Home Factors

CASE STUDY

Electrical Panel Repair/Replacement for Risk-Based Policy Segmentation

HOMEOWNERS OF AMERICA

The analysis process began by leveraging Home Factors, which provides insights into 90% of households, and combining it with claims data through a collaborative effort with the data science and actuarial teams.

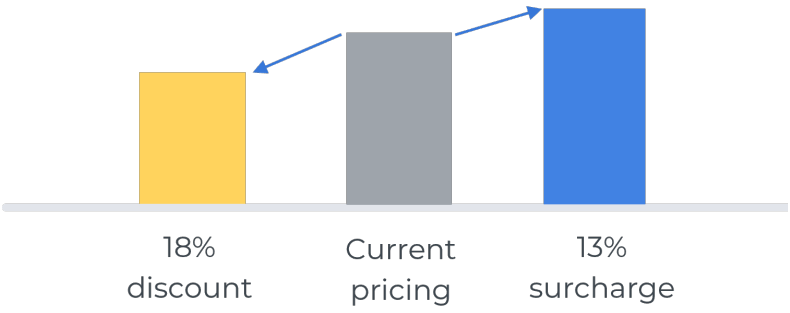
Using univariate analysis to evaluate individual factors, strong correlation between electrical panel repairs and increased fire risk was identified. Homes with electrical panels requiring repairs could experience a **41% higher claims frequency** compared to those without.

ACTIONABLE OUTCOMES

This critical insight enabled HOA to refine their policy segmentation, helping them achieve more accurate alignment with premiums, benefiting both policyholders and overall portfolio performance:

- **39% of policyholders** without electrical panel repair needs qualify for an **18% premium discount,** reflecting lower associated risks.
- **33% of policyholders** with electrical panel repair needs incur a **13% surcharge,** accounting for their elevated claims frequency.

Electrical Panel Needing Repair/Replacement
Could indicate a ~41% higher claims frequency



39% of Policyholders
WITHOUT electrical panel repair

33% of Policyholders
WITH electrical panel repair needed