

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.

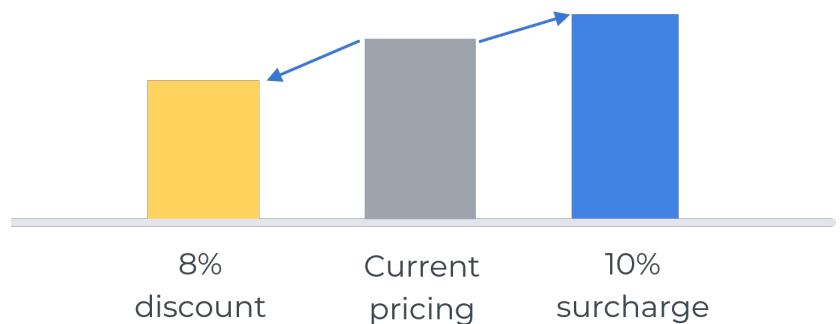
ACTIONABLE OUTCOMES

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** without a basement qualify for an **8% premium discount**, reflecting the reduced claims risk.
- **35% of policyholders** with a basement incur 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
WITHOUT a basement

35% of Policyholders
WITH a basement