Analysis of Insurer Data: Forming Insights for Business Growth

In the ever-evolving insurance industry, staying competitive and gaining market share is essential for insurers to thrive. To achieve this, it is crucial for insurers to analyze their data and extract valuable insights that can inform strategic decision-making. This document presents an in-depth analysis of insurer data, aiming to derive meaningful insights and recommendations for insurers to enhance their market position. By examining pricing differences and market dynamics, we can uncover valuable opportunities for insurers to optimize their offerings and drive business growth. Through this analysis, we aim to provide actionable insights that can help insurers make informed decisions, enhance their competitive edge, and maximize their market potential.

Overall Pricing Analysis

In our analysis of the pricing data from various insurers, we have observed variations in the median prices offered. Understanding the pricing landscape is crucial for insurers to remain competitive and attract customers. Let's examine the findings for each insurer.

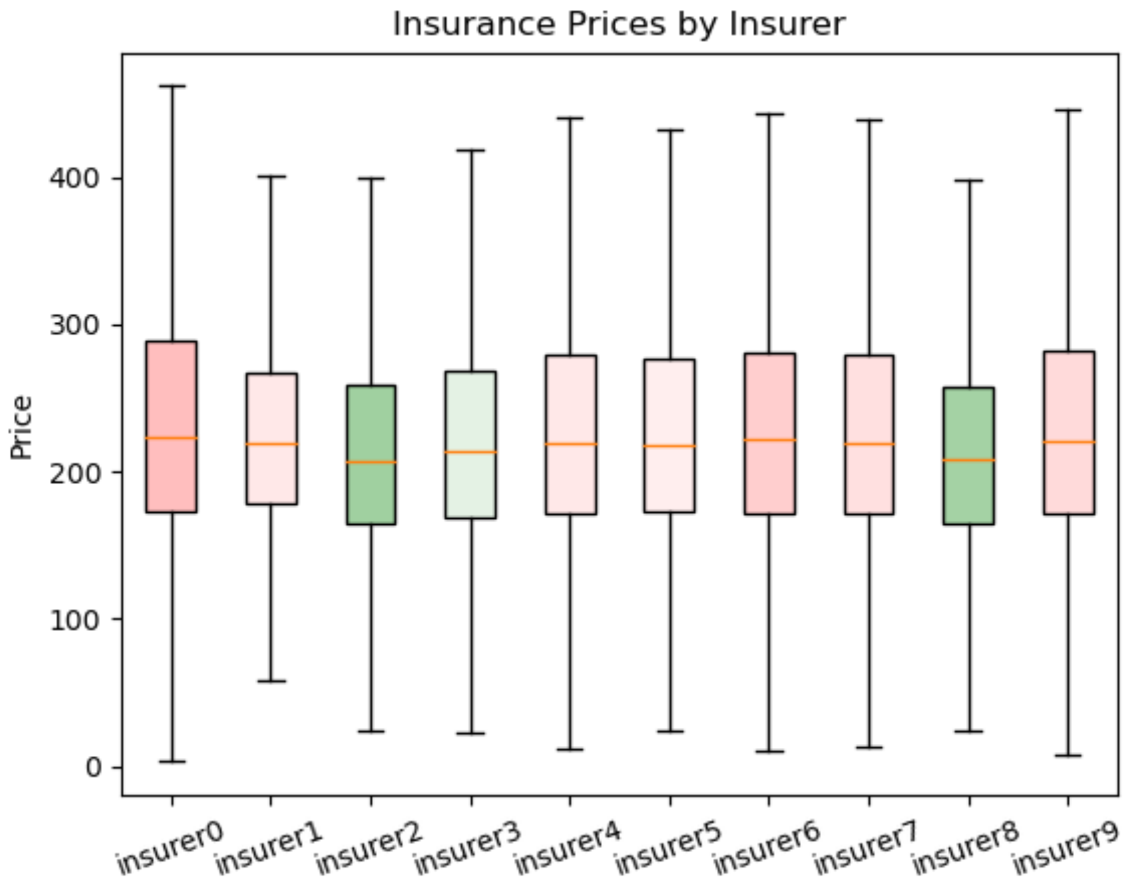

Fig 1. Insurance Prices by Insurer

Based on the analysis of the price differences between insurers which we can see on the Fig 1., here are some potential suggestions for insurers to consider in order to gain more market share:

- Insurer0 (Highest Average Price):
  - This insurer may position itself as a premium provider, offering higher-priced insurance options.
  - It could target customers who prioritize comprehensive coverage and are willing to pay a premium for it.
  - Consider offering more competitive pricing options to attract price-sensitive customers.
  - Conduct market research to identify the price range that aligns with customer expectations and adjust pricing accordingly.
  - Explore discounts or promotional offers to entice customers and encourage them to choose Insurer0 over competitors.
- Insurer2 (Lowest Average Price) and Insurer8:
  - This insurer may focus on offering more affordable insurance options.
  - Capitalize on the advantage of having the lowest average price by promoting affordability and cost-effectiveness.
  - Highlight the value and benefits that customers can receive at a lower price compared to competitors.
  - Invest in marketing campaigns that emphasize the balance between affordable premiums and adequate coverage.
- Other Insurers:
  - These insurers could differentiate themselves based on other factors such as coverage options, customer service, or additional benefits.
  - Evaluate the pricing strategy in relation to competitors in the same price range.
  - Identify unique selling points or value propositions to differentiate from other insurers within the price range.
  - Consider offering customized coverage options or additional benefits that can attract customers seeking more value for their money.

Demographic Analysis

In this subsection, we will analyze the pricing trends across different age groups (18-24, 25-65, and 65+) for each insurer. Let's explore the findings which are represented on the Fig 2.:

- 18-24 Age Group:
  - Insurer2 offers the lowest median price in the 18-24 age group. This indicates that they have competitive pricing targeted towards younger customers, potentially aiming to attract and retain this demographic.
  - On the other hand, insurers 4 and 7 have the highest prices in this age group. This suggests that they may focus on providing comprehensive coverage or additional services tailored to the needs of younger policyholders, which justifies their higher pricing.
- 25-65 Age Group:
  - Across insurers, the prices for the 25-65 age group are relatively similar. This implies that insurers aim to provide competitive and consistent pricing options for the working-age population. It indicates that price may not be the sole differentiating factor in this age group,

and other factors such as coverage options, customer service, or brand reputation may play a more significant role in customers' decision-making process.

- 65+ Age Group:
  - Insurer0 stands out with the highest price in the 65+ age group. This could be due to various factors, such as specialized coverage for seniors, additional services catered to their unique needs, or an emphasis on providing comprehensive protection.
  - Conversely, Insurer8 offers the lowest price in the 65+ age group. This may indicate a strategy of providing affordable coverage to seniors, potentially targeting cost-conscious individuals who still value the benefits of insurance in their later years.

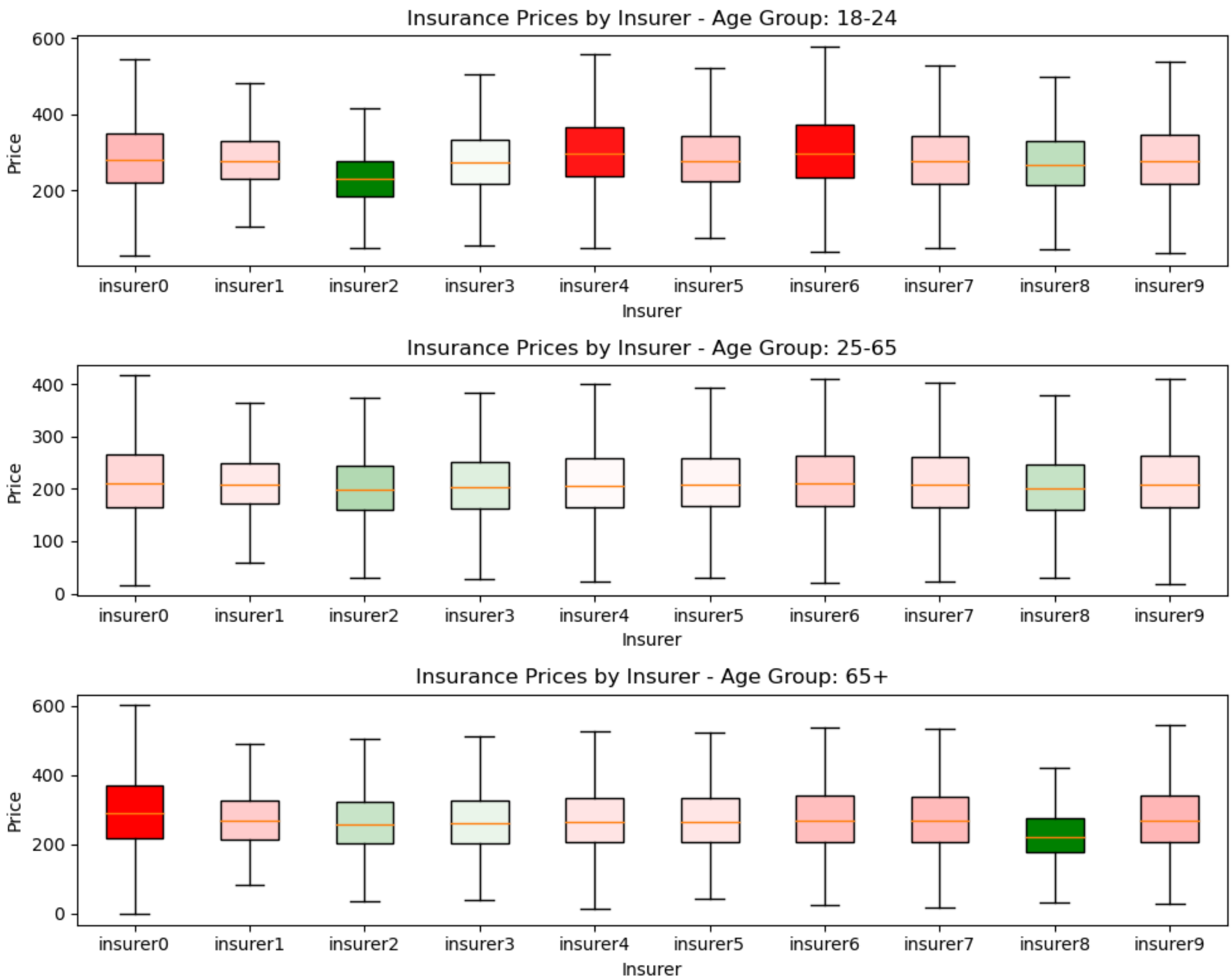

Fig 2. Insurance Prices by Insurer and Age Groups

Insights:

- Insurers have recognized the importance of catering to different age groups by offering distinct pricing strategies. By providing competitive prices in specific age segments, insurers can target their marketing efforts and customize their coverage options to better suit the needs and preferences of customers in those demographics.
- The lower median price offered by Insurer2 to the 18-24 age group suggests their focus on attracting and retaining younger policyholders. This could be an opportunity for other insurers to

assess their pricing strategies and potentially adjust their offerings to better capture this market segment.
- The relatively similar pricing across insurers for the 25-65 age group indicates a highly competitive landscape. Insurers in this age segment should differentiate themselves through other factors such as personalized customer experiences, comprehensive coverage options, or innovative digital services to stand out from the competition.
- Insurer0's higher pricing for the 65+ age group suggests their emphasis on providing specialized coverage and services tailored to the needs of seniors. This highlights the importance of understanding the unique requirements of older policyholders and developing products that address their specific concerns.
- Insurer8's lower price in the 65+ age group presents an opportunity for other insurers to explore cost-effective coverage options that still meet the needs of seniors. By offering competitive pricing alongside comprehensive coverage, insurers can attract price-conscious customers while maintaining profitability.

By analyzing the pricing trends across different age groups, insurers can better understand the pricing dynamics within each segment and tailor their strategies to effectively target and serve specific demographics. This approach allows insurers to align their pricing models with customer preferences, drive market penetration, and establish a competitive edge in the industry.

Analysis of Car Age and Pricing

In this subsection, we will analyze the relationship between car age and pricing across different age intervals. We will examine the pricing data for each insurer within this combined age group. Let's explore the findings which are represented on the Fig 3.:

- Below 5 Years:
  - Insurer1, Insurer5, and some other insurers offer relatively lower prices compared to the rest of the insurers. This indicates that they may consider newer vehicles to be associated with lower risk, potentially resulting in lower premiums.
- 5-10 Years:
  - Pricing among insurers is relatively similar, suggesting that car age within the 5-10 years range may not have a significant impact on their pricing strategies.
- 10-25 Years:
  - Insurer2 and Insurer8 consistently offer relatively lower prices compared to other insurers for cars aged 10-25 years. They may have competitive pricing strategies, considering factors such as the value, condition, and potential risk associated with older vehicles. Their focus on affordability could attract customers looking for cost-effective coverage.
  - On the other hand, Insurer6 tends to have higher prices compared to other insurers for cars aged 10-25 years. This indicates that they may assign a higher risk profile to older vehicles, considering factors like potential maintenance costs, increased likelihood of claims, or diminished value. They might target customers who prioritize comprehensive coverage and are willing to pay higher premiums for added protection.
  - Other Insurers have varying pricing strategies within the 10-25 years age group. Their pricing may reflect a combination of factors such as car age, overall risk assessment, claims history, market competition, and customer preferences.

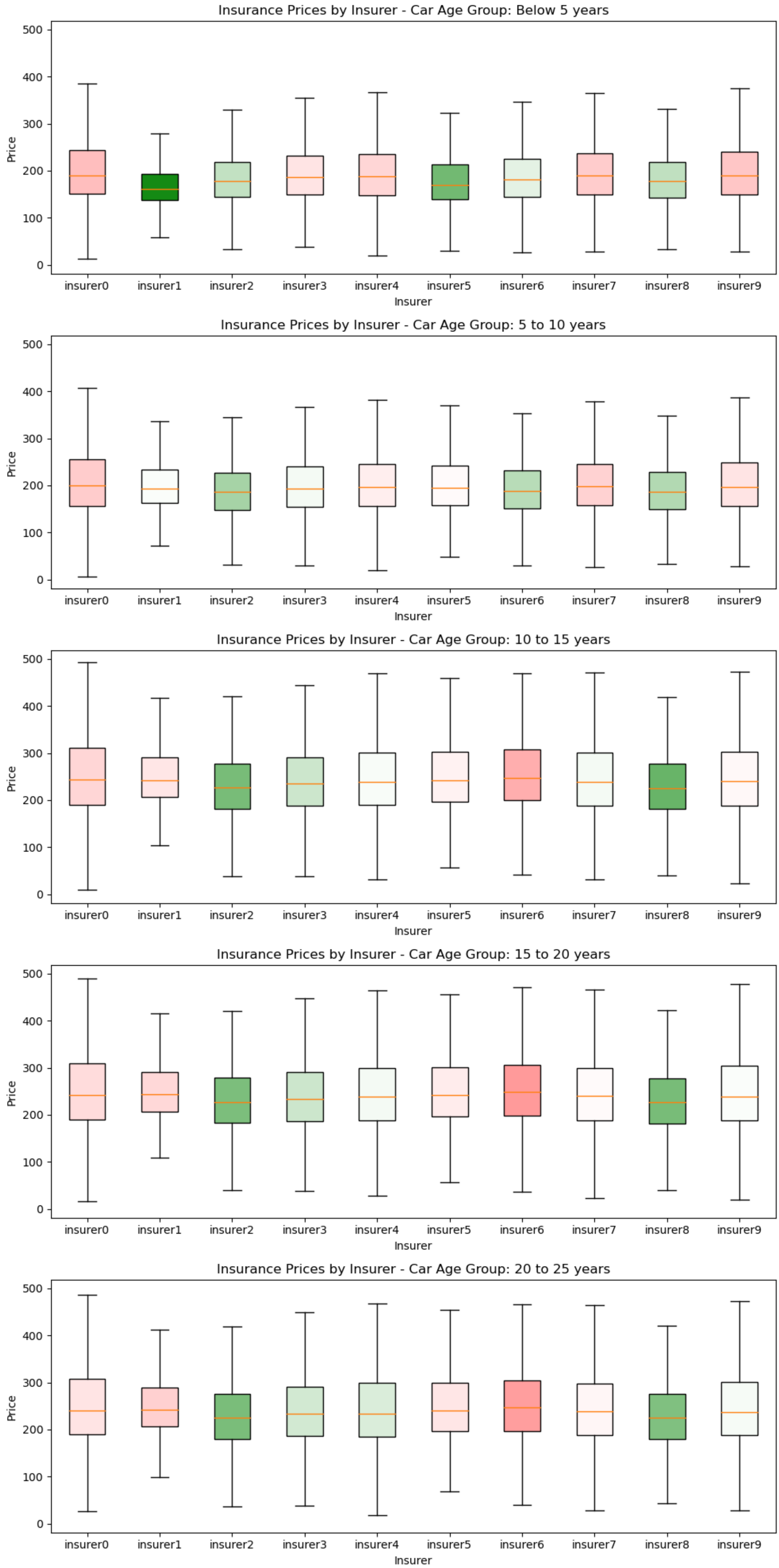

Fig 3. Insurance Prices by Insurer and Car Age Groups

Insights:

- Below 5 years
  - The analysis reveals that Insurer1 and Insurer5 consistently offer lower prices across the age group below 5 years. This indicates that these insurers may consider newer vehicles as lower risk and therefore provide more affordable coverage.
  - To capitalize on their competitive advantage, these insurers should continue offering competitive prices for newer vehicles.
  - They can further strengthen their market position by emphasizing the benefits of their coverage for new cars, such as comprehensive protection and lower repair costs. However, they should carefully assess the impact of lowering prices on their profit margins.
- Above 10 years
  - Insurer2 and Insurer8, tend to have lower prices for age groups above 10 years.
  - Considering that most of the market is above the 10-year age range, these insurers may consider gradually increasing their prices to align more closely with the market average. By adjusting their pricing to be more in line with competitors, they can position themselves as providers of reliable and comprehensive coverage for older vehicles. However, it's important to carefully assess the potential risks and challenges associated with price increases:
    - Increasing prices may lead to customer dissatisfaction or even attrition. Insurer2 and Insurer8 should emphasize the value they provide through personalized service, convenient claims handling, or specialized coverage options to help mitigate the impact on customer retention.
    - As Insurer2 and Insurer8 adjust their prices, they should closely monitor the reactions of other insurers in the market. Competitors may respond with price adjustments of their own, potentially leading to increased competition and price wars.
    - While increasing prices may enhance profitability, there is a potential trade-off in terms of market share. Insurer2 and Insurer8 should carefully assess the elasticity of demand in the market and conduct thorough financial analysis to evaluate the impact on their overall profitability and market position.
  - Insurer6's higher pricing in this age category may indicate that they position themselves as a provider of premium coverage or cater to a specific segment of the market that values comprehensive protection.
  - Insurer6 can leverage their higher prices to differentiate themselves by highlighting unique features or benefits in their coverage, such as additional services, extensive customer support, or specialized coverage options. This approach allows them to target customers who prioritize quality and are willing to pay a premium for enhanced protection.
  - Insurer6 should be mindful of the price sensitivity of customers in the above 10-year age group. Higher prices may limit their potential customer base, particularly if the target market consists of price-conscious individuals.
  - Other insurers show varying pricing strategies within these age groups, potentially considering a combination of factors such as car age, risk assessment, competition, and customer demand.

Overall, insurers should carefully evaluate their pricing strategies and consider market dynamics, customer preferences, and profitability to make informed decisions. By adapting their pricing strategies to the specific age groups and market conditions, insurers can effectively meet customer needs, improve their market position, and drive sustainable growth.

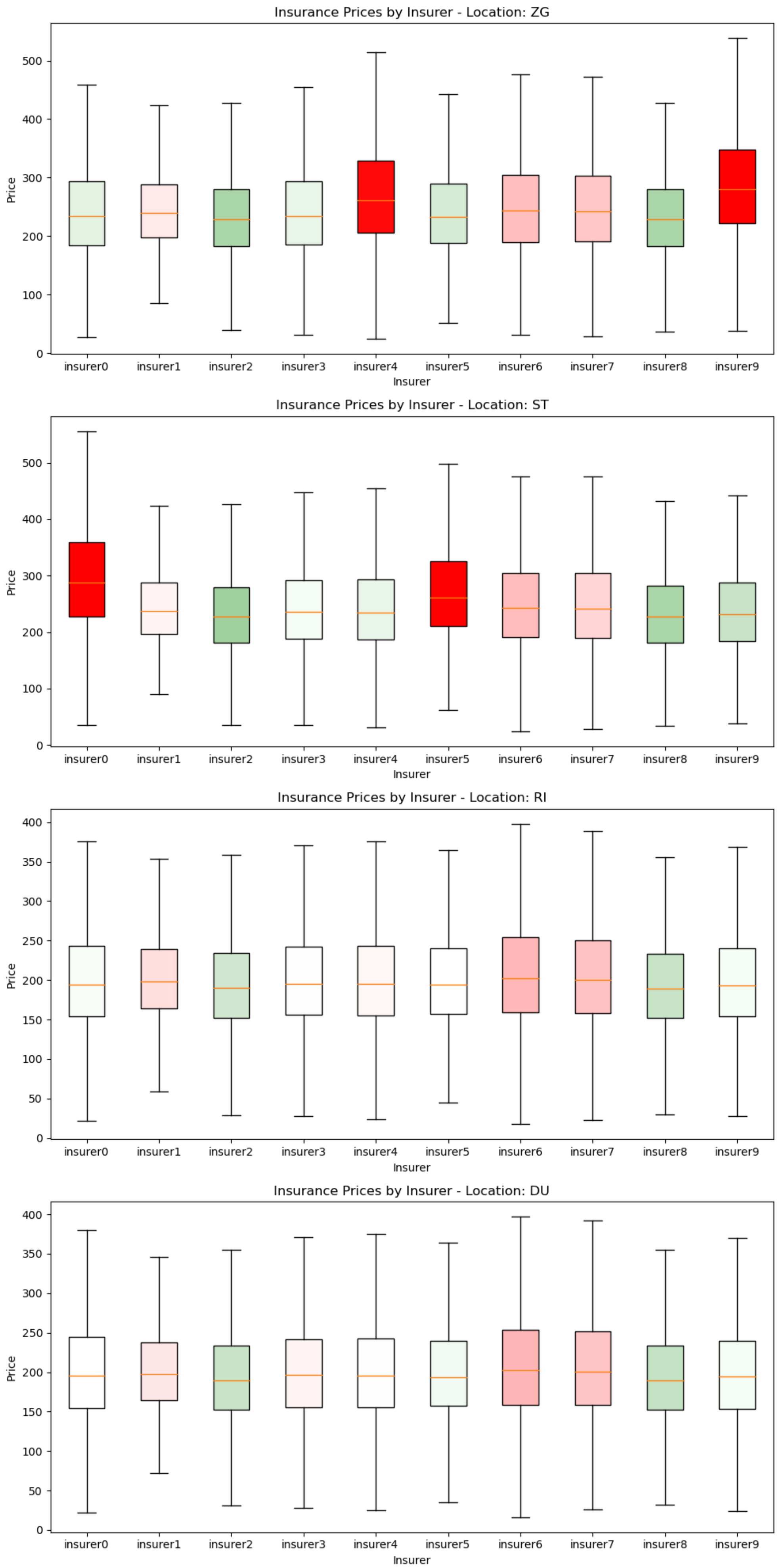

Fig 4. Insurance Prices by Insurer and Locations

Comparison of Insurer Prices by Location

The analysis of insurer prices broken down by location provides insights into the pricing strategies across different regions. Let's explore the findings and generate insights based on the results obtained from Fig 4.:

- ZG (Zagreb):
  - Insurer4 and Insurer9 stand out with significantly higher prices compared to other insurers in this region. This suggests that they may position themselves as providers of premium coverage or cater to a specific customer segment that is willing to pay higher premiums.
  - Other insurers in ZG show relatively comparable pricing, indicating a competitive market environment where price sensitivity may play a crucial role in customer decision-making.
- ST (Split):
  - Insurer0 and Insurer5 have higher prices in the ST region compared to other insurers. This could indicate a specific market positioning or different risk assessments for this particular region.
  - Similar to ZG, the presence of insurers offering lower prices in the market suggests competition and potential price sensitivity among customers in ST.
- RI (Rijeka) and DU (Dubrovnik):
  - Insurer6 emerges with the highest prices in both RI and DU regions. This suggests that they may position themselves as providers of premium coverage or target a specific customer segment willing to pay higher premiums in these areas.
  - It is important for insurers operating in RI and DU to understand the local market dynamics, competition, and customer preferences to effectively price their policies and ensure a balance between affordability and value.

Insights:

- Pricing strategies in different locations can be influenced by factors such as market dynamics, competition, cost of living, and customer preferences. Insurers should consider these factors when determining their pricing strategies.
- Insurers4 and Insurer9 (ZG) and Insurer6 (RI and DU) can leverage their higher prices to emphasize the unique features and benefits of their coverage. However, they should continuously monitor market demand, customer satisfaction, and competitor pricing to ensure their premiums remain competitive and justifiable.
- Other insurers in ZG and ST should focus on maintaining a competitive edge by offering competitive prices without compromising on the quality and value of their coverage.
- Insurers operating in RI and DU should carefully assess the market dynamics and competition in these regions. They should balance their pricing strategies to cater to the unique needs and affordability levels of customers while maintaining profitability.

By tailoring their pricing strategies to the specific locations, insurers can effectively meet the needs of customers in each region, optimize their market position, and ensure sustainable growth in the highly competitive insurance industry.

Seasonality Analysis

The analysis of seasonality in Fig 5. in insurer prices reveals interesting patterns during different months of the year. Specifically, the findings indicate that during the winter months (December, January, and February), Insurers 1 and 5 have significantly higher prices. On the other

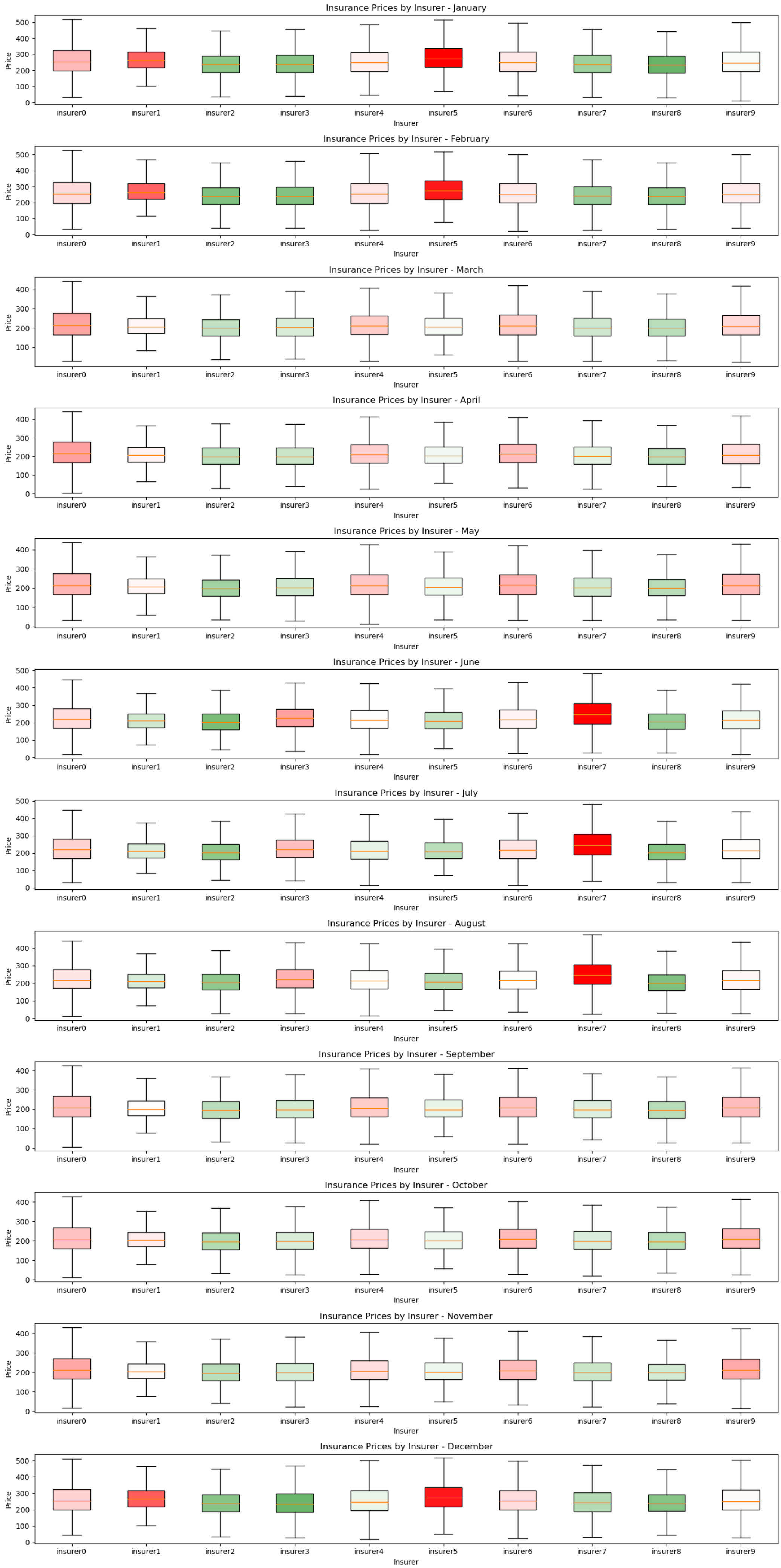

Fig 2. Insurance Prices by Insurer and Seasonality

hand, during the summer months, Insurers 3 and 7 have the highest prices. Let's delve into these observations and generate some insights:

- Winter Months (December, January, February):
  - Insurers 1 and 5 stand out with notably higher prices during the winter months. This could be attributed to various factors such as increased demand for coverage due to hazardous road conditions, higher risk perception associated with winter driving, or seasonal adjustments in their pricing strategies.
  - Other insurers may adopt more stable or moderate pricing during these months, potentially aiming for price consistency or addressing the needs of price-sensitive customers who may seek more affordable coverage.
- Summer Months:
  - Insurers 3 and 7 exhibit higher car insurance prices during the summer months. This could be influenced by factors such as increased travel and road trips, higher demand for coverage due to vacation periods, or a perceived higher risk of accidents during summer holidays.
  - Other insurers may adopt different pricing strategies during this time, potentially aiming to attract customers who prioritize affordability or offer competitive rates to capture market share.

Insights:

- Insurers 1 and 5 can capitalize on their higher prices during the winter months by emphasizing the value-added benefits and comprehensive coverage they provide. They should ensure that the higher premiums are justifiable and aligned with the perceived increased risk associated with winter driving conditions.
- Other insurers can use the winter season as an opportunity to attract price-sensitive customers by offering competitive rates without compromising on the quality of their coverage. This can help them gain market share and maintain customer loyalty.
- Insurers 3 and 7, with higher prices during the summer months, should carefully assess the market dynamics, competition, and customer preferences during this period. They should ensure that their premiums align with the perceived value and benefits they offer to customers, considering factors such as increased travel and vacation periods.
- Insurers operating in regions with extreme weather conditions during certain months may need to adopt seasonal adjustments in their pricing strategies to account for the unique risks associated with those periods. However, they should remain vigilant and monitor customer response, competitor pricing, and profitability to strike a balance between competitiveness and sustainability.

By recognizing the seasonality trends in insurer prices and strategically adjusting their pricing strategies, insurers can effectively cater to customer demands, optimize their competitiveness, and capture market opportunities throughout the year.

Conclusion

In this analysis of insurer data, we explored various aspects of car insurance pricing and identified insights that can inform insurers' strategies. We examined the pricing patterns across different demographic groups, car age categories, locations, and seasons.

Given the limited time available, it is important to note that a more detailed analysis could be conducted. Further exploration could include price elasticity analysis to understand how price changes impact customer demand, competitive pricing analysis to benchmark against industry competitors, and the development of data products such as a Pricing Optimization Tool or Competitor Pricing Monitoring System to assist insurers in making informed pricing decisions. These additional analyses would provide deeper insights and help insurers refine their pricing strategies to meet the evolving needs of the market.