

FT PARTNERS FINTECH INDUSTRY RESEARCH

March 1, 2018

INSURTECH CEO INTERVIEW:



with CEO Phil Reynolds

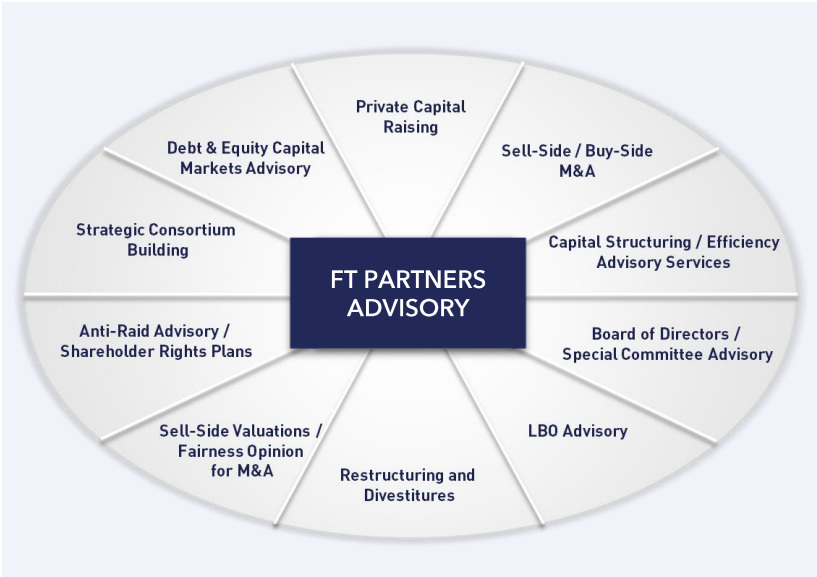
Core Systems Software



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 15 years of exclusive focus on Financial Technology

FT Partners' Advisory Capabilities



FT Partners' FinTech Industry Research

In-Depth Industry Research Reports

Proprietary FinTech Infographics

Monthly FinTech Market Analysis

FinTech M&A / Financing Transaction Profiles



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"



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

Steve McLaughlin: Founder & CEO

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BriteCore Overview

Company Overview



Co-Founder & CEO: Phil Reynolds

Headquarters: Springfield, MO

Founded: 2004

- BriteCore provides a cloud-based enterprise software suite with core, data and digital solutions for insurance processing
- Over 45 insurance carriers, MGAs / MGUs and InsurTech startups rely on BriteCore to increase speed to market, improve competitive position and support growth
- The BriteCore platform is deployed using the Amazon Web Services cloud and is continually updated to guarantee maximum security, efficiency and durability at scale

Selected Financing History

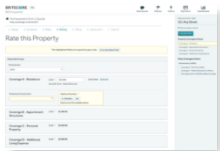
| Date | Size (\$ mm) | Selected Investor(s) |
|----------|--------------|-----------------------|
| 04/04/13 | \$1.0 | Undisclosed Investors |
| 07/13/11 | \$0.6 | Undisclosed Investors |

Products & Services Overview

Modules

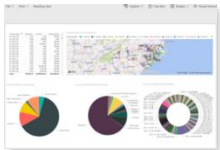
Core

- Policy Administration
- Claims Management
- Billing
- Underwriting
- Contact Management
- Documents
- Settings



Data

- Dashboards
- Data Warehousing
- Standard Reporting
- Custom Reporting
- Self-Audit



Digital

- Custom BriteApps
- Insured Portal
- Agent Portal
- Published API



Pricing



BriteCore License

1% of premium



BriteApps Access

0.25% of premium



BriteCore Services

\$200 per hour (average)



Usage Based Hosting

\$500 per month (minimum)

Interview with Phil Reynolds



Phil Reynolds

Co-Founder & Chief
Executive Officer

1. What is your background and what motivated you to start BriteCore?

My cousin Chris and I co-founded BriteCore in 2004 with the strong support of a consortium of mutual insurance carriers. These carriers were frustrated with their current quoting and application process, so they asked us to build a web-based quoting system. We built this together, and the clients loved it. The quoting systems were so successful, they clients asked us to modernize the rest of their businesses too. That's when we partnered together to build BriteCore, an enterprise level platform for modern insurers.

We found insurance technology to be an attractive market for several reasons:

First, history. Insurance companies are generally conservative and have been slow to adopt new technology. There are many opportunities to deliver value to insurers through processes that are new to insurance but well-established elsewhere.

Second, stability. As highly regulated and financially healthy businesses, insurers have the resources to fund large technology initiatives once they believe in the value proposition.

Third, technology. We are living through a revolution in cloud computing driven by services like Amazon Web Services and Google Compute Engine. Software firms can leverage these technologies to transform established industries such as insurance.



Exclusive CEO Interview – Phil Reynolds

2. What problem do you solve and for whom?

BriteCore is fueling innovation for insurance carriers, MGAs and InsurTech startups through an open source, API-driven platform that is flexible, adaptable, and increases speed to market.

We help established insurers who are struggling to overcome inertia. The best-of-breed mentality of the 2000s gave rise to heavily fragmented IT systems that do not operate together well. Today, many carriers spend the majority of their IT budget and time managing system integrations instead of driving innovation.

We also lower barriers to entry for new ventures. BriteCore offers a licensing model that supports ongoing innovation, scales relative to premium volumes, and replaces periodic and costly upgrades with a simple monthly subscription.

3. What are BriteCore's products?

BriteCore is a fully managed, cloud-based insurance software system that combines core, data and digital solutions into a single, comprehensive suite. BriteCore supports multi-line, multi-state and multi-location policies for personal, commercial, auto and specialty lines of business.

Core modules include Policies, Claims, Billing, Reporting, Analytics, CRM, Rules and Rating, Document Management, Agent Quoting and Inquiry, Policyholder Access and Mobile Applications.

Interview with Phil Reynolds (cont.)



Exclusive CEO Interview – Phil Reynolds

4. How have you differentiated BriteCore vs. other core systems software providers in the market?

We believe there are several differentiating factors that give BriteCore a competitive edge.

Our tech stack is decades ahead of our competitors'. Built using modern technologies such as Docker, AWS, and Python, BriteCore is nimble, responsive, and delightful to use. It is one of the few platforms that is fully accessible via API, opening up a world of possibilities.

We are committed to ongoing innovation. The upgrade path is fully managed at no additional cost to customers making BriteCore the last system our clients will ever need to purchase.

We don't just deliver software; we chart every step of a successful deployment, and provide dedicated support teams to clients throughout sales, implementation, and ongoing support. Over the past five years, we've had a 100% implementation success and customer retention rate.

We offer source code contribution to customers and partners, enabling them to manage their own initiatives and timelines within the system. Approved parties can fork the repository and submit pull requests to our engineering team for inclusion into the platform.

5. Many carriers have been reluctant to adopt cloud solutions because of concerns about security and control. What is your experience with how these attitudes are evolving?

We believe that when configured correctly using today's practices and guidelines, cloud solutions are superior to client-managed solutions. We're seeing this belief echoed across our own client base with clients who have trusted in AWS private cloud for years and who are leveraging the full benefits of modern technology. We are also seeing confidence rise in non-BriteCore-licensing companies as more of those companies hire in IT staff who are educated in cloud security and reliability.



Exclusive CEO Interview – Phil Reynolds

6. What type and size of carriers are using BriteCore today?

BriteCore services P&C carriers looking for a comprehensive policy administration service, built on modern technology, with support for data and digital initiatives. Our client base includes large insurers who want to support a subset of their business on a modern platform as well as mid-size to small insurers looking for an all-inclusive suite that's easy to configure and seamlessly integrates with third party vendors.

7. You have also had success landing a number of InsurTech MGA startups as clients. Why have they chosen BriteCore and what have you observed about their build vs. buy decisions?

InsurTech startups like Jetty have chosen BriteCore because the system is modern, lightweight, highly customizable, and easy to deploy. They enjoy working with BriteCore because, like them, we value:

- Customer-Centric Focus
- Tech-First Mentality
- Open Source Technology
- Collaborative Development
- Ongoing Innovation
- Honest, Transparent Communication

Startups leverage BriteCore to increase speed to market and to focus their limited resources on differentiators while core insurance operations like rating, reporting, and billing are powered dependably by us.

Interview with Phil Reynolds (cont.)



Exclusive CEO Interview – Phil Reynolds

8. What can you share about your revenue, growth rate, and financing?

BriteCore is growing rapidly. Our revenue grew 56% from 2016 to 2017, from \$4.6 mm to \$7.2 mm. All together, we have generated about \$35 mm in revenue since BriteCore's initial launch.

Our client base has expanded from an initial group of 6 regional carriers to 48 carriers across the U.S. and Canada who write most Property & Casualty lines of business.

We raised a total of \$1.6 mm externally and since then have raised the majority of our funding through licensing and services revenues. Although we are already profitable, we are about to close a \$7.5 mm round from a new capital partner which will help us accelerate growth.

9. How big is the company now and what has it been like building an InsurTech venture in Missouri?

We have grown from 20 employees in January of 2009 to 106 today.

Our location in Missouri has been helpful as our home base is centrally located with ready access to both coasts. Our philosophy on building the company has been to attract top talent from where we can in the world by embracing a remote workforce model, so we could have built the company anywhere. We currently have team members in 19 countries and 18 states. Our formal location is primarily used to host meetings for clients who want to visit a brick and mortar office.

Interview with Phil Reynolds (cont.)



Exclusive CEO Interview – Phil Reynolds

10. What advice would you offer to other InsurTech entrepreneurs?

First, establish a unique value proposition. Don't try to copy someone else's success or build a slightly different version of an existing product. There is much more value in brand new ideas and solutions.

Second, control growth. The funding, product, and staffing challenges of exponential growth crush the vast majority of companies. You are much more likely to succeed over the long term with steady, controlled growth.

Third, focus. Success brings new challenges as your staff, client base, and partner network represent an increasingly diverse set of needs and concerns. Remain focused on your mission and values and evaluate every decision by asking "does this strengthen or weaken my core value proposition to customers?"

Fourth, embrace change. The approach you used to reach your current stage almost always requires reinvention to propel you to the next stage. Honest evaluation and mental flexibility combine to form a learning organization which is more valuable than any single product or idea.

11. What are your future growth plans?

In the coming years, we plan to replace our entire current product generation with a new suite of microservices designed to meet the needs of Tier 1 carriers both domestically and abroad. Several million lines of code must be built to replace and augment key components of the current platform. You can expect to see us beginning to work with the nation's largest insurers in the next two years as we offer capabilities such as a business rules engine, a workflow configuration layer and language and currency internationalization.

Selected FT Partners InsurTech Research – *Click to View*



SquareTrade's \$1.4 billion Sale to Allstate



Automatic's \$115 million Sale to SiriusXM



Goji's \$15 million Financing Round Led by HSCM Bermuda



PrecisionHawk Raises \$75 million in Financing



BIMA Raises \$107 million in Financing



Lemonade Raises \$120 million in Series C Financing



InsurTech CEO Interview: Understory



InsurTech CEO Interview: Coalition

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FT Partners Research – 2017 InsurTech Almanac

2017 InsurTech Almanac

JANUARY 2018

FT PARTNERS FINTECH INDUSTRY RESEARCH



2017 InsurTech Almanac

FINANCIAL
TECHNOLOGY
PARTNERS

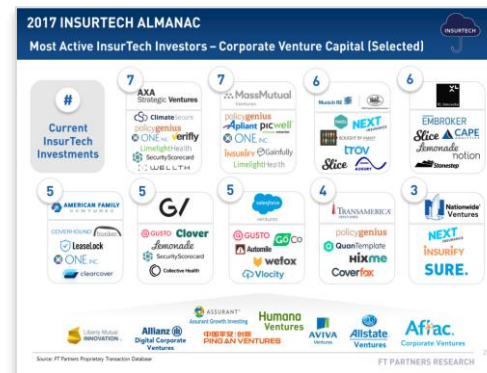
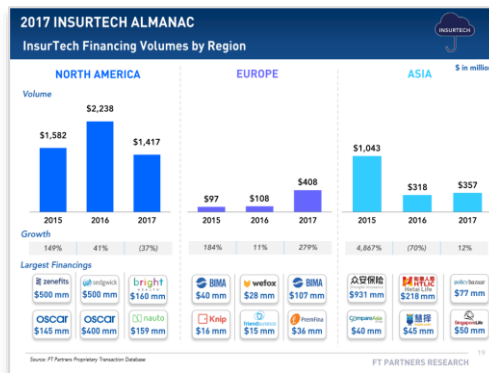
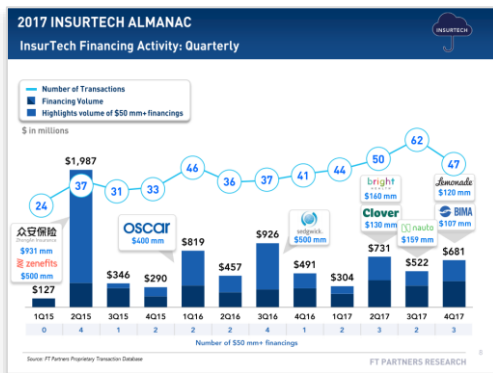
The Only Investment Bank
Focused Exclusively on Financial Technology

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Click pictures to view report

Highlights of the report include:

- 2017 and historical InsurTech financing and M&A volume and deal count statistics
- Largest InsurTech financings and M&A transactions in 2017
- Most active InsurTech investors
- Corporate VC activity and strategic investor participation
- Other industry, capital raising and M&A trends in InsurTech



FT Partners Research – InsurTech Industry Report

Prepare for the InsurTech Wave: Overview of Key InsurTech Trends



FT Partners' 269-page report provides an in-depth look at the major waves of innovation and disruption that are beginning to radically alter the insurance industry.

Additional highlights of the report include:

- An analysis of specific trends across: Insurance Distribution, Sales, Marketing and Engagement, Data and Analytics and Insurance Administration
- The responses of incumbents to date including the innovations, investments, partnerships and acquisitions being made to stay ahead of the game
- Proprietary InsurTech financing and M&A statistics and a comprehensive list of transactions in the space
- A detailed industry landscape of InsurTech providers as well as other innovative, tangential companies and profiles of 54 companies operating in the InsurTech ecosystem

Leading Advisor Across the InsurTech Landscape

Consumer Protection Plans

Financial Technology Partners LP
FTP Securities LLC

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



in its sale to



for total consideration of

\$ 1,400,000,000



The Only Investment Bank
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Telematics / Connected Car Solutions

Financial Technology Partners LP
FTP Securities LLC

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



AUTOMATIC

in its sale to



for total consideration of approximately

\$ 115,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Online Small Business Insurance

Financial Technology Partners LP
FTP Securities LLC

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



in its equity capital raise led by



for total consideration of

\$ 31,000,000



The Only Investment Bank
Focused Exclusively on Financial Technology

Sales Automation Technology & Platform

Financial Technology Partners LP
FTP Securities LLC

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



in its sale to

MOELIS CAPITAL PARTNERS



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Largest Wholesale Brokerage in U.S.

Financial Technology Partners LP
FTP Securities LLC

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



in its growth recapitalization by



NEW MOUNTAIN CAPITAL LLC

valued at approximately

\$ 1,300,000,000



The Only Investment Bank
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Auto Finance and Insurance Solutions

Financial Technology Partners LP
FTP Securities LLC

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



on its sale to an Affiliate of



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Agency Management / Marketing Technology

Financial Technology Partners LP
FTP Securities LLC

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



in its sale of

Zywave Insurance Solutions

to



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Life & Annuity Technology Solutions

Financial Technology Partners LP
FTP Securities LLC

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



in its sale to



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Online Personal Lines Insurance Agency

Financial Technology Partners LP
FTP Securities LLC

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



in its financing led by



HSCM BERMUDA
MANAGEMENT COMPANY

for total consideration of

\$ 15,000,000



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SaaS / Claims for Property & Contents

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in its sale to



The Only Investment Bank
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Award-Winning Investment Banking Franchise Focused on Superior Client Results

Institutional Investor
Institutional Investor
Annual Ranking

2017
2015 - 2016
2006 - 2008

- Ranked #1 Most Influential Executive on Institutional Investor's FinTech 40 List
- Steve McLaughlin Ranked Top 5 on Institutional Investor's FinTech 35 List
- Consecutively Ranked (2006, 2007 and 2008) among the Top Bankers on Institutional Investor's "Online Finance 40"

I The Information

2016

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



M&A Advisor
Awards

2015 - 2017

2010 - 2014

2004 - 2007

- Investment Banker of the Year – 2017
- Investment Banking Firm of the Year – 2016
- Cross Border Deal of the Year - 2016
- Dealmaker of the Year – 2015
- Technology Deal of the Year – 2015
- Equity Financing Deal of the Year - 2014
- Professional Services Deal of the Year, Above \$100 mm – 2014
- Dealmaker of the Year – 2012
- Professional Services Deal of the Year, Above \$100 mm – 2012
- Boutique Investment Bank of the Year – 2011
- Deal of the Decade – 2011
- Upper Middle Market Deal of the Year, Above \$500 mm – 2010
- IT Services Deal of the Year, Below \$500 mm – 2010
- Cross-Border Deal of the Year, Below \$500 mm – 2010
- Dealmaker of the Year – Steve McLaughlin – 2007
- Business to Business Services Deal of the Year - 2007
- Computer and Information Technology Deal of the Year, Above \$100 mm – 2007
- Financial Services Deal of the Year, Above \$100 mm – 2007
- Investment Bank of the Year – 2004



Middle Market
Financing Awards

2006 - 2008

- Equity Financing Dealmaker of the Year – Steve McLaughlin – 2008
- Information Technology Deal of the Year – 2008
- Financial Services Deal of the Year – 2008
- Financing Professional of the Year – Steve McLaughlin – 2006

The FT Partners Senior Banker Team

| Name / Position | Prior Background | Experience / Education | Years of Experience |
|---|---|--|---------------------|
| Steve McLaughlin <i>Founder, CEO and Managing Partner</i> |  | <ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. in New York and San Francisco from 1995-2002 Former Co-Head of Goldman Sachs' Financial Technology Group (#1 market share) Wharton M.B.A. | 23 |
| Paul VanderMarck <i>Managing Director</i> |  | <ul style="list-style-type: none"> Former Chief Product Officer at Risk Management Solutions, a global technology business in the catastrophic risk space 25+ years of experience as an InsurTech operating executive Experienced advisor and investor in the InsurTech space | 26 |
| Greg Smith <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly award winning Equity Research Analyst at Merrill Lynch / J.P. Morgan / Hambrecht & Quist 20+ years of experience covering FinTech as both an Analyst and Investment Banker | 22 |
| Osman Khan <i>Managing Director</i> |  | <ul style="list-style-type: none"> Former Managing Director / Head of FIG M&A at Alvarez & Marsal 15+ years FIG deal, consulting and assurance experience at PwC 40 Under 40 M&A Advisor Award Winner in 2013 LSE (BSc w/Honors), MBS (MBA w/Distinction), ICAEW (FCA) | 21 |
| Steve Stout <i>Managing Director</i> |  | <ul style="list-style-type: none"> Former Global Head of Strategy at First Data Formerly Led J.P. Morgan Payments Investment Banking Former Equity Research Analyst on #1 ranked team at UBS and Economist at the Federal Reserve Bank | 20 |
| Tim Wolfe <i>Managing Director</i> |  | <ul style="list-style-type: none"> Formerly with Goldman, Sachs & Co. beginning in 2000 Started at FT Partners in 2002 40 Under 40 M&A Advisor Award Winner 2013 Harvard M.B.A. | 16 |
| Timm Schipporeit <i>Managing Director</i> |  | <ul style="list-style-type: none"> 11+ years with Morgan Stanley, Senior Executive Director of European Technology Investment Banking Team in London Formerly a Venture and Growth Investor focused on FinTech at Index Ventures | 15 |
| Andrew McLaughlin <i>Managing Director</i> |  | <ul style="list-style-type: none"> 20+ years experience executing / implementing financial and operational strategy Formerly with Deloitte Consulting | 12 |