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Bright Health's IPO is another sign that health insurtechs are here to stay

Article

Bright Health officially filed for an IPO, joining the ranks of other publicly traded insurtechs like **Oscar Health** and **Clover Health**. Rumors of a Bright Health IPO started circulating this

April after Bloomberg reported its plans to raise $1 billion via a public offering.

Bright Health's prosperity over the last year signaled it would be ready for a new stage of growth and scale via an IPO:

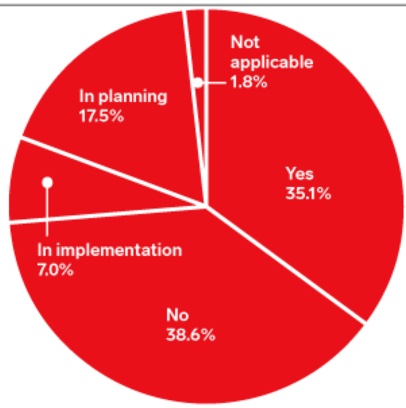
- In September 2020, it scored **$500 million** in Series E funding—the largest insurtech funding round of the year.
- Bright Health also reported record membership growth in 2021: It now covers over **500,000 members** across 13 states.
- And most recently, in April, it made its first foray into the telehealth market via its acquisition of telehealth platform **Zipnosis**— which is being used at 60 large health systems across the US, and touts a user base of over 2 million.

Health insurtechs across the board are entering a new stage of growth—and that's not expected to slow as consumer demand for personalization, affordability, and price transparency only climbs.

- Bright Health's IPO trails right behind **Oscar Health's** IPO in March, **Sidecar Health's $125 million f**unding round in January (earning it unicorn status), and **Clover Health's** public debut via a $3.7 billion SPAC deal last October.
- **Many of these health insurtechs are capturing consumers by branching into telehealth and focusing on a more personalized user experience: 46%** of US consumers said they wish their health plans and doctors provided a more personalized healthcare experience, per Wellframe's 2020 survey of 1,103 US adults. Combining healthcare delivery and insurance in one platform creates a seamless user experience for consumers. And this mutually benefits insurtechs because they can then leverage new troves of patient data to optimize their own tech-driven insurance policies.
- **Consumers have also cited transparency and affordability as top healthcare concerns—and insurtechs are fulfilling the call.** For example, Oscar Health's $0 Virtual Primary Care product and Bright Health's zero deductible plans offer consumers transparently priced, affordable health insurance options—a contrast to traditional health plans, whichconsumers claim are often confusing and expensive.

With more VC cash under their belts, we expect health insurtechs to broaden via partnerships or M&A deals with employer-focused digital health companies. For example, employer-focused telemental health firms like **Lyra Health** would be interested in partnering with an insurtech since their employer customers are yearning for more affordable options that still optimize employee health: As healthcare costs skyrocket, **87%** of employers think the cost of providing health benefits will become unsustainable in the next decade, per a recent Kaiser Family Foundation survey.

Insurance Organizations that Work with Digital Health Engagement Platforms* According to Life/Health Insurance Executives Worldwide, Oct 2020
% of respondents



Note: *to engage with/collect data from their insured members
Source: Dacadoo, "Global Market Report on the Integrated Insurance Operator," Nov 18, 2020

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