

Unleashing Savings: Curbing Myths About Workers' Compensation & Independent Contractors

CASE STUDY: WORKERS' COMPENSATION / GIG WORKER

“HUB delivers a partnership experience that is completely opposite of what we thought possible. Their integrity, resources and knowledge to support our business are totally aligned”

— Dylan Allread, Chief Operating Officer, Wag!

SUCCESS STORY

At a Glance - Workers' Compensation for Gig Economy Business Model

1. THE CHALLENGE

The technology platform company felt stuck with poor service and overpriced insurance. Misunderstandings about the company's business model and gig economy legal rulings had much of the marketplace declining to quote.

2. THE SOLUTION

Explain the underwriting process to the client, Develop a detailed and accurate narrative to explain the operations and exposures, educate the underwriters and guide them to a better solution.

3. THE RESULT

Multiple options, including a national insurer, secured a long-term partnership with first-year pricing 60% lower than the prior year's program.

CLIENT PROFILE

Location —

Headquarters in California
(Offers services in 50 states
and 4,600 cities)

Industry —

Technology Platform

Business Model —

On-Demand Dog Walking Platform



Wag! creates joy for dogs and those who love them. They invented on-demand dog walking in 2015, and Wag! is now available in all 50 states and in 4,600 cities. The mobile app gives pet parents more flexibility to manage everyday life and instant access to experienced and trustworthy dog walkers, boarding hosts, and sitters in their communities.

Services booked on Wag! are covered by home liability insurance, and every walker and sitter has passed a vetting process before being activated to work on the platform.

Wag! donates a portion of walk proceeds to GreaterGood.org's Rescue Bank and through this program has provided more than 8 million meals to shelter dogs in the United States.

THE HIGH COST OF MISUNDERSTANDING

The gig economy is changing the way products and services are delivered to consumers, and creates freedom and opportunity for a new type of workforce. In the last decade, this segment of the workforce has grown 15%.

Capitalizing on Gig Economy

growth, Wag! hired experienced tech employees and created a platform in which independent contractors could deliver a safe and reliable service to pet owners.

In California, the landmark 2018 Dynamex decision redefined the guidelines for classifying workers regarding state wage orders. The following year, California Assembly Bill 5 (AB5) was proposed and signed into law (on January 1, 2020), codifying and expanding the Dynamex decision, adding to the widespread confusion surrounding the Gig Economy.

The volatility in the court systems spilled over into the insurance marketplace. Wag! received unwarranted high rates for their workers' compensation coverage. When poor service compounded the high cost, the VP of HR contacted trusted advisor, Josh Stichter at HUB International (HUB).

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CHANGING THE NARRATIVE

The VP of HR had worked with Josh while at another company. He was confident in HUB's ability to execute a better outcome for the company's workers' compensation and understood the value in HUB's strategic approach.

The recent legal rulings had industry underwriters unwilling to take a risk on the Wag! business model. The HUB team knew they had to change the narrative and acted on the following strategy:

- Educating underwriters by presenting a detailed narrative on Wag! operations, technology platform, and its relationship with independent contractors
- Leveraging HUB's marketplace influence to reassure underwriters of its commitment to Gig Economy risk to support clients and insurers

CHANGING THE OUTCOME

As a result of HUB's representation, multiple insurers offered solutions and desire to partner with Wag! The results enabled Wag! in ways they would not have believed possible:

- First-year pricing 60% lower than prior program
- The value of expert risk management services
- A dedicated, specialized claims handling team



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