

#### **A-levels**

#### Part :

- History
- Geography
- Philosophy
- Business Studies

#### Part 2

- Case studies
- Exam





### History

- Admiral's roots are in the UK
- Launched in 1993
- Admiral, Bell, Diamond, Elephant
- Confused is part of the Admiral Group
- Over 3m motor customers in the UK
- □ Admiral is not just UK motor but it does dominate



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## Geography



## **Philosophy**





Philosophy		
> Passion for data > Supportive culture		
> Innovative approach		
Sharing of tools, knowledge ideas, training		
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Business Studies		
Busiliess Studies		
If you want cross-fertilisation in Pricing, how do you organise this?		
□ Centralised - Possible lack of local knowledge		
□ Non-centralised		
- Possible lack of expertise		
□ Matrix - Who owns what?	Institute	
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Business Studies		
Duantess Studies		
<ul> <li>Central team who advise the international operations</li> <li>Ultimate responsibility sits with the local teams</li> </ul>		
	Liberitains	

Р	art 2: Case studies (and exam questions)	
П	Pricing oriented case studies that are more focused on differences	
_	rather than similarities	
	Differences are only half the story	
	Similarities are often subject to cultural tweaks	
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	Culture	
	International problem solving schniques	
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	FROLEY STATES	
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	PROBLEM 2 O S STANDARD	
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	Case studies	
	□ Initial rates for a start-up	
	Regulation in the US	
	□ Geography in Italy	
	☐ Baremo in Spain	
	□ Telematics	
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Initial rates	
How do you build an initial rate structure?	
☐ UK experience	
Market information	
Dilemma between	
<ul> <li>growing quickly (potentially expensive), and</li> <li>growing slowly (slow learning)</li> </ul>	
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Exam Question 1:	
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You are setting up a non-UK insurance company. What is the easiest way of creating your first set of rates?	
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Exam Question 1:	
You are setting up a non-UK insurance company. What	
is the easiest way of creating your first set of rates?	
Answer: Move to the US	
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Regulation in the US	
Regulation in the 00	
□ Getting an initial set of rates is easy	
Maintaining confidentiality is difficult     "Interesting" rates are usually not allowed	
□ Changing Prices is more difficult than it is in the UK / Europe	
alle.	
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Exam Question 2:	
How do I make the best possible use of geography in Pricing?	
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Internation	
Exam Question 2:	
How do I make the best possible use of geography in Pricing?	
Answer: Move to Italy	
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North of Italy Rich area, safe drivers Low avg premium







North of Italy Rich area, safe drivers Low avg premium





Campania Region Poor area, "crazy" driving habits, wide fraudsters organizations High avg premium



O4

# Pricing in the north and the south of Italy

	North	South	
Avg Premium	€ 250	€ 450	
Claim Freq	13%	15%	
Claim size	€1300	€1800	
Loss ratio	70%	60%	

Numbers at 24 months development. Is this priced correctly?



26 May 2015

### **Creative Claims**





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Creative Claims

Plastic carrier beau

Rights Colored by Statistics of S

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Creative Claims	
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Creative Claims	
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Claim frequency developments	
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Claim frequency developments		
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Loss ratio development		
— Campania — North		
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Exam question 3:		
What is the best way of dealing with claim s	severity?	
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Exa	m ques	stion 3:				
Wha	What is the best way of dealing with claim severity?				severity?	
	Answer: Move to Spain					
	7 tilowor.	Move to op	ani			
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The I	Baremo	)				
	CASE 1 Whiplash	Lack of vision in	Arm amputation	Paraplegic D6-D10,	A 25 years old man	
		one eye	(at shoulder level)	Paraplegic D6-D10, total disability and need external help	A 25 years old man dies leaving a widow and 2 sons <3 years old	
# treatment days (disability)	60 days	60 days	60 days	350 days	N.A.	
# points under current baremo	1 to 8	30	55 to 60	55 to 60	N.A.	
Compensation range	< EUR 3.000	EUR 55,175	From EUR 220,612 to EUR 241,763	From EUR 924,806 to EUR 1,212,394	EUR 253,076	
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Claim severity in the UK and in Spain	
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Claim severity in the UK and in Spain	
—UK —Spain	
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Telematics	
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Telematics in the UK		
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Telematics in the UK	Telematics in Italy	
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Car repairs in Spain		
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Car repairs in Spain	
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Conclusions	
□ Be humble, there is a lot to learn	
<ul> <li>Understanding cultural differences is more important than math</li> <li>Don't forget downside risk management</li> </ul>	
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Particular   Par	
Presentation done	
???	
5 6	
Any questions?	
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