LexisNexis® Attract™ for Commercial: Business Owners Underwriting (FCRA)

Back the winners

Accurately segment small business risks using a predictive model that incorporates credit-based insurance scores for business owners.

300   850

Predicting loss on business owner policies is an industry-wide challenge for commercial insurers.
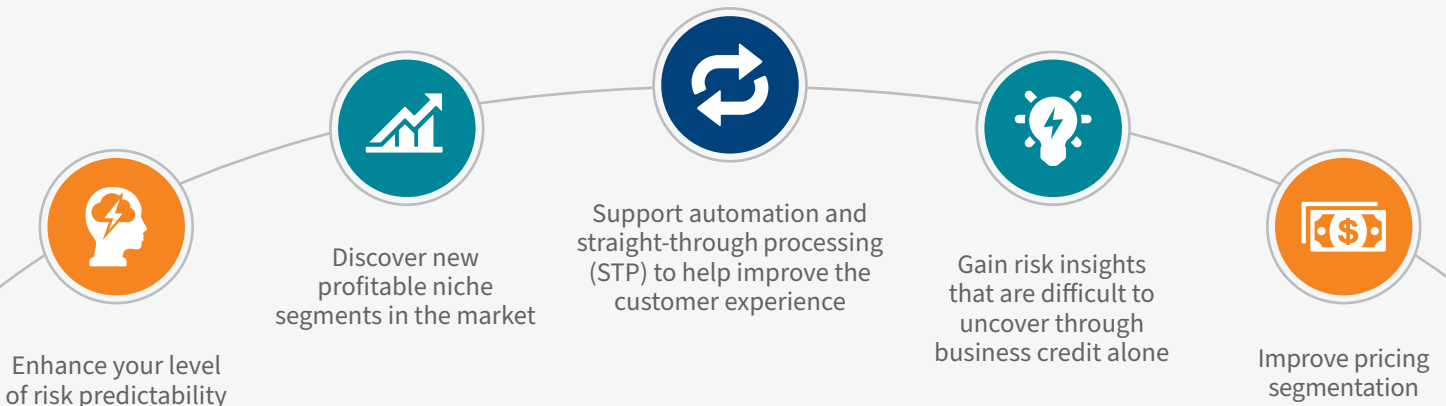
The use of business credit to predict loss on small, owner-operated businesses is often less effective due to the lack of critical tradeline data about the business. Credit attributes of the business owner have proven to be much more predictive of loss on risks where the business owner is highly involved in the day-to-day operations and intrinsically linked to the success or failure of the business. As the commercial insurance industry continues to evolve, utilizing data-driven models can help carriers stay ahead of their competition and improve their performance in underwriting, pricing and loss prediction.

Why LexisNexis® Attract™ for Business Owners Underwriting (FCRA)?

LexisNexis® Attract™ for Business Owners Underwriting (FCRA) correlates personal credit for business owners, yielding an insurance score that helps consistently and accurately predict future losses for BOP policies.

Our model uses historical credit archive data on hundreds of thousands of business owners representing more than $1.6 billion in premium volume. Governed by the FCRA, LexisNexis® Attract™ for Business Owners Underwriting is specifically designed to help predict insurance loss.

Leverage this solution to:

Enhance your level of risk predictability

Discover new profitable niche segments in the market

Support automation and straight-through processing (STP) to help improve the customer experience

Gain risk insights that are difficult to uncover through business credit alone

Improve pricing segmentation

Built on the right data for small business underwriting.

As an insurance carrier, you want to use the 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, in small business, owners tend to use their own personal credit for business expenditures. 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. Credit-based insurance scores are created using credit bureau data, which is governed by FCRA.

Our solution enables STP — especially helpful for the small and micro business population — so you can expedite new, more profitable market segments, while helping enhance your price offers based on true business owner risk.

Credit use varies based on business size.

BUSINESS SIZE

BUSINESS CREDIT SOURCES

Large to mid-sized businesses

PERSONAL CREDIT

Small to micro-sized businesses where the owner is highly involved

PERSONAL EXPENSES/BUSINESS EXPENSES

The smaller the business, the more influence a business owner has

96% of all businesses in the U.S. today have fewer than 10 employees.[1]

Achieve better match rates.

If the use of credit is important to your underwriting process, you want to maximize the number of credit matches received. Accurately scoring and segmenting as many risks as possible is the key to optimizing profit potential.

Hit rates can reach **up to 95%**.

On average, personal records return a match that is 45 percentage points higher (a 90% increase) compared to the match rate from business credit for business-owner policies.

Personal vs. business credit match rates

The usage of personal credit data can help carriers achieve a higher match rate compared to business credit data on business owner policies.

PERSONAL CREDIT 95%

BUSINESS CREDIT 50%

For more information or to get a more detailed overview of our solutions: Call **800.458.9197** or email **insurance.sales@lexisnexisrisk.com**

LexisNexis® | Insurance
RISK SOLUTIONS

About LexisNexis Risk Solutions

LexisNexis® Risk Solutions harnesses the power of data and advanced analytics to provide insights that help businesses and governmental entities reduce risk and improve decisions to benefit people around the globe. We provide data and technology solutions for a wide range of industries including insurance, financial services, healthcare and government. Headquartered in metro Atlanta, Georgia, we have offices throughout the world and are part of RELX (LSE: REL/NYSE: RELX), a global provider of information-based analytics and decision tools for professional and business customers. For more information, please visit www.risk.lexisnexis.com and www.relx.com.

1. https://sbecouncil.org/about-us/facts-and-data, stat includes employer and nonemployer businesses