



Comprehensive risk assessment solutions for commercial auto insurers



A difficult market

Balancing growth and profit in the commercial auto insurance marketplace isn't easy, especially considering the volatility and challenges for insurers in the last decade. Even though premiums are up, so are claims frequency and severity, resulting in commercial auto underwriting losses outpacing premiums.



Work in a new way—at LightSpeed®

LightSpeed® Commercial leverages Verisk's data and analytics solutions to provide automation, speed, accuracy, efficiency, and increased throughput for risk rating and underwriting. We can transform underwriting through real-time decisions aided by high-quality data and analytics. And workflow can speed underwriting, provide faster quotes, and help improve revenue.

Holistic approach to underwriting success

Properly underwriting commercial auto policies generally requires quick, reliable data and analytics on the three major pillars:



Business



Vehicles



Drivers

You need that information at point of sale and renewal to match the right price to risk, reduce premium leakage, and avoid adverse selection. At the time of claim, it's too late to do anything to avoid a loss.

Analyzing the business

50 percent of high-level industry codes, as defined by 2-digit NAICS, are typically inaccurate in an insurer's book.¹ Reliable business firmographic data is vital, and Verisk provides detailed industry classifications for NAICS and SIC so you understand the true nature of the business. We give you in-depth data, such as a relative credit grade, commercial credit score, and years in business.

Reviewing the vehicle

Just enter a business or principal name and address, and Vehicle Prefill auto-populates verified data, such as VIN, year, make, model, gross vehicle weight, base price, license plate, and registered owner. Improve productivity and speed to quote while augmenting underwriting accuracy.

13.5%

The annual increase in underwriting losses from 2017 to 2018 produced an underwriting loss of \$2.8 billion.²

4.6%

Miles driven were 4.6 percent higher from November 2015 to November 2019.³

60K

Distribution needs call for 60,000 more drivers, which will create a potentially huge inexperienced driver population with little required training.⁴

30%

Loss severity per claim is up 30 percent from 2012 to 2018.⁵

Defining the driver

Our driving record data solutions and motor vehicle reports (MVR) provide timely, robust, and reliable information on present drivers. Our cost-effective reports cover all 50 states, the District of Columbia, and some Canadian provinces. You get convenient ordering options and report customization:

- **Driver's License Verify:** Prevalidates a driver's license before you order an MVR, preventing "no hit" fees and reducing insurer costs.
- **Duplicate MVRs:** Leverages our database of MVR reports you've previously ordered and returns them to you for a fractional cost.
- **Archive MVRs:** Utilize MVR reports recently requested across all Verisk customers at a fraction of the cost.
- **Status Check:** Returns real-time license status to ensure current active, suspended, expired and revoked statuses aren't missing from the crucial underwriting process.
- **Indicators of Activity:** Provides a look back for driving activity using available data sources to optimize spending and capture missing premium.
- **Driver Monitoring:** Identifies activity in a driver's record, delivers up-to-date MVRs when adverse activity occurs, and avoids unnecessary expenses while letting you take immediate action to lower the risk.



Additional tools and support services

Verisk offers InsurTech solutions that transcend all three pillars of a commercial auto customer:

RadiusCheck™

A Verisk study showed that commercial auto insurers will lose \$6.4 billion in premium leakage over a four-year period just due to radius misclassification.⁶ RadiusCheck™ uses cutting-edge technology to capture photos and match them to vehicles in your portfolio—tagged to identify when and how often the vehicle is outside radius.

Verisk Data Exchange™

The Verisk Data Exchange™ delivers normalized and quality-controlled driving data to score and inform business and fleet operational risk with advanced predictive analytics. By integrating with the exchange, insurers can overcome data management challenges and implement telematics-focused insurance solutions that leverage connected vehicle technology and integrate data from millions of connected commercial vehicles for unmatched transparency to support underwriting, improve customer experience, save time, and increase profitability.

A-PLUS™ Commercial

A-PLUS™ Commercial is a contributory database that provides fast and reliable automated loss run reports. The reports feature past claims details for all lines of commercial business for which the insurer contributes data. It's the critical tool insurers need to drive profitability and improve loss ratios.

References

1. Internal ISO analysis, June 2018.
2. Internal ISO analysis, May 2019.
3. U.S. Department of Transportation Federal Highway Administration, Office of Highway Policy Information, "Highway Statistics Series," Traffic Volume Trends report, updated November 2019, <https://www.fhwa.dot.gov/policyinformation/statistics.cfm>.
4. American Transportation Research Institute (ATRI), "Critical Issues in the Trucking Industry – 2019," presentation to the American Trucking Associations, October 2019.
5. Internal ISO analysis, May 2019.
6. Internal ISO analysis, June 2018.



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