



**Testimony of Thimble CEO Jay Bregman  
for the New York Senate Standing Committee on Internet and Technology  
October 16, 2019**

Good morning Madam Chair, Ranking Member, and all members of the committee - I thank you for having me today for this vital discussion on the gig economy and modern work.

When you hear “gig economy,” you probably think of drivers and couriers. That’s where the bulk of attention has been to date. But I’m here to talk about the original vision of the gig economy - empowering people to work transactionally. This bigger picture includes the handymen, landscapers, house cleaners, freelancers, photographers and other millions of small businesses who want to dip in and out of work flexibly, and on their own terms.

My name is Jay Bregman, and I’m Co-Founder and CEO of an insurance technology company called Thimble. We are the first and only company to offer short-term business insurance, with policies available by the hour, day, or month. It’s a simple innovation, but our success -- we are on track to end 2019 with over 100,000 policies arranged -- illustrates something fundamental about how work is changing in America.

As more and more people leave the 9-to-5 world behind, they’re taking advantage of technological advances to freelance, take on new projects and side hustles, and start new ventures. Between 2013 and 2017 the number of new small businesses increased 4%. According to CNN, more than 44 million Americans have a side-hustle, over a third of the workforce. And small businesses represent 98% of all businesses in New York State.

Thimble has a unique view into the habits and needs of modern workers from the perspective of how solo businesses are buying insurance. Most quality jobs in America--for a hairdresser or a handyman--require that the worker show a certificate of insurance prior to getting the gig. Most solo businesses can’t afford to spend thousands upfront on a policy they may only ever use a few times a year. But Thimble offers policies as short as a single hour starting at just \$5, with only a few taps on an app.

With greater flexibility in policies, we’ve seen a new class of solo business emerge from people who are dipping in and out of the commercial workforce and engaging in multiple kinds of work at a time. What we know:

- 75% of our customers never had business insurance before - they want to do the right thing but didn’t have solutions that made that possible before. They either could not afford or didn’t have the time to go through the hassle of committing to an expensive year-long policy.
- 50% of Thimble policies are purchased for a day or less. These workers value flexibility and the ability to work on their own terms - across various jobs and to expand staff on a job as needed.
- 39% are over 50 years of age. So the future of work is not just being defined by newly grads and millennial businesses -- short term work is deeply rooted in the labor of the past.



We also recently commissioned a renowned research firm to conduct an online survey of our customers. I'd like to share those insights with you today:

**The gig economy is more than just "gig workers."** One of the most interesting findings is that while 60% of our customers believe they are part of the "gig economy" only 4% would actually identify themselves as "gig workers." That's because "gig workers" has come to mean working full or near-full time for a single technology platform like Uber or Postmates, and that doesn't describe their business.

**The vast majority are not relying on platforms to get jobs.** Two-thirds of our customers have not used any digital marketplace platform to secure work during the previous year. Word of mouth and referrals are the most common (88%) way they initiate business relationships, followed by social media (59%) and their own websites (34%). Thumbtack and HomeAdvisor lead the way among those who did.

**Flexibility and autonomy are the biggest draw to working independently.** Being their own boss (71%), pursuing projects that interest them (61%) and flexible hours (58%) are the main reasons our customers choose to work independently across the board. Flexible hours are especially valued among female respondents (69% vs. 54% among males) and young respondents (70% in the 18-35 age group vs. 55% and 53% in the 36-49 and 50+ age groups, respectively).

**They're working just as hard, if not harder than full-time employees.** Most (72%) work year-round and two-thirds work five or more days a week on average, including 13% who work every day of the week. Only 7% of customers work less than six months per year.

**They are unhappy with how elected officials and the government treats them.** Only 28% believe that elected officials have the best interests of small owners at heart and only 20% believe the government treats small businesses as fairly as large corporations, while just 30% believe that their businesses are valued by states and the federal government.

**But, these workers are very optimistic about the future of their work and the economy.** 90% are at least somewhat hopeful regarding its future and more than three-quarters (79%) believe businesses like theirs are the drivers of the national economy, about which too, they feel quite hopeful.

I offer up these learnings to shed light on the fact that the gig economy is far bigger than one unified kind of "gig worker" who drives or delivers. Our hope is that this committee continue to provide independent workers the freedom to use the tools and solutions that empower them to define how they want to build their business and earn a living.

A big factor to consider: While the various employment laws in New York each apply somewhat different tests to determine when a worker is an employee, generally speaking, the main determinant is whether the worker is free to control when, where, how, for whom he does his work and on what terms.



The current “control” test makes sense when you consider the various requirements placed upon employers -- like how employers must comply with state labor laws requiring a safe workplace and procedures to avoid injuries to their employees. However, these types of requirements would not make sense where an independent worker, like a handyman, chooses his own jobs and how to do them at different locations for various customers -- even in the event that those jobs are booked through an online platform.

Thimble’s mission is to make insurance simple, so small businesses can succeed on their own terms. We’re working to assist workers on that front from the private sector. As leaders weigh how to help gig workers

I urge everyone to consider the broad reach of the gig economy, so that that whatever action this committee, other officials in New York, or anyone around the country takes, policy does not inadvertently and unfairly affect the hardworking solo workers who operate as small businesses even as they embrace new technologies to source work. Everyone should be able to earn a living on their own terms.

Thank you for your time.