

FirstBest Financed With \$7M Series A

By Daniel Hausmann
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Insurance-software company FirstBest Systems Inc. raised \$7 million in Series A backing for expanded sales and marketing.

IDG Ventures Boston led the round, which closed in September. The firm was joined by the company founders' firm NextStage LLC and Brookstone Partners, both first-time investors. The company has raised \$10 million to date and has a post-money valuation of \$14 million, according to Chief Executive John Belizaire. The other \$3 million in backing came from the company founders directly, not through NextStage, and they retain the majority stake in the company.

IDG General Partner Chip Hazard and Brookstone Managing General Partner Michael Toporek will join the FirstBest board of directors. Hazard said it could be 18 months before the company looks for a Series B.

Founded in 2006, the Lexington, Mass.-based company makes a Web-based software program to manage underwriting for mid-market commercial insurance carriers. Traditional methods of underwriting could take up to 22 days to complete; FirstBest's technology cuts that down to hours, according to Belizaire. The company has generated \$2 million in revenue in the past 12 months, and Belizaire expects 50% growth going forward. The company is currently not profitable.

This is the second company started by Belizaire and his colleagues at NextStage. They previously launched e-commerce company TheoryCenter. That company was acquired for \$100 million in cash and stock by BEA Systems Inc. in 1999.

A New York-based company, Riskclick, pushed an offering of digital underwriting and raised over \$16 million through 2005, according to VentureWire records. Hazard said he doesn't think FirstBest would have to raise more than, if as much, as Riskclick.

FirstBest has about 25-30 employees.