Our R&D team is focused on understanding the predictive value of LexisNexis Risk Classifier in life insurance. Research shows that data used in the scoring model may well be the next frontier in life underwriting.

What is Risk Classifier?
It is a risk assessment solution from LexisNexis that uses data from attributes derived from public records, driving history and credit to assess a proposed insured’s risk profile. LexisNexis then distills findings into a numeric score.

We used LexisNexis data and output from their predictive model to analyze the correlation between their Risk Classifier scores and mortality in the sample population that was provided.

The depersonalized data included 7.5 million records from a property and casualty insurance population and contained more than 200,000 deaths.

Our comprehensive review found that Risk Classifier is an excellent predictor of all-cause mortality in the population that we studied with many indicators that could be applied to life insurance assumptions.

Simulating an insured population
To better understand how Risk Classifier may apply to a life insurance population, SCOR developed a process to simulate life insurance applicants. We used model inputs to form reasonable proxies for income. We divided the sample population into five income groups, from lowest to highest, to simulate potential applicant pools. We further subdivided the sample population by age and gender. This allows for specific calibration of the scores to fit various insurer populations.
How Risk Classifier scores can be applied to life insurance

Research on LexisNexis Risk Classifier shows significant predictive value in the use of Risk Classifier in mortality risk selection. We look forward to collaborating with clients in the further study and application of Risk Classifier in life underwriting.

Highly configurable

Risk Classifier scores interact with age, gender, target market, qualification range and mortality results in a very predictable fashion. This makes it possible to achieve desired outcomes by selecting specific cut off values. The resulting solution can be tailored to fit a client’s specific business need as opposed to using a one-size-fits-all approach.

Flexible solutions

Risk Classifier can be used to underwrite to a specific mortality outcome, as seen in the graph to the right, or to a specific class split percentage, as seen in the chart below.

SCOR can help in selecting appropriate Risk Classifier values to fit specific life insurance scenarios.

Next Steps

Applying Risk Classifier to Your Business

SCOR is heavily invested in studying and understanding the effectiveness of new and emerging data sources.

We welcome the opportunity to collaborate with your company in determining the value of using Risk Classifier scoring in your underwriting process.