

Pinpoint Predictive

Personalizing Insurance by Integrating Behavioral Economics

Today, the demand for securing a competitive advantage in risk prediction and mitigation is increasingly widespread and imperative in the insurance industry. And while most carriers seek to adopt new tech and data, there is enormous variance in how urgently they pursue this goal and how efficiently their innovation processes operate. Moreover, insurance predictions are far less individualized than state-of-the-art behavioral predictions; in contrast with top Silicon Valley tech companies, carriers generally use only dozens of backward-looking data points, many of which bucket individuals by geographic units, demographic categories, and financially exclusive data.

That's where Pinpoint Predictive comes in.

Personalizing predictive analytics with Pinpoint provides a tremendous opportunity to treat people as true individuals with future potential. At the same time, adding individualized data enrichment increases efficiencies and savings for insurers and the great majority of insureds.

Pinpoint has built an extraordinary data-enrichment and analytics platform that uses thousands of behavioral data points per person to model standardized individual personality traits for 260 million US adults. These scores comprise the empirically developed Five-Factor Model and also break down into dozens of more granular statistical sub-facets. "Our OnPoint web platform provides a suite of explainable analytics and visualizations that reveal the motivations that drive human behavior; this becomes very powerful in combination with the fact that we return privacy-safe scores via API in 150 milliseconds," says Avi Tuschman, the Founder of Pinpoint. "Pinpoint's multi-functional data multiply carriers' benefits from their existing investments in people, platforms, and ML/AI tools."

Through Pinpoint, mid-size and large home, auto, and small-business C/L carriers have unlocked nine figures in yearly savings. One insurer Pinpoint has worked with, CSAA, significantly increased the precision of their policy cancellation model, by factoring in the individuality of their insureds. Pinpoint's data enabled the identification of 38 percent more true positives and 17 percent fewer false negatives, above their already advanced baseline model. Top 10 home and auto carriers have succeeded in increasing their claims

frequency predictions by an incremental 20-75% across deciles, and in C/L loss ratios have increased to up to 700% across deciles.

While Pinpoint fully expects to see new discoveries as its data are used across more lines of business and use cases, there are several areas where they regularly see significant incremental boosts. These include claims frequency, severity, SIU referral propensity at the point of quote (PoQ), litigation propensities at PoQ and FNOL, home inspection models, and mid-term cancellation and non-renewal, among others. "At Pinpoint we strive to go from zero to one—to create truly new value that has not previously existed," mentions Scott Ham, the CEO of Pinpoint.

Pinpoint's innovation entails continual, iterative processes on multiple fronts. The company believes that its products are sufficiently complex, specialized, and time and resource-intensive to develop that they are not too concerned about market competition. "But of course, we do file our patents as we go, to protect the IP of key inventions that we're especially proud of," says Ham.



Scott Ham



To reference Peter Thiel, at Pinpoint we strive to go from zero to one—to create truly new value that has not previously existed

Having carved a unique niche in enrichment and analytics, Pinpoint plans to provide industry-standard scores that don't require (as much) carrier data science. "We've already begun to roll out the first off-the-shelf model, which predicts a Florida homeowner's propensity to litigate against an insurer at PoQ. Early models, trained on litigants against 14 top Florida carriers, have 24x lift across top to bottom ventiles," states Ham.

In another area, Pinpoint has recently filed two patents covering data-driven personalization. These inventions measure and increase the psychological relevance of marketing content for a given audience. Every aspect of this application occurs in real-time and with Explainable AI. According to Tuschman, "this process creates an intuitive, compelling, and somewhat gamified user experience. We're excited to build further upon our beta personalization app so that our clients can more easily persuade their customers to take positive actions." **IO**



Avi Tuschman