

# Pricing

## Change the way traditional pricing models are delivered, from risk to dynamic segment revisions

### Traditional pricing in a competitive market

Traditional actuarial risk-based pricing methodologies estimate risk cost by claim type and then optimise premiums with additional factors. There are several issues with this approach; risk models are not a good guide in segments where you are not competitive, and frequency and severity components are treated as independent when in fact they aren't.



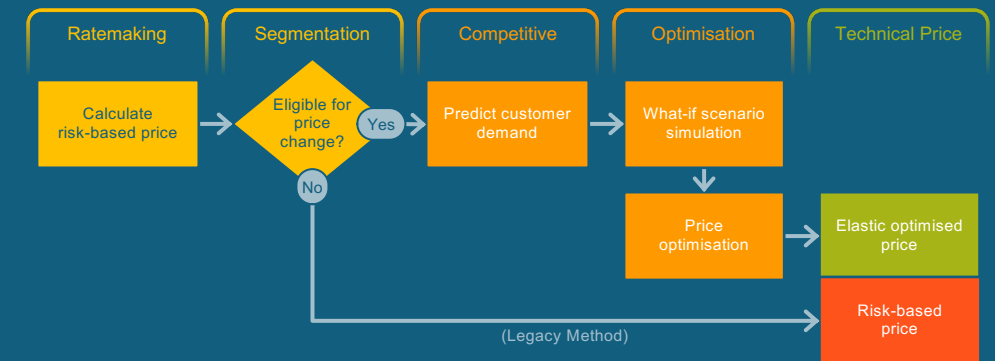
- Legacy modelling techniques
- Limited number of rate reviews
- Legacy approach to claims data
- No dynamic pricing applied

### A more sophisticated pricing approach

A recognised multi-variate approach is required when it comes to frequency, severity and market price modelling. For example, consider using property damage frequency estimate as a new factor in an injury frequency model and then repeat.

When it comes to dynamic repricing, consider a more sophisticated approach of revising the expected sales for tomorrow by modifying today's conversion model. Finally, an approach using dynamic risk model revision, by modifying price in segments that have a suggested change is their risk costs.

For those organisations (insurers, MGA, etc.) who have a risk-controlled framework in place, careful consideration of the use of Artificial Intelligence (AI) and Machine Learning (ML) is required.



- More sensitive accurate pricing
- Reacts to competitors change
- Optimal combining of price vs attrition vs demand



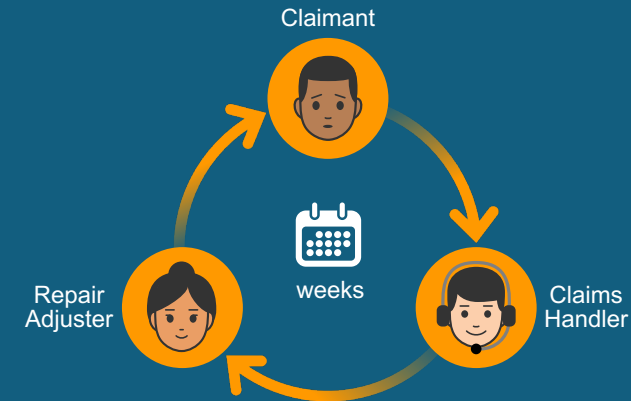
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# Claims

## Adopt a solution that supports a truly digital, automated and frictionless claims journey

### Traditional manual claims processing

Insurers have struggled to provide a true digital claims experience. Simply moving to an on-line form which is then processed by a team of claims handlers might not provide the most effective solution. Only a few insurers have integrated analytics at FNOL; the majority still use manual processes and simple rules. This approach has forced both indemnity and opex costs to rise, leading to reduced NPS, renewal rates and fraud.



- Call centre script-based processing
- Labour-intensive question and answer sets
- Average time to settlement 10–20 days
- Decision based on manual interventions
- Negative impact of services during “surge”
- Restricted process for self-servicing and automation

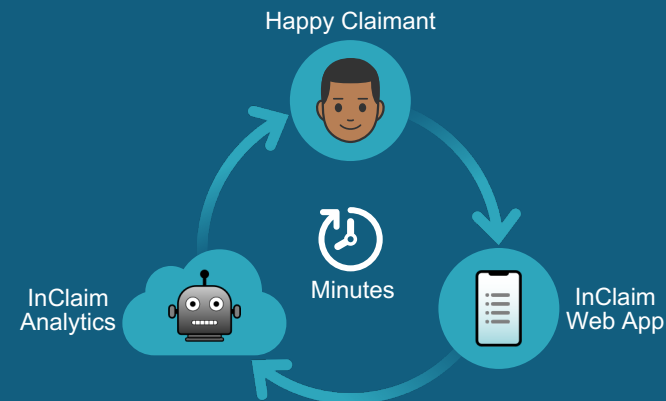
### Next gen digital claims processing

InClaim from World Programming provides a cost-effective solution with minimal customer questions and a set of pre-built analytical models to support effective decision making. The result is an improved customer experience, reduced claims costs and increased retention rates.

#### How is this achieved?

The InClaim web app provides a voice, video and image approach to collecting claims data.

- ⊕ The app operates with InClaim analytics to provide near real-time analysis of aspects such as possible deception, emotional analysis and whether the claim is a candidate for straight-through processing, referral or rejection.
- ⊕ InClaim output (collected data, analytic results, etc.) is integrated with core claims systems.



- Allows customer to take control
- Provides much needed first and third party evidence
- More accurate and timely decision making
- Significantly reduces indemnity and opex
- Protects against deception and exaggeration

▶ Video = [http://bit.ly/inclaim\\_en](http://bit.ly/inclaim_en)

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# Claims

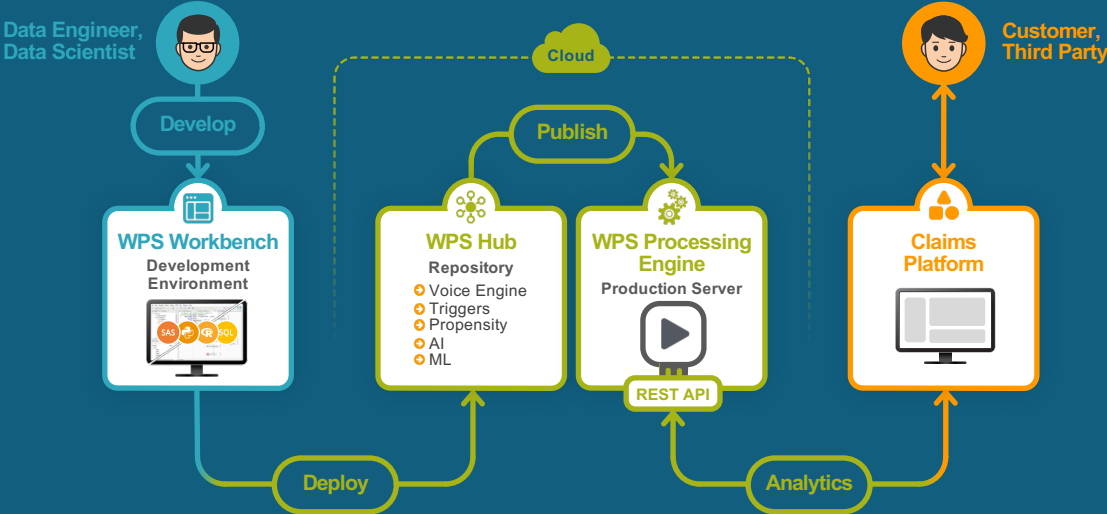
If the insurance quotation process is fully digital - why not the claims process!

## Our approach to claims automation

The industry is experiencing an accelerated growth in digital claims processing. Adopting a data driven claims journey is key when making automated decisions at FNOL or at any touch point during the triage process. Our platform and services provide the solution that supports application development, model development, deployment and core operational integration. The outcome results in an effective process where most claims can be settled without the need for manual intervention.

## Ingredients for claims automation

- 1) Self service registration data collection capability
- 2) A range of developed and tested claims models based on closed book
- 3) Differentiate between FNOL and post FNOL modelling
- 4) A high-quality video/audio transcription service to support the build of sentiment, behavioural and emotional models
- 5) Manage development and deployment of analytical services
- 6) Determine appropriate recommendations and correct routing
- 7) Customer focused notification and automated settlement path



		Availability of Data	Data Aggregation	Modelling	Deployment	Integration	Value
FNOL Phase 1	Liability	●	●	●	●	●	●
	Recovery	●	●	●	●	●	●
	Repair vs total loss	●	●	●	●	●	●
FNOL Phase 2	Fraud	●	●	●	●	●	●
	Non-Disclosure	●	●	●	●	●	●
	Litigation	●	●	●	●	●	●
	Auto settlement v case mgmt	●	●	●	●	●	●
Post FNOL Phase 3	Drop-outs	●	●	●	●	●	●
	Fraud	●	●	●	●	●	●
	Large BI loss	●	●	●	●	●	●
	Network vs non-repair center	●	●	●	●	●	●
Post FNOL Phase 4	Early offer settlement	●	●	●	●	●	●
	Zero payments	●	●	●	●	●	●
	Reserve variations	●	●	●	●	●	●
	Ultimate cost and time	●	●	●	●	●	●

Complexity: Low ● Medium ● High ●

## About our technology

Our software technology platform enables new initiatives in digital processing. Tailoring our technology lets you support specific business needs such as:

- 🕒 **Application development:** Bespoke digital applications to support more accurate dynamic pricing and a true frictionless claims experience.
- 🕒 **Pricing:** Sophisticated approaches to pricing that include simultaneous modelling, low penetration segments, dynamic re-pricing and risk-based approach to model revisions.
- 🕒 **Claims:** Our InClaim solution provides digital data capture including voice and video, to support a more customer-focused experience at FNOL. With capabilities to transcribe all video/audio calls to support both straight-through processing (STP) and anti-fraud identification. Other features include automated recommendations and guidance to support claims handlers on key questions/actions they might have missed.

Applications and the execution of analytical models can all be invoked in asynchronous mode (batch processing) or in synchronous mode (on-demand) which are based on the use of REST API protocols.

## Our approach to services

<b>Business</b>	We focus on business requirements that have a direct impact on KPI's. Our consultants achieve this by focusing on systematic business and data understanding via active stakeholder involvement, workshops, frequent business playback and our in-house field experts.
<b>Data Science</b>	Data science and artificial intelligence are built into our software services. We mine data using our <b>WPS Analytics</b> software and make services available via our <b>WPS Hub</b> platform. We use CRISP-DM, the leading industry methodology, for data mining.
<b>Software Development</b>	The WPS Analytics platform allows unlimited software packages to be created in the languages of SAS, Python and R, with use of machine and deep learning technologies. Agile/Scrum methodology especially designed for software development is our chosen project management process. This provides a customer-centric approach, rapid project development (typically 8 to 12 weeks) with continuous delivery, resulting in fit for purpose solutions.