GRADIENT AI

Group Termination Model

Know which groups will leave at renewal – before you set the rate

Automated group-level retention risk scoring, built into Renewal Analytics



Available now as an add-on to the Renewal Analytics platform

Every renewal, some good groups leave anyway, and some retention spend goes to groups that were never going to leave. Treating every group the same way at renewal costs margin in both directions.

What if you knew which groups were actually at risk ***before*** you set the rate? Now you can, with **Group Termination Model** – Gradient AI's group-level termination risk score, built directly into **Renewal Analytics**.

Score every group, automatically

The Group Termination Model scores every group's likelihood of leaving at renewal, using the data your team already works with inside Renewal Analytics. No separate tool to run – scores surface directly in Group Summary, the Rate Calculator, and the Rules Engine, right where renewal decisions get made.

Proven impact: retain the right groups

CASE STUDY | Sample client – 3,310 groups, $506M in premium

Combine termination risk with cost projections to tailor each group's renewal action

23%	**+$4.1M**	**1.6X**
of groups targeted; the rest renewed with standard rules	additional first-year margin vs. a general underwriting rule	lift in targeting at-risk groups vs. a general underwriting rule

Sources: Gradient AI; WCRI (2024–2025); NCCI; Healthesystems / Risk & Insurance Workers' Comp Industry Insights Survey (2025).

Two risks, two decisions: who is likely to leave and who should be retained

- Nearly **1 in 3** groups flagged High or Very High risk are expected to leave
- The model catches roughly **half of all leavers** before any rate action
- Pair termination risk with Gradient AI cost predictions to build the **Renewal Strategy Matrix**

Targeting based on model-predicted termination probabilities vs. a general underwriting rule: profitable (MLR ≤ 0.85), 1+ year on plan, risk score ≤ 1.0.

Renewal Strategy Matrix: make the right call, by quadrant

Pair each group's termination risk with its projected profitability, and the right renewal move falls out automatically:

	High termination risk	Low termination risk
Profitable	RETAIN Targeted retention – the only quadrant where a discount pays off.	HOLD Minimal concessions – they're staying anyway.
Unprofitable	RELEASE / GUARDRAIL Right-size the increase, or consider non-renewal.	RE-PRICE Corrective pricing to fix margin.

Why the Group Termination Model?

Engage at-risk groups proactively – reach the good groups likely to leave before they start shopping – not after.

Focus retention discounts – pair termination risk with projected profitability so discounts go to good groups actually at risk, and rate action goes to the rest.

Forecast the book – project portfolio MLR and growth before your quotes go out.

Retention & Account Managers

- Engage only with groups where discount changes the outcome.

Underwriting & Pricing

- Pairs termination risk with projected profitability to know where to hold the line on rate.

CFO

- Converts retention spend into measured net margin.

How to get started

1. Talk to your Client Engagement Manager or Sales Executive

Already on Renewal Analytics? Add the Group Termination Model to your platform. New to Gradient AI? Get Renewal Analytics with it built in.

2. Prove it on your book

Gradient AI's Advisory Services team sizes the upside on your book – or a sample of it – before you commit.

3. Act by quadrant

Scores appear in Group Summary, the Rate Calculator, and the Rules Engine, ready for your next renewal.

Ready to add the Group Termination Model to Renewal Analytics?

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