

CASE STUDY



LexisNexis® Home Inspection Index boosts inspection return-on-investment



The solution paid for itself multiple times over based on the at-risk properties that we were able to target and take action on.



–Vice President, Underwriting

Overview

This case study is regarding a homeowners insurance carrier that has been a leader in bringing the digital experience to the homeowners insurance space, providing on-line quotes, services and purchase capabilities. This company acquires and serves customers through both an agency channel and its direct-to-consumer website, using a streamlined process accompanied by a proprietary mapping system. The business is focused on aggressively managing loss ratios in its current portfolio while increasing the number of policies in force (PIF) through multi-state expansion.



CASE STUDY

Situation and challenge

Like many carriers, this company struggled with managing inspection resources for the greatest return on investment. It lacked the ability to specifically identify those properties most in need of inspection at the time of policy renewal. Instead, this carrier conducted selective inspections of properties in high hazard areas; a costly and time intensive method with little to no perceivable impact on actionable rates. As losses continued to mount, alarms were raised across the enterprise. The call went out for a cost-effective solution that would cause minimal disruption to the current process while significantly increasing actionable discovery rates, thereby reducing losses.

Solution

LexisNexis® Home Inspection Index is a predictive model solution that leverages data from multiple proprietary and public record datasets and returns an index value ranging from 1 to 5 for each property (1 being least likely to be in need of inspection, 5 being most likely to be in need of inspection), accompanied by model indicators and attributes. Home Inspection Index fits seamlessly into a carrier's existing workflow and is accessible from the LexisNexis platform through a system-to-system connection. With Home Inspection Index, this carrier could better identify the most high-risk properties and target inspection resources accordingly, saving time and money while reducing losses from undiscovered risks.

Results

A pilot was conducted in two states. Of the properties evaluated, the company chose to perform inspections on 60% of those properties ranked as a 4 or a 5. The rate of actionable discovery as a result of the inspections on those properties was 50%, a significant improvement over the previous rate of 10-20%. Had those “high-risk” properties not been identified and appropriate action not been taken, loss ratios would have been severely impacted. Overall, the carrier was able to reduce the number of inspections by 40%, while improving loss ratios. The ability to focus its inspection dollars and unearth actionable condition hazards significantly improved the carrier’s program. The insights gained also led to a more profitable book of business.

Based on the pilot results, the company chose to suspend its existing process of selective inspections in favor of adopting the LexisNexis® Home Inspection Index to help identify and inspect the majority of its high-risk properties. Given the success of the Home Inspection Index in helping to reduce losses and control inspection costs, the company is looking to incorporate it into additional points in the policy lifecycle as well.

Identify properties most likely to have an actionable inspection discovery with LexisNexis® Home Inspection Index. Use this predictive index to optimize inspection spend, streamline your workflow, and enhance your profitability.

The carrier was able to reduce the
number of inspections by

40%

For more information, call 877.719.8805 or email
insurance.sales@lexisnexis.com



Insurance

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 assess, predict and manage risk. Combining cutting-edge technology, unique data and advanced analytics, LexisNexis Risk Solutions provides 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 RELX Group plc, a world-leading provider of information solutions for professional customers across industries. 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.

LexisNexis Home Inspection Index is not provided by "consumer reporting agencies," as that term is defined in the Fair Credit Reporting Act (15 U.S.C. § 1681, et seq.) ("FCRA") and does not constitute "consumer reports," as that term is defined in the FCRA. Accordingly, the Home Inspection Index may not be used in whole or in part as a factor in determining eligibility for credit, insurance, employment or another purpose in connection with which a consumer report may be used under the FCRA. Due to the nature of the origin of public record information, the public records and commercially available data sources used in reports may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. This product or service aggregates and reports data, as provided by the public records and commercially available data sources, and is not the source of the data, nor is it a comprehensive compilation of the data. Before relying on any data, it should be independently verified. LexisNexis and the Knowledge Burst logo are registered trademarks of Reed Elsevier Properties Inc., used under license. Copyright © 2016 LexisNexis. All rights reserved. NXR11418-00-0616-EN-US