

CSAA INSURANCE GROUP IMPROVED UNDERWRITING QUALITY AND EFFICIENCY WITH AVANTA VENTURES' PORTFOLIO COMPANY CAPE ANALYTICS' AI-BASED PROPERTY INTELLIGENCE.

CHALLENGE

HOME INSPECTIONS ARE AN EXPENSIVE AND INEFFICIENT STEP IN HOME INSURANCE UNDERWRITING.

Home inspections are time-consuming and resource-intensive, incurring significant underwriting expenses for insurance carriers. They're part of the standard underwriting process for property insurance, often creating a negative experience for customers. More sophisticated techniques and data sources are emerging to improve the accuracy and efficiency of inspections.



"Insurance companies use roof age as a proxy for roof quality, but all insurers are challenged when it comes to roof information," said Patrick Knutson, Property Product Management at CSAA Insurance Group. "You could have a 5-year-old roof that is in terrible condition or a 15-year-old roof that is in amazing condition. Cape Analytics equips us with more insights and a numeric score that we can use to effectively evaluate roof quality."

PATRICK KNUTSON

Property Product Manager
CSAA Insurance Group

SOLUTION

CAPE ANALYTICS' AI-BASED ANALYSIS OF AERIAL IMAGERY PROVIDES INSIGHTS INTO ROOF QUALITY AND HOME CONDITIONS THAT ARE CRITICAL TO FAST, ACCURATE INSURANCE UNDERWRITING.

To help address this challenge, CSAA Insurance Group, a AAA Insurer, partnered with Avanta Ventures' portfolio company Cape Analytics to leverage its advanced artificial intelligence (AI) technology to more quickly and inexpensively assess the condition of policyholders' homes. With a database of more than 70 million residential buildings in the United States, Cape Analytics provides timely and accurate property information by leveraging geospatial imagery, computer vision, and deep learning. Cape Analytics' algorithms can identify a range of critical property attributes and loss-predictive signals. For example, its Roof Condition Rating detects and scores issues such as missing shingles, the use of tarps, or discoloration – all of which can be verified, if need be, with targeted, in-person inspections. Additionally, Cape Analytics provides valuable insights on undisclosed pools and trampolines as well as the presence of yard debris to enable relevant underwriting actions.

CSAA Insurance Group trialed Cape Analytics to analyze more than 200,000 homeowner policies. A sizable number of locations with a roof age younger than 15 years were in poor or severe condition, while some locations with a roof age over 20 years were actually in good or excellent condition. In addition, Cape's analysis of CSAA Insurance Group policies also revealed that properties with undisclosed pools, trampolines, and excessive yard debris could require underwriting the property differently at renewal. Accurately identifying properties with excessively poor conditions will allow CSAA Insurance Group to better control losses.



RESULTS

IMPROVED UNDERWRITING ACCURACY, QUALITY, EFFICIENCY AND PREMIUM.

By partnering with Cape Analytics, CSAA Insurance Group was able to improve overall underwriting accuracy, quality and efficiency, as well as customer experience, by providing a more objective and better informed underwriting decision in a timely manner. Cape's Roof Condition Rating allows CSAA Insurance Group to instantly and systematically assess the condition of a roof at the time of underwriting, rather than waiting for an individual property inspection. This roof scoring methodology is providing value to CSAA Insurance Group by revealing the true condition of a property to more accurately evaluate risk and manage its risk portfolio.

Specifically, CSAA Insurance Group uses Cape Analytics' property intelligence to:

- Proactively alert members to roof damage requiring repair
- Reduce unnecessary inspections of high-quality roofs, speeding up policy underwriting; and
- Provide more accurate pricing on new policies and renewals. (Cape Analytics identified significant opportunities to more accurately underwrite individual risks by providing better roof assessment and identification of pools, trampolines and yard debris)

"Being able to properly price and underwrite a home's roof enables us to make consistent and objective underwriting decisions in our day-to-day business and help best insure and serve AAA members," said Brian Gaab, Strategy & Innovation at CSAA Insurance Group. "We look forward to continuing our partnership with Cape Analytics and leveraging their technology to continually improve our business processes and member experience."

BRIAN GAAB

Innovation Manager
CSAA Insurance Group



LOOKING AHEAD

Avanta Ventures, CSAA Insurance Group's venture arm, has invested in Cape Analytics to build on this partnership. Avanta Ventures believes artificial intelligence and analytics are critical to building a better insurance value proposition for CSAA Insurance Group customers. We plan to further incorporate machine learning and AI technologies into CSAA Insurance Group operations through our investment in and collaboration with more companies like Cape Analytics.

