

Global Consulting / Insurance Solutions

Delivering **your** competitive edge

“The impact of Artificial Intelligence on Pricing”

Tunis | April 2024



Pricing & analytics confirmed as top investment priority globally, but challenges remain the usual suspects



Pricing & Analytics

Along with AI-powered process automation is the area of future growth followed by climate risk management (incl. secondary perils), and mobility*

82%

#1 investment

Data

Lack of quality & consistency remains biggest challenge

75%

#1 challenge

Talent

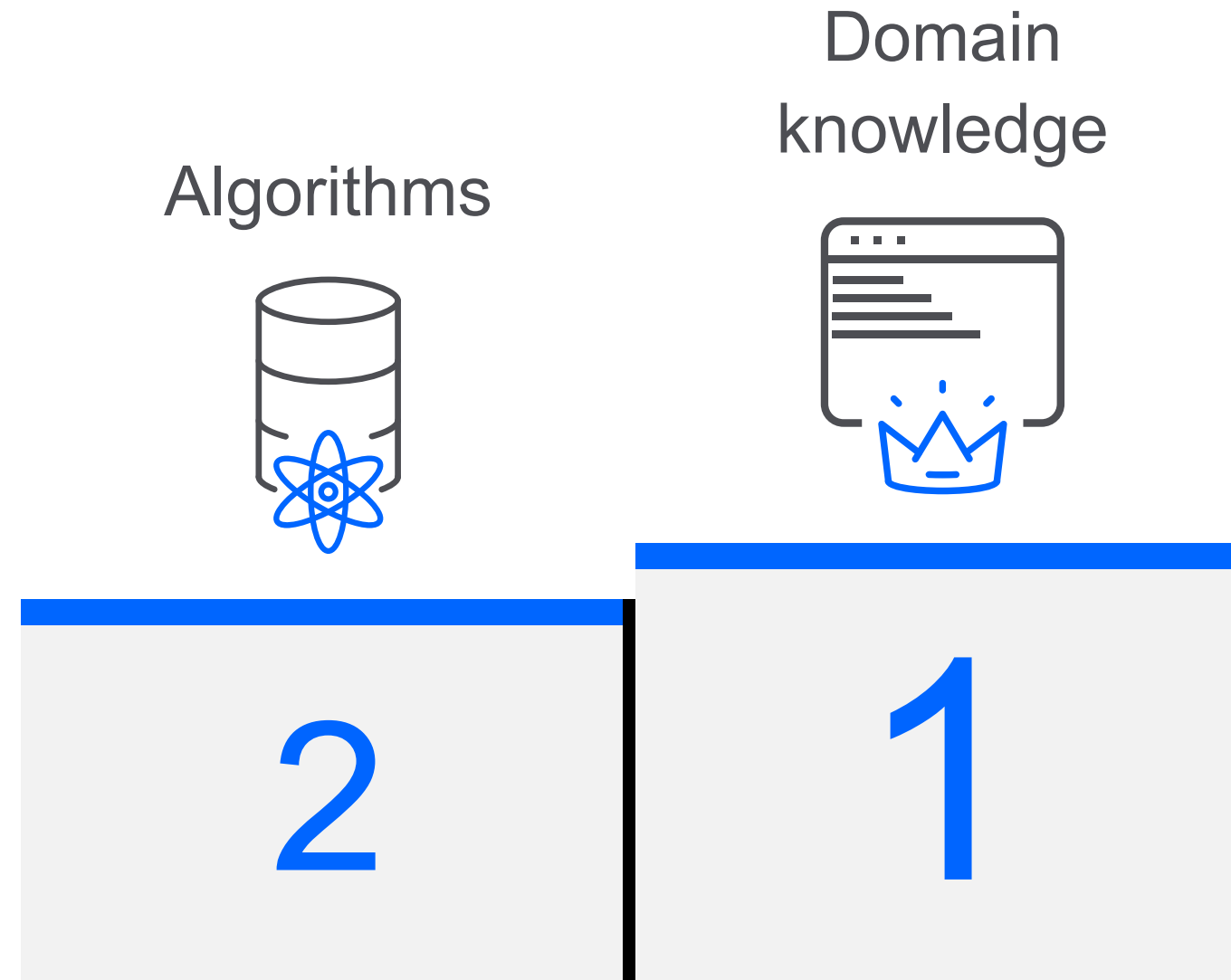
Understanding of analytics is moderate outside modelling team

63%

#1 area of concern

Source: Munich Re private research | *EMEA specific

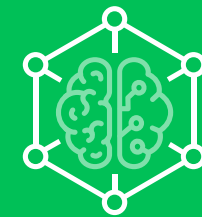
We believe that domain knowledge remains the key differentiator in bringing analytics to market





Traditional AI

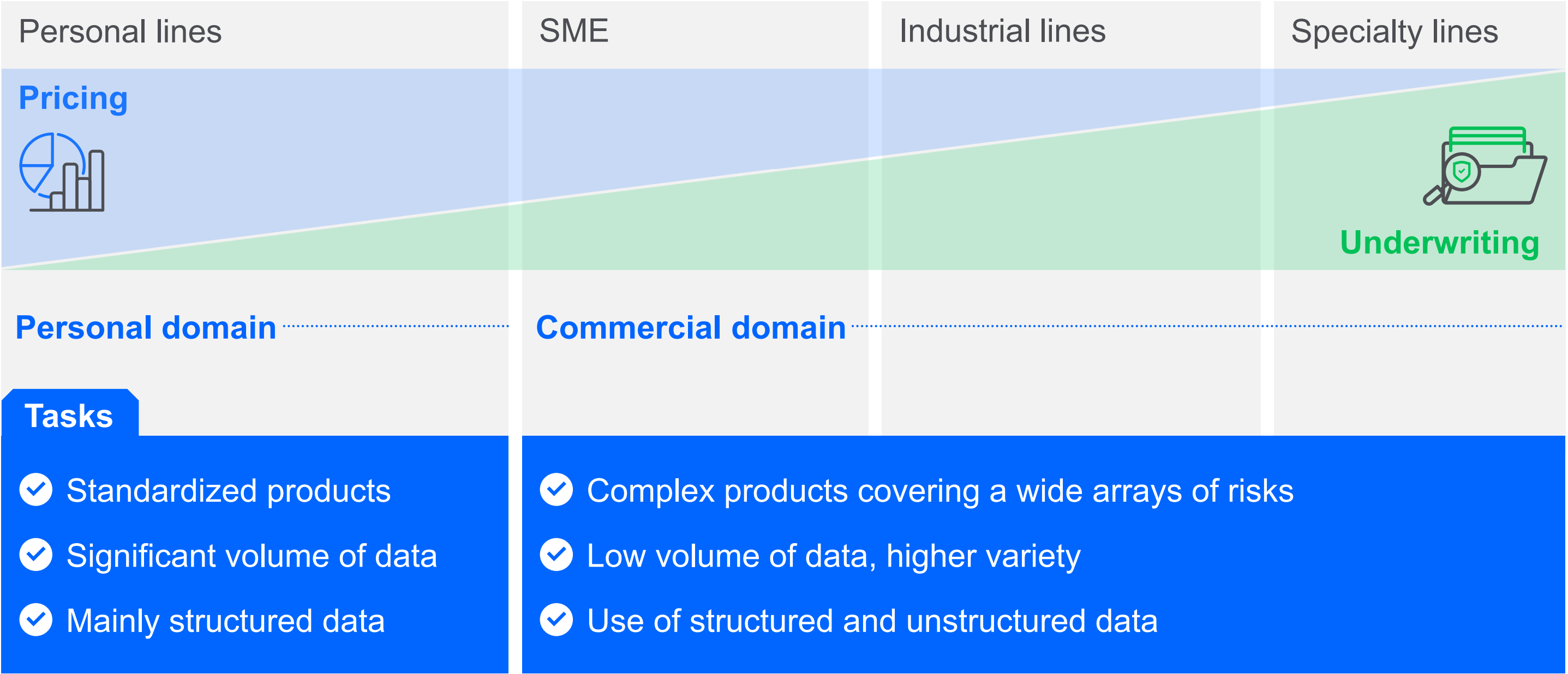
- + Machine-learning based models
- + Good performance in identifying patterns in structured data
- + Work efficiently on specific well-define tasks



GenAI

- + Pre-trained deep-learning models
- + Identify and generate patterns from structured and unstructured data
- + Execute a set of different task based on unstructured input

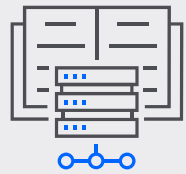
The reliance on qualitative risk factors increases in line with business complexity



AutoML brings the pricing practitioner at the centre of the decision making process

Effort allocation

AutoML

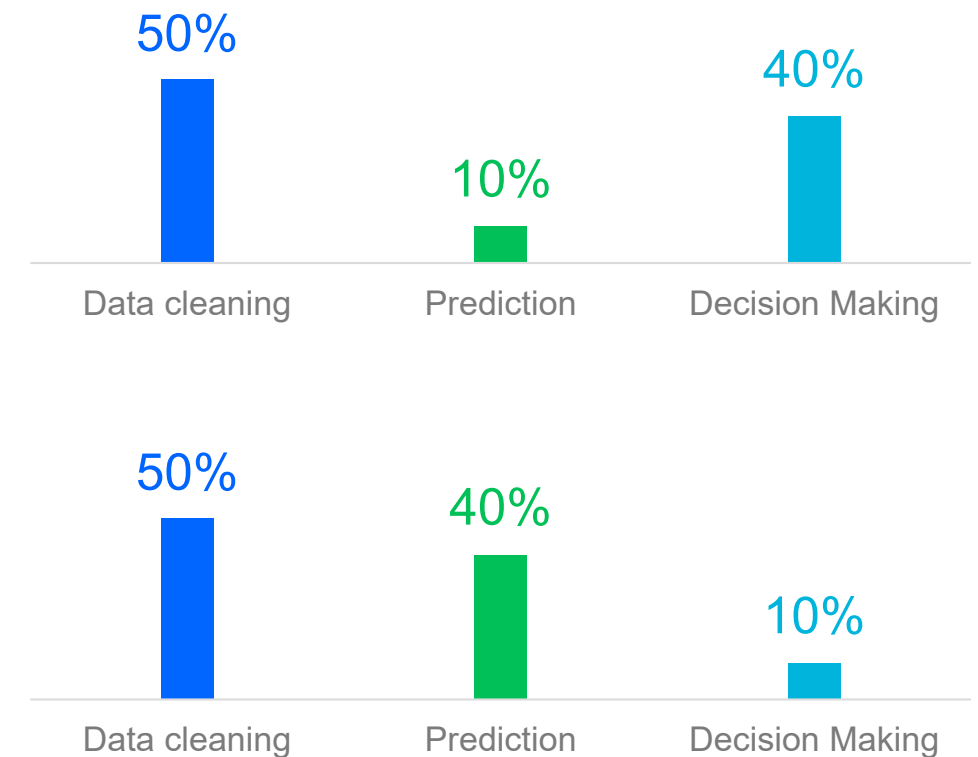


- More choices of models
- Less time is required on modelling work
- Focus on business interpretation

Traditional pricing



- Limited numbers of models
- Large proportion of time spending on modelling
- Limited time on business interpretation



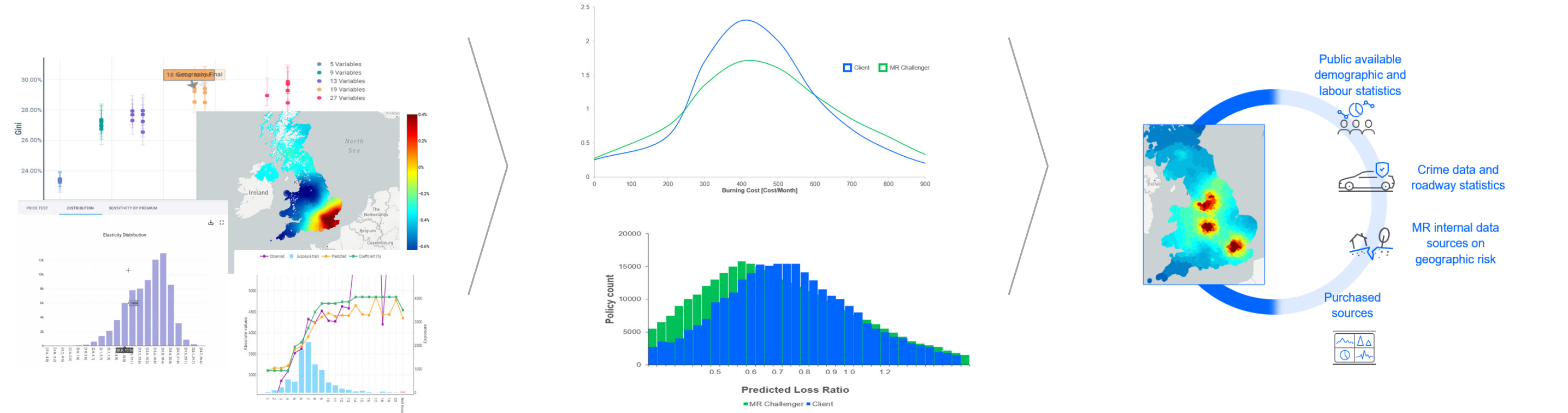
AutoML does **not** mean that less actuaries or modelers are required, but frees them from iterative modelling work and empowers them to allocate more time on understanding business requirement and modelling result interpretation.

Automation improves our ability to build “efficient frontiers” of models and leverage massive datasets

Bespoke
Modular approach

Tens of 1000s
Models trained (in one project)

Millions
External data points used for enrichment



AutoML out-of-the-box

Better predictions lead to lower LR

Feature engineering boost prediction

GCU Team

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Practice Insurance Solutions

Location Munich

Start date April 2019

Languages English, German, Italian

Professional experience

- Senior consultant for advanced analytics solutions
- Head of Actuarial Analytics, Generali Germany
- Actuarial analyst
- Research associate, University of Sydney

Non project related experience

- Leading the personal lines proposition
- Akur8 product owner
- Occasional lecturer/keynote speaker
- Founder of international network of pricing experts
- Sounding board member (analytical platforms)
- PhD astrophysics

Clients/projects

- Develop solutions for technical pricing sophistication
- Consult clients globally on steering portfolios towards profitability leveraging both traditional techniques and emerging approaches
- Pricing committee member (EU market)
- Bridging the gap between data science and actuarial science teams
- Regional account management (UK and Nordics)

Skander Ben Hamouda

Consultant



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Professional experience

- 2+ years of personal lines motor insurance pricing
- Experience in the French insurance market as actuarial pricing analyst and data scientist

Non project related experience

- Comparison of traditional GLM models against ML models in behavioural modelling in Python
- Data science in marketing
- Mathematical and statistical background

Clients/projects

- Price changes in motor new business in French market
- Leakage and impact analysis
- Market price analysis and reverse engineering
- Technical pricing of motor line of business

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