How Pineapple grew in the AWS cloud

By Evan-Lee Courie

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Shifts in customer behaviour and market trends have altered the traditional insurance business model as we know it. In the traditional insurance model, clients pay premiums into a central pot which is used to settle claims but the funds that are left are the insurer's profit.

Today customers are demanding simplified and on-demand services and better returns of value. In response to this need, Pineapple was established. As a decentralised insurance service, Pineapple only charges a fixed fee and returns unutilised premiums every year.

Marnus van Heerden, co-founder of Pineapple

We chat to Marnus van Heerden, co-founder of Pineapple to find out how Amazon Web Services cloud has allowed the insurance company to innovate and enhance the insurance customer journey within South Africa.

Could you tell us a bit about Pineapple?

Pineapple is an insurtech (insurance tech) that allows immediate distribution of insurance cover digitally. It eliminates lengthy sales calls as well as the excessive loadings to premiums to fund call centres. The user simply snaps to insure. You can also access any unused premium, in cash.

Pineapple's business model needed great tech and reliability and Amazon Web Services has been central to this. AWS solutions such as AWS EC2 has allowed us to keep various versions of our app by allowing us to rent virtual computers on which to run our own computer applications.

Amazon Web Services has also allowed us to manage high load requests. Additionally, AWS solutions like AWS Lambda lets us run code without provisioning or managing servers. We pay only for what we consume - there is no charge when our code is not running. This cost saving element is incredibly valuable to any startup.

What is your role in the company?

I am one of the three founding members. With the agility and pace of progress of a startup, we all do what is best for the company and the Pineapple Community on any given day, whether this is sales, ops, strategy, innovation - keeping our product fresh and our customers happy is the role of all of us.

When, how and why did you start Pineapple?

We started Pineapple to solve the issues of a stale industry whereby the process of getting or dealing with your insurer is burdensome. The actual business model is designed not with the best interest of the consumer at heart and consumer understanding of the products was failing. We wanted to turn this around with an entirely new business model, which still provides comprehensive insurance but so much more as well.

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We took these insights into consideration when we developed the Pineapple platform. Our API was initially on a self-hosted infrastructure with no defined deployment strategy and we weren't able to keep track of releases/versioning. Since switching to AWS EC2, we've been able to add that facility of tracking app versions with our code repositories. EC2 has also allowed us to do add load-balancing to our API service, enabling us to deal with high load requests, as at the same time keep our customer experience smooth and enjoyable.

Our databases are also hosted on EC2 and backups are automated to save to S3 per interval. EBS Volume backups are also automated. We use CloudWatch to monitor the state of our instances.

So tell me, how does Pineapple work?

The process is fairly simple. You first download the app, then you snap a pic of items you want to insure to get a quote. Once you've made your decision, you can insure and get immediate cover.

Then, the premiums you pay go into your Pineapple wallet. Your wallet helps pay for claims of the community, admin and reinsurance and you get to see this in real time.

All leftover premium in your wallet is yours to withdraw in cash - every single year, regardless of whether you claim or not.

All our policies are month-to-month and you can cancel at just the tap of a button.

A key part of Pineapple is the saving of images and voice notes as supporting media for policies and claims. We created a Content Delivery Network using S3 and put them on edge distribution using CloudFront.

⊞ *There's been a shift in customer behaviour and market trends have altered the traditional finance model as we know. Could you tell us some of the changes that you have seen over the years?*
Consumers of financial services have become increasingly more discerning with their needs, as well as with their spend. That coupled with the immediate access to services through tech is fundamentally changing how products such as insurance are being consumed.

> " *Consumers want to know they are being charged fairly and that they can contact you instantly. Insurtech addresses these shifts in behaviour.* "

⊞ *The concept of cloud computing in insurance seems to be quite a hot topic at the moment. How will the cloud transform the way we do insurance?*
Cloud hosting is a tool that also allows any business to be nimble and move quicker and if combined with a drive to proactively change the way we do insurance then it is a great resource. It has enabled us to offer an innovative yet reliable solution to our customers.

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4 Feb 2019

⊞ *There are several cloud services available, what cloud service provider does Pineapple use and why?*
We predominately use Amazon Web Services (AWS). Our decision was fundamentally based on our business requirements, our own personal experiences with cloud providers and our expertise. AWS powers some of the world's largest companies and their infrastructure and this is essentially the trajectory we plan on taking ourselves. We have a lot of expansion plans in the near future and we cannot compromise on the performance of our infrastructure. Hence AWS.

⊞ *When and how did you decide that it was time to take the business to the cloud?*
Day one, it was not even a debate.

⊞ *What are the pros and cons?*
The key benefit is paying for what you use. We do not have to use the high expenditure of actually acquiring a great deal of infrastructure to adapt to our needs. The performance offered by AWS is unmatched in that regard. It's also beneficial.

Of course, anyone who uses AWS knows how expensive it can get once you start experiencing high volumes. Fortunately, we are on the AWS Activate Programme, which Amazon offers to startups. This allows us to make use of free credits to help us hit the necessary scale to accommodate even higher volumes.

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⊞ *Would you encourage other insurance companies to take their business to the cloud? Why?*
Yes! Hosting is not an insurance company's core competency. Employing teams of people to manage IT infrastructure

yourself will never yield the results or have the cost benefit that the likes of AWS can achieve.

⊞ *In your opinion, what is the future of insuretech?*

Insurance is probably the one industry that has not caught onto the "sharing economy". If you look at some of the leaders in this economy (Uber, Airbnb, etc.), they have seen such success because they have effectively taken the economy of their industries and given it back to the people. This is where we believe the future of insurance lies, and Pineapple will be pioneering that revolution.

When people were still using a horse and cart, what would Henry Ford have said is the future of cars?

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