

**Household Product Launch**

High Level Review - September 2023

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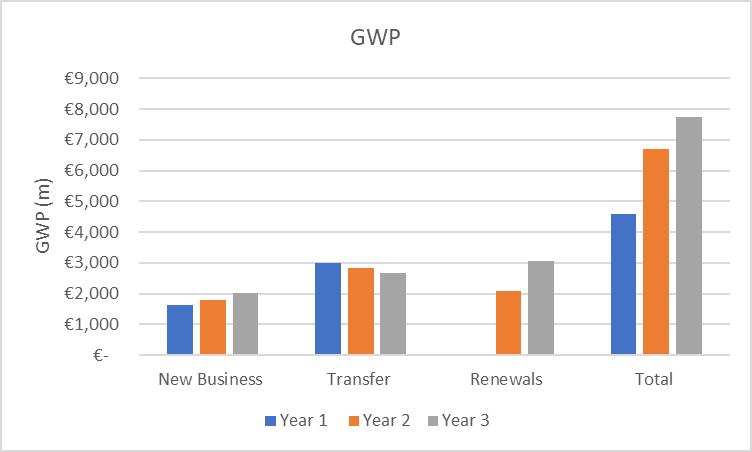
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# Background

Ivernia Insurance is a managing general agent operating a private car motor portfolio within the Irish Insurance market. Ivernia is seeking to expand its range of Personal Lines insurance products and launch a sustainable profitable Household insurance product to the Irish Market as part of its distribution and growth strategy. As part of the Three Rock Group, Ivernia has access to group distributors namely, Chill Insurance, Quote Devil and Chrome Insurance.

Significant activity has been underway within Ivernia to progress the development of the proposition with a targeted launch in November 2023. This document outlines a high-level review of this activity and proposes recommendations for further implementation to ensure that the key objective of a sustainable profitable portfolio can be achieved.

To deliver on profitability, the targeted Loss Ratio is 55% and the forecast GWP over a three-year period is outlined as follows:





The policy count is targeted at 12,500 policies in Year 1 with expected achievement of 8% panel share with the group’s main distributor, Chill Insurance.

# 2. Executive Summary

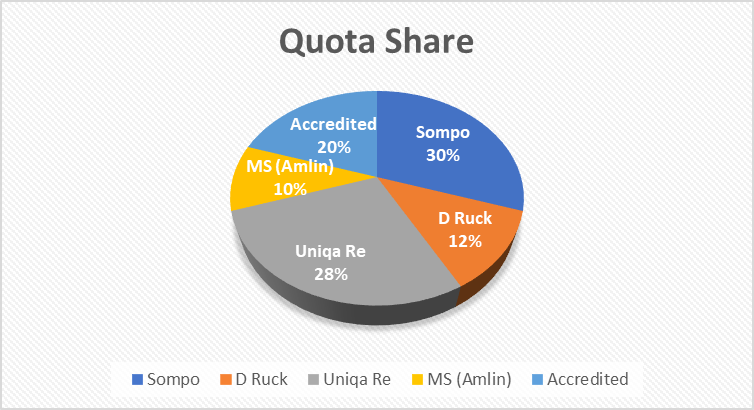
The Irish Household insurance market has entered a hard cycle following unprofitable results largely driven by insurer inertia and limited recognition of claims inflationary pressures. As a result, the market is undergoing a period of significant double digit rate correction (c.18%) throughout 2023. It is anticipated that the duration of this correction will continue to take place over the next 6 – 12 months. As Household is a short tail portfolio, insurer portfolios will likely return to full profitability end 2024/2025. Therefore, there is an optimum time window for Ivernia to enter the Household market. The entry however should be cautionary and only delivered based on a solid pricing model and a well-defined operating model incorporating streamlined procedures, with specific focus on a renewal strategy for Year 1 renewals.

The report outlines **key recommendations under specific areas**, a summary of which are outlined in Appendix 1. It is strongly recommended that these recommendations are progressed at a pace if the launch date of November 2023 is to be achieved. If the Pricing Recommendations are unable to be delivered within the required timeframe, it is recommended that the launch date be delayed until all are completed to ensure delivery of a profitable portfolio.

# 3. Financials

### Profitability

The financial model is based on achievement of a target loss ratio of 55% and must perform to this target in order to deliver for all parties, Ivernia, Accredited as underwriting capacity provider and chosen reinsurance partners. Ivernia profitability is proposed to be based on a Quota Share reinsurance arrangement placed with the following reinsurance and capacity partners:



The reinsurance arrangement will be placed through reinsurance intermediary, Gallagher Re, working to a commission fee of 2.5% (€100k). The placement will be based on a sliding scale commission working to delivery of min/max loss ratio with each partner proposed as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Partners** | **Base Comm** | **Max Comm** | **Min Comm** | **Min LR** | **Max LR** | **GWP** |
| **Accredited** | 34.00% | 34.00% | 34.00% | 55.00% | 55.00% | €1,000,000 |
| **Sompo** | 31.00% | 34.00% | 34.00% | 53.50% | 63.50% | €1,500,000 |
| **D Ruck** | 34.00% | 35.00% | 30.00% | 54.00% | 59.00% | €600,000 |
| **Uniqa Re** | 34.00% | 35.00% | 30.00% | 54.00% | 59.00% | €1,400,000 |
| **MS (Amlin)** | 34.00% | 35.00% | 30.00% | 54.00% | 59.00% | €500,000 |

### Loss Ratio

A burning cost model has been developed highlighting the expected Claims ACPC (Av Cost per claim) and Claims frequency by peril to deliver on a TLR of 55%. The anticipated average premium, average cost per claim and frequencies at peril level are outlined below. This model has been calibrated with an external portfolio manager but has not been peer reviewed externally by an independent pricing actuary or internally within Ivernia.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Burning Cost Model** |  |  |  |  |  |
| GWP | €5,000,000 |  |  |  |  |
| Policy Count | 12,500 |  |  |  |  |
| Insurer Average Premium | €400 |  |  |  |  |
| Target Loss Ratio | 55.00% |  |  |  |  |
| Target Claims Count | 378 |  |  |  |  |
| Target Claims Cost | €220 |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Claim Type | ACPC |  | Frequency | Claims Count | Costs |
| Fire | €14,000 |  | 0.30% | 38 | €525,000 |
| Storm Damage | €6,000 |  | 0.50% | 63 | €375,000 |
| Theft | €5,000 |  | 0.10% | 13 | €62,500 |
| Escape Of Oil | €12,000 |  | 0.05% | 6 | €75,000 |
| Escape Of Water | €9,000 |  | 1.05% | 131 | €1,181,250 |
| Flood | €12,000 |  | 0.10% | 13 | €150,000 |
| Liability | €17,000 |  | 0.02% | 3 | €42,500 |
| Others | €3,000 |  | 0.90% | 113 | €337,500 |
|  |  |  |  |  |  |
| Burning Cost | €220 |  | 3.02% | 378 | €2,748,750 |

### Commissions/Fees

|  |  |  |
| --- | --- | --- |
|  | **Commission %** | **Fee Amount** |
| **Ivernia** | 34% | €30 |
| **Chill** | 20% | Variable (TBC) |

It is noted that Ivernia intend to charge a fee per policy which is currently set at €30 for new/existing Motor customers. The fee should be reviewed to ensure it is transactional based considering the product and underlying rationale should be documented. Should Ivernia propose to continue to charge fees of €30 based on a policy count in Year 1 of 12,500, fees will amount to €375,000.

There are add on benefits (Home Emergency, Personal Accident and Legal Expenses) included within the Household product being underwritten by alternative insurance providers, namely AIG, ARAG and Mapre.

The gross/net commissions for these benefits are as follows:

**Mapre**

* Home Emergency Commission €8.50
* Home Emergency Net €6.50

**AIG**

* Personal Accident Commission €4.00
* Personal Accident Net €1.00

**ARAG**

* Legal Expenses Commission €3.61
* Legal Expenses Net €1.39

### Claims Handling Costs

Ivernia intend to outsource claims to Davies, an experienced claims handler who will have delegated authority to handle all claims up to €75,000. Claims Handling costs will be incurred per claim, with 378 claims anticipated in Year 1.

|  |  |
| --- | --- |
| Claims up to €3000 | €25 - €150 per claim |
| Claims > €3000 | €275 - €300 per claim |
| Loss Adjusting Fees | Varies dependent on size of claim |
| Cost per declinature | Per Claim |
| Hourly rates | Per Director |

\* **See Section - Outsourcing.**

### Underwriting Costs

### Geo Coding

Ivernia intends to utilise services from Lexis Nexus Map View product in order to ensure accurate address level risk assessment for Flood, Subsidence and Windstorm.

|  |  |  |  |
| --- | --- | --- | --- |
| **Connection and Setup** | | | |
|  | **Year 1** | **Year 2** | **Year 3** |
| IQ Hub Connection & Service fee | € 10,000 | € 10,000 | € 10,000 |
| Setup Fee | € 10,000 | n/a | n/a |
| **Address/Geocoding** | | | |
| Address search, Eircode lookup & SMA | € 3,000.00 | € 3,000.00 | € 4,500.00 |
| **Perils** | | | |
| JBA Flood | € 7,400.00 | € 7,400.00 | € 7,400.00 |
| LN Subsidence |
| Wind Storm |
| **Total** | **€ 30,400.00** | **€ 20,400.00** | **€ 21,900.00** |
| Optional | **Year 1** | **Year 2** | **Year 3** |
| Property Insights | € 3,000.00 | € 3,000.00 | € 4,500.00 |
| Crime | will be available in 2023 | | |

### Recommendations

A detailed three-year business plan and associated insurance P & L is required to outline all the relevant performance metrics which would influence an underlying COR should an insurer’s view be required.

# 3. Pricing

### Background

As Ivernia are new to market for Home Insurance, they have no historical loss data upon which they can base any pricing assumptions. Ivernia have utilised quote data sourced from one of the key group distributors which has been anonymised. Pricing is fundamental to the success of the product and sustainability of the business going forward. The pricing model requires a solid foundation with limited room for error both in terms of compliance, underlying pricing assumptions and future configuration to support renewal pricing. On the basis that rating is actively monitored and adjusted as required, the inherent risk of incorrect pricing assumptions can be minimized due to the short tail nature of home insurance. If the go to market pricing is materially below the required levels for specific risk types, however, it may not be possible to deliver the required results due to accumulation of underperforming risk segments within the portfolio.

Ivernia has developed a GLM pricing single variate model by fitting factors to market price obtained from sourced quote data. In comparison, established insurers have developed sophisticated rating models based on multivariate rating factors and small area rating drawn from historical policy and loss data allowing for targeted new business and renewal pricing.

Having reviewed the latest data files used within the GLM model in conjunction with the data analyst, there appears to be inherent risks associated with the data which have been identified as follows:

* Data is drawn from all eleven panel insurers, five of which are MGAs and not dominant in the market. The quality of these portfolios and associated risk appetite may impact the quality of the Ivernia portfolio in the long term given the pricing strategy.
* It was unclear as to whether the data is quote only or converted quote data and this is to be further clarified. It would be recommended that the data should be restricted to converted quote data only to allow for accuracy.
* Data has been manipulated to match certain values e.g., Null has been matched to Gas for heating type. There is no record as to why this assumption has been made and no documentation to support these decisions.
* Assumptions and changed values at a data field level have been made for each rating factor e.g., Rating area loadings, are not documented.
* Claims Data is based on high level claims descriptions obtained through the quote process which may not be an accurate representation of the actual claim details.
* Quotes are based on all product types which may include variance for covers such as Accidental Damage and voluntary excesses leading to inaccurate assumptions on average price.
* Quotes are broken down by Buildings/Contents and Specified Items (no detail for specified items or pedal cycles).
* Risk address based on county level/risk match level only - address fields appear to be empty leading to unsophisticated pricing at small rating area level.
* There was no indication whether the quotes were based on owner occupied or rental properties. The pricing for occupied risks will be materially different to rental properties and therefore, the underlying relativities will be incorrectly determined for occupied risks within the model.

### Pricing Strategy

The pricing strategy needs to be fully defined and documented to clearly articulate the strategic approach to ensuring compliance and sustainability. The pricing to market approach where quote data is considered a proxy for loss data does not fully support development of a robust GLM utilising technical risk modelling. It is critical that the strategy as to how the model will transition to a technical risk-based model needs to be outlined alongside the following key components:

* + Development of the GLM model as the portfolio grows and live claims data emerges based on the written portfolio.
  + Document the procedures and rationale for adjustment of rating including underlying assumptions to be utilised and frequency of adjustments.
  + Data Quality assessment to ensure that the data drawn from the group distributor is robust and not prone to manual input errors.
  + Renewal pricing – whilst this may not be seen to be of immediate concern, this strategy needs to be documented and agreed to ensure that new business pricing decisions will not impact customers in Year 2 and result in non-compliance with CBI price walking guidelines.
  + Approach to pricing for inflation and application of index linking currently referenced in the pricing controls document as: “Monthly monitoring of CSO indices relating to rebuilding costs, building materials and other relevant items such as household appliances will feed into pricing adequacy reviews”. Insurers have been criticised for their failure to adequately protect policyholders against inflation for home insurance. This is an area which fundamentally needs to be incorporated within the pricing model, policy wordings, sales scripts and procedural guidelines for the business.

### Recommendations

* **Compliance Review –** the pricing strategy once documented should be reviewed to ensure it is fully compliant with CBI and CCPC requirements. It may also be appropriate to obtain legal advice to ensure that the model is not inadvertently in breach of industry regulations.
* **Internal peer review of model** (external if resourcing is challenged)to be undertaken to assess and confirm the original assumptions upon which the model has been based and the work undertaken based on the latest data. As part of this peer review,
  + The underlying data should be fully reviewed as to its population (e.g., data population and manipulation) and how it has informed the relativities within the GLM.
  + Review of the historical and ongoing adjustments deployed to achieve the expected conversion targets, with all adjustments to the model being documented and version controlled with appropriate sign offs.
  + The insurer panel and the associated products e.g., consideration of reduction in panel and refinement of product types being utilized for the provision of anonymized data thereby enabling increased targeting of the desired risk profile.
* **The correlation of New Business pricing with approach to Renewal Pricing in Year 1** is vitally important to develop to ensure that no inadvertent “price walking” occurs. As the pricing model is configured to ensure an 8% conversion rate working to the average competitor premium, the adjustment required to move closer to a technical pricing model may impact renewal customers in Year 1. The underlying rationale for any price increases will need to be predicated on technical risk pricing as opposed to correction of a New Business pricing strategy.
* **Index Linking –** development of a position paper as appendix to the pricing strategy outlining the approach to index linking and application within the pricing approach and associated documentation. The relevant inputs e.g. House Building Cost Index and tracking procedures to be clearly specified.
* **Vulnerable Customers** – pricing for vulnerable customers’ needs to be outlined as part of the pricing strategy and aligned to the Product and Oversight Governance policy. Guidelines will need to be developed to ensure that the distributor is working to the expected procedures.
* **Development and alignment of the Pricing Controls document/procedures to the Product Oversight and Governance policy.** At present, the high-level pricing controls document would not satisfy the Product and Oversight policy requirements. The pricing controls document needs to be detailed with appropriate governance procedures put in place and evidenced for compliance.

# 4. Underwriting

### Risk Appetite

The risk profile of the home portfolio is key to ensuring profitability of the account. There are key factors which should be emphasized as part of this target profile, one of which is rating area/risk location. When pricing to ensure conversion of 8% against the average of competitor prices, the portfolio risk profile and underlying performance may be unduly impacted by the rate corrections and risk profiles of competitors. It will be essential to monitor the profile on a daily/weekly/monthly basis to ensure the target risk profile is achieved until such a time as the portfolio has reached optimum levels. This monitoring will ensure that anti risk selection will not occur due to proactive management of the pricing and acceptance criteria.

**Risk location**

* There is no small area rating incorporated within the pricing model, yet this is the optimum approach taken by other insurers and a key feature of GLM Pricing is set at county level within the GLM model and there is no insight as to how these rating area loadings have been set.
* Target desirable and non-desirable areas – the relativities within the GLM model appear unusual based on historical knowledge of performance at rating area level, in particular areas which commonly are avoided in the market due to poor performance arising from exposure to specific perils, e.g.
  + West of Ireland – Windstorm
  + Cork – Flood/Subsidence
  + Specific underperforming areas of Dublin – theft/vandalism/malicious damage
* Whilst Ivernia are utilising Lexus Nexus Geo Spatial intelligence models to provide risk address assessment for Flood, subsidence, and windstorm, the underwriting rules will need to be configured by Ivernia as to whether risks are accepted/declined, carry higher excesses etc. The approach to configuration of these rules will need to be fully compliant and aligned to adopted industry practice considering government/consumer expectations.

**Burst water damage claims**

Due to the frequency of claims, most insurers have applied increased BWP excesses to limit losses and allow for competitive pricing. Ivernia intend to apply €750 excess which should be monitored against the market to ensure it remains at the appropriate level and relative to BWP experience.

**Claims Experience**

* This is currently set to no more than 2 claims in three years. It is recommended that this be further refined to include specific claims and amounts.

**Other Criteria**

* No of Bathrooms – consider limit from 3 bathrooms to 2 bathrooms to reduce exposure to water damage losses.
* Social Welfare and Employment Type – Whilst this appears to be a relativity factor within the GLM, it is not clear as to how this is being catered for and whether it is an acceptable practice.

### Recommendations

* To create a **suite of Management Information** including a target New Business profile highlighting where penetration of undesirable segments has been exceeded. The procedural review of this data should be mapped, including frequency of review e.g., on a daily/weekly and monthly basis.
* **Risk Acceptance** should be further reviewed to reflect a multivariate approach ensuring Ivernia are not declining risks which are otherwise attractive. For example, Max Buildings sum insured €1m will reduce ability to write risks in attractive rating areas.
* **Underwriting Rules** – development of underwriting rules for Flood/Subsidence and Windstorm to determine risk acceptance and approach to cover/excesses.
* **Claims Experience** – consider refinement of claims acceptance criteria to reflect specific perils.

# 5. Product

The policy wording and benefit/covers have been configured aligned to market standards.

### Policy Wording

The draft policy wording was available for review but is in the early stages of being finalised. It was indicated that the policy wording needs to be finalised and intended to be reviewed with Davies for further calibration. At a high level, the wording appears like standard market wordings, but it will be important to closely review the specific wordings, in particular exclusions, against market leading insurer wordings. The wording of the policy, if ill-configured, can lead to unnecessary exposure to losses.

### Product Covers/Benefits

**Limits**

The sum insured limits have been defined for all available sections/covers. There was no documentation available to support the setting of these limits and whether these limits have influenced the pricing model.

A high-level market comparison was provided reviewing the covers across all insurers. The market comparison does not indicate whether the products reviewed are the main products on offer from each insurer as opposed to ancillary products.

**Excesses**

It was noted that there is no information contained in the market comparison for the main insurers. In addition, the Burst Water Pipe excess selected by Ivernia is lower than the market, yet this excess will be important to ensure profitability.

### Recommendations

Conduct a detailed policy wording comparison against main insurers for specific high severity/frequency perils e.g., flood, storm, theft.

Revisit the market comparison ensuring only mainstream products have been used for comparison purposes.

Revisit the excess levels and ensure comparison to the top insurers within the market in determining the go to market levels.

# 6. Distribution Strategy

The product will be distributed initially through Chill Insurance, part of the Three Rock Group providing access to 100,000 existing customers (c.6% of the total Household market) for Ivernia. Ivernia will become one of the home insurance panel for Chill. Chill will include the product within their normal sales processes, predominantly online and through their Call Centre.

It is intended to roll out the product through other group distributors, Quote Devil and Chrome with timeline to be developed for go live. This will provide Ivernia access to additional customers, Quote Devil c.25k customers and Chrome c.16k customers.

There is no intention to consider open market distribution, yet this may be an area to consider depending on the success of the Year 1 strategy and the ability to convert into desired target segments.

### Recommendations

A growth strategy needs to be formalised with project timelines to deliver over the three-year window.

# 7. Claims Handling

Ivernia intend to arrange for claims greater than €75,000 arising from the Home product to be handled by an experienced outsource service provider Thornpart Adjusters Limited (Davies). An Outsourcing Assessment and Due Diligence has been completed in accordance with the Outsourcing Policy and approval has been obtained internally from the ARCC and Board approval.

Following this approval, formal notification of a Critical Outsourced Function by Ivernia has been made to the Central Bank of Ireland on 5th September 2023. The assessment and due diligence has also been provided in line with CBI guidelines for review.

Outsourcing of Household claims is in line with the current operating business model for motor. This is a cost-effective solution with low resource costs and access to claims expertise for this product. The Annual Cost of Outsourcing to Davies for Claims Handling on the Household Product will be circa. €260,000 per Annum.

Following a high-level review of the outsourced arrangement and notification/approval process, no recommendations are proposed. A detailed review of the end-to-end claims process has been considered out of the scope of this review and therefore, no recommendations can be made. It would be expected however, that detailed claims procedures are documented to support the end-to-end claims journey for customers. In addition, it would be expected that underwriting and claims establish formalized review procedures to ensure claims are being tracked and informing the portfolio/pricing decisions in a dynamic way.

# 8. Capability

The organogram provided to Accredited as part of the Due Diligence needs to be updated. It reflects the structure and associated expertise which currently supports the motor portfolio.

The specific role titles are not clearly indicated on the organogram leaving some ambiguity as to associated responsibilities. In terms of expertise, the current Underwriting and Claims personnel are mainly experienced in Motor and there is a need to supplement the team with Household portfolio and pricing expertise as a priority.

### Recommendations

It is recommended that the **recruitment commences of a Household Portfolio Manager** with a minimum of three years portfolio management experience. Suggest engagement with leading recruitment agencies such as Brightwater to undertake a market map exercise with a view to selecting top candidates for interview.

# 10. Management Information

Ivernia utilise Tableau as the management information tool for Motor and it is intended to add a suite of Household reports.

Development of a detailed reporting suite with clearly defined content and frequency of reporting is critical to ensuring the product delivers for all stakeholders. All external and internal stakeholders should be engaged early to ensure that their reporting requirements are met. At the time of writing, this was not a specific delivery within the project plan for launch.

### Recommendations

Schedule an internal/external workshop with relevant critical stakeholders to document their requirements ensuring build in time for launch date.

# 9. Systems

There are multiple systems required to successfully launch the product and the success of integration to the core systems will be paramount. These systems are internal and external to Invernia. The external systems include:

* Risk Handler
* Lexus Nexus
* Davies Claims system

All systems should perform to a set of test scripts developed by Ivernia and test plans should be clearly specified across all applications. Testing will need to be scheduled within the project plan with sufficient time allowed.

The maintenance of the systems and integrity of the integration will need to be constantly monitored as any one system may impact the portfolio.

Given the dependance on third party systems, data security will be critical and contractual obligations are necessary to ensure roles are clearly defined and actions in the event of a data breach are understood. Business continuity plans will need to be developed and adjusted to reflect the integrated systems. All third parties should also be requested to provide business continuity plans in support of the services being provided.

# 10. Documentation

**Policy Documentation**

On review, the required policy documentation is in draft incorporating the Policy wording, Statement of Fact, Schedule and IPID.

All documentation will require a detailed review by Compliance against the relevant regulations e.g., Consumer Protection Code. This has been incorporated within the project delivery and therefore, no recommendations apply at this time.

# 11. Process

At present, there are no process flows documented for the relevant processes –

* **End to End Customer journey**
  + New Business
  + Mid Term Adjustments
  + Renewals
  + Cancellations
  + Lapsations
  + Premium Payment
* **Governance Procedures –** high level pricing controls document in place but no POG policy or pricing procedures (in particular, the approach to refinement of the model post go live):
  + Product and Oversight
  + Pricing
* **Finance**
* Policy and Claims Bordereau submissions
* Policy Payments

### Recommendations

* Schedule internal cross functional process workshops to develop the relevant procedures as required.

Revision Table

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *Version* | *Primary Author(s)* | *Description of Version* | *Date Completed* | *Audit/Risk Committee Approved* | *Board Approved* |
| 1.0 | Jennifer Marshall | V0.1 | 14/09/2023 | N/A | N/A |

## Appendix 1

**Recommendations**

|  |  |
| --- | --- |
| **Area** | **Action Required** |
| **Financials** | The **detailed three-year financial plan** has not yet been developed at the time of writing. A detailed three-year business plan and associated insurance P & L is required to outline all the relevant performance metrics which would influence an underlying COR should an insurer’s view be required. |
| **Pricing** | **Compliance Review** – the pricing strategy once documented should be reviewed to ensure it is fully compliant with CBI and CCPC requirements. It may also be appropriate to obtain legal advice to ensure that the model is not inadvertently in breach of industry regulations.  **Internal peer review of model** (external if resourcing is challenged) to be undertaken to assess and confirm the original assumptions upon which the model has been based and the work undertaken based on the latest data. As part of this peer review,   * The **underlying data should be fully reviewed as to its population** (e.g., data population and manipulation) and how it has informed the relativities within the GLM. * **Review of the historical and ongoing adjustments** deployed to achieve the expected conversion targets, with all adjustments to the model being documented and version controlled with appropriate sign offs. * **The insurer panel and the associated products** e.g., consideration of reduction in panel and refinement of product types being utilized for the provision of anonymized data thereby enabling increased targeting of the desired risk profile. * The **correlation of New Business pricing with approach to Renewal Pricing in Year 1** is vitally important to develop to ensure that no inadvertent “price walking” occurs. As the pricing model is configured to ensure an 8% conversion rate working to the average competitor premium, the adjustment required to move closer to a technical pricing model may impact renewal customers in Year 1. The underlying rationale for any price increases will need to be predicated on technical risk pricing as opposed to correction of a New Business pricing strategy. * **Index Linking** – development of a position paper as appendix to the pricing strategy outlining the approach to index linking and application within the pricing approach and associated documentation. The relevant inputs e.g. House Building Cost Index and tracking procedures to be clearly specified. * **Vulnerable Customers** – pricing for vulnerable customers’ needs to be outlined as part of the pricing strategy and aligned to the Product and Oversight Governance policy. Guidelines will need to be developed to ensure that the distributor is working to the expected procedures. * **Development and alignment of the Pricing Controls document/procedures to the Product Oversight and Governance policy**. At present, the high-level pricing controls document would not satisfy the Product and Oversight policy requirements. The pricing controls document needs to be detailed with appropriate governance procedures put in place and evidenced for compliance. |
| **Underwriting** | To create a **suite of Management Information** including a target New Business profile highlighting where penetration of undesirable segments has been exceeded. The procedural review of this data should be mapped, including frequency of review e.g., on a daily/weekly and monthly basis.  **Risk Acceptance** should be further reviewed to reflect a multivariate approach ensuring Ivernia are not declining risks which are otherwise attractive. For example, Max Buildings sum insured €1m will reduce ability to write risks in attractive rating areas.  **Underwriting Rules** – development of underwriting rules for Flood/Subsidence and Windstorm to determine risk acceptance and approach to cover/excesses.  **Claims Experience** – consider refinement of claims acceptance criteria to reflect specific perils. |
| **Product** | Conduct a **detailed policy wording comparison** against main insurers for **specific high severity/frequency perils e.g., flood, storm, theft.**  **Revisit the market comparison** ensuring only mainstream products have been used for comparison purposes.  **Revisit the excess levels** and ensure comparison to the top insurers within the market in determining the go to market levels. |
| **Distribution Strategy** | A **growth strategy needs to be formalised** with project timelines to deliver over the three-year window. |
| **Capability** | It is recommended that the **recruitment commences of a Household Portfolio Manager** with a minimum of three years portfolio management experience. Suggest engagement with leading recruitment agencies such as Brightwater to undertake a market map exercise with a view to selecting top candidates for interview. |
| **Management Information** | Schedule an internal/external workshop with relevant critical stakeholders to document their requirements ensuring build in time for launch date. |
| **Process** | Schedule internal cross functional process workshops to develop the relevant procedures as required. |