

NUON.AI

AI in Action



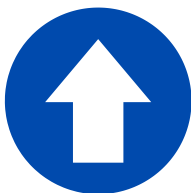


Overview

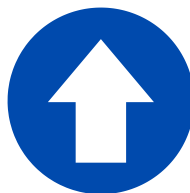
Nuon AI is partnered with Ignite, a Verisk business, to bring an exciting, API-connected AI platform to Ignite's award winning Policy Administration Platform

The partnership enables Ignite to offer an AI solution that is proven to increase insurance product profitability and take-up rate to its suite of ambitious, high-volume personal lines brokers.

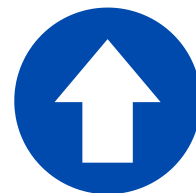
Benefits



**+3.6% policy
increase**



**+8.2% premium
increase**



**+11.5% profit
increase**

How Nuon AI works

Nuon AI's technology is a cloud-based, API-driven Artificial Intelligence (AI), which does not replace, but instead complements the existing pricing models used by Ignite's insurance customers.

Its focus is to keep premiums as optimally priced and relevant as possible, to support key strategic objectives:

1. Increase take-up rate

Nuon AI finds optimal price points to maximise policy take-up within the bounds of the underwriting appetite defined by each insurance customer.

2. Increase average premium

Nuon AI finds optimal price points for premium that allow for an average overall premium increase without loss of take-up.

3. React to market changes fast

Nuon AI will ensure underwriting goals are being met, even during unplanned market events and in competitive aggregator environments - a major area of focus for Ignite Systems' personal lines insurance customers.



Nuon AI in action: Increasing profit margin for Ignite Brokers

Nuon AI is powering the retail pricing strategy for motor insurance *Broker X* Insurance and its panel of insurers.

Broker X were able to access the Nuon AI solution via their self-service platform, enabling the implementation of real-time AI retail pricing through a simple API.

AI's Mission: To increase profit margin within the bounds of X's limited capacity supply, optimising performance on the 4 major aggregators.

Nuon AI's pricing has delivered a sustained increase in premium by identifying optimal price points, shown in a series of AB tests.

Real-time AI pricing impact over a 28-day period

+11.5% profit increase
+3.6% policy increase
+8.2% premium increase

A deeper look at the AI

At the heart of Nuon AI is a set of proprietary algorithms based on Reinforcement Learning (RL). RL allows Nuon AI to run experiments on live quotation and sales data and on renewals data, identifying trends within different patterns and cohorts.

These learnings can then be applied in real-time to achieve underwriting objectives quickly and efficiently.

RL employs 3 basic steps:

- Observe: quote & renewal data
- Action: run an experiment on it
- Reward: measure the success

Nuon AI makes discreet pricing adjustments in real-time to match market conditions, lowering pricing where necessary to gain business, and raising where possible to maximise underwriting profit.



Experimenting on live data, the AI enables pricing adjustments on a subset of an insurance product's quotes to gain market insights, and apply the learnings either across the whole book or to a defined cohort of customers. In this way, Nuon AI keeps the product as optimally priced and relevant as possible.

The product is configurable, allowing underwriters to set upper and lower bounds for price adjustments and the percentage of the book which can be experimented on.

A user-configurable MI dashboard keeps the insurer informed in real-time of the AI performance, tracking items such as take-up rate and premium uplift, as well as running and tracking pricing AB tests.

Additionally, insurers can access fully auditable data extracts to show what actions, adjustments, experiments and price changes have been made by the AI for compliance.





Ignite[™]
a Verisk business

