QUEST
Professional Center

PROFESSIONAL TRAINING COURSE

Course No. 1879

Risk-Based Pricing for Insurance Products Training Course

INSURANCE PRODUCTS & PRICING
INSURANCE & RISK MANAGEMENT

DURATION
5 Days

DELIVERY
Classroom

Course Overview

This professional training course provides a comprehensive and practical framework for developing and implementing risk-based pricing strategies for insurance products. It focuses on how insurers can align premiums with the underlying risk characteristics of customers, exposures, and portfolios while maintaining technical adequacy, market competitiveness, profitability, and responsible customer outcomes.

The course examines the principles of risk-based insurance pricing, including risk classification, exposure assessment, loss experience, rating factors, segmentation, pricing assumptions, risk differentials, and portfolio performance. Participants will learn how to translate risk characteristics into pricing decisions and establish structured approaches for differentiating premiums according to expected levels of risk.

A strong emphasis is placed on the relationship between pricing, underwriting, claims, actuarial analysis, customer behavior, and portfolio profitability. Participants will explore how risk-based pricing can improve risk selection, reduce adverse selection, strengthen portfolio balance, and support sustainable growth across different products, customer segments, territories, and distribution channels.

The program also addresses data quality, statistical analysis, pricing models, model validation, scenario analysis, fairness, governance, compliance, and ongoing monitoring. Participants will develop practical approaches for implementing risk-based pricing frameworks that balance technical risk assessment with customer value, commercial objectives, regulatory expectations, and long-term portfolio sustainability.

Objectives

- By the end of the course, participants will be able to:
- Analyze the principles and strategic value of risk-based pricing in insurance.
- Evaluate customer, exposure, claims, and portfolio characteristics relevant to risk-based pricing.
- Identify and assess appropriate insurance rating factors and risk variables.
- Apply risk segmentation techniques to differentiate customers and exposures.
- Develop structured risk-based pricing frameworks for insurance products.

- Analyze claims frequency, severity, loss costs, and expected risk outcomes.
- Evaluate pricing adequacy and risk differentials across customer and portfolio segments.
- Apply statistical and analytical techniques to support risk-based pricing decisions.
- Assess the impact of pricing differentiation on profitability, retention, competitiveness, and portfolio mix.
- Apply scenario and sensitivity analysis to evaluate pricing assumptions and risk changes.
- Strengthen pricing governance, model validation, fairness, compliance, and customer protection.
- Establish monitoring mechanisms for identifying pricing deterioration and emerging risk trends.
- Develop practical implementation and improvement plans for risk-based insurance pricing.

Who Should Attend

This course is designed for professionals working in insurance pricing, actuarial functions, underwriting, risk management, portfolio management, product management, claims analytics, and insurance performance management.

It is particularly suitable for Insurance Pricing Managers, Actuaries, Pricing Analysts, Underwriting Managers, Risk Analysts, Product Managers, Portfolio Managers, Data Analysts, Insurance Business Analysts, and professionals responsible for developing, reviewing, or monitoring insurance pricing strategies.

The course is also valuable for executives and decision makers responsible for underwriting profitability, risk selection, product strategy, portfolio performance, pricing governance, customer value, and sustainable insurance growth.

Learning Outcomes

- Upon completion of the course, participants will be able to:
- Explain the principles and business rationale of risk-based insurance pricing.
- Assess the risk characteristics of customers, exposures, and insurance portfolios.
- Identify, evaluate, and prioritize relevant pricing and rating factors.
- Segment insurance customers and risks according to expected loss and risk characteristics.
- Develop risk-based pricing structures for different insurance products.

- Analyze historical claims experience and estimate expected loss outcomes.
- Evaluate the adequacy of premiums relative to underlying risk.
- Apply analytical methods to differentiate pricing across risk segments.
- Assess the impact of risk-based pricing on portfolio profitability and composition.
- Evaluate customer retention, demand, and competitiveness under different pricing scenarios.
- Use scenario and sensitivity analysis to assess changes in risk and pricing assumptions.
- Identify potential data, model, fairness, and implementation risks.
- Establish pricing monitoring dashboards and key performance indicators.
- Apply appropriate governance, compliance, and customer protection principles.
- Develop an actionable roadmap for implementing and optimizing risk-based pricing.

Course Outline

DAY 01

Fundamentals of Risk-Based Insurance Pricing

- Principles and strategic role of risk-based pricing.
- Relationship between risk, premium, underwriting, and profitability.
- Risk-based pricing versus traditional pricing approaches.
- Insurance risk classification and segmentation.
- Understanding customer and exposure characteristics.
- Identifying relevant rating factors.
- Risk differentials and premium differentiation.
- Portfolio structure and risk distribution.
- Adverse selection and the role of pricing in risk selection.
- Aligning risk-based pricing with business strategy and risk appetite.

> PRACTICAL APPLICATION
>
> Developing a risk classification framework for a selected insurance product.

DAY 02

Risk Assessment, Claims Analysis & Pricing Factors

- Understanding claims frequency and severity.
- Historical claims and loss experience analysis.
- Loss costs and expected loss assessment.
- Exposure measurement and risk characteristics.
- Identifying significant risk and rating variables.
- Geographic, demographic, behavioral, asset, and policy characteristics.
- Risk segmentation and classification approaches.
- Analyzing relationships between risk factors and claims outcomes.
- Detecting trends and changes in risk experience.
- Evaluating the reliability and relevance of historical data.

PRACTICAL APPLICATION

Analyzing claims and exposure data to identify key risk-based pricing factors.

DAY 03

Risk-Based Pricing Models & Rate Adequacy

- Statistical foundations of risk-based pricing.
- Developing analytical relationships between risk characteristics and expected losses.
- Frequency and severity modeling concepts.
- Predictive analytics in insurance pricing.
- Evaluating the relative contribution of rating factors.
- Developing differentiated pricing structures.
- Assessing rate adequacy by risk segment.
- Benchmarking technical rates and identifying pricing gaps.
- Evaluating pricing assumptions and model limitations.
- Integrating technical pricing with market competitiveness.

DAY 03 — CONTINUED

> **PRACTICAL APPLICATION**
> Building a risk-based pricing framework and evaluating premium adequacy across selected risk segments.

DAY 04

Pricing Optimization, Profitability & Customer Impact

- Linking risk-based pricing with underwriting performance.
- Portfolio profitability and contribution analysis.
- Pricing differentiation and customer behavior.
- Price sensitivity and customer retention.
- Impact of pricing changes on demand and portfolio mix.
- Product, territory, customer, and channel profitability.
- Scenario and sensitivity analysis.
- Evaluating alternative risk and pricing assumptions.
- Balancing risk adequacy, growth, competitiveness, and customer value.
- Identifying opportunities for pricing optimization.

> **PRACTICAL APPLICATION**
> Evaluating alternative risk-based pricing scenarios and their impact on profitability, retention, and portfolio composition.

DAY 05

Governance, Fairness, Monitoring & Strategic Implementation

- Risk-based pricing governance frameworks.
- Pricing model validation and performance monitoring.
- Data governance and analytical controls.
- Fairness and responsible use of risk-based pricing.
- Customer protection and conduct considerations.
- Regulatory and compliance considerations.

DAY 05 — CONTINUED

- Pricing dashboards and key performance indicators.
- Monitoring loss ratios, profitability, retention, rate adequacy, and risk mix.
- Identifying pricing deterioration and emerging risk indicators.
- Managing model, data, assumption, and implementation risks.
- Continuous pricing review and optimization.

FINAL WORKSHOP

Developing an integrated risk-based pricing implementation plan covering risk segmentation, rating factors, claims analysis, pricing models, rate adequacy, profitability, customer impact, scenario analysis, governance, fairness, monitoring, and continuous improvement.

Register or Request More Information

Course page: https://quest-training.com/courses/risk-based-pricing-for-insurance-products-training-course
Website: https://quest-training.com
Email: info@quest-training.com
Phone: +905016771440