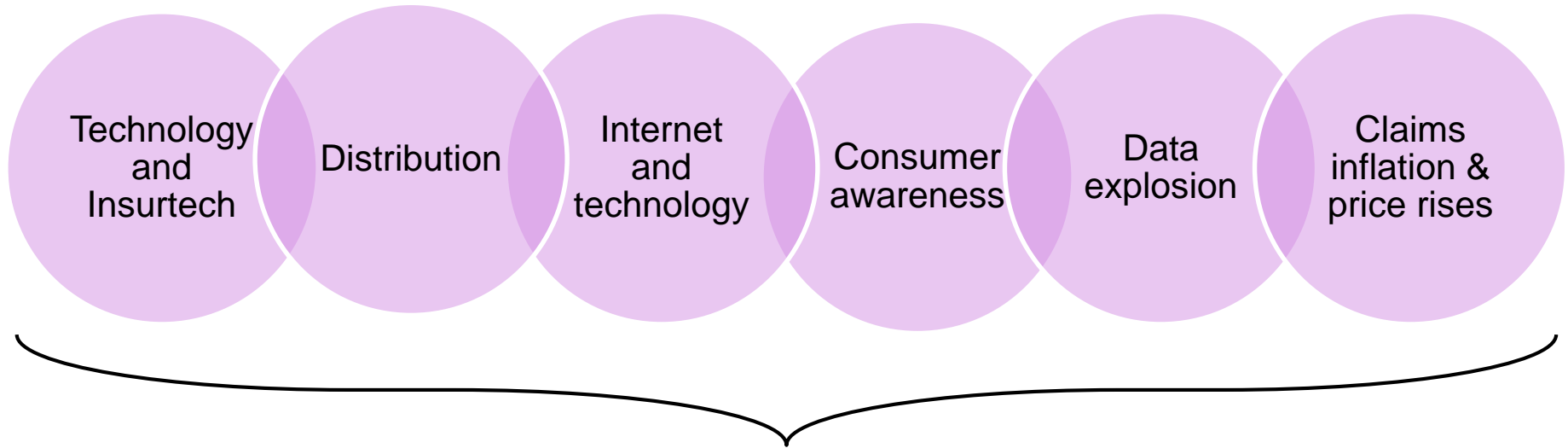


# Wing to wing underwriting

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June 2018

# Markets are Changing



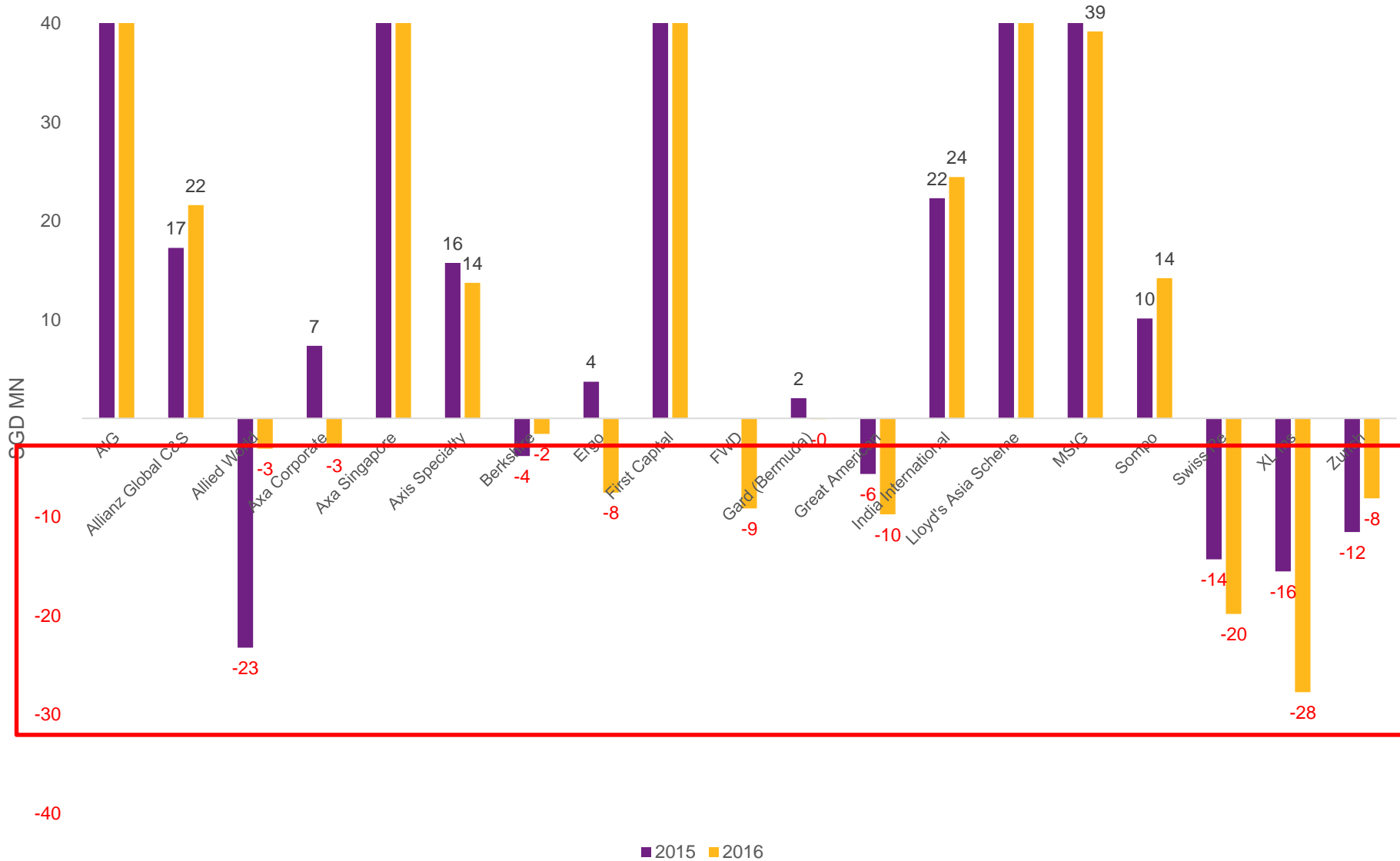
**Global trend is increasing competition and customers' ability to compare**



**Multi data-channel strategy**

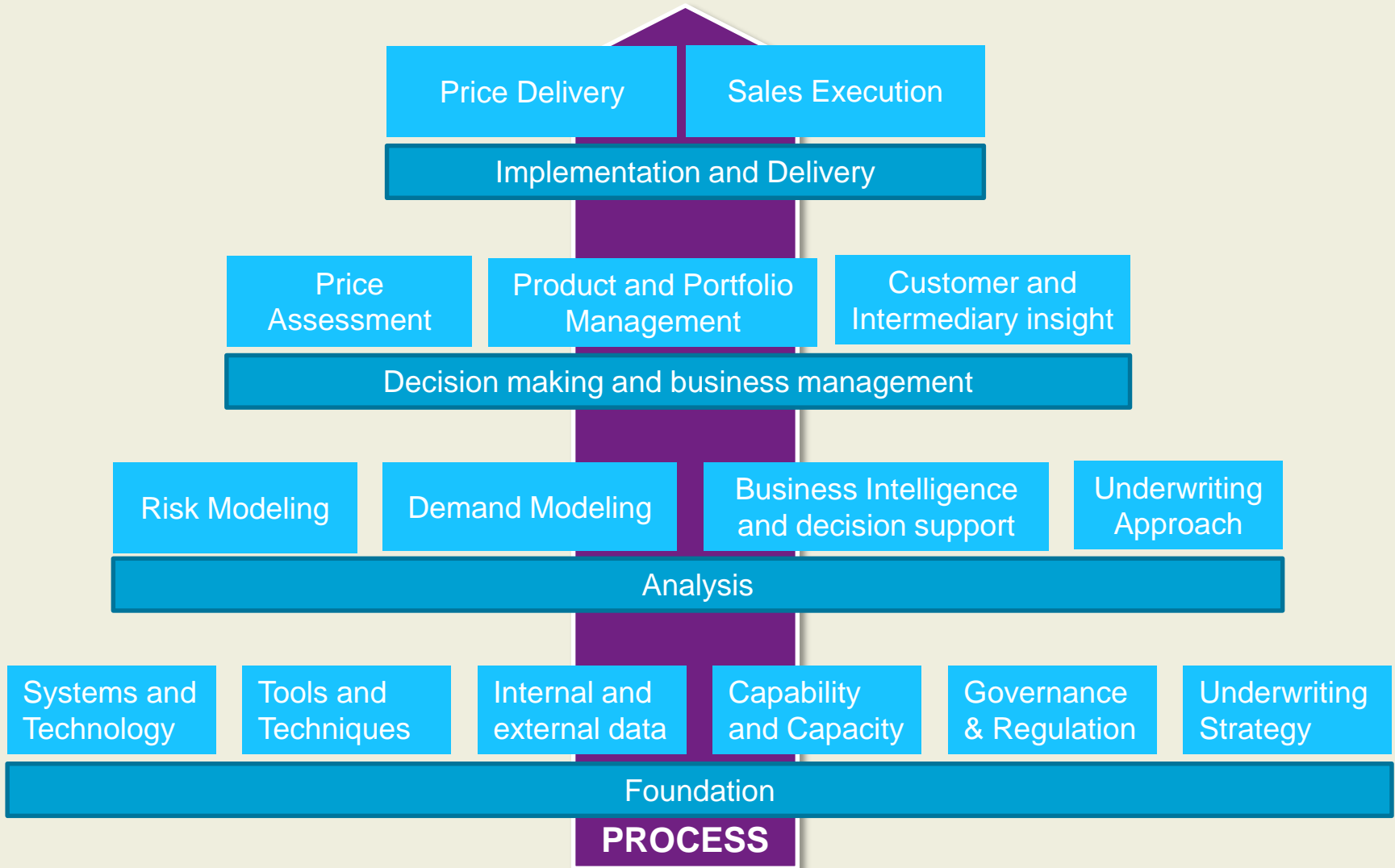
# P&Ls under Pressure

## P&L (SIF + OIF)

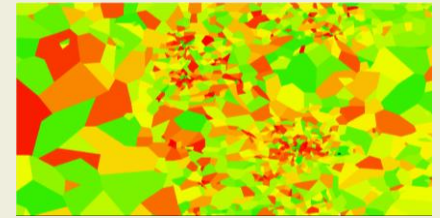


# Best Pricing and Underwriting Practices

## UNDERWRITING PROFITABILITY



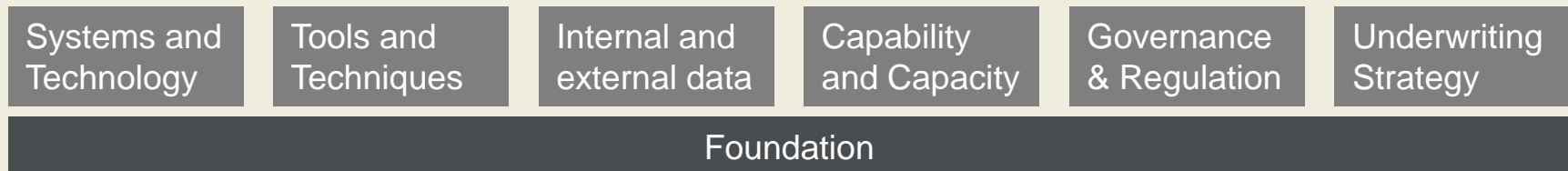
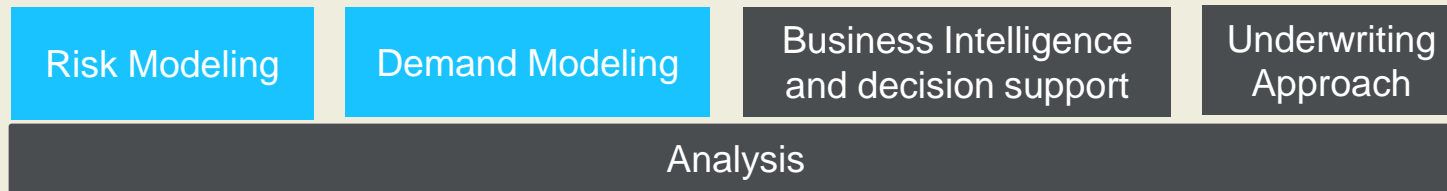
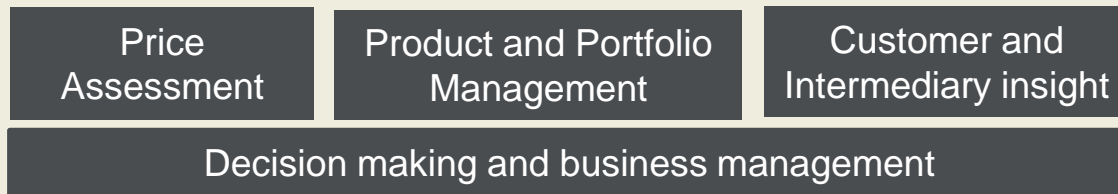
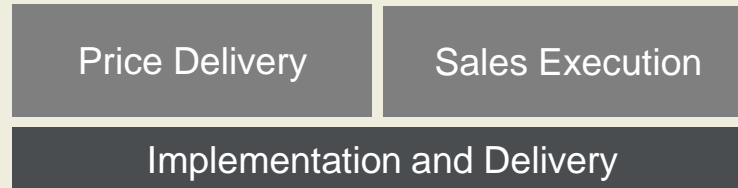
# Best Pricing and Underwriting Practices



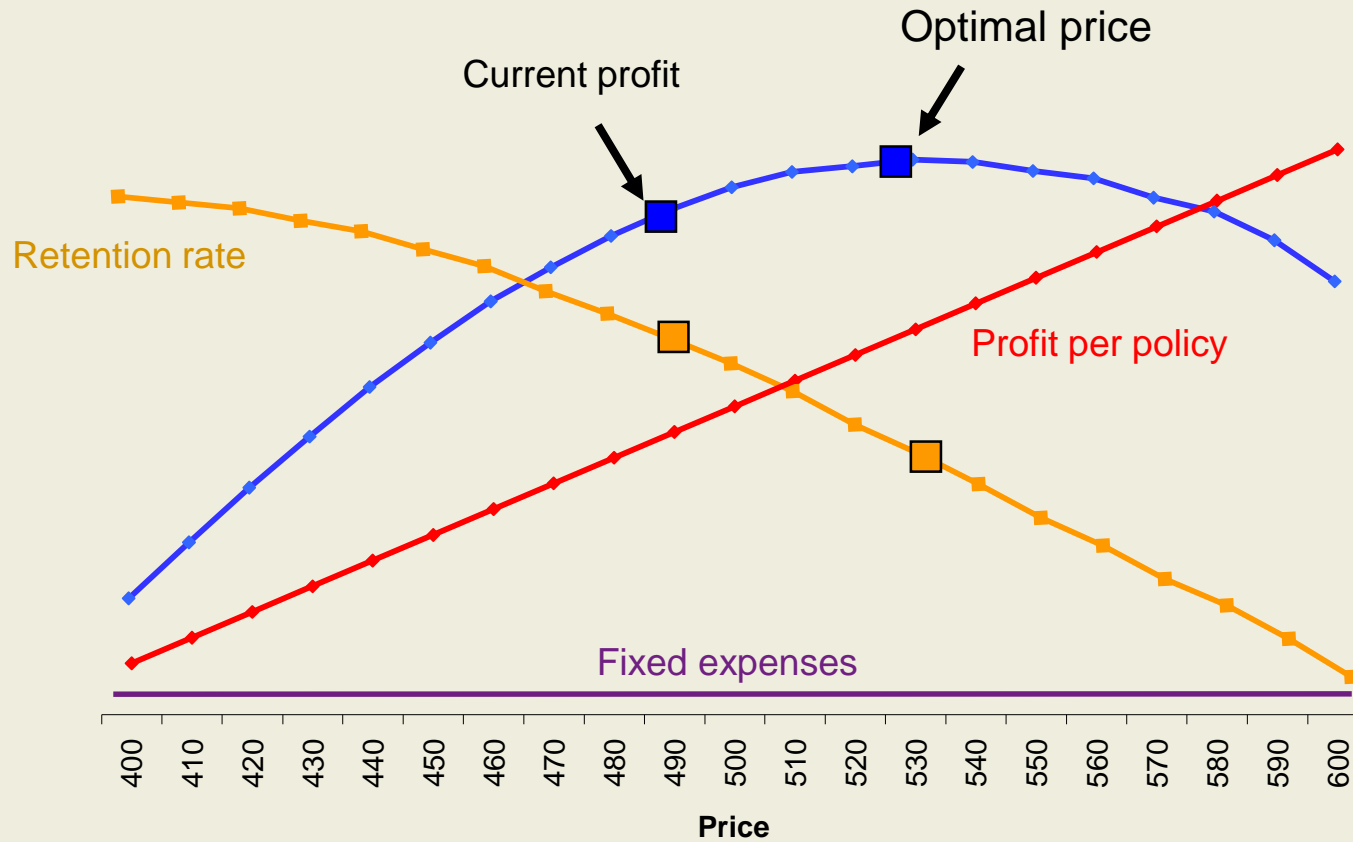
*Geographical spatial analysis or vehicle model grouping*



**Price Optimisation**



# Price Optimisation



Premium for policy in question



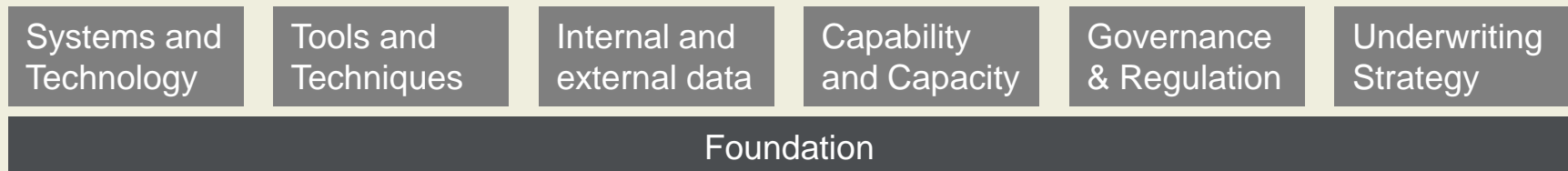
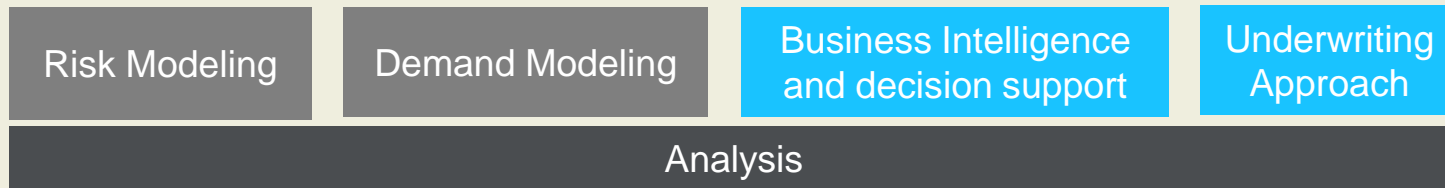
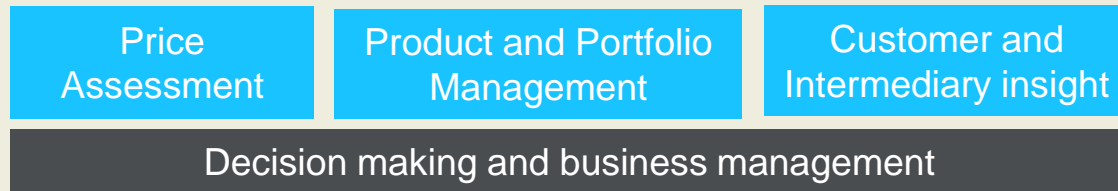
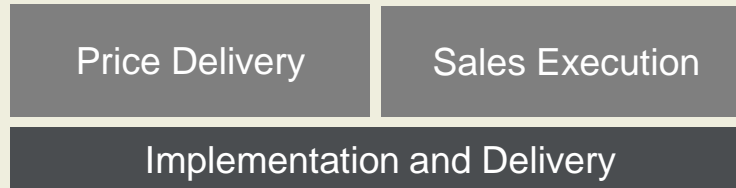
# Price Optimisation

Benefits	What's involved
Sophisticated, demand-based pricing	<ul style="list-style-type: none"><li>▪ Uses Emblem models to predict costs and customer behaviour</li><li>▪ Determines potential future outcomes</li></ul>
Combines real world constraints with mathematical optimisation	<ul style="list-style-type: none"><li>▪ Defines premium change and absolute premium limits to reflect real world requirements</li><li>▪ Optimisation will give best outcome using these limits</li></ul>
Aligns marketing and pricing functions	<ul style="list-style-type: none"><li>▪ Efficient frontier allows clear understanding of volume and profit trade-off</li><li>▪ Understand impact of constraints</li></ul>
Reduces risk of anti-selection	<ul style="list-style-type: none"><li>▪ Compares proposed rates with market rates to ensure prices are never too far below market view</li></ul>

# WTW Effective Pricing Framework

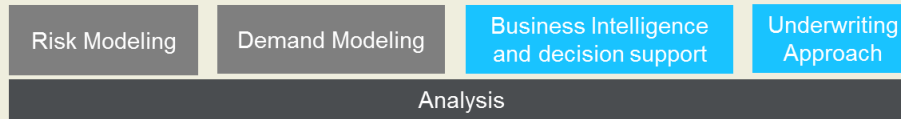
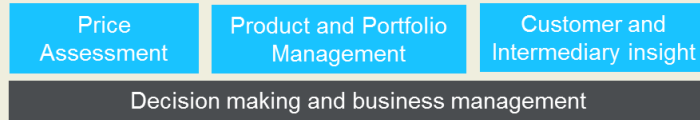
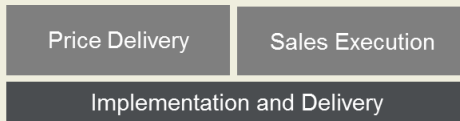


Dashboards and portfolio segmentation





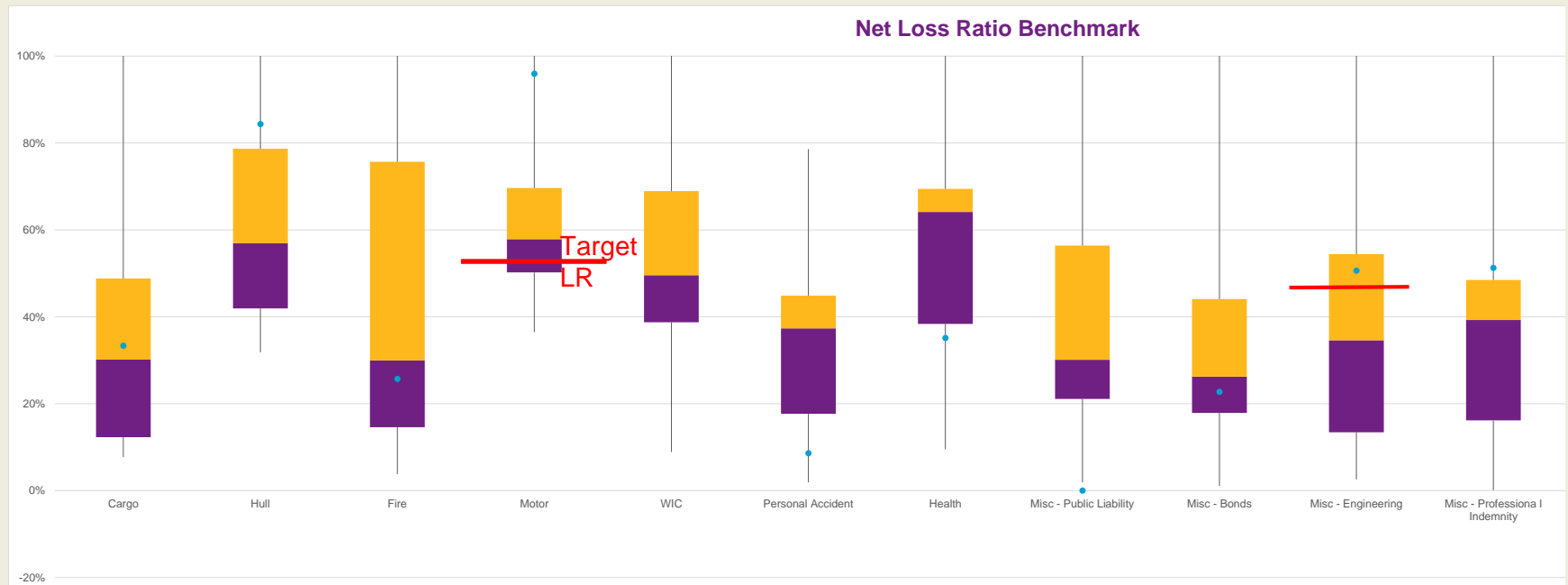
# Dashboards and portfolio segmentation



- Flexible decision support platform
- Pricing MI
- Model interpretation
- Competitor rate analysis
- Pricing & u/w scenario testing
- Filing support
- Underwriting dashboards
- Decision support



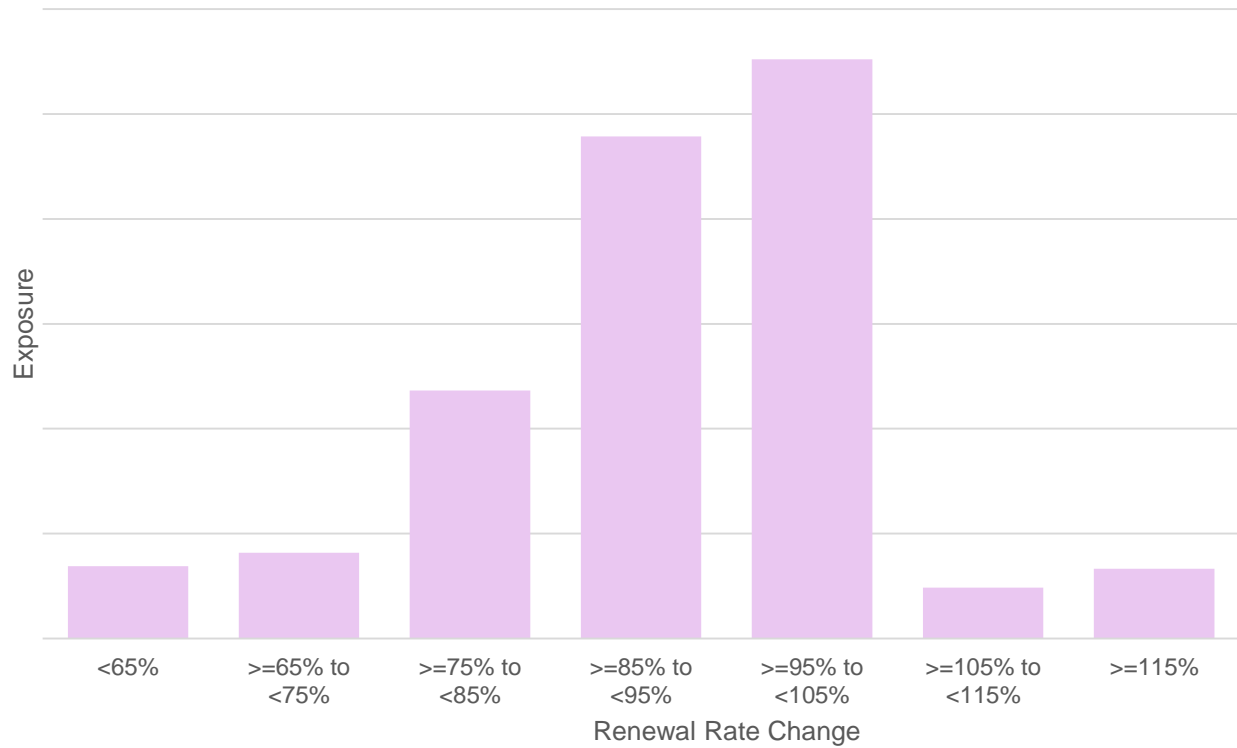
# Dashboards and portfolio segmentation



Insurers can compare their loss ratios with the industry median, percentiles and own target loss ratios.

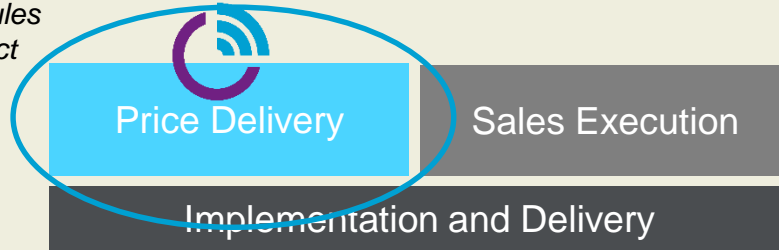
# Dashboards and portfolio segmentation

## Rate Changes on Renewal



# The front end component

*Executes calculations and rules at the point of sale and collect data*



**Deliver a full-cycle solution**



Initial quote



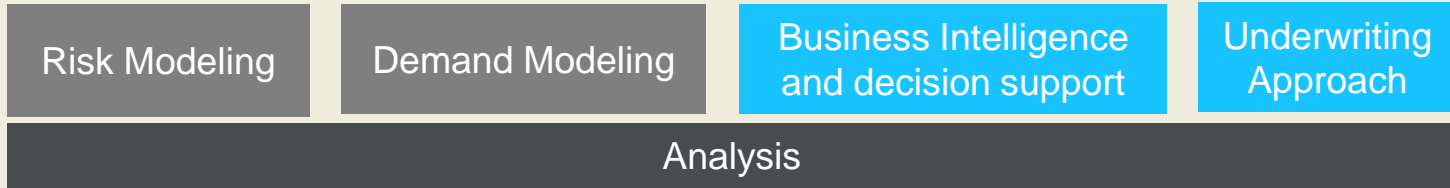
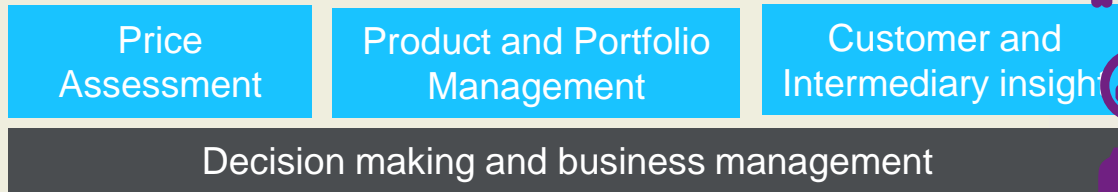
Re-quote



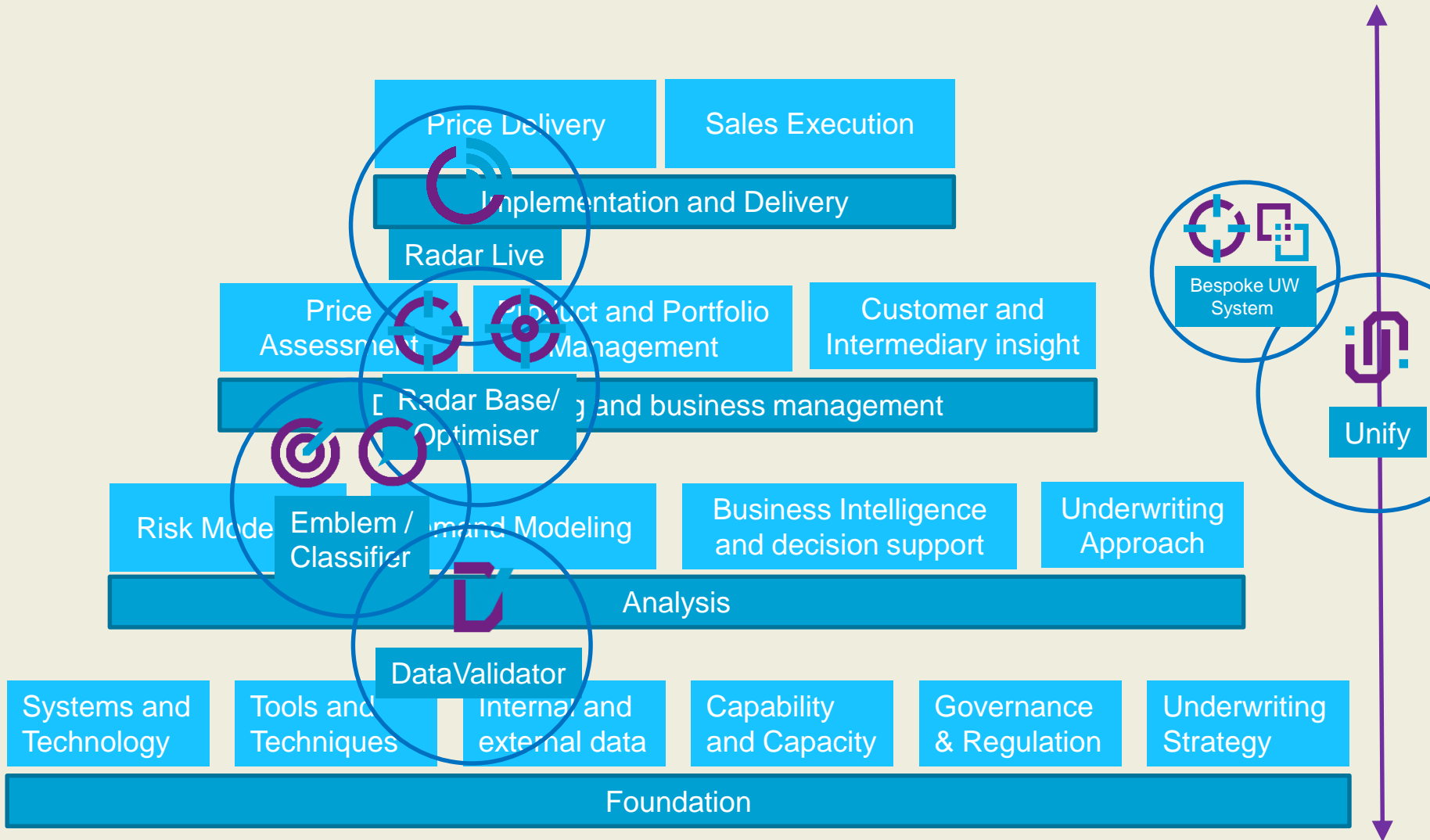
Mid-term adjustment



Rate override



# WTW Effective Pricing and Underwriting Framework



**Thank you**