



## Good2Go Auto Insurance

### Headquarters

Blue Bell, Pennsylvania

### Operations

United States

### Business Lines

Auto

### Employees

201–500

### Website

[www.good2go.com](http://www.good2go.com)

### Product(s)

Guidewire Predictive Analytics for Profitability

## Benefits

- **Improved pricing**
- **Data driven, real-time rate adjustments**
- **Better risk selection**

# Good2Go Auto Insurance Improves Pricing Accuracy

## > Insurer leverages Guidewire Predictive Analytics for automated pricing adjustments

Good2Go Auto Insurance® was founded more than a quarter of a century ago on the simple premise that getting car insurance shouldn't be difficult. Good2Go specializes in offering minimum-limits car insurance, including collision and comprehensive coverage, to underserved drivers. The company's mission is to make it easy for all drivers to become insured drivers by giving them access to fast, easy, and inexpensive car insurance that will get them behind the wheel for less upfront—with low down payments and convenient payment plans that fit any budget. Good2Go operates in multiple states within the US.

## Analytics to Improve Pricing Accuracy

Early on, Good2Go realized that using advanced machine learning and statistical modeling can improve rate plans and pricing accuracy, which can be a differentiator in the highly competitive auto insurance business. The insurer initially tried to leverage consultants as well as internal experts to build predictive models. This turned out to be a very costly and time-consuming endeavor. Moreover, Good2Go found that capturing the uniqueness of insurance modeling it required a P&C-specific platform.

After considering several vendors, Good2Go started its journey with Guidewire Predictive Analytics in 2017. The insurer wanted a platform to complement its internal expertise and make the process of modeling easier and faster. The key deciding factor for selecting Predictive Analytics was the "Deploy" functionality, which would add the required guardrails as well as speed up and streamline the end-to-end process of going from data to a working model and into production.



Navigate what's next.

Good2Go used a rating algorithm based on generalized linear modeling (GLM), but the insurer knew there were several cases where pricing was not accurate. There were instances of overcharging and undercharging at both ends of the distribution. As a result, the first model built with Predictive Analytics was an automated pricing model that augments the GLM rate plan with a relativity factor. Using the model results in more accurate pricing for all customer and market segments.

The first step was collecting data, curating it, and identifying model variables with maximum impact. This process took some time, and more than 50 variables were initially identified. But it would have been very difficult to program and deploy with so many variables, so around 20 highly impactful variables were chosen for the initial model. Internal countrywide data from the past 3.5 years was used to test and train the model.

Model deployment began in February 2019 for the state of Illinois, and by early 2020 it had expanded to eight states, including Pennsylvania, where Good2Go underwrites its maximum business. Certain state-specific and regulatory-specific changes were also built into the models.

## Predictive Analytics in Action

Model results are integrated in real time for new, renewal, and endorsement processes in the core system. The automated pricing model scores submissions into five different segments: 10% on each end, 15% on the next two segments, and 50% in the middle. Model outputs primarily impact the 10% segments on each end of the distribution to correct the over- and under-pricing with a discount or surcharge. The rollout process for underwriters and agents was very smooth because much of the work happens behind the scenes with the automated rate change. The actuarial team trained underwriters and sales reps to field questions from agents, such as "Why is there suddenly a surcharge of 15% with my renewal?"

The most time-consuming part of the project was collecting and curating the data, a process that also resulted in deeper learnings for the actuarial team. Once the data was right, the process of building, deploying, and tweaking models for the different states was very smooth and took only a few weeks to complete.

It is too early to gauge the loss-ratio impact because only a fraction of the underwritten premium has gone through the model. The true loss-ratio benefits can be measured only after an entire renewal and endorsement cycle is completed for all the premium.

However, preliminary results point to the model working as expected aligning with the book distribution and modest pricing movements for a small subset of the customers.

**"Guidewire Predictive Analytics has improved our pricing accuracy, resulting in better risk selection and underwriting outcomes."**

**–Scott Gibson,  
Vice President and Chief Actuary,  
Good2Go Auto Insurance**



Navigate what's next.

“When we look at scores by policy ID, about 60% of the business has been scored in states where the model was deployed,” explains Dale Debner, Good2Go’s Vice President of Product Management and Sales. “The results so far seem to line up very well with our expectations from a loss-ratio standpoint.”

The model is implemented with specific guardrails, and current results show room for further pricing improvements. Overall, executives, underwriters, and agents are very pleased with the deployment.

In the near future, Good2Go plans to rebuild its entire rate structure and is considering using Predictive Analytics for Claims for features such as developing expected cash reserves. The company will also continue to improve the pricing models and rollout countrywide.

Guidewire helped build the initial data sets and model, but Good2Go is now self-sufficient in the process of building and deploying new models using Predictive Analytics.

“It’s been a fantastic experience working with the Guidewire Predictive Analytics team,” says Scott Gibson, Vice President and Chief Actuary at Good2Go. “It’s very helpful to get feedback and advice and to bounce practical ideas off the team—which is an important part of the complete solution that Guidewire provides.”

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. More than 400 insurers, from new ventures to the largest and most complex in the world, run on Guidewire. For more information, contact us at [info@guidewire.com](mailto:info@guidewire.com).