



Structure Insurance Score

Innovative advanced modeling tool for homeowners insurers to create their competitive advantage

The Structure Insurance Score (SIS) allows carriers to differentiate pricing and underwriting on personal property insurance by reflecting detailed structural characteristics. This score was built collaboratively by Willis Towers Watson and e2Value on a robust database representative of homes across the U.S. and is provided on a subscription basis.

Key features include:

- The score is calculated using unique building characteristics that have been proven to impact replacement costs **above and beyond** information typically used by carriers to rate and underwrite property coverage
- The combination of our advanced modeling capabilities and unique data consideration results in **significant lift or improved segmentation**
- The score is generated in **real-time** so that it can be used in point-of-sale pricing
- We created an exclusive Rating Bureau licensed in **over 45 states**

Structure Insurance Score (SIS): A sophisticated tool for pricing and underwriting

Understanding the value of the tool

Below are two homes that located a block away from each other. They are both 14 years old and have the same replacement cost and protection class. We can see, however, that they are quite different structurally.

Property 1 looks to be a little bigger and has a different makeup than Property 2. How would these two homes be treated using a Structure Insurance Score?

Illustrative only



	Property 1	Property 2
Age of home	14 yr.	14 yr.
Replacement cost	\$340,000	\$340,000
Protection class	6	6
SIS score	580	905

Perils	Multiple-story homes could be affected over a wider area by various perils	One-story homes can have a more localized impact from different perils versus a multiple-story home
	Upstairs bathrooms increase the area affected by water losses	Different roof heights and shapes react differently to various weather perils
	Theft risk could be reduced due to fewer openings on the ground level versus similar sized one-story homes	Amount of siding and roofing materials can increase or decrease the impact of certain perils
	Features like a pool may increase liability exposure	The size of the home will affect how much of the home is impacted by various perils
	Different roof materials react differently to various weather perils	The shape of and levels in the design of a home change how the home reacts to weather perils

This tool provides deeper insights into policyholders, pricing and underwriting than ever before.

Structure Insurance Score (SIS): A sophisticated tool for pricing and underwriting

Understanding the value of the tool...continued

In the example on page 2, the SIS score for Property 2 is a much higher score than for Property 1. Traditionally, insurers would charge the same premium (based on similar characteristics) without truly understanding the risks associated with each.

SIS better reflects the true risk potential by charging Property 1 a 50% higher premium than Property 2.

	Property 1	Property 2
Premium (Traditional Rating)	\$1,000	\$1,000
SIS premium	\$1,200	\$800

Benefits to Insurers

General	Underwriting	Pricing
<ul style="list-style-type: none"> ▪ Additional management of adverse selection ▪ Deeper knowledge of the risk being insured ▪ More intuitive than rating elements such as credit 	<ul style="list-style-type: none"> ▪ Risk acceptability ▪ Company/tier placement ▪ Renewal underwriting 	<ul style="list-style-type: none"> ▪ Increased segmentation ▪ Greater pricing accuracy ▪ Improved association of loss costs with premium charge

Willis Towers Watson and e2Value: Leading firms in the marketplace providing insurance pricing analytics and property valuation data

Willis Towers Watson	e2Value, Inc.
<p>Willis Towers Watson’s Insurance Consulting and Technology business helps clients manage risk and capital, improve business performance and create competitive advantage – by focusing on financial and regulatory reporting, enterprise risk and capital management, mergers & acquisitions, corporate restructuring, as well as product, pricing and business management strategy. Experts combine strategic and analytical skills to solve practical business problems, applying the latest techniques and software solutions.</p> <p>Software solutions are developed to meet client needs – we use these solutions as part of our consultancy and license them to clients for sustainable improvement to their businesses. These solutions are developed by software professionals and industry consultants working together with clients. This combination of technical expertise, industry knowledge, programming / software engineering capability and end-user insight creates sophisticated, innovative and easy-to-use products.</p>	<p>e2Value is a leading provider of web-based property valuation solutions. They assist clients with all Insurance-to-Value and collateral value monitoring needs. Their online property valuation software is fast, cost-effective, accurate and offers an excellent user experience.</p> <p>They have developed and patented a knowledge-based valuation system that emphasizes standardization and consistency. Their system, Expert Valuation System (EVS™), did the one thing that no other provider has ever achieved—it is the one valuation system that can be used to calculate the value of any home or building, regardless of size or value.</p> <p>Since their founding in 2000, they have grown to be the valuation option for over 500,000 users and those users have completed tens of millions of calculations. Their valuation system is used by large insurance companies as well as single-person insurance agencies.</p> <p>EVS can value the smallest of one-room cabins to the largest homes in the country, large commercial buildings down to a one-stall car wash, all with the same number of questions, all on one system.</p>

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