



Vehicle Build Score

WHAT IS THE VEHICLE BUILD SCORE?

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

For many years, insurers have used the method 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. The assigned symbol assesses risk based on those characteristics to help insurers 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, as provided by CARFAX. CARFAX's database includes 37 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 shortly after new cars are produced
- Integration with vehicle pricing adjustments within your system

CONTACT

Roosevelt C. Mosley, FCAS, MAAA, CSPA
Principal and Consulting Actuary
rmosley@pinnacleactuarial.com
309.807.2330

Gary C. Wang, FCAS, MAAA, CSPA
Senior Consulting Actuary
gwang@pinnacleactuarial.com
309.807.2348

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HOW DOES VBS WORK?

By using the full 17-digit VIN, the VBS goes beyond basic vehicle information to include post-factory installed features and new and used car listing 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. Assessing risk via

more interactions and relationships within different variables makes VBS so useful. The VBS model captures interactions within data to create a more detailed picture and an easy-to-use 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 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.

