CASE STUDY

Client case study: Carrier underwriting

Client: A national carrier looking to avoid highly unprofitable Business Owner Policies

Requirements for the solution

- Use only the information that would be available at the time of application
- Incorporate third party data to augment available information
- Deliver real-time results
- Integrate into carrier's underwriting platform

Business challenge

A national carrier wanted to predict the "worst of the worst" Business Owner's Policies at the time of application, to price them appropriately or avoid issuing a quote.

Gradient AI's loss ratio targeting solution

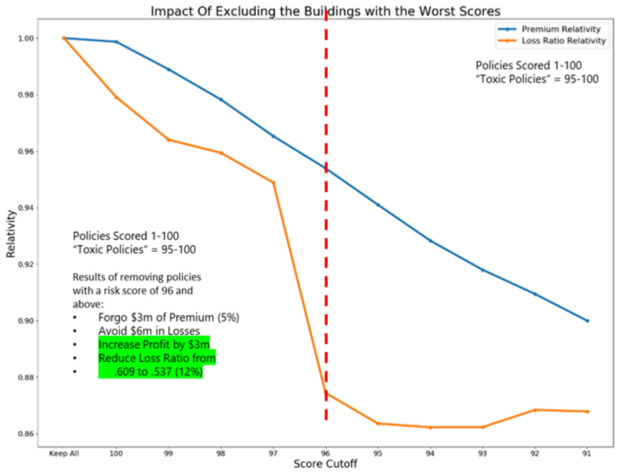
Gradient AI's Loss Ratio Targeting solution assigns a relative risk score to each application. This risk score can be used to avoid or price appropriately the applications that present the greatest risk, and to streamline the quoting of applications that present the least risk, all while modeling the impact of those decisions on your top and bottom lines.

Benefits

- **More accurate pricing for highest risks**
- **Streamlined processing for lowest risks**
- **Improved loss ratio**
- **Increased profit**

Results and outcomes

- **Avoided $6 million in losses**
- **Reduced loss ratio from 61% to 54%**
- **Increased profitability by $3 million**



How Gradient AI's solution works

Using the proprietary rating system in Gradient AI's Loss Ratio Targeting solution, the carrier was able to quickly differentiate between the riskiest applications (given a score of "100" by the solution) and the least risky applications (given a score of "1" by the solution), and then model the impact of risk-based underwriting decisions on revenue, losses, loss ratio, revenue and profitability.

About Gradient AI

Gradient AI is the decision-intelligence partner, giving customers an advantage in how they make decisions by revealing risk others miss and translating it into stronger performance and real-world impact.

Gradient AI harnesses a vast industry data lake comprising tens of millions of policies and claims, enriched with economic, health, geographic, and demographic signals. That depth of data, paired with deep domain experience, surfaces signals that other approaches miss and turns them into decisions teams can stand behind. The result is complex risk made clear and usable, with the structured reasoning teams need to align finance, compliance, and executive leadership around what the data is saying.

Our customers span the industry: recognized carriers, brokers, consultants, MGAs, MGUs, TPAs, risk pools, and PEOs. We support their dual mandate — stronger financial outcomes and better experiences for the members and workers they serve.

Interested in learning more? **Let's start the conversation.**

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