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Welcome to the July 2022 edition of **Insurtech in Brief** - a selection of the latest Insurtech news and developments from across the globe.

Wefox Raises $400 Million at $4.5 Billion Valuation

German InsurTech **Wefox** has raised a further $400 million in its most recent (Series D) round of fundraising. This round was led by Mubadala Investment Company, a sovereign wealth fund located in Abu Dhabi.

As noted in previous editions of **InsurTech in Brief**, Wefox's business model is slightly different to those of its competitors. Namely, Wefox relies on distribution through its agent network rather than a direct-to-consumer approach. CEO and founder Julian Teicke describes the model as "unique" in the space, enabling the company to scale more rapidly while spending less on customer acquisition than its competitors. This most recent valuation would appear to back up Teicke's claims.

While some InsurTech companies appear to be struggling amidst the current wider economic uncertainty, investment in the space continues apace. Wefox itself plans to expand into Europe, and has its eyes on American and Asian markets in the not-too-distant future.

Coalition Raises $250 Million in Series F Investment

Californian cyber insurance/cybersecurity start-up **Coalition** has raised $250 million at a valuation of $5 billion in a bumper round of investment.

Coalition specialises in something it calls "Active Insurance" which helps organisations mitigate digital risks. This is a combined approach that employs both cyber security and insurance. The company's customer numbers have surged from around 50,000 to more than 160,000 in the last 10 months alone – and investors have been paying attention.

This round of investment was led by a group of several different investors, among them Allianz X, Valor Equity Partners and Kinetic Partners. Organisations are increasingly attuned to cyber risks arising from home working and wider geopolitical issues and cybersecurity only looks set to grow further in importance.

Coalition has ambitious plans and is going to expand its product offering into the UK soon. Further rounds of investment and a potential IPO could well follow shortly down the line.

Web3 Insurance Provider Chainproof Launches

Chainproof, described as the first regulated smart contract insurance provider, has launched. The company will provide insurance coverage for hacks on smart contracts on decentralised blockchains.

This is a big move in both insurance and crypto. Chainproof will allow funds and asset managers in the decentralised finance space added security. It will offer insurance for non-custodial smart contracts which has never been done before.

The launch is backed by Quantstamp, a blockchain auditor, alongside more established insurers MunichRe and Sompo. This may be a sign of things to come as traditional insurers partner with newer organisations that have particular expertise in blockchain.

While it has been a turbulent few months in the crypto space, there is still a total of $70 billion locked in decentralised finance. This could certainly be a market for insurers – and Chainproof is an interesting first test case.

YuLife Raises $120 Million in Series C Funding Round

Wellness-focussed insurer **YuLife** has raised $120 million at a $800 million valuation in its recent Series C Funding Round. This continues the company's impressive surge in value.

As mentioned in previous editions of InsurTech in Brief, YuLife places particular emphasis on wellness incentives. YuLife customers can use the company's app to log their own wellness activities and earn rewards. These rewards can then be spent on gifts for the policyholders themselves, or for their family and friends.

This concept has proven immensely popular and YuLife now has over half a million policyholders across over 500 businesses. The new valuation is more than double the company's previous valuation at Series B.

This suggests an interesting possible direction of travel for the insurance industry more widely. While YuLife is still a small proposition relative to more conventional life insurers, its rapidly increasing value will not go unnoticed.

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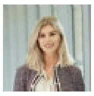

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