

Pretium

A leading-edge predictive modelling solution

End-to-end personal and commercial lines pricing analysis

Towers Watson's leading-edge predictive modelling solution, Pretium helps personal and commercial lines insurers with data manipulation, flexible multivariate modelling, sophisticated spatial analyses and state-of-the-art price optimisation. This single, fully integrated system facilitates improved control, auditability, and documentation – helping organisations improve the performance of their business.

Towers Watson has been at the forefront of predictive modelling for many years, providing leading-edge pricing solutions to insurers worldwide using Pretium. Pretium offers users a single platform supporting faster end-to-end personal and commercial lines pricing analysis.

In addition to a range of powerful features, Pretium offers functionality specifically designed to support multivariate analysis in commercial lines. In particular, Pretium allows a layered approach to modelling losses, with small, large and catastrophe claims treated separately and then combined into a single overall model of the expected cost of claims.

Additional Pretium features include:

Price optimisation

Pretium helps users take a clear, step-by-step approach to develop optimisation models. Users can create models that combine any number of multivariate structures (such as claims models, retention models, new business models or any other structure) to estimate, at an individual policy level, the possible consequences of charging particular premiums.

GLM fitting

Pretium includes a fast, custom-built generalised linear modelling routine that makes efficient use of multiple processors. The routine supports all common forms of GLM including regression splines and Tweedie GLMs. Models involving many millions of observations can be fitted in just a few minutes on a standard PC.

Model combination

GLM results from models combine to a single risk premium in a flexible and robust way, reflecting the need for multi-level models in commercial lines.

Clear output

Key results can be automatically exported to Microsoft Excel®, providing high-quality graphical output allowing results to be instantly understood. The Excel® outputs include index sheets that enable quick and easy manipulation of the graphs for the user's specific needs. A quick graph facility is also available in the system allowing the user to view the results without producing Excel® files.

Geographical analysis

Using a flexible, custom-built algorithm that combines spatial smoothing and credibility techniques, Pretium enables accurate and powerful analyses and understanding of how risks vary by area. Pretium produces maps showing how measures differ by geographical area, and illustrates the effects of applying various smoothing techniques to your data.

User-friendly interface

The modern look and feel of the interface makes it easy for new users to start working with Pretium. A 'tree view' allows users to understand, at a single glance, how the analysis is progressing, and the output from every analysis is stored so that it is immediately available to review. The software can be quickly manipulated to each user's tastes. Users can continue to specify subsequent analyses while others are running in the background.

Multilingual

The system can display screens and output in English, French, Italian, German, Spanish, Portuguese or Chinese.

Further information

For further information, please contact your Towers Watson consultant, or

James Tanser

+44 (0) 1737 241144

james.tanser@towerswatson.com

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