

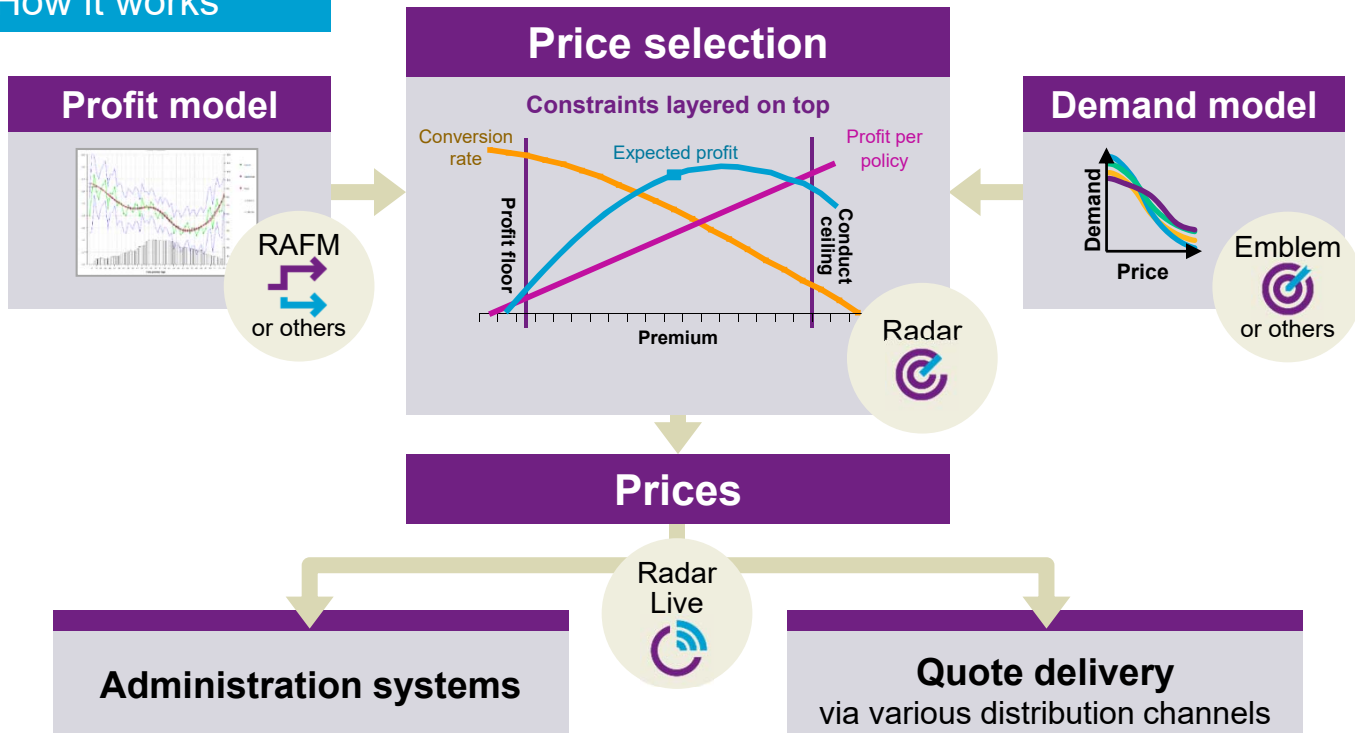
Dynamic Pricing for Life Insurers

Increase profitability of new business without decreasing revenue



The objective of dynamic pricing is to create a more agile and efficient pricing process that allows companies to incorporate consumer demand along with traditional cost based pricing in an effort to maximize profits.

How it works



Benefits to your business

- **Increase in margin and revenue** by allowing you to better understand the impact of price changes, and be able to choose the desired position on the margin vs. volume payoff, and potentially even be able to increase both margins and volumes
- **Consistency of decisions** with statistical modeling replacing judgement
- **Reduce risk** on dependency on competitor prices
- **Be more strategic** by increasing understanding and control of your business:
 - to forecast volumes more accurately to support capacity planning
 - to spot changes immediately and be able to respond
 - to influence proposition developments and priorities



Typically see **performance uplift** of between **1% and 5%** of premium at unchanged or higher business volumes in non-life business

Emerging life experience demonstrates an increase in profit margin of 2% to 5% of annual premiums from initial implementations, with the potential for up to **10%**

Why work with Willis Towers Watson?

<p>Market leaders in dynamic pricing</p> <p>We are leading the charge in implementing dynamic pricing for life insurers, starting in the U.K., by leveraging our expertise in the P&C industry.</p> <p>Our long history of working with leading U.S. P&C insurers, and with over 100 U.S. Companies using Willis Towers Watson software to produce pricing quotes ensures you are choosing a partner who can help you optimize the benefits.</p>	<p>Strongest life insurance experience</p> <p>Our seasoned consultants understand the competitive and growth challenges of the life insurance market.</p> <p>Dynamic pricing may be a new technique within life insurance, but our experts have unrivalled experience in applying the techniques to overcome these challenges.</p>	<p>Deep analytics expertise</p> <p>Our associates are viewed as experts in analytics and many are the authors of industry-recognized papers on GLMs and dynamic pricing and their applications in life and non-life insurance.</p> <p>This means we not only have a large pool of experts at your disposal, but consultants with real world experience.</p>	<p>Cutting-edge predictive modeling techniques</p> <p>As part of our client work, together with continuing enhancements to our software suite, we have introduced cutting-edge techniques into predictive modeling.</p> <p>Innovative techniques include spatial smoothing, saddle-based interaction detection, and model efficiency improvements.</p>
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We are the largest supplier of specialist GLM and pricing software to insurers

 Emblem	 Radar	
<p>23 out of 25 of the world's largest insurance groups license Willis Towers Watson analytics software</p>	<p>Willis Towers Watson analytics software is used across 6 continents</p>	
<p>Pricing software has been used internally and externally since 1998</p>	<p>4,500+ client users of Willis Towers Watson analytics software</p>	<p>Over 500 companies license Willis Towers Watson analytics software</p>

Subject matter experts		
Kim Steiner	Kim.Steiner@willistowerswatson.com	+1 860 843 7068
John Fenton	John.Fenton@willistowerswatson.com	+1 678 684 0555