



Fintech Horizons Media
Mar 26 2020

Limelight Health to raise its Series D next year, CEO says

by Rebecca Wenzel

Limelight Health, a San Francisco-based employee benefits insurtech, plans to raise its Series D next year, said Jason Andrew, CEO and founder.

The company, which has raised \$44m in total funding, is talking to investors about its next funding round and is happy to speak with potential investors, he said.

Limelight offers a quoting and underwriting platform for the employee benefits industry. Andrew and his co-founders started the company to modernize the antiquated employee benefits process. The company offers API tools to accurately price, create products and distribute plans.

It has five customers now and is targeting tier one insurers. It has identified 75 potential customers and is aiming to have 15 to 20 of those as customers in the next three to five years. Limelight has 8% of the market now and is targeting to reach market penetration of 30% to 40%. This is a highly competitive space and Limelight is racing to be the dominant player, Andrew said.

Capital will be used for expansion and growth, he said. Additionally, capital will enable Limelight to add product enhancements and functionality. The company is also having discussions and evaluating international expansion into Canada and Ireland.

Investors that understand the industry and Limelight's mix of services and licenses would make sense for Limelight, Andrew said. Additionally, investors that can offer "growth stage capital investments" and have done similar deals in the space would be interesting to the company, he added.

Andrew has relationships with a "half dozen" bankers, he said. Limelight may engage one in the future if they offer knowledge and interest in the group benefits market. Andrew added that he is not closed to conversations.

The amount of capital Limelight will seek is still to be determined and will be

based on its growth and expansion plans, Andrew said. The company has a “line of sight” to break-even and being cash flow positive, but the company is still modeling out its capital requirements and timeframe of how long it will last, he said.

Both an IPO and buyout could be options for Limelight, but right now, Andrew is focused on building a solid and growing business. The company expects more than 40% annual growth this year, he said.

Andrew co-founded Limelight Health with Alan Leard, CTO; Garrett Viggers, sales and strategy; and Michael Lujan, board member. All remain owners in the company. Andrew previously founded Stone Meadow Benefits & Insurance Associates.

Its investors include: LaunchPad Digital Health, MassMutual Ventures and AXA Strategic Ventures, Portag3, Aflac, Principal, Plug and Play, Wells Fargo, TransAmerica Ventures, and Wanxiang America.

The largely remote working company has three offices located in San Francisco and Redding, California and Des Moines, Iowa. It has 130 employees.

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