



Overview

Guidewire Cyence for Small Business Workers' Compensation enhances the traditional underwriting process with out-of-the-box models powered by machine learning and non-obvious data—all delivered via fast APIs to support straight-through processing.

Benefits

- Differentiate similar-looking submissions
- Automate declinations and referrals
- Avoid adverse selection
- Gain timely predictive insights on small risks

Features

- Real-time risk assessment of every small business in the US
- Fast cloud-native API retrieval
- Easy implementation: Go-live in less than three months
- Easy integration into any underwriting workflow
- Predictive modeling based on billions of dollars of real-world claims and premium

Guidewire Cyence for Small Business Workers' Compensation

- > Grow your small-business book with a 21st-century approach for underwriting small workers' compensation risks.

Harness Predictive Insights from Non-Obvious Data

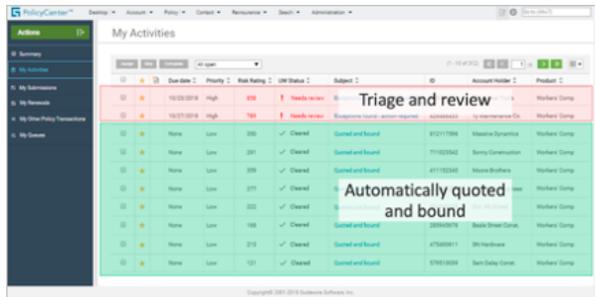
Underwriting workers' compensation risks in the small- and medium-sized enterprise market is difficult. Acquisition costs are high. Classification is imprecise. Submissions are hastily prepared. Almost all risks are loss-free, and they mostly look the same based on the meager information provided in standardized application forms.

The good news is that a recent and explosive proliferation of data has paved the way for better underwriting of small-business risk. However, this data can be hard to consume—it's often hidden in customer ratings, buried in business websites, obscured in permit filings, or locked away in government databases.

Guidewire calls this "non-obvious data," and it can be highly predictive of loss. Using advanced machine-learning techniques on petabytes of data, back-tested on hundreds of thousands of claims, we harness the predictive power of this data for better underwriting.

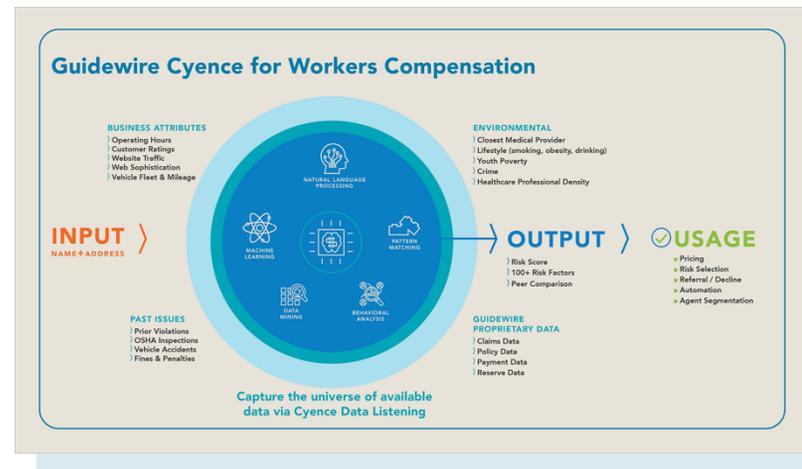
Today's underwriting margins are razor-thin. Finding predictive signals in the noise of big data is what separates outperforming insurers from those who fall prey to adverse selection. Harness the future of small-commercial underwriting with us

Supercharge Small-Commercial Underwriting



**Automate low-risk submissions while
flagging high risks for review**

Most small-business workers' compensation risks look the same on paper—even if they carry completely different susceptibility to loss. Using only the name and address of the business, the **Guidewire Cyence for Small Business Workers' Compensation** risk-assessment engine enables insurers to address this problem, drawing from hundreds of risk factors that are curated from thousands of third-party databases.



**Gain competitive advantage with specialized data and
machine learning**

In real time, users receive a company-specific risk rating, 100+ risk factors that explain the rating, and an industry peer comparison. These outputs leverage petabyte-scale data collection to gather relevant, company-specific data—such as company fundamentals, behavioral insights, social-media sentiment, and environmental influences. Augmenting submissions with such non-obvious data yields better underwriting triage and smarter risk selection.

Gain a Competitive Edge through Risk Differentiation

Imagine a Commercial lines insurance landscape where all information about risk is available on demand—information that is not only “black and white,” like hours of operation and services provided, but also includes intangibles, such as consumer sentiment and policy compliance.

For example, two ordinary hardware stores of similar size will often look like similar risks, as shown in the table below. But Guidewire Cyence for Small Business Workers' Compensation leverages non-obvious data to provide more-granular risk differentiation. Using only a name and address input into the Cyence API, the risk-assessment engine retrieves hundreds of data points from commercial, government, geospatial, and propriety sources in real time to show differentiation between the risks. This new insight can be used to improve pricing and quoting decisions.

		Granview Hardware	Thomson Tools
Most WC Applications	Payroll Employees % off-prem work Experience modification Work done >15 ft Seasonal employees	<ul style="list-style-type: none"> • \$1.1M • 20 • 7% • 1.0 • None • None 	<ul style="list-style-type: none"> • \$1.0M • 18 • 8% • 0.98 • None • None
Cyence for Small Business Workers' Compensation (Uses ONLY name and address).	Past Issues Services Provided Level of Activity Lifestyle Index Nearest Medical Facility	<ul style="list-style-type: none"> • None • Key Cutting • Quiet • Healthy • 0.5 miles 	<ul style="list-style-type: none"> • Wage, Work Violations • Home Delivery, Installs • Very Busy • Unhealthy • 4 miles
		 Low Risk	 High Risk

Realize Immediate Benefits Across the Insurance Lifecycle

Proven Predictive Value

Guidewire Cyence for Small Business Workers' Compensation works. Its curated risk factors provide predictive lift beyond insurers' own pricing models. Given the opportunity to back-test your historical claims with these risk factors, we can demonstrate it.

Use Case	Examples	Benefits
Pricing	<ul style="list-style-type: none"> • Modify target pricing using predictive risk factors • Reduce credit allowance for riskiest deciles 	<ul style="list-style-type: none"> • Enable granular, accurate pricing • Optimize capital usage
Referral/Decline	<ul style="list-style-type: none"> • Automatic referral for any past wage or hour violation • Automatic decline for safety violations on file above a permissible threshold 	<ul style="list-style-type: none"> • Adhere to underwriting guidelines • Enable consistent risk appetite
Automation	<ul style="list-style-type: none"> • Straight-through processing, (e.g., for risk scoring below the 30th percentile) 	<ul style="list-style-type: none"> • Lower acquisition costs
Agent Profiling	<ul style="list-style-type: none"> • Segment agents by submission quality • Analyze business quoted but not bound 	<ul style="list-style-type: none"> • Optimize distribution • Acquire real-time insight into market trends and competitive landscape

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. More than 380 insurers, from new ventures to the largest and most complex in the world, run on Guidewire. For more information, contact us at info@guidewire.com.