

## Buyer's Guide

# Data for Residential and Small Commercial Underwriting

Data is a driving force that allows insurance underwriters to understand, assess, and price risk effectively. To navigate the complex landscape of data procurement it's important to ask questions about the quality of the data, the speed and integration with underwriting systems, and the services to support long term success. Let's dive into 13 questions you should be asking your data vendor before your purchasing decision.

### TOP QUESTIONS TO CONSIDER

#### WHAT TO ASK

#### VENDOR PITFALLS

### DATA QUALITY AND SCIENCE

1



#### EXPOSURE DATA

How do you validate the accuracy of your property data?

Some vendors do not rigorously validate their exposure data, adding uncertainty to the risk selection and pricing workflow.

2



#### HAZARD DATA

Do your hazard analytics include all material perils in the market?

Some vendors only offer hazard analytics on a few perils, requiring firms to engage with multiple data partners to build a comprehensive risk perspective.

3



#### DATA GRANULARITY

How granular is the hazard risk data for specific locations?

Some vendors offer coarse, generalized data, which can lead to inaccurate pricing and underestimation of risk.

4



#### RISK SCORES

Does your underwriting data include risk scores? How are they built?

Some vendors do not offer risk scores. Those that do often utilize approaches that rely on incomplete or aggregate property data, and struggle to model risks accurately.

5



#### LOST COST ANALYTICS

Does your underwriting data include peril-specific loss cost pricing analytics?

Some vendors do not offer loss cost estimates at point of quote, requiring firms to build their own rating tables for technical pricing.

6



#### CONTINUITY OF RISK PERSPECTIVE

How are your loss cost analytics calculated?

Most loss cost data does not utilize the same approaches as the tools used by the rest of the organization, which often results in accumulations of unknown risk or inadequate reinsurance purchase.

7



#### GEOCODING

What measures do you take to ensure the accuracy of your geocoding data?

Some vendors may overlook the potential for minor location discrepancies in their geocoding data, which can lead to significant changes and distortions in a property's risk profile.

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**TOP QUESTIONS TO CONSIDER**

**WHAT TO ASK**

**PITFALLS OF CLOUD-HOSTED ENVIRONMENTS**

**WORKFLOW INTEGRATION**

8



**APIS**

What API protocols are used to feed your data into systems and tools?

Some vendors' solutions require custom code or development to integrate with existing underwriting systems and platforms.

9



**DATA INTEGRATION**

How does your solution integrate with the entire underwriting workflow to support seamless, real-time decision-making?

Some vendors' solutions struggle with seamless integration due to outdated technology, incompatible systems, or lack of comprehensive features, leading to delays and potential loss of business.

10



**PRICE TO QUOTE**

Does your data support real-time pricing demands?

Some vendors are not able to provide near instant loss estimations for a unique property, meaning underwriters cannot work with speed and confidence.

**SUPPORT AND DOWNTIME**

11



**SYSTEM DOWNTIME**

Is your underwriting data available 24/7? REST APIs across applications?

Some vendors' lack of redundancy systems leaves underwriters without 24/7 data access, risking sales during maintenance windows.

12



**CUSTOMER SUPPORT**

What support do you offer to facilitate integration of data into workflows?

Some vendors sell underwriting data without dedicated customer support for onboarding and troubleshooting.

13



**UPDATES AND MAINTENANCE**

How do you deliver updates to your underwriting datasets?

Some solutions require firms to rearchitect their underwriting solutions to utilize updated data, adding new complexity and cost to their workflows.

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