

SECTORWATCH

Insurance Management Software / TPA

7^{MA} PPI

OVERVIEW

7 Mile Advisors, in partnership with Paradigm Partners International, offers advisory services to clients globally in the Insurtech space on capital raising, benchmarking, and M&A. This quarterly Sectorwatch report is a compilation of our findings in the Insurtech space, specifically in relation to Insurance Management Software and TPAs. For additional information please contact one of our industry leads.

The report outlines:

- Industry News & Commentary
- Recent Transactions
- Notable Transactions

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NEWS WORTH KNOWING



InsurTech News

- Lloyd's Selects 11 Insurtechs to Support Its Future-at-Lloyd's Project [[link](#)]
- Quarterly InsurTech Briefing Q2 2019 [[link](#)]
- MetLife Prepares for Second Insurtech Incubator in N.C. [[link](#)]
- Minnesota Insurance Accelerator Announced Five-InsurTech Cohort [[link](#)]
- Insurtech Gateway Launches in Australia [[link](#)]

Insurance Management Software & TPA News







- Is merger of TPA giants a precursor of more consolidation? [[link](#)]
- Claim Central Consolidated rolls out new TPA offering [[link](#)]
- Ascensus snaps up another third-party administrator [[link](#)]
- VitusVet gets investment from Nationwide Insurance [[link](#)]









INDUSTRY COMMENTARY

The Third-Party Administrator (TPA) market is massive, totaling ~\$250b in revenue in 2019, and growing at a 5% pace over the last five years according to IBISWorld. TPAs play an important role by allowing insurance carriers, pension funds, welfare funds, workers' comp funds, and self-insureds to cut costs and improve efficiency by outsourcing a number of services (claims processing, administrative services, loss control, etc.). Given the mission-critical role TPAs fill, size and scale are of increasing importance. In order to survive, TPAs that are not massive in scale will need to rely on technology solutions in order to differentiate themselves in this highly competitive market.

RECENT TRANSACTIONS

-  **Collective Health** Lead Investors: SoftBank Vision Fund Round: 5 Amount: \$205m Type: Series
7/17/2019
Collective Health is the first integrated solution that allows self-funded employers to administer plans, control costs, and take care of their people—all in one place.
-  **BriteCore** Lead Investors: Warburg Pincus Round: 4 Amount: \$47.5m Type: Venture
7/15/2019
BriteCore is a fully-managed core platform for property and casualty insurers that supports digital transformation, emerging technologies, and new business models. Designed as a cloud-native solution, BriteCore is deployed using Amazon Web Services and is continually updated for maximum security, efficiency, and durability at scale. API integration capabilities provide access to third-party solutions, expanding on BriteCore's foundational core, data, and digital offerings.
-  **WeGroup** Lead Investors: NA Round: 4 Amount: <\$1m Type: Debt Financing
7/10/2019
WeGroup increases the efficiency and speed of both the production and claims processes within an office by using the intelligent applications that Louise (AI bot) provides. In addition to drawing up quotes and managing damage, Louise answers customer questions and maintains partner contacts.
-  **BlockClaim** Lead Investors: Amadeus Capital Partners Round: 2 Amount: \$1m Type: Seed
6/17/2019
BlockClaim provides AI and Blockchain powered claims automation and fraud filtering. By utilizing this technology they are able to reduce settlement times, increase fraud detection, and reduce operational cost.
-  **Fixico** Lead Investors: Autotech Ventures Round: 4 Amount: \$14.3m Type: Venture
6/12/2019
Fixico offers a digital platform that seamlessly handles car repair for consumers, insurers, and fleet owners, providing them full control at every step in the repair process.
-  **Insoore** Lead Investors: FocusFuturo Round: 6 Amount: \$3.1m Type: Seed
5/28/2019
Insoore is a platform that helps insurance companies to improve the claims management process, thanks to on-demand photographic inspections and damage estimates provided by a community of experts.

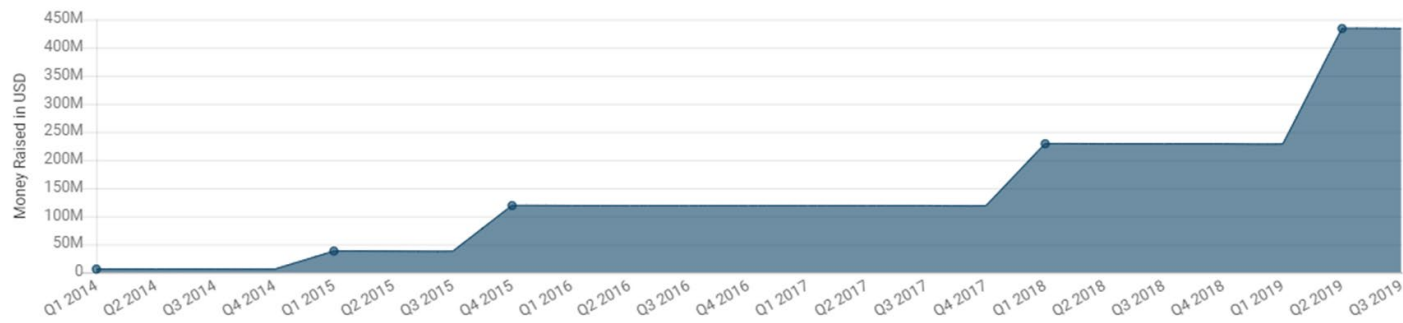
RECENT TRANSACTIONS

	Flume Health 5/1/2019	Lead Investors: NA Round: 2 Amount: \$4.2m Type: Seed Flume Health is a digital TPA helping self-insured employers make their health plans more affordable and easier to use.
	MotionsCloud 4/29/2019	Lead Investors: NA Round: 3 Amount: <\$1m Type: Seed Claims automation engine for property and vehicle insurances powered by computer vision technologies.
	Artificial Labs 4/10/2019	Lead Investors: Alma Mundi Ventures Round: NA Amount: NA Type: Seed Artificial Labs are building tools for insurers that allow them to operate faster, more efficiently and more accurately. Ranging from policy management through to AI-based automated claims, Artificial's service-based architecture means they can quickly combine and integrate applications according to insurer requirements.
	Surefyre 2/18/2019	Lead Investors: Quake Capital Partners Round: NA Amount: NA Type: Pre-Seed Surefyre offers easy online forms and an agent portal to boost underwriter efficiency.
	WeGroup 1/23/2019	Lead Investors: NA Round: 3 Amount: <\$1m Type: Grant WeGroup increases the efficiency and speed of both the production and claims processes within an office by using the intelligent applications that Louise (AI bot) provides. In addition to drawing up quotes and managing damage, Louise answers customer questions and maintains partner contacts.
	Stable Insurance 1/15/2019	Lead Investors: NA Round: NA Amount: NA Type: Angel Stable Insurance is a distribution and analytics platform for consumers of commercial auto insurance. Their digital platform is automating the traditionally cumbersome processes of quoting, policy administration and filing a claim.

NOTABLE TRANSACTIONS

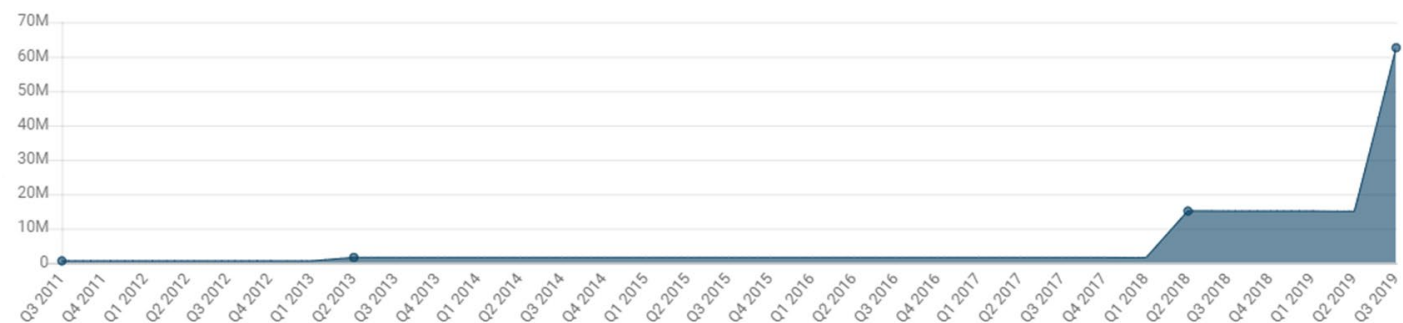
| Collective Health + SoftBank Vision Fund - Collective Health raised \$205m in Series E funding led by Softbank. Investors included new funds (PSP Investment, DFJ Growth and G Squared) as well as returning backers (Founders Fund, GV, Maverick Ventures, Mubadala Ventures, NEA and Sun Life). Total funding raised to date is \$434m. Uses of the funds include targeting new strategic partnership within the US, additional hiring in sales, engineering and customer experience, and internal development of its platform, specifically aimed at reducing its customers administrative waster. Collective Health fulfills core HR needs from claims adjudication, administration, and financial operations to member support and integrated analytics.

cumulative funding raised over time



| BrightCore + Warburg Pincus - BriteCor, a Springfield, MO-based provider of next-generation software solutions for insurers, received \$47.5m in growth funding led by Warburg Pincus. Other investors included Radian Capital and WCF Mutual Insurance Company. BriteCore has raised a total of \$63m to date. As part of the investment, Alex Stratoudakis, Principal at Warburg Pincus, will join BriteCore's Board of Directors. BriteCore provides property and casualty insurers with cloud-based insurance core software platform offering end-to-end capabilities, including policy administration, claims management, underwriting rules and rating, agent quoting and inquiry, contact management, billing, imaging, printing, data warehousing, and reporting.

cumulative funding raised over time



THANK YOU

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