

LexisNexis® Optimal Decisions Toolkit



LexisNexis® Insurance Solutions Analytics has an unmatched combination of unique data, innovative analytics, and proven software to help insurers confidently design the right marketing, sales, and pricing actions.

LexisNexis solutions are grouped into three categories: Data (LexisNexis® InsurQuoteSM and LexisNexis® InsurViewSM), Predictions (Rater and Modeler) and Decisions (Simulator and Optimizer). These products may all be used in combination to mutually enhance usability and benefits. In addition, the LexisNexis® Insurance Analytics staff has the experience necessary to provide a measurable and sustained impact in order to build a lasting competitive advantage.

LexisNexis® Optimal Decisions Toolkit

The LexisNexis® Optimal Decisions Toolkit integrates useful component functionality into a complete price optimization toolkit. The Rater, Modeler, Simulator and Optimizer solutions provide applications to help insurers answer the question: What happens when you change pricing or marketing actions?

Predictions

Rater

The Rater is a flexible environment for encoding and evaluating your rate structure. Its flexibility, ease of use and speed allow you to quickly:

- Inspect price disruption on your entire book
- Compare related policies and quotes under legacy, current or proposed factors, or even alternate rating structures
- Trial book migration strategies

Users may enter rate structures through an easy to use GUI, Excel or using automated tools to integrate with your production systems. You also have the ability to export aggregated or granular related premiums to a pivot table or database and inspect results in a side-by-side analysis. The Rater integrates with the other Optimal Decision tools for direct optimization of your rate structure.

Modeler

How will your book respond to price changes? How does segment-wise variation in your competitive position drive variation in price sensitivity? How will such variation cause shifts in the composition of your portfolio at the next rate change?

The Modeler provides you with the tools to diagnose your data, examine candidate variables, and train GLMs or non-linear elasticity models to predict conversion and retention. Combine elasticity models with the Rater for a more sophisticated dislocation analysis.

Decisions

Simulator

The Simulator allows you to explore the ramifications of price changes on the multi-period value of your portfolio by combining elasticity models with accurate pure premium, expense, and marketing information.

The Simulator allows you to:

- Track the impact of price changes on evolving cohorts
- Input new prices through a flexible interface
- Inspect the results in charts, pivot table or a custom reporting tool
- Refine your configuration as new information becomes available

Optimizer

The Optimizer determines the optimal changes to your current rating structure given your book's current competitive position, price sensitivity and expected costs.

You specify your business objective, constraints, and any subset of the levers in your rating order you would like to consider, and the Optimizer generates the optimal rates. Use intuitive diagnostics to identify 'low hanging fruit' and inspect the shape of the optimization surface. Compare the results of optimized pricing scenarios side-by-side with your best guess.

For More Information

Call 800.658.8778 or email insurance.analytics@lexisnexis.com.

About LexisNexis®

LexisNexis® is a leading global provider of content-enabled workflow solutions designed specifically for professionals in the legal, risk management, corporate, government, law enforcement, accounting, and academic markets. LexisNexis originally pioneered online information with its Lexis® and Nexis® services. A member of Reed Elsevier, LexisNexis serves customers in more than 100 countries with more than 18,000 employees worldwide.

About LexisNexis® Risk Solutions

LexisNexis® Risk Solutions is the leader in providing essential information that helps advance industry and society. Building on the legacy of proven LexisNexis® services from the past 30 years, our cutting-edge technology, unique data and advanced scoring analytics provide total solutions that address evolving client needs in the risk sector while upholding high standards of security and privacy. LexisNexis Risk Solutions serves commercial organizations and government agencies and is comprised of several affiliated corporations, each offering premier customer-focused solutions. For more information, visit lexisnexis.com/risk.

