



Case Study: Seeking savings and resiliency on loss history and coverage reporting

The challenge

A leading auto insurer came to Verisk with two goals:

1. Reduce its expenditure on loss history reports—40 percent of which are clean on average—and spending on proof of prior insurance.
2. Gradually implement the new solution to manage demand on IT resources while realizing increased cost savings over the course of the migration.

An average of 40% of loss history reports have no claim activity

The solution

By using Verisk's unique loss history and policy history solutions and a dual-vendor strategy, the insurer was able to take strides toward both objectives.

The Proof of Prior Insurance option in Coverage Verifier enabled the insurer to rapidly verify whether a customer had existing coverage or a lapse—before proceeding with a quote. And with A-PLUS™ Claims Activity Profiler (CAP), the insurer could decide whether to order a full loss history at quote based on a yes/no indicator of activity deemed relevant under the company's specific underwriting criteria. These non-FCRA tools effectively allowed the insurer to customize its data ordering solutions to align with its desired workflow. With cost-efficient pricing and a consultative approach, Verisk was able to deliver what the insurer needed.

The implementation

Multiple proofs of concept demonstrated that Verisk's solutions performed as well as those the insurer has been using. Verisk was able to exceed the hit rates of the other provider on submitted queries. By taking a phased geographic approach to implementation, the insurer simplified integration while providing future opportunities to save.

The results

The insurer was able to easily verify proof of prior insurance at quote. And Verisk's loss-history hit rates exceeded a critical benchmark of about 60 percent set by the insurer. The solutions significantly improved the company's ability to price business correctly based on the presence or absence of chargeable claims. And this became achievable while reducing the number of second rate calls in which customers are upcharged based on loss history found after the initial quote. By employing an innovative data-forward strategy, the insurer could avoid unpleasant surprises that cause potential customers to abandon quotes before bind—and instead, increase conversion rates for new business.

Four Keys to Success

At Verisk, we believe success in today's auto insurance market depends on speed, accuracy, scale, and a great customer experience. All it takes is the right ingredients:



Exclusive underwriting insight from the right data and analytics partner.



A data-forward strategy with the right focus for today's digital expectations.



A smart economic model targeted to the data you need.



An ecosystem to help you maximize value and resiliency.

Transactional models that pull data too late may leave you short of rising digital expectations amid relentless competition. Are you sure which data is relevant and when, across the policy life cycle? Can you tap into deep, accurate data assets with enterprise licensing and unique solutions that change the old rules? We invite you to explore what's possible with Verisk auto innovations.



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