

EXECUTIVE SUMMARY

Although ~72% of the Mexican population is covered by public social security (mainly [IMSS](#), [ISSSTE](#) and IMSS-BIENSTAR), systemic inefficiencies, long wait times, and a focus on curative rather than preventive services create significant disparities in healthcare access. While this is mainly associated with public health services, even for the small fraction of the population that can afford private health insurance, most incumbents offer significantly poor user experience due to the high intermediaries and legacy systems traditionally customary to the industry - while only covering major medical expenses.

[Sofia Salud](#) is a Mexican tech-enabled health insurance company founded in 2018. It is the only regulated private insurer that includes preventive and primary care in its coverage— all done through a robust mobile app with outstanding user experience and transparency.

Sofia operates on an insurance premium collection revenue model, with plans priced between US\$450-US\$700/year (positioning itself in the mid-to-lower pricing range). So far, the Company has demonstrated strong growth with Gross Written Premiums reaching US\$5.7M in FY 2023 (vs. US\$1.9M in 2022) and ~8,500 active users. This growth has mainly been fueled by its recent focus on B2B sales, with a strong emphasis on SMEs – although the Company also targets individuals through its B2C business line. The Company's cost and expense structures are optimized for its digital-first model, leading to healthy contribution margins (23%) and a strategic partnership with a reinsurer –[Reinsurance Group of America](#)– to manage risks – where Sofia cedes 80% of its premiums for a ~30% commission fee over the ceded value.

One of Sofia's most notable products is its [Maternity Care](#) solution, which covers all pregnancy-related and post-partum expenses, such as delivery, consultations, medicines and studies, miscarriages – as well as mental health coverage, lactation workshops, and back-to-work trainings. This solution is designed to accompany women through their whole maternity journey while reducing out-of-pocket spending by at least ~US\$9,400. This, and other gender-oriented practices such as a domestic violence prevention protocol, make Sofia compelling to female users.

As of today, only traditional players ([AXA](#), [GNP](#), [MetLife](#), etc.) operate within the health insurance space – leaving a huge service gap for more user-friendly services targeted at younger populations (Sofia's management explains the new Company as the "[Nubank model](#)" for insurance). This and the fact that getting the regulators' license to operate as an insurer is extremely time-consuming and expensive (it took Sofia 2 years to get approval from the [Comision Nacional de Seguros y Finanzas](#)) makes the entry barrier to the space high. The total addressable market is vast, especially for B2B. Sofia's strategic plan targets capturing 1.3% of this, aiming to generate around US\$215M in annual premiums within the next five years.

The Company was co-founded by [Arturo Sanchez Correa](#), [Sebastian Jimenez-Bonnet](#), and [Manuel Andere Portas](#), a team with a blend of expertise in statistics, data science, and strategic consulting in companies such as [Google](#), [McKinsey](#) and graduate studies from both [Harvard](#) and [Stanford](#) universities. As of the end of 2023, the Company had 118 employees – all working remotely. Among its shareholders are [Index Ventures](#), [Kaszek Ventures](#), [Ribbit Capital](#), and [Cavalry Ventures](#); with additional angel investors like [David Velez](#) of Nubank and [Gloria Baeuerlein](#) of [Puzzle Ventures](#).

The project will align with the IDB Group's objectives of gender equality and diversity. Over the next five years, Sofia expects to grow its user base by 1,162% to more than 100,000 users, while growing its female user base to more than 53,633 users and ensuring that at least 50% of them benefit from superior maternity coverage (more comprehensive vis-a-vis traditional insurances), 30% undergo mammography and 15% receive PAP smears, directly contributing to early detection and treatment of women's health issues.

Currently, Sofia is raising US\$15M in a Series A extension at a pre-money valuation of US\$30M led by [K-Fund](#), with follow-ons from Kaszek Ventures and Index Ventures. IDB Lab is considering a US\$1.75M ticket for a participation of around 3.89% in the cap table. This round would provide an additional 27 months of runway and take the Company to their forecasted roadmap and profitability.