

Oakland, Calif.

Belvedere Capital Buys Into Insurance Co. VRT With \$5M

By Daniel Hausmann

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Looking to rethink the structure of the insurance industry, VRT Insurance Services Inc. has raised \$5 million in Series A backing from a sole investor.

Belvedere Capital now owns 10% of the overall company, according to VRT Chief Executive David Alvarado. The 38-employee company has a post-money valuation of \$50 million. The money will be used for general growth, Alvarado said.

Belvedere Capital, a San Francisco-based private equity firm, invests in banks and financial services companies.

Unlike most insurance brokerages, VRT splits profit and equity between the parent company and its regional divisions, according to Alvarado. This is designed to be an incentive to lure brokers from other insurance companies.

After the Series A round, Belvedere owns 10%, Alvarado owns 40% and the divisions own the remaining half of the total company.

Founded earlier this year, the Oakland, Calif.-based company expects to close the year with \$8.5 million in revenue. VRT has been profitable since its second month of existence, Alvarado said, though he declined to give details. Alvarado said he expects to generate \$125 million in revenue within the next five years. He does not anticipate raising another venture capital round.

The company sells commercial liability, property insurance, health benefits and other services to companies in the categories of construction, real estate, information technology, early stage, emerging growth and general business.

<http://www.vrtinsurance.com>