

Digital insurer Urban Jungle doubles funding with £16.5m raise

A British digital insurer which competes with the likes of Direct Line Group has secured backing from the world's biggest IKEA franchise as part of a £16.5m funding round.

Sky News understands that Urban Jungle, which was launched by Jimmy Williams and Greg Smyth in 2017, will announce this week that it has doubled the amount it has raised from investors during its four-and-a-half year existence.

The Series A round is being led by Intact Ventures, a North American venture investor which has backed a string of insurtech companies, and Ingka Group, which controls hundreds of IKEA stores globally.

Urban Jungle positions itself as a “fair” provider of insurance cover, with its pricing also key to its offering at a time of broader cost-of-living challenges facing British households.

London-based Urban Jungle has amassed 100,000 home insurance customers since its launch, and claims to have an industry-leading record at detecting fraud which helps it to reduce the cost of cover.

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The company's existing investors include Rob Devey, the former boss of Prudential UK, and Eka Ventures, a fund specialising in investments which target a positive societal impact.

Mr Williams said the new funding would be used to target a doubling of Urban Jungle's customer base by the end of the year.

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Roughly 100 jobs will also be created as part of its expansion plans.

“We are building a modern insurance provider from scratch, leveraging the latest technology, and using that to create products with fair, transparent prices and easy to understand terms – all whilst making insurance simple, quick and

affordable,” he said.

“Fraud is a big problem in our industry, and it drives up the cost for everyone else.

“The way we use technology gives us a critical edge by being able to screen out fraudsters, and help genuine customers get a much better deal, which is particularly important at the moment.

“It also helps us with our goal of financial inclusion – being able to tell fraudsters and genuine customers apart helps us have much higher eligibility than our peers.”

Krister Mattsson, managing director of Ingka Investments, said it had decided to back Urban Jungle because of its “innovative solution with the potential to complement and disrupt the current insurance market and make insurance affordable for many more people”.

The fundraising will be announced against an increasingly difficult backdrop for earlier-stage companies, with the rout in valuations of publicly traded technology stocks also feeding through to private markets.

Many tech companies are responding by curtailing growth plans and slashing their workforces in the expectation that raising capital may be tough for a prolonged period.