



## Deloitte's insurance pricing accelerator

### Achieve efficiencies and prepare for change

In today's economic environment, there is increasing pressure to achieve efficiencies and prepare for the dynamic changes that are reshaping the insurance industry. Developing a unified pricing framework is an area where many US property and casualty carriers have room for improvement. Deloitte's Actuarial, Rewards, and Analytics practice has developed a unified pricing offering, enabled by Duck Creek Technologies, which simplifies the pricing model landscape.

Carriers often use a patchwork of spreadsheet models, homegrown solutions, and disparate vendor solutions to price different products, lines of business, market segments, and business units, particularly for medium and large account pricing and specialty lines pricing. Additionally, acquisitions and new product development over the years have resulted in a proliferation of pricing models and methods in use. There is an over-reliance on spreadsheets and associated issues related to security, scalability, version control and aggregation. There is also an inadequacy of controls and data governance in pricing

models, applications and data used to determine rates. These internal procedures have led to risk in mispricing, inefficient processes, high maintenance costs, and the inability to leverage data for reporting and analytics.

Deloitte's Insurance Pricing Accelerator unifies the pricing framework and supports multiple lines of business for new and renewal business to simplify the pricing model structure. The solution is designed to integrate with existing systems to help drive better decision-making.

**Potential benefits of Deloitte's Insurance Pricing Accelerator**

Improvements within the pricing function can have a direct impact on the carrier's bottom line. Deloitte has years of experience in helping carriers increase profitability and realize strategic benefits by consolidating the pricing function onto a single platform. Potential benefits of a unified pricing platform include:

- Improved management information— increase ability to leverage data for analytics, management reporting, and business intelligence across different lines of business
- Speed to market—enable market leadership by bringing pricing changes quickly to market
- Reduction in maintenance costs—free up under-writing and actuarial resources for value-add activities
- Governance and controls—reduce time and effort to maintain compliance
- Pricing documentation—improve transparency and provide an ability to efficiently field a market conduct exam

**Pricing framework components**

The Deloitte pricing solution framework consists of 12 major components and four overarching components. Each major component is applicable to multiple lines of business and can be triggered based on conditional logic.

Deloitte pricing framework

Indications					
Exposure rating indication	Predictive modeling	Basic limit selection	Layering	Loss rating indication	ILF indication
Loss pick		Modifiers and loads			
Credibility	Additional coverages	Additional loads	Expenses	Profit load	Taxes, licenses and fees
Multiple pricing pathways					
Pricing documentation					
Reporting and analytics					
Maintenance and governance					

**To learn more**

For more information on Deloitte's Insurance Pricing Accelerator, please contact:

**Amy Sherman**  
Principal  
Deloitte Consulting LLP  
Tel: +1 212 618 4618  
Email: amsherman@deloitte.com

**Peter Tomopoulos, ACAS, MAAA**  
Senior Manager  
Deloitte Consulting LLP  
Tel: +1 212 618 4656  
Email: ptomopoulos@deloitte.com

**Rita Zona, ACAS, MAAA**  
Principal  
Deloitte Consulting LLP  
Tel: +1 312 486 3527  
Email: rzona@deloitte.com

**Brian Van Daele**  
Senior Manager  
Deloitte Consulting LLP  
Tel: +1 312 486 4961  
Email: brvandaele@deloitte.com

As used in this document, "Deloitte" means Deloitte Consulting LLP, a subsidiary of Deloitte LLP. Please see [www.deloitte.com/us/about](http://www.deloitte.com/us/about) for a detailed description of the legal structure of Deloitte LLP and its subsidiaries. Certain services may not be available to attest clients under the rules and regulations of public accounting.

This publication contains general information only and is based on the experiences and research of Deloitte practitioners. Deloitte is not, by means of this publication, rendering business, financial, investment, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte, its affiliates, and related entities shall not be responsible for any loss sustained by any person who relies on this publication.