Do you know the correlation between credit history and insurance loss potential?

Discover insights that can protect your business.

LexisNexis® National Credit File

LexisNexis®

Stronger perspectives for risk assessments

LexisNexis® National Credit File allows insurance carriers to properly classify an insured consumer according to potential risk. Studies have shown a direct correlation between a consumer's financial history and future insurance loss potential. A credit-based insurance score developed from statistical analysis helps underwriters better assess risk exposure prior to granting insurance coverage. Credit and non-credit based insurance scores are now available.

Over the past decade, the LexisNexis® Attract modeling suite has been a leading insurance credit scoring solution. It provides loss measures to hundreds of insurance carriers regardless of market size or geography. Because Attract scores are consistently applied to both Experian® and Equifax® bureau data, you have the ability to maximize scoreable quotes and minimize credit bureau no-hits. Both of these advantages translate into more scored quotes. Now, LexisNexis has released the next generation of insurance scores, Attract 3.0.

Attract 3.0

The newest release includes Attract Auto 3.0, Attract Home 3.0 and Attract One 3.0, which are coming soon. These new insurance scores were developed with two primary goals in mind: enhanced loss predictability and ease of implementation.

Enhanced loss predictability

Attract 3.0 captures the predictive power that credit information provides beyond traditional rating variables. Validation results show that Attract 3.0 provides incremental predictive power and ranking across multiple loss metrics, including loss ratio, average loss, pure premium and claim frequency.
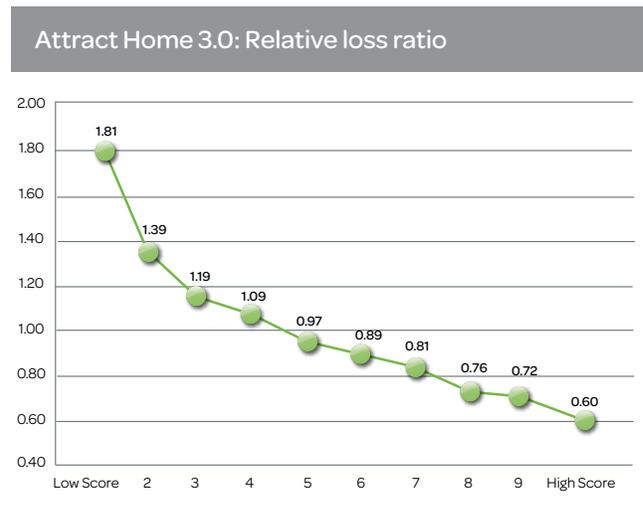
Individual algorithms within the LexisNexis Attract solution leverage the unique predictors associated with each consumer's credit profile and deliver consistently aligned risk scores. This allows you the ability to create consistent risk tiers based on loss propensity. Because Attract 3.0 employs a new credit segmentation design, you can score full auto or home risk market spectrum with a single auto or home score.
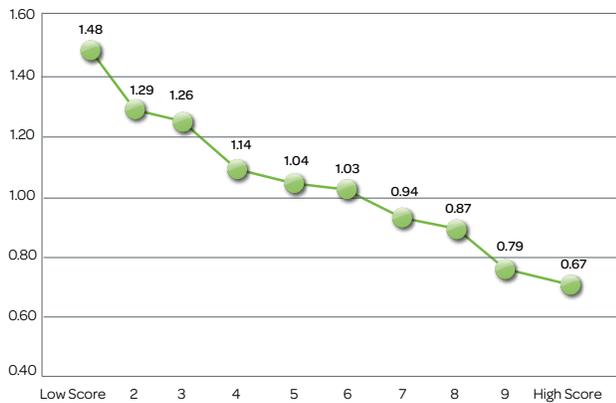
Ease of implementation

Attract 3.0 was designed to produce superior ranking of auto and home risks. With constantly changing state regulations, maintaining compliant scorecards across multiple lines of business and markets is a significant challenge. Attract 3.0 makes it easier.

Models and procedures comply with applicable state laws and regulations regarding the use of credit information. LexisNexis® maintains a team of experts who follow credit and scoring legislation on your behalf and proactively respond to industry challenges.

The following graphs depict the loss ratio separation range for both Attract Auto and Home 3.0 models. With 1.0 as the medium or average, low scores show the percentage of incurred losses that are worse than average. The high scores show the better than average percentages.

Attract Home 3.0: Relative loss ratio

Score	Relative loss ratio
Low Score	1.81
2	1.39
3	1.19
4	1.09
5	0.97
6	0.89
7	0.81
8	0.76
9	0.72
High Score	0.60

Attract Auto 3.0: Relative loss ratio

Relative loss ratio by score band (Low Score to High Score):

Score	Relative loss ratio
Low Score	1.48
2	1.29
3	1.26
4	1.14
5	1.04
6	1.03
7	0.94
8	0.87
9	0.79
High Score	0.67

The Attract Public Records models aim to maximize the customer's chances of receiving a scored result to rate the desired policy. A single transaction allows access to multiple bureaus and hundreds of sources of tips and leads data. Validation results show that Attract Public Records Model provides incremental predictive power and ranking across multiple loss metrics, including loss ratio and pure premium.

The following graphs indicate the loss ratio separation range for both the Attract Auto Public Record Full File and No Hit models. With 1.0 as the medium or average, low scores show the percentage of incurred losses that are worse than average. The high scores represent the better than average percentages.

In addition, Attract 3.0 delivers newly enhanced reason code messages that represent the most significant factors in each score calculation. Our new reason codes are designed to provide clear descriptions of score results and provide consumers clear direction on ways to improve their scores.
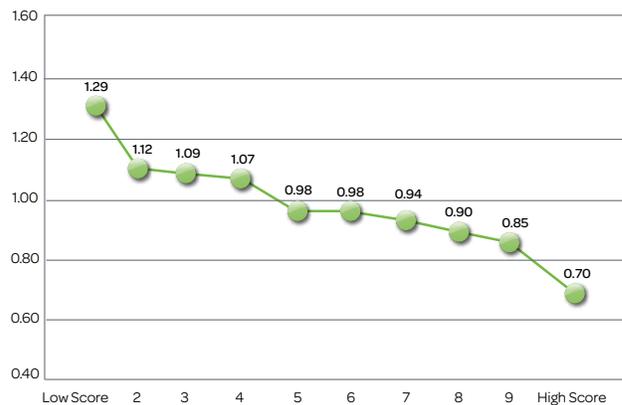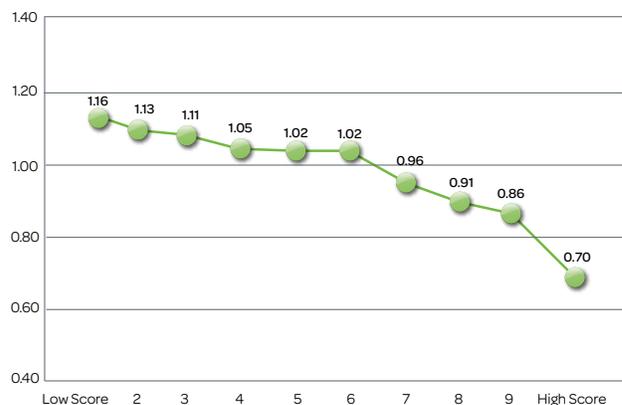
Attract Public Record Models

The use of credit for insurance rating or underwriting has been debated over the years and several states have begun making it more difficult to use credit-based scoring. With the increasing restrictions on the use of credit-based scores as a standard, carriers need another way to accurately and effectively rate risk. LexisNexis has developed non-credit based scoring models using public record information as an alternative. A full credit replacement model has been developed as well as a No-Hit Model that can be used to switch from a no-hit returned by a credit bureau.

The Auto Public Record Full File and Auto Public Record No-Hit models are currently available. The Public Record Home models are in development. The Public Record Full File and No-Hit Models are derived from attributes of the LexisNexis Public Records Database. Currently there is not a Public Record model or No-Hit model available for use in the insurance rating and underwriting space.

Attract Auto Public Record Full File: Relative loss ratio

Score	Relative loss ratio
Low Score	1.29
2	1.12
3	1.09
4	1.07
5	0.98
6	0.98
7	0.94
8	0.90
9	0.85
High Score	0.70

Attract Auto Public Record No-Hit: Relative loss ratio

Score	Relative loss ratio
Low Score	1.16
2	1.13
3	1.11
4	1.05
5	1.02
6	1.02
7	0.96
8	0.91
9	0.86
High Score	0.70

For more information:

Call 800.458.9197 or email
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About LexisNexis Risk Solutions
LexisNexis Risk Solutions (www.lexisnexis.com/risk) is a leader
in providing essential information that helps customers across
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Combining cutting-edge technology, unique data and advanced
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evolving client needs in the risk sector while upholding the highest
standards of security and privacy. LexisNexis Risk Solutions is part
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30,000 employees worldwide.

Our insurance solutions assist insurers with automating and
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expenses, improve service and position customers for growth.