

Insurtech Lemonade Wins \$34 Million in New Funding As It Readies for West Coast Expansion

By [Andrew G. Simpson](#) | December 5, 2016

<http://www.insurancejournal.com/news/national/2016/12/05/433992.htm>

Lemonade, the home and renters insurance company run by artificial intelligence and behavioral economics, announced a \$34 million B round of funding.

The latest round was led by General Catalyst with participation from GV (formerly Google Ventures), Thrive Capital and Tusk Ventures, as well as existing investors Aleph, Sequoia, and XL Innovate. This brings Lemonade's total funding to date to \$60 million.

Lemonade was licensed as an insurance carrier in New York on September 15, 2016. The company said it has filed for a license in California and plans to expand in 2017.

In an unusual move, in September Lemonade **revealed its early numbers** after its New York opening in a message from co-founder Shai Wininger. It said it sold 142 policies and generated \$14,300 in gross written premium in its first 48 hours.

"We believe in replacing brokers and paperwork with bots and machine learning, and we now have the backing to unleash this formula across new products and geographies," said Daniel Schreiber, co-founder and CEO at Lemonade, announcing the new funding.

Lemonade uses bots, or software that automatically performs simple tasks, to deliver insurance through its app and at lemonade.com. Consumers also file claims with the bot, which is authorized to pay claims instantly and without human intervention, creating what Lemonade's founders say is a "delightful" insurance experience for customers.

Unlike traditional insurance companies, Lemonade takes a flat fee and gives back unclaimed money to causes policyholders care about. Lemonade's "Giveback" program derives from studies by Lemonade's **Chief Behavioral Officer**, Professor Dan Ariely, and has earned Lemonade a B-Corporation certification.

"Lemonade is revolutionizing insurance, transforming one of the largest and most outmoded industries into an enjoyable experience for consumers," said Joel Cutler, managing director, General Catalyst and a Lemonade board member.

"We look for companies that have the potential to radically improve customer experience, and we saw that clearly in Lemonade. They are harnessing a compelling mix of behavioral economics, artificial intelligence and great design," said Tom Hulme, GV General Partner in the announcement.

Source: Lemonade