INSURANCE PRICING & RESERVING



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TRAINING CENTER

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GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Insurance Pricing & Reserving Training Course builds the technical skills that actuaries, underwriters and finance professionals need to price risk and set reserves with confidence. Participants learn how claims experience, exposure and expenses feed rating structures, and how technical provisions are estimated for outstanding claims. The programme covers frequency and severity modelling, experience and exposure rating, credibility weighting, IBNR estimation and chain ladder methods. Furthermore, it addresses discounting, risk margins and the solvency and reporting requirements around reserves. As a result, delegates can build and challenge pricing and reserving calculations with evidence. Gentex Training Center delivers the programme through modelling workshops and case work.

Insurance Pricing & Reserving Course Objectives

- Explain the rating process from exposure data to final premium.
- Calculate claim frequency and severity from historical claims data.
- Apply experience rating, exposure rating and credibility weighting.
- Build gross and net premium calculations including expenses and commission.
- Apply technical premium and risk-adjusted return on capital concepts.
- Estimate outstanding claims reserves using chain ladder and Bornhuetter-Ferguson methods.
- Calculate IBNR, case reserves and unexpired risk reserves.
- Apply discounting, inflation and risk margins to technical provisions.
- Analyse reserve adequacy through development triangles and runoff testing.
- Prepare pricing and reserving reports for management and regulators.

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Course Methodology

The course combines technical briefings with hands-on modelling workshops in Excel and case-based review. Participants build frequency-severity models, run chain ladder projections and test reserve adequacy. In addition, structured peer review and group discussion reinforce each technique, and every day closes with an applied pricing or reserving task.

Who Should Take This Course

- Actuarial analysts and actuarial support staff.
- Pricing and product analysts in insurers.
- Underwriters involved in rating and portfolio performance.
- Finance and reporting staff responsible for technical provisions.
- Risk and capital modelling professionals.
- Auditors and consultants reviewing pricing and reserving.

Insurance Pricing & Reserving Course Outlines

Day 1: Rating Fundamentals and Exposure Data

- Rating process from risk data collection to final premium.
- Exposure bases: vehicle years, payroll, sum insured and turnover.
- Rating factors, rating tables and rating algorithms.
- Risk classification, segmentation and homogeneity principles.
- Data quality, credibility and handling sparse experience.
- Rate monitoring, rate adequacy and portfolio mix analysis.
- Workshop: building a simple rating structure from exposure data.

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Day 2: Frequency, Severity and Premium Calculation

- Claim frequency analysis and frequency trend identification.
- Claim severity analysis, large loss treatment and attritional losses.
- Frequency-severity modelling and expected loss cost calculation.
- Experience rating, exposure rating and credibility weighting.
- Gross premium calculation with expenses, commission and profit loading.
- Technical premium and risk-adjusted return on capital concepts.
- Workshop: calculating expected loss cost and technical premium.

Day 3: Reserving Fundamentals and Case Reserves

- Purpose of technical provisions and reserve categories.
- Case reserves, outstanding claims and reported but not settled amounts.
- Development patterns and loss development triangles.
- Chain ladder method: development factors and ultimate loss projection.
- Bornhuetter-Ferguson method and expected loss ratio approaches.
- Averaging methods for sparse or volatile data.
- Workshop: completing a development triangle and projecting ultimates.

Day 4: IBNR, Discounting and Risk Margins

- Incurred but not reported reserves and estimation approaches.
- Unexpired risk reserves and premium deficiency testing.
- Discounting of reserves and treatment of investment returns.
- Inflation, claims cost trends and indexation of provisions.
- Risk margins and prudence requirements in technical provisions.

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- Reserve adequacy testing and runoff analysis.
- Workshop: calculating IBNR and applying a risk margin.

Day 5: Reporting, Governance and Reserve Review

- Reserving governance, peer review and actuarial function role.
- Documentation, assumptions and audit evidence requirements.
- Reporting reserves for financial statements and regulatory returns.
- Sensitivity analysis and communicating uncertainty to boards.
- Detecting adverse development and strengthening reserves.
- Pricing and reserving interaction with underwriting actions.
- Workshop: presenting a pricing and reserving report for review.

Conclusion

By successfully completing Insurance Pricing & Reserving Training Course, participants will have acquired the knowledge to price insurance risk and set technical provisions on a sound basis. They will understand rating structures, frequency and severity modelling, chain ladder and Bornhuetter-Ferguson methods, IBNR and risk margins, and they will know how to document assumptions that withstand review. As a result, delegates strengthen both premium adequacy and reserve reliability. Gentex Training Center builds the programme around current actuarial and reporting practice.

FAQs for the Insurance Pricing & Reserving course

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Q1 What is the "Insurance Pricing & Reserving" course about?

It covers how insurance risk is priced and how technical provisions are estimated. You learn rating structures, frequency and severity modelling, experience and exposure rating, chain ladder and Bornhuetter-Ferguson methods, IBNR estimation and risk margins, with practical Excel modelling.

Q2 What are the key benefits of the "Insurance Pricing & Reserving" course?

You gain the ability to build and challenge pricing and reserve calculations rather than accepting output uncritically. You also improve premium adequacy, reduce adverse development surprises, strengthen documentation for auditors and regulators, and communicate uncertainty more clearly to boards.

Q3 What skills will I gain from the "Insurance Pricing & Reserving" course?

You will gain insurance rating and premium calculation, claim frequency and severity modelling, claims reserving using development triangles and IBNR methods, and reserve adequacy testing and reporting.

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Q4 What tools, methods, or standards are covered in the "Insurance Pricing & Reserving" course?

The course covers exposure and experience rating, credibility weighting, frequency-severity modelling, technical premium and profit loading, loss development triangles, the chain ladder and Bornhuetter-Ferguson methods, average cost per claim approaches, unexpired risk reserve testing, discounting and risk margins, and reserve adequacy and runoff analysis.

Q5 How is the "Insurance Pricing & Reserving" course applied in real-world practice?

Graduates apply it to design and refresh rating structures, monitor rate adequacy by segment, calculate expected loss costs, project ultimate claims from triangles, estimate IBNR and set risk margins, test reserve adequacy, and prepare pricing and reserving reports for management, auditors and regulators.