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Strategic Investors Invest in CXA Group aiming health ecosystem platform

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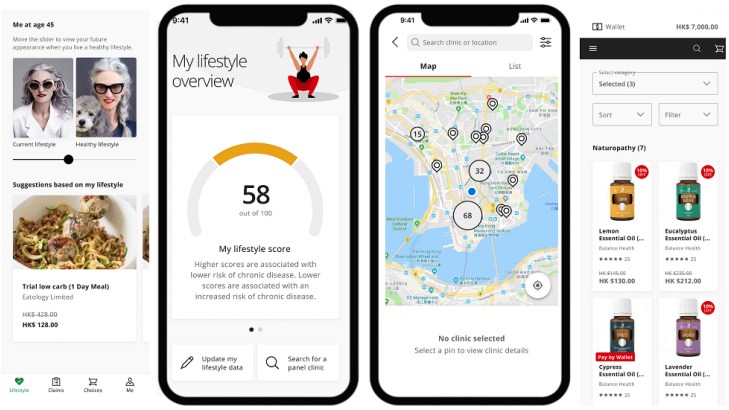
The investment backs unique ability to shift healthcare spend from treatment to prevention, while keeping costs under control



CXA Group (CXA), Asia's first employee ecosystem platform for better health, wealth and wellness choices, announced on 13 May 2020 that it has raised fresh funding from Humanica, Thailand's leading HR solutions provider, and HSBC Life (International) Limited, an indirect wholly-owned subsidiary of HSBC Holdings plc ("HSBC"), one of the world's largest banking and financial services organisations, underscoring the company's aim to be the leading health ecosystem platform white-labelled by banks, insurers and payroll firms to address escalating healthcare costs for their clients.

With this latest capital injection, Humanica, in particular, has doubled its investment in CXA as a continuation of last year's convertible note bridge financing. CXA achieved revenue growth of 50 percent in 2019 and the start-up had previously raised US$58 million in total funding from Series A, Series B, and a convertible note round in 2015, 2017 and 2019, respectively.

In addition to the funding, CXA has signed a Memorandum of Understanding (MOU) with Humanica to integrate its Human Capital Management platform with CXA's platform in Thailand.

Rosaline Chow Koo, Founder and Chief Executive Officer, CXA Group, said: "The follow-on investment reflects Humanica and HSBC Life's confidence in CXA's long-term growth opportunity. It also further backs our unique ability to shift healthcare spend from treatment to prevention, while keeping costs under control. We continue to see overwhelming interest from strategic investors who are excited to work with us to advance our vision of enabling healthier living across Asia and will have more developments to announce in the coming months."

CXA Scaling to Serve SMEs in Thailand Through Integration with Humanica

The CXA and Humanica MOU will result in business and technology integration between Humanica's leading Human Capital Management solutions and the CXA platform in Thailand. The collaboration brings a combined digital HR payroll and employee benefits offering to better serve Humanica's 3,000 local enterprise customers and their 700,000 employees.

Through the aggregation, anonymisation and analysis of digitised health, life-stage and payroll data, the offering from CXA and Humanica helps employers get to the root cause of their workforces' health issues and design specific interventions. This can include corporate wellness and disease management initiatives that will have a significant impact on cost and health

improvement and reduce future spending on chronic diseases.

Soontorn Dentham, Chief Executive Officer, Humanica, said: “CXA’s innovative use of analytics helps our enterprise clients effectively manage their healthcare costs and promote their employees’ well-being. This combined payroll, employee benefits and health ecosystem platform offering will be an essential part of HR and employee experience transformation for our corporate and SME customers in Thailand, and we believe it will be the first of more value-adding integrations involving CXA.”

CXA to Help Prospective Partner Banks Expand Reach of Their Bancassurance Offerings

This latest funding will help CXA further customise its platform from a software engineering perspective, which can then be white-labelled and used separately by each bank in the Asia region and offered to their base of commercial banking clients.

By white-labelling CXA’s one-stop, self-service platform, employees of the regional banks’ clients will have access to a range of health, wealth and wellness offerings that are personalised based on the individual’s health and life-stage data, via a mobile application. Employees can purchase offerings by drawing down on existing insurance policies provided by their employers and using funds that are then released into the platform’s eWallet to make transactions.

“We have built the CXA platform to directly integrate the entire healthcare spectrum, from insurance, telemedicine, e-pharmacy, in-clinic consultations, dental and health screenings to wellness offerings like fitness classes and mental health, with a proven model that delivers cost savings for employers by eliminating intermediaries like agents or third-party administrators (TPAs). By adapting this platform – one that people could use every single day – and making it available through banks to SME employers and employees, our ambition is also to help the banks serve more personalised bancassurance offerings that individuals need and want in their personal lives, at precisely the right moment,” said Koo.

While CXA has successfully offered its brokerage services and health ecosystem platform to 600 enterprises, the latest collaboration agreements are outcomes from the expansion of CXA’s business strategy to develop an enterprise-grade software solution and enhance technical capabilities during the past 12 months. To build these technical capabilities, CXA partnered ThoughtWorks in January 2019 and established a technology hub in Vietnam for software engineering in July 2019.

“Building an enterprise-grade white-label software that can be integrated with the complex systems of banks, insurers and payroll firms is no trivial task and it has involved us having to build a reference microservices architecture that is scalable, API-led and open source, from scratch. These latest developments are a culmination of our team’s intensive engineering work in the past year and we look forward to continuing to work closely with Humanica and prospective regional banks to launch our software to their corporate customers, and as importantly, the employees of these enterprises,” said Koo.