Verisk™

Maximize actionable underwriting data at bind and renewal

Personal Property Solutions

Evaluating property risk is increasingly complex and data-intensive

Integrating many fragmented data sources to capture property features and an array of risk factors can be difficult and often costly. And then you need to keep the data current. You can simplify workflows and accelerate underwriting and rating with a consolidated, wide-ranging, and continually updated source.

New business underwriting
You want to get the coverage and the price right, but today's customers want to get it quickly. With up-front access to deep, timely data resources through Verisk's InsurTech platforms—such as LightSpeed™ for Homeowners— both goals can be reached with a single, reliable quote on new business in minutes.

Plus, digital verification tools, such as OneXperience™, can confirm hazards and key property features that impact the property structure.

Reunderwriting
Once a policy is bound— even with the most current data at the time— the environment, the economy, and the customer's life keep moving. Shifting household circumstances can affect property condition and risk characteristics, while economic factors may drive property values and reconstruction costs up or down.

Automated alerts that keep you up to date at the property level to fuel more risk-appropriate decisions. Change Detection can help you see what matters, including property and ownership changes.

And the robust data from OneXperience can help monitor and detect changes in exposure during the renewal cycle.

Robust data and powerful analytics support smart decisions based on:

- Geographic risk and by-peril (including mitigation activity tracking)

- Replacement cost and other coverage estimates

- Other prefill and risk analytics (including features, condition, occupancy, ownership)

- Regulated claims and credit data

Pinpoint weather and catastrophe perils by property

It takes a wide-array of risk-specific information to underwrite and price property insurance accurately, manage exposure at the portfolio level, and keep up with changes at renewal. Assembling the data can be a frustrating scavenger hunt—but it doesn't have to be. LOCATION® services from Verisk provides a suite of solutions that can put the data you need in one place.

Community resiliency and safety data:

Building code effectiveness: Local building codes and community commitment to enforcement can affect natural catastrophe losses. Get fast, accurate information with Building Code Effectiveness Grading Schedule (BCEGS®) codes.

Crime: Get objective address-level risk data, including past, present, and projected crime risk scores to help forecast losses.

Distance to Coast: Examine the coastline, capturing how close properties are to oceans, gulfs, the Great Lakes, and other major bodies of water.

Fire Protection: LOCATION® Public Protection Classification (PPC®) measures the effectiveness of a community's fire mitigation efforts and the property site relative to station response and water resources.

Sinkholes: Mitigate sinkhole risk and guard against hidden damage lurking at properties throughout Florida.

Natural hazard and catastrophe risk:

Wildfire: Wildfires are a devastating source of large insurance losses. FireLine® provides address-level information to analyze the risk fully. The tool examines environmental factors like vegetative fuel, terrain/slope, road access, and winds. Mitigation activities are also tracked at the property and community levels through imagery solutions and industry partnerships.

Hail: Hail damage to roofs often goes unnoticed and unreported, but hail risk assessment resources that can help insurers manage risk more effectively. Hail Damage Score™ uses granular hail size and intensity information to assess the potential for preexisting hail damage to a property, and Hail Risk Score™ indicates the likelihood of future hail damage at a property over the short to medium term.

Flood: Flooding causes millions of dollars in damage in the U.S. every year. WaterLine™ takes flood risk beyond traditional maps maintained by the Federal Emergency Management Agency (FEMA).

Preparing for better tomorrows:
Mitigation efforts can have a significant impact on risk assessment. At the property-level, defensible space and structure hardening efforts provide a stronger shield against fire risk. While at the community level, mitigation programs sponsored by governing forces can put the community in safer hands.

Pinpoint your property locations
Knowing the exact location of a property is critical to accurate underwriting and pricing, but some of the riskiest exposures can be the hardest to pinpoint. Sparsely populated areas present challenges in accurate geocoding of building structures, which can lead to gaps in traditional geocoding data.

GeoPin™ fills in those gaps with a new level of geocoding insight to identify risk-exposure proximity down to the building address level. It deploys Verisk-exclusive resources to rank the geocode accuracy level of each U.S. property.

Key capabilities along the policy lifecycle:

New business:
- Eligibility and coverage
- Inspection trigger
- Marketing and growth

Reunderwriting:
- Monitor and detect changes in exposure

Get reliable replacement costs across your portfolio

Traditionally, replacement cost estimates (RCEs) fluctuate by an average 2 to 6 percent as homeowners improve properties and building material prices rise and fall. However, in times of economic disruption and soaring inflation, costs even a few weeks out of date may not be current enough to rely upon. Verisk data shows the average cost to rebuild a property has risen more than 11 percent since March 2020.

From underwriting to renewal, 360Value® provides reliable RCEs, accounting for all the costs needed to reconstruct a property to its original condition—down to the screws and nails. The tool is backed by three core beliefs:

Currency
Verisk's monthly refinements to RCEs better reflect current market realities. Monthly building cost updates help flatten the curve of potential cost spikes, reducing the likelihood of unpleasant surprises for insurers quoting policies and property owners applying for insurance.

Localization
Material costs and labor rates for trades can shift from one region to another, even within a state. Verisk reports on cost components at the zip-code level when applicable, including architect fees, permit fees, and sales tax, all of which have a significant impact on estimated replacement costs.

Claims connection
360Value uses the same building cost information as Verisk's claims loss estimation system, Xactimate. Its updates come from extensive research, direct data feeds, claims analyses, and communication with 92,000 claims and building contractors. Through on-going studies, Verisk finds that RCEs compared to total loss claims vary by less than 1% on average for single family homes.

Prefill data to accelerate personal property underwriting
Prefill sources that dependably deliver "hits" on property addresses can support a better process for insurers, agents, and their customers. SmartSource®, Verisk's multisource property prefill database, analyzes diverse data sources to identify the most reliable information per characteristic for more than 124 million residential properties.

What sets 360Value apart?

- Componenet-based replacement cost estimates based on actual claims information
- Direct connection to other key underwriting information from Verisk
- Partnerships to provide superior customer service and customized solutions
- Continually reviewing best practices to receive the most value and help prevent underinsurance
- Current data to stay on top of volatile trends
- Estimates are available for diverse structure types
- Updates are backwards compatible— no new coding needed from your IT team

Key capabilities along the policy lifecycle:

New business:
- Coverage estimation
- Contents estimates

Reunderwriting:
- Monitor and detect changes in exposure

Supporting **insurance to value (ITV)** is a win-win for you and your policyholders. Policyholders are better protected in the event of a total loss, and you collect premiums appropriate to the risk.

Know your roof exposure

A roof is a major investment that's subject to relentless wear and tear, making it a critical property underwriting attribute. Hidden damage presents a significant underwriting risk, as some roof claims caused by severe weather may not be filed until a year or more after the storm has passed.

Verisk helps insurers accurately manage roof risk by leveraging deep industry expertise and multiple, validated data sets:

- High-resolution aerial imagery providing a snapshot into the roof's condition deterioration, shape, damage-prone materials, nearby or overhanging trees, and expensive attachments such as solar panels
- Remaining useful life for a roof
- Permit detection to validate roof age
- Location-specific weather data that examines where there is previous hail damage and future risk
- Roof replacement cost estimates, updated monthly to account for the latest price surges
- Claims insights on surrounding residences

Staying on top of roof risk is important for more informed underwriting and rating. While traditional underwriting methods may be manual and inefficient, Verisk is here to provide a single, reliable source of roof information, offering robust data for every residential exposure.

Geographic risk also plays a factor
The Sunshine State has a unique combination of geography, laws, and circumstances that render accurate roof risk data utterly essential. It's the nation's most hurricane-prone state, making roof damage almost routine.

Florida roofs are more likely to be in critical condition than roofs in other states: 21.6% versus 1.4% nationwide—a 1500% difference. For residential roofs, the risk is even higher: 36.8% of residential roofs have five years or less of remaining useful life.

Florida roofs also tend to be newer than the national average: 48.7% are 10 years or newer, compared with 32.5% nationwide. Life expectancy for roofs in Florida is estimated to decrease by 10 or more years for the most common roof materials, asphalt shingles and concrete tile.

Roof risk by the numbers

30%
of all property loss dollars are for roof claims.

1.5 million
homes currently have poor or severe roof conditions.

90%
of most carrier's book of business are renewals but only 10% are inspected.

$1.31B
in annual premium leakage due to underestimated roof age.

27.2%
of roofs are misclassified as being younger than 15 years old.

Source: *Verisk Estimates*

Key capabilities along the policy lifecycle:

New business:
- Eligibility and coverage
- Understand underlying issues
- Inspection trigger

Reunderwriting:
- Coverage realignment
- Monitor and detect changes in exposure

Capture multiple indicators for property history and condition

Risk is rarely one-dimensional. Adverse selection and unrecognized risks can threaten property insurance profitability. Insurers need extensive data sources to examine a property more holistically and light up risks that may be hiding under the surface, before they find their way into their book of business.

Verisk helps insurers get a fuller picture of a property's risk with an ecosystem of expanding data, from permit insights to nontraditional intel, and imagery analytics, including:

- Understand the health of a structure's major systems, including building, mechanical, electrical, and plumbing to support accurate risk assessment
- Detect liability hazards in the form of swimming pools, trampolines, and amenities with the potential to cause injury to individuals.
- Leverage nontraditional data to help uncover property history, ownership and occupancy details, and sale/ mortgage information.
- Assess a roof risk more holistically, identifying condition and uncovering hidden damage

See every angle of risk
Spot premium leakage and better maintain insurance-to value by identifying property-level change events.

Then optimize the inspection process by detecting and flagging higher-risk policies that call for a review before renewal.

Condition risk by the numbers

- **20% increase** in last five years for permit data activity at the residential level
- **14% of properties** have experienced a coverage-impacting event since policy inception
- **63% of vacant properties** are written on traditional homeowners forms
- Properties with an LLC are nearly **3 times as likely** to exhibit condition issues
- **22% of rental listings** are found on homeowners forms
- **One in every 100 properties** on insurers' books are vacant

Key capabilities along the policy lifecycle:

New business:
- Eligibility and coverage
- Understand underlying issues
- Hazard detection
- Inspection trigger

Reunderwriting:
- Monitor and detect changes in exposure
- Confirm policy forms/ endorsements
- Inspection trigger

Loss history

Understanding claims history is critical to accurate quoting. With less uprating after the initial quote, you can improve the customer experience to help win and retain more business.

Verisk maintains a robust loss history database—powered by insurer contributions—to deliver A-PLUS loss history solutions. Reports on previous claims activity help you refine underwriting and rating.

- A-PLUS™ Claims Activity Profiler (CAP) helps optimize loss history costs by informing decisions on ordering full-detail reports—at the earliest point in the sales cycle. For a nominal fee, this solution provides point-of-quote indicators of applicants' existing claims history
- And when more claims information is needed, A-PLUS full-detail reports are regulated by the Fair Credit Reporting Act (FCRA) and provide up to seven years of claims activity on risks

Key capabilities along the policy lifecycle:

New business:
- Eligibility and coverage
- Understand underlying issues
- Inspection trigger

Reunderwriting:
- Monitor and detect changes in exposure
- Inspection trigger

About 70% of homeowners policies have no past claims.

Digital verification

Home inspections have always been essential for accurate underwriting. However recent economic and social disruptions have put a pronounced pressure on rethinking the process and the value it provides to insurers.

OneXperience goes beyond traditional inspection by providing a digital verification tool that insurers can use to gain critical insights for confident underwriting. Insurers can now easily use OneXperience to:

- Identify key underwriting characteristics including liability hazards
- Detect property change events at renewal
- Identify creditable home features, such as mitigation efforts
- Confirm claim work has been completed

Key capabilities along the policy lifecycle:
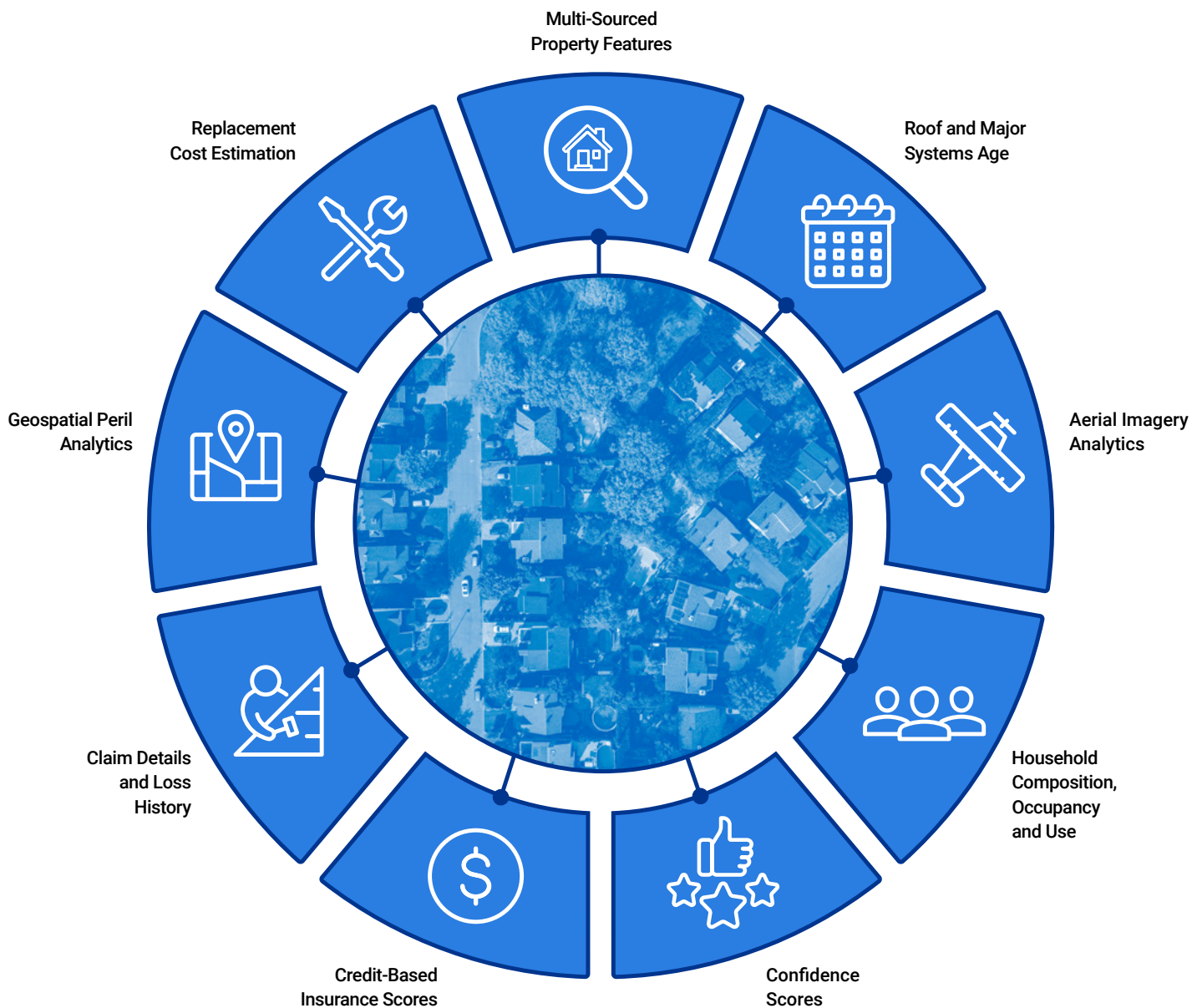
New business:
- Eligibility and coverage
- Understand underlying issues

Reunderwriting:
- Monitor and detect changes in exposure

Connect what matters

Deep analytics and actionable data can power a comprehensive view of property risk insurers need to support consistent rating and underwriting and simply workflows. Gain a comprehensive view of property risk today:

Multi-Sourced Property Features

Roof and Major Systems Age

Aerial Imagery Analytics

Household Composition, Occupancy and Use

Confidence Scores

Credit-Based Insurance Scores

Claim Details and Loss History

Geospatial Peril Analytics

Replacement Cost Estimation

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