

STUDY:

One carrier finds over \$13 million in prior losses with LexisNexis® C.L.U.E.® Commercial

Overview

Loss runs have traditionally served as a critical tool for evaluating risk in commercial insurance. You can't simply rely on a customer to divulge, or agents to uncover, all previous claims. However, acquiring and formatting paper loss runs manually generates considerable costs, due to added time and resources. And if you don't get this information in a timely manner, or don't capture the right information, the costs are even greater.

LexisNexis® C.L.U.E.® Commercial is a contributory data solution containing commercial claim information from across all lines of business—spanning small commercial, commercial auto, workers' compensation, and business insurance.

Situation and Challenge

Automated loss runs give carriers valuable insights into a potential customer's prior loss history—simply, conveniently, accurately, and all in one place. To demonstrate the financial impact of failing to take advantage of the automated loss run capabilities C.L.U.E. Commercial offers, we ran a test using policy data from a sampling of carriers to identify prior losses.

Results

Using C.L.U.E. Commercial we discovered almost 2,000 claims totaling approximately \$30 million in prior losses that three carriers may not have been aware of at the time of quote. Of that \$30 million, over 30% was attributed to only 12 policies—less than 1% of the claims.

These results were consistent across all carriers tested. Here's how the results break down for three carriers:

- **Carrier A** had over 700 claims totaling over \$13 million. 38%, or \$5 million, came from only 5 claims.
- **Carrier B** had over 1,000 claims totaling \$11 million. 22%, or \$2.5 million, came from only 3 claims.
- **Carrier C** had almost 250 claims totaling \$5 million. 36%, or \$2 million, came from only 4 claims.

With C.L.U.E. Commercial one carrier discovered:



More than 700 claims totaling \$13M in prior losses, **38%** of which was attributable to only 5 policies (Less than 1% of the claims).

These 12 losses we highlight above are just a small subset of the total population, but they made a huge impact in overall loss amount.

Solution

By leveraging C.L.U.E. Commercial during the underwriting process, these carriers could have provided a fuller understanding of the risks, allowing the carrier to either rate these policies differently, require coverage changes, or reject them all together. If your competitors are utilizing C.L.U.E. Commercial, could you be facing adverse selection?

The Industry Leader

C.L.U.E. Commercial provides an automated way for insurers to receive and analyze loss runs in a consistent and efficient fashion, regardless of which carriers provide the claims information—all from the industry's most trusted provider of insurance information.

For a better understanding on how C.L.U.E. Commercial can help you, contact us and test your own book.

For more information or to schedule your test:

Call 800.458.9197 or email
insurance.sales@lexisnexis.com

About LexisNexis Risk Solutions

LexisNexis Risk Solutions (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.

Why LexisNexis® C.L.U.E.® Commercial?

We take contributed claims from across the commercial insurance industry and deliver standardized results covering the past five years across all lines of business—providing you with the insight you need to better manage your book of business.

[→ Learn more](#)



Insurance

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