

# **USC's Innovista Lands its First Private Tenant; Duck Creek Insurance Software Firm Plans to Employ 200 at New Research Campus**

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Duck Creek Technologies, an insurance software and services company headed in part by Columbia entrepreneur and venture capitalist Larry Wilson, will be the first private tenant on USC's Innovista research campus. USC and company officials will announce today that Duck Creek, which opened a Columbia operation last fall, will put a research, product development and service office in Innovista's Horizon Center. Duck Creek may be just the tip of the iceberg for an insurance technology industry presence in Innovista.

USC is recruiting companies focused on research and development in the fields of information science and leading-edge, market-driven sciences. The goal is to spin off new "knowledge-based" companies that will create more — and high-paying — jobs. Duck Creek expects to employ at least 200 people in Innovista, with an average salary of \$85,000 a year, said Wilson, who was named chairman of the company's board last year.

The company will lease the fifth floor of the Horizon II building being privately developed at Assembly and Blossom streets. The company also has an option on the fourth floor to accommodate anticipated growth. The building, adjacent to USC research lab space also under construction, is scheduled to be completed next spring.

University officials declined to comment until an official announcement at 11 a.m. today. But Columbia Mayor Bob Coble hailed the move as "the most important step we have taken in Innovista. ... Getting the first company in is critically important." Coble said he is not concerned that Duck Creek is not connected to one of the sciences that are USC's primary focus: future fuels, nanotechnology and biomedical and environmental research. "I believe that we always have to remain flexible and open to what the market will bring us," Coble said. "I think an insurance cluster is something we need to look at very strongly."

John Parks, the new executive director of Innovista, declined to discuss details Thursday. But he said, "We are certainly interested in every knowledge-based company that wants to locate here. There are a lot of things that we may not have targeted. But that will certainly come into play, and we will take advantage of it if we have the opportunity." Getting a first announcement is "just terrific — everybody has been waiting and anxious," he said.

Duck Creek will have tremendous synergy with USC's College of Engineering and Information Technology, Wilson said, as well as with the USC business school. He became chairman of Duck Creek following an investment in the company by New York-based Pequot ventures. The venture is the capital arm of Pequot Capital Management, which oversees \$1.8 billion in investments.

Wilson, the founder, former chairman and president of Policy Management Systems Corp.,

which became Mynd and merged with Computer Science Corp. (CSC), joined Pequot Ventures as a partner last summer. He had been a co-founder and managing general partner of The Trelys Funds, a Columbia-based venture capital firm. Pequot brought Wilson on board to help it build its insurance technology business, something Wilson knows quite well.

Pequot has been active in the insurance technology industry, with investments in Duck Creek, Superior Access and Swingtide. "We want to expand and do more in that space," Wilson said, and it is likely that a lot of it could be done in Columbia. Columbia already has a large insurance technology cluster, with companies like BlueCross BlueShield of South Carolina, CSC, Fiserve, Acrosoft, T M Floyd & Company, Insurance Services Office Inc. and others. Many of the insurance services companies in Columbia are derivatives of PMSC, Wilson said, and there is a wealth of insurance talent in town.

Duck Creek's jobs will be primarily in software research and development. "People will be designing and developing new state-of-the-art, Web-based, software systems for property and casualty insurance companies," Wilson said.

Duck Creek is a fast-growing company, based in Bolivar, Mo. Founded in 2000, the company has been doubling in size every year, Wilson said. The company has been on the Inc. 500 list of the fastest-growing companies in America for the past two years. Duck Creek reported revenues of \$10.8 million and 169 employees for the magazine's 2006 list when it placed No. 229 with a three-year growth rate of 554.8 percent. It was No. 63 on the 2005 list with revenues of \$6.4 million, 97 employees and a three-year growth rate of 1,131 percent.

The company announced the opening of a regional office in Columbia at the same time Wilson was named board chairman. The company originally opened in the former Trelys offices in the BB&T building at Assembly and Richland streets. It quickly outgrew that space and now is in temporary quarters in the Carolina Research Park in Northeast Richland. Its 50 employees will be part of the 200 working in Innovista. It is headed by Lee Fogle, senior vice president for field operations, and Stephen Hall, senior vice president for insurance applications.

Hall is a former CEO of Colonial Life and Accident Insurance Co. and CFO of The Trelys Funds. Fogle worked with Wilson at Policy Management Systems and for the past five years has been a vice president of Insurance Services Office.