

# Oscar holds off on new +Oscar agreements to shore up its Health First deal

Article

**The news:** In its Q2 earnings call, insurtech **Oscar Health** revealed it's pumping the brakes on new deals for the **+Oscar** tech platform for 18 months.

Oscar will concentrate on developing individual components in +Oscar like the Campaign Builder automation platform. It will also grow Oscar's virtual primary care offering, enhance the company's overall infrastructure, and address post-launch challenges in its January 2021 [deal](#) with Florida-based insurer Health First Health Plans. For context, the deal will let Health First Medicare Advantage and individual customers get access to Oscar's member engagement platform and provider and broker services.

**Shuffling resources:** CFO R. Scott Blackley noted in the earnings call that Oscar would avoid overextending by taking on new deals for +Oscar. The company will [focus](#) on gaining profitability for the insurance business in 2023 and overall profitability in 2025.

**Trendspotting:** Oscar Health isn't the only insurtech experiencing trouble.

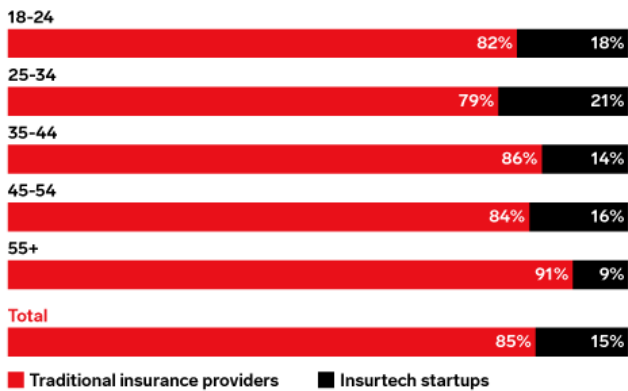
- **Bright Health** and **Clover Health** are also [not yet profitable](#).
- Plus, in Q1'22 **insurtech funding dropped 58% quarter-over-quarter from Q4'21, hitting \$2.2 billion**—the worst mark since Q2'20, [per](#) the CB Insights State of Insurtech Q1'22 Report.
- And insurtechs **Next Insurance** and **Thimble** recently [announced](#) layoffs.

**The big takeaway:** Oscar's pullback on +Oscar could be a sign of hiccups in the insurtech space. Insurtechs are still growing, but given the economic uncertainty, they may take a more cautious approach to expansion.

**Go deeper:** Check out our [Era of Uncertainty: Insurance report](#) for more on the insurtech market in today's economic environment.

## Trust in Traditional Insurance Providers vs. Insurtech Startups According to US Adults, by Age, Aug 2021

% of respondents in each group



Source: Breeze as cited in company blog, Aug 24, 2021

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