

Boost's Maffeo Hacks Through Insurance Industry Glaciers

With InsurTech MGA

Executive Summary: Boost Insurance CEO and Founder Alex Maffeo explains his personal motivation for launching an InsurTech development platform—his own experience with the glacial go-to-market pace of bringing a new insurance product life and his realization that InsurTech startups lacking the industry connections he accessed at his prior employer, the VC firm IA Capital, would face even bigger obstacles.

By Maryanne Sherman

Alex Maffeo, founder and chief executive officer of one of the latest InsurTech startups Boost Insurance, didn't dream of working in insurance when he was a kid. He wanted to play shortstop for the Yankees or be the guy hanging off the back of one of those big, heavy-duty garbage trucks.

He did focus on insurance during his

venture capitalist career, but starting a company to boost the insurance industry into new technology wasn't on his radar.

In 2018, Maffeo's InsurTech company Boost Insurance secured reinsurance capacity commitments from some of the most innovative and formidable capital providers in the reinsurance industry: Nephila, Markel Digital and RenaissanceRe, which sit behind Boost's fronting carrier partner State National. Boost also launched its first program with fellow InsurTech startup Paladin Cyber and has a handful more programs ready for launch in early 2019.

In December 2018, just about one year after starting to build Boost, *Carrier Management* met with Maffeo over a cup of coffee to ask him about the process leading to the formation of the company and challenges he's faced along the way.

Brick Walls and Glaciers

"I spent the vast majority of my career at

a venture capital firm called IA Capital, where I focused on making early and growth-stage investments in fintech and InsurTech startups. It was a pretty cool place where I not only got to speak with and learn from some of the smartest fintech/InsurTech entrepreneurs on a daily basis but also had a lot of freedom to explore different things outside of our core investment activity," said Maffeo, beginning to explain what boosted Boost Insurance into existence.

In fact, Boost Insurance was born, according to Maffeo, while he was still at IA Capital and identified the go-to-market timeline as the No. 1 problem faced by InsurTech startups. He also faced it himself while working on a separate insurance-related concept with his colleagues at IA.

A few years ago, IA Capital had an idea for an insurance product in the student loan space and wanted to start a managing general agency around the concept. After doing due diligence on the product's market fit and spending money on third-

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party stamps of approval from actuaries and lawyers, the company concluded that the product provided not only a legitimate social good but would also be profitable.

Things were looking good.

Then, they hit a brick wall. What they discovered in their search for a carrier or reinsurance partner in this new proposed insurance business was that slow processes and extreme risk aversion from insurers wasn't a problem unique to InsurTech startups. This ultimately ended up providing the inspiration and strategy for Boost.

Benefits of the VC Investor Perspective

Maffeo's personal experience with these problems was happening in parallel with his day-to-day venture capital activity. "I was talking to entrepreneurs in the InsurTech industry every day, and they were all experiencing the same thing. It was way worse for the entrepreneurs who didn't have the insurance network and track record that IA Capital had."

By the time they had some promising leads for the student loan concept, Maffeo was annoyed by the process and felt he had identified a much bigger problem and



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much bigger opportunity. The go-to-market process for an InsurTech startup or innovative product concept was far too long and far too complicated. On top of that, the concepts that are lucky enough to endure these processes with insurers are rewarded with the task of integrating with

terrible technology systems.

"A lot of InsurTech startups are basically forced to slap modern apps on top of Windows 95 operating systems. That's when I realized that insurance is an enormous but archaic industry that hasn't been innovative on product or technology

in decades,” Maffeo said. “It’s a big target with a lot of startups attacking individual segments, and my goal is to provide the picks and shovels these startups need to get from concept to market as quickly and efficiently as possible. It might not be sexy as a consumer brand or some AI-driven mobile app, but we think it will add tremendous value.”

Enter Boost Insurance

“We pounded the pavement across the carrier and reinsurance landscape to build the necessary insurance infrastructure ourselves. We endured this process with the objective that our future InsurTech partners won’t have to do it themselves,” Maffeo said. “I couldn’t stand watching startups waste precious time and resources on meetings that went nowhere with partners who didn’t appreciate the sacrifices entrepreneurs make and lack the creativity and gusto to let startups innovate and iterate.”

Today, Boost Insurance is a B2B InsurTech company serving as an aggregator of InsurTech programs. Initially, the programs will be relatively small

compared to the core operations of an established carrier. The goal is to help insurers “boost” their InsurTech programs by vetting, curating and aggregating the programs on their behalf.

From his experience in insurance VC, Maffeo said Boost Insurance was built to solve three critical issues:

1. The glacial, go-to-market pace for new products.
2. Data flow issues between high-tech startups and low-tech insurance companies
3. The cultural disconnect between incumbents and upstarts.

“We spent a year building the capability to offer all the insurance services and back-end technology necessary for an InsurTech startup to get to market with a new company or roll out a new product,” Maffeo said. “We have everything under one roof for InsurTech startups, and we are able to help insurance companies enhance the startup partnership programs.”

Legally an MGA, Boost Insurance has the authority to underwrite and bind insurance policies on behalf of regulated insurance

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carriers. On the front end, Boost’s core customers are distribution and product-focused InsurTech startups and other technology companies that want to offer insurance to their customers. On the back end, customers are fronting carriers and reinsurance companies that believe in the InsurTech movement and want to outsource all or part of their startup

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About Boost’s CEO

Alex Maffeo, Chief Executive Officer and Founder, Boost Insurance

Prior to founding Boost Insurance, Maffeo was a Principal at IA Capital Group, a fintech and InsurTech-focused venture capital firm in New York City. There he led InsurTech investment efforts at IA and completed multiple portfolio company investments in the space, including Sure, Snapsheet, Wellthie, SmartAsset and Hamilton Insurance Group.

He holds a BA from Columbia University.

Source: Boost website



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partnership efforts.

“This is where I personally get to live out a lifelong fantasy of being an insurance agent. The licensed paper is provided through fronting carrier partners like State National; product development includes form drafting, rate and form filing; and a modular, API-driven policy administration platform provides rating, quoting, binding, issuance and endorsement functionality along with automated statistical reporting services.”

Recruiting Talent

When asked about recruiting talent to work at Boost Insurance, Maffeo said he “is annoyingly picky.” He continued: “I knew how critical the first few hires were going to be. What I didn’t know was how responsible I was going to feel about having all these employees leaving stable, high-paying jobs to help build something really complicated from scratch. That was a big change from working at and hiring for

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established companies.” Many, but not all, of the Boost team has worked for or invested in startup companies throughout their careers, so establishing a strong and consistent company culture is a critical point of focus. “I learned firsthand that you can put as much individual talent as you

want on a playing field, but none of that matters if the team isn’t cohesive and working together toward a shared goal. The qualities I value most when interviewing candidates are enthusiasm, creativity, diversity and humility.”

Maffeo added that he wanted employees who are truly motivated by solving big problems. “Seeing a massive industry like insurance using technology that is 30 years behind the times and ripe for disruption is what gets top talent’s blood going. If you take this approach, your recruiting funnel will always be pretty narrow, but that’s OK. You can’t just throw bodies at big problems. A small team with the right motivations will always outperform a big team that doesn’t ‘get it.’”

InsurTech trends are expected to accelerate in 2019 with even more game-changing startups. Maffeo said Boost Insurance has taken some big steps forward in 2018 but has much bigger plans to power the future of insurance. [CM](#)

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