



EMERGING TECH RESEARCH

Insurtech

Q2 2021 VC update

Report preview

The full report is available through the PitchBook Platform.





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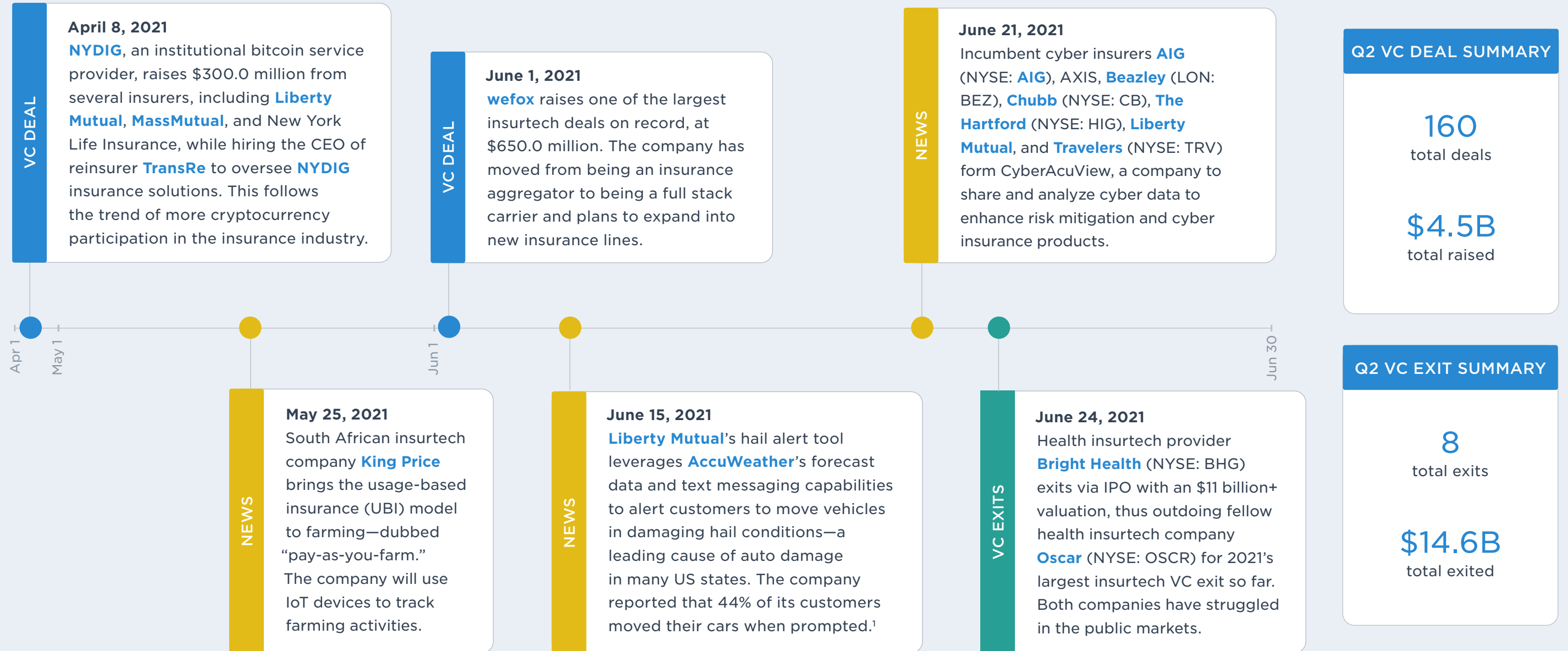
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Q2 2021 timeline



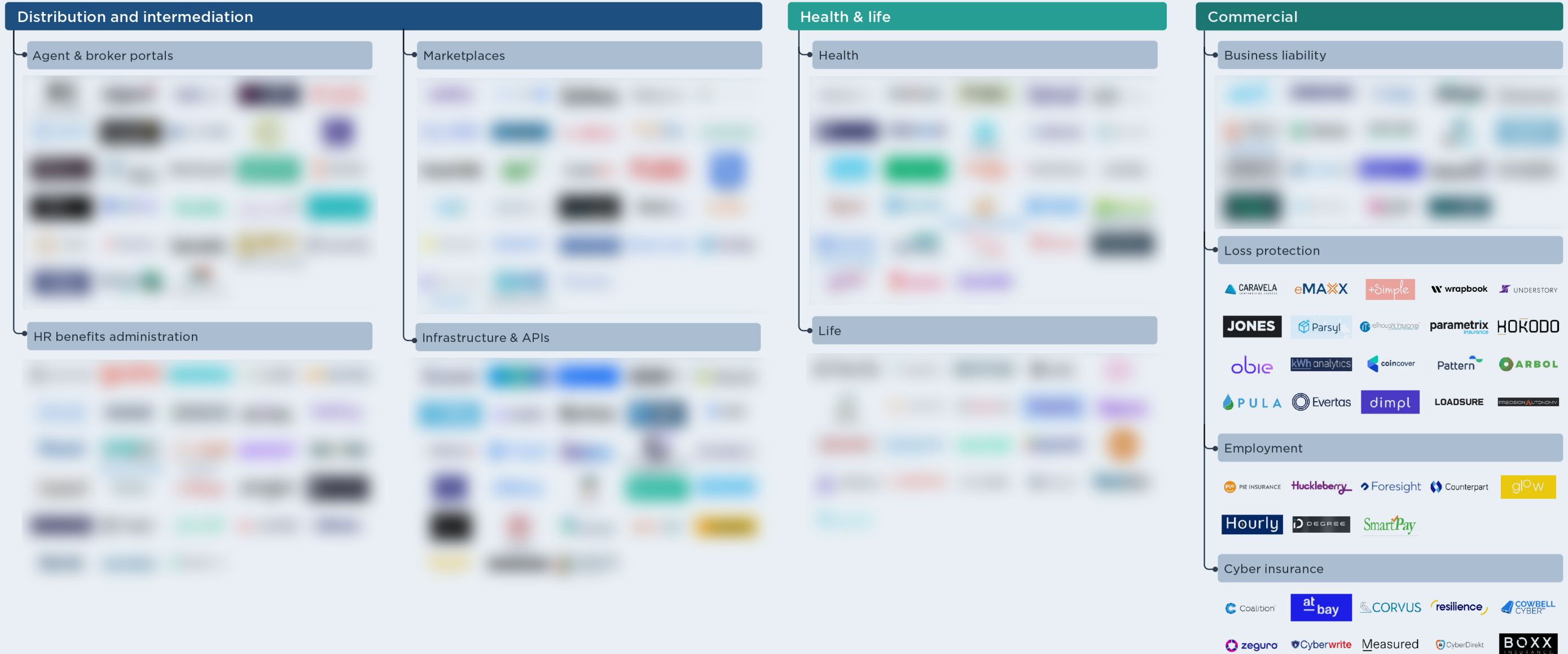
1: “Liberty Mutual Helps Auto Insurance Customers Stay Safe and Protect Vehicles with Real-Time Hailstorm Alerts,” PR Newswire, Liberty Mutual Insurance, June 15, 2021.



Insurtech VC ecosystem market map

Click to view interactive market map on the PitchBook Platform.

Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.

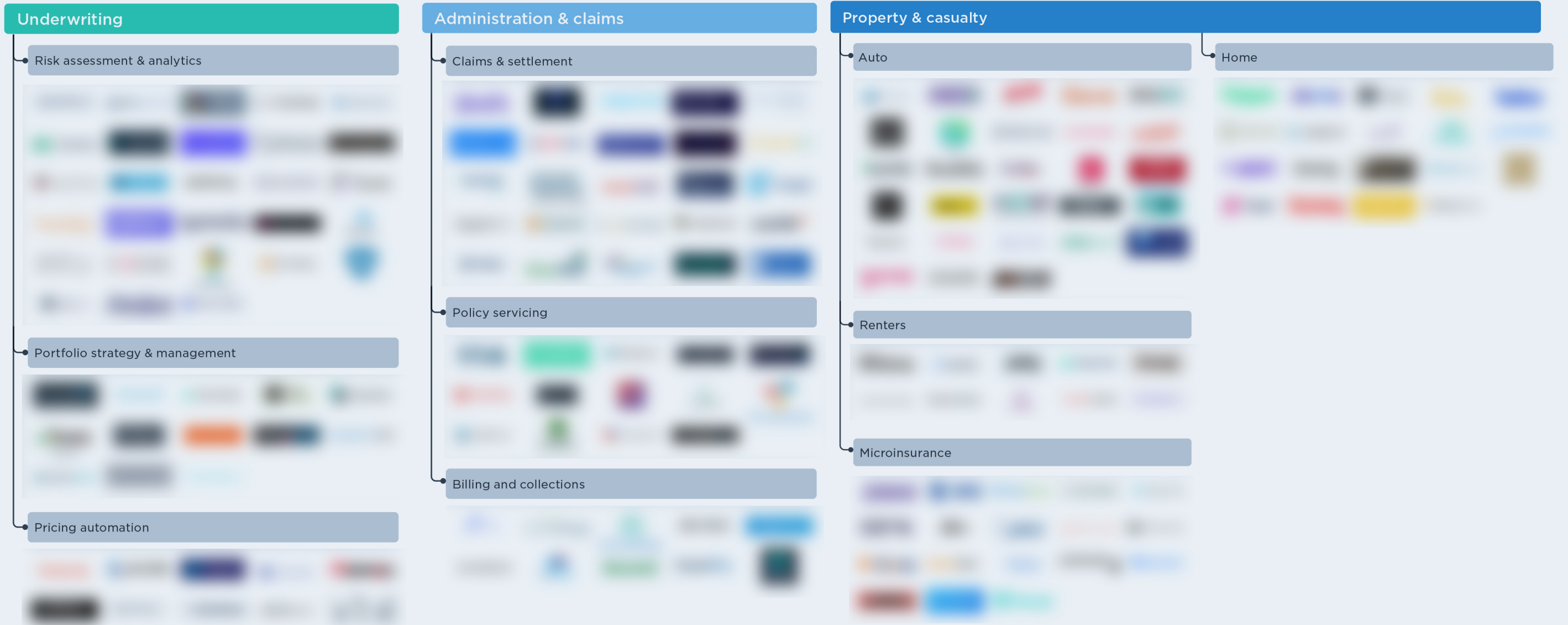




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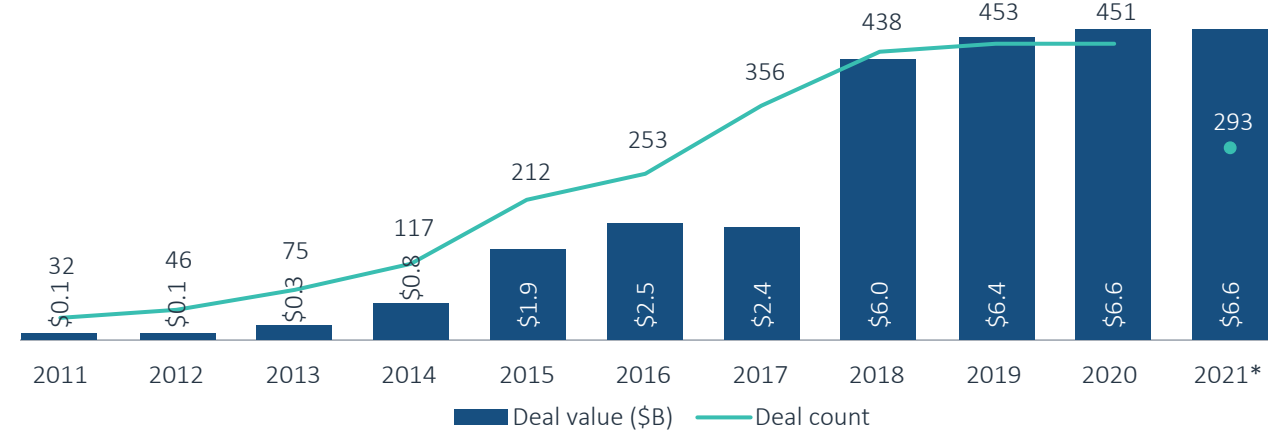
VC activity

In Q2 2021, insurtech companies globally raised \$4.5 billion across 160 deals—notching a 109.6% QoQ increase in terms of deal value. Deal value and count both achieved quarterly record highs. Bringing in almost 40% of the total capital, insurance distribution and intermediaries drove the majority of the quarter’s deal value, with companies such as **wefox** (\$650.0 million), **Collective Health** (\$280.0 million), **Extend** (\$260.0 million), and **The Zebra** (\$150.0 million) raising the largest rounds. Health and life insurtech companies continue to gain investor attention, with each raising a combined \$1.1 billion during Q2. French health insurtech provider **Alan** and California-based life insurtech startup **Ethos** both raised the largest rounds of the quarter, at \$219.4 million and \$202.0 million, respectively.

Valuations during the quarter continued to climb across all venture stages. The median early-stage pre-money valuation increased over 39% to \$33.1 million from \$23.8 million for full-year 2020, while the median late-stage valuation jumped more than 233% to \$250.0 million. Pre-money valuation step-ups, a measure to gauge valuation accretion between stages, were similar across all angel & seed, early-stage, and late-stage rounds, with an overall industry median step-up of 2.45x.

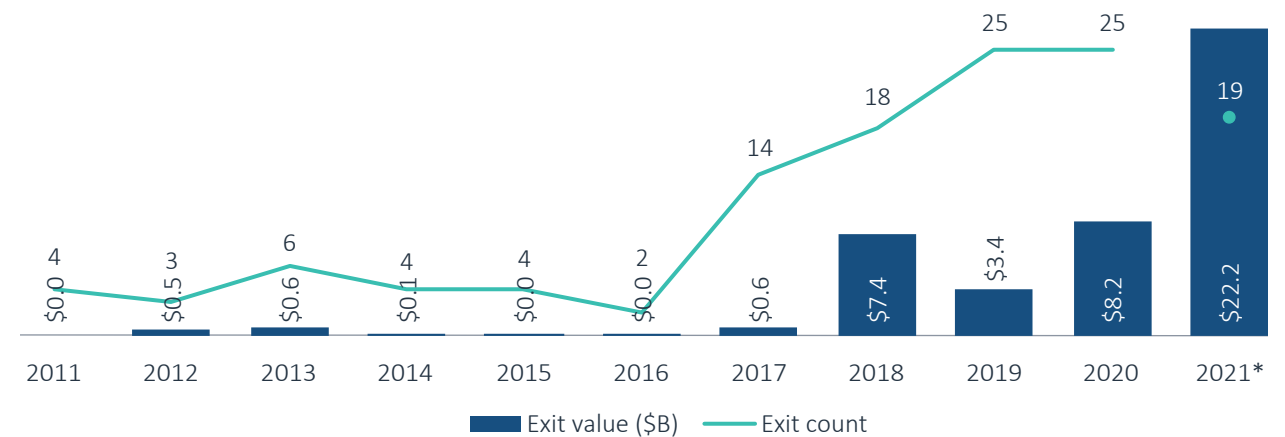
Q2 also saw record exit value, thus outpacing the previous record from Q1. **Bright Health’s** June IPO drove the quarter’s record exit value. In April, incumbent Dutch insurer **ASR Nederland** (AMS: ASRNL) acquired Netherlands-based **Brand New Day**, which provides health and life insurance products, along with other financial services. With other announced exits from **Policybazaar**, **QOMPLX**, and **Health IQ**, among others, we expect the strong exit activity to continue through the rest of the year.

Figure 1. INSURTECH VC DEAL ACTIVITY



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 2. INSURTECH VC EXIT ACTIVITY

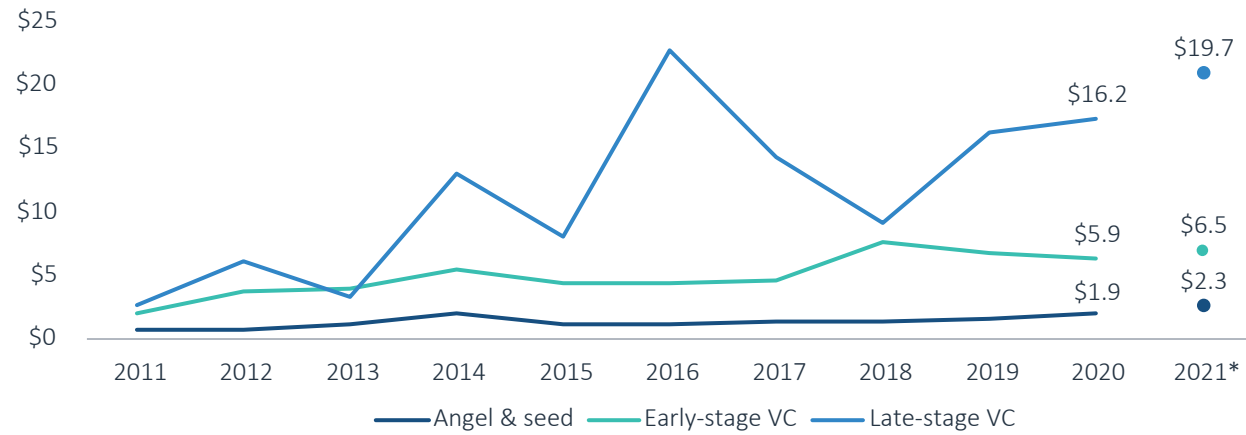


Source: PitchBook | Geography: Global | *As of June 30, 2021



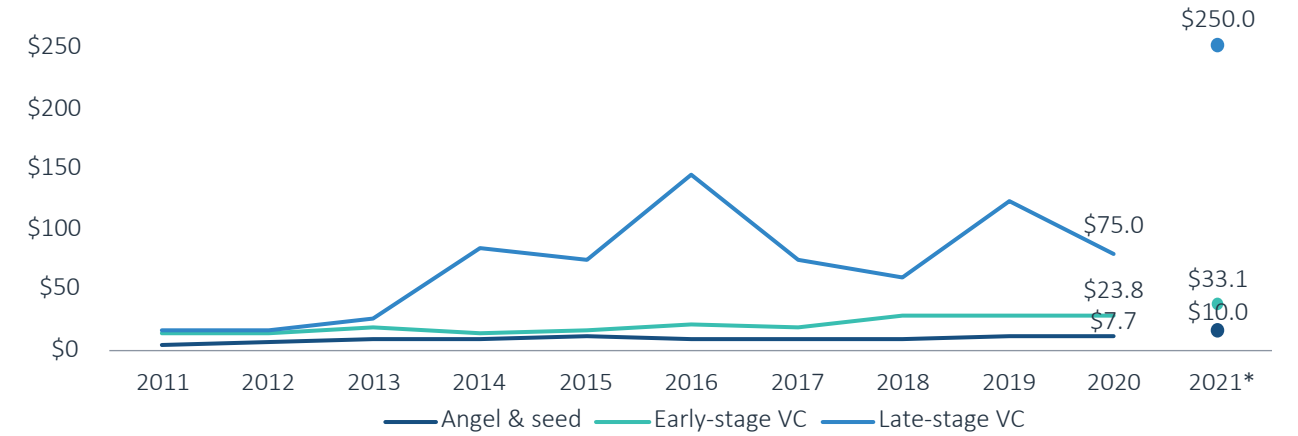
VC ACTIVITY

Figure 3. MEDIAN INSURTECH VC DEAL SIZE (\$M) BY STAGE



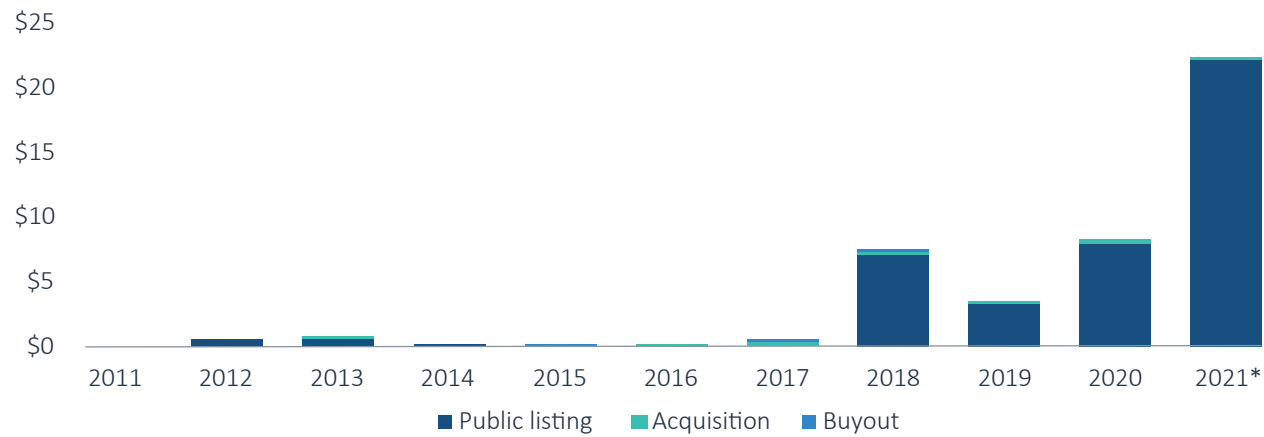
Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 4. MEDIAN INSURTECH VC PRE-MONEY VALUATION (\$M) BY STAGE



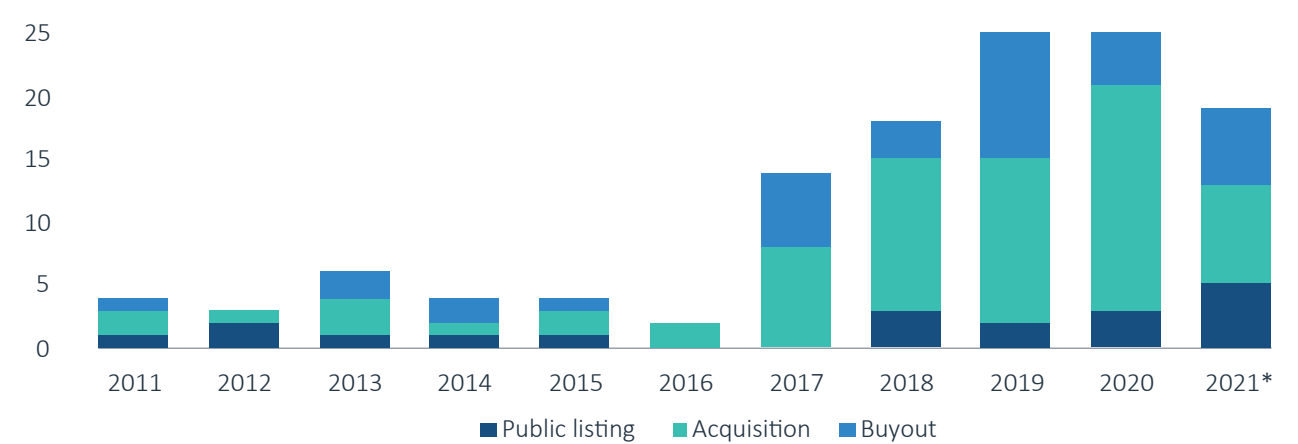
Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 5. INSURTECH VC EXIT VALUE (\$B) BY TYPE



Source: PitchBook | Geography: Global | *As of June 30, 2021

Figure 6. INSURTECH VC EXIT COUNT (#) BY TYPE



Source: PitchBook | Geography: Global | *As of June 30, 2021



VC ACTIVITY

Figure 8.

Key insurtech late-stage VC deals

| COMPANY | CLOSE DATE | SEGMENT | SUBSEGMENT | DEAL SIZE (\$M) | LEAD INVESTOR(S) | VALUATION STEP-UP* |
|--------------------------|----------------|-------------------------------|----------------------------|-----------------|--|--------------------|
| wefox | June 1, 2021 | Distribution & intermediation | Marketplaces | \$650.0 | Target Global | N/A |
| Many Group | May 27, 2021 | Property & casualty | Home | \$350.0 | EQT | N/A |
| Collective Health | May 3, 2021 | Distribution & intermediation | HR benefits administration | \$280.0 | Health Care Service Corporation | 2.3x |
| Extend | May 18, 2021 | Distribution & intermediation | Infrastructure and APIs | \$260.0 | SoftBank Investment Advisers | N/A |
| Shift Technology | May 6, 2021 | Administration & claims | Claims and settlement | \$220.0 | Advent International | 2.5x |
| Alan | April 19, 2021 | Health & life | Health | \$219.4 | Coatue Management | 2.7x |
| Ethos | May 11, 2021 | Health & life | Life | \$202.0 | General Catalyst, Accel, Sequoia Capital | 4.4x |
| Clearcover | April 13, 2021 | Property & casualty | Auto | \$200.0 | Eldridge (Greenwich) | 1.4x |
| Yuanbao Insurance | May 10, 2021 | Health & life | Health | \$153.9 | Source Code Capital | N/A |
| The Zebra | April 12, 2021 | Distribution & intermediation | Marketplaces | \$150.0 | N/A | 4.4x |

Source: PitchBook | Geography: Global | *As of June 30, 2021



SELECT COMPANY HIGHLIGHT | JOSHU



Year founded
2020

Total VC raised
\$3.7M

Last financing valuation
N/A

Last financing
Raised \$3.7M in a seed round

Lead investor
Blumberg Capital

Overview

Joshu is a commercial insurance platform that allows insurance carriers and managing general agents (MGAs) to quickly build and deploy commercial insurance products. Insurers using **Joshu** can create both digitized versions of existing commercial insurance products or completely new products. Its streamlined process only requires insurers to build a customized application, connect a rater, and upload policy documents. Insurers can then start distributing products via custom storefronts for direct distribution or portals for distribution through brokers. An unlimited number of storefronts and portals exists, with each customizable to the distribution channel. **Joshu**'s platform integrates with existing core systems and third-party data providers.

Historically, commercial insurance has been purchased in person. However, the pandemic has accelerated the digitization of insurance, and we believe businesses will increasingly seek to purchase insurance through digital channels. **Joshu**'s platform will enable insurers to reach digital channels more quickly by creating products in hours versus the traditional timeline of months.

Leadership

Joshu is led by co-founder and CEO Roy Mill. Previously, Mill was the VP of Product at **At-Bay**, a leading cyber insurtech company. Prior to **At-Bay**, Mill spent more than four years in senior product roles at **Ancestry**. Shimi Bornstein is the co-founder and CTO. Bornstein was also previously at **At-Bay**, holding the role of VP of Research & Development. Bornstein held software development and system architect roles at various technology companies during the prior 15 years.

Financing history

In January 2021, **Joshu** raised a \$3.7 million seed round led by Blumberg Capital. Engineering Capital, Correlation Ventures, Innovation Endeavors, and Sure Ventures also participated in the round.