

Why We Believe Qoala Stands Out in the Southeast Asian Insurtech Market

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Read Qoala's press release announcing its \$47 million Series C funding round [here](#).

Since 2018, more than \$50 billion has been invested globally across the insurtech sector. While the sector has come a long way in terms of product innovation and user experience, the incumbents have continued to maintain their market leadership. Unsurprisingly, this has translated into significant compression in forward revenue multiples for the public insurtechs from 20x in 2021 to 2x in 2023¹.

Yet, this industry sector remains attractive. As with most things in life, the devil is in the details. Here are some of the nuanced considerations that drove us to pursue both the broader insurtech opportunity in Southeast Asia and Qoala specifically:

Southeast Asia/Indonesia as an attractive and growing emerging market with strong growth drivers and favorable socio-demographics

Southeast Asia represents a massive opportunity with Property & Casualty ("P&C") insurance premiums projected to grow by 9.7% annually to \$28B in 2025². Indonesia being the largest country in the region with half of the country's more than 260 million inhabitants aged 30 and under, the country's favorable socio-demographics coupled with rapidly accelerating digital adoption³ and low insurance penetration make the market ripe with opportunity.

Operating in a significantly fragmented landscape

While insurtechs in Europe and the Americas operate in incredibly crowded and competitive markets where incumbents have strong balance sheets as well as brand recognition, Indonesia's top five insurers (excluding state-owned players) constitute only 23% of the total market with more than 150 insurance carriers and over 200 insurance intermediaries operating in the country.

Focus on enabling existing distribution channels

Since day one, Qoala has leveraged existing distribution channels via its embedded insurance offering that serves some of the region's leading consumer-facing platforms and traditional brokers. Choosing to optimize for distribution versus going direct to the consumer has spared Qoala some of the costly lessons learned in other markets.

Great traction combined with a strong execution track record

Differentiated distribution has enabled Qoala to successfully position itself as both the embedded insurance solution of choice to more than 50 leading consumer-facing platforms and marketplaces like Traveloka, Dana and Kredivo; and the insurance platform solution of choice to more than 65,000 traditional offline agents resulting in more than 15x growth in Gross Written Premium ("GWP") from 2020 to 2023.

We believe we are only scratching the surface of this opportunity, and we are excited about Qoala's vision to become the leading insurtech platform in Southeast Asia. Congratulations

again to [Harshet](#) and the entire [Qoala](#) team – we are excited and grateful to be a part of this journey.

For career opportunities, visit Qoala on [LinkedIn](#).

About PayPal Ventures

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Cited Sources:

1. The State of Global Insurtech 2023 (Mundi Ventures, Pitchbook)
2. “[Digital adoption in personal P&C insurance in south and southeast Asia](#)” Survey by SwissRe Institute
3. E-commerce penetration in Indonesia accelerated in three years to levels that took China five years and the U.S. more than ten years to register.

Additional Sources:

1. <https://research-assets.cbinsights.com/2023/08/07133218/State-of-Insurtech-Q223-Funding.png>
2. https://www.mapfre.com/media/2023/Insurtech_report_Mundi_MAPFRE_NN-Group_Dealroom.pdf