

# Ethos raises \$200M to simplify access to life insurance

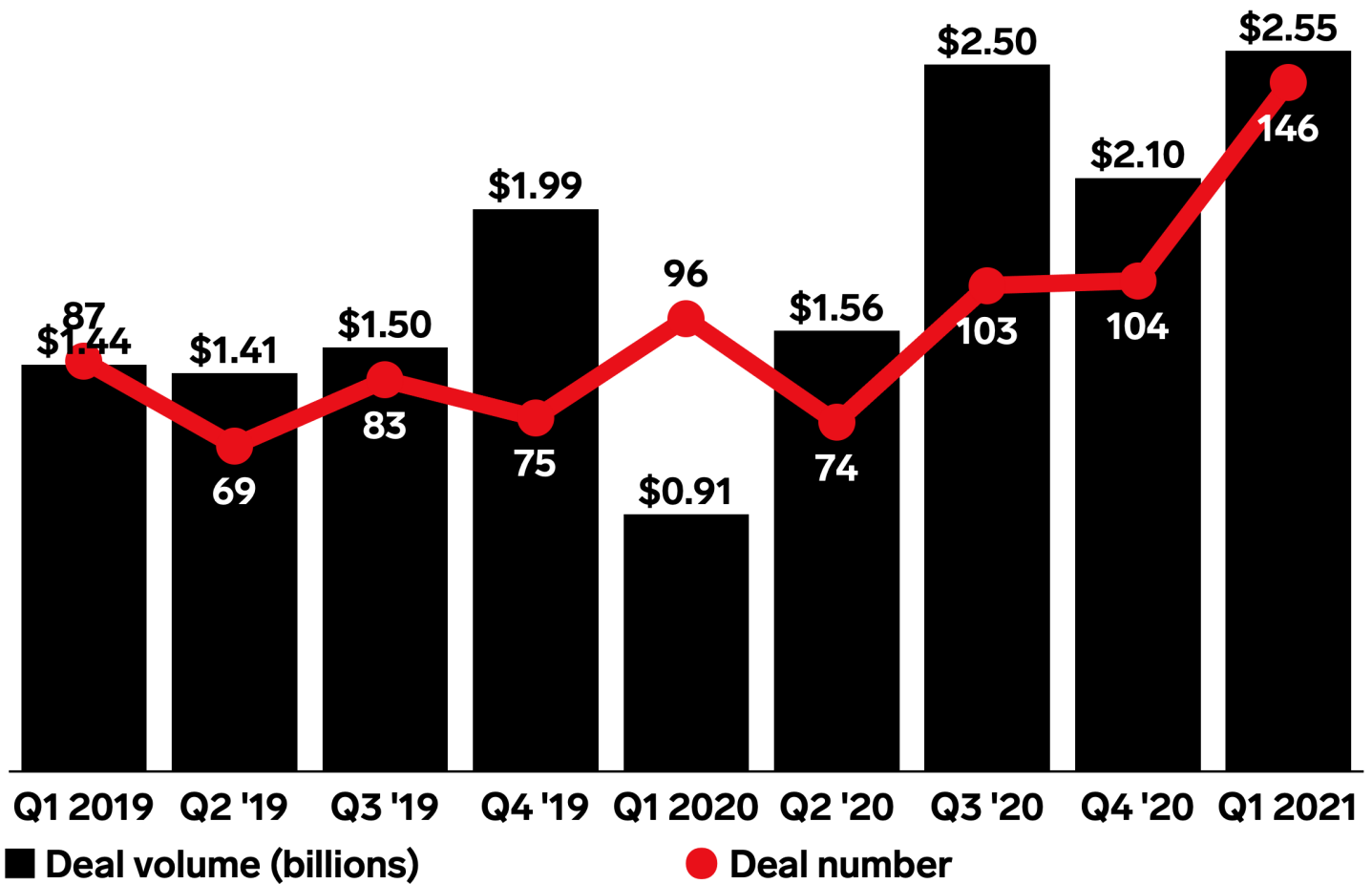
Article

The US-based insurtech achieved a \$2 billion valuation following the Series D round, with participation from showbiz royalty Jay-Z, Robert Downey Jr., and Will Smith, [per](#) PR Newswire. Founded in 2016, Ethos offers both term and whole life insurance underwritten by partner [carriers](#). It will use the funding to invest in its tech and develop new products.

**Ethos leverages machine learning (ML) to offer users a faster online application process and tailored coverage.** It can take weeks for consumers to access life insurance coverage due to back and forth with incumbents, often **including** a doctor's visit and blood tests. And booking such exams got **harder** last year as doctors were called to the pandemic fight, making life insurance applications all the more arduous. By contrast, **Ethos'** process asks users to answer a series of health and lifestyle questions, such as level of income and debt. Its ML algorithm then analyzes this data to recommend the most appropriate policy in minutes. This drove record growth for the insurtech, which is now nearing \$100 million in annualized gross profit.

**Such insurtech disruption will force insurers to acquire better digital onboarding capabilities, and Ethos should add a B2B offering to profit from this shift rather than compete against it.** US consumers **cite** the complexity of the application process as a main barrier to taking out life insurance. And with the pandemic exacerbating coverage access challenges, consumers **newly** in the market for insurance may be swayed by insurtechs' simple and fast onboarding over incumbents' cumbersome processes. The disruption is **pushing** insurers to digitize their processes, presenting partnership opportunities for insurtechs. Ethos' fellow life insurtech **Bestow** launched an API in November to enable insurers to integrate its fast underwriting solution. Ethos should also make its tech capabilities available to insurers to earn revenues on their digital transformation efforts.

# Quarterly Global Insurtech Funding



Source: Willis Towers Watson, "Quarterly InsurTech Briefing Q1 2021," April 28, 2021  
 Methodology: This data is reported quarterly by Willis Towers Watson.

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