

Built to win

Series C, January, 2022





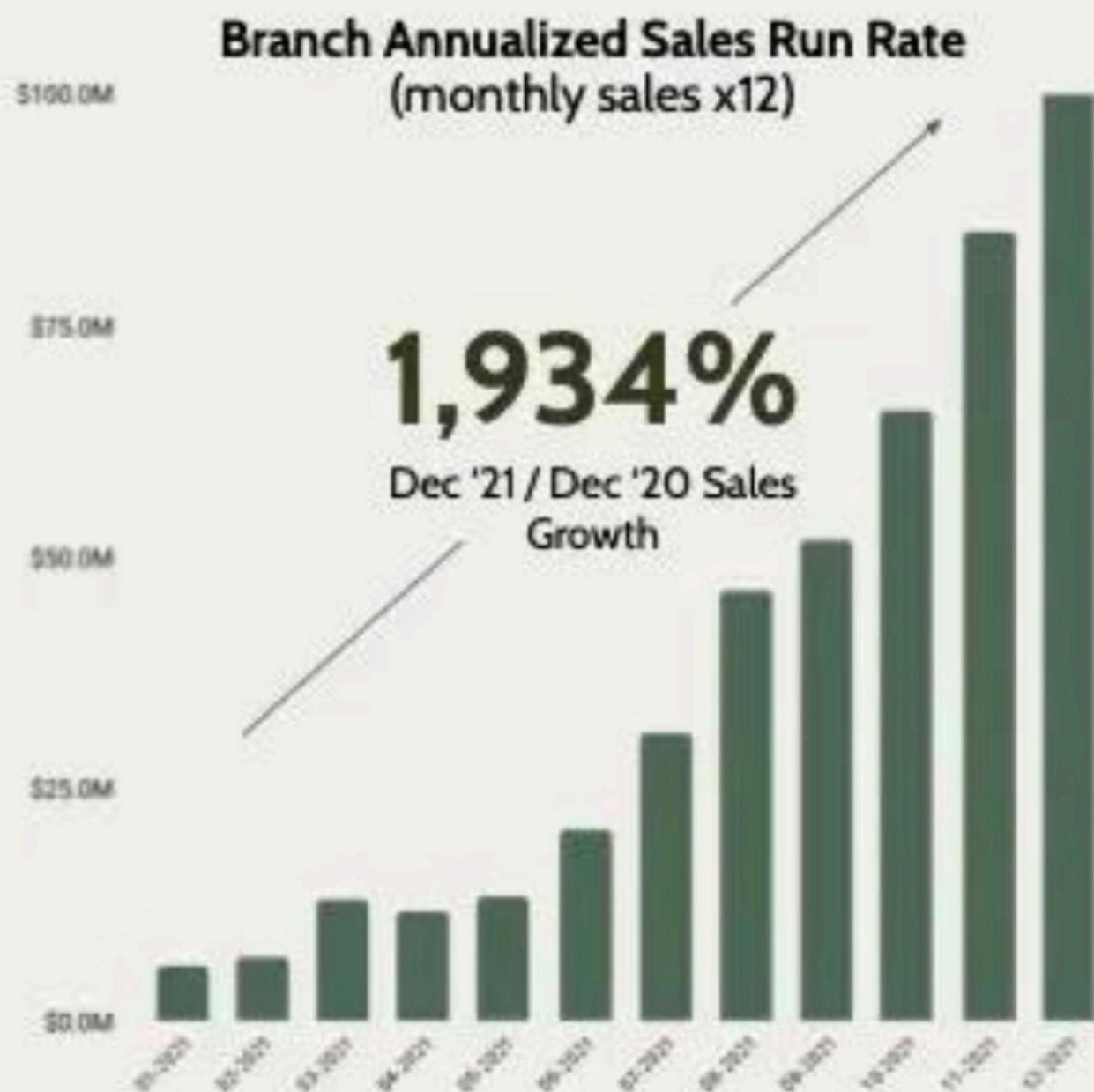
Branch is the fastest growing insurance company in the United States built on sophisticated underwriting, unique distribution, a low CAC, and a high lifetime customer.

The enormous insurance market is one of the last large industries to be unmarked by technological innovation

\$355b

2020 U.S. Home & Auto premiums

Branch is growing faster than any other insurance company



2021 In-Force Premium Growth

Company	CMGR
Branch	23.56%
Lemonade	4.77%
Hippo	4.65%
Root	1.84%
Metromile	0.84%
GEICO	0.96%
Progressive	0.71%
State Farm	0.53%
Allstate	0.24%

¹ Branch data is FY 2021 future effective and in-force AWP

² 3Q 2020 statutory filings for Home + Auto in-force premiums straight-line annualized

Branch is uniquely designed to deliver insurance frictionlessly - wherever customers are - at a less expensive price point

	CHANNEL	LTV:CAC ¹
	EMBEDDED Branch seamlessly embeds into convenient moments, creating frictionless customer experiences, inexpensive insurance and advantaged CAC	11.8
	DIRECT No one but Branch sells bundled home and car insurance direct to consumer. Branch buys one lead and sells two policies. Consumers pay less	3.6
	AGENCY Branch enables the fastest purchase experience in the market, helping independent agencies focus on sales throughput and client advisory	2.3

¹Gross margin is defined by the '22 gross margin target by channel; CAC is based on YE22 plan

Where incumbents have shrunk, Branch is built to grow

Incumbent problem

CAC

Inefficient customer acquisition model creates a vicious cycle of escalating costs → churn → escalating costs → churn

Customer Friction

Bundling saves customers 16% per year on average but carries enormous friction which the customer must bear

"Necessary evil"

Typical incumbent model misaligns business outcomes with customer needs - creating adverse relationships

Earnings Volatility

Insurance companies are riskier investments with inconsistent profits. By design, in some years, insurers will lose money

Branch solution

Insurance through API

Instant purchase through API is differentiated in all insurance distribution moments, providing an advantaged CAC ([see it](#))

Frictionless bundling

Frictionless bundling, with name + address, structurally lowers cost and solves the most valuable consumer problem ([read more](#))

Social good

Social mission and alignment with clients through a reciprocal exchange + PBC enable phenomenal client experiences ([read more](#))

High Margin, Stable Earnings

Reciprocal structure creates consistent, subscription fee income regardless of risk-based underwriting profit outcome

Where insurtechs have failed, Branch is built to win

Insurtech problem

Unsustainable loss ratios

Underpricing for growth or an inability to properly underwrite insurance or adjust claims, leads to bad loss ratios

Overpaying for acquisition

Lack of expertise to reflect CAC in the policy premium breaks the potential for good unit economics

Complicating the expense structure

Further intermediating in a highly competitive environment disallows customer savings or good unit economics

Branch solution

Underwriting expertise → healthy loss ratio

Charging an adequate price, regulatory and insurance expertise, and a stellar claims operation enable an on target loss ratio

Price by origination

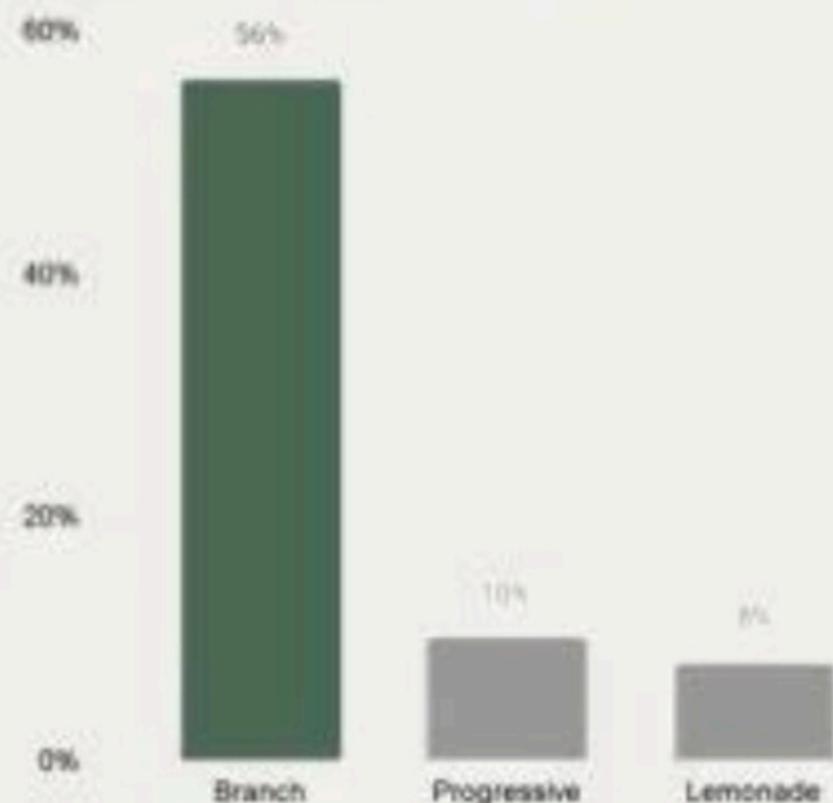
Branch varies the price for its product according to the cost of acquisition by channel of origin

Hyper efficient company structure

Vertically integrated, fixed fee reciprocal designed to further disintermediate naturally with scale

Branch is built to acquire the highest value, longest retaining insurance customers

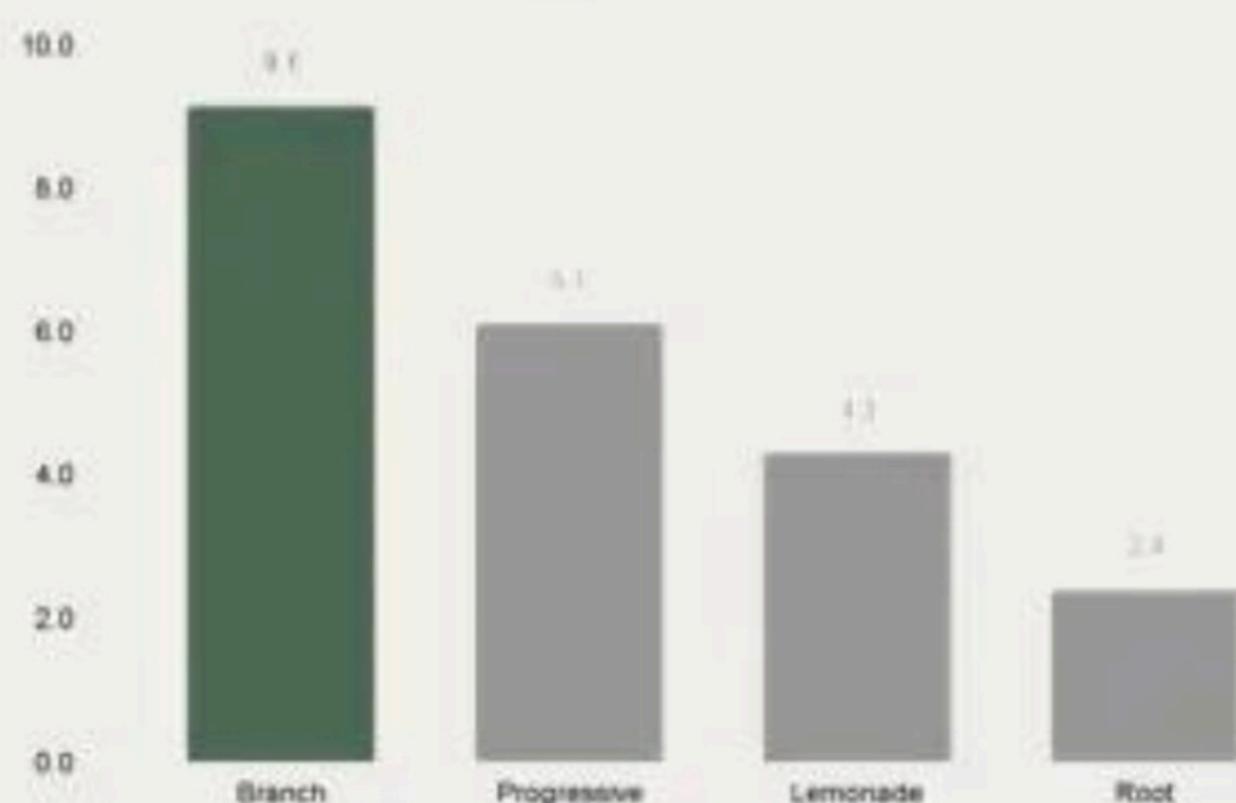
Bundle rate (of all policies)



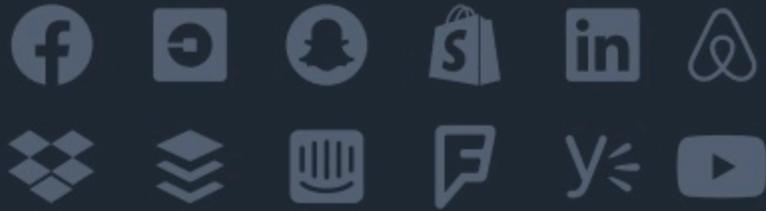
¹ Progressive 1Q21 Investor Call

² Lemonade 3Q21 Investor Call

Account lifetime in years (of all accounts)



Source: Combined home and auto data (LMND combined with Metromia) within William Blair's 2021 Lifetime Value-to-Customer Acquisition Cost Benchmarks Across the Insurance Industry



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