



Take the strategic step toward better risk selection  
and greater profitability in your book of business.

## Insurance Solutions from LexisNexis®

Commercial Lines: Credit and Predictive Loss Models



Risk Solutions  
Insurance

## Commercial credit? Personal credit? Enhancing the view of the risk

As an insurance carrier, you know that you want to use data that is the most predictive for the types of businesses you are underwriting. Generally, that means using commercial credit data from one of the major commercial bureaus. However, when starting a business, owners tend to use their own personal credit sources. For these risks, the personal credit attributes of the business owner have frequently been found to be predictive of the insurance risk of the business. Using the LexisNexis® platform, insurance carriers have access to both commercial and personal credit, ensuring the best possible opportunity to score a risk.

## Need additional data elements? Developing or running a custom model?

Commercial credit data from the major commercial credit vendors, Dun & Bradstreet® and Experian®, are available through LexisNexis for commercial lines underwriting. Does your business require additional data for use in underwriting processes or proprietary or custom models? We can provide access to dozens of data points through carrier-specific solutions designed to meet your data needs.

## LexisNexis® Attract<sup>SM</sup>

Many carriers already use a commercial credit score when underwriting commercial lines risks. Commercial credit scores, however, are designed to predict financial rather than insurance risk. Contrast them with LexisNexis® Attract<sup>SM</sup> scores—proprietary predictive loss models developed by LexisNexis—for the ranking of commercial risks by loss ratio and/or loss frequency.

LexisNexis® Attract<sup>SM</sup> commercial scores were developed using policy and loss data representing over \$8 billion in commercial insurance premiums and are uniquely designed to be predictive of insurance risk. Many carriers find them to be an excellent addition to their suite of underwriting tools. LexisNexis® Attract<sup>SM</sup> commercial models combine the most predictive data elements across multiple sources.

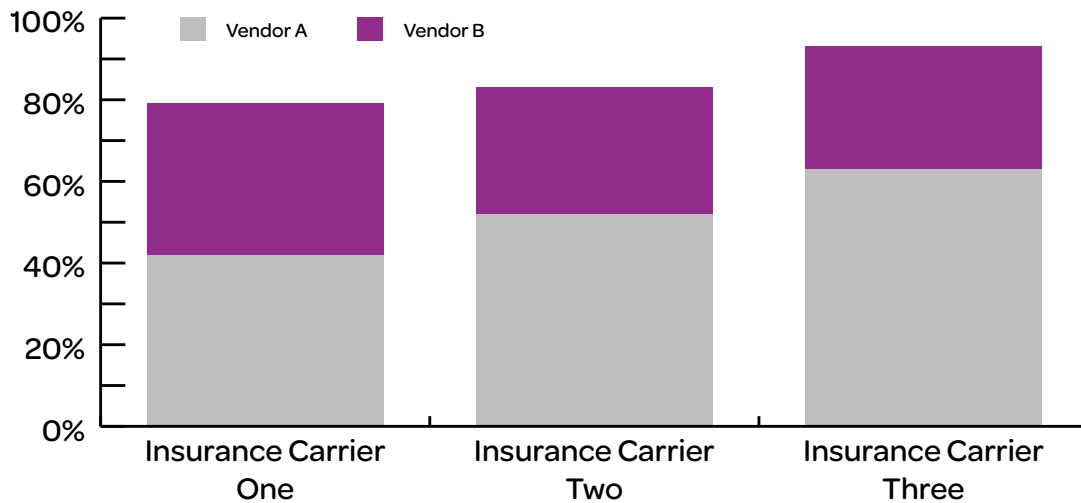
The power of these proprietary models comes from:

- Commercial credit data
- Business demographics
- Business owner data, including personal credit and claims (optional)

## Carrier's Choice—the credit data you want from the vendor you choose

Use of commercial credit data elements in insurance underwriting requires robust sources of data. Commercial credit vendors have individual strengths related to the manner in which they gather data: geographic area, size of business and years in business, and trade line information.

It makes sense, now more than ever, to have access to more than one credit data vendor. LexisNexis offers seamless connections to your choice of vendors: Dun & Bradstreet or Experian.



The graph shows the results of sending items that did not match at Vendor A to Vendor B for three different insurance carriers. By using Directional Credit Processing, the initial 'unscored' group was matched approximately 66% of the time.

## Directional Credit Processing Report

### Low match rates at commercial credit vendors have been a challenge for insurers

If use of commercial credit is important to your underwriting process, you want to maximize the number of credit reports received. Accurately scoring and segmenting as many risks as possible is key to optimizing profit potential. LexisNexis can show you how best to structure your credit data requests to enhance the probability of data receipt. Through the Directional Credit Process, your request will be sent to your preferred primary commercial credit data vendor. If the vendor does not return a result, or the return is a result that cannot be scored, we will send the request to a designated secondary vendor—Carrier's Choice. In several large-scale tests, this ability to send a request to multiple bureaus has resulted in match rate improvements of 30 points or more over a single vendor process.

### How does this affect your business?

In the examples above, the loss ratios of the businesses in the group initially not scored ranged from 33% to over 63%. If your underwriting rules require that all unscored risks are treated identically, your effort to optimize your underwriting results will be hampered. The solution? Directional Credit Processing allows you to receive more scores and, subsequently, to properly segment more businesses.

### Why LexisNexis for commercial insurance?

LexisNexis is the only provider able to deliver a single point of access to the major commercial credit vendors and consumer credit vendors, as well as additional data insights:

- Commercial credit bureaus
- Personal credit bureaus
- LexisNexis® Attract<sup>SM</sup> predictive loss models
- Additional products supporting commercial lines underwriting

## For more information:

Call 800.458.9197 or email  
insurance.sales@lexisnexis.com

### About LexisNexis Risk Solutions

LexisNexis Risk Solutions ([www.lexisnexis.com/risk](http://www.lexisnexis.com/risk)) is a leader in providing essential information that helps customers across all industries and government predict, assess and manage risk. Combining cutting-edge technology, unique data and advanced scoring analytics, we provide products and services that address evolving client needs in the risk sector while upholding the highest standards of security and privacy. LexisNexis Risk Solutions is part of Reed Elsevier, a leading publisher and information provider that serves customers in more than 100 countries with more than 30,000 employees worldwide.

Our insurance solutions assist insurers with automating and improving the performance of critical workflow processes to reduce expenses, improve service and position customers for growth.



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