

Using Precision Insurance to increase RoE on your traditional life portfolio by 0.5-1% per annum - and maximise customer value across the business.

Customer data: the critical competitive advantage for traditional life insurers today.

Recent “sigma” research from Swiss Re* finds that life insurers worldwide are increasing their focus on existing customers to maintain and build profitability.

And this is where traditional life insurers have a key competitive advantage: high-volume and detailed existing customer data – the essence of a profitable Precision Insurance strategy.

A successful Precision Insurance strategy for your traditional life portfolio.

Our analytics-driven approach delivers industry-beating penetration rates for policy upgrade policies (typically 10-30%).

In addition, results show significant improvements in overall customer retention.

Lapse rates on existing policies held typically fall by 12-30% over 12 months – across all customers included, not just those accepting the upgrade.

Ultimately, these programs deliver increases in RoE of 0.5-1% per annum.

Such outcomes are driven by a range of rigorously tested success factors, designed to add maximum value to the customer:

- Upgrade offers linked logically to the client's last purchase activity for the current product and with a manageable 10%-20% uplift in premium
- Guaranteed acceptance or minimal underwriting, based on data already held
- Additional premium added to current payment method
- All communications delivered through the individual customer's preferred channel: via agent, by mail, by phone, mobile, email.... or any preferred combination.

And the results can be readily "rolled out" more widely over the customer base.

Data-driven success from analysing over 25 million life policyholders.

In collaboration with leading reinsurers like Swiss Re, Riverside has analysed over 25 million unique customer records from more than 120 life insurers in 41 countries.

As a result, we have developed fully proven algorithmic models that can help you:

- Develop robust strategic priorities for your business by identifying your most (and least) valuable customers, products and distribution channels
- Pinpoint the most (and least) profitable customers for ongoing development and retention investment, as well as the channels through which to maximise their value – both traditional and digital

- Build a long-term Precision Insurance strategy to maximise the value of your customer and distribution assets over time through flawlessly delivering offers and communications to customers at a completely individualised level.

New strategic insight to help steer your business.

The analytics that drive Precision Insurance can reveal a wealth of facts and hidden data for application across the business. This depth of insight can guide effective C-level decision making in the current challenging environment – in areas including customer proposition and targeting, brand positioning, product development, pricing strategy, channel development and customer service delivery – even underwriting principles.

How you can find out more.

Based on our extensive experience across the life insurance industry in multiple countries, we believe that our approach to Precision Insurance can deliver value for most life companies with significant customer bases. We would be delighted to discuss the opportunities we see for your particular organisation and the approach we could take to optimise results – including flexible implementation and options for risk sharing models.

More importantly, we anticipate that the challenges for traditional life insurers that we have touched upon in this note also relate to the current strategic imperatives of most significant players in the life insurance field worldwide.

Effective management of existing customer “big data” assets is certainly one of the keys to competitive advantage in the current market environment for traditional life companies. We would be delighted to share our thoughts more widely with you.



To arrange an initial exploratory discussion, please contact
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**Swiss Re: sigma 6/2017: Life In-Force Management: Improving Customer
Experience and Long-Term Profitability*