

Schaefer City Launches New Insurtech Platform

SAAS: Software Flags Claims with Potential \$10M Jury Awards

■ By **JEFF CLEMETSON**

Startup insurtech **Schaefer City Technologies LLC** has launched to defuse nuclear verdicts.

Founded by sister and brother team **Denise and Robert Tyson**, Schaefer City's software solution, **NaVel** (short for "Nuclear Verdict Exposure Likelihood"), utilizes machine learning technology that embeds into existing insurance software and uses predictive analytics based on the key traits of more than 10 million data points analyzed in thousands of cases that resulted in "nuclear verdicts" – a term coined by Robert Tyson for insurance claims that go to trial and in plaintiff awards over \$10 million.

The idea for the Schaefer City platform was born from Robert Tyson's 2020 book about limiting exposure at trial, "Nuclear Verdicts: Defending Justice for All," that he wrote from his experiences defending insurance companies at his San Diego-based law firm **Tyson & Mendes LLP**.

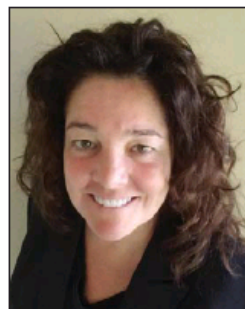
"The number one question we've received from thousands of insurance professionals in the last three years is, 'How do I spot a nuclear verdict on my desk before it happens?'" he said. "It struck

me that it would be great if there was a software application that could do that."

Robert posed the idea to his sister Denise – an experienced insurance executive with a background in insurtech companies as well – and she was instantly attracted to the project.

"Solving problems with technology is what I love to do," she said.

After gathering data sourced from thousands of closed claims, the Tysons then reached out



Denise Tyson
Co-Founder & CEO
Schaefer City
Technologies LLC

to their alma mater **Villanova University School of Business** for help in developing the platform's algorithm. Professor **Nathan Coates**, who focuses on data analytics and the application of machine learning to business problems, eventually signed on to the project.

"He took on this project as a real-life problem for his students in his summer session and they solved it," Denise Tyson said. "They came up with five or six different algorithms and we saw their presentations and watched their midterms and finals."

Coates eventually joined the Schaefer City team and has perfected the algorithm since.



Robert Tyson
Co-Founder &
Chief Business
Development Officer
Schaefer City
Technologies LLC

'Billions-Saving' Platform

With a working algorithm in hand, Schaefer City was officially founded last year with Denise Tyson as CEO; Robert Tyson as chief business development officer; and Robert Tyson's partner at Tyson & Mendes, **Patrick Mendes**, as chief legal strategy officer.

The NaVel algorithm acts as an early-warning system to help insurance companies rate claims on a scale of high risk to low risk of a nuclear verdict.

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**Schaefer City
Technologies LLC**



FOUNDED: 2022

CEO: Denise Tyson

HEADQUARTERS: San Diego

BUSINESS: Insurtech platform company

EMPLOYEES: 12

WEBSITE: www.schaefercitytech.com

NOTABLE: Schaefer City is named after Schaefer Beer's slogan "Sitting Pretty in Schaefer City" – a favorite motto of founders Denise and Robert Tyson's father.

Schaefer

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“What we’re trying to do is be another set of eyes. Insurance companies have all these claims professionals that are trained and experienced, but these nuclear verdicts are still creeping through somehow,” Robert Tyson said, adding that the tool allows claims professionals to flag high risk claims to then have a “well-informed discussion with their internal management and outside defense counsel on what strategies to pursue.”

“With insurance carriers having millions of claims on file, using NaVel could save them billions of dollars each year on settlements, trial verdicts, and litigation costs,” he added.

The platform also gives insurance companies immediate information about possibly problematic claims.

“We start from the day the claim gets reported, You’re in an accident or someone slipped and fell in your store – we start at that point,” Denise Tyson said, adding that currently insurance companies are often still developing a strategy when they are already in litigation.

Schaefer City’s platform also benefits from a “special sauce” of information based on Robert Tyson’s research for his book and the trial experience of Tyson & Mendes.

“We’ve been able to discover a pattern in nuclear verdicts based upon our 200 lawyers,” he said. “We’ve got someone in trial every day, so we’ve taken that experience and overlaid that upon the research and

the analytics that were applied.”

Schaefer City is already looking to apply its analytics and research into another product – a software solution to help defense lawyers.

“One of the concerns for insurance companies is that the strategy we set forward in the book is being applied to all their cases so we’re looking at different ways to make sure this anti-nuclear verdict strategy can be used by defense lawyers throughout the country,” Robert Tyson said, adding that Schaefer City is looking at ChatGPT to be a resource for the new product.

Robert Tyson has also created an annual symposium called the **Nuclear Verdicts Defense Institute** that will take place this year June 8-11 at the **InterContinental San Diego**. ■