



LAKA

Business Model Analysis

Strategic Management and Innovation in Insurance
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What is LAKA?



insurance

- UK-based InsurTech company focused on bike insurance
- LAKA as a Managing General Agent (MGA)



distribution

- different distribution channels
- embedded insurance



premium model

- community-based insurance model
- no fix premium, but a monthly cap
- customers share the monthly claim costs



award

- awarded 'Best Cycle Insurance Provider' for 8 years running

Methodology



research approach

This analysis is based on a qualitative case study approach using available information from LAKA's website, industry reports and news articles.



analysis

a SWOT analysis

a competitor analysis (LAKA compared to a traditional insurance)



framework

The Business Model Canvas was made out of the information gained.



recommendation

A recommendation and critical assessment will be made on the basis of these findings.

LAKA vs Traditional Insurance premium model

LAKA	Traditional Insurance
monthly payment based on actual claims of the community	fixed premium based on risk
dynamical risk-sharing	individuell priced risks
transparent pricing mechanism	limited transparency
less predictable	more predictable

LAKA vs Zurich

LAKA as MGA	Zurich as risk carrier
administrator of the policy	underwriter of the policy
claim payments	claim payments above the cap

SWOT Analysis



Strengths

- strong focus on customers
- transparent, fair pricing model
- clear category focus and brand positioning
- ESG



Weaknesses

- exposure to claims volatility
- increased fixed costs due to the monthly calculation of the premium



Opportunities

- embedded insurance as a trend (iptiQ, 2022)
- growth of e-bikes and urban mobility (Rérat, 2021)



Threats

- copying by competitors
- regulatory complexity
- partner concentration risk

Key Partners

Zurich Insurance Company Ltd. as risk carrier (laka, n.d.)

online and in-store bike retailers (laka, n.d.)

bike manufacturers and IoT providers (laka, n.d.)

investors (jhaxell, 2024; LEVA, 2024; Sonner, 2024)

Key Activities

claims management

risk pooling & monthly pricing

platform development

customer support

Key Resources

experts

digital infrastructure

partner network

Value Proportions

Fair, non-fixed insurance pricing (laka, n.d.)

Claims handled by bike experts (laka, n.d.)

embedded insurance

no excess (no deductible and no depreciation on bikes) (laka, n.d.)

transparency and community-driven fairness (Firth, n.d.)

Customer Relationships

transparent communication

community mindset

no long-term contracts

(laka, n.d.)

Channels

LAKA platform for claims

laka.co website inkl. chatbot (laka, n.d.)

social media channels

Customer Segments

cycling enthusiasts as policyholders (laka, n.d.)

Cost Structure

claims payouts

staff wages (experts in insurance, tech)

website, apps, social media (cloud fees)

partner comissions

Revenue Streams

success fee on paid claims (they only earn money, when claims are paid) (laka, 2020)

Limitation of the Analysis



limited transparency

no detailed disclosure of loss ratios or combined ratio



unclear risk structure

limited information on exact agreement with Zurich as risk carrier



biased

potential bias in company-provided information



uncertainty

no long-term track record compared to traditional insurers

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AI disclosure:

The presentation was created on Canva using design templates.

Consensus was used as a research assistant.

DeepL was used for translation.