Veridion

Veridion's data for Improved Underwriting Efficiency

Overview

The commercial insurance landscape is transforming at an unprecedented pace. With an influx of new business applications, inaccuracies in applicant data, widespread business misclassification, and outdated data sources, insurers face growing inefficiencies, financial risks, and missed opportunities.

New risks, ranging from climate-related events to emerging technologies like AI, require a fresh approach to how data is handled. **Are you confident in your ability to overcome these obstacles and thrive in this evolving environment?**

Explore **6 key challenges** commercial insurers face, along with essential questions to help you evaluate if you have the right data to boost underwriting accuracy, minimize risks, and gain a competitive edge.

01

Over 400,000 new business applications are submitted monthly in US, driving the need for faster quote generation.

Speed is crucial in securing new clients. Delays in generating quotes lead to poor customer experiences, reducing the conversion rate of quotes to bound policies. Slow response times mean missed opportunities, lower customer satisfaction, and lost revenue.

> With so many new applications coming in, the challenge is not just about providing quotes quickly - it's also about doing so with accuracy. Are you balancing speed with accuracy in quote generation?

02

45% of business data provided by applicants is inaccurate, complicating underwriting decisions.

Incomplete or outdated business profiles slow down the validation process, leading to higher risks of policy mispricing or missed business opportunities. According to Accenture, underwriters spend up to **40%** of their time on manual data validation, increasing the potential for errors.

> How much time is your underwriting team spending on manual data validation, and how does it impact policy pricing and efficiency?

03

Up to 60% of small businesses are misclassified, leading to premium leakage and and incorrect pricing.

Without accurate industry classifications (NAICS, SIC, ISIC, NCCI), insurers face financial exposure from underpricing and profit loss from overpricing. Inaccurate classification contributes to a costly mismanagement of risk —with U.S. commercial insurance losses reaching $222.5 billion in 2023.

> Are your industry classifications accurate enough to prevent premium leakage and financial exposure?

04

Limited risk insights create coverage gaps.

Many commercial insurers struggle with data vendors that fail to deliver comprehensive risk insights. McKinsey's 2023 Global Insurance Report highlights that evolving risks, such as climate change and cyber threats, are exacerbating this challenge, with many insurers struggling to close the growing "protection gap." This forces underwriters to manually research businesses, slowing decision-making and increasing the risk of misjudging exposures.

Are you relying on manual research to uncover risks, or do you have comprehensive data at your disposal?

05

Peak renewal periods see churn rates as high as 23%, straining resources and increasing data errors.

Renewal time should be an opportunity for better customer retention, but insufficient due diligence often leads to churn. Changes in a business's revenue, products, or ownership throughout the year can dramatically alter its risk profile. Insurers often struggle to keep up, leading to mispriced renewals and higher claims exposure.

Are you expanding your due diligence during renewals to capture all critical changes and retain customers?

06

Reliance on outdated data providers limits growth potential.

Legacy data vendors often fail to meet the current needs for real-time, granular insights required for comprehensive risk assessments. The lack of timely and enriched data prevents insurers from validating small and medium-sized businesses (SMBs) effectively, which impacts their ability to innovate and provide a competitive customer experience.

Are you still relying on outdated data providers that limit your ability to innovate and compete?

How can Veridion Help?

Veridion offers commercial insurers the next generation of underwriting tools—powered by real-time precise data and machine learning models - empowering forward-thinking insurers to stay ahead in an ever-competitive market.

→ **Veridion's Solutions**

Accurate & Timely Business Validation

Veridion provides **broad coverage of active small and medium-sized businesses (SMBs)**, enabling insurers to validate new submissions and renewals with precise, up-to-date data. This ensures that insurers have the most current business profiles, reducing the risk of mispricing and increasing underwriting efficiency.

Predictive Business Classification

Utilizing advanced machine learning, Veridion's models analyze web content to predict **accurate industry classifications, including NAICS, SIC, and ISIC codes.** By improving classification accuracy, Veridion helps insurers set the right pricing, rating, and coverage levels for each policy, mitigating the risks associated with misclassified businesses.

Business Monitoring & Verification

Veridion's Normalization & Enrichment Service ensures high-quality data by cleansing, standardizing, de-duplicating, and enriching business records. This service provides insurers with accurate, comprehensive profiles to streamline underwriting decisions. Insurers can trust that they are working with verified, up-to-date information, reducing the time spent on manual data validation.

Risk Exposure Identification

Veridion's Search Service allows insurers to uncover hidden risk factors within both new applicants and existing policyholders. By analyzing business locations, products, services, and operational models, insurers can identify potential risks and respond with agility, improving the accuracy of their risk assessments and preventing coverage gaps.

→ **Veridion's Key Data Points for Precision Underwriting**

Veridion structures its data across five levels to provide critical insights that empower underwriters to make accurate and timely decisions:

01 Business Firmographics: Legal names, addresses, and official identifiers.

02 Location Data: Number and distribution of operational sites.

03 Business Activities: Detailed descriptions and operational tags.

04 Risk Exposure Flags: Indicators to identify and assess potential risk factors.

05 Industry Classifications: NAICS, SIC, ISIC, and insurance-specific codes.

→ ## Seamless Integration with Flexible Delivery Options

Veridion offers multiple integration options to suit various insurer workflows:

> **API Integration:**
> Seamless access directly into internal underwriting systems.

> **Bulk or Batch Data Delivery:**
> Access through flat file formats for large data volumes.

> **Marketplace Availability:**
> Data accessible via platforms such as Snowflake.

> **Partner Solutions:**
> Veridion's data is also available through established partners like Insillion, Cytora, CapGemini, and PWC.

7 key Benefits of using Veridion's data:

01

Enhanced Customer Experience:

Expedite quotes and simplify application processes with **data driven pre-fills**, improving satisfaction and competitive advantage.

02

Increased Conversion Rates:

Achieve a **50% improvement in Quote-to-Bind** conversion rates, as demonstrated with other customers and drive higher premiums and greater profitability.

03

Accurate Underwriting:

Achieve **88-90% classification accuracy** with our NAICS model, ensuring precise and reliable insights to enhance decision-making at the point of sale.

04

Better Risk Assesment during Renewals:

Use **up-to-date data** to improve policy renewals, rather than relying on traditional 3-year reviews.

05

Operational Efficiency:

Free up your underwritters from manual and repetitive tasks and allow them to focus on high-value activities with Veridion's **seamless data integration.**

06

Fair Pricing & Compliance:

Ensure more **accurate pricing** and help meet regulatory requirements by leveraging precise, informed data.

07

Upsell and Cross Sell Opportunities:

Identify policies eligible for upsell/cross sell at renewal, **increasing premium revenue** through additional coverage.

Why Choose Veridion?

Veridion's Key Differentiators

✓

Unmatched Global Coverage

Veridion covers over **123.3 million** companies across **250 countries** and territories, providing a comprehensive global view essential for today's commercial insurers. **Explore our data.**

✓

Real-Time Data You Can Trust

Veridion refreshes data **10 to 15 times faster** than legacy providers, ensuring you're always working with the most accurate, up-to-date information.

✓

Precision in Location Data

Veridion provides detailed location data, including **precise addresses** for headquarters and branches. This helps insurers assess geographic exposure with pinpoint accuracy.

✓

Deep Operational Insights

Gain deeper understanding of businesses through operational data, allowing for more **precise risk profiling**. By analyzing a business's **digital footprint**, Veridion delivers **rich, detailed insights**—from revenue estimates to employee counts and product lines.

✓

Granular Data for Precision Risk Assessment

Veridion's data goes down to the **product** level, enabling insurers to tailor policies to each business's unique risks.

✓

ESG Insights

From net-zero targets to controversial media coverage, Veridion's ESG data provide transparency into a company's sustainability practices, helping you make informed decisions that align with today's regulatory and market demands. Explore our **4-Step Approach to ESG Data.**

Conclusion

Veridion provides the deep data insights insurers need to thrive, transforming today's challenges into opportunities for growth and profitability. Our solution ensures smarter, faster decision-making, helping you navigate this evolving landscape with confidence and efficiency. Embrace the future of commercial insurance with Veridion, where data data becomes the key to unlocking new opportunities and sustained success.