Driving better pricing decisions through accurate cedant portfolio evaluation

For most reinsurers, exposure data received from cedants is riddled with errors and missing values.

With Cytora Verify, reinsurers can use machine learning and external data to improve the accuracy of expected loss costs and make better pricing decisions.

Low-quality portfolio data causes inaccurate expected loss costs

For most reinsurers, exposure data received from cedants is riddled with errors and missing values. This leads to inaccurate expected loss costs, and subsequently to poor loss ratios, exposure limit breaches, reduced ROE and wasted time.

For reinsurers who want to improve pricing performance, using machine learning and external data to improve the data accuracy of portfolio submissions can significantly improve expected loss cost.

With this approach, reinsurers can negotiate prices from a position of strength, plan better for capital requirements, and build more profitable relationships with brokers and cedants.

Verify API	Verify and correct information in a submission
Insurer type:	Reinsurers, insurers and syndicates, globally
Distribution:	Open market systems and e-trading
LoB:	Global property

Reinsurance teams use Cytora Verify to make better pricing decisions

Step 1: Use external data to validate and correct the submitted data

The first step to obtaining a corrected expected loss cost is to validate submitted portfolio data. Underpinned by external data and machine learning, the Cytora Verify API validates cedant portfolios to correct errors such as misentered coordinates.

Step 2: Enhance the submitted data through enrichment and imputation

Using external data and machine learning the Cytora Verify API enriches portfolio data with external fields, and imputes data points to complete missing values. This process involves enrichment whereby Cytora's raw and modified data is added to the cedant portfolio, and imputation whereby Cytora uses AI to increase the fill rate of modelling features that have some values present.

Step 3: Calculate corrected expected loss costs using standard risk models

Within minutes, a data analyst in a reinsurance company is able to run large client portfolios through Cytora's technology. The data analyst states the columns that they would like enhanced and a confidence level for doing so. The Verify API returns data that can be applied to existing risk model workflows, and which helps to achieve corrections in expected loss cost.

Key benefits

1. Price accurately

Verify cedant submissions and identify exposure inaccuracies.

2. See all the information

Augment submissions with additional features to give the highest resolution view at the individual property level.

3. Move faster

APIs deliver real-time responses enabling a faster data analysis cycle and quicker quote turnaround.

Case Study | A leading P&C reinsurer uses the Verify API to improve expected loss cost

Customer Challenge	A leading P&C reinsurer approached Cytora wanting to reduce premium leakage. Unhappy with the errors and omissions in cedant exposure data, the reinsurer needed a solution that could correct and enrich the data to help calculate accurate expected loss costs.
Line of Business	Property Natural Catastrophe
Users	Underwriters and data analytics teams
Business Objectives	1. Reduce premium leakage 2. Set better bind rates
Use Case	Use Cytora's Verify API for reinsurance to validate, correct and enrich cedant portfolios to improve the accuracy of expected loss cost estimates
Results	1. Corrects expected loss cost by ~7% per cedant submission 2. Enables improved bind rate setting relative to portfolio quality

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Top use cases

1. **Portfolio verification**
   - Evaluate cedant portfolios with accuracy to drive better pricing decisions
   - Access undiscovered datasets to use as secondary modifiers

2. **Cedant and broker benchmarking**
   - Benchmark cedants on data quality
   - Negotiate better program premiums
   - Offer differentiated services in your broker and cedant relationships

Working with us

Integrating with Cytora couldn't be easier. Your team can start using our APIs in your underwriting in just a few lines of code.

We provide full documentation, and integration support for developer teams, enabling you to quickly get up and running with Cytora.

We support your business teams to work with the new information and help them discover new uses for Cytora APIs.

Contact us to learn more

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