Customer Case Study

Reducing insurance risk with comprehensive background checks

Challenges

There are two ways to become an Uber or Lyft driver, you can use your own car or you can rent one. Starting in Los Angeles and quickly expanding to ten markets across the U.S., Checkr’s customer needed a way to screen the latter half of drivers, people who are potential car renters. When they first started, they were relying on Uber and Lyft’s data to clear renters. If the driver had been approved by either company, that meant they had passed the background check which sufficed for them. The company quickly learned that this was not a long term solution. Just because a driver had been cleared by Uber or Lyft, did not mean that they weren’t a risk for Checkr’s customer. With insurance risks and reports rising, they knew they had to find a new way to secure their business.

Solutions

Bringing background checks to Checkr’s customers process was a new endeavor. When looking at vendors, they were encouraged that Uber and Checkr partnered together but due diligence was needed to ensure that they were getting the best features and prices for their business. After looking at a few agencies, they were reassured that Checkr had the most flexible and scalable technology, plus it was at the price that fit their budget.

Background checks became a critical part of the customer’s sign-up process when their Chief Operating Officer realized that, “People treat objects less carefully when it’s not theirs and we needed an increased level of security.” Added to their checks was a detailed view of a potential renters motor vehicle history including unpaid tickets, toll violations, accidents, suspensions, and a repeat pattern of behavior that may cause issues for the company. After implementing the new standard of quality control, the company was able to mitigate their risk and see cost savings through a reduction in their insurance claims.
Key Takeaways

In giving advice to someone looking at new vendors, the Chief Operating Officer recommends to, “Run a few tests with the vendor and make sure that you are receiving consistent results. When looking to hire at scale, speed is critical so watch the turnaround times and lastly, talk to the company! The relationship is an important piece and it’s hard to scale without one in place.”

Unfortunately the company had to learn the hard way that what works for one company may not work for all. After a rise in insurance costs, they realized that it is important for every company to find a vendor who will work with their needs. As the Chief Operating Officer puts it, “We see Checkr as a long-term partner. Not only are they helping us optimize our process as we scale, but Checkr is very engaged in the conversations happening in the community which we find valuable.”

With a promise to get renters in to a car and driving in less than 24 hours, the company is confident that they have the right partner by their side.