

Policygenius sets sights on SPAC merger

Article

The news: US-based insurance comparison marketplace **Policygenius** is reportedly eyeing a merger with **SPAC PWP Forward Acquisition Corp. I** to go public, [per](#) Bloomberg. No valuation for the transaction has been disclosed, and conversations appear to be at early stages and could fall apart, according to people familiar with the matter.

More on Policygenius: The marketplace has **30 million** users and offers a range of coverage options from third-party insurers across, including home, auto, and life. It [raised \\$100 million](#) in January 2020 and grew its annualized revenues to **\$60 million** as of early 2020, a 10-fold increase since 2017. Just last week, Policygenius [teamed up](#) with robo-advisor **Ellevest** to

offer life insurance fulfillment to Ellevest customers through the insurtech's online marketplace.

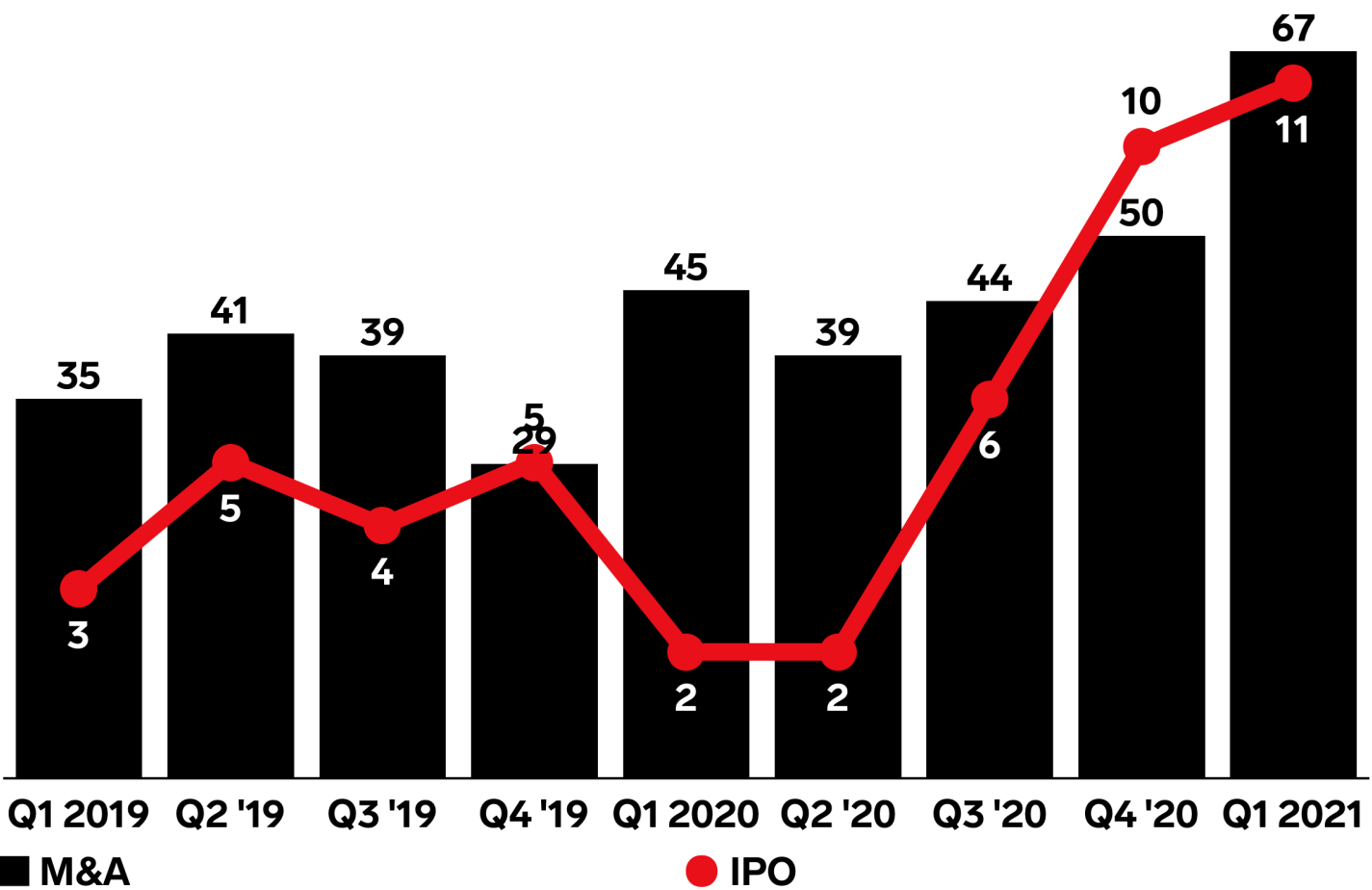
Why a SPAC? Reports about Policygenius considering an initial public offering (IPO) in the near future emerged last month, but that no longer seems to be the case—here's why:

- **Timing:** Policygenius hasn't said why it would instead be looking into a SPAC, but it could want to go to the market **faster** than an **IPO** would allow.
- **SPAC availability:** Funds raised via US SPACs in 2021 totaled **\$87.9 billion** as of March, already exceeding the **\$83.4 billion** from all of last year. This suggests that Policygenius had a wide range of options for which company is the best fit for a merger.
- **Product roadmap:** Policygenius has plans to offer **insurance policies of its own**, according to co-founder and CEO Jennifer Fitzgerald, and a SPAC could quickly provide the necessary capital for such a venture, which would boost the insurtech's revenues in the long run, giving it a **diversified revenue stream** beyond commissions while also setting it apart from competitors **The Zebra** and **Insureon**.

The bigger picture: SPACs aren't leaving the insurtech space anytime soon.

Health insurtech **Clover Health** and auto insurtech **Metromile** both went public via SPACs earlier this year, and more are following: Home insurtech **Hippo** **will** go public via a **\$5 billion** SPAC merger, and home insurtech **Kin Insurance** is **looking** for a similar exit with blank check company **Omnichannel Acquisition Corp**.

Quarterly Global Fintech M&A and IPO Activity



Source: CB Insights, "State Of Fintech Q1'21 Report: Investment & Sector Trends To Watch," April 2021
Methodology: This data is reported quarterly by CB Insights.