

# Foundation Type and Claims Management Risk Segmentation



The type of foundation in a property plays a significant role in claims risk assessment, particularly for homes with basements.

Data analysis indicates that properties with a basement could experience a **~27% higher claims frequency** compared to homes without a basement foundation.

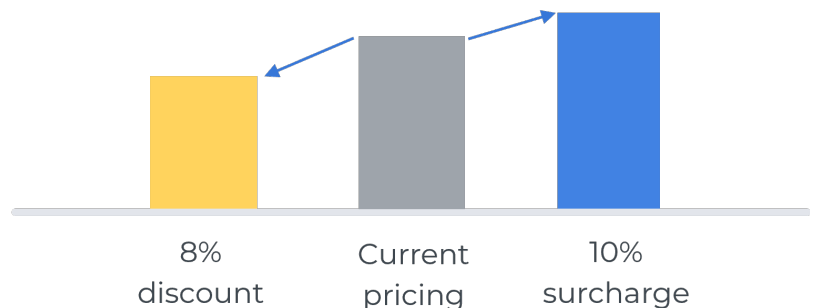
## ACTIONABLE OUTCOMES

By integrating foundation type into underwriting, HOA ensured fairer pricing while improving portfolio performance and risk distribution. As a result, these insights enabled HOA to refine policy segmentation for homeowners:

- **29% of policyholders** likely do not have a basement, potentially qualifying basement for an **8% premium discount**, reflecting the reduced claims risk.
- **35% of policyholders** likely have a basement, potentially incurring a **10% surcharge**, aligning pricing with their elevated risk profile.

### Foundation Type

A foundation type of basement could indicate a **~27% higher claims frequency**



**29% of Policyholders** likely WITHOUT a basement

**35% of Policyholders** likely WITH a basement