

Unparalleled Results

Valen clients beat the market

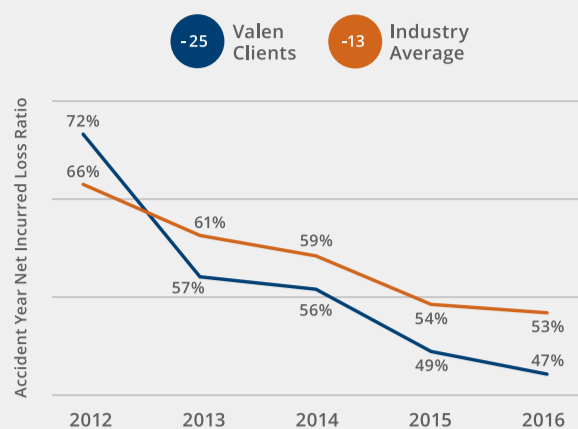
Work comp underwriting models in production 2-5+ years
Diverse set of firms representing \$1.76 billion in premiums
Loss ratio improvement over 5 year period of 2012-2016

- Industry = 13% improvement
- Valen clients = 25% improvement

1.9X better than industry average

Loss Ratio Improvement

Industry Average compared to Valen Clients
Source: SNL (Annual Statement Data) | Workers' Compensation



Valen clients grow faster

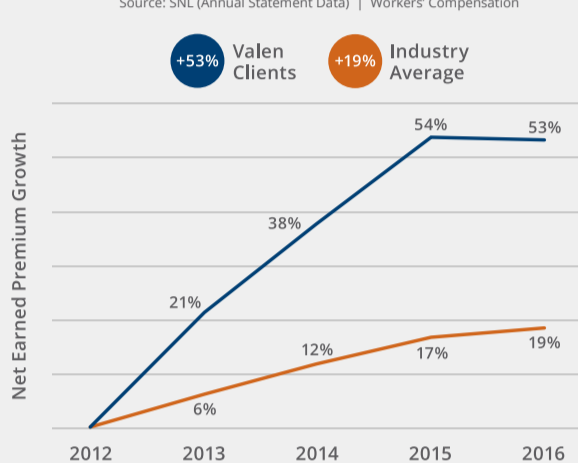
Net earned premium growth over the 5 year period

- Industry = 19% growth
- Valen clients = 53% growth

2.9X more than industry growth

Premium Growth

Industry Average compared to Valen Clients
Source: SNL (Annual Statement Data) | Workers' Compensation



3X ROI

Valen clients have better analytics performance

Average LR improvement from predictive analytics is less than 10%
Deloitte: 6-10% for underwriting
AM Best survey: 94% report less than 3.5%

Sources: Deloitte @ IASA conference / AM Best Survey March 2016



Why does this look so good?

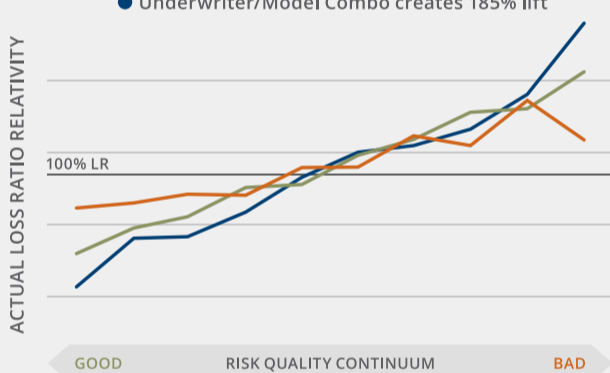
Valen clients understand the fundamental changes around customer acquisition, retention, and pricing. They are joining the ranks of information-based strategies and data-driven companies.

5 Key Insights Valen Clients Live By

Comparing Predictive Power

The best results combine analytics with underwriting expertise

- Underwriter create 50% lift
- Predictive Model creates 125% lift
- Underwriter/Model Combo creates 185% lift



1 It's a balancing act

Data isn't a replacement for underwriting and underwriters can't leverage powerful data without advanced tools.

This Valen study shows underwriter performance improves 3x when they combine predictive analytics with expertise.

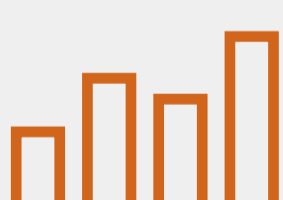
A good risk selection result shows actual loss ratio moving up as risk quality moves to the right.

Source: Valen Analytics 2015 study

2 They can lead the market, not simply follow it

Valen clients have a jump start on much of the commercial lines market. They can continue to lead the pack as they grow their analytics sophistication. This isn't a market where only the biggest insurers win.

Source: Valen Analytics 2015 study



3 Measurable goals

Specific definitions of what success looks like allows insurers to employ adverse selection, rather than being on their heels defending against it.

4 Know what you insure

The market will be driven by those who can best make use the available data.



5 Value comes from the implementation

Training and execution are just as important as technology and analytics.

Not just for work comp

Across the board, Valen's clients realize impressive business results. It's a formula that works regardless of line of business.



Commercial Auto

\$15M in profitable growth with 60% LR improvement



Homeowners

\$7M in first year savings, 6:1 ROI



BOP

\$4M benefit with 7.5% LR improvement (projected)

Go behind the numbers and check out case studies of Valen clients that are seeing these outstanding results

