

# Auto Policy History Analytics: The Future of Risk Segmentation

**Unlocking predictive behavioral insights at Rate Call 1 to help  
drive profitable growth as insurance shopping accelerates**



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## Leveraging policy history analytics to stay ahead of the competition

Unlock predictive insights to help drive profitable growth during peak shopping activity.

As personal auto insurance shopping accelerates, unlocking predictive policy insights at Rate Call 1 is a defining trait of industry leaders. Success often hinges on superior, sustainable acquisition and retention—but traditional snapshot data is losing its edge as a tool to distinguish among customers and outperform the competition.

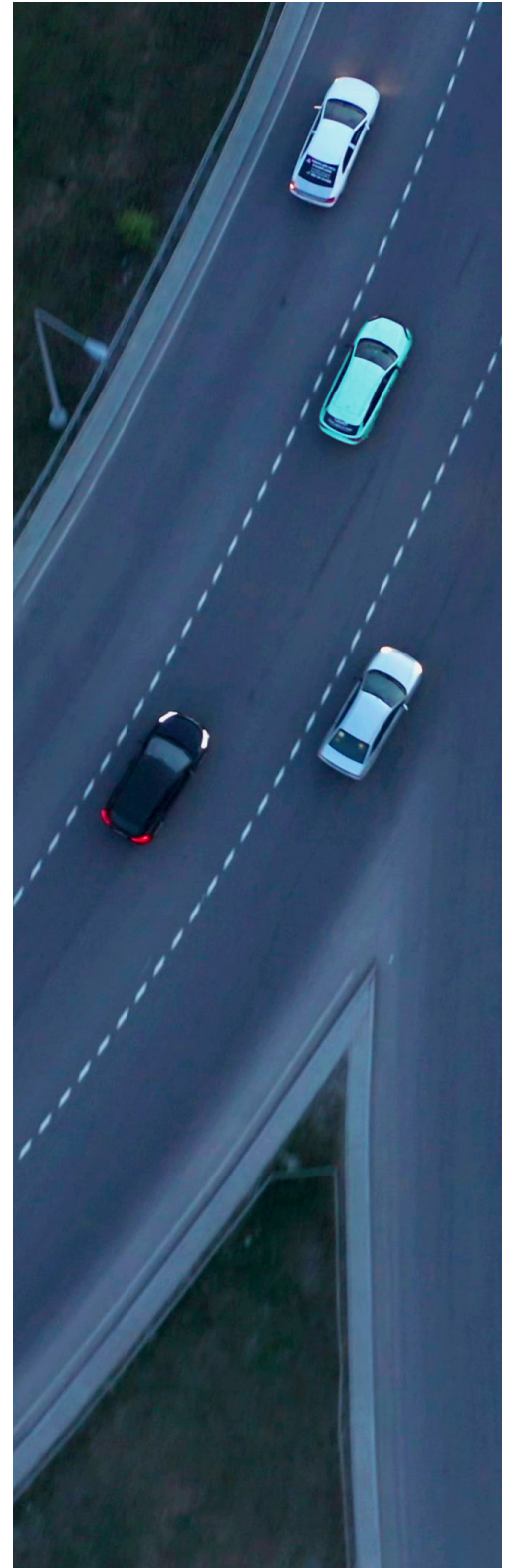
Verisk delivers transformative policy history analytics that help optimize quotes and drive profitable growth. This white paper is designed for executives and leaders in acquisition, actuarial, information technology (IT), product, and underwriting who require actionable insights to help reshape risk management, business eligibility, pricing, tiering, payments, lifetime value, and more.

In a market with record-setting shopping behavior that shows few signs of slowing<sup>1</sup>, carriers that lack these predictive insights are driving blind—without a rearview mirror to see what's behind or navigation to chart the road ahead. Insurers leveraging policy history analytics in real time at the quote stage can streamline underwriting, enhance the customer experience (CX), and be better positioned to capture more market share.

**For decades, insurers have leveraged policy and endorsement change behavior at renewal. What if you could harness historical policy data up front within seconds to more precisely predict future outcomes, tailor workflows, and help quote and bind policies efficiently?**

Post-pandemic price hikes have led to \$140 billion in auto premiums being shopped annually<sup>2</sup>, increasing the risk of losing both new and existing policyholders to more agile competitors. The stakes couldn't be higher. Insurance decision-makers must modernize their analytic toolkit to stay competitive.

Verisk's rich data can inspire forward-thinking innovation. Read on to learn more about how to avoid today's roadblocks and explore innovations to stay ahead of the curve.

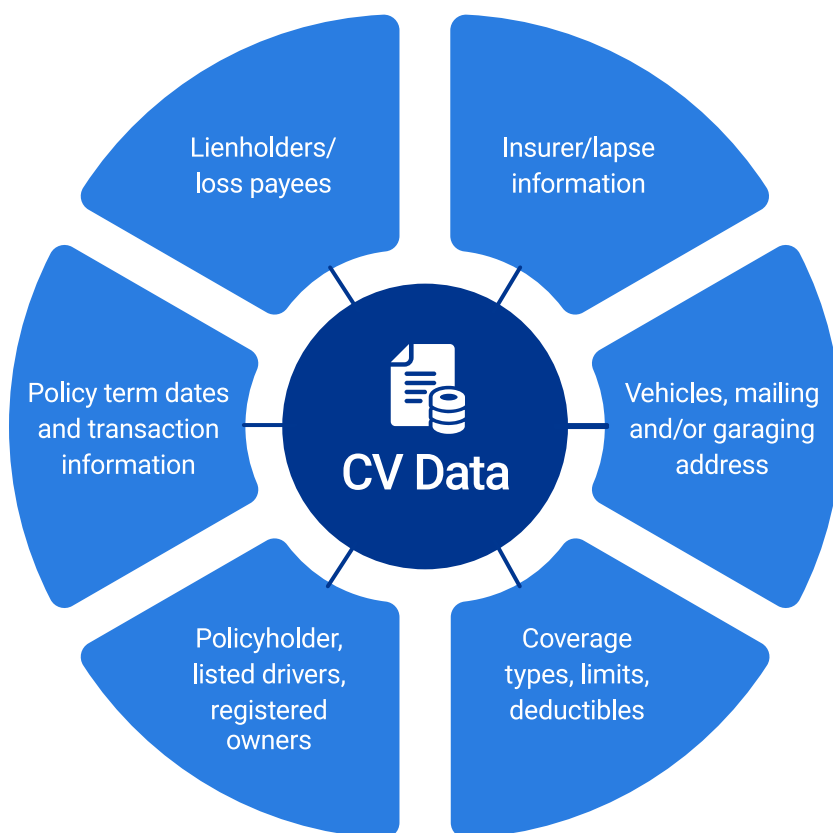


## A new standard for auto policy history solutions

Coverage Verifier delivers every contributed policy change for up to seven years.

Leveraging policy history insights starts with deep data and a detailed, chronological view of past policies. [Coverage Verifier](#) (CV) is a comprehensive, data-forward solution that helps auto insurers segment risks using traditional analytics, such as proof of existing insurance.

Verisk's proprietary data and reporting structures challenge the status quo by delivering policy changes—contributed by the majority of the industry—for up to seven years, providing unique insights into the applicant's transaction history that aren't available from a snapshot of their most recent policy. Examples of this information include endorsement and policy change behaviors, risk tolerance, payment patterns, and retention.



But there's still more to derive from CV data: analytic objects that enable insurers to move beyond the present. For example, what if you could spot applicants who routinely lower liability limits after issue? Industry leaders are discovering a better way to help drive profitability and refine segmentation by leveraging deep data and deeper insights up front at Rate Call 1—the initial quote a customer receives.

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Verisk's contributory data warehouse is vital to the industry, providing a solid foundation for actionable insights, reliable risk assessment, and market competition that helps keep analytic innovations affordable.

CV delivers rich underwriting data for application prefill to help accelerate quoting and pricing. Its robust infrastructure also powers [CV Services](#), which helps insurers with state reporting compliance and navigating complex workflows for the insurer-lienholder ecosystem. Notably, Verisk handles outsourced auto liability reporting for one of every four U.S. vehicles<sup>3</sup>, including for five of the top 10 insurers.<sup>4</sup>

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# Analytic objects are the next evolution of risk segmentation

Coverage Verifier Analytic Objects (CVAO) generate predictive insights, each through a unique lens, to assemble a clear picture.

It takes holistic customer data, laser-focused segmentation, and actionable analytics, delivered seamlessly at the point of quote, to modernize insurance buying while confidently assessing risk and growing profitably. Analyzing complex historical information for rapid consumption often demands deep data and a major IT commitment for insurers that tackle it in-house.

Coverage Verifier Analytic Objects (CVAO) has entered the market as the solution for this in-house challenge and complexity. Each policy history analytic object is designed to capture new risk variables or indicators and their underlying context to deliver upfront insights.

A recent Verisk study revealed that certain policy history analytic object attributes correlate with property damage (PD) loss cost relativities up to three times higher than average, while others indicate significantly lower risk.<sup>5</sup> The relative risk of applicants emerges through powerful policy history analytic objects within key insight domains:

## CVAO: Precision risk segmentation, targeted insights

What you should know about:



### Policyholder Risk Tolerance

**Most frequently chosen lowest BI limits** have loss cost relativities **2.1X above** those with highest limits.<sup>6</sup>



### Endorsement/Policy Change Behaviors

Policies that **frequently add vehicles** have loss cost relativities **30% above** those with infrequently added vehicles.<sup>7</sup>



### Retention

Customers who **switched carriers 2 or more times** have **2.7X higher** loss cost relativities versus no switch.<sup>8</sup>



### Customer Payment History

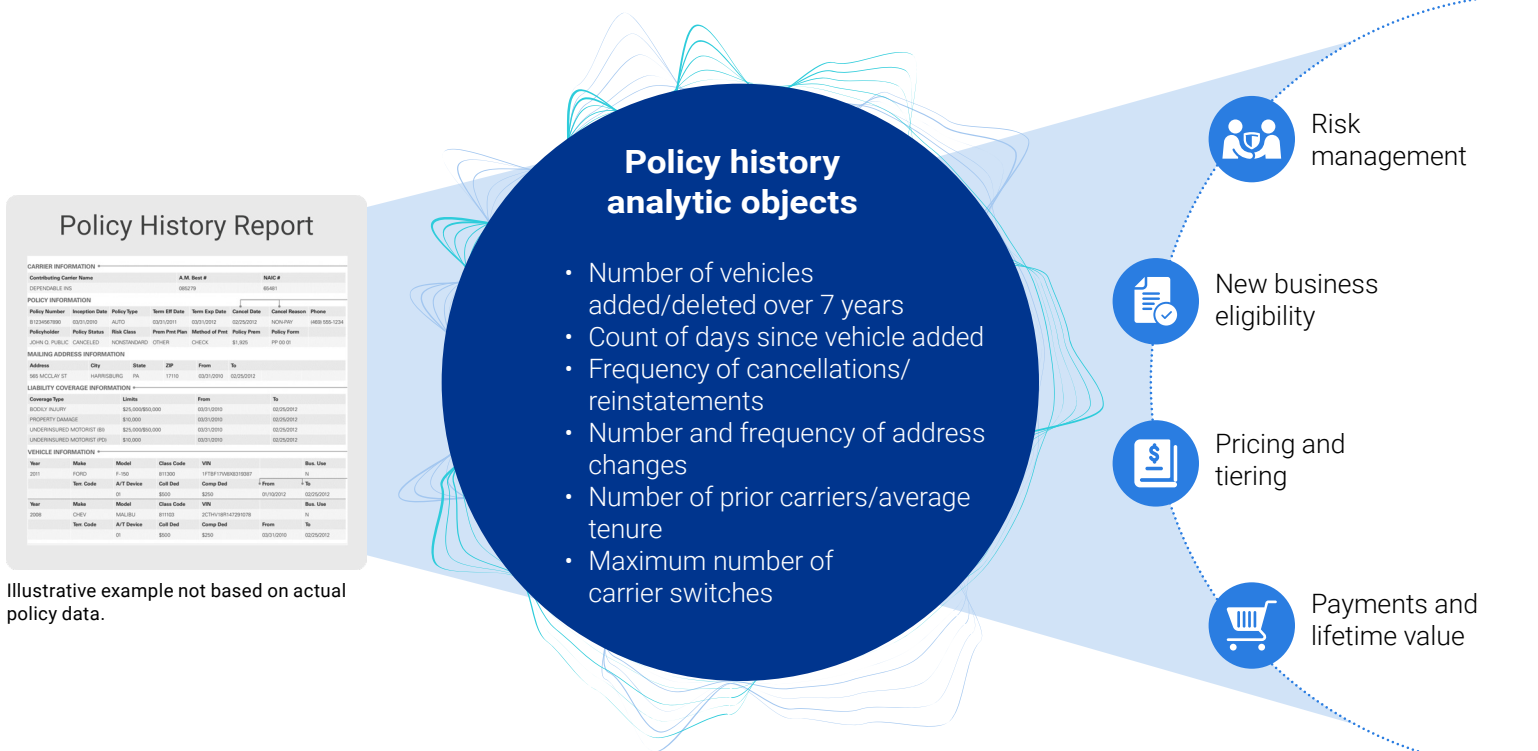
Drivers with **a high number of historical cancellations** have loss cost relativities **2.7X greater** than no cancellations.<sup>9</sup>

These unique lenses, focusing on different angles, and the proprietary structure behind the analytics yield deeper, more meaningful insights that can be harnessed in multiple ways.

# Next-gen policy history analytics help inform critical upfront decisions

Dozens of actionable analytic objects enable use cases that can enhance quoting-engine CX and profitability.

For CVAO users, insurance-ready analytics seamlessly integrate with minimal demand for IT resources. CVAO helps drive growth and profitability through diverse insights via dozens of concise, easy-to-consume analytics that inform critical decision-making at the quote stage.



Illustrative example not based on actual policy data.

Get immediate results from CVAO to unlock new risk variables at quote that enable multiple use cases. Here are a few examples of how insurers can act immediately on this newly available information.

## Risk management

Determine appropriate bind channel, diversify the application process to verify questionable eligibility data, and fast-track qualified leads.

## Pricing and tiering

Leverage CV data and analytics to help power tiering, surcharging, and discounting decisions while aligning the rate with the risk.

## New business eligibility

Capture facts related to eligibility criteria such as length of prior continuous insurance, prior limit history, and number of address changes.

## Payments and lifetime value

Negate nonpayment and reinstatement cycles with appropriate down payments and facilitate profitable growth via better retention and lifetime value analysis.

# Two illustrative case studies

Harness the power of CVAO to help solve intricate industry challenges.

## Case study #1: Micro-segmenting rates to attract loyal customers<sup>10</sup>

Policy history analytic objects are building blocks for solving nuanced problems. Precisely defined objects from targeted insight domains can be combined to help discern risk, develop rating factors, and tailor workflows with adjustable lookback periods. Verisk can also custom-build bring-your-own objects.

Here's an example of the value this expanded solution set offers.

### How can you attract traditionally loyal customers and differentiate valuable infrequent shoppers from higher-cost "hoppers"?

#### Goal

An insurer aims to offer competitive rates to loyal customers affected by rising premiums. Current tools for risk identification aren't working.

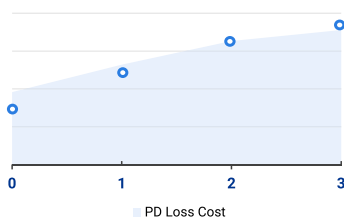
#### Challenge

Many carriers today identify loyalty with "years prior carrier," but in this fast-paced shopping environment, traditional "snapshot" tools no longer effectively differentiate customers.

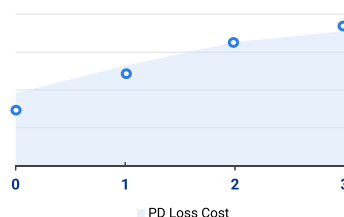
#### Solution

Harnessing CVAO, the insurer overlays specific objects using deeper insights to help identify risks with better retention and lifetime value, price them accordingly, and segment applicants into specific risk profiles at quote.

#### Loss cost relativity by frequency of switching insurers over 5 years<sup>11</sup>



#### Loss cost relativity by count of vehicle adds during prior term<sup>12</sup>



#### Return on investment

- Help calibrate rates
- Boost future retention
- Lower marketing costs
- Sustain profitable growth

## Case study #2: Streamlining quote workflows in real time<sup>13</sup>

Optionally connect to CVAO via [LightSpeed® Personal Auto](#), Verisk's award-winning underwriting platform which features flexible, data-forward pricing. Enable instantaneous quote workflows and reduce rate calls with minimal inputs—name, address, and date of birth—while accessing 500+ prefillable data points and analytic fields.

Here are examples of opening new avenues while realizing real-time returns

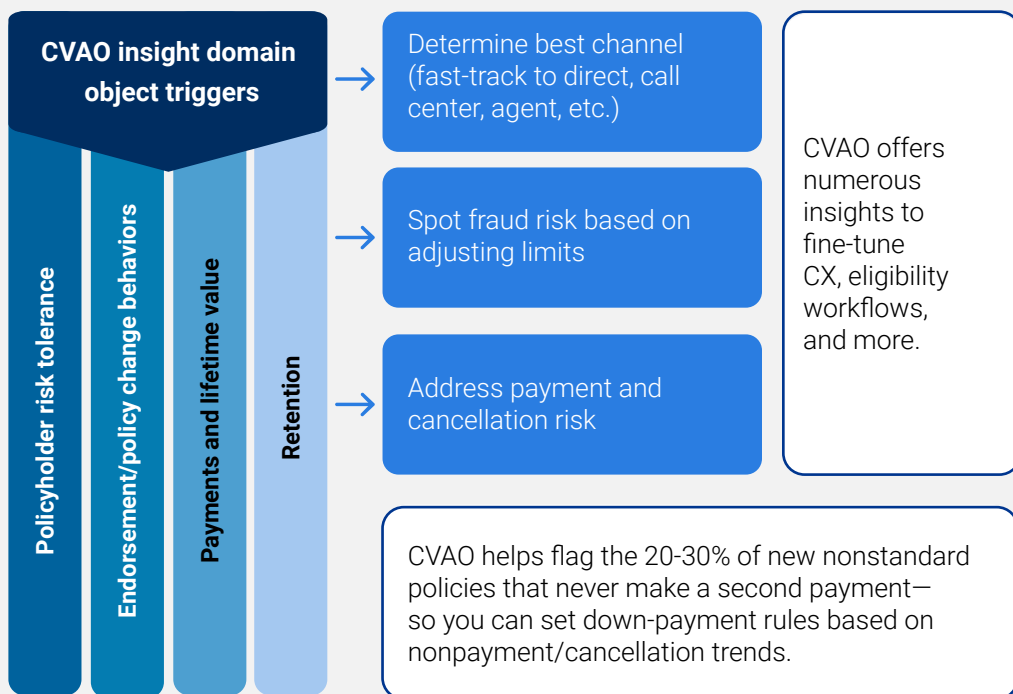
### How can you optimize point-of-quote workflows relative to applicant risk?

Goal	Challenge	Solution
A large, national insurer wants to ensure quotes are directed to a channel with the right service level to increase close rates. A regional insurer wants to address fraud, and a nonstandard insurer seeks to confront payment and persistency risk.	Many carriers have limited insights to understand customer risk profiles up front to route workflows at quote that best meet an applicant's needs. Data commonly used doesn't provide nuanced insight, resulting in suboptimal service, higher costs, lower conversion rates, and higher defection rates.	Enhancing CVAO with Lightspeed, insurance leaders can combine additional underwriting and rating intelligence with analytic objects. This powerful combination supports decisions about which channel and service options meet customer and insurer needs—streamlining workflows and driving efficiencies.

You can optionally combine CVAO with LightSpeed to tailor quote workflows

**Return on investment**

- Boost CX
- Optimize costs
- Deliver faster service
- Customize the shopping experience
- ...relative to risk profile





## The future of risk segmentation: Industry leader insights

Insurers that modernize with policy history analytics have a better chance to thrive in the face of unprecedented competition.

The percentage of personal auto industry books coming from new business has surged by four percentage points in just two years, and the 12-month churn rate—the percentage of policyholders switching carriers—has nearly doubled since 2021.<sup>14</sup> With carrier switching at an all-time high, how can insurance leaders gain a competitive edge?

Many insurers struggle to identify predictive policy insights at the point of quote. Now, with CVAO, you can unlock critical insured-, driver-, and policy-level insights through dozens of concise, easy-to-consume analytics. CVAO can help you refine segmentation, sharpen underwriting and rating, and support risk development, eligibility decisions, payment requirements, and more.

Verisk is leading the next phase of predictive analytic objects and pioneering loss and retention models to help shape the future of insurance. Explore the capabilities of CVAO, discover powerful attribute combinations, and collaborate with us to create custom objects for your business needs.

Past policy-related behaviors can be highly predictive. Are you using policy history to help position your competitive edge for tomorrow?

Leverage Verisk's deep expertise in analytics, data science, and insurance, paired with our consultative approach, to help drive innovation and facilitate profitable, sustainable growth in today's fast-paced market.

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“With assumptions about policyholder retention increasingly challenged, auto insurance leaders need to find new ways to accurately price micro-segments of submissions.

Applying advanced analytic methods to policy history has real promise to contribute to the creation of competitive and accurate quotes.”

**Donald Light**

Director

Celent

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**Ready for the future of risk segmentation? It's here.**

Visit [verisk.com/cvauto](https://verisk.com/cvauto) to learn more or contact your account executive to schedule a CVAO strategy session.

## Authors

### Greg Firestone

Vice President, Analytic Solutions  
Auto Underwriting  
[Gregory.Firestone@verisk.com](mailto:Gregory.Firestone@verisk.com)

### Jim Levendusky

Vice President, Data  
Auto Underwriting  
[JLevendusky@verisk.com](mailto:JLevendusky@verisk.com)

## Footnotes

1. "Carriers Compete for Big Wave of Freshly Unloyal Customers," Auto Insurance Report, February 24, 2025.
2. Verisk internal database research extrapolated to all private passenger auto direct written premiums, AM Best Aggregates and Averages, 2023.
3. Verisk internal client analysis, 2025.
4. Ibid.
5. Verisk study combining CVAO data with ISO Statistical Plan loss cost data, 2025. Limited to policy history data and statistical plan data available for research. Results may vary based on full production data and the risk profile of individual insurers' books of business, as well as the sophistication of their current rating plan. (BI is bodily injury, analysis based on 7-year lookback period.)
6. Ibid. (Analysis based on 7-year lookback period.)
7. Ibid. (Analysis based on most recent policy term.)
8. Ibid. (Analysis based on 3-year lookback period.)
9. Ibid. (Analysis based on 7-year lookback period.)
10. Case study is an illustrative example.
11. Verisk study combining CVAO data with ISO Statistical Plan loss cost data, 2025. Limited to policy history data and statistical plan data available for research. Results may vary based on full production data and the risk profile of individual insurers' books of business, as well as the sophistication of their current rating plan. Actual data points not shown due to the proprietary nature of the data. (Analysis based on 5-year lookback period.)
12. Ibid. (Analysis based on most recent policy term.)
13. Case study is an illustrative example.
14. Verisk internal database research, 2021-2025; percentage of in-force personal auto policies written in the past 12 months jumped from 20.3% in January 2023 to 24.3% in 2025, while the 12-month churn rate—the percentage of policyholders switching carriers—increased 82% between January 2021 and January 2025.

[contactus@verisk.com](mailto:contactus@verisk.com)

[verisk.com](https://verisk.com)