



# 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.

# THE TOP FOUR MYTHS OF PRICING IN INSURANCE YOU SHOULD FACE

... AND 4 PATHS TO ADDRESS THE MYTH

- 1 You think that your Pricing process is auditable, transparent and traceable?**  
Check that your strategy is not paralyzed by a pricing black box based on incomprehensible and non-auditable stand-alone models (regardless of the model used: GLM, AI based or machine learning or old consistent Excel spreadsheets...).
- 2 You think that an accurate technical price is the only key to profitable growth?**  
Considering the new competitive environment and new customer behaviors, including these both aspects in your pricing process is key for profitability.
- 3 You believe that Pricing is a question of Individual Expertise?**  
Give your actuaries and datascientists the means, process and training to win together the Pricing Race and reduce your operational risk by not relying on a single person or method for all your pricing.
- 4 You're convinced that the next normal in Insurance means replacing experience-based Pricing by IA-based models and big data?**  
You should rather adapt your pricing practices and workflow to get the best out of both worlds: using big data and AI to enhance your current models.

● New Pricing practices are the best way to fuel profitable growth and shape your future as an Insurance carrier.



## 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.

# MASTER THE QUINTESSENCE OF A PRICING SCHEME

## The starting point of sophistication: Generalized Linear Models (GLMs)

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.

## The trendy solution: machine learning or AI-based

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

## The step further: Inclusion of the customer behavior analysis in the definition of the commercial price

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

## The last but not least: a 360 vision

Thanks to scenario testing and impact analysis tools, get all the KPIs to make informed decisions.

# 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 less than 6 months.**

**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



OUR SOLUTION IS CERTIFIED BY THE REGULATOR OF SEVERAL COUNTRIES



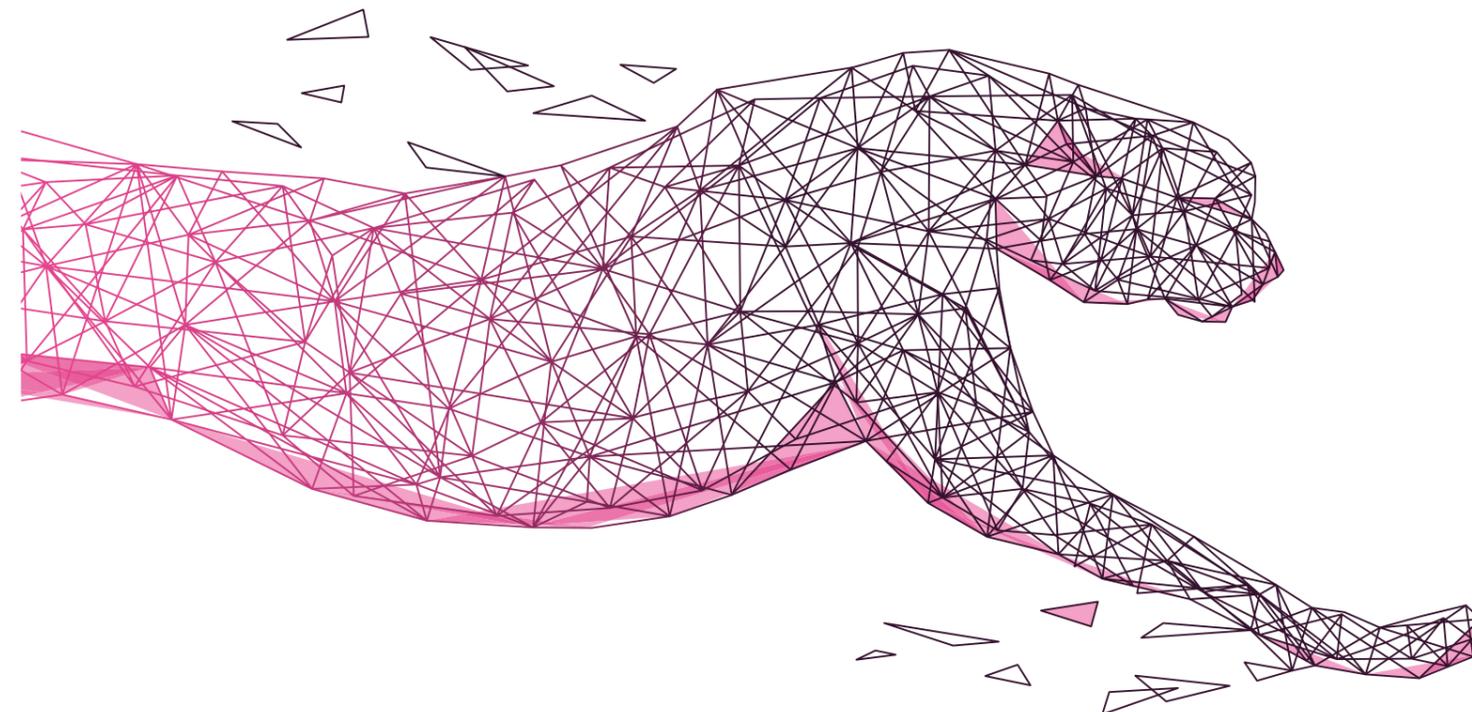
**BECAUSE**



THEY APPRECIATE THE CLOSE SUPPORT WITH TRAINING AND KNOWLEDGE TRANSFER PROVIDED BY ADDACTIS' EXPERTS

THANKS TO AN "ALL-IN-ONE" SOLUTION THEY GAIN IN EFFICIENCY

THEY WANT DIRECT ACCESS TO THE BEST PRACTICES



# 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



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 SCENARI II 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



## 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 elasticity 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.”

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

## HOW ADDACTIS LEADS YOU TO SUCCESS

### Your Pricing challenge

### Software & VIP support

addactis® Pricing Software is at the core of addactis® Pricing solution. addactis® experts ensure implementation

### Your Pricing solution!

### Expert analysis

addactis® experts deliver the proposal best suited to your needs, your requirements and your market. They provide you with the benefits of best market practices

### Consulting & training

addactis® teams provide you with trainings to transfer knowledge to your teams, reducing your operational risk on pricing processes. You benefit from our proven consulting expertise.

## MORE ABOUT addactis® Pricing Solution?

Contact your closest addactis® Pricing Expert on:

 [addactis.com/solutions/pricing](https://addactis.com/solutions/pricing)

 [pricing-info@addactis.com](mailto:pricing-info@addactis.com)

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