



Collision Subrogation Likelihood

> Data Cooperative Predictive Scores

Insurers desire profitable growth. They want to grow their top line while improving loss ratios and customer service. To do this, insurers need to leverage data for intelligent decisions across underwriting and claims. Subrogation recovery is an often-ignored area that can be targeted to improve loss ratios. An estimated 15% of insurance claims result in missed subrogation opportunities¹. NAIC reports \$41B in automobile collision repair payouts in 2018². Just a 1% improvement in subrogation recovery can result in substantial savings. The challenge for insurers is to identify and refer subrogation in a timely manner as well as prioritize subrogation workloads on the likelihood of recovery.

Guidewire is building a Data Cooperative to help insurers tackle such challenges. The **Guidewire Data Cooperative** pools anonymized, aggregated P&C data for the purpose of improving operational performance and confronting P&C industry pain points. The Data Cooperative provides access to syndicated data and derivative services to its members. One of the Data Cooperative services provides prebuilt, validated, ready-to-use predictive scores for everyday decisions with an immediate return on investment. If you have the **Guidewire ClaimCenter** cloud subscription membership in the Data Cooperative is included.

Collision Subrogation Likelihood Predictive Score

The **Collision Subrogation Likelihood Predictive Score** guides claim adjusters or automatically refer collision exposures that have a high likelihood of subrogation recovery to the subrogation team. The score is powered by a predictive model Guidewire has built using 1.07M claims, from **Guidewire Compare** customers. The model is designed to run at exposure open and works for both personal and commercial auto for both the US and Canada. As evidenced (Figure 1) from the charts below the predictive scores validate well across multiple segments.

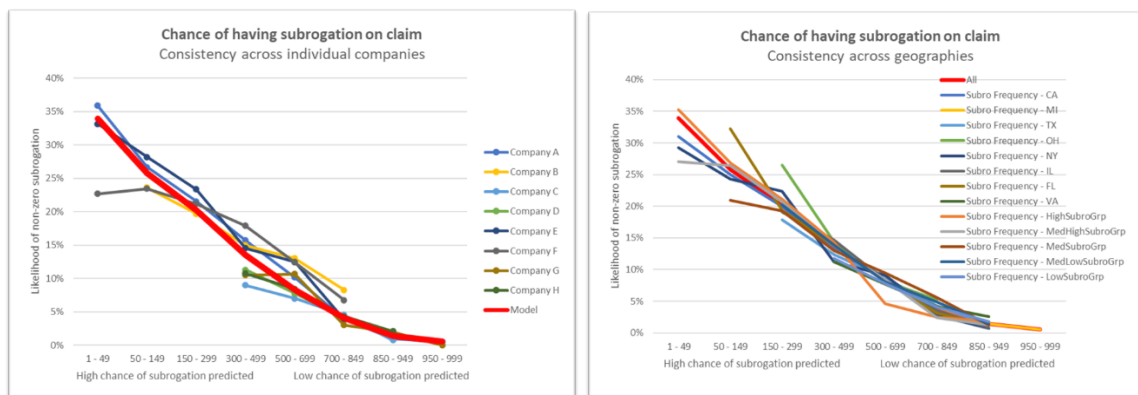


Figure 1: Collision Subrogation Likelihood Model Validation

¹ [Property Casualty 360. Insurers are Overlooking Subrogation Options When Paying Claims \(2021\)](#)

² [NAIC. 2018/2019 Auto Insurance Database Report \(2022\)](#)

The predictive score along with detailed insights can easily be embedded into ClaimCenter (Figure 2) through codeless configuration with the Analytics Manager. This will automatically score claims for subrogation likelihood and alert adjusters with high-risk indicators. Adjusters can thereby focus on high subrogation potential exposures and ignore low likelihood exposures.

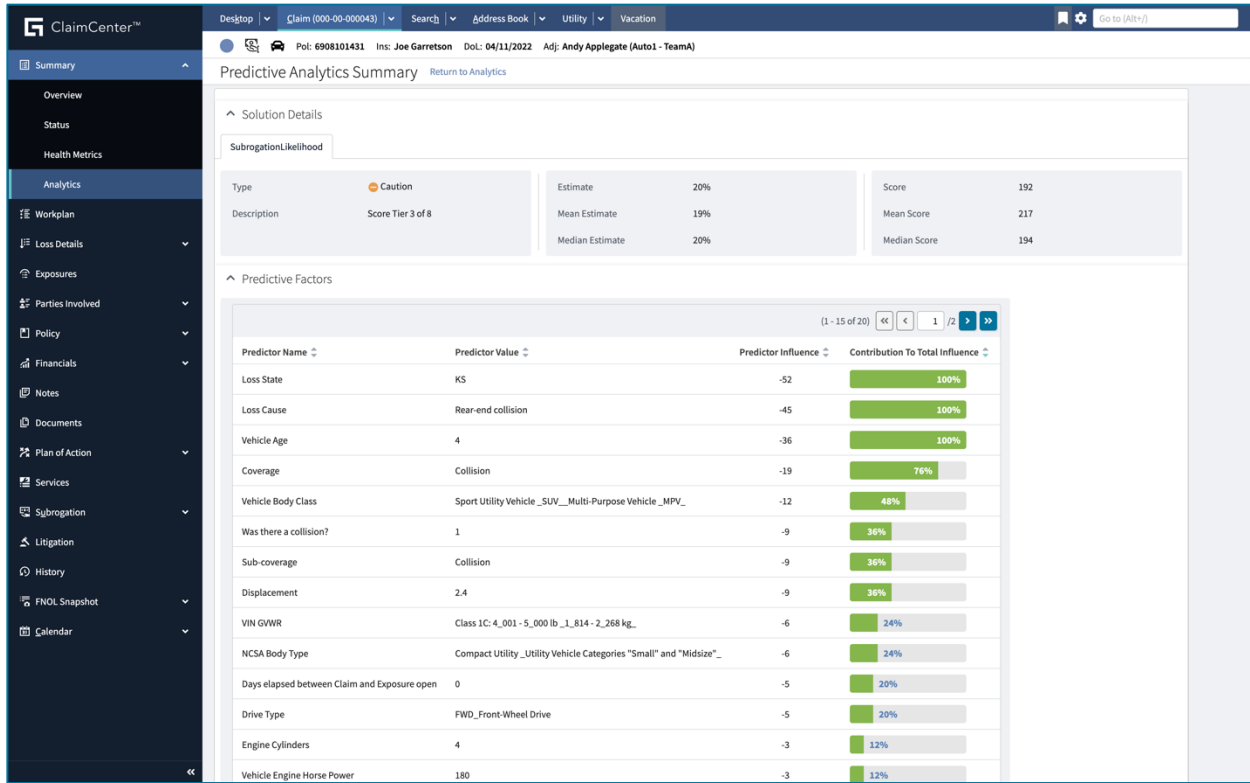


Figure 2: Predictive Insights Embedded in ClaimCenter

Using the predictive score to prioritize claims for review increases recoveries without changing the overall volume handled by the subrogation team. The model scores not only help increase subrogation recoveries but also improves both claims processing and team efficiency. Guidewire analysis shows a conservative expected improvement of collision loss ratio on the order of 58 basis points. Therefore, a \$100M auto book of business can expect \$150K in additional savings.

The collision subrogation likelihood predictive score is ready to use and integration with ClaimCenter can be accomplished quickly. Customers should work with Guidewire Customer Success to start using the score.

The Data Cooperative plans to continuously add predictive scores that will enable insurers to improve risk selection and pricing, claims outcomes, and customer retention. Join the Data Cooperative and start making better subrogation decisions today.