



Institute
and Faculty
of Actuaries

IFoA GIRO Conference 2024

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Institute
and Faculty
of Actuaries

The Current State of Pricing

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IFoA GIRO Conference 2024

hyperexponential

2024 State of Pricing
Underwriter Edition

Specialty and commercial pricing is far from future-ready, let alone future-proof

hyperexponential.com



The price is (still) not right



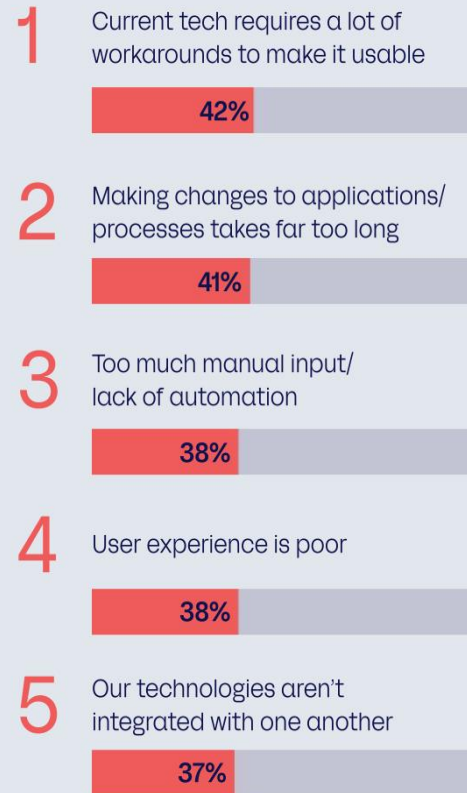
96%

of respondents believe their pricing technology requires improvement

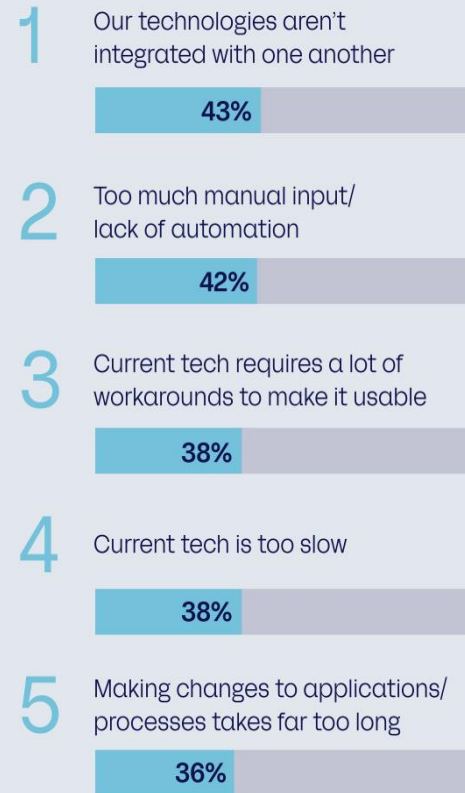
**up from 83.5% in 2023*

What are the top reasons your technology needs improving?

Underwriters



Pricing actuaries



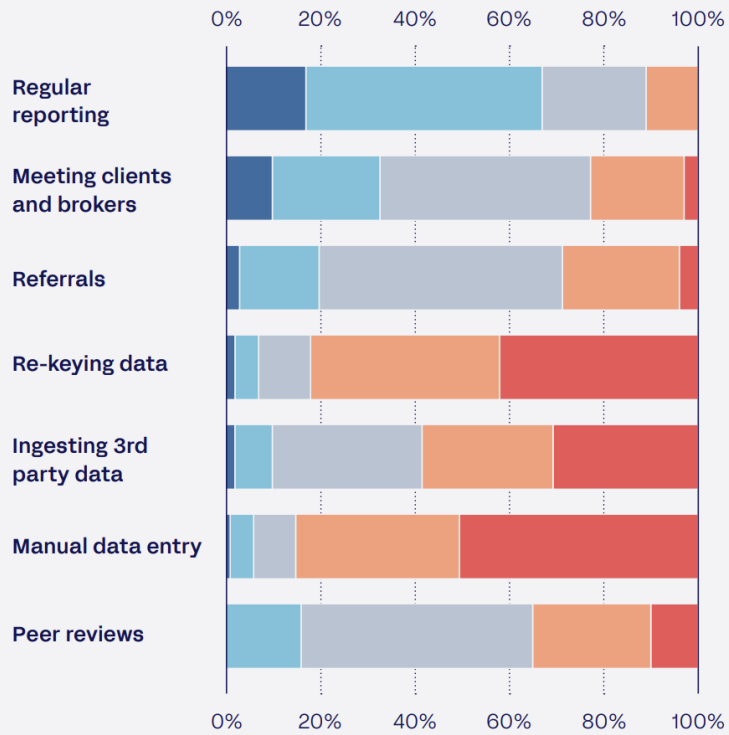
47%

of respondents report being unable to price optimally because of integration with new and legacy tech

How long do underwriters spend on different processes?

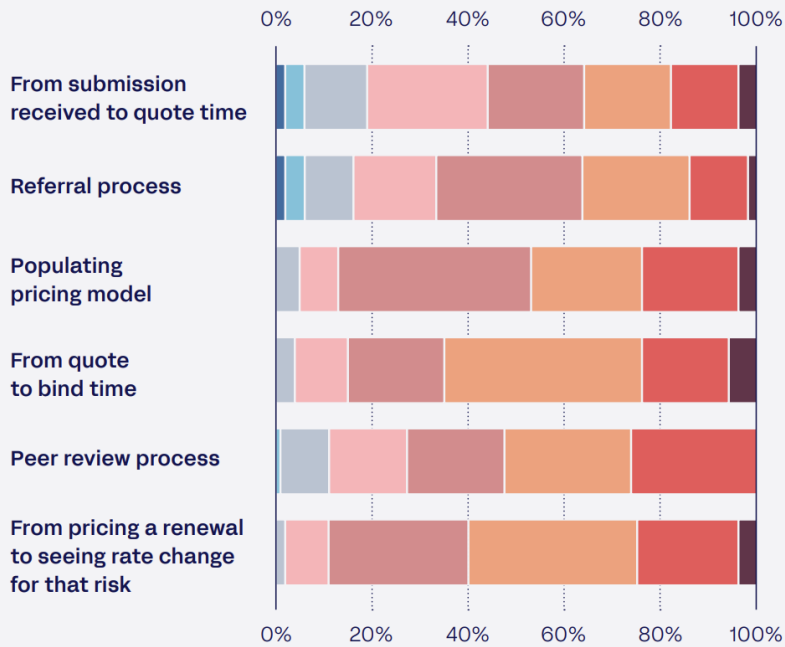
Average day task allocation

- Up to 30 mins
- Between 0.5-1 hours
- Between 1-2 hours
- Between 2-3 hours
- +3 hours



Underwriting process times

- Up to 1 hours
- 1-4 hours
- Up to a full working day
- 1-2 days
- 3-5 days
- 1-2 weeks
- 3-4 weeks
- >1 month



2 hours
average time spent on referrals per day



3 hours
how long the average underwriter spends manually entering data each day



8 days
average time from submission to quote



10 days
how long the average peer review process takes

21%

of respondents believe that their pricing technologies are allowing them to make the best data-driven decisions

What are the top 3 data issues affecting your organization?

1

Onerous processes and long time to satisfy internal compliance

2

Lack of regular reporting on pricing and underwriting data

3

Moving data from older platforms takes up too much time

"Without upskilling and an emphasis on recruiting for technical talent insurers may find themselves with the infrastructure for AI and ML, but without the current or incoming talent to get the most out of it "

91%

of insurers have or are planning to invest in AI and ML

Actuaries believe that expertise in data analysis and/or machine learning will be the most valuable skill for the actuary of the future and knowledge of modern pricing platforms is close second

90%

of US actuaries and 75% of UK actuaries are concerned about learning numerous coding languages

74%

of underwriters report feeling worried about a lack of future-focused tech skills

76%

of actuaries and 77% of underwriters believe there is "room for improvement" in how they work together

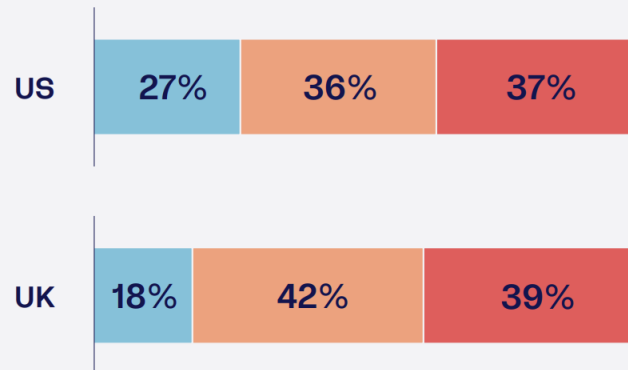
**actuaries rate their collaboration with IT the lowest out of all the inter-team partnerships, with an average score of just 2.7/5.*

Collaboration

+ How effectively do you collaborate with Actuaries?

While more US-based underwriters report collaborating "extremely well" with actuaries, overall the majority still see room for improvement

- Extremely well
- There is room for improvement, and we would like to collaborate more
- There is room for improvement but it's not a priority



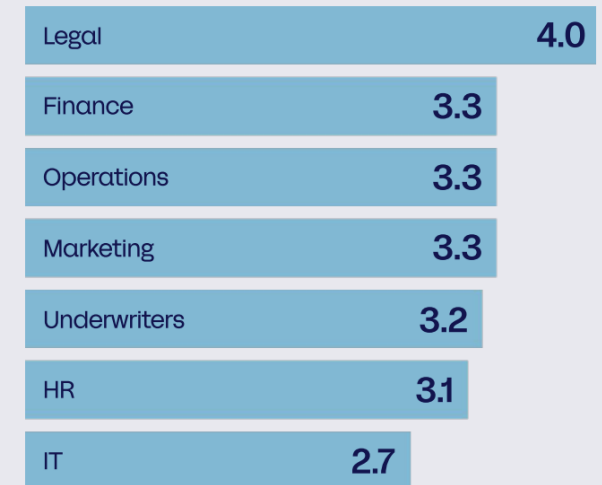
+ How effectively does your team collaborate with the following departments?

With top scores of 3.9/5 and 4.0/5, it seems in the insurance industry at least, everybody loves lawyers!

Underwriters



Pricing actuaries



47%

have bought pricing platforms that haven't delivered what they promised

**down from 56% last year*

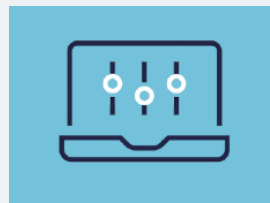
Five Actionable Steps to Future-Proof Your Organization



Choose the right platform



Prioritize data capture and quality



Update and integrate legacy systems



Create a culture that embraces innovation



Build a feasible roadmap (while remaining flexible)

Five Actionable Steps to Future-Proofed Underwriting



Create the foundational steps for AI and ML



Automate workflows and enhance efficiency



Unlock portfolio underwriting



Develop future-focused skills



Enhance actuary/underwriter collaboration

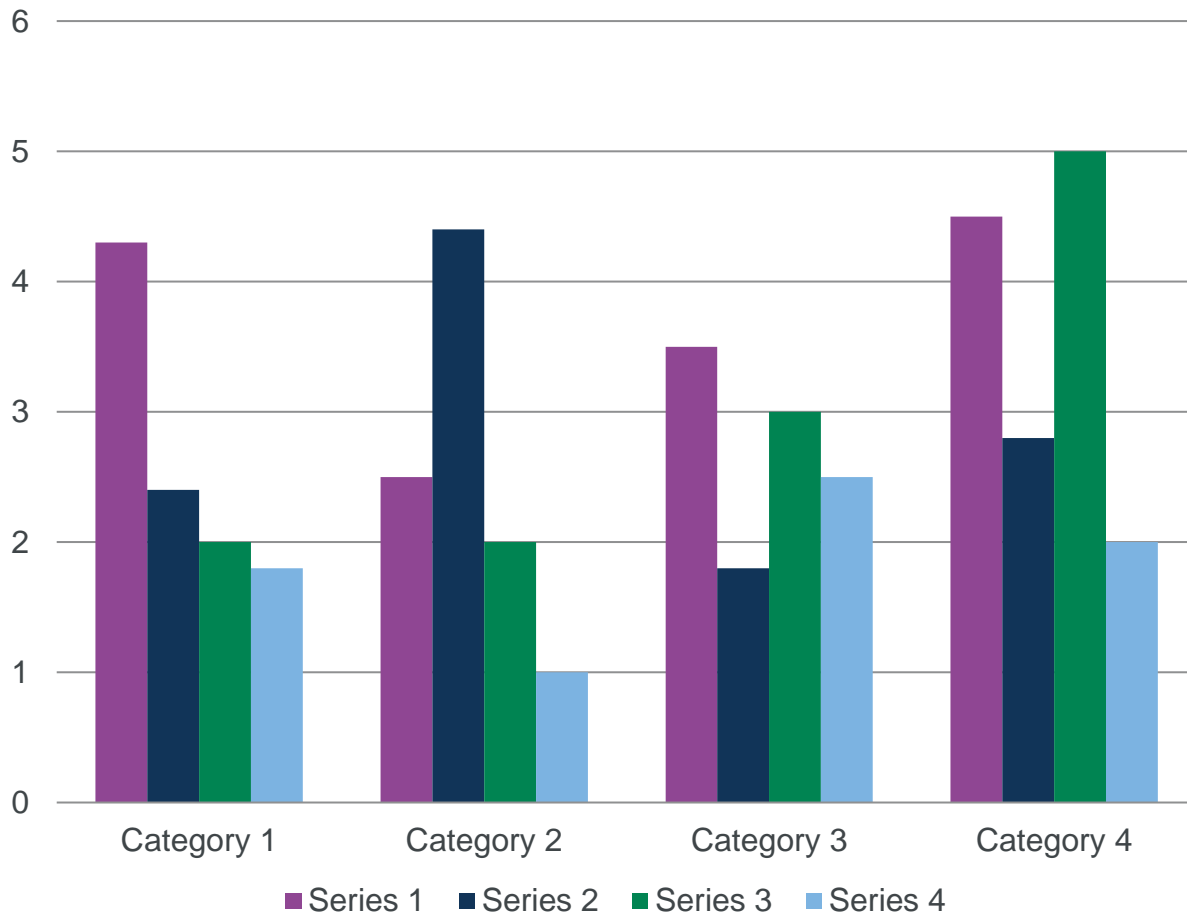
Tables

Column title	Column title	Column title
Cell data	Cell data	Cell data
Cell data	Cell data	Cell data
Cell data	Cell data	Cell data
Cell data	Cell data	Cell data

When making tables:

- The header row should have a purple fill
- Only use horizontal lines. Remove lines
- Columns should be delineated with an alternating pale grey fill.

Sample bar chart

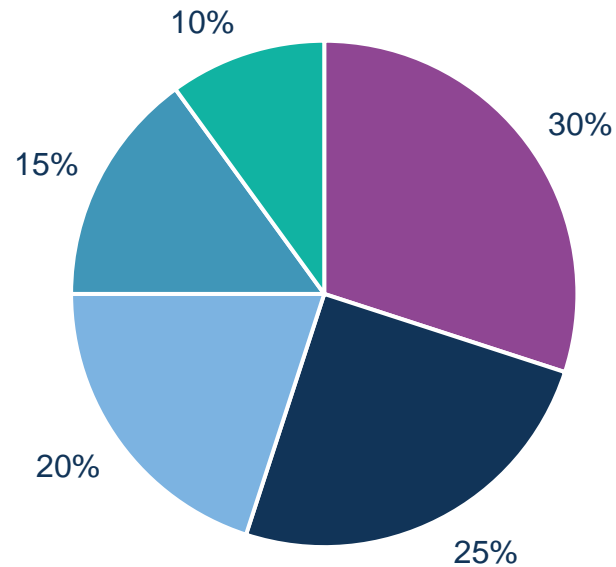


When making charts:

- Remove vertical lines
- Remove tick marks
- Move the legend down below the chart
- Do not use 3D charts.

Pie charts

Chart title



- 1st Data title
- 2nd Data title
- 3rd Data title
- 4th Data title
- 5th Data title

When making pie charts:

- Segments should have a white border
- Data tags should always be outside the chart
- Data legends should go below the chart
- Do not use 3D pie charts.

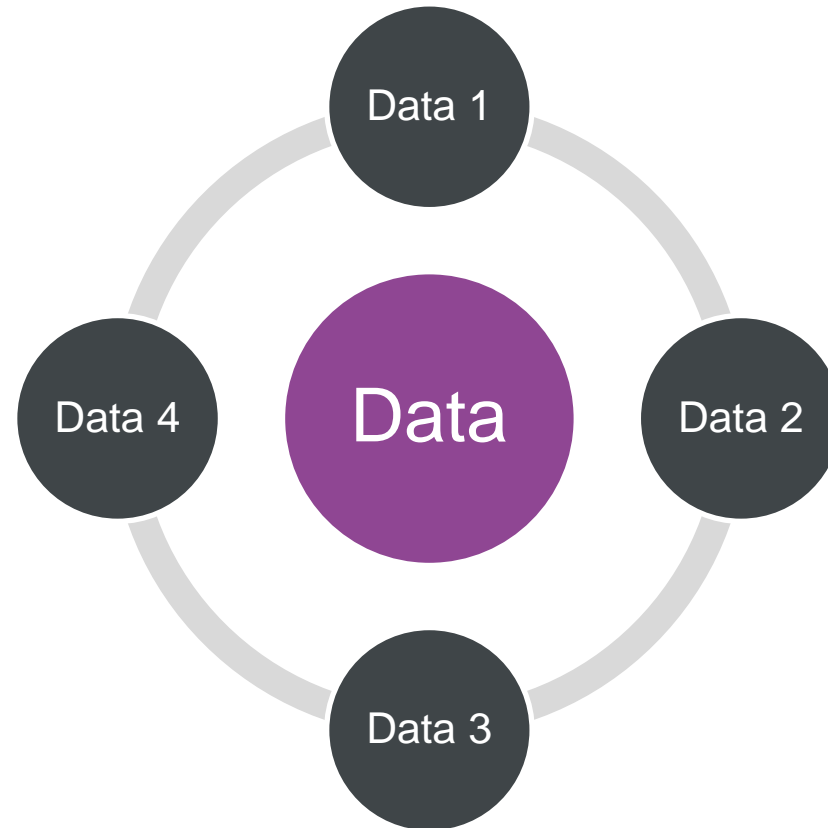
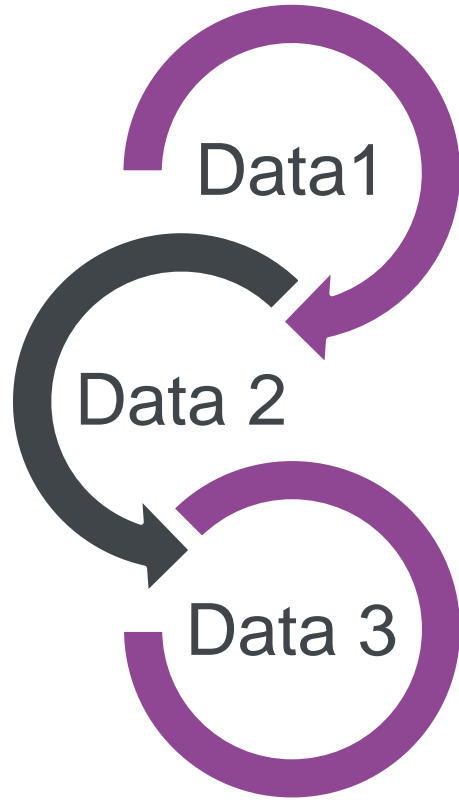
Infographics



PowerPoint offers a huge range of pre-set infographic diagrams. You should exercise moderation when choosing a style.

- Boxes should have square corners, not rounded corners
- Circles may be used but not ovals
- Purple should be used as the highlight colour
- Do not use the 3D options.

Infographics – *more samples*



Dual Branding

Partner logos should be approximately the same size as the Institute and Faculty of Actuaries logo and appear in the positions indicated:

On title slides

- A title slide showing the position of partner logos is included in the title page templates
- Partner logos can appear on the other styles of title slides as long as they are in the positions indicated.

On content slides

- The position for partner logos on content slides is indicated below
- The partner logos should appear on every content slide.



Questions

Comments

Expressions of individual views by members of the Institute and Faculty of Actuaries and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

Formatting your presentation

Page setup

- This presentation is set to 16:9 screen size. Do not reset the size to any other screen size
- Do not alter anything in the master slides.

Type and typography

- Only use the font Arial and avoid using type smaller than 10pt
- Text should be set in dark grey
- Top level bullets should be round and second level bullets should be dashes. Further levels should alternate accordingly
- Always write in sentence case unless a proper noun is used and do not use ampersands (&)
- Only use a full stop at the end of a bullet list.

Content styling

- Do not use clip art. If you need guidance regarding imagery please consult the brand guidelines.

Colour palette

The full colour palette is to the left hand side of every slide. Do not use non-palette colours.

Please delete this slide after use.