GUIDEWIRE

Overview

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

Benefits

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

Features

- Real-time risk assessment of every small business in the U.S.
- Fast risk assessment with cloud-native API
- Easy to implement: 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 Analytics for Small Business

> **Grow your small-business book with a data-driven, cutting-edge approach to underwriting**

Harness Predictive Insight from Non-Obvious Data

Underwriting small-commercial risks is difficult. Acquisition costs are high. Classification is imprecise. Submissions are hastily prepared. Many 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.
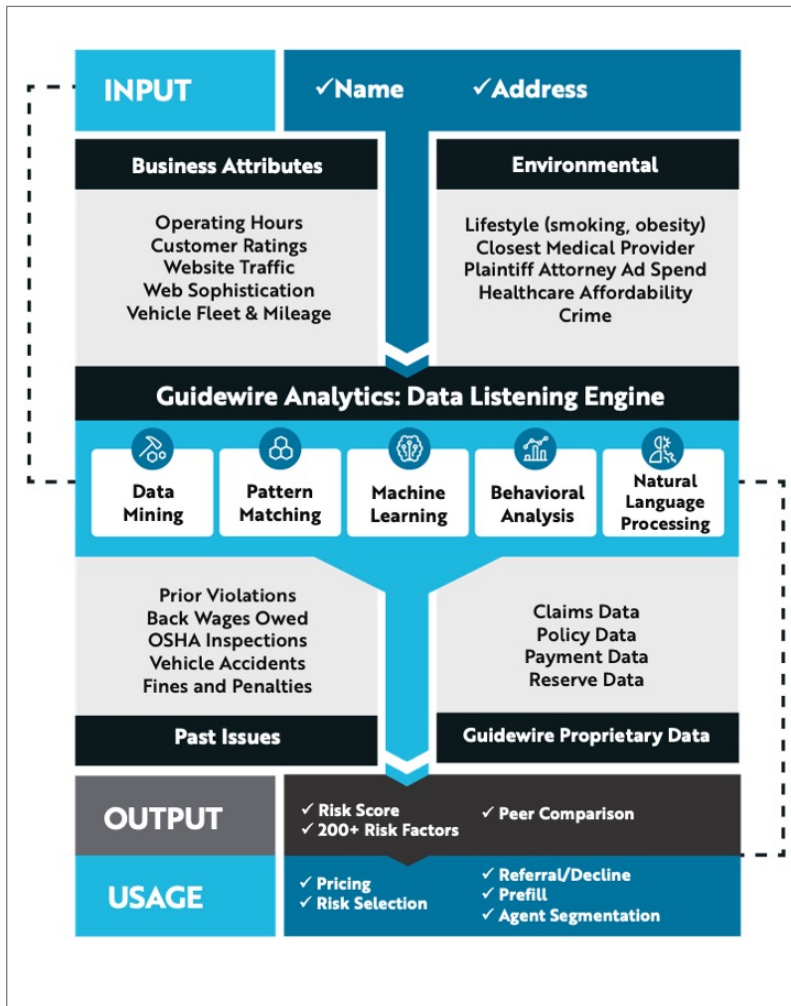
Guidewire calls this "non-obvious data," and it can be highly predictive of loss. Using advanced machine-learning techniques on petabytes of data, back-tested on hundreds of thousands of claims, we harness the predictive power of this data for better underwriting.

Today's underwriting margins are razor thin. Finding predictive signal 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.

INPUT	✓Name	✓Address

Business Attributes	Environmental
Operating Hours Customer Ratings Website Traffic Web Sophistication Vehicle Fleet & Mileage	Lifestyle (smoking, obesity) Closest Medical Provider Plaintiff Attorney Ad Spend Healthcare Affordability Crime

Guidewire Analytics: Data Listening Engine

Data Mining	Pattern Matching	Machine Learning	Behavioral Analysis	Natural Language Processing

Prior Violations Back Wages Owed OSHA Inspections Vehicle Accidents Fines and Penalties	Claims Data Policy Data Payment Data Reserve Data
Past Issues	**Guidewire Proprietary Data**

OUTPUT	✓ Risk Score ✓ 200+ Risk Factors	✓ Peer Comparison
USAGE	✓ Pricing ✓ Risk Selection	✓ Referral/Decline ✓ Prefill ✓ Agent Segmentation

The digital footpoint of every small business in the U.S. — delivered in near real-time via data listening

Supercharge Small-Commercial Underwriting

Many small-commercial 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 Analytics risk-assessment engine enables insurers to address this problem, drawing from hundreds of risk factors from relevant third-party databases.

In real time, users receive company-specific **risk ratings, 200+ risk factors** that explain the rating, **and a peer comparison** for any small businesses. 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.

Guidewire Analytics — Predictive Risk Factors

Consumer ratings	Plaintiff attorney ad spending	Area lifestyle behaviors
Employee ratings	Attorney prevalence	Alcohol and drug dependency
Social media sentiment	Voting patterns	Child poverty rate
Hours of operation	Local sentiment—business friendliness	Healthcare accessibility
Web marketing sophistication	Neighborhood sentiment—racial equality	Healthcare cost index
Web reputability	Neighborhood sentiment—workplace equality	Property to income ratio
Web front complexity	Regional disability rate	Proximity to urgent care
Prior safety violations	Violent crime	Proximity to fire station
Prior wage practice violations	Property crime	Proximity to police station
Prior safety inspections	Auto vehicle theft	Proximity to hazardous chemicals
Prior fines and penalties paid	Civic engagement	... +170 more

Gain a Competitive Edge Through Risk Differentiation

Imagine a Commercial lines insurance landscape where all information about a risk is available on demand: information that is not only "black and white," like hours of operations and services provided, but also 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. Using only a name and address input into the Guidewire 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.

		Grandview Hardware	Thomson Tools
Most Insurances Applications	Payroll Employees Claims in past 24 months Liens or bankruptcies Years in operation Seasonal employees	• $1.3M • 20 • None • None • 15 • None	• $1.1M • 18 • None • None • 22 • None
Guidewire Analytics for Small Business (Uses ONLY name and address)	Past issues Legal climate Level of activity Nearest medical facility	• None • Standard • Family quiet • 0.5 miles	• Wage, work violations • Adverse • Very busy • 4 miles

GUIDEWIRE

Realize Immediate Benefits Across the Insurance Lifecycle

Proven Predictive Value

Guidewire Analytics for Small Business provides real business value with curated risk factors that deliver underwriting insight and predictive ability. Given the opportunity to back-test your historical claims with these risk factors, we can prove it out.

Use Case	Examples	Benefits
Pricing	• Modify target pricing using predictive risk factors • Reduce credit allowance for riskiest deciles	• Enable granular, accurate pricing • Optimize capital usage
Decline/Referral	• Automatic referral for any past wage or hour violations • Automatic decline for safety violations on file above a permissible threshold	• Adhere to underwriting guidelines • Enable consistent risk appetite
Automation	• Straight-through processing (i.e., for risk scoring below the 30th percentile)	• Lower acquisition costs
Prefill	• Ask fewer questions to arrive at a quote/decline decision • Minimize keystrokes by populating data entry fields	• Increase submission flow • Improve data quality • Improve customer experience