EMPOWER DEVELOPMENT

12 QUESTIONS

MAIN ELEMENTS OF PREMIUM
- Risk premium
- Expenses
- Profit
- Return on capital employed **(ROCE)**

OTHER RISK DATA
- Risk surveys
- Data exchange
- Natural catastrophe mapping
- Publicly available

COMPETITOR ANALYSIS
- Pull out of the market
- Maintain its current strategy
- Lower prices to compete
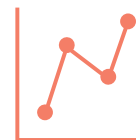
RISK PREMIUM CONSIDERATIONS
- Subject matter
- Exposure/size
- Scope of cover
- Rating factors
- Historical claims experience
- Large and catastrophe claims
- The future

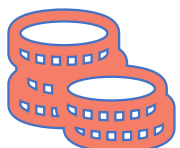**LEARNING OUTCOME 4 – UNDERSTAND THE PRINCIPLES AND PRACTICES OF RISK PRICING**

INTERPRETATION OF CLAIMS DATA
- Credibility of data
- Segmenting data
- Analysing
- Other factors

EXPENSES
- Fixed expenses
- Variable expenses
- Claims handling costs
- Reinsurance costs
- Levies and taxes
- Intermediary remuneration

CALCULATION OF THE PREMIUM
- Minimum premiums
- Adjustable premiums
- Market influences

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