

# Homesite Quote Conversion



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**\$56,000,000 per year**

# Where we are



**Home**

# The problem

Homesite, a leading provider of homeowners insurance, does not currently have a dynamic conversion rate model that can give them **confidence a quoted price will lead to a purchase** .

**Immediate Impact**

Product Pricing Decisions

Individual Optimization

**Future Uses**

Strategy Implications

Marketing Prioritization

# Demonstration



# Demonstration

Brandon

Lives in Chicago

28 years old

First time home owner

Marketing Rep

Makes \$75 000/yr

\$550 000 home



**Homesite**<sup>®</sup>

\$3500/yr Quote

Too high

Rejected

Lost Customer and  
Revenue

# Demonstration

Candace

Lives in Denver

39 years old

Software Engineer

Makes \$130 000/yr

\$1 300 000 home



# Homesite®

\$5000/yr Quote

Too low

Accepted

Loss of potential profits

# Demonstration

- If a potential customer is offered a quote too high, then they fail to convert and Homesite loses revenue.
- If a potential customer is offered a quote too low, then they will likely convert, but Homesite will lose revenue margin.

*“If only there were a way to know if someone would be interested in a quote..”*

**Solution**

## Solution

Patricia

Lives in Austin

48 years old

Freelancer

Makes \$92 000/yr

\$780 000 home



# Homesite<sup>®</sup>

Quote \$4500/yr based on  
all information

Fair deal

Accepted

Homesite gets optimal  
revenue

# Broader Application

**19%** conversion

**81%** unmet needs

## Financial Impact

47,000 customers x \$200/customer = **\$9.4 million**

15,500 more customers x \$3000/customer = **\$46.5 million**



**\$56 million/year**

# Reliability & Generalizability

Our model is **90%** accurate in predicting if a customer will accept a quote. This rate has already been factored into our predicted revenue impact.

**98% recall** means our model is correctly identifying 98% of customers who would purchase coverage.

The model has been tested across subsections of our training data, separate testing data, and future data, and metrics are consistent. We are confident it will be reliable and perform similarly once employed in a company-wide setting.

# Potential for Bias

- Anonymized data made it difficult to protect against bias
- Geographical and personal demographic information included
- Data shaped by past Homesite decisions
- Coverage inputs are not static, and subject to business decisions

Our conversion predictor will help Homesite:

- Better understand the impact of proposed pricing changes.
- Maintain an ideal portfolio of customer segments.

Questions?

Thank  
You for  
“Strongly  
Agreeing”!

