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Commercial Pricing & Portfolio Analytics

Three impossible things before lunch, with apologies to Lewis Carroll

David Ovenden

September 2019

Commercial Pricing & Portfolio Analytics

- Challenges
- Ambition Statements
- Data Assets & Data Strategy
- The Answer v Decision Support
- Technology
- A Vision for the Future

“Three Impossible Things before Lunch”

- A Strategy for data
- Unpicking the technology
- Changing the culture

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Ambition Statements

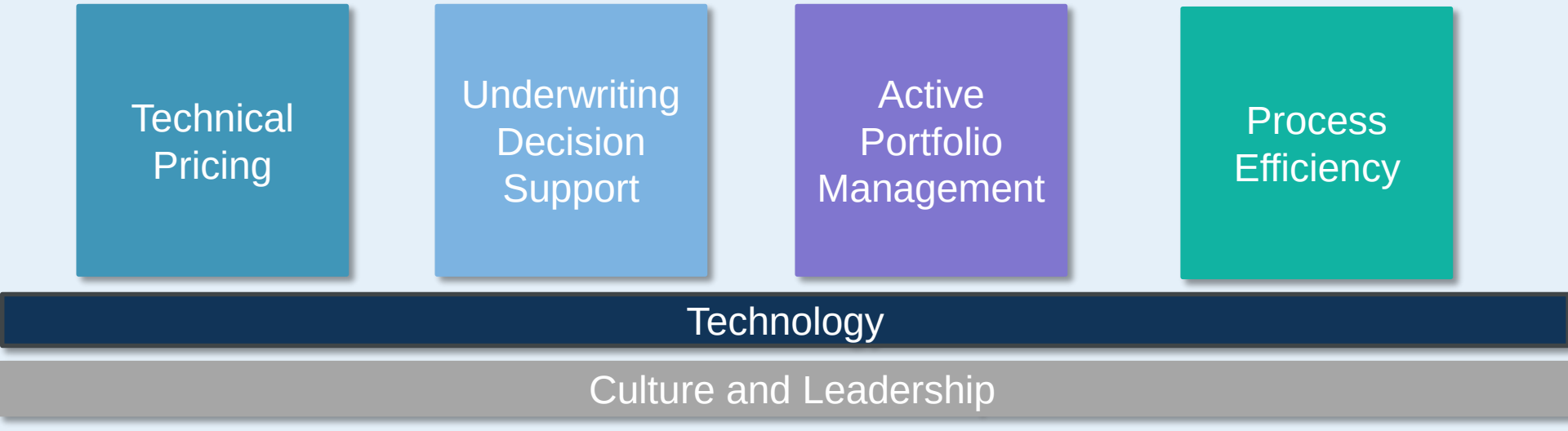
“Every adventure requires a first step”

The Cheshire Cat, Alice in Wonderland

28 August 2019

Ambition Statements

“Every adventure requires a first step”



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Data Assets & Data Strategy

“Curiouser & Curiouser”

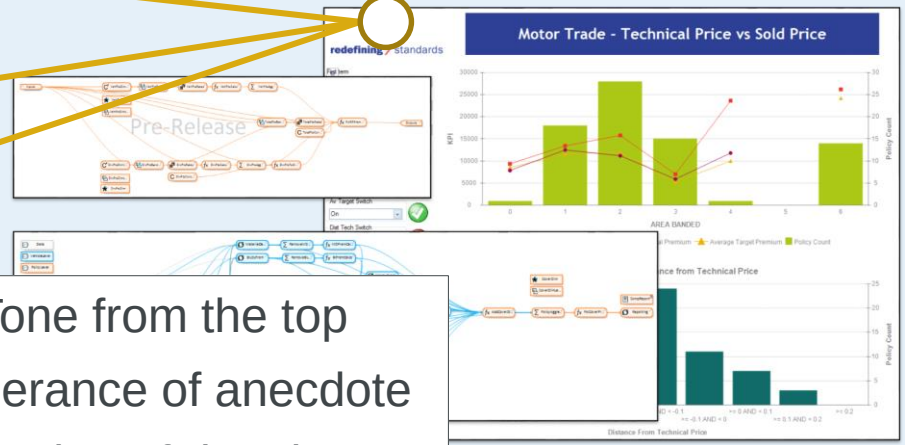
Alice, Alice in Wonderland

27 August 2019

Data Actions

“I do not have enough data to build a predictive model”

- Align the past
- Fix the future
- Cross function data alignment
- Global consolidation
- External enrichment
- Unstructured data



Tone from the top

Intolerance of anecdote

Correction of data issues

Case Study

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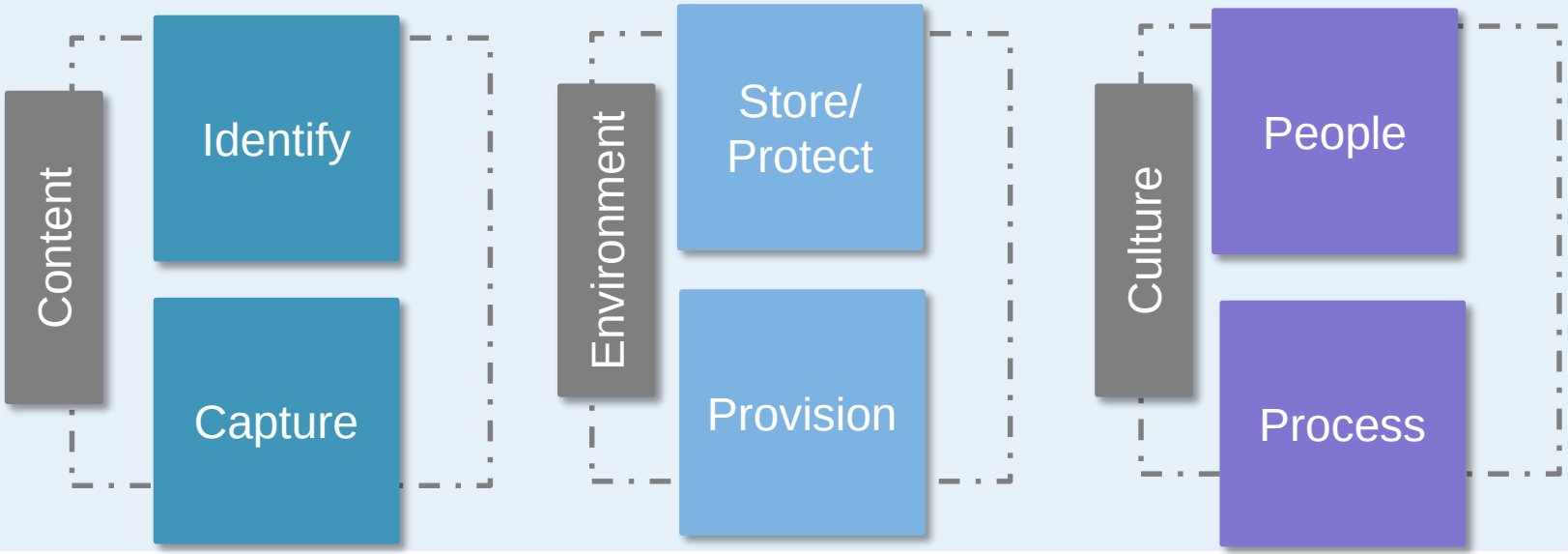
Breaking the cycle of poor data



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The Answer v Decision Support

“It would be nice if something made sense for a change”

Alice, Alice in Wonderland

27 August 2019

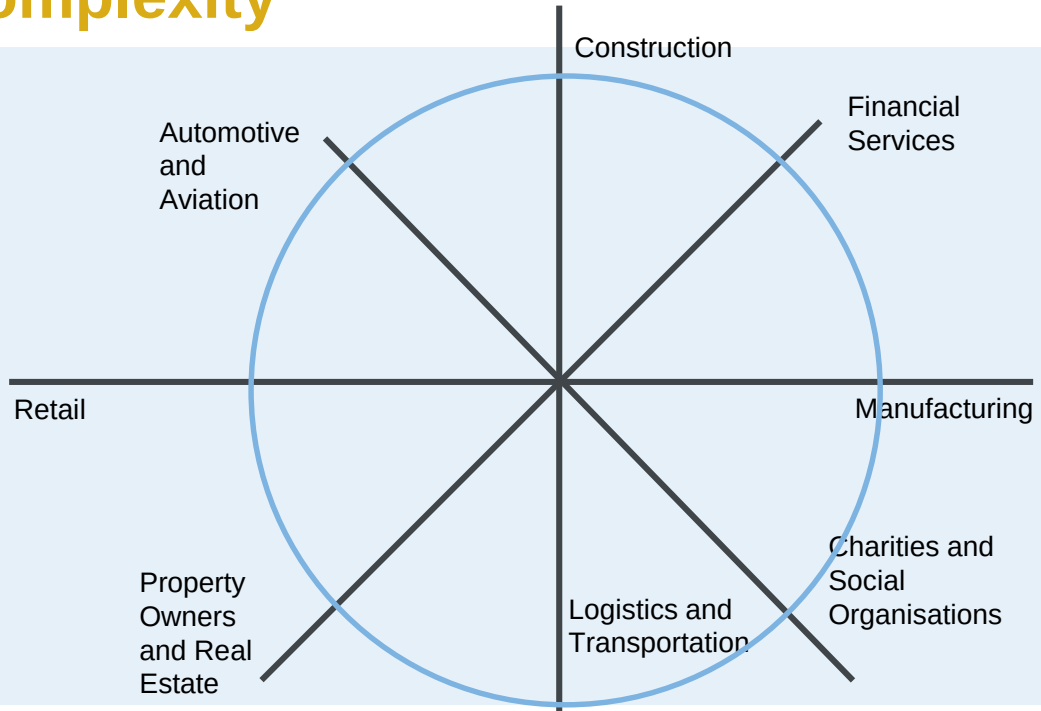
Automated Trade Footprints

Size is a poor proxy for complexity

Often SME or eTraded risks are defined by some simple one dimensional metric:

- Risks less than £10k
- Risks with less than 10 employees
- Risks that have less than a £1m in turnover

Plotting this against trade provides a circular automated footprint



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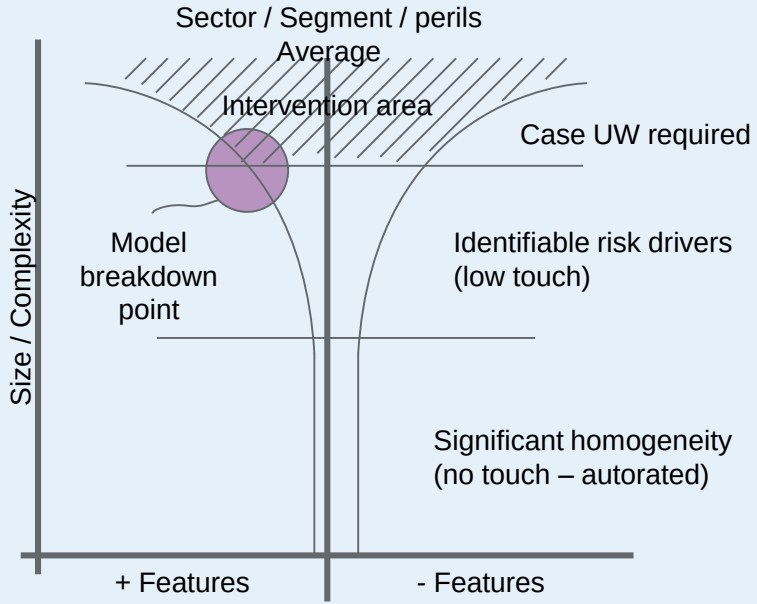
Plotting this against trade provides a circular automated footprint, adding a trade based layer makes things more granular and interesting



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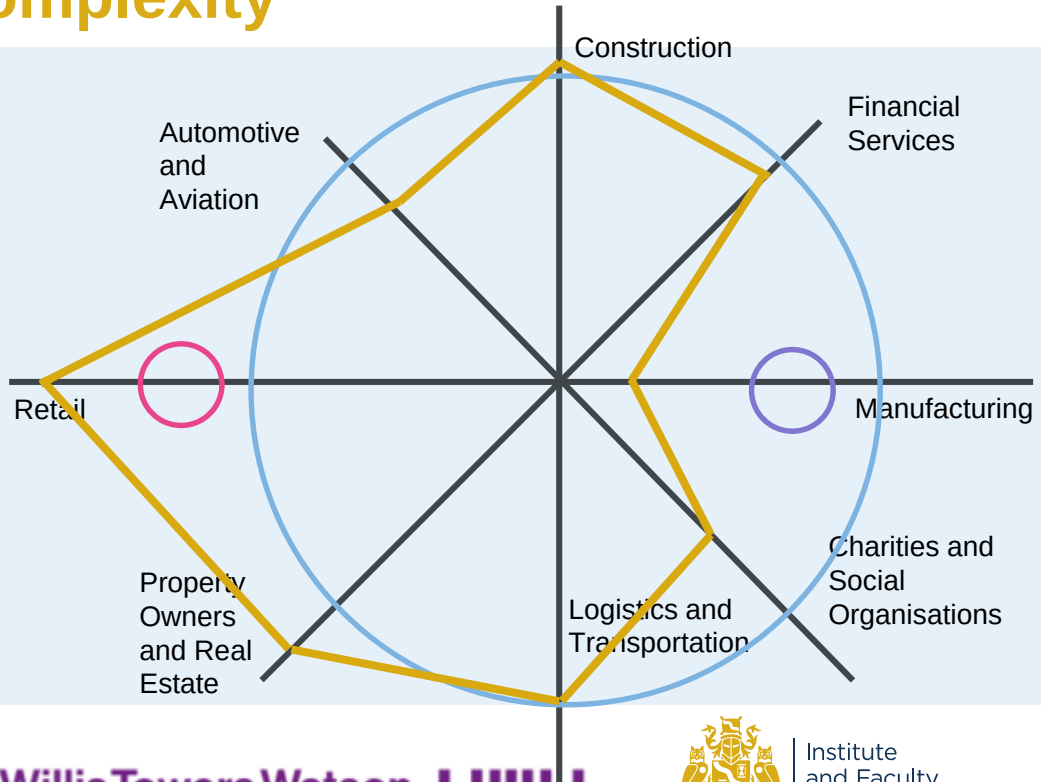

Expanded Appetite

Restricted Appetite

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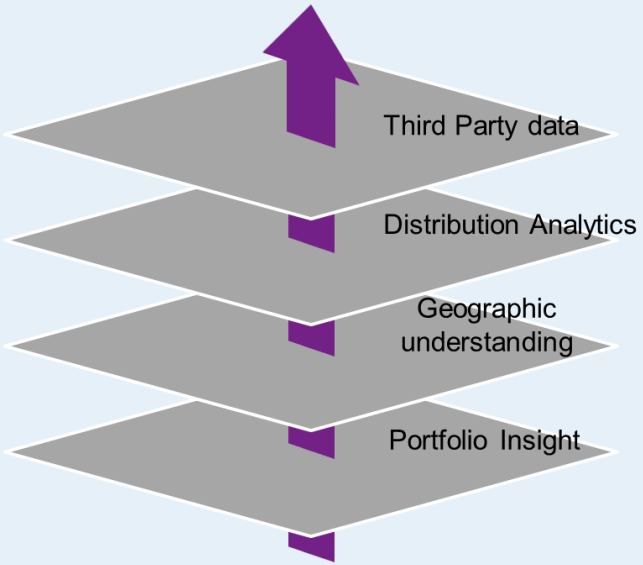
Enhanced Automated Footprint

Using scored layers to create granular segments

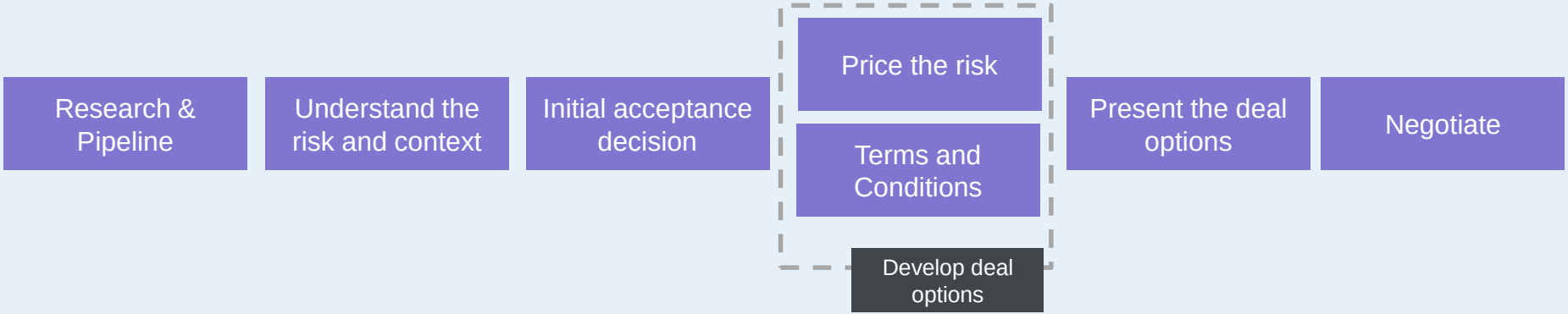
Using an increasingly wide range of internal and external data assets, it's possible to develop, test and deploy a range of models across the workflow process:

- Pricing
- Risk selection
- Structured interventions
- Routing
- Prioritisation
- Evaluation

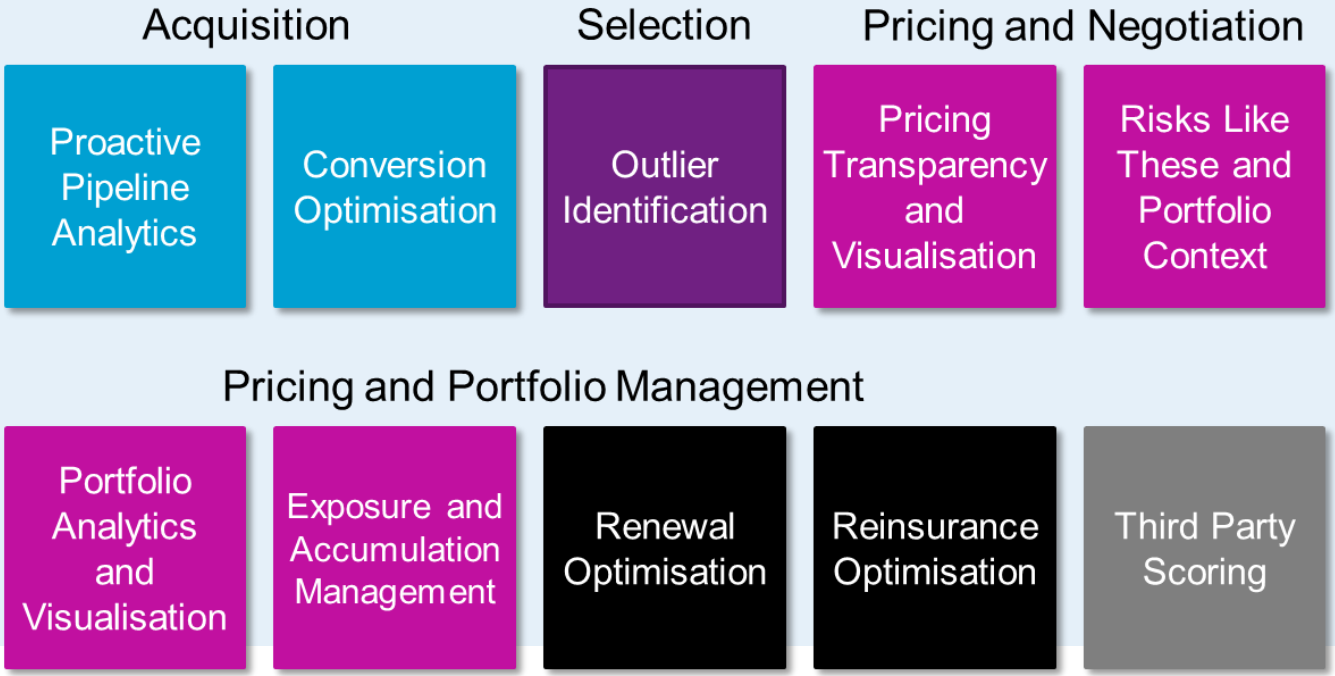
These can be used to automate all or part of the business process or support human intervention with decision support



Providing support requires a process



Case Underwriting decisions in context



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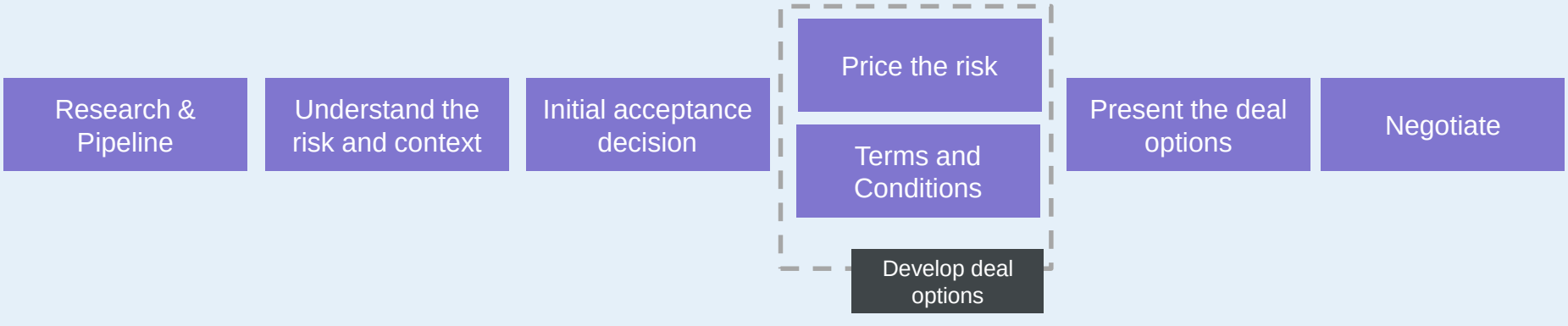
Example: operational models and decision support



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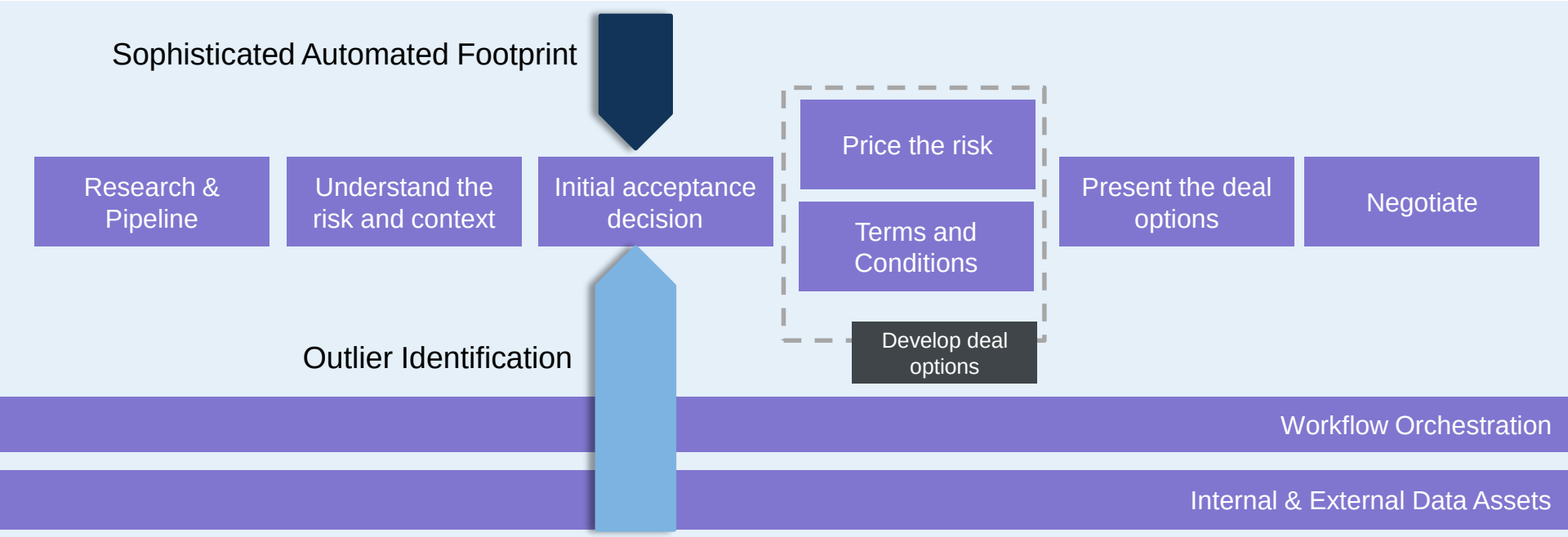

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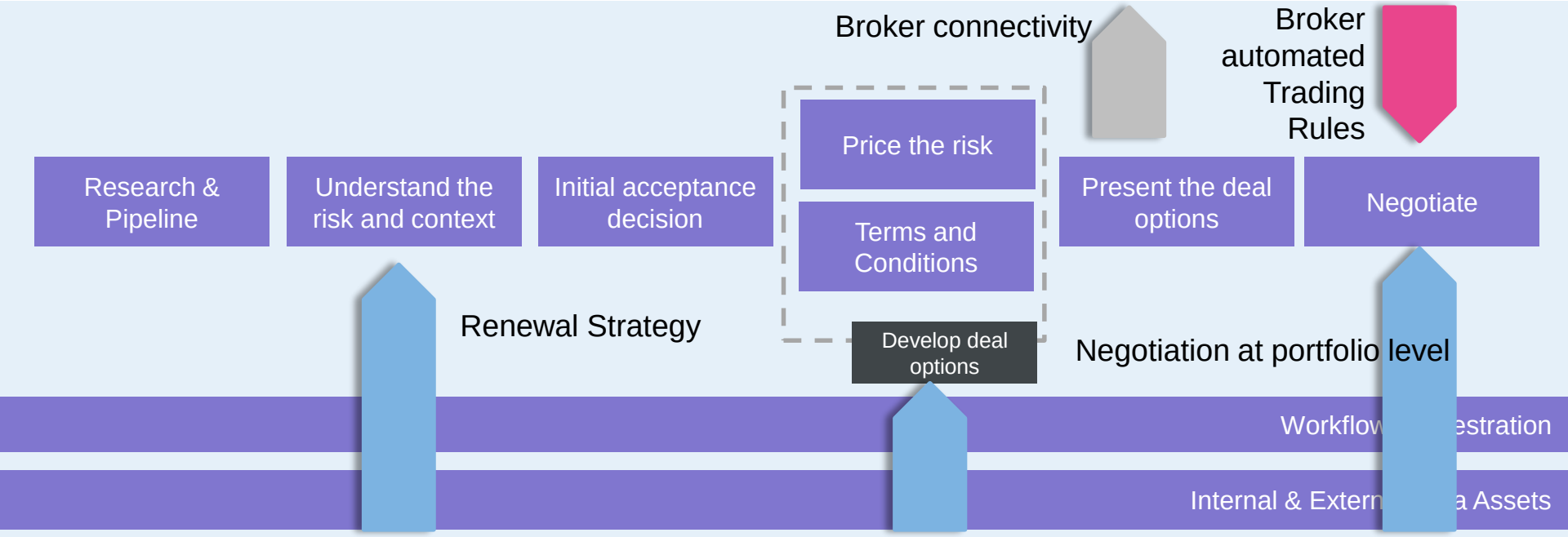

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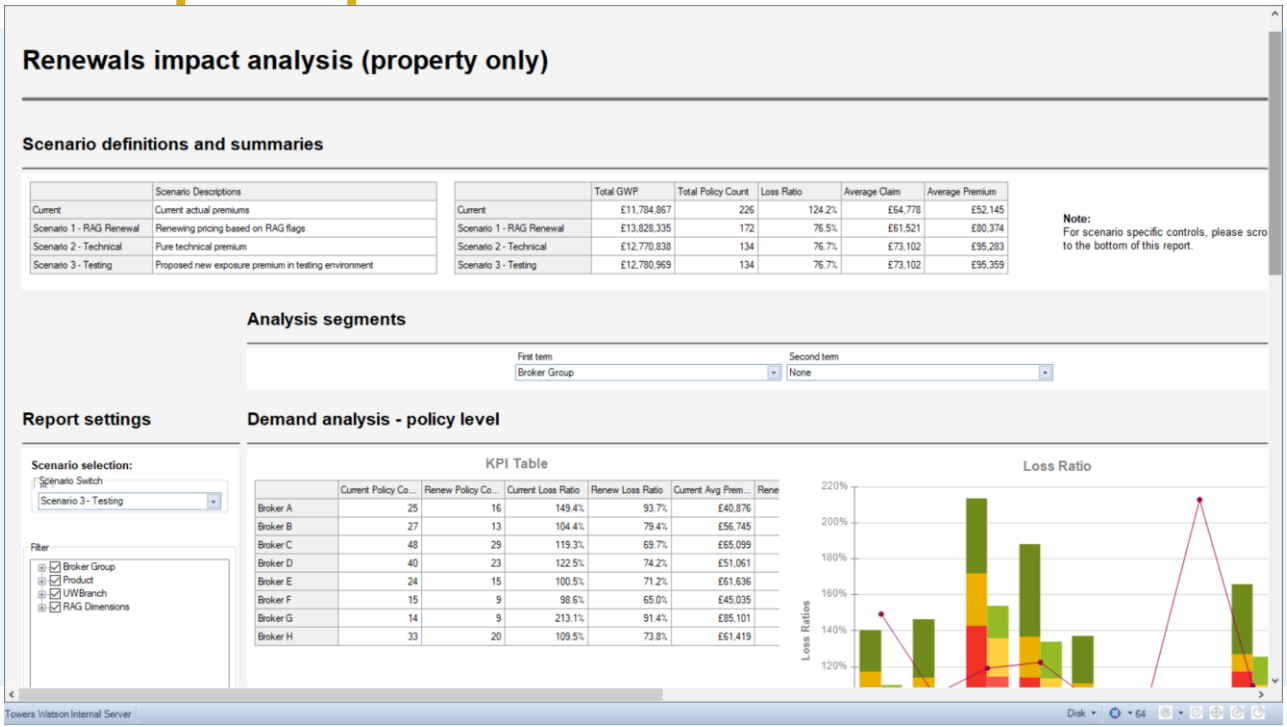

Renewals impact analysis (property only)

Scenario definitions and summaries

	Scenario Descriptions
Current	Current actual premiums
Scenario 1 - RAG Renewal	Renewing pricing based on RAG flags
Scenario 2 - Technical	Pure technical premium
Scenario 3 - Testing	Proposed new exposure premium in testing environment

	Total GWP	Total Policy Count	Loss Ratio	Average Claim	Average Premium
Current	£11,784,867	226	124.2%	£64,778	£52,145
Scenario 1 - RAG Renewal	£13,828,335	172	76.5%	£61,521	£80,374
Scenario 2 - Technical	£12,770,838	134	76.7%	£73,102	£95,283
Scenario 3 - Testing	£12,780,969	134	76.7%	£73,102	£95,359

Note:
For scenario specific controls, please scro
to the bottom of this report.

Analysis segments

First term: Broker Group
Second term: None

Report settings

Scenario selection:
Scenario Switch
Scenario 3 - Testing

Filter
- Broker Group
- Product
- UWBranch
- RAG Dimensions

Demand analysis - policy level

KPI Table

	Current Policy Co...	Renew Policy Co...	Current Loss Ratio	Renew Loss Ratio	Current Avg Prem...	Rene
Broker A	25	16	149.4%	93.7%	£40,876	
Broker B	27	13	104.4%	79.4%	£56,745	
Broker C	48	29	119.3%	69.7%	£65,099	
Broker D	40	23	122.5%	74.2%	£51,061	
Broker E	24	15	100.5%	71.2%	£61,636	
Broker F	15	9	98.6%	65.0%	£45,035	
Broker G	14	9	213.1%	91.4%	£85,101	
Broker H	33	20	109.5%	73.8%	£61,419	

Loss Ratio

Towers Watson Internal Server

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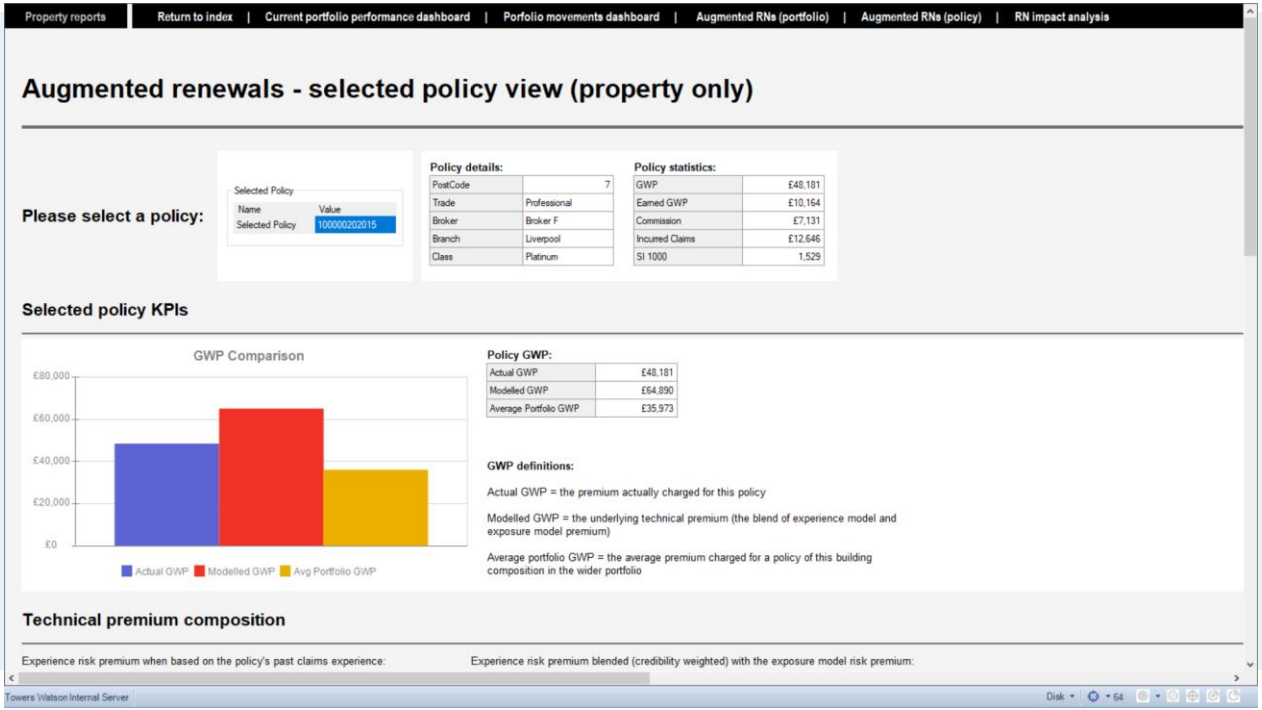
Example: operational models and decision support



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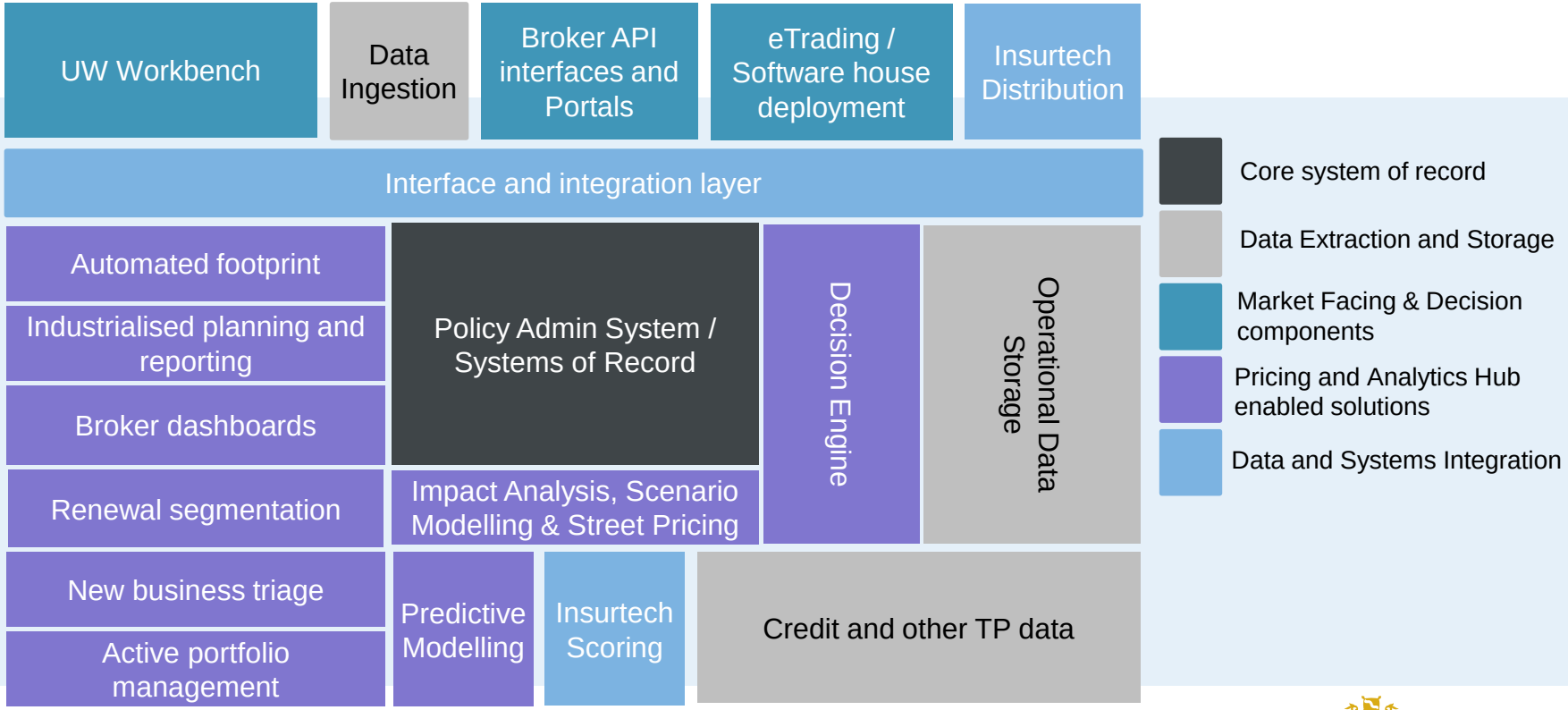
Unpicking the Technology

“It’s not done by everyone minding their own business”

Alice, Alice in Wonderland

27 August 2019

Connected Specialisms



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A Vision for the Future

"That is impossible……only if you believe it is"

Alice and The Mad Hatter, Alice in Wonderland

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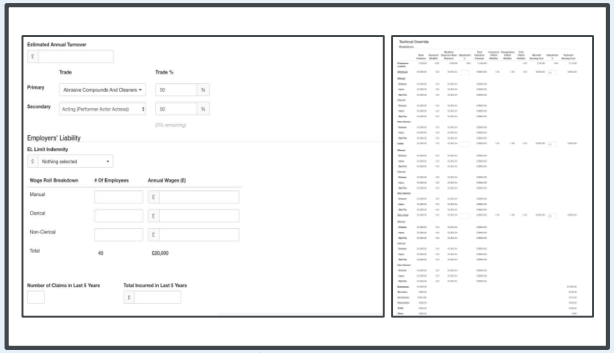
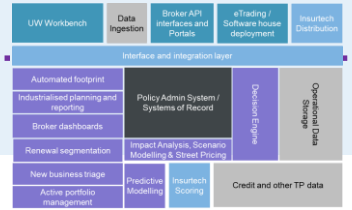
“That is impossible….only if you believe it is”

Execution Screen



Insight Screen



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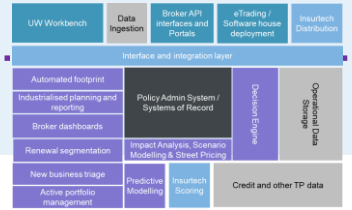
“That is impossible….only if you believe it is”

Execution Screen

Insight Screen

Real-time Connected Context



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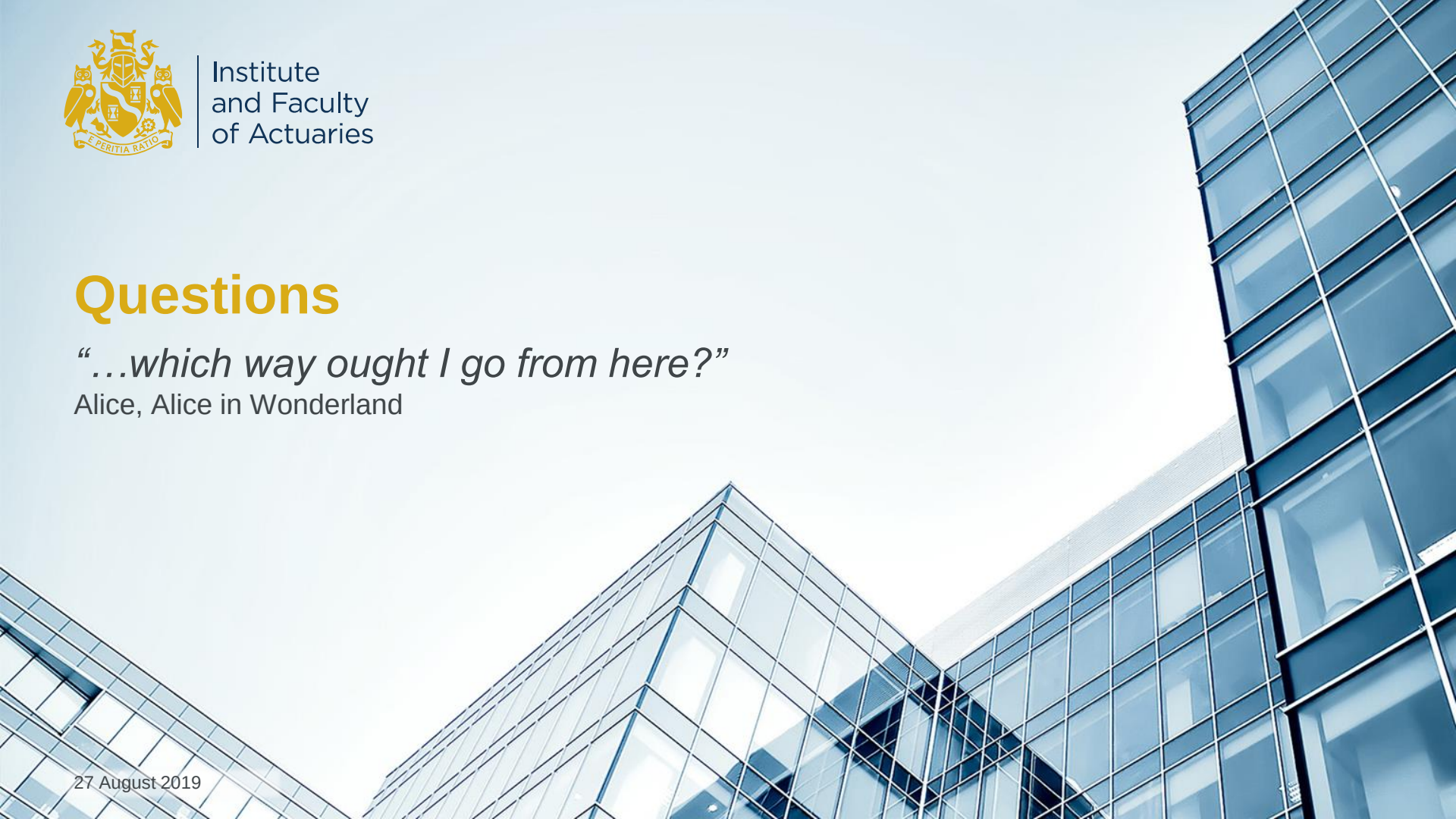

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Questions

“…which way ought I go from here?”

Alice, Alice in Wonderland

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