



Business Name
+ Address
= Quote

LightSpeed® Small Commercial



When you have the answers, you don't need to ask the questions

What if you could bind new business in seconds rather than days—without sacrificing robust data and risk insights? With just a business name and address, LightSpeed Small Commercial can help you find the risk information you need, enabling you to automate underwriting, boost profitability, elevate the customer experience, and win more business. No question about it.



Seize the opportunity in small commercial

There are over 30 million small businesses in the United States, with more opening every day. Reaching these entrepreneurs means providing a streamlined customer experience that allows them to easily purchase the coverage they need to protect their investments while letting them focus on what matters most to them: Growing their businesses.

Many insurers also see how time spent on underwriting can affect their own growth. Seven in 10 underwriters report losing deals by taking too long processing small business applications.¹ In the quick-moving small commercial market, the first insurer to deliver a quote often lands the policy. Since retention is high among small businesses, that advantage can help maintain a sustainable and growing book of business.

Take, for example, a portfolio with 12,000 small businesses. Suppose underwriters spend on average 10 minutes per application browsing online. For 12,000 applications a year, that can add up to 2,000 hours spent manually perusing their customers' websites and social media profiles to assess potential exposures.

**How many hours do you spend
on manual research?**



Market Potential

30M+

Small businesses

12M

Businesses without insurance

\$65B–
\$75B

Potential new premium

Cost of Misclassification

52%

misclassification by SIC/
NAICS code translates to...

\$6.5B

in premium leakage in the
first year, and over four years
total leakage exceeds...

\$22.3B

In BOP premium alone

Time and energy expended on research do not guarantee accurate results, since publicly available data can be outdated or missing essential exposure information. A Verisk analysis found more than half of commercial policies have erroneous data with misclassification by Standard Industrial Classification/North American Industrial Classification System (SIC/NAICS) codes, driving up to \$6.5 billion in first-year premium leakage on those policies; over four years, that leakage can exceed \$22.3 billion in business owners policy (BOP) premium alone.

Misclassification can result from simple mistakes in filling out onscreen applications or a lack of insurance industry knowledge about what types of businesses belong to a given class. Is the applicant best classified as a roofer or perhaps a handyperson? The insured may consider themselves a handyperson who takes occasional roof jobs that aren't worth mentioning, but an underwriter needs to know the full range of business activities to set premiums to the correct risk profile.

The challenge for insurers is obtaining accurate data quickly. Relying on self-reported or agent-supplied information can lead to inaccurate or missing information, which can result in underinsurance for millions of small businesses and unsustainable premium leakage for insurers.

What's holding back your small commercial business?

"We want to join the small commercial wave – but we need good data."

"We need data, but our IT resources are already strapped!"

"We paid a full-limit loss on a crane injury – we didn't know they were using cranes."

"If we don't quote in minutes, our agent will go somewhere else."

Data that shows results

The answer to speedier and more accurate underwriting lies not in more time on research or more back-and-forth questions between underwriter and business owner. Adding more data isn't the answer if it only gives underwriters more noise to filter. Verified and firmographic data—combined with meaningful insurance insights on risk exposures—can empower insurers to move to an automated model that accelerates their digital transformation and boosts operational efficiency. In a real-world example, LightSpeed® Small Commercial customers issued 35 percent more quotes with 20 percent more policies bound and 65 percent of risks straight-through processed. The time to quote went from an average of two days to 1.5 seconds.

Verisk is tapping new data sources, such as social media, and harnessing innovative technologies, such as machine learning and artificial intelligence (AI), to help underwriters get a deeper view into risk at time of quote. Images from social media, for example, can be a rich source of information about a business. Advanced machine-learning models can be trained to “see” images with an underwriter’s eye to identify potential exposures and business operations that other data sources are less likely to reveal.

Insights from image analytics can highlight activities relevant to underwriting, such as a contractor working on an elevated surface such as scaffolding or a restaurant hosting live music events. Indicators about a business’s proactive measures to prevent avoidable claims, such as requiring construction workers to wear safety gear, can help insurers identify, acquire, and retain best-in-class businesses and reward them with reduced premiums, where applicable.

New data sources paint a more holistic picture

Traditional prefill:

Jane's Contracting, LLC
Primary NAICS: Landscaping
Secondary NAICS: Tree Service
Tertiary: Weed Cutting Service
Year Started: 2015
FEIN: 012345678
Employee count: 17
Sales: \$2,499,000
Payroll: \$500,000 - \$999,999
Credit Score: 640
OSHA Violations: None
Hours of Operations: M–F, 9–4
Phone: (352) 592-1234



Augmented underwriting insights include:

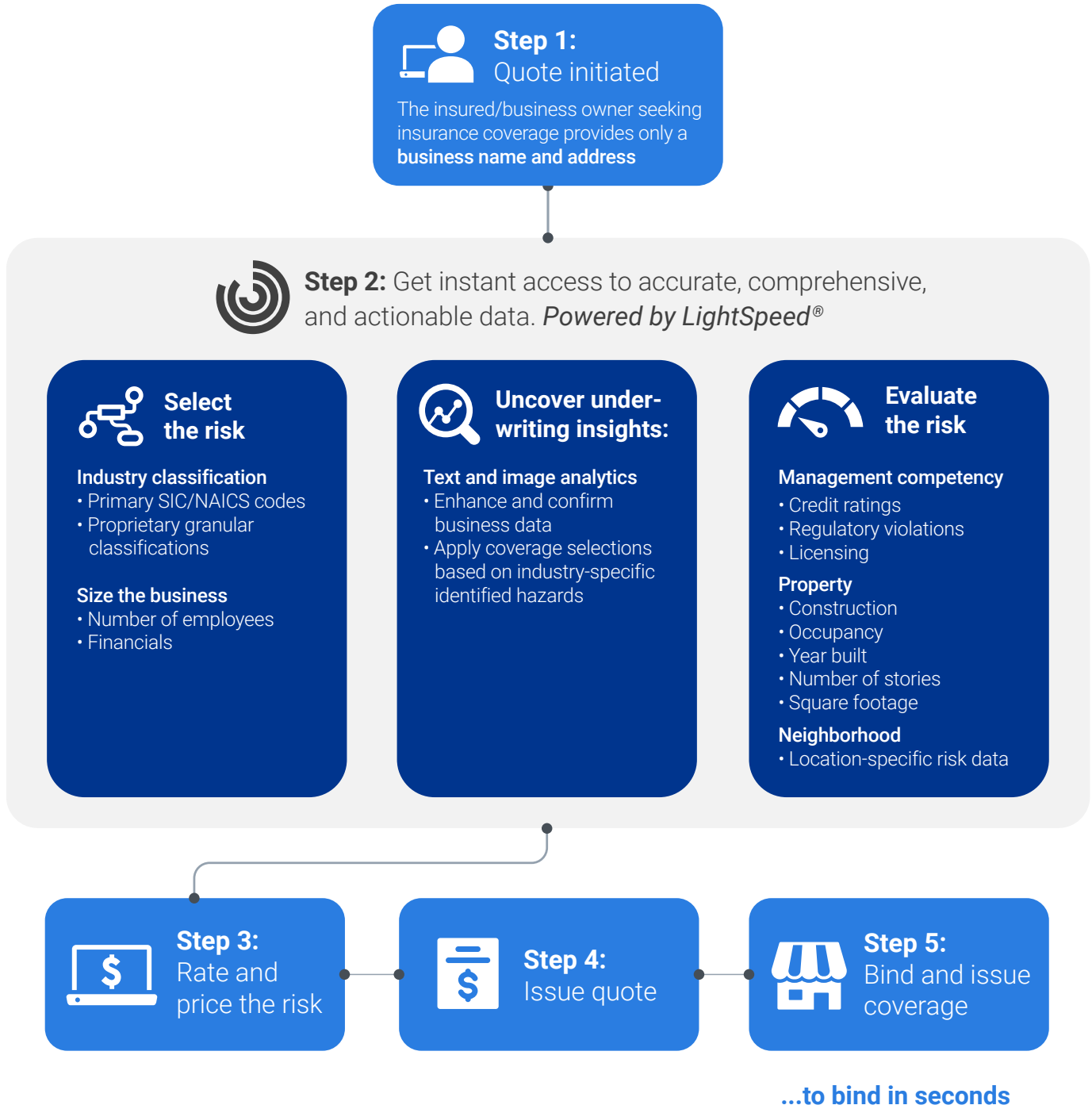
- + Years of Industry Background**
Illustrates industry experience beyond the age of the business
- + Types of Operations**
Can reveal the use of heavy machinery or other industry-specific exposures
- + Safety Protocols**
Workers in protective gear can avert avoidable claims

The company information in the example above is fictional and for illustrative purposes only.

Shrink turnaround time from days to seconds

Faster, more accurate, quoting enhances the insurance-buying experience and helps ensure that coverage reliably reflects a business's true exposure, which can help drive profitable growth and retain satisfied and protected customers.

LightSpeed Small Commercial can help insurers select, quote, and bind risks based on risk appetite with minimal human effort, helping them go [from quote...](#)



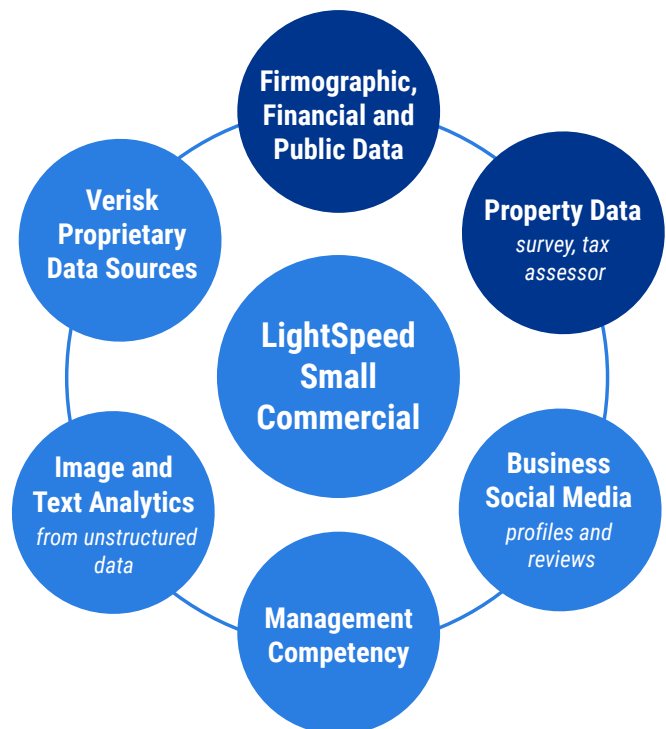
Beyond prefill to automated underwriting

Reliable data can do much of the legwork for you. Taking the burden off underwriters, agents, and applicants to research or supply information can help enable straight-through processing of more policies. Eliminating most underwriting questions can help you increase throughput, boost profitability, and improve customer satisfaction. Plus, you can free your underwriting resources for more complex and higher-value risks.

With data analytics powered by machine learning, AI, and cutting-edge computer vision, LightSpeed Small Commercial gives insurers tools to help transform their risk rating and underwriting.

Our small commercial data and analytics solution delivers a unique blend of capabilities:

- Granular insights and near real-time, industry-specific risk exposures cover **nearly all small and medium-sized businesses**.
- Proprietary, verified **business firmographics**, site-verified and Verisk-modeled **property data, management activity insights**, and location-specific **information** come through a single application programming interface (API).
- **Seamless integration** of insights is derived from unstructured business text and images, including millions of data points from profiles and reviews.
- **Trusted advisers** can help implement digital workflow processes grounded in industry best practices. This includes continuous support for the integration of product releases and ongoing operations.
- **Proprietary 8-digit NAICS codes** provide deeper classification granularity, including insights into the full scope of small business operations that can reveal unknown operations. This includes secondary and tertiary codes for increased specificity and accuracy.
- Connection to the Verisk ecosystem of solutions for commercial lines insurers includes **insurance-specific underwriting data and analytics for commercial properties**.



What our customers are saying

"Verisk's value extends beyond data accuracy. It's part of the engine allowing us to bring tailored coverages to small businesses"

– Gild Insurance

"Verisk's comprehensive data is helping us improve not only our ease of doing business but also our underwriting results."

– John Eckmair,
Utica National Vice President
and Chief Underwriting Officer

Speed + accuracy = a winning combination

Attracting and keeping small business customers means making it easier for their agents and brokers to streamline the application process without compromising underwriting guidelines. The goal is a highly reliable quote in minutes with just a business name and address. Winning the "Race to Zero" questions requires accurate, comprehensive, current, and actionable data from the first contact. Faster quotes based on reliable risk information can help insurers capture new business, retain customers, and become the carrier of choice in the competitive small commercial marketplace.

Whether you're just starting your digital transformation journey or are already on the path to automated underwriting, LightSpeed Small Commercial can help get you there faster.



Reference

1. FirstBest, Underwriting Efficiency



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