

Vehicle Build Score

WHAT IS THE VEHICLE BUILD SCORE?

The Vehicle Build Score (VBS) represents a major great leap forward for pricing automobile insurance.

For many years, insurers have used the tool known as symbols to help price commercial and personal automobile insurance policies. With symbols, vehicles are assigned a rating symbol based on vehicle make, model, body style, etc., that evaluates risk based on those characteristics to help set a premium.

Like symbols, the VBS is based on vehicle characteristics and data. But VBS uses a vehicle's entire 17-digit vehicle identification number (VIN), and historical data related to that VIN. CARFAX's database includes 35 billion records.

AN EVOLUTION BEYOND SYMBOLS

VBS from Pinnacle Actuarial
Resources and CARFAX

- More precise vehicle valuations
- Deeper insights with 17-digit VIN data
- Bumper-to-bumper data including options
- VIN-specific scores for new vehicles before they arrive at dealerships
- Integration with vehicle pricing adjustments within your system

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HOW DOES VBS WORK?

With a deep mine of VIN data, the VBS can access a depth of data beyond basic vehicle information to include post-factory installed features and new and used car listings data. Full VIN data allows CARFAX and Pinnacle to develop a risk "score" based on individual vehicle values, safety features and options. This leads to more accurate and incisive assessment and pricing of risk.

VBS deploys generalized linear models (GLMs) but adds advanced modeling techniques, including machine learning, to capture more details and patterns within data. This enables a more comprehensive score and a more thorough

assessment of a vehicle's risk. By assessing risk via more interactions and relationships within different variables that makes VBS so useful. The VBS model works to capture that interplay and dialogue within the data for a more detailed picture and in a easy to use and communicate score.

PINNACLE'S LEADERSHIP

Pinnacle developed VBS with CARFAX. Pinnacle's expertise and experience in predictive analytics, modeling and insurance pricing make Pinnacle the perfect partner to help deliver the value of VBS for insurers. Our experts and thought leaders can provide you with strategic advice to ensure VBS's value for your company. Contact us today!

OUR COMMITMENT

Our **Commitment Beyond Numbers** philosophy drives our firm from the inside out. We believe in building trusted partnerships by going beyond clients' data to understand their business and its challenges. We are committed to helping our clients make better business decisions by using our expertise, empathetic customer service and superior communications to deliver the right solutions to meet their goals.

