


## CASE STUDY



## Policy Insights creates a strong advantage for One Call

**Customer Name:**

One Call Insurance

**Industry:**

Insurance

**Challenge:**

Identify a USP in the market to add value for insurers, beyond the fact that it can service calls and then handle policy changes for customers.

**Solution:**

LexisNexis® Policy Insights

**Results:**

One Call are now able to:

- Rate risk beyond the standard rating details
- Additional data enables One Call to understand a risk beyond what they already know
- Policy Insights has helped One Call write new business, as they are enjoying year-on-year growth of approximately 20%

“For us as a business we want to keep at the forefront of fraud prevention. Data enrichment providers out there have all kinds of different solutions. Policy Insights was one of those we’ve seen over the years, but we’re now seeing a huge amount of value in it, for supporting more competitive pricing, and protecting insurers at the same time.”

Josh Barnsdale,  
*Distribution Director at One Call Insurance*

### The Client

One Call Insurance

### The Overview

Insurance is a highly data-intensive industry, and most especially the UK motor insurance sector, making it extremely important for insurers and brokers to manage large volumes of data from both traditional and non-traditional sources.

As a result, many insurance providers are investing in building new data capabilities, finding that big data analytics can have an impact on nearly all insurance processes, from product development, to pricing and underwriting which we are discussing here, to claims handling.







The objective with Policy Insights has been to identify areas of risk data that can really make a difference and create value for the insurance provider – in terms of more accurate pricing, reduced fraud, streamlined operational processes and reduced cancellations – as well as for the consumer, in terms of better pricing.

Being built with insurance specific data from policy history information and other sources, Policy Insights is designed to deliver a more precise risk assessment – beyond the rating information from financial scores and non-insurance information that is currently in use. Identifying new fraud markers such as ghost brokers, for example, and new types of predictors of loss such as gaps in cover, NCD history, named drivers and vehicle history allows the LexisNexis data sets ultimately to help to quote and price more precisely.

Simplification of the data access point, cost reduction through reduced fraud and reduced cancellations, and revenue growth, are the key drivers behind the adoption of data enrichment in the insurance industry.

Regulatory challenges, combined with rising consumer expectations, and demands for sub-second quoting across numerous platforms and software house, all add up to a very challenging business environment.

Just to demonstrate the power of Policy Insights data, here are some insights of its predictive value:

-  **28%** of UK motorists switch provider at renewal (this does not include mid-term switching)
-  **10%** buy their new policy on the day of expiry (a further 35% in that last week)
-  **11%** have more than one policy, half of which have different NCDs
-  **7%** have had a gap in cover and 1% have had more than one gap in the last three years
-  **26%** mis-state their NCD, whilst 15% overstate, 11% understate
-  **10%** have had a mid-term cancellation and 2% have more than one in the last three years.

Policyholders with a gap in cover in the past year have a ~50% higher loss cost than those that don't. Those with a gap in the last five years have a ~30% higher loss cost.

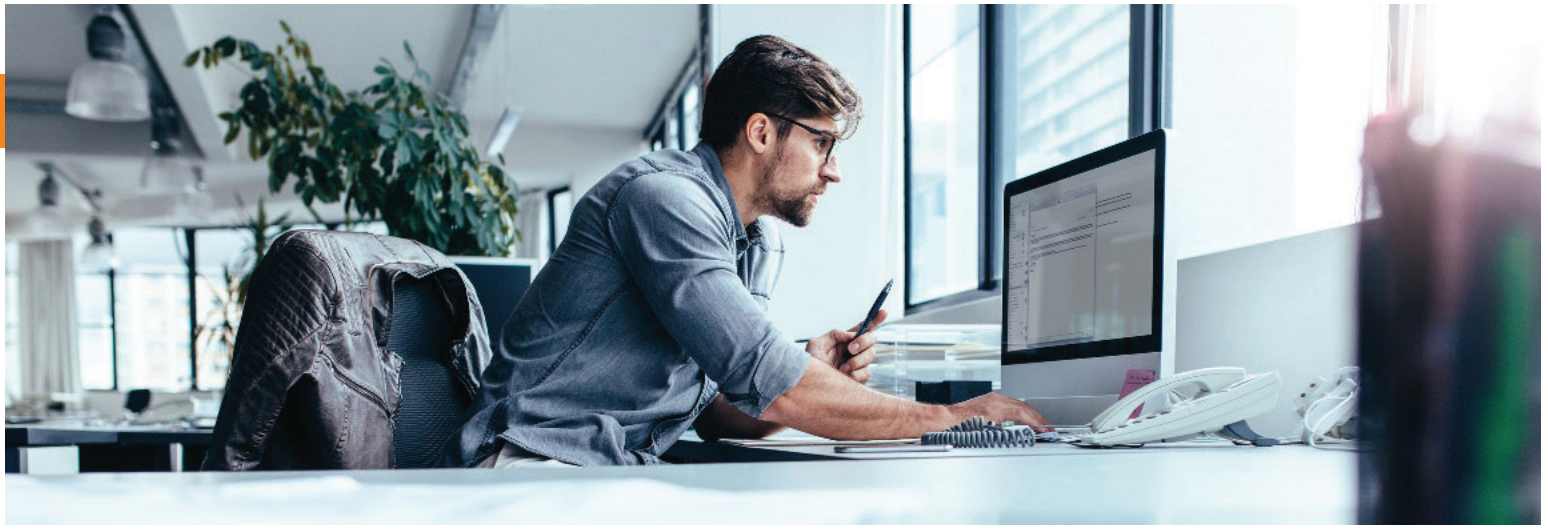
Policyholders with a policy cancelled prematurely have a ~33% increase to loss cost, where having two or more cancellations has a ~70% increase to loss cost.

The whole area of data enrichment in motor insurance is only going to become more critical, and pricing more intense, bringing technology challenges as innovations and new insurance models begin to enter the market.

### The Challenge

One Call acknowledged that as a broker, many years ago, it wanted to identify a USP in the market to add value for insurers – beyond the fact that it can service calls and then handle policy changes for customers. They saw the fraud prevention aspect of the market as the best way forward to do that and on that basis, their insurer clients would see better performance in quoting and in customer service on the back of that. For the last five or six years that has been the main area of focus for One Call and they have grown into a recognised industry leader in fraud prevention. Their panel of leading insurers today recognise the company as the gold standard in this respect, against which they compare all their other brokers.





## The Solution

In 2017, when One Call first started assessing Policy Insights, it became evident to them that it would be a useful tool for getting more competitive prices and also protecting their insurer clients at the same time. The company wanted to keep its lead in the fraud prevention market and, hence, it was keen to be first-to-market with Policy Insights and to work further with LexisNexis.

The implementation of Policy Insights into their workflow since mid-2018 has been “really fruitful” for One Call who are now using Policy Insights with their insurer panel and their own insurance capacity as well. Discussions are ongoing with additional insurers potentially using it, either through implementation via One Call or directly with LexisNexis Risk Solutions.

## The Results

“For us, as an insurer, it has been really valuable” comments Josh Barnsdale, Distribution Director at One Call Insurance. “The company is able to risk rate beyond the standard rating details that are well-known in the industry, such as the person, the vehicle details, ID checks and credit scores.”

“We’ve got this additional data now – that enables us to understand a risk beyond just what we already know about. We truly see it as a rating advantage in a way that credit rating became an advantage in the market, where a risk could be indicated by the credit score, not just the actual risk details.”

For example, two identical risks with the same vehicle and same age of driver can be completely different in terms of loss ratio and propensity to claim. For One Call, the additional information Policy Insights gives is having that same advantage.

The implementation to date has been quite a soft touch approach, insuring all the right rules are in place, but One Call is now starting to implement new and more advanced scoring rules. Policy Insights has helped them write new business, although of course not all of this can be attributed to Policy Insights.

In 2018, the company aimed to write £220 million of gross written premiums, compared to £180 million in 2017 and £150 million in 2016, representing year-on-year growth of approximately 20%.

One Call Insurance remains privately-owned and it intends to stay private. The group has approximately 800 employees, with 500 in the broker business and others working in its in-house breakdown service, mortgage hub, body repair shops around the UK, a management company linked to One Call Insurance and legal services under the One Call brand.

Everything just went pretty seamlessly and we stuck to deadlines, within a few days of them being set.

“We want initiatives like Policy Insights to keep us at the forefront of the industry and keep us growing,” says Josh Barnsdale. “Because we have become best-in-class for that aspect of fraud prevention, this has helped us to grow in a market where many insurers are struggling to grow, and most are standing still, if not shrinking (the number of motor policies underwritten in the UK declined slightly from 27.296 million to 27.292 million in 2017).”

“What stood out for me was that the team at LexisNexis was really proactive, and it’s been like this from the beginning. For example, when the integration was going through, there has always been someone there to refer to, and resolve any issues as they arose. As we were building something for the first time, and as LexisNexis was incorporating the data for the first time, there’s always going to be teething problems. It was great to see the level of service, which is a nice change.”

“We have worked with pretty much any data enrichment provider you can think of, and the level of service has often been very poor in comparison. Everything just went pretty seamlessly and we stuck to deadlines, within a few days of them being set.”

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#### About LexisNexis® Risk Solutions

At LexisNexis Risk Solutions, we believe in the power of data and advanced analytics for better risk management. With over 40 years of expertise, we are the trusted data analytics provider for organizations seeking actionable insights to manage risks and improve results while upholding the highest standards for security and privacy. Headquartered in metro Atlanta, USA, LexisNexis Risk Solutions serves customers in more than 100 countries and is part of RELX Group plc, a global provider of information and analytics for professional and business customers across industries. For more information, please visit [www.risk.lexisnexis.com](http://www.risk.lexisnexis.com).