



# Strategic Recommendations from Q1 Claims Analysis

Identifying and Mitigating Concentrated Risk  
to Enhance Profitability

Prepared for: East Coast Insurance Claims Leadership

# **Q1 analysis reveals a high-risk segment of younger female drivers is driving disproportionate costs, requiring immediate action in pricing, mitigation, and engagement**

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## **KEY FINDING**

A specific segment—female drivers with a median age of 31.7—is overrepresented in ‘Major Damage’ accidents. Their median claim cost spiked to **\$72,800** in March, which is **\$8,700** above the overall median for this claim category.

## **OUR RECOMMENDATIONS**



In Source Serif Pro

### **1. Modernize Underwriting & Pricing**

Re-evaluate risk models for this demographic and pilot a voluntary telematics program to more accurately price risk and incentivize safer driving.



In Source Serif Pro

### **2. Launch Targeted Risk Mitigation**

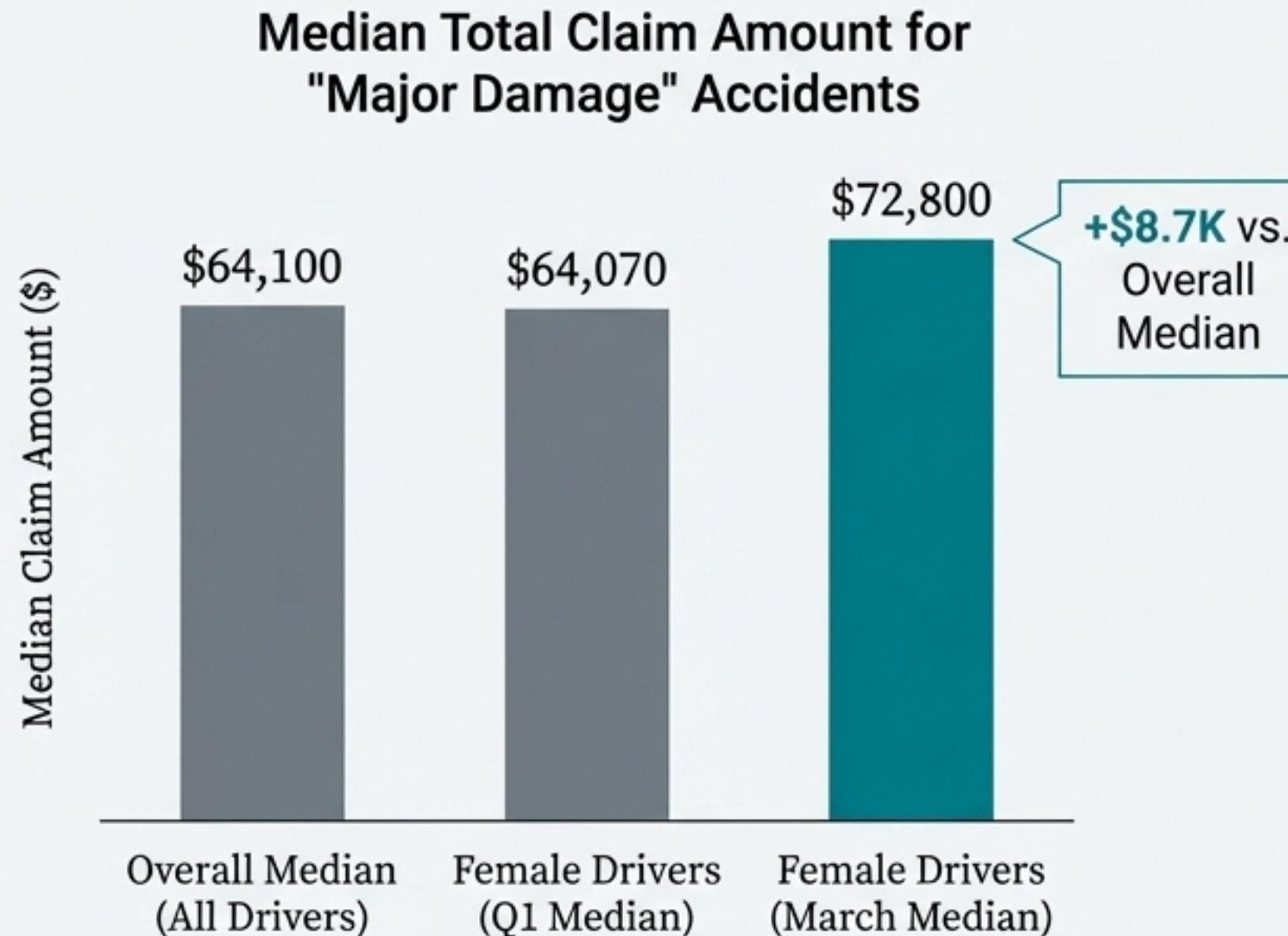
Develop educational initiatives focused on defensive driving and insurance literacy specifically for younger female policyholders to reduce accident frequency.



### **3. Deploy Proactive Seasonal Campaigns**

Leverage predictable, weather-related accident trends to launch timely safety campaigns ahead of high-risk seasons (e.g., winter).

# A segment of younger female drivers presents a significant and worsening cost liability in major damage claims



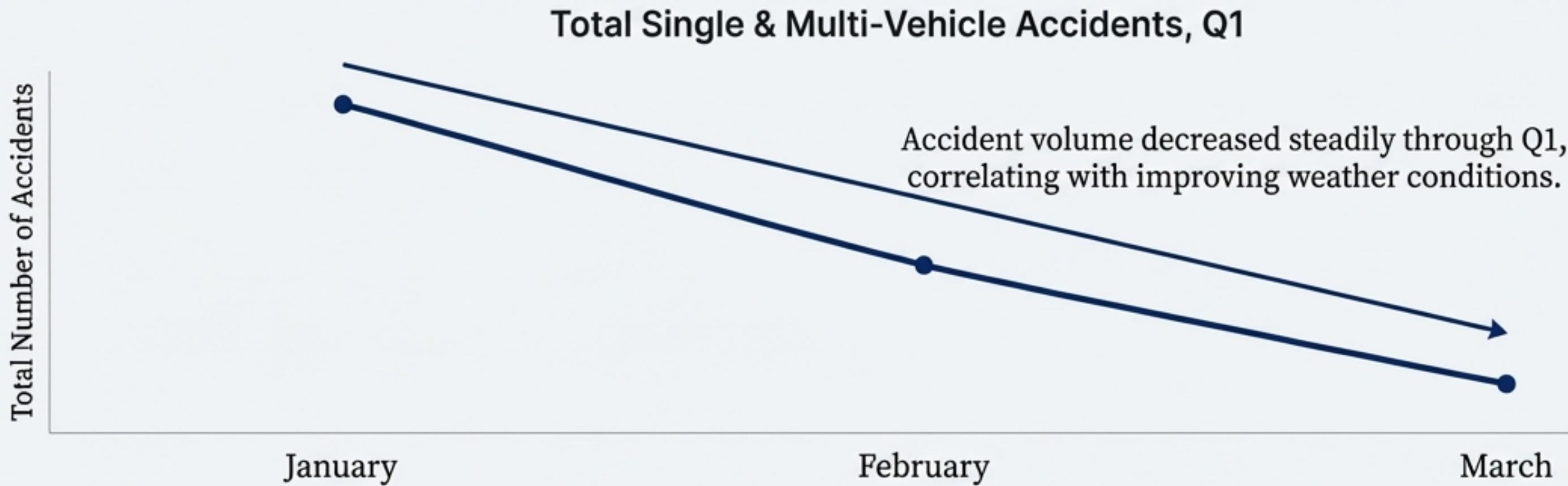
## The Generational Risk Mismatch

**38.9 years**  
Median age of our general female driver population.

**31.67 years**  
Median age of female drivers in 'Major Damage' accidents in March.

**KEY INSIGHT:** The data reveals a concentrated risk profile. These high-cost claims are not randomly distributed but are linked to a specific, younger-than-average demographic, with claim severity increasing notably within the first quarter.

# Overall accident volume follows predictable seasonal patterns, creating a clear opportunity for proactive intervention



## THE STRATEGIC OPPORTUNITY

This predictable seasonality allows us to anticipate and mitigate risk *before* it peaks. By understanding this rhythm, we can move from a reactive to a proactive stance. For example, a Q4 campaign focused on winter driving preparedness could significantly reduce the claim frequency we typically see in January.

# **Recommendation 1: Modernize underwriting and pricing to reflect this evolving risk profile**

**THE RATIONALE:** The significant cost concentration within the younger female driver segment suggests our current underwriting and risk models may not be sufficiently granular. We have an opportunity to better align our pricing with the observed risk and to actively encourage safer driving behaviors.

## **PROPOSED ACTIONS**



### **Revisit Risk Models**

- **Action:** Conduct a full review of underwriting policies for drivers under 35, incorporating recent claims severity and frequency data.
- **Goal:** Ensure our pricing structure accurately reflects the evolving risk profile of younger demographics.



### **Pilot a Voluntary Telematics Program**

- **Action:** Offer a program where policyholders can receive premium discounts by using telematics to track driving behaviors (e.g., speed, hard braking, acceleration).
- **Goal:** Incentivize and reward safer driving, reduce claim costs, and attract lower-risk drivers in this segment.

# Recommendation 2 & 3: Launch targeted mitigation programs and proactive seasonal campaigns

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## INITIATIVE A: Targeted Risk Mitigation for Younger Female Drivers

-  **The Challenge:** Female drivers involved in major accidents are significantly younger (**median age 31.67**) than our general female customer base (**38.9**).
-  **Our Action:** Develop targeted education and engagement initiatives focusing on defensive driving strategies and insurance literacy. Partner with safety organizations to deliver credible, engaging content.
-  **Intended Impact:** Reduce accident frequency within this high-cost segment and improve long-term brand perception.

## INITIATIVE B: Proactive Seasonal Campaigns

-  **The Opportunity:** Accident rates show a clear correlation with seasonal weather trends.
-  **Our Action:** Proactively deploy a '**Winter-Ready**' safety campaign in Q4. Enhance communications with safe-driving tips and alerts during periods of adverse weather.
-  **Intended Impact:** Reduce the volume of preventable, **weather-related** claims and reinforce our commitment to customer safety.

# We propose a clear path forward to implement these initiatives and begin mitigating risk in Q3

## PROPOSED NEXT STEPS & TIMELINE

