



Guidewire Predictive Analytics for Profitability

Improving Underwriting Outcomes

DATA SHEET

Underwriters today are constantly challenged with making the right risk selection using a scientific data-based approach while confronting the pressures of pricing, retention, competition, and expense management. The process is cumbersome and distracting, with significant time wasted on low-value-add activities.

In this increasingly complex world, underwriting organizations can no longer rely simply on individual experience and professional judgment. Insurers need more than that. In fact, tools to augment and accelerate business decision-making have become the new imperative. The best tools leverage advanced machine learning capabilities to improve outcomes in a scientific way without human bias and with consistency through front-line implementation.

SMART BUSINESS DECISIONS

- Actionable predictive insights directly delivered in Guidewire core systems
- Improve productivity by aligning right work with the right resources
- Improve rating sophistication and granularity
- Identify and address pricing inaccuracies
- Proven models targeting specific business problems

Predictive Analytics for Profitability

For underwriting organizations that are focused on accurate pricing while increasing customer satisfaction, Guidewire Predictive Analytics™ for Profitability delivers actionable insights, empowering insurers to make smart data-driven decisions throughout the insurance lifecycle. By analyzing multiple sets of data, providing guidance to front-line decision makers, and continuously measuring the business value, Predictive Analytics for Underwriting helps insurers grow profitably by improving rating sophistication and granularity while identifying and addressing pricing inaccuracies.

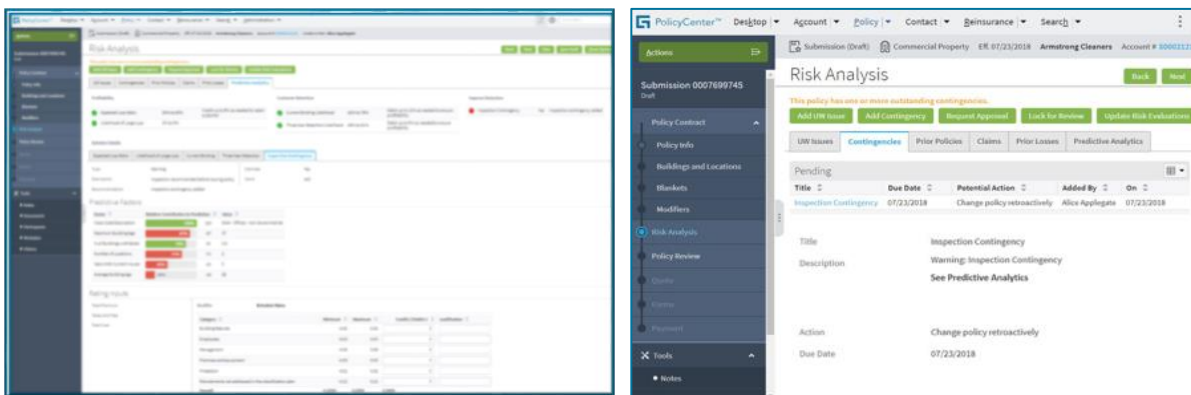


Figure 1 Predictive insights embedded within PolicyCenter

Integration with Guidewire PolicyCenter and Guidewire InsuranceNow

To operationalize the models, Predictive Analytics for Profitability seamlessly integrates with Guidewire PolicyCenter™ and Guidewire InsuranceNow™ to deliver scoring results in real time along with the impacting predictive factors. Follow-on actions, adjustments, and activities are then automatically triggered in these core systems through configurations. In addition, Guidewire also helps identify key performance indicators (KPIs) to measure the business benefit and validate your return on investment (ROI). Because predictive models can grow outdated as external business conditions and internal underwriting processes continue to change, Guidewire also provides a complete lifecycle service that includes an annual model refresh to review and optimize model performance.

Predictive Analytics for Profitability can be used across the underwriting lifecycle to improve outcomes; some of the more commonly deployed solutions are listed below.

Solution	Description	Business Benefits	Lines of Business
Automated Rate Adjustment	Enhanced accuracy and profitability of personal lines pricing with automated rate adjustments on top of an existing rate plan	<ul style="list-style-type: none"> • Reduced adverse selection • Reduced loss ratios • Increased selection and retention of profitable customers 	<ul style="list-style-type: none"> • Auto/motor • Homeowners • BOP and smaller commercial property
Manual Underwriting Profitability	Enhanced profitability and conversion via guidance on expected losses and profitability	<ul style="list-style-type: none"> • Reduced adverse selection • Reduced loss ratios • Increased selection and retention of profitable customers • Increased underwriter efficiency 	<ul style="list-style-type: none"> • Commercial property • High-value homeowners • Workers' compensation
Customer Retention	Identification of profitable policyholders with elevated attrition risk, whether at initial submission or renewal	<ul style="list-style-type: none"> • Increased acquisition and retention of most valuable customers • Reduced adverse selection • Increased profitability 	All
Expense Reduction	Determining the most cost-effective inspection and audit methods and evaluate value of additional third-party reports	<ul style="list-style-type: none"> • Reduced inspection, audit, and third-party report expenses • Increased conversion, pricing accuracy, and profitability • Increased premium from audited accounts 	<ul style="list-style-type: none"> • Commercial property • Commercial liability • High-value homeowners • Workers' compensation

Figure 2 Solutions that can be deployed with Predictive Analytics for Profitability

About Guidewire Software

Guidewire delivers the industry platform that Property and Casualty (P&C) insurers rely upon to adapt and succeed in a time of accelerating change. We provide the software, services, and partner ecosystem to enable our customers to run, differentiate, and grow their business. We are privileged to serve more than 350 companies in 32 countries. For more information, please visit www.guidewire.com and follow us on twitter: [@Guidewire_PandC](https://twitter.com/Guidewire_PandC).