



InsurTech Insights

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PricewaterhouseCoopers Corporate Finance LLC
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Recent Transactions

CoverHound raises \$58 million in Series D round

- CoverHound, the P&C insurance platform for digital distribution, has raised \$58 million in its Series D funding round. Specialist insurer Hiscox led the round, with additional investors including Chubb, Aflac Ventures and Japan-based MS&AD. CoverHound's latest round brings the total capital raised to over \$112 million since its 2010 launch
- CoverHound, via its subsidiary CyberPolicy, offers a comparison tool for small business to shop, get quotes and bind cyber coverage online. Cyber insurance has become a critical exposure for more than 30 million small and medium-sized commercial enterprises operating in the US.
- CoverHound uses CyberPolicy to educate the commercial client about the expanding risks of cyber for business, which in turn has expanded the market for the coverage. Since launch eight years ago, CoverHound has successfully sold more than 200,000 policies
- In addition to fueling the continued development of CyberPolicy, this funding round allows CoverHound to expand its offices beyond San Francisco and Westlake Village, CA to Charlotte, NC, as well as international expansion to Japan and other global markets. In November 2018, CyberPolicy began providing cyber coverage options through a partnership with Progressive Insurance, giving channel access to SMB buyers who might not know CoverHound. Previously, in May 2018,, CoverHound had partnered with Hiscox to offer cyber to its SMB customers

Clearcover raises \$43 million in Series B round

- Clearcover, a fully-digital consumer direct MGA, has raised \$43 million for its Series B funding round at a pre-money valuation of \$95 million. Cox Enterprises, the media, communications and automotive services company, led the round, which included repeat-investor American Family Ventures and IA Capital Group, Lightbank, and Hyde Park Angels. Silicon Valley Bank also provided a new facility for debt financing
- Clearcover's technology, including its industry-first API platform, has enabled the company to underwrite high-quality, affordable car insurance for thousands of drivers since launching in early 2018. The company has also integrated with distribution partners across the automotive, insurance and financial services industries, including Cars.com, The Zebra, and Chime, with plans to continue expanding both its geographic footprint and partnership channel in 2019
- The company plans to use the funds to continue investing in its API platform, launching new states, integrating new distribution partners and expanding its engineering, data science and customer advocate teams

Clover raises \$500mm in Series E funding

- Clover Health ("Clover"), a technology-focused Preferred Provider Organization (PPO) with a Medicare contract, has raised \$500 million in developmental capital led by existing investor Greenoaks Capital Partners. In 2017, Clover raised \$130 million Series D funding at a \$1.2 billion valuation, with this latest round bringing the total capital raised since founding in 2012 to \$925 million. The company, backed by Alphabet's venture arm GV, Sequoia Capital, Floodgate, Bracket Capital, First Round Capital among others, declined to disclose the valuation used for the Series E round
- Clover's data-driven health insurance platform utilizes patient-centered analytics and a dedicated care management team to identify potential risks and provide preventive care to patients and providers. Clover's mission is to reduce avoidable spending and better manage chronic diseases through continuous, real-time monitoring
- Medicare Advantage enrollment in 2018 topped 20 million, driven by demographic trend. The Medicare Advantage market continues to be a hot market for investors seeking to capitalize on major growth opportunities in products and services. Other recent capital raises by Bright Health (\$200 million Series C, \$950 million valuation in November 2018) and start-up Devoted Health (\$300 million Series A, \$1.8 billion valuation in October 2018) are also focused on expanding Medicare Advantage plans similar to Clover

Recent Partnerships and Other News

Berkshire Hathaway launches new comprehensive insurance product for small businesses

- Berkshire Hathaway's Insurance Group is launching a new comprehensive insurance product for the small commercial market that combines multiple coverages into a simple, all-inclusive policy. The product, called THREE, is only three pages long and combines coverage for workers' compensation, multiple liability coverages (including general liability, errors and omissions, and cyber), property and auto
- THREE will address the various insurance needs of small business with this more efficient, bundled alternative by taking head on the traditional process where small business owners have to purchase multiple policies through various brokers or third parties without a complete understanding of gaps in coverage.
- The product will be launched as a direct channel offering, rolled out nationally as Berkshire Hathaway obtains state regulatory filings and approvals. Berkshire Hathaway has said it will use licensed agents to help policyholders with THREE coverage wherever needed as policyholders adjust to using the direct channel
- Berkshire Hathaway has been pursuing small business customers with another direct platform. The company's biBERK unit provides online access to small business owners shopping for commercial vehicle, general liability, property and workers' compensation insurance

Neptune Flood partners with Hippo Insurance to unite home and flood insurance coverage online

- Neptune Flood ("Neptune"), a data-driven flood insurance company, recently partnered with Hippo Insurance, a technology-enabled homeowners' insurance provider, to provide consumers with direct access to flood insurance when purchasing home insurance. Neptune and Hippo each offer consumers a seamless digital experience with speed, transparency and consumer-focused service
- The strategic partnership will give Hippo customers direct access to flood insurance with Neptune, which will be woven into its intuitive, straight-through online binding process. Neptune's API permits integration into the Hippo platform, which will deliver an unprecedented client experience for adding flood at policy inception
- Neptune Flood launched in the fall of 2017 with technology that made it possible to quote and buy flood in under two minutes. Neptune's advanced mapping technology provides highly accurate flood zone and risk-evaluation, enabling coverage placement in both low- and high-risk flood zones, including discounts up to 20% as compared to the Federal National Flood Insurance Program (NFIP)
- Founded in 2015, Hippo Insurance offers consumers a homeowners' quote in 60 seconds or less, with savings of up to 25 percent of the premium pricing offered by traditional insurers, and inclusive of "smarter" coverage for modern households like electronics or appliances contents as part of the policy

Reinsurers on the move -- Allianz injects an additional \$645mm in digital investment unit

- Allianz X, the digital investment unit, has received an additional firm commitment of \$645 million from parent Allianz Group, bringing its fund size to over \$1.1 billion.
 - ✓ Allianz is publicly expanding its corporate venture arm for digital investments, with Allianz X saying it plans to commit these funds to digital companies specifically related to insurance and asset management.
 - ✓ Allianz X has made more than 15 direct investments since 2016, recently investing \$96.6 million in micro insurer Bima, which deploys mobile technology to provide services to low-income customers across Africa, Asia and Latin America.
- Munich Re's Munich Re Digital Partners (Insurtech) and HSB Ventures (IoT) have also ramped up investments since 2017, making investments in Trov, Next Insurance, Bought by Many, Relayr, Mnubo, Neos, Slice Labs, among others.
 - ✓ Munich Re is also reinsuring new ventures Lemonade and Root in the US market and One in Europe

Select InsurTech U.S. Capital Raises – January/February

Announced	Company	Business Description	Capital Raised (\$mm)		Current Round Investors
			Round	Total	
27-Feb-2019	By Miles	Provider of pay-per-mile auto insurance services offered through a monthly subscription to provide coverage	6.6	8.4	Hambro Perks, HP Insurtech Gateway, InMotion Ventures, JamJar Investments, Octopus Ventures
26-Feb-2019	Breathe Life	Developer of a direct-to-consumer software platform for the digital distribution of insurance products	3.4	3.4	Diagram , Real Ventures
13-Feb-2019	Inshur	Digital provider of commercial auto insurance focused on the TLC/rideshare vertical	7.0	8.0	Munich Re/HSB Ventures , MTech Capital Fund
12-Feb-2019	Socotra	Developer of a cloud-based platform offering a suite of integrated software solutions for technology-driven insurers	5.2	21.8	8VC, MS&AD Ventures, Nationwide Ventures, USAA
5-Feb-2019	CoverHound	Provider of an online insurance marketplace for consumers to shop for, compare and buy auto and property insurance	58.0	114.0	Aflac Corporate Ventures, Chubb Limited, Hiscox , MS&AD Ventures
31-Jan-2019	Photocert	Developer of insurance software solutions designed to create a secure automated standard for claims and onboarding	0.1	0.5	Barclays Accelerator, Techstars
30-Jan-2019	bsurance	Operator of an insurance technology platform designed to offer tailor-made insurance products to end customers	4.7	5.3	Signa Holding, UNIQA Ventures
30-Jan-2019	Avinew	Technology-driven provider of usage-based auto insurance for autonomous and semi-autonomous vehicles	5.0	10.0	American Family Ventures, CrossCut Ventures , Frontier Venture Capital, RPM Ventures
29-Jan-2019	Clover Health	Preferred Provider Organization serving the Medicare Advantage market through its patient-centered analytics platform	500.0	925.0	Greenoaks Capital Partners
22-Jan-2019	Clearcover	Provider of an API-driven online auto insurance platform focused on providing the right coverage at affordable rates	43.0	54.5	American Family Ventures, Cox Enterprises , Hyde Park Angels, IA Capital Group, Lightbank
16-Jan-2019	Turtlemint	Developer of an online platform designed to facilitate a seamless insurance buying process for both consumers and agents	25.0	31.0	Blume Ventures, Nexus Venture Partners, Sequoia Capital
17-Jan-2019	Limelight Health	Provider of cloud-based enterprise software solutions for quoting and underwriting in the employee benefits industry	33.5	44.0	Aflac Corporate Ventures, AXA Venture Partners, Launchpad Digital Health, MassMutual Ventures, Principal Financial Group , Transamerica Ventures
15-Jan-2019	Bond-Pro	Provider of enterprise software solutions designed to automate and streamline the entire lifecycle of surety products	10.0	10.0	Volition Capital

Note: Lead investor bolded

Sources: company websites and filings, PwC CF research, Pitchbook, SNL Financial, Crunchbase

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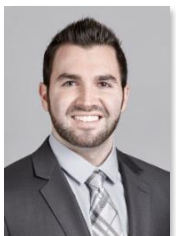
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