



CASE STUDY

Hippo Insurance

Hippo and Rooftop Geocodes for Accurate Fire and Weather Risk Modeling

Challenge

Predicting future risk for pre-construction homes requires precise location data.

Solution

Rooftop-level geocoding provides the precise location data needed for determining wildfire and weather risk exposure.

Results

Hippo can accurately predict future risks and understand its exposure while getting better pricing on reinsurance.

PRODUCTS USED

-  US Address Verification
-  US Address Autocomplete
-  US Rooftop Geocoding

smarty

The Client: Hippo

Hippo, a property insurance company based in Palo Alto, California, offers home insurance and proactive protection from coast to coast. The company launched in 2017, focusing on delivering a 60-second quote for homeowners insurance policies; a transparent, online purchase process; and smart home sensors that could proactively identify and prevent potential damage to policyholder's homes.

The company began building out its insurance offerings about two years ago even more. In addition to offering homeowners a modern approach to insurance, Hippo partners with builders to quote insurance policies for new developments before addresses are assigned or a customer is attached to a particular property.

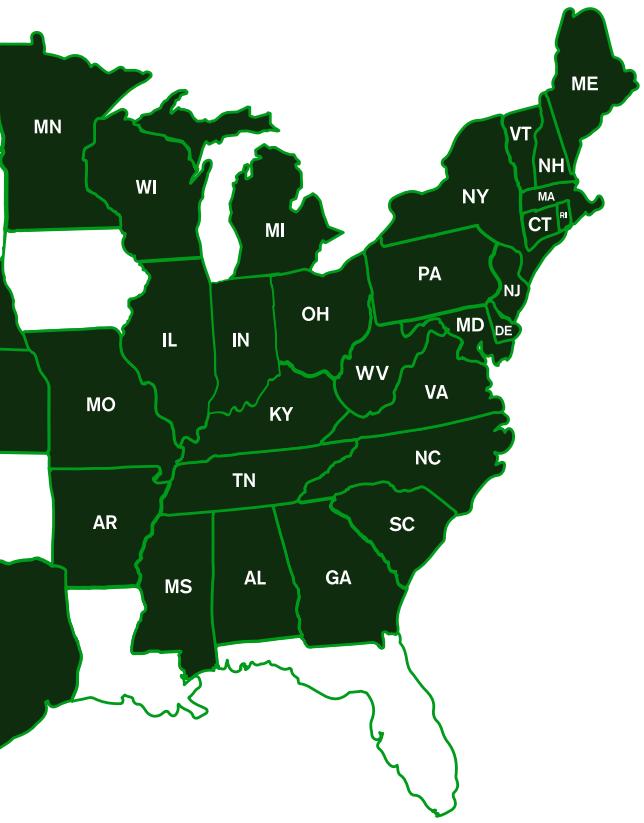
Hippo reviews offerings from multiple home insurance carriers it represents to ensure each customer gets a tailored quote and policy to each home's details. The insurance information is then shared electronically with the builder's mortgage and title partners. Embedding insurance directly into builder, lender, and title company processes removes friction consumers can experience in the home buying and closing experience. In addition to the benefits for the customer, insurance carriers benefit by expanding their reach.

The Challenge: Precise Location Data Is Critical To Catastrophe Modeling For Pre-Build Homeowner Insurance Policies

Hippo works with many home builders in California, Texas, and Florida. These areas are prone to wildfires, hurricanes, and other severe weather events. Predicting future risk for pre-construction homes requires precise location data.

As a leading home insurance provider, Hippo strives for better loss ratios. Securing reinsurance for the policies they write is vital to





Hippo's strategy. Conscious catastrophic loss, reinsurance companies require exact property attributes and location when considering the portfolios they want to reinsure.

'We're always telling our vendors, we need to know where this address is...without an address,' said Heather Galgan, Director of Underwriting Operations at Hippo Insurance.

The Solution: Rooftop-Level Geocoding Enables More Accurate Risk Modeling

Hippo has been working with Smarty address verification tools for over 3 years. Impressed with the accuracy of Smarty's tools, Hippo increased its partnership with Smarty to include rooftop-level geocoding accuracy to enhance its risk exposure predictions.

Smarty's US Rooftop Geocoding utilizes Smarty US Address Verification. The embedded tools consolidate the steps and products Hippo needs to only US Rooftop Geocoding. Verified and geocoded addresses combine with data from other vendors, such as home characteristics, information on the insured, loss history, and any further details needed for underwriting.

When considering the Hippo and Smarty integration, Galgan said, "Address verification and geocoding is the single most important piece of data we buy."

When builders provide addresses and information about future home development, it's often only the parcel latitude/longitude information; the addresses don't yet exist in the USPS database.

"We need to understand where the home structure is on the parcel, so we can get wildfire measurements and know we have accurate data for reinsurance and modeling," said Galgan.

Rooftop geocoding helps Hippo understand exactly where homes will be so they can quote entire developments before construction is complete. Not only does exact geocoding data help Hippo quote new builds, but it also empowers them to secure reinsurance treaties under challenging markets.

The results: Hippo can confidently move forward with risk modeling and get better pricing on reinsurance

With rooftop-level accurate geocodes, Hippo is more confident in its wildfire and catastrophe risk modeling. They can more accurately predict future risks and understand their exposure.

The better data will pay off in long-term money savings; Hippo can get better pricing on reinsurance thanks to the accurate location data.

"We've been delighted with the product and the relationship with Smarty." said Galgan.

As a data-driven company, Hippo has been reviewing its data and vendors and working to streamline its processes. Consolidating vendors includes phasing out other autocomplete providers and only using Smarty for address autocomplete in addition to the Smarty address verification and geocoding they're already using.



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Heather Galgan

Director of Underwriting Operations at Hippo Insurance