

Support for the renewal of non-proportional mortality & long-term care treaties for the French market

Reinsurance / Life – Mortality, long-term care

Level of Intervention

- Expertise
- Pricing

Tools & programming

- Excel (internal pricing tools)
- Oméga, CART, Salesforce

Context & issues

We were asked by a French reinsurer to participate in the renewal of their non-proportional mortality & long-term care treaties. During this assignment, our consultant took part in profitability analyses of existing treaties, as well as in the pricing of treaties in the context of their renewal.

Each pricing exercise is quite similar : in-depth analysis of the data provided, calibration of the pricing tool, production of a summary report, and finally, discussion with the underwriter.

This mission required both technical skills, such as knowledge of long-term care products, and soft skills to facilitate exchanges with the underwriter. As the assignment was relatively short, it also required the ability to adapt quickly.

Detail of the intervention & realisations

Our consultant quickly took on the task of analyzing the profitability of Short-term treaties. This involves analyzing the history of reinsurance accounts to determine the profitability of the contract and alert underwriters to any need for modification.

We then began pricing the treaties to be renewed, as follows:

- Analysis of data supplied by the ceding company (processing of claims and premium histories, consistency analysis with previous renewal data, etc.).
- Definition of treaty parameters in accordance with the contractual document.
- Integration of data into the pricing tool, selection of the claims experience based on the available history, choice of distribution tail law, definition of the final price.
- Writing of a descriptive note.
- If necessary, adapt the tool to the tariff sold, which is often not the technical tariff, to provide the KPIs needed to assess the profitability of the contract.