



EMERGING TECH RESEARCH Insurtech Report

VC trends and emerging opportunities

Q2
2022

REPORT PREVIEW

The full report is available through the PitchBook Platform.





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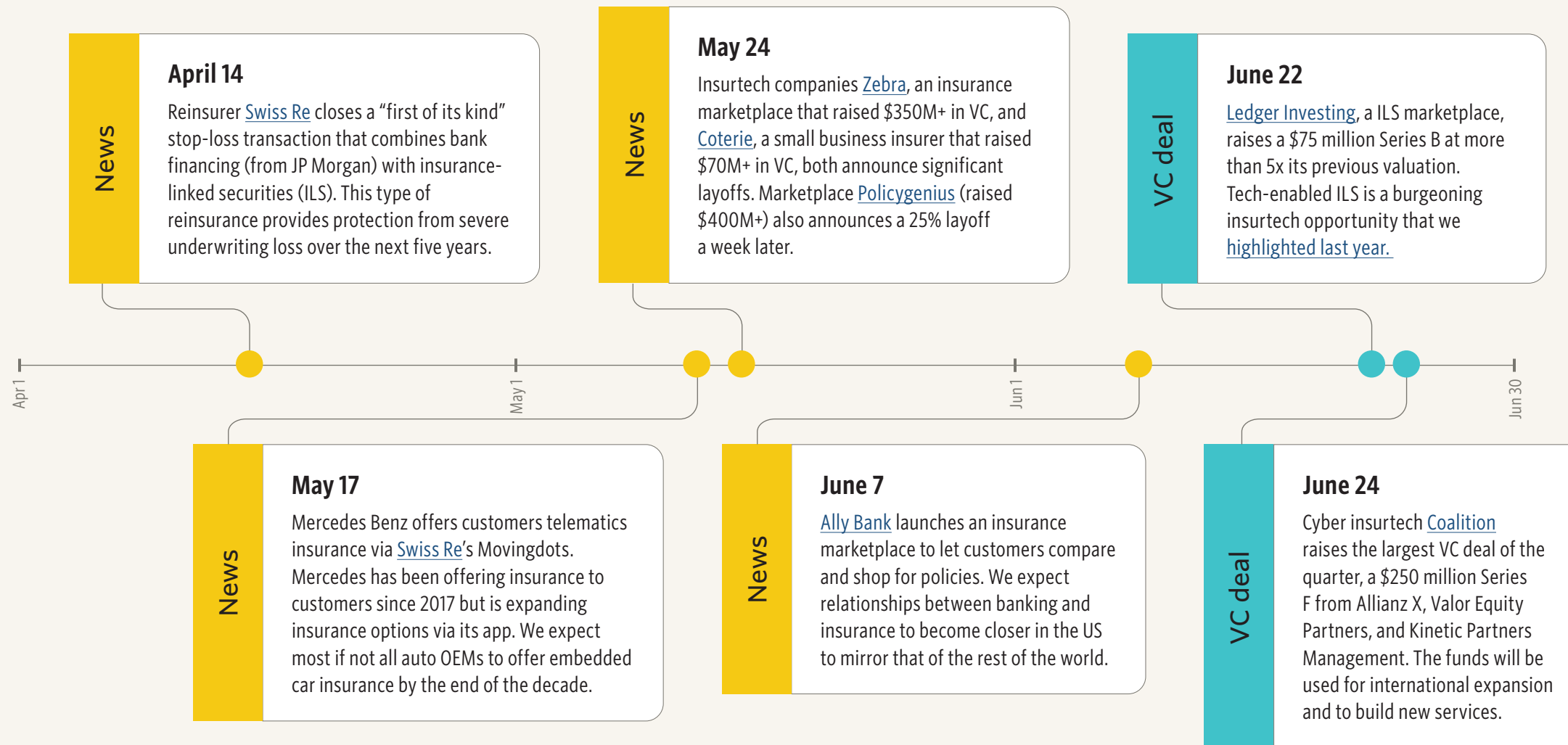
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Q2 2022 timeline



Q2 VC deal count summary

133
total deals

-22.2%
QoQ growth

-34.2%
YoY growth

Q2 VC deal value summary

\$2.6B
total deal value

-8.5%
QoQ growth

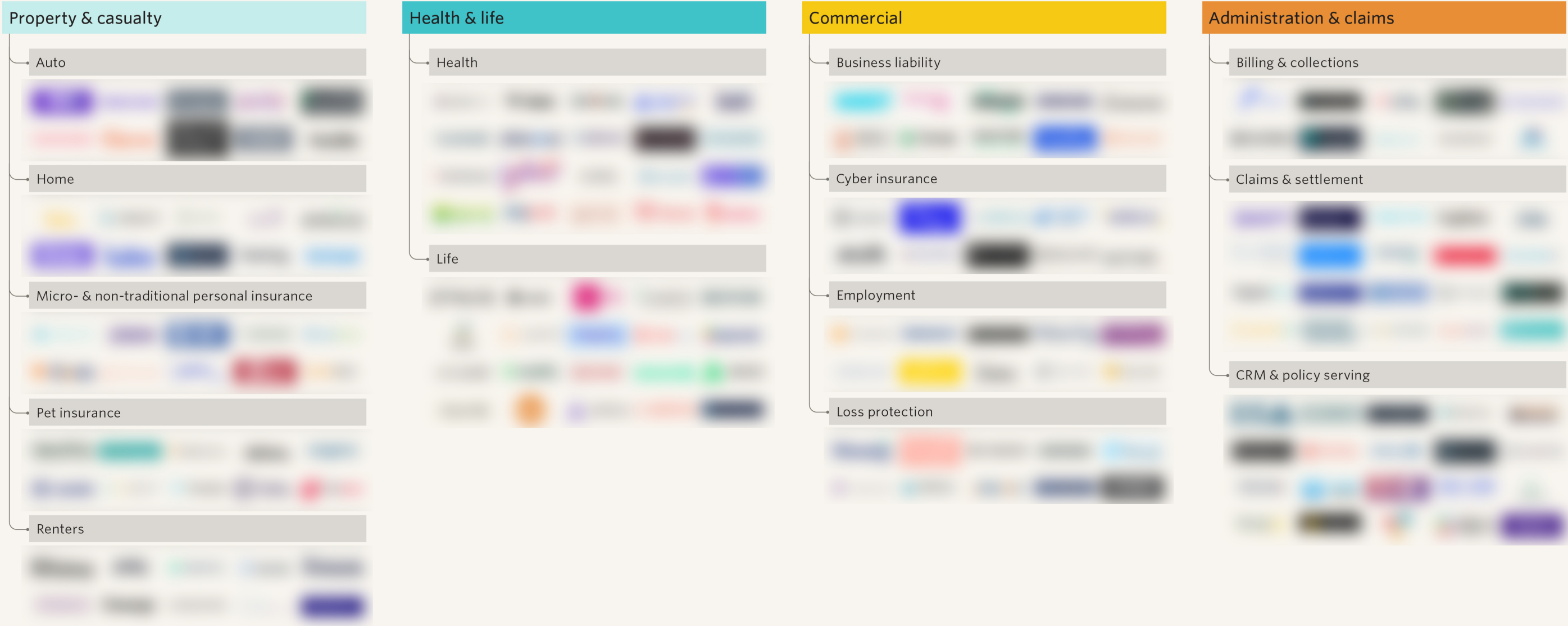
-42.1%
YoY growth



Insurtech VC ecosystem market map

Click to view the 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.

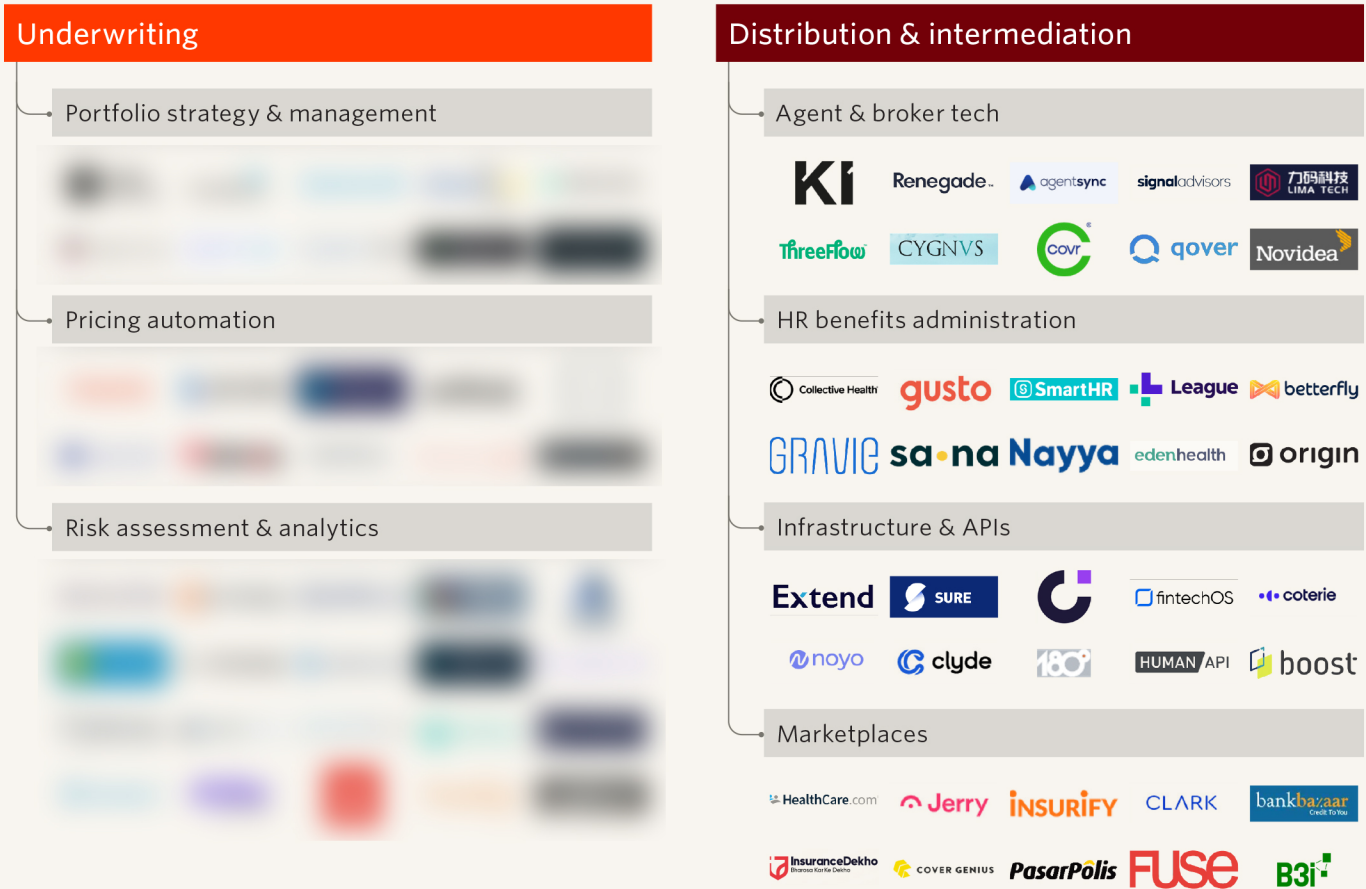




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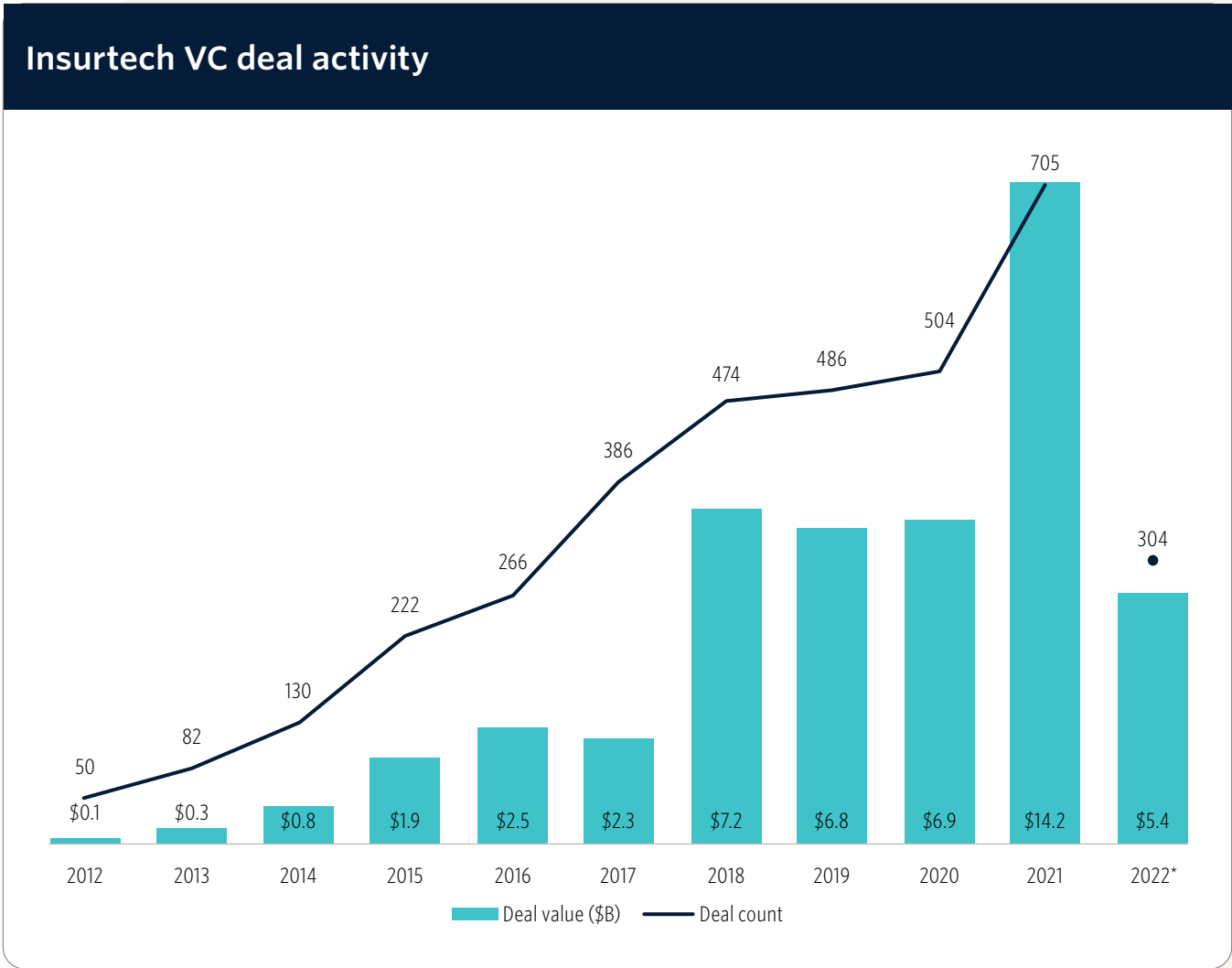




VC activity

In Q2 2022, insurtech companies globally raised \$2.6 billion in venture capital (VC) across 133 deals, representing an 8.5% decrease in QoQ deal value. This was the lowest amount of invested capital since Q3 2020 and 42.1% lower than the previous peak of \$4.4 billion in Q2 2021. Companies serving the distribution segment continue to bring in the largest portion of deal value, at \$957.1 million across 39 deals. However, this was still less than the roughly \$1.4 billion invested in this segment last quarter. The three largest insurtech distribution deals of the quarter include [Gusto](#), a health insurance benefits platform (\$230.0 million Series E at a \$9.6 billion post-money valuation); [Turtlemint](#), an insurance marketplace (\$121.0 million Series E at a \$926.0 million post-money valuation); and [Renegade Insurance](#), an agent-based insurance marketplace (\$75.0 million early-stage round). The largest insurtech deal of the quarter was cyber insurtech [Coalition's](#) \$250.0 million Series F at a roughly \$5.0 billion valuation.

During the quarter, the median pre-money valuation for VC-backed, late-stage insurtech decreased 39.4% to \$72.0 million from 2021's full-year figure of \$118.8 million. Early-stage median pre-money valuations, however, continued to increase slightly, reaching new highs at \$34.2 million—up 6.2% from 2021. Early-stage VC-backed insurtech companies have the highest recorded pre-money valuation step-ups, a measure to gauge valuation accretion between stages, at 3.3x. Late-stage steps stood at close to 2x, which was on par with 2021. The trends within late-stage insurtech financings mirror the public markets, in which the stock prices of many newly listed public insurtech companies have dropped more than 75% over the past year.



Source: PitchBook | Geography: Global | *As of June 30, 2022



VC ACTIVITY

Key insurtech early-stage VC deals*

Company	Close date (2022)	Segment	Stage	Deal size (\$M)	Lead investor(s)	Valuation step-up
Coherent Capital Advisors	April 21	Distribution and intermediation	Series B	\$75.0	Maverick Capital, Owl Rock Capital Group	N/A
Renegade Insurance	April 3	Distribution and intermediation	N/A	\$75.0	N/A	N/A
Qoala	May 11	Property and casualty	Series B	\$65.0	Eurazeo	N/A
Cygnavs	May 24	Distribution and intermediation	Series A	\$55.0	N/A	N/A
Noyo	May 19	Distribution and intermediation	Series B	\$45.0	Norwest Venture Partners	4.35x
Hourly	May 10	Commercial	Series A	\$27.0	Glilot Capital Partners	2.56x
Dowsure	April 26	Distribution and intermediation	Series B	\$20.0	N/A	N/A
Dalma.	June 2	Property and casualty	Series A	\$15.9	Northzone Ventures	N/A
AKKO	April 22	Property and casualty	Series A	\$15.0	N/A	6.25x
Federato	May 17	Underwriting	Series A	\$15.0	N/A	N/A

Source: PitchBook | Geography: Global | *As of June 30, 2022



VC ACTIVITY

Key insurtech late-stage VC deals*

Company	Close date (2022)	Segment	Stage	Deal size (\$M)	Lead investor(s)	Valuation step-up
Coalition	June 24	Commercial	Series F	\$250.0	N/A	1.37x
Gusto	May 12	Distribution and intermediation	Series E	\$230.0	Dragoneer Investment Group, T. Rowe Price	N/A
Newfront Insurance	April 12	Commercial	Series D	\$200.0	B Capital Group, Goldman Sachs Asset Management	4.00x
Alan	May 5	Health and life	Series E	\$196.7	Ontario Teachers' Pension Plan	1.63x
Branch Insurance	May 24	Property and casualty	Series C	\$147.0	Weatherford Capital	3.01x
Turtlemint	May 11	Distribution and intermediation	Series E	\$121.0	Amansa Capital, Jungle Ventures, Nexus Venture Partners	N/A
Caribou	May 19	Property and casualty	Series C	\$115.0	Goldman Sachs Asset Management	2.23x
Openly	May 13	Property and casualty	Series C	\$75.0	N/A	N/A
Ledger Investing	June 22	Underwriting	Series B	\$75.0	WestCap	5.56x
Sana	May 2	Distribution and intermediation	Series B1	\$60.1	GigaFund, Trust Ventures	1.72x

Source: PitchBook | Geography: Global | *As of June 30, 2022



SELECT COMPANY HIGHLIGHTS



Founded
2021

Location
Boston, MA

Total raised:
\$8.0M

Last financing:
Raised \$8.0M in a seed round

Last financing valuation:
\$28.0M

Lead investors:
Lightspeed
Venture Partners

Overview

[Herald](#) develops digital infrastructure that connects to commercial insurance carriers through a single API. This allows brokers and other insurance distributors to easily quote and bind insurance from multiple carriers, expanding the lines of business and access to carriers. Carriers benefit by increasing the number of distribution partners. Commercial insurance is highly complex, and the intermediaries that match thousands of carriers (and hundreds of products) with millions of small to medium-sized businesses are using manual, onerous, and expensive processes. Herald solves these pain points through integrations across multiple lines of insurance, including workers' compensation, general liability, business owner's policy, cyber, and more. The company plans to expand into additional markets and move beyond quoting to other areas of the insurance value chain, including purchasing, billing, renewals, and claims.

Leadership

[Herald](#) was cofounded by CEO Matthew Antoszyk and Duncan Crystal. Antoszyk and Crystal met during their time at [At-Bay](#), a cyber insurtech company, where they both worked on building and distributing [At-Bay](#)'s cyber insurance API. Antoszyk previously worked at McKinsey, and Crystal worked at Gartner. Jacob Barnett is the CTO and previously worked at life insurtech company [Haven Life](#), building workflows for purchasing life insurance. Barnett also previously worked at Microsoft as a software development engineer.

Financing history

In December 2021, [Herald](#) raised an \$8.0 million seed round led by Lightspeed Venture Partners at a \$20.0 million pre-money valuation. Underscore VC, Afore Capital, and a several angel investors also participated in the round. The funds will be used to expand its product and engineering teams, scale support for additional lines of business, and accelerate integrations with its carrier partners.



About PitchBook Emerging Tech Research

Independent, objective and timely market intel

As the private markets continue to grow in complexity and competition, it's essential for investors to understand the industries, sectors and companies driving the asset class.

Our Emerging Tech Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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