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London Market Pricing Data Strategy

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Introduction

- Mike Hood
- Catlin
- Product Group Actuary – Short tail
- Pricing
- Property, Energy, Aerospace, Marine, ...
- The views expressed in this presentation are mine.

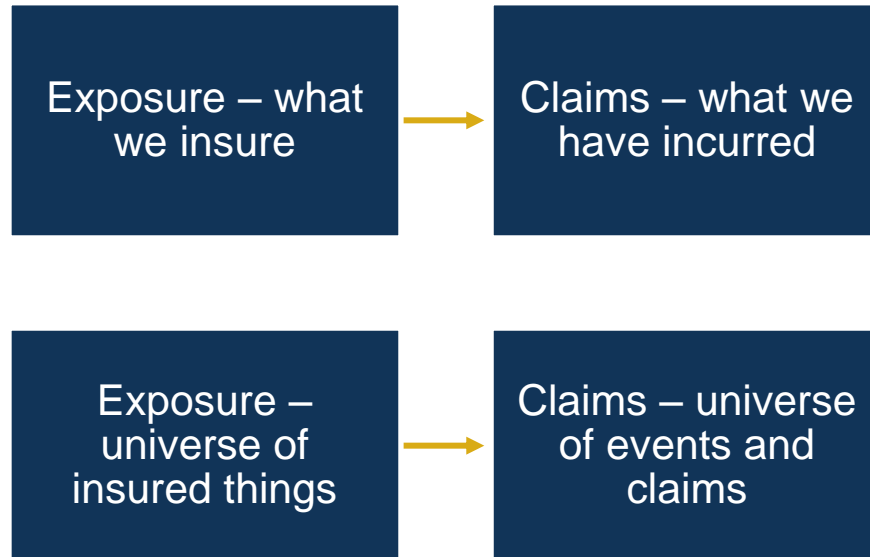


Pricing data strategy - Agenda

- What do I mean by “Pricing data”?
- What do I mean by “Pricing data strategy”?
- How good is your/our pricing data?
- What are you/we doing to improve it?
- What could and should the London Market do to improve things?



What do I mean by “Pricing data”?



Pricing data is primarily claims and exposure data. Data which helps predict the frequency and severity of claims of different causes for individual specific risks (buildings, vessels, activities) from exposure data about the entirety of those specific risks.



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Why am I talking about Pricing data strategy?

- Pricing is important (to our long term profitability and growth).
 - The London market could be massively better at pricing.
 - Data is **the** key to good pricing, although it is not sufficient.
 - Pricing data in the London Market is poor.
 - Good pricing data does not just appear.
 - You have to decide to make it better.
 - You have to decide what to do – you need a strategy.
 - Then you have to get on with it – would like us to get on with it.
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- I would like to persuade you to collaborate on some London Market data initiatives.

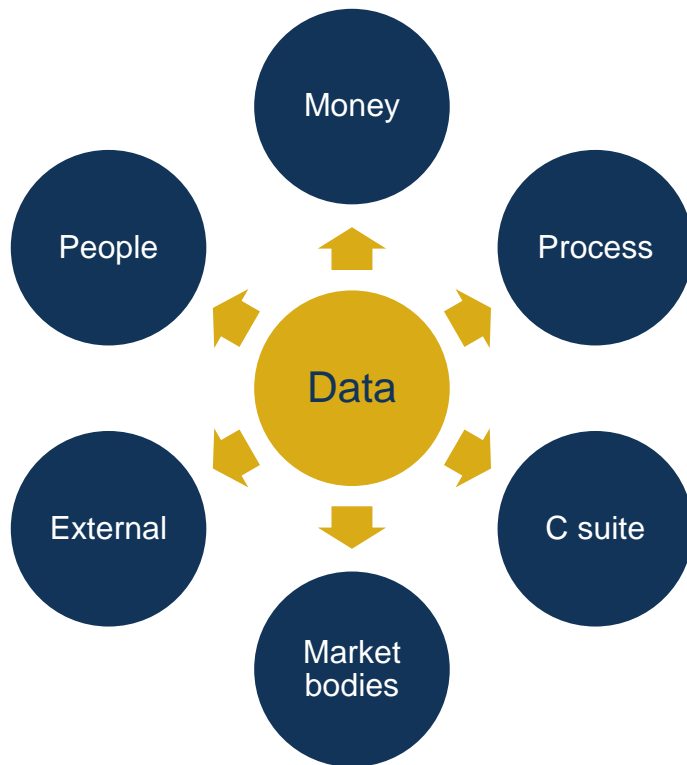


How “good” is your pricing data?

	Property	Energy	A&H	Aerospace	Marine	Livestock and Equine	E&O	GL	...
What we insure									
Exposure universe									
Our claims									
Claims and events universe									



What can be done to improve it?



Internal

- Dedicated staff
- Price modelling
- Submission data
- System changes
- New systems
- Enriching data
- User buy in
- Mngmt buy in
- New process
- Data standards

External

- Data vendors
- Models vendors
- Govt agencies
- Academia
- Reinsurers
- Overseas
- Consultants
- Market bodies
- Data standards



What is needed make these things happen?

	Money	Staff time	Dedicated staff	Mngmt will	Market will	Your will
Submission data		✓	(✓)	✓		✓
Enriching claims		✓	(✓)	✓		✓
Price modelling		✓	(✓)	✓		✓
TP data	✓			✓		✓
TP models	✓			✓		✓
Process changes		✓	✓	✓	✓	✓
System changes	✓	✓	✓	✓	✓	✓
Gov't data		✓	(✓)	✓		✓
Academia		✓	(✓)	✓		✓
Market claims standards		✓	(✓)	✓	✓	✓
Market exposure standards		✓	(✓)	✓	✓	✓
Market system changes	✓	✓	(✓)	✓	✓	✓



Conclusions

- Pricing is important (to our long term profitability and growth).
 - The London market could be massively better at pricing.
 - Data is **the** key to good pricing, although it is not sufficient.
 - Our pricing data is poor.
 - Good pricing data does not just appear.
 - You have to decide to make it better.
 - You have to decide what to do – you need a strategy.
 - Then you have to get on with it.
-
- I think we should do something as a market, now.



Could we do something as a market?

- Is any of this anti competitive? – How could we make sure (that it is not)?
- Are there other barriers?
- Would your organisation support collaboration?
- Will you collaborate?

