

# FT PARTNERS FINTECH INDUSTRY RESEARCH

October 4, 2021



# Coalition<sup>®</sup>

## **Coalition Raises \$205 million in Series E Financing Co-Led by Durable Capital, T. Rowe Price & Whale Rock Capital Management**



**T.RowePrice<sup>®</sup>**



# Coalition Raises \$205 million in Series E Financing



## Transaction Summary

### Transaction Summary

- On September 28, 2021, Coalition, a cyber insurance and security company, announced it has raised \$205 million in Series E financing co-led by Durable Capital, T. Rowe Price, and Whale Rock Capital
  - The round also included participation from the Company's existing investors
- According to the Company, this round values Coalition at over \$3.5 billion
  - The Company has raised over \$500 million in financing to date
- Coalition will use the new capital to expand into new insurance lines as well as new markets, and increase its headcount
  - The Company currently has 265 employees but expects to increase that to 315 by the end of the year <sup>(1)</sup>
  - With the shift to remote work during the COVID-19 pandemic, the need for protection against hacks, ransomware and data theft has increased greatly
- The investment follows long-term capacity commitments from global insurers Swiss Re and Arch Insurance
- Coalition provides companies with up to \$15 million of cyber and technology insurance coverage in the US, as well as CAD \$20 million of coverage across 9 provinces and 3 territories in Canada
- According to data from Coalition's H1 2021 Cyber Insurance Claims Report, the Company's policyholders experience less than one-third the claim frequency compared to other cyber insurance carriers

### Transaction Commentary

"We are building a new kind of insurance with technology at its core. This is a dramatically different approach and it's working. Insurers need to do more than analyze cyber risk once a year. We scan our policyholders 65,000 times a week. Our platform aggregates and analyzes data from every internet-addressable device inside a company, scanning a policyholder's assets to identify potential vulnerabilities so we can help minimize risks. We are setting a new standard for an industry that has been slow to unleash the full power of data, and this has positioned our company for tremendous growth in the digital economy."



**Joshua Motta**  
Co-Founder and CEO



### Selected Financing History

Date	Size (\$ mm)	Post-Money Valuation (\$ mm)	Selected Investor(s)
09/28/21	\$205	\$3,500	Durable Capital; T. Rowe Price; Whale Rock Capital; Undisclosed Investors
03/17/21	175	1,750	Index Ventures; General Atlantic; Ribbit Capital; Vy Capital; Hillhouse Capital; Valor Equity Partners
05/20/20	90	900	Valor Equity Partners; Greyhound Capital; Felicity
05/09/19	40	261	Ribbit Capital; Greenoaks Capital; Hillhouse Capital
03/01/18	10	35	Vy Capital; Ribbit Capital; Valor Equity Partners

# Coalition Raises \$205 million in Series E Financing



## Coalition Overview

### Company Overview



Co-Founder & CEO:	Joshua Motta
Headquarters:	San Francisco, CA
Founded:	2017

- Coalition is a leading provider of cyber insurance and security, combining comprehensive insurance and proactive cyber security tools to help businesses manage and mitigate cyber risk
- The Company's cyber risk management platform provides automated security alerts, threat intelligence, expert guidance and cybersecurity tools to help businesses remain resilient in the face of cyber attacks
  - The Company is currently backed by leading global insurers including Swiss Re Corporate Solutions, Arch Insurance, Lloyd's of London and Argo Group
- Coalition serves over 52,000 customers across multiple industries including Healthcare, Real Estate, eCommerce, Energy, Manufacturing and more
- Headquartered in San Francisco, Coalition's team is global with employees in the United States, Canada, the United Kingdom, Switzerland and Portugal

### Key Metrics

**800%**  
Increase in  
YoY GWP

**\$15 mm**  
Financial, Tangible,  
and Intangible  
Damages Covered

**52,000+**  
Customers

### Products and Services

#### Cybersecurity

**State-of-the-art cybersecurity platform includes:**

- 24/7 Security Monitoring
- Automated Security Alerts
- Employee Training
- Access to Security Experts



#### Cyber Insurance



##### 3rd Party Liability Coverage

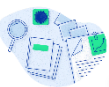
- Network & information security liability
- Regulatory defense & penalties
- Multimedia content liability
- PCI fines & assessments
- Bodily injury & property damage
- Technology errors & omissions



##### 1st Party Liability Coverage

- Bodily injury & property damage
- Pollution
- Computer replacement
- Fund transfer fraud
- Service fraud
- Digital asset restoration
- Cyber extortion
- Breach response
- Crisis management & public relations
- Reputation repair

#### Tech Errors & Omissions Insurance



##### Customer Losses

Resolves these incidents by covering defense costs and any legal liability incurred from error or omission in the product offering



##### Technology Failure

Covers the costs of defense and any judgements assessed against the Company which owns the technology

Included with All Policies



**Worldwide Coverage**  
Protect data and assets no matter where they are



**Cyber Terrorism**  
Each coverage includes protection from acts of cyber terrorism



**Internet of Things**  
Coverage for all IoT devices is included by default



**Social Media**  
Coverage for all social media accounts is included by default

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FT PARTNERS RESEARCH

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



TrueMotion's Sale to Cambridge Mobile Telematics



The Zebra's \$150 million Series D Financing



FRISS' \$65 million Series B Financing



Assurance's \$3.5 billion Sale to Prudential



Shift Raises \$220 million in Series D Financing



Kin Merges with Omnichannel Acquisition Corp.



Insurify Raises \$100 million in Series B Financing



Next Insurance Raises \$250 million in Financing

[VIEW MORE FT PARTNERS RESEARCH](#)

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FT PARTNERS RESEARCH

## Leading Advisor Across the InsurTech Landscape

### Insurance Distribution

### Lenders Protection / Default Insurance

### Consumer Protection Plans

### Wholesale Brokerage

### Small Business Insurance

### Consumer Protection Plans

### Digital Auto Insurer

Financial Technology Partners LP  
FTP Securities LLC

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

**ASSURANCE**

on its sale to

**Prudential**

for total consideration of up to

**\$ 3,500,000,000**

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**OpenLending**

on its merger with

**Nebula Acquisition Corporation**  
(NASDAQ: NEBU)

sponsored by

**TRUE WIND**

for total consideration of up to approximately

**\$1,700,000,000**

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**square trade**

in its sale to

**Allstate**

for total consideration of

**\$ 1,400,000,000**

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**AmWINS Group, Inc.**

in its growth recapitalization by

**NMC**

NEW MOUNTAIN CAPITAL LLC

valued at approximately

**\$ 1,300,000,000**

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**NEXT INSURANCE**

on its Series C financing from

**Munich RE**

for total consideration of

**\$ 250,000,000**

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in its recapitalization by

**BainCapital PRIVATE EQUITY**

**BainCapital VENTURES**

of approximately

**\$ 238,000,000**

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**Clearcover**

on its Series D financing led by

**ELDRIDGE**

for a total amount of

**\$200,000,000**

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### Insurance Comparison Site

### Homeowners Insurance

### Fraud, Risk & Compliance for P&C Insurers

### Virtual Claims

### Telematics

### Largest Commercial Insurance Exchange

### Small Business Insurance

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

**THE zebra**

on its Series D financing, led by a new undisclosed investor, with participation from other new and existing investors

for a total amount of

**\$150,000,000**

at a valuation of

**>\$1,000,000,000**

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**LENNAR**

in its minority investment in

**Hippo**

with participation from new and existing investors

for total consideration of

**\$ 70,000,000**

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**FRISS**

on its Series B financing led by

**AKKR**

for a total amount of

**\$65,000,000**

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**snapsheet**

on its Series E2 financing led by new investors

**PINGAN PIVOT**

with existing investor participation

for a total amount of

**\$30,000,000**

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**TrueMotion**

on its sale to

**CAMBRIDGE MOBILE TELEMATICS**

for a total amount of

**\$ 250,000,000**

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**BOLD PENGUIN**

on its landmark strategic sale to

**AMERICAN FAMILY INSURANCE**

for a total amount of

**\$ 238,000,000**

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**coverwallet**

on its sale to

**AON**

for a total amount of

**\$ 200,000,000**

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

### 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

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*on its sale to*



*for total consideration of up to*

# \$3,500,000,000



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## FT Partners Advises SquareTrade in its Strategic Sale

### Overview of Transaction

- On November 28, 2016, SquareTrade announced its \$1.4 billion all-cash strategic sale to the Allstate Corporation
- Headquartered in San Francisco, CA, SquareTrade offers top-rated protection plans trusted by millions of consumers for electronics and appliances
  - SquareTrade's branded products are sold through major retailers
- Allstate is the largest publicly held personal lines property and casualty insurer in America serving more than 16 million households nationwide
- More details available in Allstate's transaction [press release](#) and [investor presentation](#)

### Significance of Transaction

- This transaction expands Allstate's protection offering to consumer electronics, connected devices and appliances
- SquareTrade substantially increases Allstate's customer relationships while providing both strong near-term and long-term growth opportunities

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to SquareTrade and its Board of Directors
- This transaction demonstrates FT Partners' continued leadership position as the "advisor of choice" to the highest quality FinTech companies
- FT Partners represented [SquareTrade in its \\$238 million strategic growth investment with Bain Capital and Bain Capital Ventures](#)
- FT Partners also recently represented Bain Capital Ventures' portfolio company [Enservio in its sale to Solera](#) demonstrating our long-term trusted relationship

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*in its sale to*



*for total consideration of*

**\$ 1,400,000,000**



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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

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**NEXT**  
INSURANCE

*on its Series C financing from*

**Munich RE** 

*for total consideration of*

**\$250,000,000**

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## FT Partners Advises Clearcover on its \$200 million Series D Financing

### Overview of Transaction

- On April 13, 2021, Clearcover announced it has raised \$200 million in its Series D financing round
  - The investment was led by Eldridge with participation from existing investors, including American Family Ventures, Cox Enterprises, OMERS, as well as other new investors
  - Clearcover has raised \$329 million in total funding to date
- Clearcover is the smarter car insurance choice, offering better coverage for less money
  - Clearcover's customer-first, service-focused model powered by advanced technology delivers a convenient, reliable and affordable experience
  - Built for today's driver, Clearcover takes the guesswork out of car insurance, making it easy to save money, get insured, and get serviced on the go
- Since its founding in 2016, Clearcover has expanded to 15 states and has achieved significant momentum

### Significance of Transaction

- This recent round of funding positions Clearcover as the company to watch in an industry that continues to experience accelerated digital transformation
- The funding will accelerate innovation of the Company's digital insurance offerings, by enabling Clearcover to invest in and grow its team of engineers and developers

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Clearcover
- This transaction highlights FT Partners' deep domain expertise in the InsurTech sector, as well as its successful track record generating highly favorable outcomes for high-growth FinTech companies

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*on its Series D financing led by*



*for a total amount of*

# \$200,000,000



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## FT Partners Advises The Zebra on its \$150 million Series D Financing

### Overview of Transaction

- On April 12, 2021, The Zebra announced the completion of its Series D fundraise totaling \$150 million, valuing the Company at more than \$1 billion
- The fundraise comes at a time of sustained growth, with investment from new and former investors including Weatherford Capital and Accel
- Headquartered in Austin, Texas, The Zebra is the nation's leading, independent insurance comparison site; The Zebra has sought to bring transparency and simplicity to insurance shopping since 2012 — it's "insurance in black and white"
- With its dynamic, real-time quote comparison tool, consumers can identify insurance companies with the coverage, service level, and pricing to suit their unique needs
- The Zebra compares multiple insurance companies and provides agent support and educational resources to ensure consumers are equipped to make the most informed decisions about their home and auto insurance

### Significance of Transaction

- This investment will be used to expand The Zebra's team and accelerate the Company's efforts to help educate, empower and advise consumers to find the best policies for their unique needs, no matter where they are in their lives

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to The Zebra
- This transaction highlights FT Partners' deep domain expertise within InsurTech, as well as our successful track record generating highly favorable outcomes for high-growth FinTech companies globally

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**THE  
zebra**

*on its Series D financing,  
led by a new undisclosed investor, with participation  
from other new and existing investors*

*for a total amount of*

**\$150,000,000**

*at a valuation of*

**>\$1,000,000,000**

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## FT Partners Advises Bold Penguin on its Sale

### Overview of Transaction

- On January 14, 2021, American Family Insurance, the nation's 13<sup>th</sup> largest property / casualty insurance group, announced it has entered into a definitive agreement to acquire Bold Penguin, a rapidly growing commercial insurance technology provider based in Columbus, Ohio
- Founded in 2016, Bold Penguin is an InsurTech innovator that rapidly increases speed-to-bind for commercial insurance, operating the largest commercial insurance exchange powering over 100,000 quote starts every month

### Significance of Transaction

- By leveraging technologies such as machine learning and data-based insurance intelligence capabilities, Bold Penguin has improved the process of shopping for insurance for small businesses, the brokers they rely on and the carriers that service them
- The acquisition continues American Family's transformation into a national, multi-line insurer, created in part through multiple acquisitions and a merger, and also reflects the Company's involvement with adjacency companies that complement its insurance operations

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to Bold Penguin in this transaction
- FT Partners previously advised Bold Penguin on its [acquisition of RiskGenius](#)
- This transaction highlights the long-term nature of many of FT Partners' client relationships, as well as our deep domain expertise and transaction experience across the InsurTech sector

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**BOLD  
PENGUIN**

*on its landmark strategic sale to*

**AMERICAN FAMILY  
INSURANCE®**

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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

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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A small chart titled "Silicon Valley's Most Popular Dealmakers" showing a list of names and their titles. Steve McLaughlin is at the top.

Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Markus Heide	Managing Director	FT Partners
Paul Rosen	Managing Director	FT Partners
Quincy Smith	Partner	FT Partners

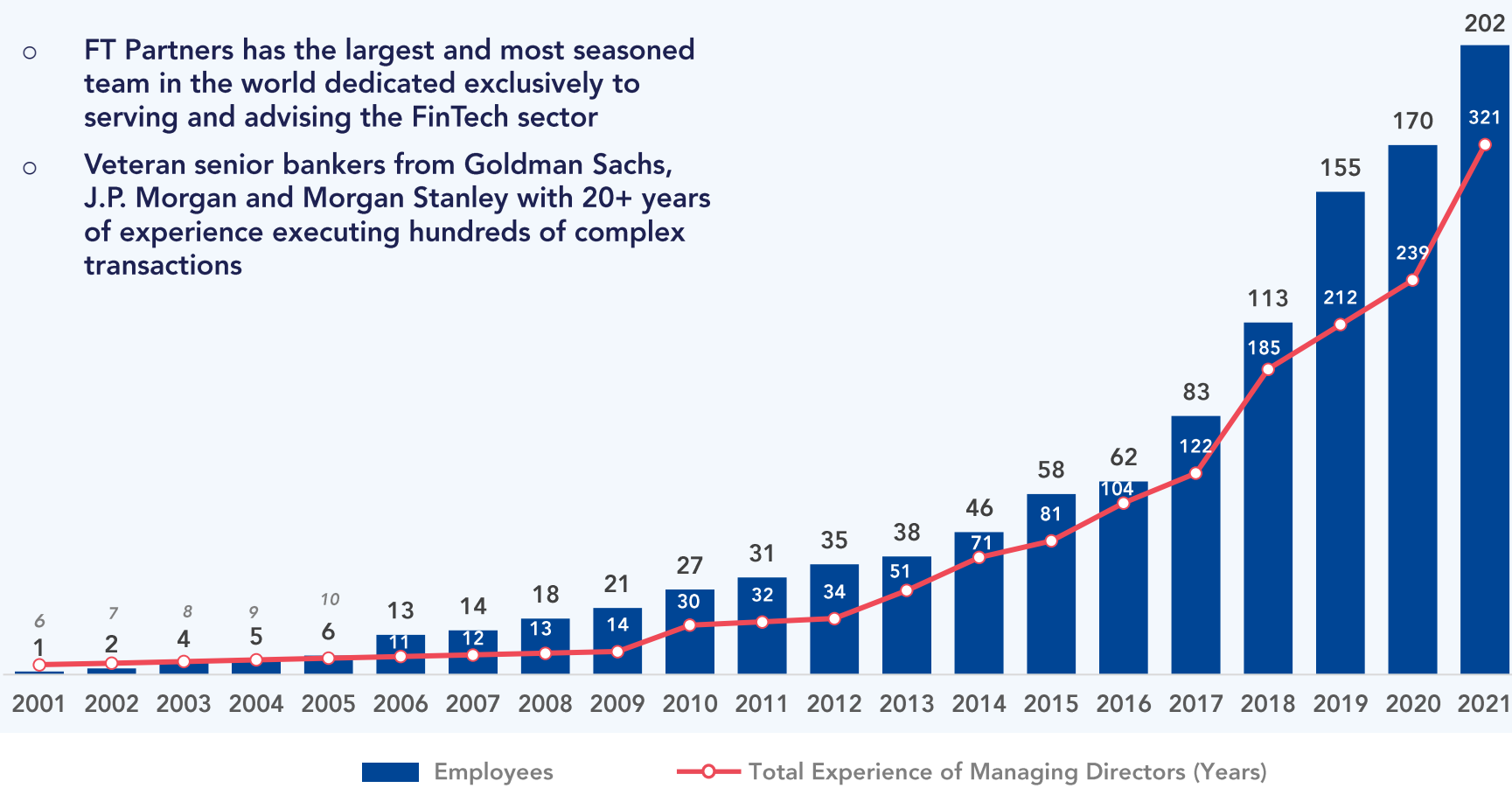
#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list



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)

