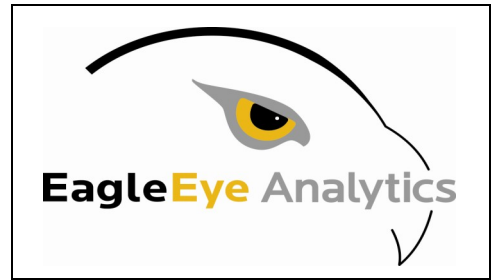


CALIFORNIA RATEMAKER

PROPERTY AND CASUALTY
INSURANCE PREDICTIVE ANALYTICS



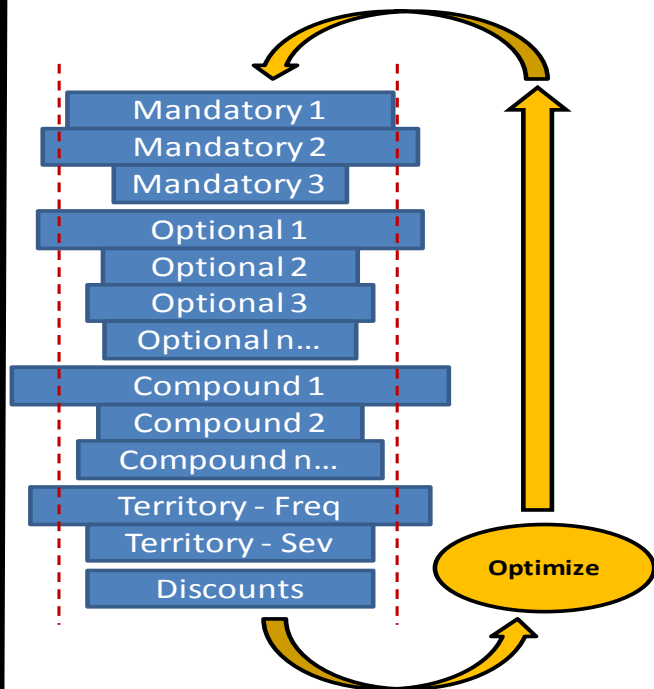
OPTIMIZING RATE RELATIVITIES WITHIN THE RULES

Based on the restrictive sequential analysis requirements under the California Code of Regulations for private passenger auto ratemaking, EagleEye Analytics' California Ratemaker identifies key compound variables using machine learning technologies and optimizes the weights of the permitted rating factors to more accurately calculate rate relativities, reducing subsidies, adverse selection, and increasing your competitive position.

OUR VALUE

- ⇒ **Full regulatory compliance** with California Code of Regulations for private passenger auto ratemaking
- ⇒ **Automated** — efficiently performs sequential analysis; outputs all required data and statistics for rate filing support, saving time and effort
- ⇒ **Increased accuracy** — uses Simplex optimization over thousands of iterations to find the best combination of correction factor values within the rank-order variable weight constraints to yield rate relativities that more closely represent actual losses
- ⇒ **Identifies key compound variables** — uses a combination of machine learning algorithms to efficiently search through an otherwise intractable number of possible non-linear rating variable combinations
- ⇒ **Menu-Driven, requires minimal training** — Input key analysis parameters in "Analysis Workbench" user interface
- ⇒ **Fast** — finds optimal result among thousands of iterations
- ⇒ **Easy-to-Use, Web-based** — no complicated software installation

RATE RELATIVITY OPTIMIZATION PROCESS

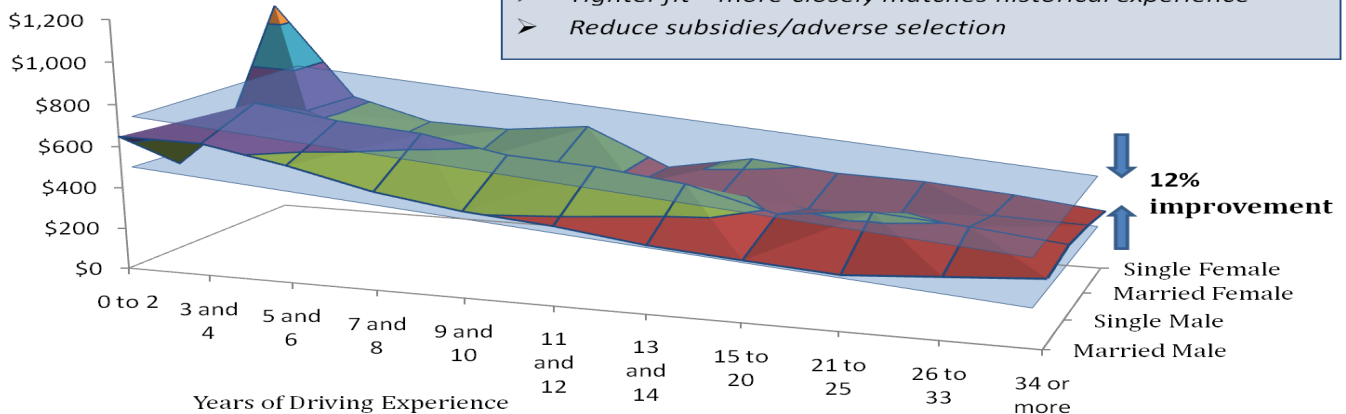


3 Steps:

1. Correct weights for mandatory variables if necessary
2. Add optional variables in descending order by weight, taking into account prior factor relativities
3. Optimize
 - Search to minimize objective function by pumping/tempering correction factors
 - Identify predictive compound variables
 - Iterate to solve for
 1. Best combination of correction factors
 2. Key compound variables

RESULTS

Actual Pure Premiums Surface Plot



COMPLETE SOLUTIONS — DATA, ANALYTICS, IMPLEMENTATION

Headquarters

500 Taylor Street, Suite 200
 Columbia, S.C. 29201
 Phone: 803-758-2536
 Fax: 803-758-2540

EagleEye Analytics is a leading provider of world class predictive analytics solutions to the property and casualty insurance industry. EagleEye Analytics' flagship solution, Talon, rapidly identifies and defines unique risk factor combinations that are highly predictive of profitability. Since Talon produces actionable results in a fraction of the time required by traditional offerings, insurers can quickly implement superior underwriting, pricing, and marketing strategies across all lines of business.