

### Preferred Life Pricing Examples

More Metrics modelled data includes a mortality score. This is expressed as a percentage of population mortality and differentiates by socio, economic, lifestyle and geographic factors.

The mortality score is available from both our Geo and Solo Ranges. The Geo score is tagged by postcode, and can also be differentiated by age bands and occupation. The Solo score is specific to an individual.

#### Use in Preferred Life Pricing

The mortality score can be accessed with the data currently commonly collected for protection comparison quotes. It is usually only necessary to add name to match at the more powerful individual level. This opens up the possibility of introducing preferred life prices without disrupting current processes or requiring the client to provide extra data.

The mortality score enables an insurer to target better quality lives and offer them a compelling price. Profitability is increased by deselecting the worse quality lives.

#### Examples

These demonstrate a range of strategies and the effectiveness mortality scores from both Solo and Geo Ranges.

Age / Term	35 / 25yrs	40 / 25yrs	60 / 15 yrs
Comparison service	Go compare	moneysupermarket	Confused.com
Start Price	£7.36pm (mid-market)	£10.22pm (mid-market)	£46.35pm (top)
Mortascore	Solo	Solo	Solo
Select	Best 50%	Best 70%	Best 90%
End Price	£6.56pm (top – 5p)	£9.30pm (top – 5p)	£46.35pm (top)
<b>Extra profit per policy</b>	<b>+ £38</b>	<b>+ £20</b>	<b>+ £333</b>

Age / Term	45 / 20yrs	50 / 15 yrs	30 / 25 yrs
Comparison service	moneysupermarket	Confused.com	Comparethemarket
Start Price	£13.01pm (mid-market)	£16.93pm (mid-market)	£5.73pm (mid-market)
Mortascore	Geo	Geo	Solo
Select	Best 50%	Best 60%	Best 20%
End Price	£12.23pm (top – 5p)	£16.45pm (top – 5p)	£5.41pm (top – 5p)
<b>Extra profit per policy</b>	<b>+ £106</b>	<b>+ £148</b>	<b>+ £69</b>

Age / Term	65 / 10yrs	40 / 25yrs	35 / 25 yrs
Comparison service	Go compare	moneysupermarket	Comparethemarket
Start Price	£72.70pm (mid-market)	£10.22pm (mid-market)	£6.53pm (top)
Mortascore	Solo	Geo	Solo
Select	Best 30%	Best 70%	Best 10%
End Price	£67.68pm (top – 5p)	£9.30pm (top – 5p)	£6.53pm (top)
<b>Extra profit per policy</b>	<b>+ £640</b>	<b>+ £55</b>	<b>+ £94</b>

#### Assumptions

Comparison quotes from July 2017. Preferred quotes produced by applying the rating from mortality model to the office premium net of estimated fixed costs. Portfolio 60% male. No change to underwriting standards.

#### moremetrics

More Metrics provides UK demographic and lifestyle data. Our geo-sourced data is GDPR-compliant and available through our Geo Range tagged by postcode, or our Solo Range tagged by individual. Bespoke data development is also available.

#### REaD Group

More Metric's data is available from the REaD Group. REaD Group is the UK's leading independent data communications agency.

Contact Nigel.Bradshaw@MoreMetrics.co.uk for further details.