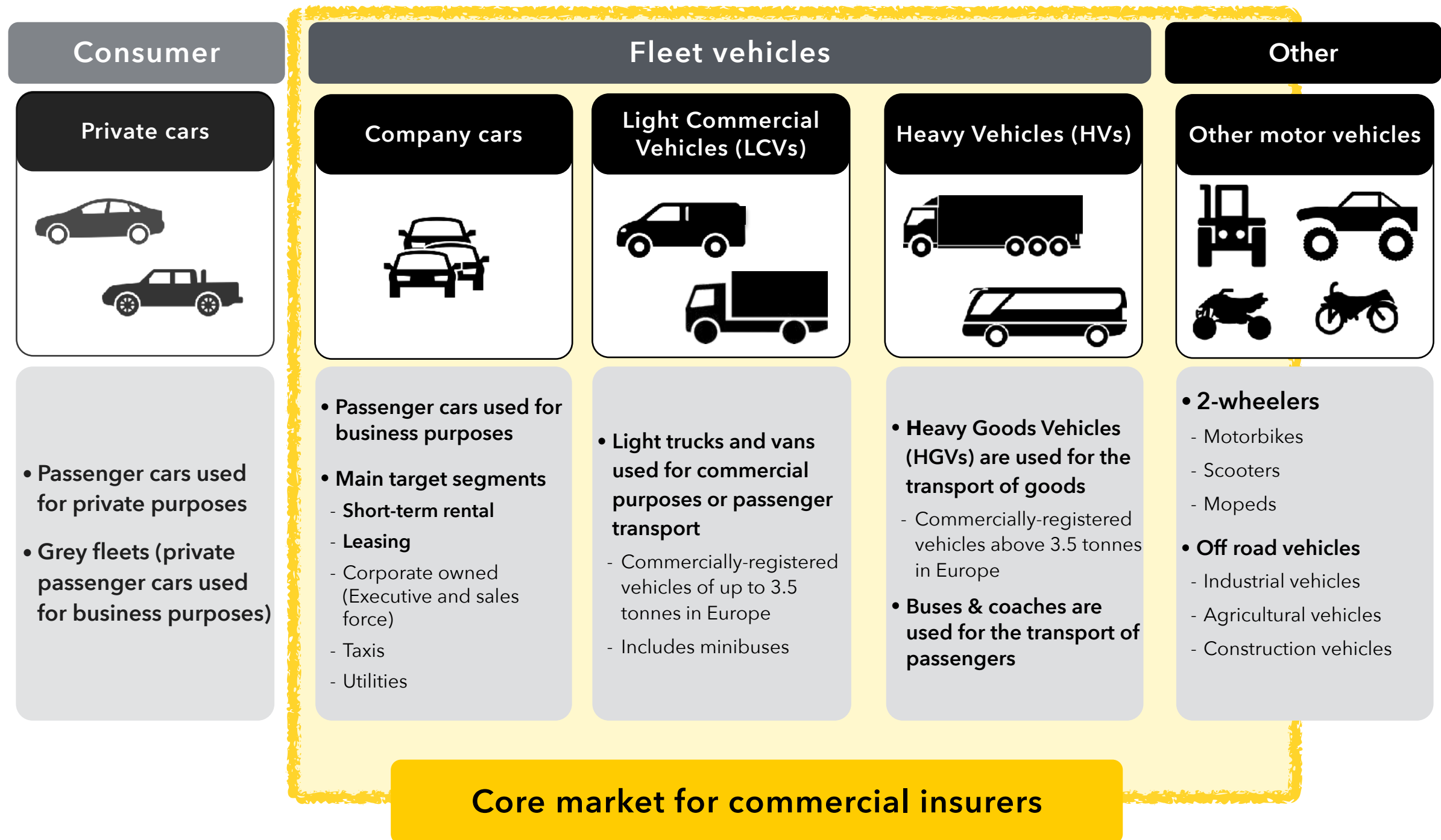
B

Personal vs commercial policies in key markets

C

Key market developments

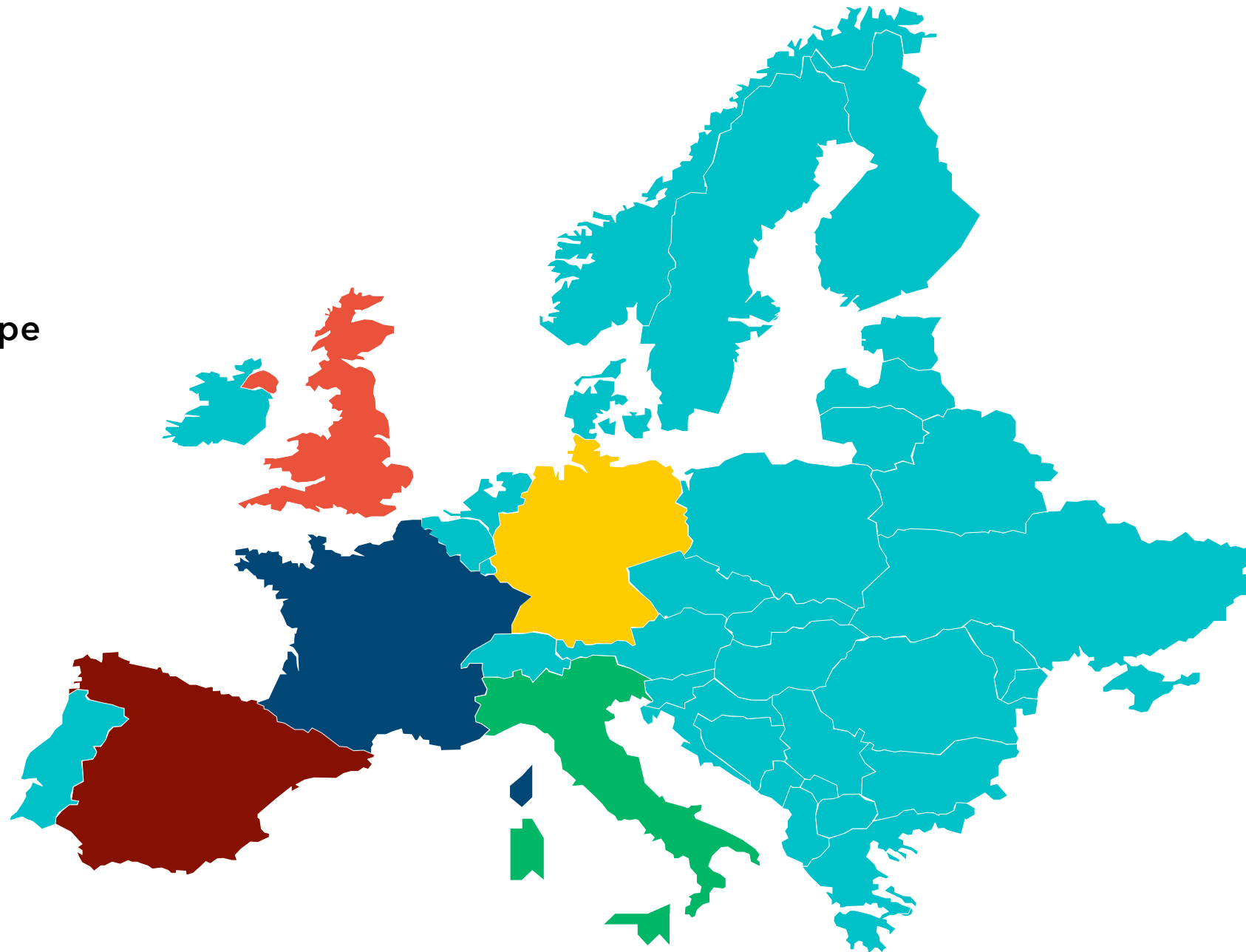
# Commercial insurers focus on company cars, light commercial vehicles and heavy vehicles





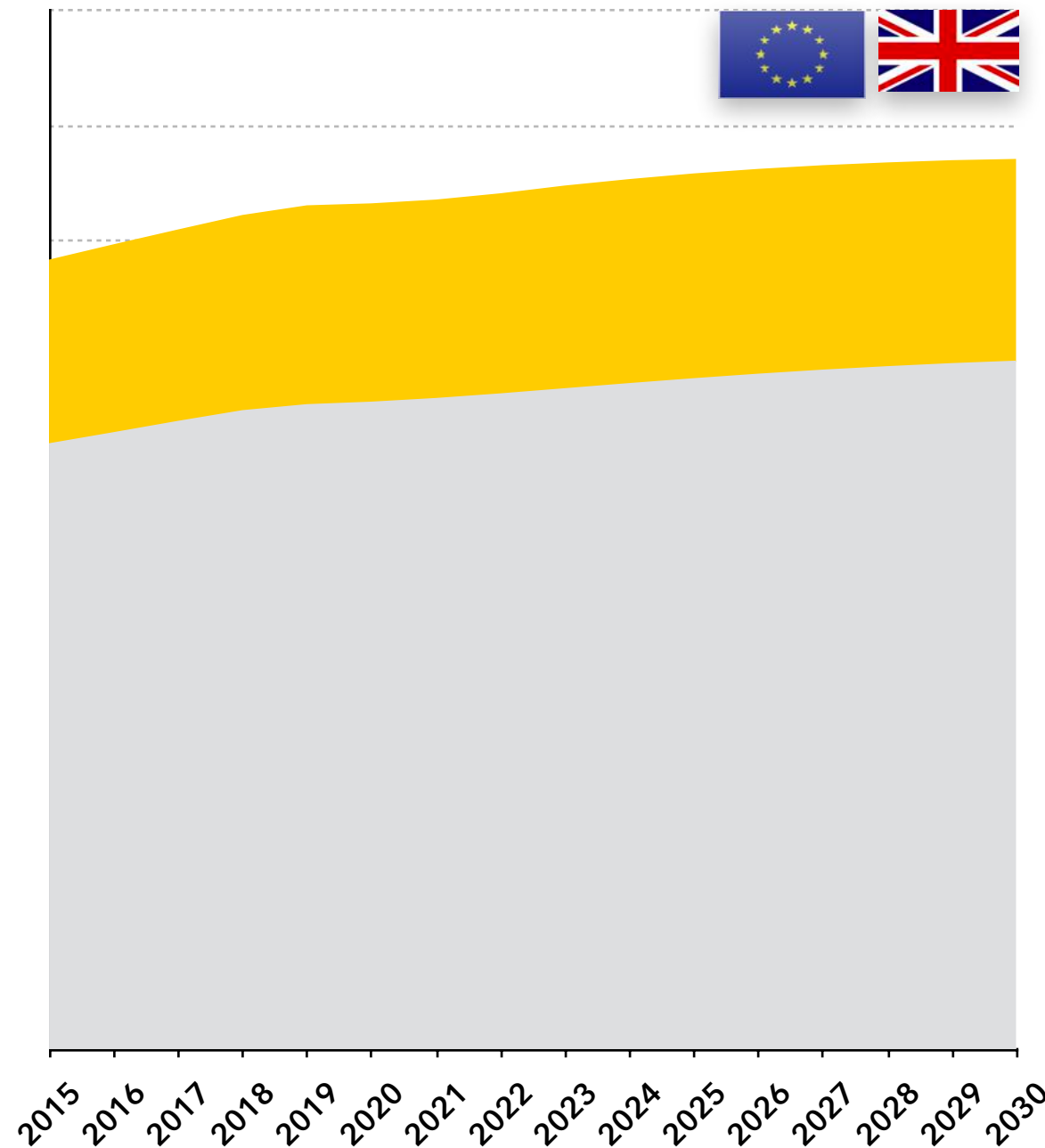
# The report covers all European countries

- UK
- France
- Germany
- Italy
- Spain
- Rest of Europe



# Fleet vehicles account for XX% of all motor vehicles in use in Europe

Motor vehicles in use in Europe (million)



- **Fleet vehicles consist of**
  - **Light vehicles (LV) which includes**
    - ✓ Company cars
    - ✓ Light Commercial Vehicles (LCVs)
  - **Heavy Vehicles (HV) which includes**
    - ✓ Heavy Goods Vehicles (HGVs)
    - ✓ Buses and Coaches
- **Company cars** are defined as passenger cars that are purchased by businesses/ government or registered in fleets (although also allowing for personal use)
  - Company cars are frequently leased as opposed to owned
  - Company cars are those supplied to a single individual, often as part of a remuneration package
- **LCVs** are defined as **commercial vehicles up to 3.5 tonnes**, whilst,
- Heavy commercial vehicles over 3.5 tonnes are classified as **HGVs**
- **Additionally, fleet vehicles could also include 2-wheelers used for commercial purposes such as for food /grocery delivery**
  - These are not included in this chart
  - However, we have included them in Section 3 of the report

# Fleet vehicles represented a market of XX million units in 2020 in Europe

Fleet vehicles in use in Europe (million)





# Motor fleets and their risks can vary significantly...

- We distinguish 5 types of vehicles for insurance purposes:

1. **Vehicles owned by businesses and used primary for business activities**

2. **Passenger-carrying vehicles, which include minibuses, coaches and buses**

- The main exposure for insurers comes from the risk of bodily injury to passengers

3. **Goods-carrying vehicles**

- They are classified either by their carrying capacity or their plated weight by insurers for risk assessment purposes

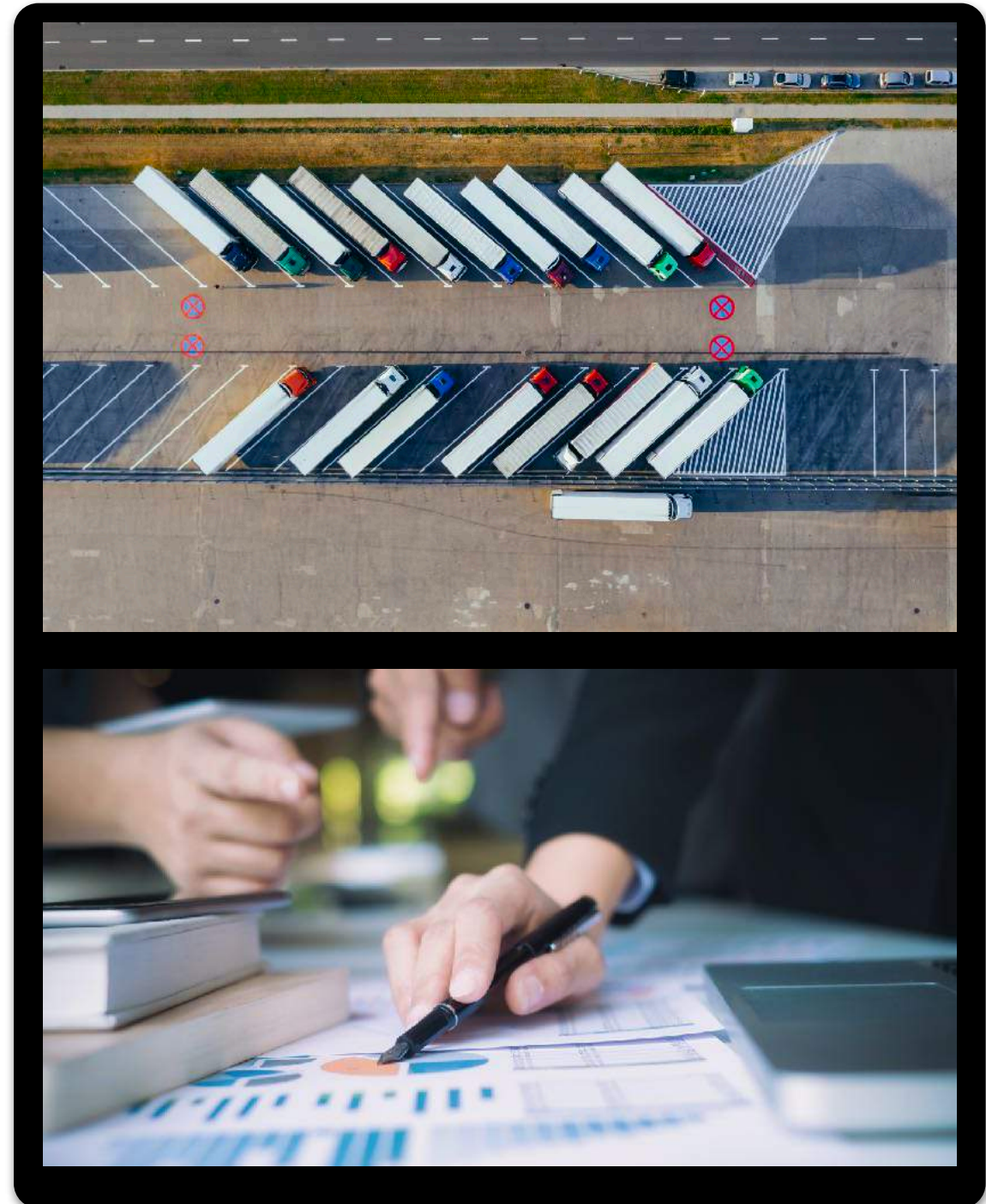
4. **Vehicles available for hire:**

- **Private hire vehicles** that offer pick up and drop off for passengers in a car with mandatory prior booking and with fares regulated by supply & demand

- **Public hire taxis** that offer pick up and drop off for passengers in a car that can be hailed on-street without prior booking and with fares regulated by the government

5. **Special vehicles**

- Off-road vehicles used for construction, agriculture and forestry vehicles, such as tractors, harvesters





## ... which makes them challenging to insure

- There are **2 distinct types of policies** in the commercial vehicle insurance market:
  - **Fleet insurance:** This is where a number of vehicles owned by the same company (usually a minimum of 5) is insured on a single policy
  - **Non-fleet commercial insurance:** This is the term used to describe policies that insure an individual vehicle or fewer than 5 vehicles (or 1 if suitable for a company car cover)
- **Fleets vary enormously, as do the levels of risk:**
  - **Large variety of vehicles, and fleet sizes**
  - Even within the same fleet, there are often discrepancies in driving style, and in **mileage driven**
- **Heterogeneity in fleet and vehicle types makes fleet insurance a complicated business**
  - This should push insurers to understand underlying risks at a more granular level than the fleet itself
  - Commercial insurers therefore often **specialise in a particular fleet size or type**





# Vehicles used for last mile transport of people or goods have the highest risk level

Typical level of risk by type of fleets



# Last-mile transport is at the centre of disruption, making it an increasingly relevant segment to insure



- **Public hire taxis** offer pick up and drop off for passengers in a car that can be hailed on-street without prior booking and with fares regulated by the government
  - This segment has high loss severity and loss frequency
- **As a result, insurance is one of the taxi drivers' biggest expense item**
  - Taxi drivers are likely to **cover more miles than the average car**
  - Taxi drivers often **carry more than one passenger**
  - **They often drive in congested areas such as city centres** - making the risk of a potential accident high



- **Private hire vehicles** offer pick up and drop off for passengers in a car with mandatory prior booking
  - This segment has the highest loss severity and loss frequency associated
- This segment is more volatile than the taxi segment
  - Drivers are often working only during week ends and for short durations
  - There are often less requirements on maintaining a strict driving record
  - **They often drive in congested areas such as city centres** - making the risk of a potential accident high



- **Courier vans** are vehicles below 3.5t that carry out **delivery and collection of parcels** to businesses or individuals
- Courier **vans and light trucks** experience high loss frequency but lower loss severity than **public hire taxis** and private hire vehicles
- Couriers are considered high risks due their high mileage
  - Last mile delivery vans have seen a spike in demand due to the COVID-related e-commerce jump



- **Delivery fleets** consist of vehicles carrying out the delivery of **restaurant-cooked food** and grocery to businesses or individuals (using bicycles, mopeds, motorbikes and cars)
- **Delivery fleets** are high risk segments due to their high mileage
- Drivers are often "gig economy" riders who often work for short durations depending on their availability
- Some insurers such as Zego are specifically targeting this segment with their Pay-as-you-go schemes

# Many self-employed drivers started to operate in last mile transport segments adding complexity for insurers

- The growth of the gig economy led several self-employed drivers to take on relatively risky tasks such as food delivery, courier activities and private hire
- This adds an additional layer of complexity and risk for insurers
  - Generally, self-employed drivers are **not professionally trained and experienced**
  - Riders often work during week ends or in the evening to add an income stream to their existing job and work with great flexibility
  - Insurers lack visibility on the driving patterns and tasks carried out
  - Insurers cannot use the same channels they use to target fleets
- In addition, **enforcement becomes complicated**
  - For example in Italy, **delivery riders are required to communicate to their insurers that their vehicles are used for commercial purposes** since they are performing an activity that is categorised as transport of goods for third parties
  - Still, drivers' awareness of their insurance requirements can be low, leading to grey areas for insurers





# We identified 10 pain points of commercial insurers insuring last mile mobility

## Pain points of commercial insurers in Europe

|  |   |  |   |   |
|--|---|--|---|---|
| <b>High mileage in congested areas</b> | Fleets such as delivery and couriers often cover more miles than average and often drive in congested areas such as city centres - making risk of a potential accident higher |  | <b>Pricing complexity and flexibility</b> | Self-employed riders often drive varied times and for short durations. Riders often do not see value in paying for a year upfront when they require the cover sparingly |
|--|---|--|---|---|

# The commercial insurance market is analysed from three critical viewpoints

A

Vehicle segments and fleet types

B

Personal vs commercial policies in key markets

C

Key market developments



# The commercial insurance market is analysed from three critical viewpoints

A

Vehicle segments and fleet types

B

Personal vs commercial policies in key markets

C

Key market developments



A delivery rider on a scooter with a yellow box, moving through a city street with motion blur.

PTOLEMUS Consulting Group

# Appraising the market for self-employed drivers using cars, vans, and scooters





The report then appraises the market for self employed drivers using cars, vans, and scooters

- A Introduction to the gig economy
- B The impact of COVID-19 on the gig economy & self-employment insurance
- C Regulatory frameworks and statistics on self-employed workers
- D Legal and insurance requirements for gig workers operating in last mile delivery



# The gig economy revolutionises both the skilled and the unskilled workforce alike

- The term **"gig economy"** was formerly coined by *New Yorker* editor Tina Brown in 2009
  - "Gig" generally refers to a music performance, in slang/colloquial English also means "job" and by extension "temporary job"
  - Gig economy represents *"a bunch of free-floating projects, consultancies, and part-time bits and pieces while they transacted in a digital marketplace."*
- It has been strongly aided by the evolution and spread of technology and mobile platforms
  - It bases its strength on time and location flexibility, empowering workers to choose when, where and how long they work
- Whilst the original concept of the gig economy was to redefine employment for all types of skilled and un-skilled workers, **the growth has been primarily driven by unskilled sectors, such as food delivery riders and couriers**



Gig economy:

**"A way of working that is based on people having temporary jobs or doing separate pieces of work, each paid separately, rather than working for an employer"**

Cambridge Dictionary

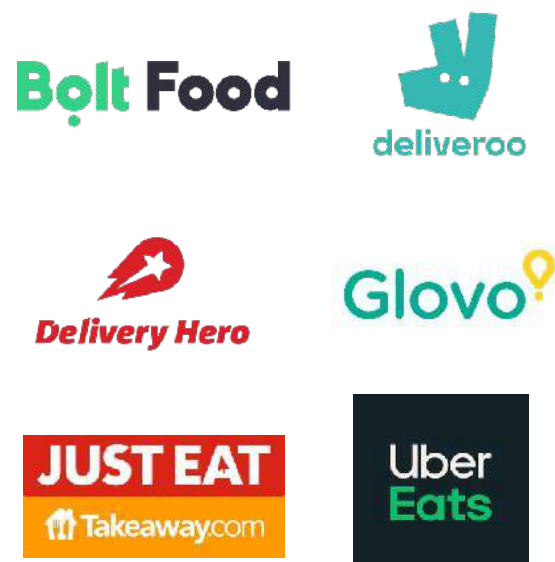


# We are focussing on the 3 segments within the gig economy that operate in last mile mobility

## Key players in the 3 vertical markets

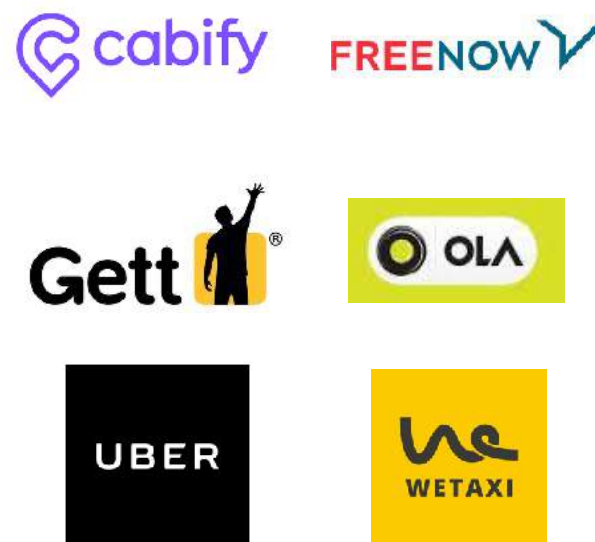
### Food delivery

Offer ordering and logistics solutions or provision of food ordering marketplaces only



### Taxi and ride hailing

Pick-up service for passengers can be both hailed on-street at the moment and with mandatory prior booking



### Courier delivery

Collect and deliver parcels or provide an exchange of item(s) from a company/individual to another party



# Food delivery platform providers are expanding their services to grocery delivery and "everything delivery"

## How does food delivery work?



Step 1

- Food delivery platforms can be divided in 2 models:
  - **Food ordering marketplace platform:** provides consumers with access to multiple restaurants on a single online platform





# Just Eat-Takeaway is the most widespread platform covering 17 countries in Europe

Food delivery companies' footprint (2020)





# Despite being heavily regulated, ride hailing platforms fostered the taxi and PHV market growth

## How does ride hailing work?



Step 1

- Public hire and private hire services can be distinguished by the possibility to hire on street without prior booking or not and by regulated fares or not:
- In less regulated countries, the issue of new licenses was pushed by digitalisation and “platformisation” of the ride hailing sector, first for PHVs and then for taxis





# The e-commerce boom is increasing volumes and competition in the parcel delivery market

## How does courier delivery work?



Step 1

- Deliveries can be divided by the time of delivery
  - **Same day-delivery** refers to urgent deliveries in less than one day often within a city
- The boom of e-commerce is shifting the parcel industry from B2B to a B2C focus
  - The parcels volumes almost doubled between 2008 and



# The parcel industry is attracting investments to sustain volumes growth and expansion

- Considering the high growth rates of international and national e-commerce, **several courier operators are developing dedicated strategies for e-commerce parcel delivery**
  - In 2019 **DHL has launched a global e-commerce platform** providing seamless access to a network of fulfilment centres and pooling international parcel delivery operations in a new eCommerce Solution division
  - **Royal Mail** agreed with Communication Workers Union (CWU), to increase from 2021 resources for the growing parcels market, looking into new ways of working, a more flexible business and greater use of technology
  - In 2020 Hermes delivered a total of 630 million parcels, so it has **announced to invest £100 million on people and tech** creating 10,500 jobs
  - In June 2020 **DPD announced to create 6,000 jobs** many of which will be full time, with couriers having the option of an owner driver franchise

## Private equity appetite for parcels

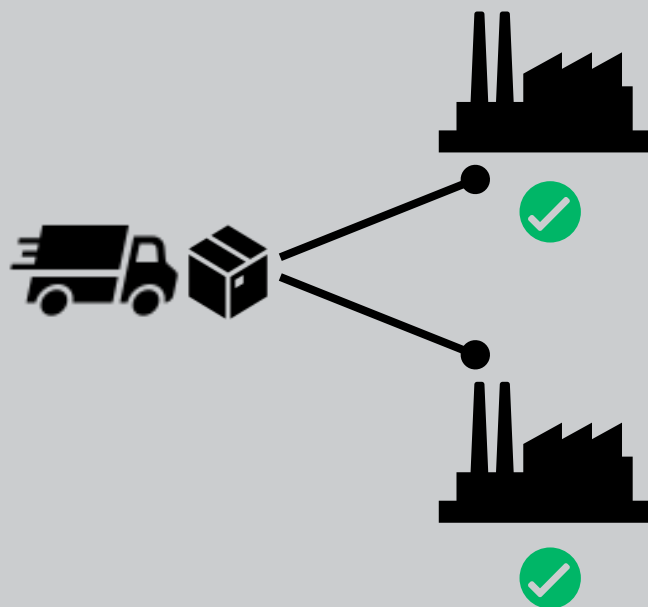
- In August 2020 **Advent International**, a leading private equity (PE) firm, **acquired a 75% stake in Hermes UK** in a €1bn deal, and 25% of Hermes Germany
- In February 2021, InPost, Polish parcel locker company with Advent International, Templeton Strategic Emerging Markets Fund and PZU Fundusz as major stockholders, went public at the Amsterdam stock exchange completing the best performing IPO in Europe since 2018





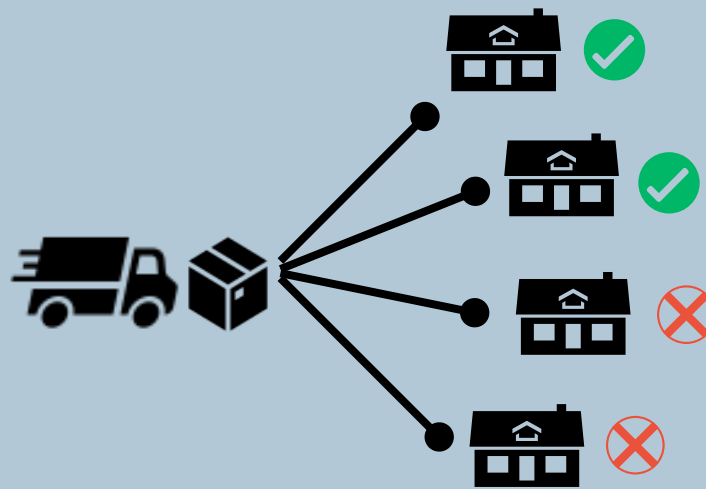
# Shifting from a B2B to a B2C parcel delivery focus requires more flexibility

## B2B



- High number of parcels per journey
- High delivery success rate

## B2C



- Low number of parcels delivered per journey
- Low delivery success rate

- Lower delivery efficiency
- Higher number of couriers needed
- Need for flexible solutions to contain costs



# The postal sector bases its flexibility on 4 different types of contract for couriers

- Due to different employment statuses and contractual conditions, parcel couriers have access to a full range of flexible solutions
- It is possible to identify 4 main types of contracts

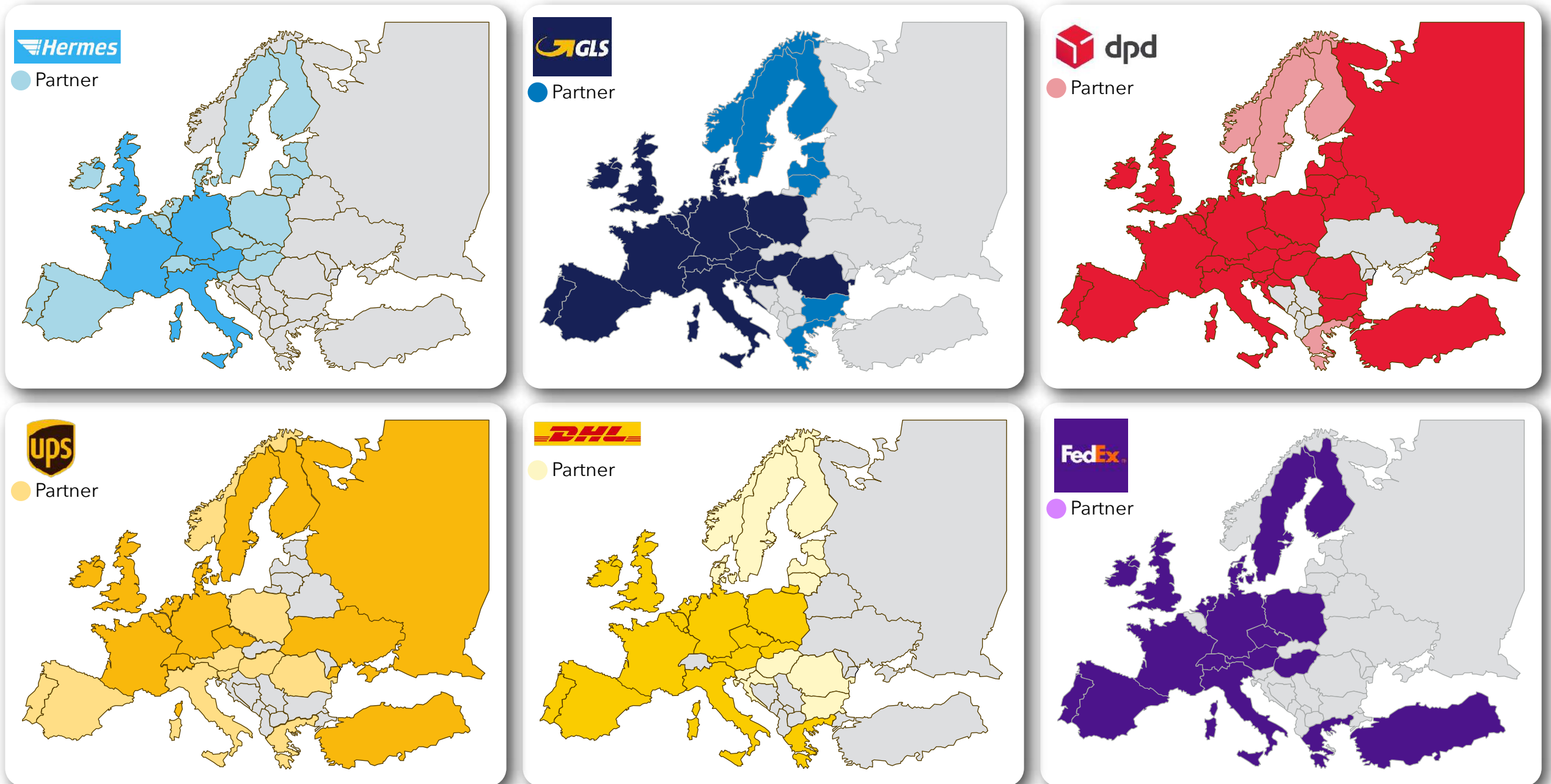
| Flexibility in parcel delivery |                           |                  |
|--------------------------------|---------------------------|------------------|
|                                | Type of work relationship | Company example* |
| Min                            |                           |                  |





# DPD and DHL have the most widespread footprint in Europe

## European coverage by couriers delivery operators (2020)



# Like a meteorite, the COVID crisis suddenly and radically disturbed the mobility of persons and goods

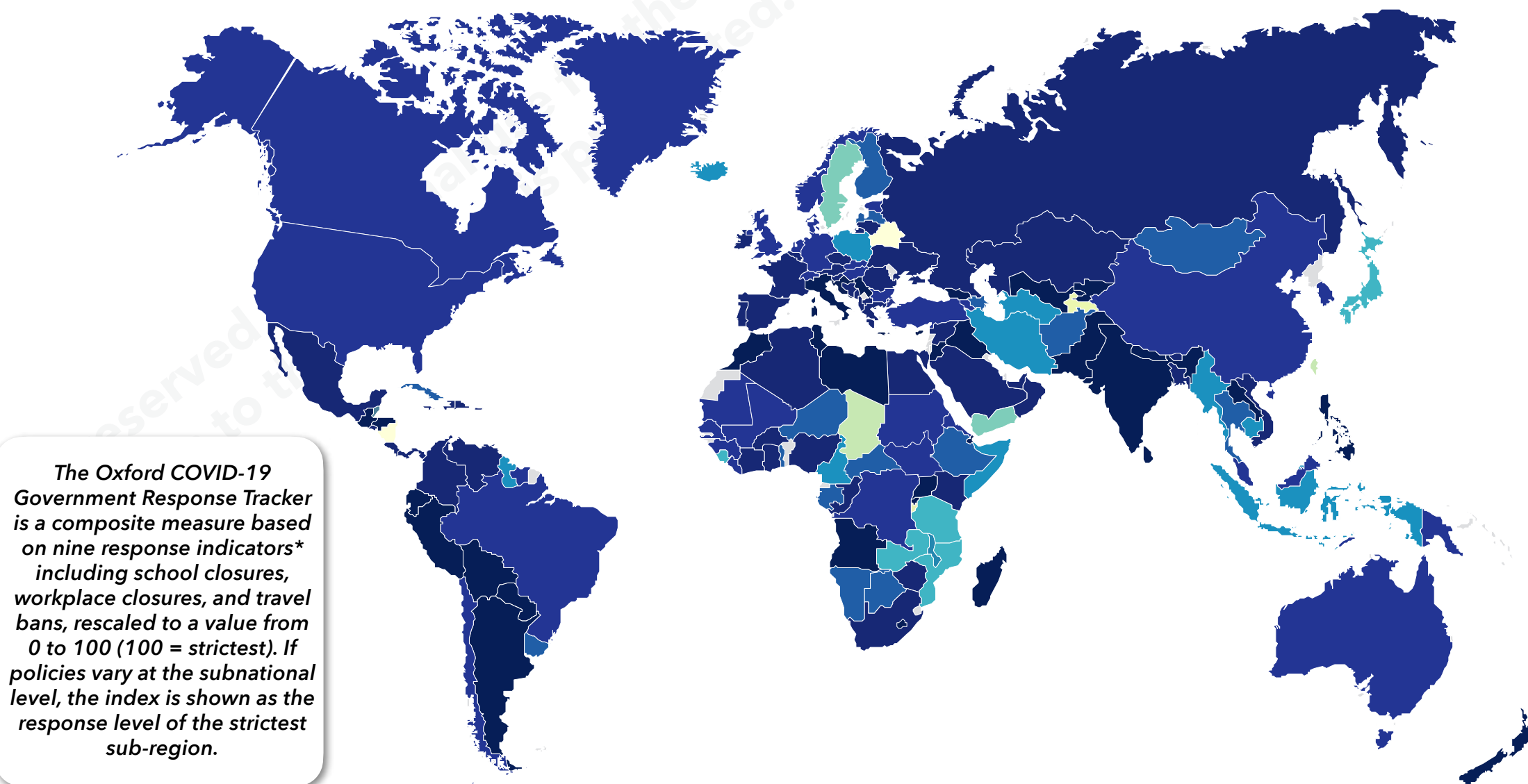
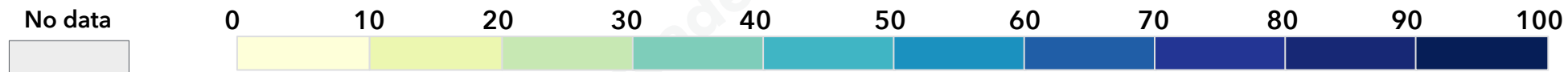
- COVID-19 unexpectedly shook up mobility as we know it leaving behind confusion and a need to for a new way of doing things in its wake
- As the COVID-19 virus spread around the world, most governments chose to **take extreme precautionary measures to stop the virus transmission**, safeguard public health and prevent health care systems from being overwhelmed
- **But the legal context for in-country personal mobility varied greatly:**
  - Some countries completely forbade non-essential mobility such as: Italy, Spain and France
  - Some countries did not forbid in-country mobility, such as: Benelux, Germany, Scandinavia, CEE countries, etc.
  - Some countries refused to order complete lockdowns, notably Sweden, or did so in a later (UK) or less stringent fashion (the Netherlands)
- **However, universally frontiers were closed, preventing international mobility, a unique backward move for the EU and particularly the Shenghen area**
- **The lack of mobility greatly affected traffic volumes, which dipped from between 10% and 80% depending on the region**





# At the height of the pandemic in 2020, the majority of countries implemented a strong emergency response

COVID-19: Government Response Stringency Index, March 2020



# Many of the COVID response policies had a short-term effect on mobility

Impact on the mobility of persons - Example of Western Europe

| Causes*                | Effects on mobility*                         |   |  |
|------------------------|--|---|--|
|                        | 1  | 2   | 3  |
| Non-essential mobility | Considerable decrease in mobility of persons | Mobility reduced to walking for short distances | Non-essential workers forced to work from home |



# A surge in demand for food deliveries has occurred as consumers seek alternative ways to access takeaway food

Impact on the mobility of goods - Example of Western Europe

| Causes* | Effects on mobility* |   |   |
|---------|----------------------|---|---|
|         | 1                    | 2 | 3 |

Latest developments

France:

- JE reported +55% of new orders

A delivery person in a blue shirt is handing a cardboard box to a customer. The delivery person is wearing a blue polo shirt and a black strap across their chest. The customer is wearing a white shirt. The box is brown and has a red circular sticker on it. The background is blurred, showing greenery and a building.

PTOLEMUS Consulting Group

## Predicting the market outlook through 2030



A person in a blue shirt is handing a cardboard box to another person. The background is blurred, showing greenery and a building.

2020 to 2030 volume & revenue forecasts for the insurance of last mile transport are provided for the following sectors

**A**

**Introduction to the forecast**

**B**

**Food delivery**

**C**

**Taxi and ride hailing**

**D**

**Courier**





The forecasts start with an introductory section, summarising our approach and the overall market evolution

A

Introduction to the forecast

B

Food delivery

C

Taxi and ride hailing

D

Courier

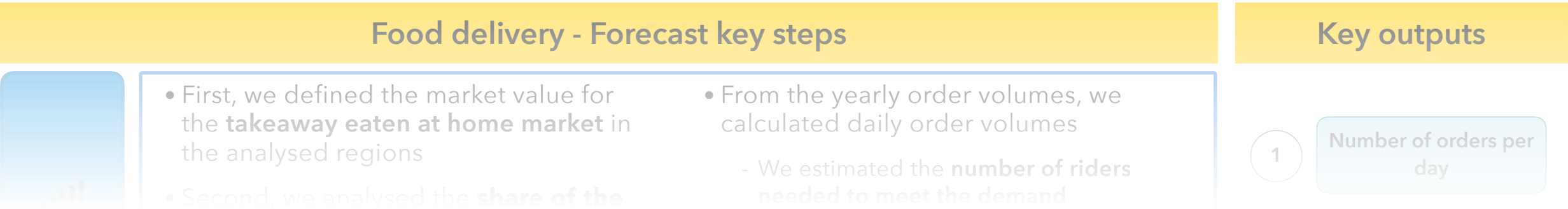


# We have forecasted the commercial vehicle insurance market for 3 verticals in Europe from 2020 to 2030

| Verticals   | Geographies  | Timeline         | Output  |
|---|--|------------------|---|
| <b>A</b><br><br><b>Food delivery</b><br> | <b>UK</b>                 | <b>2020-2030</b> | <ul style="list-style-type: none"> <li>For each vertical:               <ul style="list-style-type: none"> <li>- <b>Volumes</b> of vehicle insurance policies</li> <li>- <b>Market value</b> of vehicle insurance policies</li> <li>- Volumes of policies</li> <li>- Market premiums</li> </ul> </li> </ul> |
|   | <b>France</b>            |                  |   |
| <b>B</b><br><br><b>Taxi</b><br>       | <b>Germany</b>          |                  |   |
|   | <b>Italy</b>            |                  |   |
| <b>C</b><br><br><b>Courier</b><br>    | <b>Spain</b>            |                  |   |
|   | <b>Rest of Europe*</b>  |                  |   |



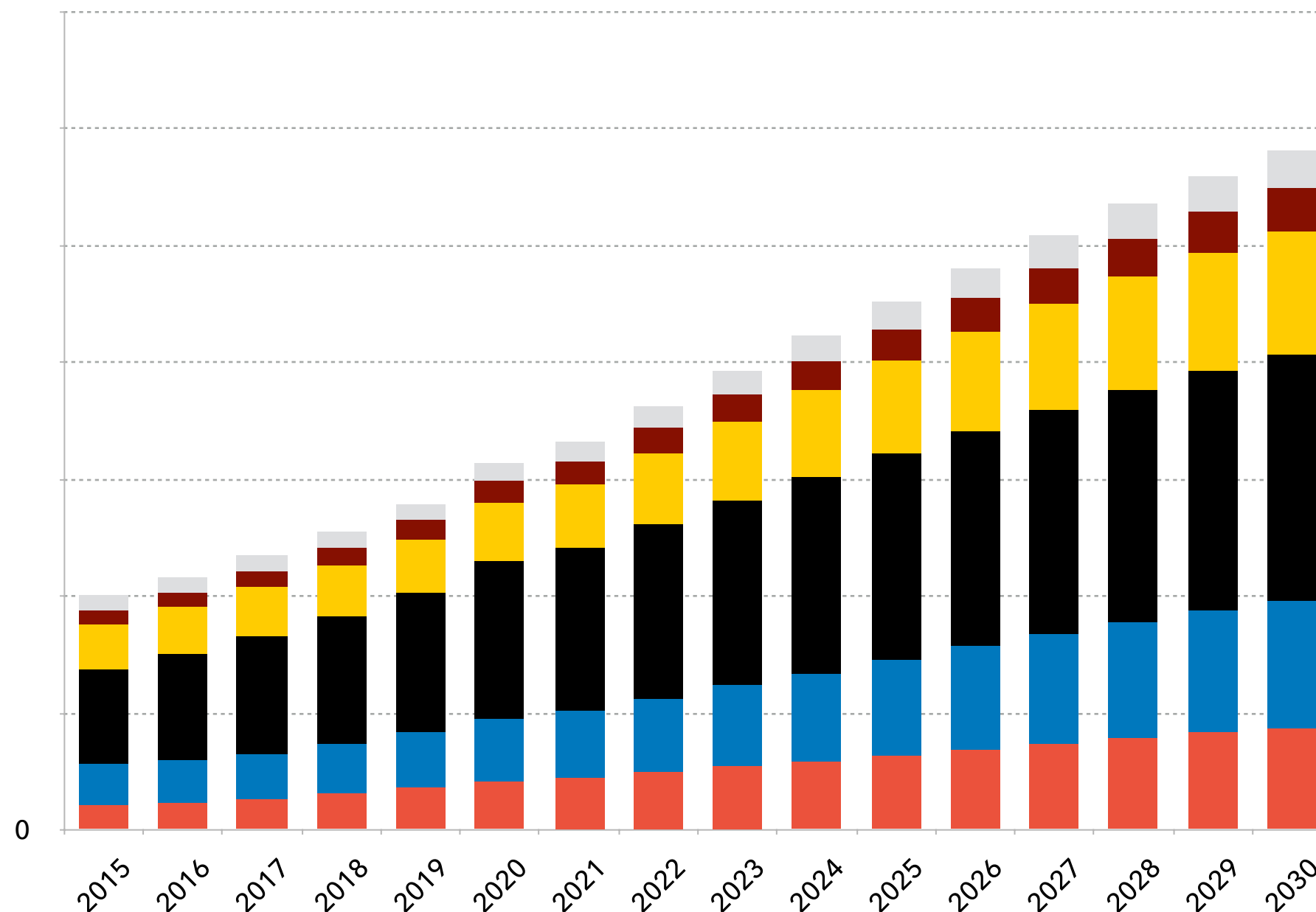
# Insurer revenues for food delivery will be driven by orders' volumes, riders' mode of transport and premiums





# We expect the total addressable market for the 3 segments forecasted to reach €5.8 billion in Europe in 2030

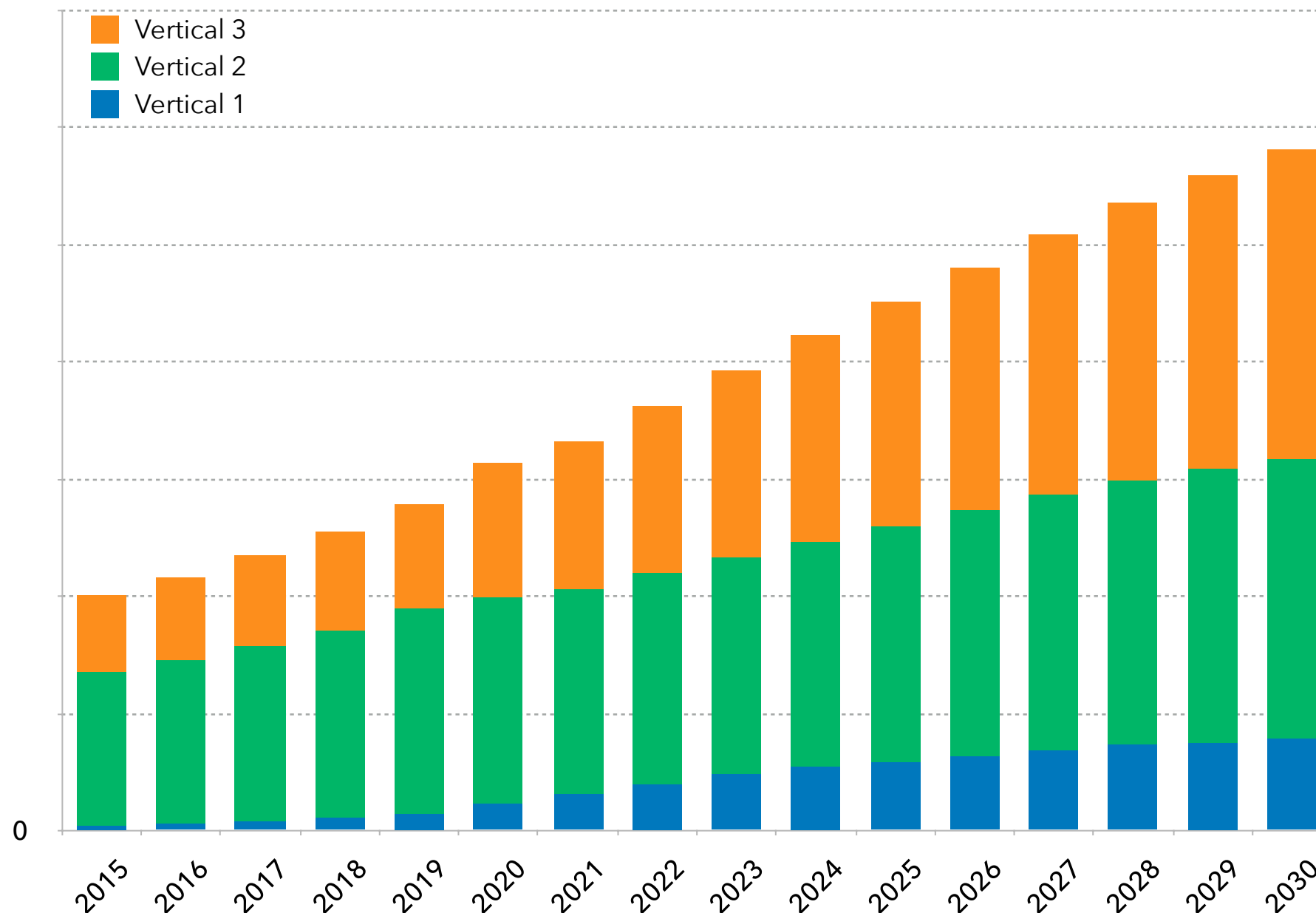
Insurance premiums generated by region - Europe





# We expect the ... market to be the most valuable and ... to be the fastest growing market until 2030

## Insurance premiums generated by vertical market - Europe







More granular analysis and conclusions are then provided in the following industry sectors:

A

Introduction to the forecast

B

Food delivery

C

Taxi and ride hailing

D

Courier



# What will influence the growth of food delivery and insuring food delivery riders

## Key market drivers

- Customer behaviour change towards food consumption:
  - Increasing openness to online purchase also for restaurant food
  - Increasing frequency of e-purchase
- Food delivery platforms are increasing their penetration by increasing the number of restaurants present on their services (network effect) and by reaching less densely populated areas

## Key market inhibitors

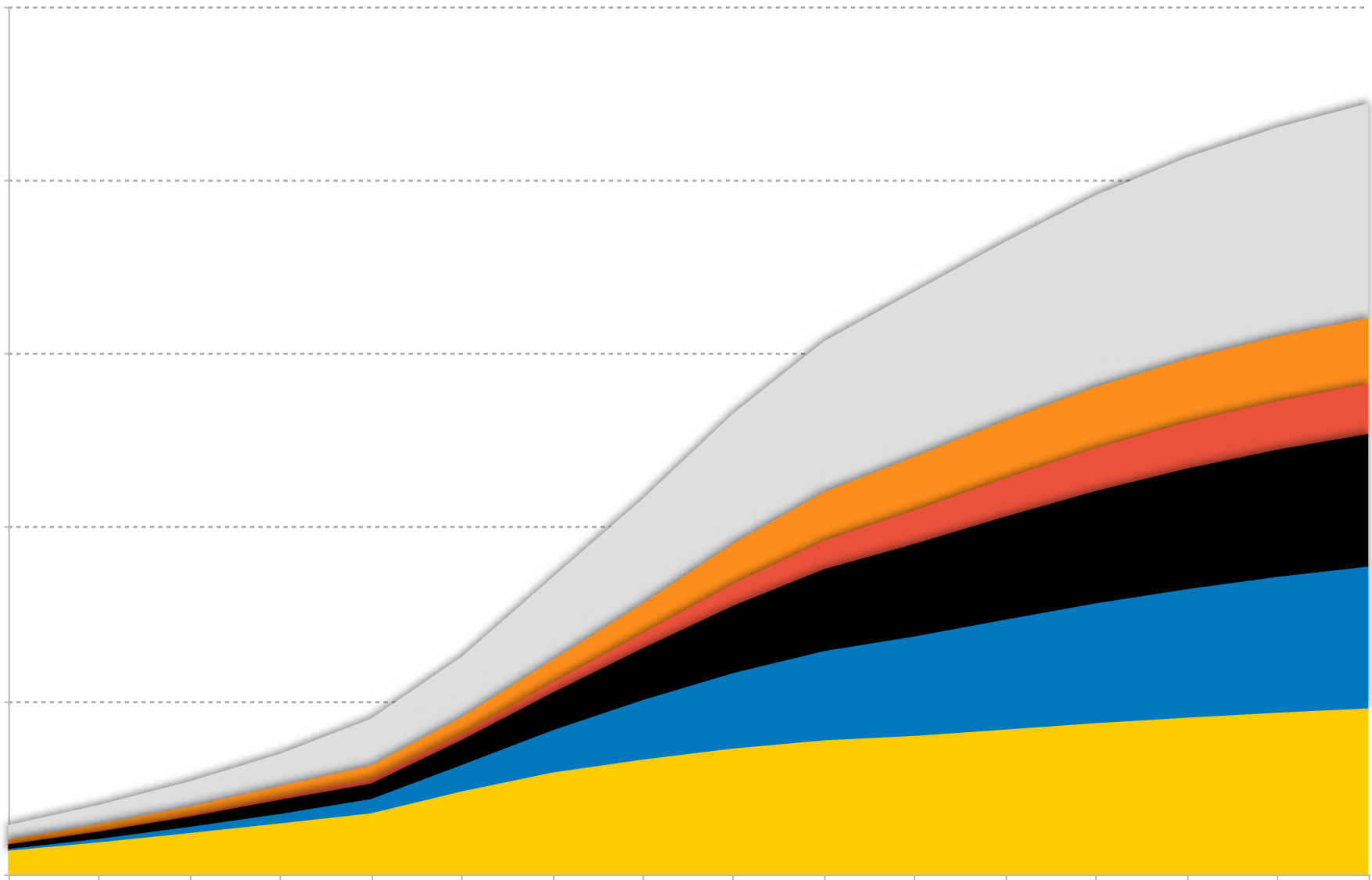
- High cost associated with food delivery
- Saving increase due to uncertainty





# We expect ~XX riders to use cars or scooters for food delivery in Europe by 20XX

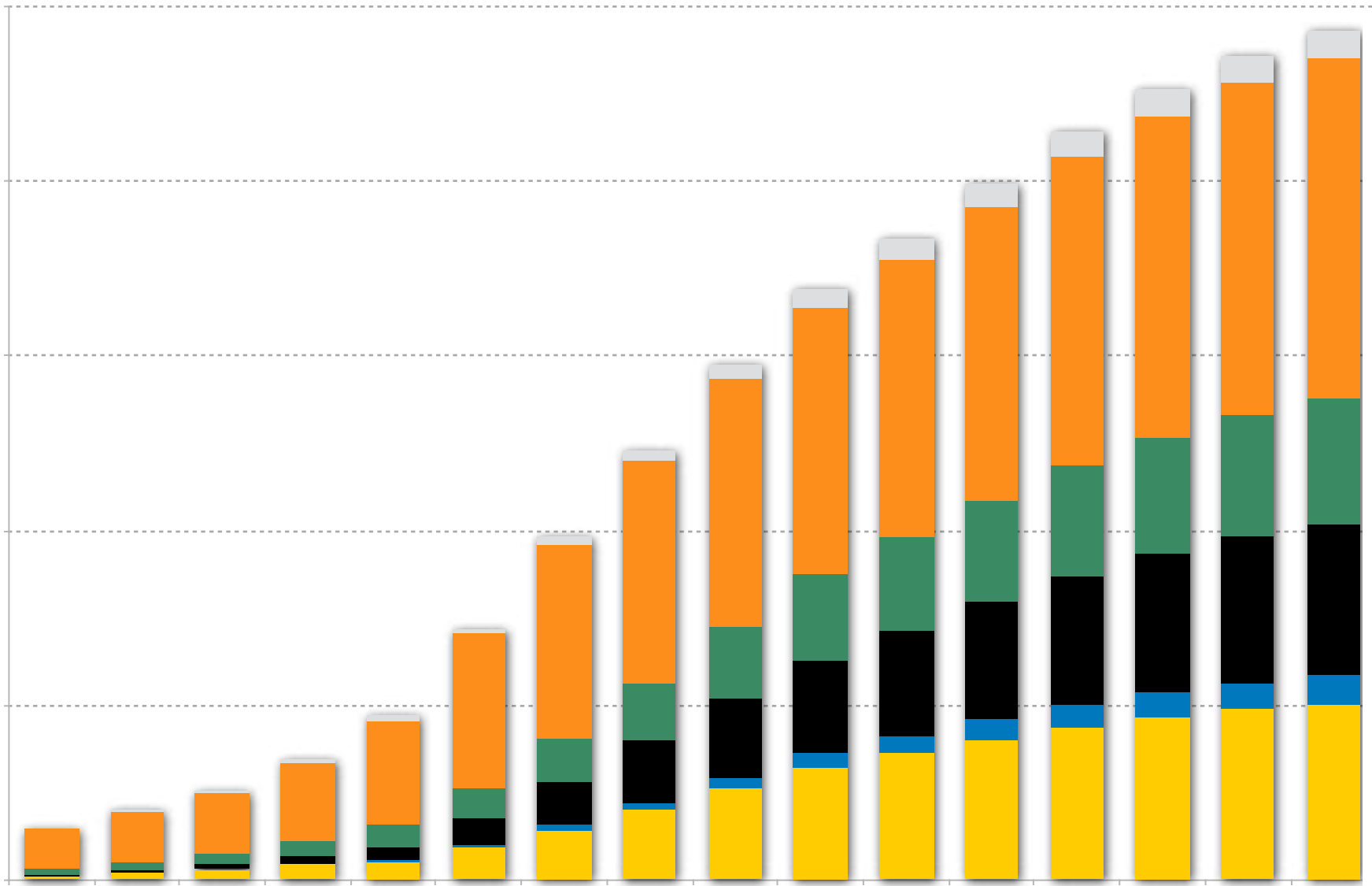
Total number of riders using cars or scooters for food delivery - Europe (units)





# We expect the total addressable market for food delivery riders to reach €XX in Europe in 20XX

Insurance premiums generated for food delivery riders - Europe





# Germany has the xx share of self-employed riders

Share of self employed drivers in the platform food delivery industry (2020)

- The share of self-employed riders in the platform food delivery segment is determined by:
  - The workforce policies adopted by the active players in each country
    - ✓ Players such as Deliveroo in all
  - In Germany, the market leader or, almost monopolist, Lieferando hires its riders through a flexible contract, thus we believe the market has a very low penetration for self-employed riders as seen for all the



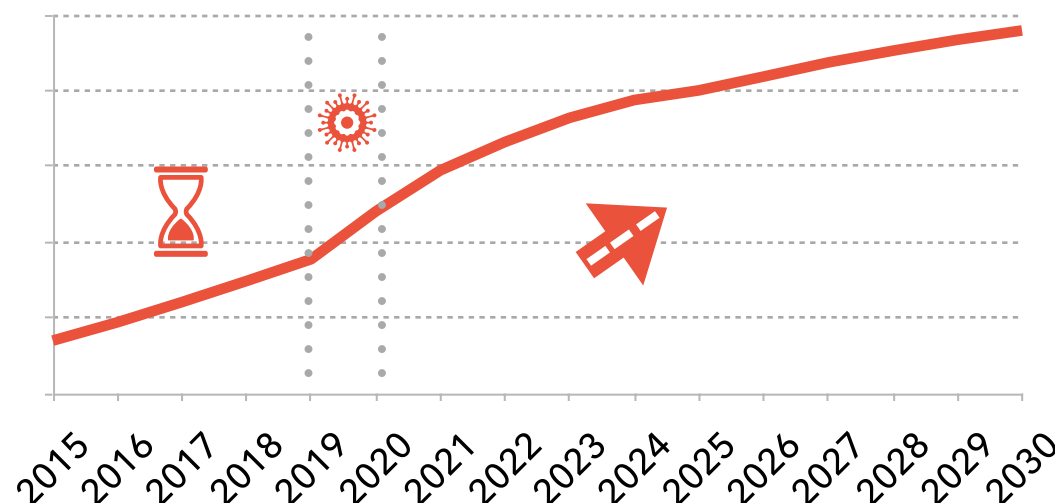
**Each section breaks down, at a national level, the volume, value and country-specific KPIs in the market being analysed**





# We expect over XX riders to use cars or scooters for food delivery in the UK by 2030

Total number of riders using cars or scooters for food delivery - UK (units)



## COVID-19 IMPACT

- The COVID-19 pandemic has had a **positive impact on the food delivery industry** since it was the only option for Britons to eat restaurant food during lockdowns

- During 2020, Uber Eats has increased its offer coverage, being now able to serve 75% of the UK population from 50% in 2019
- Deliveroo has reported a massive growth in its riders workforce more than doubling the end of 2019 figure (25k)
- In 2020, we believe that more than 60% of food delivery orders were placed online



## HISTORICAL EVOLUTION

- The British food delivery market experienced a **robust growth over the past 5 years**
  - We evaluated the takeaway eaten at home market to have reached £7.7bn in 2019 growing at a CAGR of ~6% from 2015 to 2019
  - The share of food delivery orders placed through online platforms reached more than 50% of the total food delivery orders in 2019
- We estimated Deliveroo, one of the market leaders, to have experienced a grow in volumes from ~2.4 million orders in 2015 to more than 50 million in 2019
- In the UK, Just Eat had over **12.2 million active customers in 2018, growing from 7.1 million in 2015**



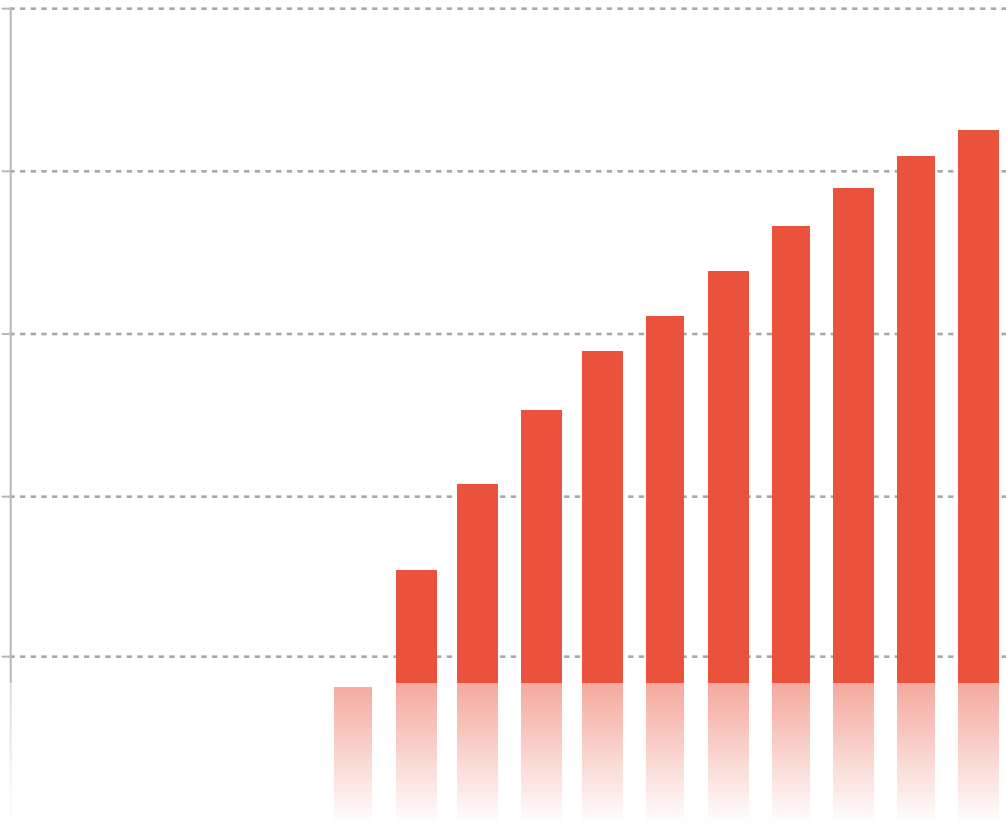
## FUTURE OUTLOOK

- The future outlook is **positive** since we believe the existing trends will be amplified and speeded up by the pandemic. Delivery players will push the network effect of their 2-sided platforms
- On the supply side, **players will increase the number of available restaurants and coverage by expanding in less densely populated areas** i.e. Deliveroo reported that will expand in other 100 towns and cities in the UK in 2021
- On the demand side, **we expect more consumers to embrace food delivery platforms and we expect as well a growth in the consumption of existing users**

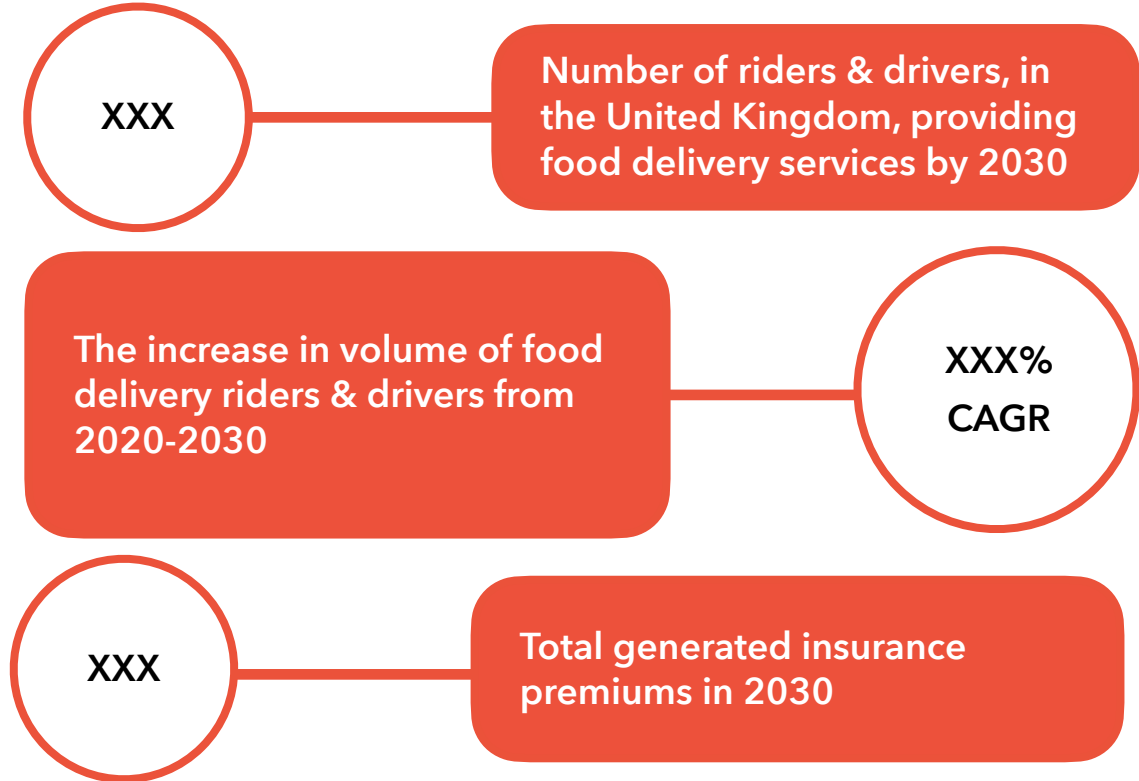


# The UK market for food delivery in the UK will grow at a XX% CAGR reaching more than €XXX by 2030

Premiums generated by food delivery riders' vehicles - UK



- The volumes of both self-employed riders as well as riders directly employed by restaurants, that use delivery platforms (such as Uber Eats, Deliveroo and Just Eat logistic) are expected to
- We expect cars to play a more significant role given the greater distances, less congestion and higher speed limits compared to cities such as London





# Premiums generated from self-employed food delivery riders' will grow at ~XX%\* reaching €XX by 2030

Total number of self employed riders in food delivery - UK (units)

Premiums generated by self-employed food delivery riders' vehicles - UK (€)





## Similar analysis is provided for France



## Similar analysis is provided for Germany



## Similar analysis is provided for Italy





## Similar analysis is provided for Spain



## Similar analysis is provided for the rest of Europe



The same style of conclusion structure is provided for the taxi and ride-hailing industries

A

Introduction to the forecast

B

Food delivery

C

Taxi and ride hailing

D

Courier





...and for couriers too

A

Introduction to the forecast

B

Food delivery

C

Taxi and ride hailing

D

Courier



**Finally, there is a section Concluding on the market potential for insurers**



## Providing written synthesis and conclusions....

- **The commercial motor vehicle lines market is complex making it challenging to insure**

- The range of use and ownership of commercial vehicles vary greatly along with the associated risks
  - From vehicles used to carry material for

- **Vehicle fleets historically with high loss severity and loss frequency are growing in relevance thanks to “platformisation” and gig economy**

- Public and private hire vehicles, which are among the riskier vehicle segments, are evolving and adoption platforms for

- Last mile transport drivers have heterogeneous skill sets, professional qualifications and vehicles used, leading to difficulties in assessing each driver risk level

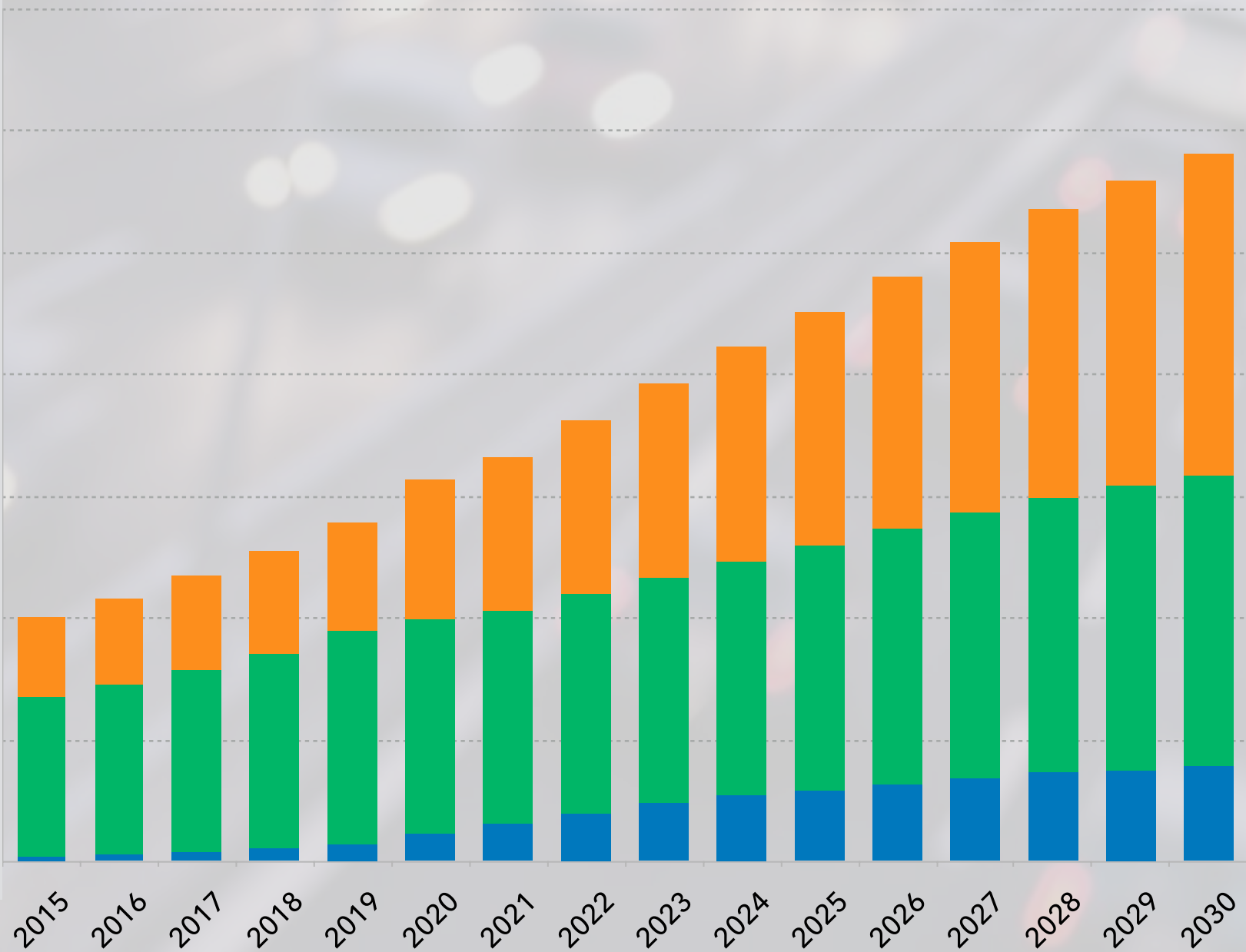
- **While the motor third party liability insurance is mandatory for all**





# Overall charted growth across all industrial verticals

Insurance premium generated by food delivery, taxi and courier drivers - Europe



# And sector-specific analysis and recommendations

## KEY TAKEOUTS FOR INSURERS PER BUSINESS VERTICAL

### FOOD DELIVERY

Food delivery in all countries is more challenging to insure compared to courier and taxi but



Most of riders work part-time and for limited periods



Less mature industry with less clear



Lower qualified drivers



Several modes of transport



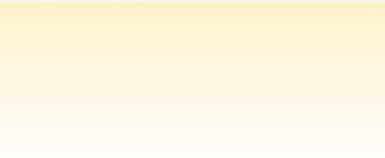
Lower awareness on insurance



Positively impacted by

# And sector-specific analysis and recommendations

## KEY GEOGRAPHIES TO BE TARGETED



XX IS THE MOST ATTRACTIVE MARKET FOR INSURING LAST MILE MOBILITY

ECONOMIC REASON

INSURANCE MARKET REASON


grow




# And sector-specific analysis and recommendations

## STRATEGIC INITIATIVES TO ENTER LAST MILE MOBILITY INSURANCE

- 1



RAISE AWARENESS ON THE IMPORTANCE OF A CORRECT MOTOR INSURANCE COVERAGE
- 2



PARTNER WITH LAST MILE MOBILITY PLATFORMS

# Gig Economy Motor Insurance European Study - Free Abstract

1

About PTOLEMUS Consulting Group

2

Introduction to the report

3

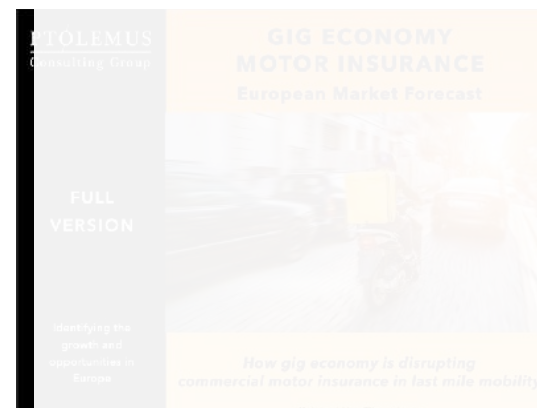
Content

4

**Price details**

# You have only seen a fraction of the 225-page report and 1% of the forecasts

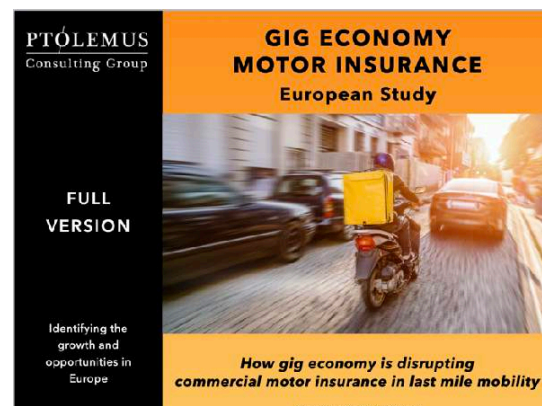
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## *What the report contains*





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