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Hardling on intelessed Andothertol Insurante oquation
     -> the see beared in the process sections, the development between equation is
                            Presion - Was + LAE + Un experies + product
     on the majority of 16th manual up to 16th passer has focuse an condensating included Companion, cuffe to openion a using them to create appearing send page Indian Ar
        let's essent we've you though the power of performing a rate redication, a the results show that the current peacine book an analogue. The arterial problem, problem, is not seen as the problem of the problem. The forget was problem, in the foreign contraction of the problem. The current operated is necessarily insurance excession to set of believe, what are surrections and the problems in the problems of the problems.
 MON - pricing Solutions
     as It a company meets to below the equation who champing premiums, one post-sone colution is to nature expenses (either the expenses or Lab). To give a few special em
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- May could try to reduce the paperent Speech litisering claims, secretar the properties better , or tighten the underlying switches. Et they are able to reduce comp the areast to be loved indicators should be undertally a papellar gave you, have expenses,
- Awother solviers bround be to reduce for experience lass. There are menony ways their could be done. The congruing could add a deductive or some strong cut coverage sendictivations to policies. They could also implement a less control program only the good oil reducios the expectus frequency or severity. For example, a congramy that pro working companisation to survivine Could mondate floor 1945 confloyers broughte a surface fraction course in order to precious converse.

- -7 Teu short common way to below the fundamental insurance legaritims are to implement a pale (hinter or to simply adapt a lumit our parket parameter. Although the laws were parket can work to the special parameter and the company and the constitution and the constitution of the consti forms. There implementations a particular is the construction solution for an unbalanced equations. In stays for implementations a rate change are:
  - ->1) Solect on ownell accross previ 231 Construct a rating algorithms

4.3.1 -> Houghing an impalanted fundamental systemate equation

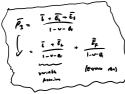
- -> 1) Select relativishes for each rating variable execuse feet of other additive con
- -> 4) Calculate any applicable -> 3) Berick the best rate required to reach the selected querall surveys premium
- , be're already discussed Step 2 ulms we learned about rate indicators in section 3 , 4 steps 2 = 3 vers Cosend in Section 3. The resocutiving from step What we're discuss for the remainder are thin coctors.

## Fixed-se fees a ofter addition

-> Su general, the total planism a policy bolder pays come be broken into time congenients; variable a additive. The variable president accounts for plantation on 15th characteristics, + Ro the product of the bost rate + any relativists. The editive premium, sometimes collect the Rised premium, 13 = figh amount for south policybolists aspectable of 175K characterstops. A generalised justing algorithm is presented below.

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total previous = Base previous sp triativity a placifies previous
                            veriese prining
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) One of the sunst common whys addition premiums can be incorporated into a noting algorithm. B themsh he concept tic. The foc 15 usually collected as a Expense per agreement absorbed for variable expenses of the target LV parties. We can see that clearly by specialists the annumentar of the give primit formula judication into two Separate pieces. Break yes following equation:



-> fo,

-3 Expense fees built with the expenses on a per particy less figures of divide by the annual

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For a book of business containing 100 policies,
                        Fixed Total Projected Exposure Variable Target
Expense Ratio Earned Premium Count Expense Ratio Profit %
Calculate the fixed expense fee per exposure, as well as the fixed expense fee per policy.
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- Short by colonialist the first expense per expense

- To get the expense the on a per policy basis, welltagly by the assempt the or expenses per policy

tion. For instance, homeomor's policies may have add