

SUCCESS STORY

Financial analytics case study

Transportation company determined through analytics staying with current policy potentially saved \$700K

The goal

A transportation company wanted to explore if a risk sensitive policy would be more cost effective than their guaranteed cost auto policy.

The action plan

The MMA analytics and insights team reviewed the insurance carrier indications for guaranteed cost as well as \$25K, \$50K, and \$100K deductible options. The team also ran loss projections at each proposed retention level to determine an estimated total cost of each potential policy. Through this process the client learned the following:

- Taking on additional risk was not the most financially advantageous approach. In this case, each proposed deductible proved more expensive than guaranteed cost, especially when factoring in addition costs for claims handling fees or collateral factored.
- The transportation company learned that when considering retaining some portion of risk, an analytical comparison of each program must be done to provide the full picture.

The achievements

As a result of the financial analytics, the transportation company was able to make an informed decision on which approach to take and saved potentially \$700K for the year by keeping with their guaranteed cost auto policy.

Client profile



Transportation company

\$700K

in potential savings per year

INFORMED

decision with analytics

Learn how our financial analytics team advisors can help you obtain measurable results.

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