Home Factors
POWERED BY PGM

CASE STUDY

Foundation Type and Claims Management Risk

HOMEOWNERS OF AMERICA

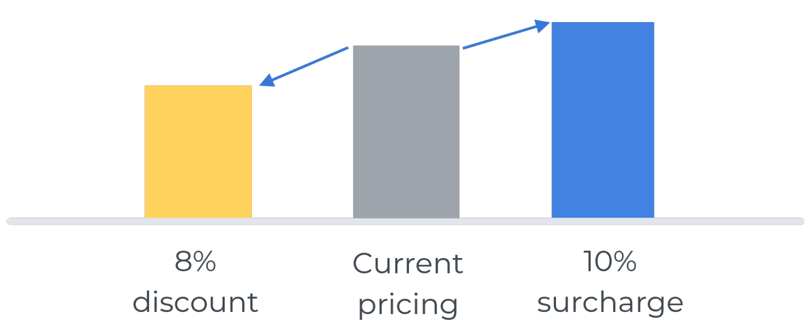
The type of foundation in a property plays a significant role in claims risk assessment, particularly for homes with basements. Data analysis indicates that properties with a basement could experience a ~27% higher claims frequency compared to homes without a basement foundation.

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
Type of basement foundation could indicate a ~27% higher claims frequency



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