addactis Pricing

Moving beyond pricing to shape future growth and profitability

Position your pricing approach at the heart of your underwriting, growth and profitability strategy. With addactis® Pricing, benefit from the best actuarial practices and integrate client behavior into your decision making.

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THE RISKTECH FOR INSURANCE

THE TOP SIX MYTHS OF NON-LIFE PRICING

... AND PATHS TO ADDRESS THEM

1 "OUR NON-LIFE PRICING PROCESS **IS PERFECTLY ALIGNED** WITH OUR COMPANY'S STRATEGY."

Are you sure that you master all the parameters of risk cost analysis with the right granularity to **take your strategic or marketing decisions according to your real risk appetite?**
To ensure that your pricing process is truly aligned with your business challenges, it is essential that it is not paralyzed by a «black box» including isolated, incomprehensible and unverifiable models (whether the models are based on GLM, AI, Machine Learning or Excel spreadsheets...).

2 "GENERATING A TARIFF **IS THE ONLY STAKE** IN PRICING."

Defining your underwriting and risk selection strategy is an essential prerequisite and at least as important as producing tariffs.
Being able to simulate the impact of your decisions and mastering the transition from pure premium to commercial premium requires downstream consideration of many additional elements to provide you with the competitive advantage of true premium governance.

3 "USING GLM MODELS FOR TARIF **IS ENOUGH TO ENSURE** PROFITABLE & SUSTAINABLE PORTFOLIO GROWTH."

Your competitive environment, new entrants or products on the market and new consumer habits require you to enrich your pricing process with analyses of your market tariff positioning and anticipation of your current or future policyholders' behaviors. Considering the the rapid and major changes in the market, generating a tariff is not sufficient to guarantee growth and even less sustainable profitability. **The agility and completeness of your pricing process are key** to respond more quickly, efficiently and sustainably to your challenges.

4 "A ONE-TIME TARIFF OVERHAUL **DOES NOT JUSTIFY** INVESTING IN A PRICING TOOL."

The digital revolution and the new distribution methods for insurance products lead performing companies to produce and adapt their tariffs in an agile, efficient and much more regular way. A pricing software becomes essential to **continuously organize your pricing studies** and go beyond the mere update of your tariffs based on the results of previous years.

5 "PRICING IS A QUESTION OF **INDIVIDUAL EXPERTISE.**"

Perhaps you could reduce your operational risk by not relying on the presence of one key person to determine the success or failure of your profitable growth strategy? What risks does the company face if the owner of some of the pricing knowledge leaves, for whatever reason?
A comprehensive, controlled, transparent and auditable process protects you from the risks associated with the endless juxtaposition of as many black boxes as there are tariffs.
On the other hand, **have you really given your actuaries and data scientists the means to work together to help you gain market shares**, thanks to support, methods, collaborative tools and adapted processes?
Investment in pricing is not only legitimate because it is at the heart of the insurer's reactor, but it is also essential and very profitable over time.

6 "THE FUTURE OF PRICING RELIES ON **AI-BASED MODELS & BIG DATA**"

What if you instead adapted your practices and organization **to get the best of both worlds:** combine Big Data and Artificial Intelligence with more traditional actuarial methods to fully exploit your own historical data, challenge and improve your models? This is the path chosen by the leaders and future winners of the insurance competition. Be one of them.

New Pricing practices are the best way to fuel profitable growth and shape your future profitability.

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HOW TO MASTER
THE PRICING SCHEME?

GLMs (Generalized Linear Models): An essential foundation

Recognized for their efficiency and their ability to be easily interpreted and implemented, GLMs contribute to identify the main risk drivers of the insurer's loss and creating meaningful rating structures.

Disruptive methods: AI & «Machine Learning»

AI based or machine learning algorithms allows to enhance and complement GLMs to get the best out of both approach.

A decisive advantage: Include customer behavior's analysis in the definition of the commercial premium

The modeling of customer behavior and price elasticity at key moments in contract's life such as underwriting or renewal, allows you to adjust your commercial price.

The ultimate goal : Get a 360° view

Scenario testing and impact analysis provide you with key performance indicators for effective and informed decision-making.

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addactis® PRICING SOLUTION TACKLES THOSE KEY CHALLENGES WITH YOU AND FOR YOU!

addactis® Pricing solution drives you to the state-of-the-art of underwriting.

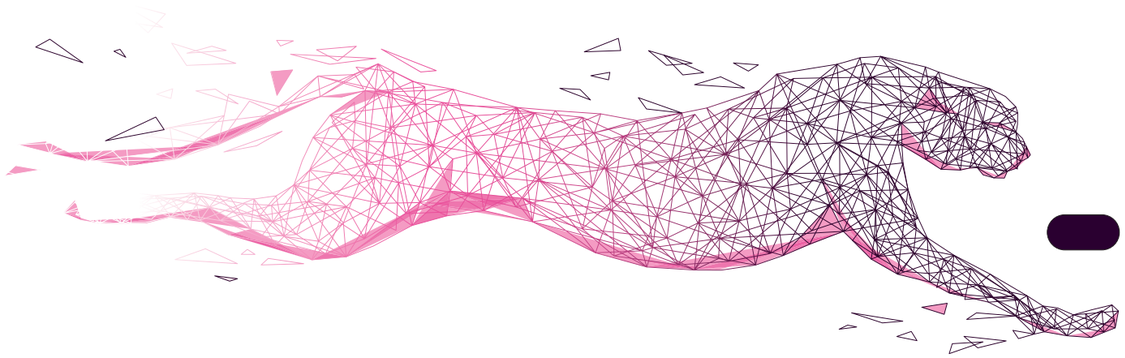
To increase market shares in a hard competitive and innovative world, **addactis® Pricing** provides you with a top class solution to combine growth and profitability.

From data preparation, data analysis and pure premium definition, including customer behavior analysis, **addactis® Pricing** optimizes the global value chain of your pricing process and allows you to take informed decisions.whatever the level of maturity of your process, in a way adapted to your needs and to your technical teams.

YOU DESERVE SAFETY, TRANSPARENCY & ACCURACY

Facing headwinds such as the need for interpretability, the ease of implementation, the use of external data, the complexity of new methods or regulatory constraints is a real challenge and implies to improve the whole pricing process.

You can no longer produce tariffs as you did previously. But you need a secure and transparent tool that can deliver a robust pricing grid in a simple manner and perfectly aligned with your strategic global requirements.
The exact opposite of a black box!



WHAT IF YOU COULD SAVE TIME AND MONEY BY DIRECTLY BEING AT THE FOREFRONT OF THE BEST PRACTICES OF THE MARKET?

Our pricing solution makes it possible!

addactis® Pricing is the best way to make an efficient transition to variate techniques. It organizes a pricing workflow and proposes the best actuarial techniques and practices, to facilitate your experience.

We designed our software to be transparent and make the pricing process as easy to understand and intuitive.

addactis® Pricing makes your process much more secure by providing you with an **auditable tool**, that allows to update a project very easily and save time.

Even if you will benefit from the full support of our teams to help you get up and run, **addactis® Pricing will make you expert in few weeks.**

addactis® Pricing has been designed to embed all the best practices and methods in pricing so that this expertise can be transferred to your teams.

The more they use addactis® Pricing, the more your actuarial teams enrich their know-how and experience.

WHY TOP INSURERS CHOOSE addactis Pricing

BECAUSE

- OUR SOLUTION IS CERTIFIED BY THE REGULATOR OF SEVERAL COUNTRIES
- THANKS TO AN "ALL-IN-ONE" SOLUTION THEY GAIN IN EFFICIENCY
- THEY WANT DIRECT ACCESS TO THE BEST PRACTICES
- THEY APPRECIATE THE CLOSE SUPPORT WITH TRAINING AND KNOWLEDGE TRANSFER PROVIDED BY ADDACTIS' EXPERTS

YOU NEED AN HOLISTIC VISION AS PATH TO SUSTAINABLE GROWTH

Catching market shares in a hard competitive and innovative world requires to optimize your portfolio's growth and profitability. To do so, covering and leveraging the global value chain of your pricing process is a key challenge.

The aim is to adjust the commercial price based on the price elasticity, thanks to the modelling of the customer behavior at key moments of the contract's life such as underwriting and renewal.

To define the tariff, you are benefiting not only from technical pricing, but also from market-based pricing and behavioral-based pricing.

WHY TOP INSURERS CHOOSE addactis Pricing

OUR SOLUTION PROVIDES THEM WITH AN EFFICIENT TOOL TO UNDERSTAND AND STEER THEIR PORTFOLIO

BECAUSE

IT OPENS UP TO MORE EFFICIENT DECISION THANKS TO MULTIPLE SCENARII TESTING AND IMPACT ANALYSIS

addactis® PRICING'S DEMAND MODELING CAPABILITIES ENABLE THEM TO SHIFT TO A TRULY CLIENT CENTRIC DEVELOPMENT STRATEGY

WHAT IF YOU COULD ADOPT A CUSTOMER-CENTRIC APPROACH AND MAKE YOUR DEVELOPMENT STRATEGY MORE EFFECTIVE?

Our pricing solution makes it possible!

addactis® Pricing allows you to integrate your client's behavior in your pricing strategy by building demand models, analyzing price elasticity and measuring the impacts of different scenarios.

Furthermore, **addactis® Pricing** includes Machine Learning techniques in the same framework, you can challenge GLM, enhance them and compare the results between GLM and ML to take the best out of both approaches.

FEATURES:
A HOLISTIC PRICING WORKFLOW

FROM DATA PREPARATION TO TARIFFS AND IMPACT ANALYSIS

Flexible integration of policies/claims data

- Creation of new variables
- Merge with other files
- Full traceability of the transformation of the data

State-of-the-art model assessment

- Model comparison
- Lift curves & model efficiency KPIs (*e.g.*: Gini)
- Time consistency
- Out-of-sample performance

Dynamic data understanding process

- Claims Empirical distribution
- Large losses identification
- One way and two way analysis
- Rating factor correlations

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Tailored consolidation & impact analysis

- Direct application of rating structure on data
- Scenarii management
- Reporting

Enhanced GLM framework

- Statistical testing & stepwise
- Splines, Polynomial regression
- Variables interaction
- Fine tuning with machine learning algorithms
- Geospatial smoothing

Commercial price definition

- Demand model
- Price elastcity analysis
- Scenario testing
- Efficiency frontier to optimize target volume and profitability

CUSTOMER'S SUCCESS STORIES

addactis® Pricing made it for them!

"We needed GLM software that is fast and easy to use, so that we can be agile with our pricing in the crowded motor insurance market. addactis® Pricing have a user-friendly interface and a simple data import function, allowing us to spend more time on creating and fitting the best models. The output is easy to interpret, making us able to deploy them at a high speed in order to generate the most value out of our data. The support team is always reachable and ready to answer any questions."

"addactis® Pricing experts' team has become a valuable help for us since we have been working together. They are always available to give us their support and concern in our pricing projects by clarifying questions and doubts. Not only general questions, but also the best approach to our company."

"What we liked the most is that the pricing process is done through intuitive steps, noticing that it has been designed by people who master the phases of a pricing process."

"We believe that one of the main points of satisfaction in using addactis® Pricing is the integrated framework where we can virtually perform every step of a tariff development within the same tool, making use of a lot of the prescribed best practices."

TRAINING AND SUPPORT, KNOW-HOW TRANSFER, FOR YOUR PRICING TEAMS

HOW ADDACTIS LEADS YOU TO SUCCESS

You pricing challenges

addactis®' experts analysis

Because they know your business and the requirements of your market, addactis® experts will help you implement **addactis® Pricing** to improve your pricing process.

VIP support & software maintenance

As with all of our software, our Products & Technology experts provide maintenance and responsive support.
Your teams are always accompanied and never left without answers.
Our «Software Academy» provides you with all the necessary tutorials and constantly updated resources.

On-boarding & training journey

addactis® experts provide a complete and in-depth training program. This knowledge transfer allows your teams to increase their skills and become truly autonomous within a few weeks.
At addactis®, **the onboarding program is included in the services provided under the contract.**
You approach at your own pace, in a flexible way and according to the availability of your teams, all the pricing steps to be carried out with addactis® Pricing.
Our training journey explore the software functionalities and models by helping you to apply them to your own data if you wish.
Consult our experts and ask for our detailed brochure to know the content of the **addactis® Pricing training program.**

Your pricing solution!

MORE ABOUT addactis® Pricing?

Contact your closest addactis® expert:

addactis.com/solutions/pricing

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