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Khazanah invests in homegrown full-stack InsurTech company, PolicyStreet, to enhance protection for Malaysia's underserved market

Khazanah Nasional Berhad ("Khazanah"), under its Dana Impak mandate, recently led a Series B fundraising round of a Malaysian homegrown insurance technology ("InsurTech") company, PolicyStreet, raising a total of US\$15.3 million (MYR67 million).

Dana Impak is a RM6 billion allocation over five years and is a key pillar under Khazanah's Advancing Malaysia strategy, with the aim to increase Malaysia's economic competitiveness, build national resilience, as well as deliver socioeconomic impact to Malaysians.

PolicyStreet is a full-stack InsurTech company that offers digital and customised insurance solutions to consumers and businesses. In offering simple, affordable and purposeful insurance solutions, PolicyStreet stands to narrow the protection gap in Malaysia and improve the country's insurance penetration rate, which at 5.3%, currently lags global peers like Singapore (9.3%) and the Organization for Economic Cooperation and Development (OECD) (9.4%).

Khazanah's investment in PolicyStreet complements its *Future Malaysia Programme* which aims to support the local start-up ecosystem of entrepreneurs, start-ups, venture capital and corporate venture programmes through collaboration with domestic and international partners. The *Future Malaysia Programme* supports investments into companies with sustainable business models that deliver socioeconomic impact to Malaysia, such as PolicyStreet, which requires the injection of risk capital.

Khazanah's Managing Director, Dato' Amirul Feisal Wan Zahir said, "Dana Impak is our commitment for strategic investments to increase Malaysia's economic competitiveness and build national resilience, while delivering socioeconomic benefits and impact to Malaysians. Our investment in PolicyStreet aims to improve insurance penetration within the unserved and underserved segments which advocates inclusivity, providing better financial protection, increasing household resilience and financial well-being."

"We will continue to invest in innovative and impactful solution providers that leverage technology and product innovation to serve the nation. This is aligned with our commitment to spur the local start-up ecosystem as part of our strategic imperatives via the *Future Malaysia Programme*."



As Dana Impak seeks to create socioeconomic impact in all its investments, Khazanah has applied its impact assessment framework, the SEMARAK Initiative, to the investment evaluation process. Khazanah's impact thesis is premised on how innovative insurance solutions provided by InsurTechs like PolicyStreet, offer accessible and meaningful coverage to the unserved and underserved which, in turn, enhance financial protection, household resilience and promote financial well-being for Malaysians.

The investment in PolicyStreet also complements the social protection pillar of the Malaysia MADANI Budget 2023 by improving the safety net for gig riders who are exposed to road accidents.

Through its ongoing collaboration with digital partners such as CARSOME, foodpanda Malaysia and Shopee Malaysia, PolicyStreet is well positioned to drive meaningful social impact in Malaysia and the region, particularly for untapped segments such as gig and digital economy workers. With PolicyStreet's in-house tech and underwriting capabilities, the InsurTech company is poised to make protection accessible and tailored to better serve marginalised groups.

PolicyStreet Chief Executive Officer and Co-founder, Yen Ming Lee said, "PolicyStreet is committed to empowering underinsured businesses and consumers by providing accessible insurance solutions. With over half a million B40 gig workers and 50,000 small-medium enterprises ("SMEs") already benefiting from our services, we aim to serve 2.5 million gig workers and 300,000 SMEs within the next five years, creating a more financially inclusive future for communities in Malaysia and the region."

PolicyStreet's recent fundraising round also garnered strong support from other local and international investors, including Altara Ventures, Gobi Partners and Spiral Ventures. PolicyStreet intends to use the funds to strengthen its technology and underwriting capabilities. Specialising in customised insurance solutions for businesses and consumers, PolicyStreet aims to increase its on-demand underwriting policies to make protection more accessible and better tap into underserved and underinsured audience segments in Malaysia and the region.

Gobi Partners Cofounder and Chairperson, Thomas Tsao said, "PolicyStreet has defied market expectations and achieved impressive milestones, demonstrating their commitment to driving meaningful social impact in Malaysia. Their outstanding achievements in licensing and growth, as well as industry recognition, prove their exceptional value proposition. Gobi Partners is delighted that Khazanah also recognises their capabilities and the value add they bring to the Malaysian economy."



Dave Ng, General Partner of Altara Ventures, highlighted, "As their Series A lead investor, we are proud of PolicyStreet's achievements to date. They grew their business five times in 2022 and achieved a sum insured of over US\$6 billion, serving over 5 million customers. In this fundraising round, we doubled down on our support for this amazing team. We are excited and look towards assisting the company's efforts in regional expansion."

Since its founding in 2017 by former banking and insurance professionals Yen Ming Lee, Wilson Beh and Winnie Chua, PolicyStreet has achieved numerous milestones, including becoming the first homegrown InsurTech to be awarded Financial Adviser and Islamic Financial Adviser licenses by Bank Negara Malaysia ("BNM") in 2019 enabling it to work with over 40 insurance and takaful providers to provide financial advice, education and claims support to its customers.

PolicyStreet has also obtained the Reinsurer and General Insurer licenses from the Labuan Financial Services Authority ("LFSA") in 2021, enabling it to customise and underwrite insurance policy for the unserved and underserved segments. Recently, it received the Outstanding Investee Company award from the Malaysian Venture Capital and Private Equity Association ("MVCA").

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About Khazanah

Khazanah is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of *Advancing Malaysia*, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my

About PolicyStreet

PolicyStreet is a regional full-stack insurance technology (InsurTech) group of companies providing cutting-edge digital insurance solutions to businesses and consumers in Southeast Asia and Australia. PolicyStreet works directly with over 40 life, general and takaful providers globally to offer a comprehensive range of products and services, which includes but is not limited to embedded insurance, customised employee benefits, financial advisory and aggregation of insurance, as well as the development of digital solutions to make insurance purposeful and simple for businesses and consumers. As a licensed Reinsurer and General Insurer by the Labuan Financial Services Authority (LFSA), an approved Financial Adviser and Islamic Financial Adviser by Bank Negara



Malaysia (BNM), and a licensee of the Australian Financial Services License by the Australian Securities and Investments Commission (ASIC), PolicyStreet is able to underwrite, customise policies, and provide unbiased advice to its clients and partners worldwide. Through its regional group of companies, it serves over 5 million customers with over US\$ 6 billion in sum insured. In 2022, it was named as one of the 100 Leading Emerging Giants in the Asia Pacific by KPMG and HSBC and was recognised at the Top in Tech Innovation Awards 2022 for Most Value Creation. It was also awarded the Young Entrepreneurs' Award in 2020 by ASEAN Business Advisory Council (ASEAN-BAC). For more information about PolicyStreet and its innovative insurance solutions, please visit <https://www.policystreet.com/>

About Gobi Partners

Gobi Partners is an interconnected Pan-Asian venture capital firm with US\$1.5 billion in assets under management across Asia. Headquartered in Kuala Lumpur and Hong Kong, Gobi has raised 15 funds to date, invested in over 350 start-ups and nurtured 10 unicorns. As a Participant of the United Nations Global Compact, the firm launched its inaugural Sustainability Report in June 2022. For more information about Gobi Partners, please visit <https://gobi.vc>

About Altara Ventures

Altara Ventures is a venture capital firm focused on tech investments. The firm is led by general partners with extensive experience in founding, operating and investing in technology start-ups in Southeast Asia and globally. Altara Ventures aspires to be the partner of choice, backing founders early on in their journeys by leveraging the firm's global networks and experience in building to successful exits.