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Openly plans 5x annual premiums alongside US expansion, CEO says

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Openly, a Boston-based homeowner insurance platform and managing general agent, eyes aggressive premium growth in 2021 as it more than doubles the number of US states where it operates, said Ty Harris, CEO and co-founder.

With its recent Series B funding, Openly plans to grow 5x annual premiums this year, Harris said. Openly sold annual premium in the single-digit millions by the end of 2020, he said.
To achieve this goal, the company plans to have a presence in more than 20 states and 4x the number of independent agencies it partners with, Harris said. It sells insurance through 1,200 independent agencies, he said.

The company currently operates in seven states: Illinois, Arizona, Tennessee, Pennsylvania, Kentucky, Wisconsin, and Ohio. The next strategic states are Massachusetts, Indiana, South Carolina, New Mexico, Georgia, Kansas, Oklahoma, Connecticut, Missouri, New Hampshire, and Oregon, the CEO said. The geographic expansion timeline depends on the regulatory approval process as it needs to file the specific homeowner insurance product for every new state, he said.

The company announced a USD 40m Series B led by **Advance Venture Partners** in December, with participation from return investors, including **Gradient Ventures**, **Obvious Ventures**, **PJC** and **Greenlight Re**. The Series B, which followed six months after a USD 15m Series A, has brought the total investment in Openly to more than USD 62m.

Becoming a licensed carrier to build a full-stack insurance platform is a popular way for many insurtech firms, and Openly would also want to pursue that path in the long term, Harris said. However, building its own carrier is not on the company's one-year plan, he said.
Openly is still evaluating whether to apply for a carrier license itself or pursue an acquisition to get the license, Harris said. Applying for a license and building from scratch is time-consuming while acquiring a license could be more expensive and brings more liability, he said.

Hippo Insurance, **Metromile**, and **Bestow** are among insurtech companies that used acquisitions to build national carrier licenses.

The company has seen tailwinds from COVID as people are moving out of metropolitan areas to spacious single-family homes in suburban areas, such as those outside of Nashville and Phoenix, Harris said. Meanwhile, Openly's virtual insurance underwriting capabilities help serve clients remotely, he said.

Openly was not shopping broadly for a Series B. In Late September, Advance Venture Partners Founding Partner Courtney Robinson encountered Openly when buying homeowner insurance herself, and then approached Openly about an investment, Harris said, adding that the whole deal moved very fast.

Openly does not plan to raise additional capital in the near term as it wants to "take a little break" to focus on organic growth, Harris said. The company is not profitable, he said.
In 2021, Openly is working on adding more features to help independent agencies manage existing policies, and upgrading services such as payments and billing, Harris said. It launched the insurance product in October 2019, and has spent most efforts building insurance quoting and selling features, he said. The company does not plan to use

acquisitions to add features as its own system is tightly coupled and could be hard to insert other systems, he said.

Openly won’t rule out any potential exit plan, whether it is an initial public offering, an acquisition by a private equity firm or an acquisition by a strategic player, Harris said. The company holds frequent conversations with different types of investors, he said, declining to elaborate.

Logical buyers can be a giant carrier that wants to build a homeowner insurance product, enter the US or add tech capabilities, Harris told this news service in July, pointing to **Allstate** [NYSE:ALL]’s acquisition of National General Holdings for approximately USD 4bn in cash and **Tokio Marine Holdings** [TYO:8766]’s acquisition of Privilege Underwriters and its subsidiaries Pure Group for USD 3.1bn.

The company, which was founded in 2017, has 50 employees and plans to increase headcount to 125 to 150 by year-end, Harris said.

It works with **Goodwin Procter** for legal counsel.

by Xinyi Jiang in Charlottesville, Virginia