

Underwriting, Meet Big Data



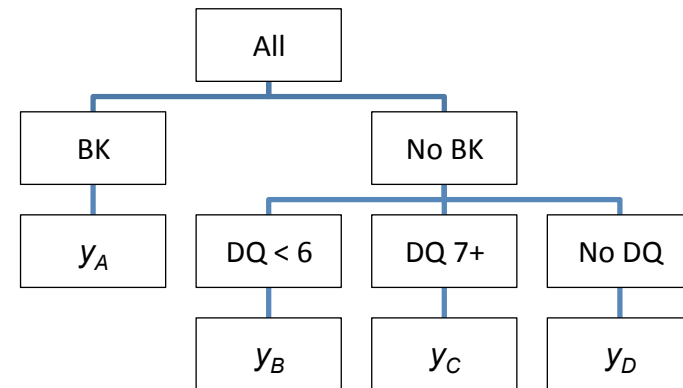
25 Years of Progress in Underwriting

1988

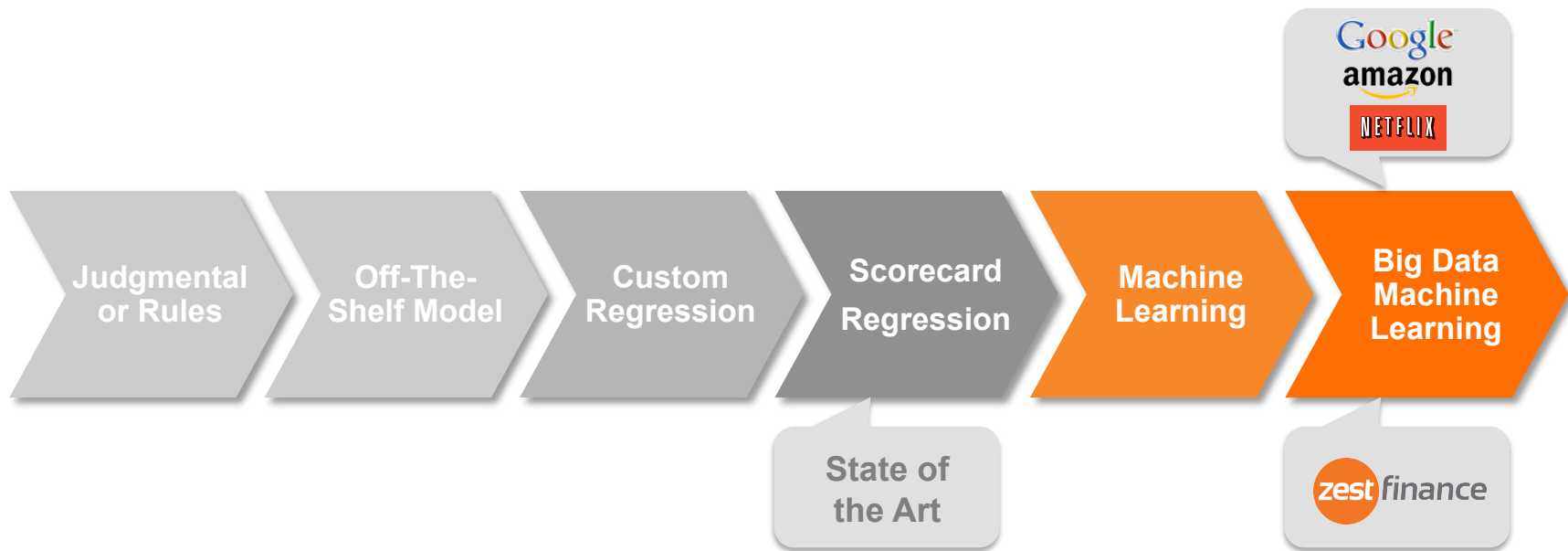
$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \dots$$



2013



The Evolution of Underwriting



Turning Big Data into Insight

Science

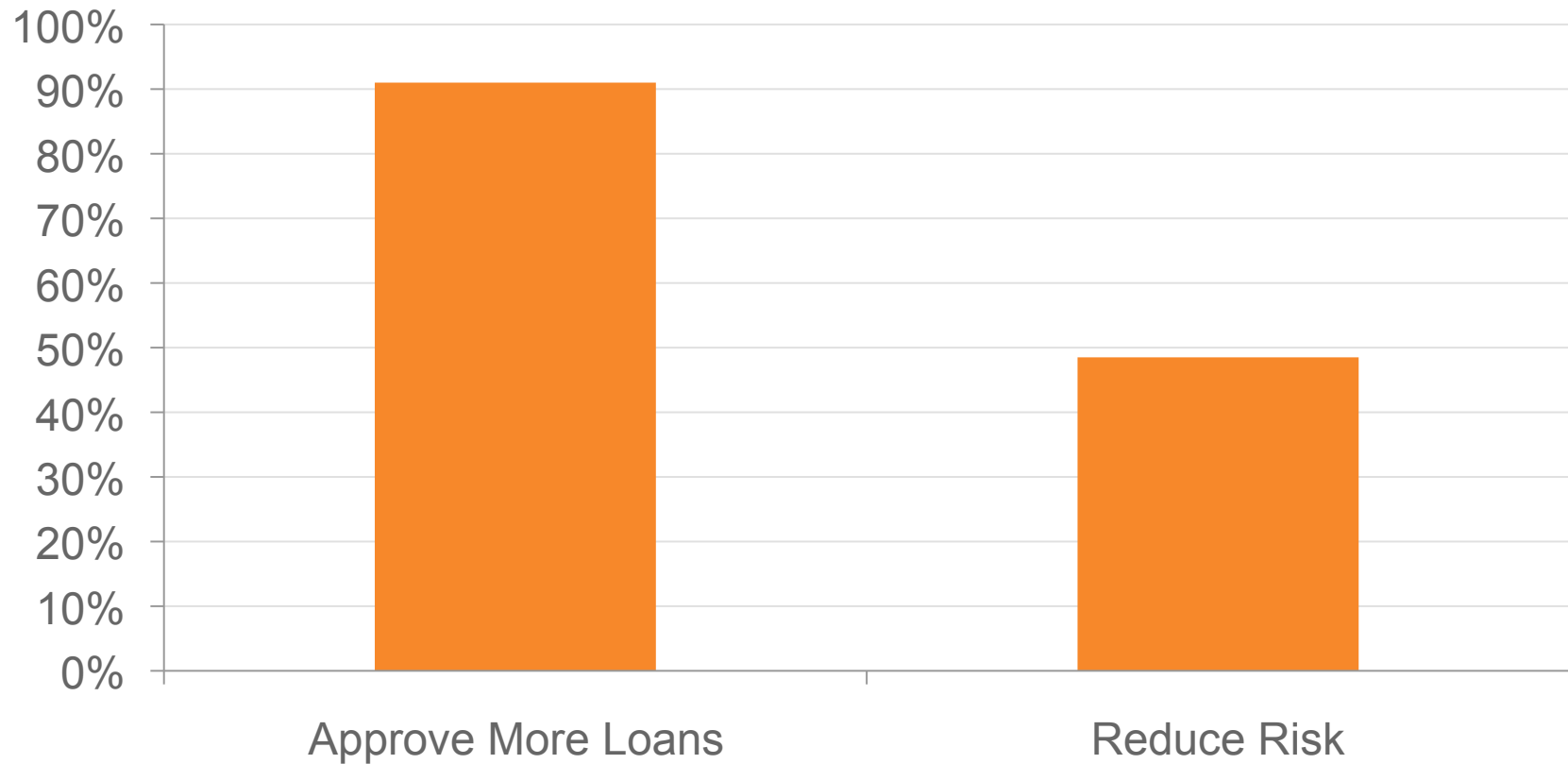
- Hidden Markov
- Random Forest
- Jacquard Distance

Art

- IP Location vs. Home/Work Addresses
- Email Prefix
- Consistency

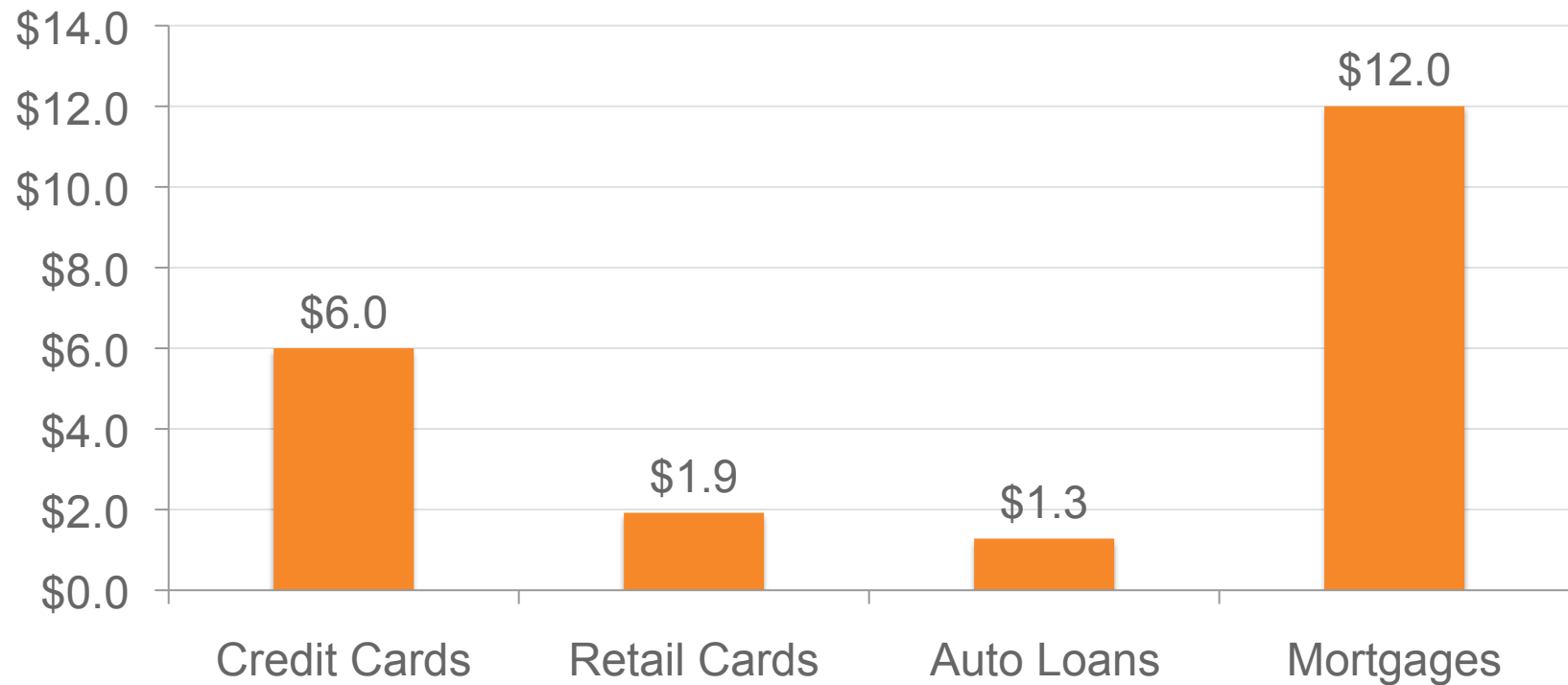
Significant Improvement Over State of the Art

Improvement over State of the Art Model



Opportunity is Immense

Annual Potential Credit Loss Savings



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