



Market Overview

Health & Benefits Tech

Winter 2026

Featuring Insights From An Interview With:



Denise Garth
Chief Strategy Officer



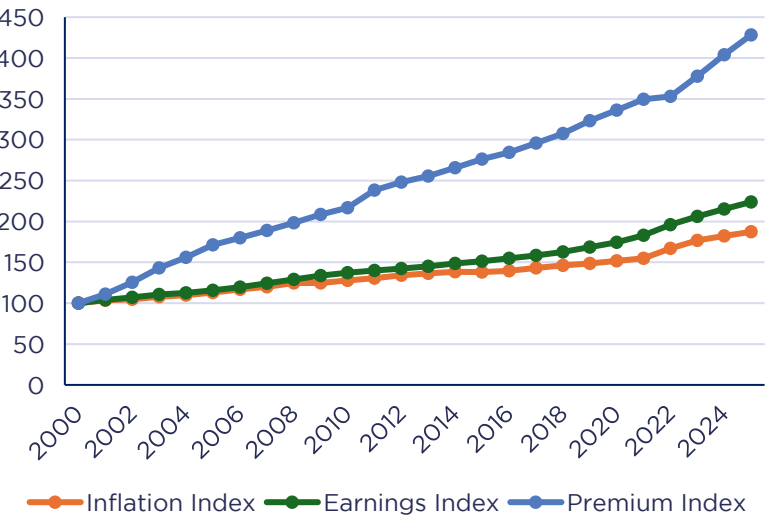
Key Themes Reshaping Health Insurance & Benefits Technology

Rising costs and administrative complexity are forcing benefits ecosystems to consolidate, accelerating the shift toward navigation-first experiences and AI-native platforms that unify core administration and serve individuals across the lifecycle

Cost & Administrative Complexity Are Forcing a New Modernization Cycle ¹

Family Health Insurance Premiums vs. Workers' Earnings vs. Inflation

Cumulative Growth Index (2000 = 100)



Since 2000, family health insurance premiums have grown by **~300%+**, now consuming **~35% of median household income**, accelerating demand for technology that improves care routing and long-term affordability

ICHRA Is Accelerating the Shift to Individual Coverage ²

Individual-Choice Benefits are Moving From Edge-Case to Mainstream Adoption

~450k (+50% YoY)

Lives Covered via ICHRA/QSEHRA (2025)

~83%

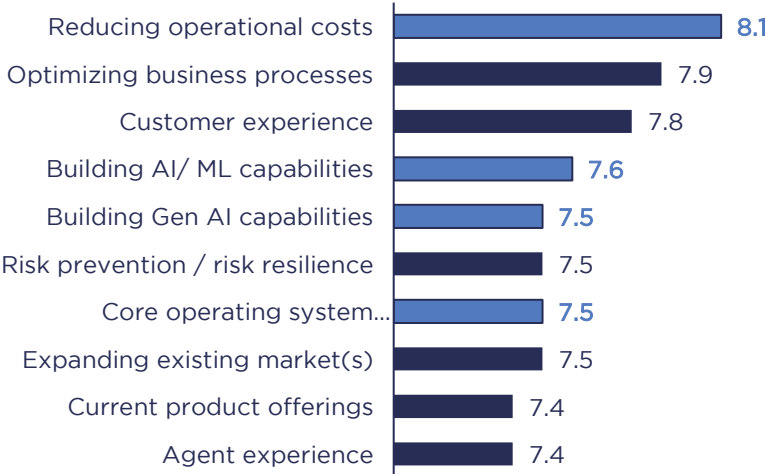
Of Small Employers Adopting ICHRA/QSEHRA Were Previously not Offering Health Benefits

As ICHRA scales, benefits ecosystems are shifting from group-centric enrollment to individualized plan choice, driving demand for platforms that simplify decisioning, compliance, and admin across the lifecycle

AI & Core Modernization Are Converging as the Primary Value Drivers ³

Operational Efficiency, Core Systems, and AI Dominate Insurers' Priorities

Insurers' 2026 Strategic Initiative Priorities Scored Out of 10 (Top 10)



Insurers are prioritizing operating efficiency and scalability, as **AI / automation have the potential to reduce admin costs by 20-30%**, accelerating demand for intelligence embedded directly into core systems

Highlights from Interview with Denise Garth



Denise Garth
Chief Strategy Officer



Q: How would you characterize the current state of the insurance and benefits technology market, and what trends are most top of mind for carriers and administrators today?

A: The life, health, and annuity insurance market has lagged P&C in managing operating expenses, largely due to limited business transformation and **continued reliance on legacy systems, manual processes, and fragmented distribution models**. Decades of layering new technology on top of outdated operating models have created **complex, high-cost, and employee-constrained environments** that are increasingly unprofitable and operationally risky. As a result, carriers are sharply focused on expense ratios, profitability, and sustainable growth, with **modernization now viewed as a financial necessity rather than a strategic luxury**. Modern core platforms and advanced data and analytics, including **GenAI and agentic AI**, are becoming **critical enablers** as legacy debt, workforce retirements, low productivity, and slow speed-to-market continue to undermine competitiveness.

Q: As healthcare costs rise and employers weigh absorbing versus shifting costs, how is this reshaping benefit plan design and the role of supplemental and individual products?

A: The **shift of costs to employees and a more mobile, younger workforce** are pushing benefit plan design toward **voluntary and worksite individual products that employees can take with them when they change jobs**. This is driving **demand for more customizable products** and requires core systems that can support group, voluntary, worksite, and individual offerings. Rising healthcare costs are also increasing pressure on insurers to **drive operational optimization, reduce expense ratios, and improve affordability**.

Q: We've seen a mix of VC backed insurtechs, PE rollups, and founder led platforms struggling to keep up with required investment, what is driving the current wave of consolidation in insurance and benefits technology?

A: Since 2022, rising interest rates have forced InsurTechs to **shift from growth at all costs to profitable, sustainable growth**. Companies with strong financials can **keep investing in products and R&D, especially AI**, while **others struggle to fund innovation and keep pace with rapid change** across risk, operations, customer expectations, products, and technology. These combined pressures are driving a realignment of market leaders and **accelerating consolidation around platforms with the financial strength to meet business and technology demands**.

Q: Majesco's acquisition of Vitech represents a significant strategic move for the Company. Can you expand on the rationale behind the combination and how it fits into your strategy?

A: Vitech **brings Majesco into the pension and retirement market**, a segment we were not previously in and one that is seeing **growing demand for scalable and efficient technology**. Our **native cloud and native AI leadership will enhance the Vitech platform, particularly through embedded AI**, to deliver greater customer value. Notably, six of Vitech's eight group and benefits customers are already Majesco customers, creating a stronger strategic partnership and the ability to leverage the broader Majesco portfolio. Together, the combination **creates a leading provider across both markets**, focused on advanced native cloud and native AI solutions that help customers drive operational optimization, innovation, and growth while reducing strategic and operational risk.

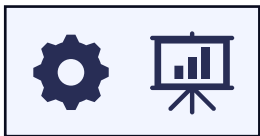
Executive Perspective: Majesco on the Future of Health & Benefits Technology

Insights from Majesco leadership following the acquisition of Vitech

Key Themes From Majesco



Legacy operating models are now a structural profitability challenge
Insurers continue to carry high operating costs driven by delayed modernization, layered tech stacks, and manual workflows that constrain margins and growth



Core modernization is being driven by operating economics
Modernization initiatives are increasingly focused on lowering expense ratios, improving productivity, and accelerating speed to market



Benefit design is shifting toward portable, individual, and voluntary products
Rising healthcare costs and workforce mobility are pushing carriers toward a more flexible structure that follows individuals across employers and life stages



AI investment is becoming a scale and capital advantage
As AI moves from experimentation into core workflows, platforms with greater financial strength are better positioned to sustain the required R&D investment



Platforms must support the full benefits and retirement lifecycle
Carriers are increasingly seeking unified platforms that span group benefits, individual products, and retirement administration rather than siloed product systems

Deal Spotlight

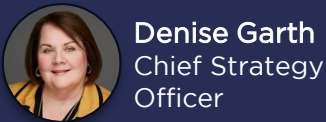


Strategic Rationale

Expands Majesco into retirement and pension administration while strengthening its group and benefits footprint, creating a modern platform spanning the full insurance and benefits lifecycle

Notable Transaction Impacts

- ✓ Creates a scaled, financially strong platform to sustain cloud and AI investment
- ✓ Immediately expands Majesco into the pension and retirement core market
- ✓ Accelerates customer expansion through an overlapping installed base
- ✓ Enables a true lifecycle platform spanning group, voluntary, individual, and retirement products



Denise Garth
Chief Strategy Officer

*“Technology modernization is no longer viewed as a strategic luxury but rather a **necessary enabler of future financial outcomes.**”*

*“The acquisition creates a dominant provider across group benefits and retirement, built on **cloud-native and AI-native platforms.**”*

Select Recent Health & Benefits Technology Transactions¹

Select Recent Health & Benefits Tech M&A

Date	Target	Acquirer(s)	EV Amount
1/14/2026	 Calcfocus	 Pamlico CAPITAL	NM
1/8/2026	 vitech	 majesco	NM
9/4/2025	 Steele	 selerix	NM
6/30/2025	 HEALTHEDGE	 BainCapital	\$2,600M
4/8/2025	 Accolade	 transcarent	\$621M
3/25/2025	 MyMedicareBot	 EnrollHere	NM
2/6/2025	 TBX	 selerix	NM
2/20/2025	 Machinify	 NMC NEW MOUNTAIN CAPITAL	NM
8/28/2024	 Abenity	 BenefitHub™	NM
4/2/2024	 SunFire	 KKR	NM

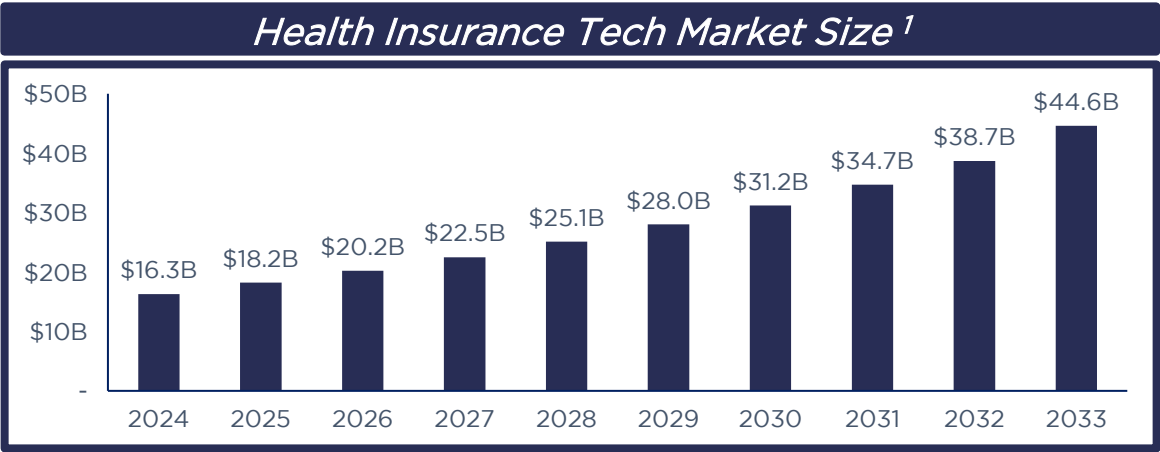
Acquirers are targeting benefits administration, navigation, and payer-grade platforms to modernize core workflows and expand enrollment and plan-design capabilities

Select Recent Health & Benefits Tech Raises

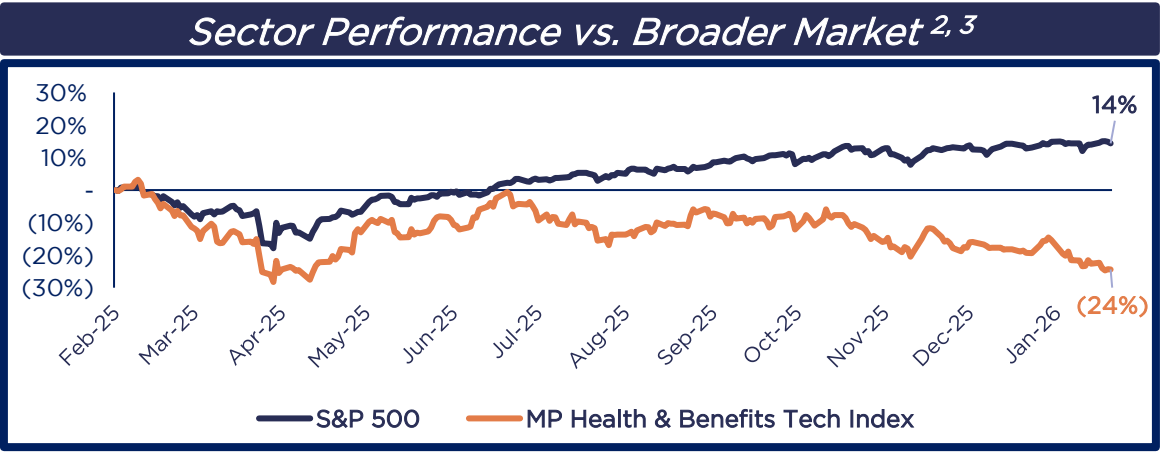
Date	Target	Investor(s)	Raise Amount
2/3/2026	 pasito	 INSIGHT PARTNERS	\$21M
9/30/2025	 SureCo	 healthvelocity CAPITAL  KAISER PERMANENTE VENTURES	\$23M
8/4/2025	 employee NAVIGATOR	 JMI EQUITY  spectrum equity	\$100M
6/11/2025	 ZORRO	 Entrée Capital	\$20M
5/28/2025	 NEO INSURANCE SOLUTIONS	 ITOCHU	NM
4/22/2025	 healthee	 Key1 Capital	\$50M
4/3/2025	 THATCH	 Index Ventures	\$40M
4/1/2025	 Venteur	 Informed Ventures  AMERICAN FAMILY VENTURES	\$20M
1/14/2025	 Solera	 HCSC Health Care Service Corporation	\$40M
12/19/2024	 Remodel health®	 OAK HC FT  Hercules CAPITAL	\$100M

Investors are backing enrollment, navigation, and individual-coverage platforms that enable ICHRA adoption and lower cost-to-serve across the benefits lifecycle

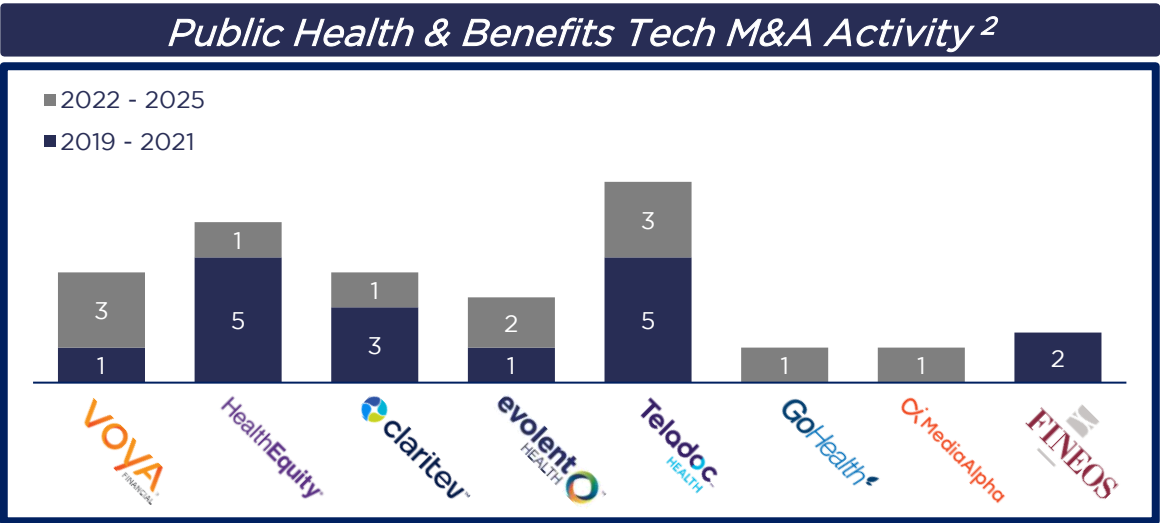
Health & Benefits Tech Remains Resilient Despite Public Market Performance



The global health insurance technology market is robust and projected to nearly triple from 2024 – 2033, growing at an 11.8% CAGR over this period



Health & benefits technology companies have underperformed the market as the sector undergoes a multi-year platform modernization and consolidation cycle



Public M&A has remained steady, with activity concentrated in targeted, strategic acquisitions that expend platform capabilities and reinforce core offerings

Public Health & Benefits Tech Trading Comparables ²

Company Name	Ticker	EV (\$M)	TTM Rev (\$M)	TTM EBITDA (\$M)	TTM EV / Rev	TTM EV/EBITDA
Voya Financial	VOYA	\$11,496	\$8,189	\$1,055	1.4x	10.9x
HealthEquity	HQY	\$7,413	\$1,291	\$455	5.7x	16.3x
Claritev Co.	CTEV	\$4,985	\$951	\$522	5.2x	9.6x
Alight, Inc.	ALIT	\$2,712	\$2,289	\$430	1.2x	6.3x
Oscar Health	OSCR	\$1,541	\$11,701	(\$368)	0.1x	NM
Evolent Health	EVH	\$1,270	\$2,054	\$80	0.6x	15.9x
Teladoc Health	TDOC	\$1,177	\$2,528	\$16	0.5x	NM
GoHealth	GOCO	\$597	\$738	\$59	0.8x	10.2x
MediaAlpha	MAX	\$561	\$1,123	\$87	0.5x	6.4x
FINEOS	FCL	\$558	\$161	(\$15)	3.5x	NM
eHealth	EHTH	\$449	\$543	\$57	0.8x	7.9x
Median		\$1,270	\$1,291	\$80	0.8x	9.9x

Health & Benefits Technology Illustrative Ecosystem

Companies to Watch

Carrier & Payer Core Platforms

Quoting & Enrollment

Broker & Agency Platforms

BenAdmin & Defined Contribution Platforms

Benefits Navigation & Advocacy

Data & AI

Boutique Feel. Big League Results

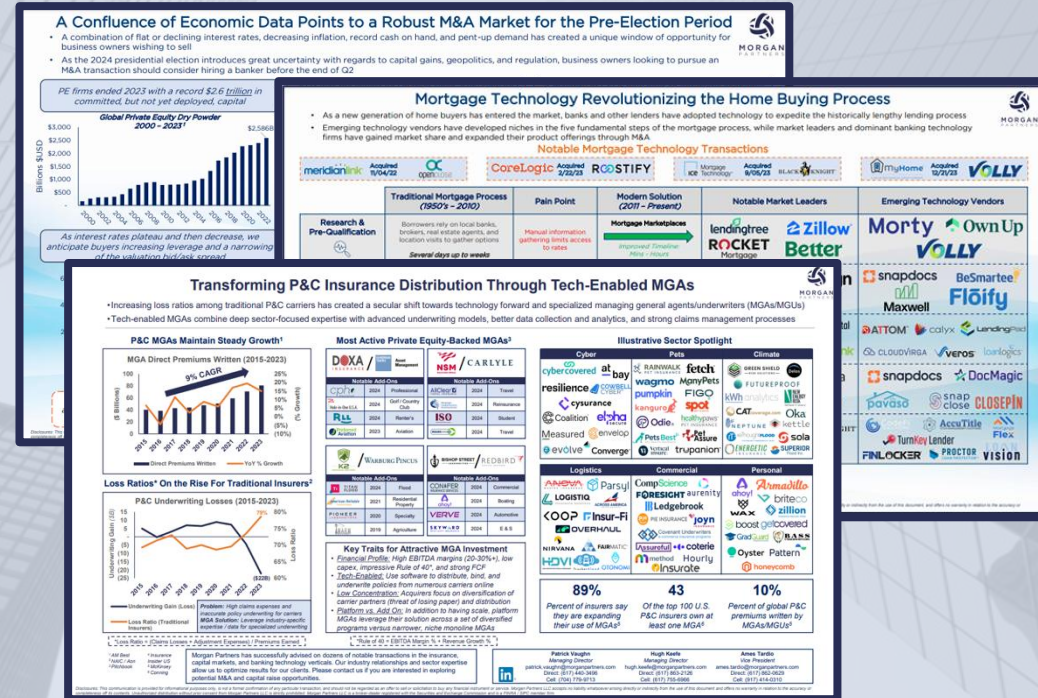
Morgan Partners has deep expertise advising FinTech companies across the middle market

Firm Overview

Morgan Partners is a leading middle-market investment bank exclusively focused on the financial technology sector with sell-side advisory, capital formation, and selective buyside advisory services.

With 20 years in the middle market under our belts, we focus exclusively on the insurance, banking, and capital markets end markets. We know the space inside and out, enabling us to bring deeply niche expertise and a tailored white-glove service to each and every engagement.

Sector-Focused Market Research



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Select Recent Transactions

Pamlico CAPITAL

HAS MADE AN INVESTMENT IN

Calcfocus

FINANCIAL ADVISOR TO THE SELLER

Portage

HAS MADE AN INVESTMENT IN

xceedance

FINANCIAL ADVISOR TO THE SELLER

ITOCHU

HAS MADE AN INVESTMENT IN

NEO INSURANCE SOLUTIONS

FINANCIAL ADVISOR TO THE SELLER

eberl

A PORTFOLIO COMPANY OF

low FORSYTH partners

HAS ACQUIRED THE CLAIMS DIVISION OF

BB Bees360

FINANCIAL ADVISOR TO THE SELLER

XC xceedance

HAS ACQUIRED

Millennium Information Services, Inc.

FINANCIAL ADVISOR TO THE SELLER

ReSourcePro

A PORTFOLIO COMPANY OF

KELSO PRIVATE EQUITY

HAS ACQUIRED

LOWRY & ASSOCIATES, INC.

FINANCIAL ADVISOR TO THE SELLER

NexPhase CAPITAL

HAS MADE AN INVESTMENT IN

ISI Insurance Systems Inc.

FINANCIAL ADVISOR TO THE SELLER

Alacrity SOLUTIONS

A PORTFOLIO COMPANY OF

BlackRock

HAS ACQUIRED

Cross Country ADJUSTING

FINANCIAL ADVISOR TO THE SELLER