



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

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