

# FT PARTNERS FINTECH INDUSTRY RESEARCH

April 30, 2020



## Bestow Raises \$50 million in Series B Financing Led by Valar Ventures

VALAR

## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 18 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research



**The Information**

**Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by The Information**



**Ranked #1 Most Influential Person in all of FinTech in Institutional Investors "FinTech Finance 40"**



**THE M&A ADVISOR**

**Numerous Awards for Transaction Excellence including "Deal of the Decade"**

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# Bestow Raises \$50 million in Series B Financing

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## Transaction Summary

### Transaction Summary

- On April 23, 2020, Bestow, a fully digital life insurance platform, announced that it has raised \$50 million in Series B financing led by Valar Ventures
  - Existing investors NEA, Morpheus Ventures, and Core Innovation Capital, and new investor Sammons Financial participated in the round
  - This financing was completed in February 2020, and brings the Company's total funding raised to about \$68 million
- This new round precedes the launch of the Company's 501(c)(3) nonprofit organization, the Bestow Foundation
  - The organization was created to assist those most in need of financial support during a crisis or disaster
  - Its first project will donate to the CDC Foundation to help combat COVID-19
- Bestow also has become the first fully digital life insurance carrier and plans to expand nationally starting later in 2020

### Key Metrics <sup>(1)</sup>

800%	Billions	>800%
Q1 2020 YoY Policy Growth	of Dollars in Coverage	Q1 2020 YoY Revenue Growth

### Transaction Commentary

"Providing a positive social impact is central to why we founded Bestow. We established a foundation early on to assist those who are affected by loss of life. Now is the right time for our foundation's inaugural donation in support of those on the frontline helping through this crisis. We recognize the impact made by the CDC Foundation and are fortunately in a position to help contribute to their efforts through the Bestow Foundation."



**Melbourne O'Banion**  
Co-Founder and CEO



"Insurance is by definition a preventative product, and leveraging technology to democratize access to financial protection is social empowerment. We aim to help ensure that every life is protected and valued, especially in the face of the unexpected. That's why the foundation is so complementary to our mission."



**Jonathan Abelmann**  
Co-Founder and President



### Selected Financing History

Announce Date	Selected Investor(s)	Amount (\$ in mm)
04/23/20	Valar Ventures; New Enterprise Associates; Morpheus Ventures; Core Innovation Capital; Sammons Financial	\$50
05/21/18	8VC; Abstract Ventures; Core Innovation Capital; Morpheus Ventures; New Enterprise Associates; Valar Ventures	15
07/12/17	8VC; Core Innovation Capital; Morpheus Ventures; New Enterprise Associates	3

Source: Company press release, FT Partners' Proprietary Transaction Database, PitchBook

(1) Crunchbase: [Bestow Closes \\$50M Series B For Digital Life Insurance, Sees 800% YoY Policy Growth](#)

# Bestow Raises \$50 million in Series B Financing

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## Bestow Overview

### Company Overview



Co-Founder & CEO: Melbourne O'Banion

Headquarters: Dallas, Texas

Founded: 2016

- Bestow is a fully digital life insurance platform that builds products and software that make life insurance accessible to millions of families
  - It operates direct-to-consumer as well as through an industry-first API, enabling partners to offer bespoke life insurance coverage to customers with ease
  - The Company offers affordable, convenient and smart life insurance services
- The Company leverages a proprietary algorithmic underwriting engine to instantly determine risk and give customers immediate access to comprehensive life insurance services without working with an agent, lengthy applications or medical exams
  - It enables access to affordable insurance products that are available instantly with no medical exam needed

### Management Overview



Melbourne O'Banion  
Co-Founder & CEO



Jonathan Abelmann  
Co-Founder & President



Jackie Morales  
Chief Insurance Officer



Josh Finkelstein  
VP of Growth

### Products & Services

#### Life Insurance Estimate Process



Gender



Birthdate



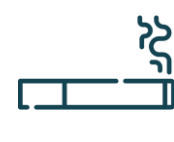
Height



Weight



Zip Code



Nicotine Use

By filling out 6 items, customers are able to receive a life insurance quote in seconds and are insured in minutes with **no doctors, no waiting, and no hassle**

#### Bestow is



Easy

Apply online with no medical exams, paperwork, or visits to office parks



Speedy

No need to wait months – get a quote in seconds and apply in minutes



Thrifty

Plans start under \$5 a month and get coverage from \$50,000 to \$1 million



Trusty

Every policy sold is backed by A+ rated partners – two of the largest insurers in the country

## Selected FT Partners InsurTech Research – *Click to View*



2019 InsurTech Interview Compilation



CoverWallet's Sale to Aon



InstaMed's Sale to JPMorgan Chase



Assurance's \$3.5 billion Sale to Prudential



Accolade Files for its IPO



Olive Raises \$51 million in Financing



Flywire Acquires Simplee



Alan Raises \$54 million in Series C Financing

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# FT Partners – Focused Exclusively on FinTech

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## Significant Experience Advising Large Financing Rounds and “Unicorns”

FT Partners has a history of advising on some of the largest financing transactions in the FinTech space

Company	Amount Raised	Selected Prominent Investors in FT Partners Led Rounds
 GreenSky™	\$1,560,000,000 *	Accel DST VISA ANT FINANCIAL
 stone <sup>co.</sup>	1,545,000,000 *	ICONIQ RCP REVERENCE CAPITAL PARTNERS TEMASEK PIMCO
 DavidXchange	956,000,000 *	BainCapital PRIVATE EQUITY TPG Premji Invest
 MERCURY®	420,000,000	BainCapital VENTURES INSIGHT PARTNERS GREENSPRING ASSOCIATES
 MARQETA	355,000,000 *	CDPQ Great Hill PARTNERS ION CROSSOVER PARTNERS
 NEXT INSURANCE	333,000,000 *	capitalG CIBC Scotiabank®
 Remitly	289,000,000 *	nyca QED INVESTORS khosla ventures
Liquidnet 	250,000,000	KeyBank WELLINGTON MANAGEMENT ING BBVA
 square trade protection plans	238,000,000	maveron Santander InnoVentures nabventures nab
 checkout.com	230,000,000	ADAMS STREET PARTNERS Elavon BV THIEL
 better.com	160,000,000	Redpoint Munich RE edbi
nmi	150,000,000	PayU COATUE edisonpartners
 ADDEPAR	140,000,000	QUESTMARK PARTNERS SUMMIT PARTNERS
 Kabbage®	135,000,000	SILVERLAKE PARTHENON CAPITAL PARTNERS
 BlueVine	102,500,000	
 MoneyLion	100,000,000	
 POYNT	100,000,000	
 CHROME RIVER	100,000,000	
 Fawry	100,000,000	

\* Total includes multiple financing rounds

## FT Partners Advises Assurance on its \$3.5 billion Sale to Prudential Financial

### Overview of Transaction

- On September 5, 2019, Prudential Financial (NYSE:PRU) announced that it has signed a definitive agreement to acquire Assurance IQ (“Assurance”)
- The acquisition includes total upfront consideration of \$2.35 billion and an additional earnout of up to \$1.15 billion in cash and equity, contingent upon the Company achieving multi-year growth objectives
- Launched in 2016, Assurance is the fastest growing direct-to-consumer InsurTech platform in history
  - Using a combination of advanced data science and human expertise, Assurance matches buyers with customized solutions spanning life, health, Medicare and auto insurance, giving them options to purchase entirely online or with the help of a technology-assisted live agent

### Significance of Transaction

- Assurance will add a large and rapidly growing direct-to-consumer channel to Prudential’s financial wellness businesses, significantly expanding the total addressable market of both companies
- Both companies will draw on respective capabilities to create a new, end-to-end engagement model geared to better serve customers
- The transaction is the largest strategic InsurTech exit in history and represents one of the fastest multi-billion dollar tech exits, as the Company was only founded in February 2016
- Assurance was funded entirely by its founders, highlighting FT Partners' ability to help under-the-radar FinTech companies achieve optimal outcomes

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Assurance and its board of directors
- This transaction highlights FT Partners’ deep domain expertise in the InsurTech space, and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

#### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its sale to*



*for total consideration of up to*

# \$3,500,000,000

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## FT Partners Advises Next Insurance on its \$250 million Series C Financing

### Transaction Overview

- On October 7, 2019, Next Insurance announced that it has raised \$250 million in its Series C funding round from Munich Re
- Founded in 2016 and headquartered in Palo Alto, CA, Next Insurance is the leading digital insurance company for small businesses
  - Revolutionizing traditional insurance processes, Next Insurance utilizes advanced technology to offer the industry's most innovative small business insurance policies
- Munich Re is one of the world's leading providers of reinsurance, primary insurance, and insurance-related risk solutions
- In May 2018, Next Insurance announced its status as a licensed insurance carrier, allowing the Company to write policies independently, as well as to have more freedom over underwriting, setting of prices, and configuration of policies

### Significance of Transaction

- The Series C round brings Next Insurance's total funding to \$381 million in just over three years, with a valuation of over \$1 billion
- The new funds will continue to help Next Insurance grow its team, develop its technology, and accelerate customer growth
- Additionally, the investment allows Munich Re to expand its footprint in the small and medium-sized business insurance market in the United States

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Next Insurance and its Board of Directors
- FT Partners also advised Next Insurance on its [\\$83 million Series B financing](#) in 2018
- This transaction underscores the long-term nature of many of FT Partners' relationships as well as our successful track record generating highly favorable outcomes for leading InsurTech companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*

**NEXT**  
INSURANCE

*on its Series C financing from*

**Munich RE** 

*for total consideration of*

**\$250,000,000**

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## FT Partners Advises Lennar on its Investment in Hippo

### Overview of Transaction

- On November 14, 2018, Lennar Corporation (“Lennar”) announced it has co-led a \$70 million minority investment in Hippo with Felicis Ventures, along with participation from all major existing shareholders
  - The investment brings the total amount of funding raised by Hippo to \$109 million
- Lennar Corporation (NYSE:LEN) is the one of the leading homebuilders in the United States
- Headquartered in Mountain View, CA, Hippo is a leading property and casualty InsurTech start-up, offering homeowners insurance as well as a number of more specialized products
- Hippo has helped cut premium costs for its customers by up to 25%, seen policy sales grow by 30% month over month, and now covers more than \$25 billion in total property value
  - Hippo is accessible to more than 50% of the US homeowner population, and that number is expected to increase to over 60% by the end of 2018

### Significance of Transaction

- With the new funding, Hippo will accelerate growth while continuing to deliver a modernized home insurance product that includes world-class customer experience on a national scale
- The transaction also offers a clear path for Lennar to continue to streamline the home buying experience for its customers

### FT Partners’ Role

- FT Partners served as exclusive strategic and financial advisor to Lennar
- This transaction underscores FT Partners' deep FinTech expertise and its continued success in providing buy side advisory to top-tier strategic investors

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*

**LENNAR®**

*in its minority investment in*



*with participation from  
new and existing investors*

*for total consideration of*

**\$70,000,000**

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## FT Partners Advises CoverWallet on its Sale to Aon

### Overview of Transaction

- On November 20, 2019, Aon (NYSE:AON) announced that it has signed a definitive agreement to acquire CoverWallet
- Launched in 2015, CoverWallet is a leading technology company reinventing the multi-billion dollar commercial insurance market for small businesses
- Powered by deep analytics, thoughtful design, and state-of-the-art technology, the Company provides an easy way to understand, buy, and manage business insurance online
- CoverWallet offers a wide variety of commercial coverages to small businesses with numerous carrier partners nationwide
- The transaction is expected to close during the first quarter of 2020, after which the CoverWallet organization will go to market as CoverWallet, an Aon company

### Significance of Transaction

- CoverWallet will add large and rapidly growing direct-to-consumer and business-to-business channels to Aon's small commercial insurance businesses, significantly expanding the total addressable market of both companies
- The acquisition provides Aon with additional access to the fast-growing, \$200+ billion premium digital insurance market for small and medium-sized businesses, as well as the opportunity to leverage CoverWallet's platform and digital, design, technology and data science capabilities already deployed at scale
- Additionally, CoverWallet provides Aon with an experienced team and deep expertise in productizing technology in financial services

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to CoverWallet and its board of directors
- This transaction highlights FT Partners' deep domain expertise in the InsurTech space, and its successful track record generating highly favorable outcomes for high growth FinTech companies globally

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
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**coverwallet**

*on its sale to*

**AON**

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## FT Partners Advises InstaMed on its Sale to JPMorgan Chase Bank

### Overview of Transaction

- On May 15, 2019, InstaMed announced it has agreed to be acquired by JPMorgan Chase Bank, NA
- Headquartered in Philadelphia, PA, InstaMed is a leading healthcare payments network that connects providers, payers, and consumers on one platform to facilitate healthcare commerce
- Since its founding in 2004, InstaMed has offered a highly integrated experience and has grown to create a diverse solution set that meets the critical payments, engagement, and transaction processing needs of the healthcare industry
- InstaMed's secure, centralized platform alleviates a number of challenges in the healthcare payments industry, with particular focus on eliminating paper, improving the consumer financial experience, and reducing costs to collect payments

### FT Partners' Role

- FT Partners leveraged its deep domain expertise and transactional experience in the Healthcare and Payments sectors to generate a highly successful outcome for InstaMed and its shareholders
- The transaction builds on FT Partners' strong Healthcare track record following advisory roles with [Eliza](#), [Benaissance](#), [Zywave](#), [AmWINS](#), and [R1 RCM](#), among others
- This transaction also demonstrates FT Partners' continued leadership position as the "Advisor of Choice" to the most prominent FinTech companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*

**InstaMed®**

*in its proposed sale to*

**JPMORGAN  
CHASE & Co.**

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## Award-Winning Investment Banking Franchise Focused on Superior Client Results



**2018** Top Investment Bank in FinTech



Institutional Investor  
Annual Ranking

**2018** Steve McLaughlin Ranked #1 for the Second Year in a Row on Institutional Investor's FinTech 40 List

**2017** Ranked #1 on Institutional Investor's FinTech 40 List

**2015 & 2016** Ranked Top 5 on Institutional Investor's FinTech 35 List

**2006 – 2008** Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"



The Information

**2016** Ranked #2 Top Technology Investment Banker on The Information's "Silicon Valley's Most Popular Dealmakers"

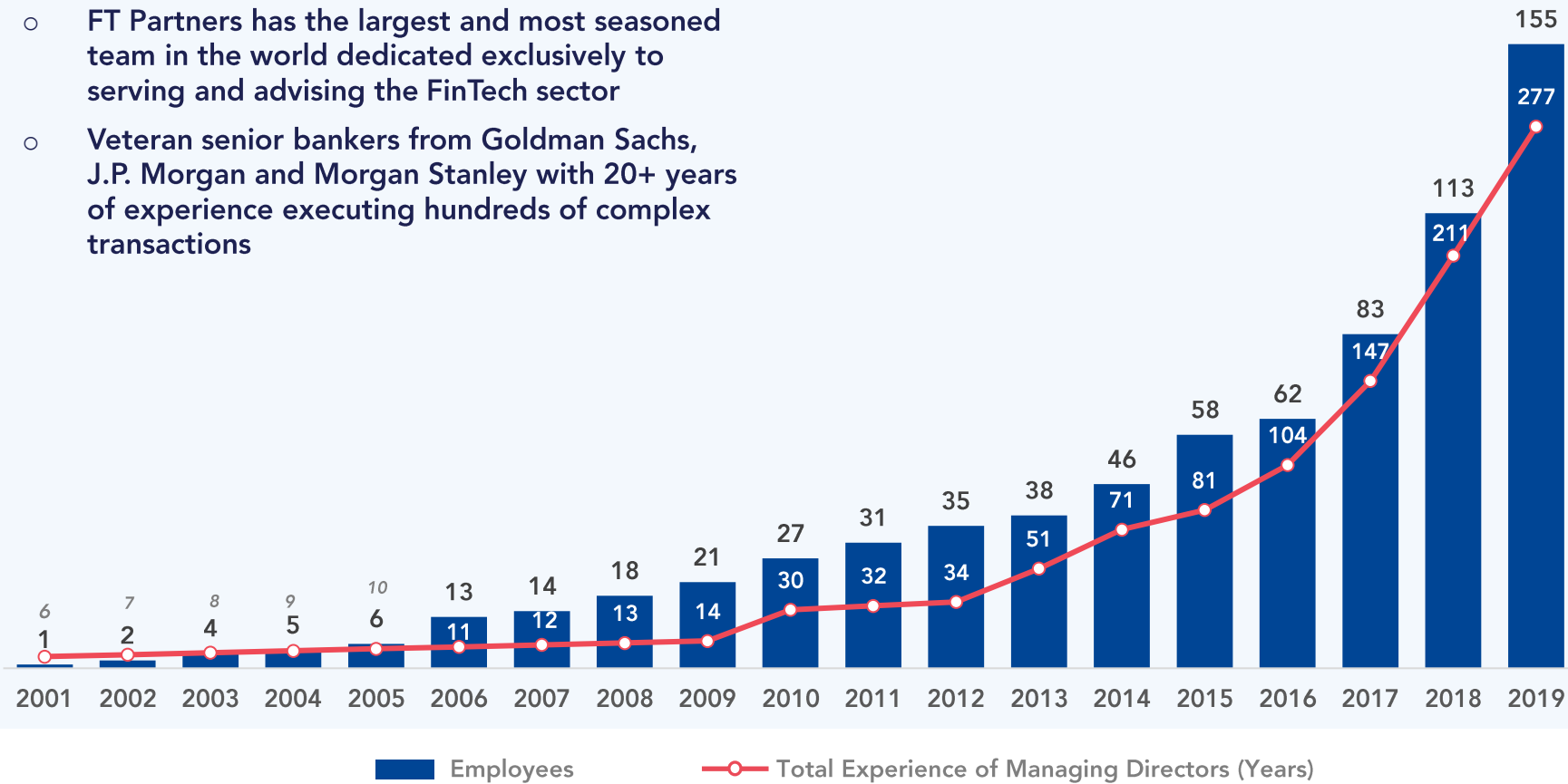


M&A Advisor  
Awards

<b>2019</b>	Technology Deal of the Year	<b>2012</b>	Professional Services Deal of the Year, \$100 mm+
<b>2018</b>	Corporate / Strategic Deal of the Year	<b>2011</b>	Boutique Investment Bank of the Year
<b>2018</b>	Cross Border Deal of the Year	<b>2011</b>	Deal of the Decade
<b>2017</b>	Investment Banker of the Year	<b>2010</b>	Upper Middle Market Deal of the Year, \$500 mm+
<b>2016</b>	Investment Banking Firm of the Year	<b>2010</b>	IT Services Deal of the Year, Below \$500 mm
<b>2016</b>	Cross Border Deal of the Year	<b>2010</b>	Cross-Border Deal of the Year, Below \$500 mm
<b>2015</b>	Dealmaker of the Year	<b>2007</b>	Dealmaker of the Year – Steve McLaughlin
<b>2015</b>	Technology Deal of the Year	<b>2007</b>	Business to Business Services Deal of the Year
<b>2014</b>	Equity Financing Deal of the Year	<b>2007</b>	Computer & Information Tech Deal of the Year, \$100 mm+
<b>2014</b>	Professional Services Deal of the Year, \$100 mm+	<b>2007</b>	Financial Services Deal of the Year, \$100 mm+
<b>2012</b>	Dealmaker of the Year	<b>2004</b>	Investment Bank of the Year

## The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)





## The FT Partners Senior Banker Team

Name / Position	Prior Background	Experience / Education	Years of Experience
<b>Steve McLaughlin</b> <i>Founder, CEO and Managing Partner</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs in New York and San Francisco from 1995-2002</li> <li>Formerly Co-Head of Goldman Sachs' Financial Technology Group (#1 market share)</li> <li>Wharton M.B.A.</li> </ul>	<b>25</b>
<b>Mohit Agnihotri</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>Formerly Managing Director and Global Head of Payments Investment Banking at J.P. Morgan</li> <li>Wharton M.B.A</li> </ul>	<b>18</b>
<b>Kate Crespo</b> <i>Managing Director</i>	RAYMOND JAMES®	<ul style="list-style-type: none"> <li>Formerly with Raymond James' Technology &amp; Services investment banking</li> <li>14+ years of FinTech transaction execution experience</li> <li>Dartmouth M.B.A.</li> </ul>	<b>18</b>
<b>Larry Furlong</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs in New York, London and Los Angeles from 1995-2004</li> <li>Wharton M.B.A.</li> </ul>	<b>24</b>
<b>Osman Khan</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly Managing Director and Head of FIG M&amp;A at Alvarez &amp; Marsal</li> <li>15+ years FIG deal, consulting and assurance experience at PwC</li> <li>40 Under 40 M&amp;A Advisor Award Winner in 2013</li> </ul>	<b>23</b>
<b>Randall Little</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>12 years as FIG / Capital Markets FinTech investment banker at J.P. Morgan</li> <li>10 years as financial services technology consultant at Sun Microsystems and Ernst &amp; Young</li> <li>NYU Stern M.B.A. (MBA w/Distinction)</li> </ul>	<b>23</b>
<b>Andrew McLaughlin</b> <i>Managing Director</i>	Deloitte.	<ul style="list-style-type: none"> <li>20+ years experience executing / implementing financial and operational strategy</li> <li>Formerly with Deloitte Consulting</li> </ul>	<b>14</b>
<b>Amar Mehta</b> <i>Managing Director</i>	J.P.Morgan	<ul style="list-style-type: none"> <li>Formerly with J.P. Morgan's Technology (FinTech &amp; Technology Services) team in New York</li> <li>7+ years of FinTech transaction execution experience</li> <li>MBA from IIM-K (India), Bachelor's in Computer Engineering from NTU (Singapore)</li> </ul>	<b>15</b>
<b>Mike Nelson</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly head of FinTech M&amp;A at SunTrust Robinson Humphrey</li> <li>Kellogg M.B.A.</li> </ul>	<b>20</b>
<b>Timm Schipporeit</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Morgan Stanley as Senior Executive Director of European Technology Investment Banking Team in London</li> <li>Formerly a Venture and Growth Investor focused on FinTech at Index Ventures</li> </ul>	<b>17</b>
<b>Greg Smith</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly award winning Equity Research Analyst at Merrill Lynch, J.P. Morgan and Hambrecht &amp; Quist</li> <li>20+ years of experience covering FinTech as both an Analyst and Investment Banker</li> </ul>	<b>24</b>
<b>Tim Wolfe</b> <i>Managing Director</i>		<ul style="list-style-type: none"> <li>Formerly with Goldman Sachs from 2000-2002</li> <li>40 Under 40 M&amp;A Advisor Award Winner 2013</li> <li>Harvard M.B.A.</li> </ul>	<b>18</b>