While it is certainly vital to know carriers' current rates and competitive position, knowing their trending history and future projections is essential to conducting effective analysis on any given carrier.

Overview

It is now common practice for carriers to compare and review proposed rate changes to competitor rates. This insures that the proposed rates will not negatively impact the carrier's competitive position (rates are priced too high), and this helps identify potential adverse selection (rates for high risk policies are priced too low).

This practice is definitely useful and has its merits. However, by the time proposed rates get finalized, the carrier’s competitor(s) may have had another rate change. It is more useful for a carrier to review its proposed rates against competitor’s rates three or six months down the road (depending on the time needed to get new rates finalized and approved).

We can use historical premiums to estimate what a competitor’s rates will be like in three, five or a year down the road. A carrier can then compare and review its proposed rates against these predicted premiums instead of current premiums.

With Quadrant’s Historical Data, clients can access historical rating information from previous years, see how your competitors reacted to past market events and conditions, evaluate lessons learned and retention studies, and shine a searchlight into the darkness of historical analysis.