

Dynamic Simulation Model Input Sheet

Goals

Maximize UW Profit

Rules

1. In Year 0, all the companies have equal number of customers in each segment(Age, Territory)
2. Year 1-5 Rate changes to be -20% ~ +20%
3. The higher renewal rate, the more likely existing customers will leave. The lower renewal rate, the more likely the company will get new customers
4. New business LR is 5%pts higher than Renewal

	Input								
Age	under 25			25-65			over 65		
Territory	urban	suburban	rural	urban	suburban	rural	urban	suburban	rural
Year 1									
Year 2									
Year 3									
Year 4									
Year 5									
Total									

Year 0 Market Assumptions

Age	under 25			25-65			over 65			Total
	urban	suburban	rural	urban	suburban	rural	urban	suburban	rural	
Policy Count	5,000	3,000	2,000	35,000	20,000	15,000	10,000	6,000	4,000	100,000
Average Premium	700	650	600	500	450	400	400	375	350	468
LR Renew	80%	70%	60%	65%	55%	45%	70%	60%	50%	61%
GOE/R	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
ACQ/R	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
CR	115%	105%	95%	100%	90%	80%	105%	95%	85%	96.5%
Pure Premium(Renew)	560	455	360	325	248	180	280	225	175	
Pure Premium(New)	595	488	390	350	270	200	300	244	193	

NB LR relative to Renew

5%
