



## Insurance Analytics

Insurers need to tap the data lying in silos within the organization and elsewhere with third parties like brokerage channels and investigators, to gain competitive edge.

Analytics allows insurers to do this and generate an enterprise wide view to gain deep insights and spot opportunities. Insurers could gain much from analyzing customer attrition from an enterprise wide perspective. Similarly an analysis of agency attrition which utilizes aggregated data from various silos promises interesting information to gain a strategic edge.

Our domain focused innovative solutions in these twin areas of customer and agent attrition generates actionable information which helps you gain competitive advantage by increasing operating margins and higher agency retention.

### Business Issues

#### Customer Attrition is high

Even though new customers are getting added, profitability is not improving. This could be due to lapsation, redemptions of unit-linked plans to surrender and claims. It is important to understand the customer segment where attrition is high and the precise reason for customers leaving the company.

#### Increase in cost of operations

Life insurers' success depends on managing cost of operations. Insurers

continue to struggle with this issue as they fail to recognize and differentiate between different customer groups. The challenge for the insurers lies in harnessing technology and evolving service standards which can be attuned to different customer segments.

#### Information Integration

Information from multiple systems in the organization is needed to take decisions. This is not possible without information being organized, analyzed and contextualized properly.

#### Increasing Cost of New Business

With increased crowding in the insurance space, cost of acquiring New Business is increasing. The problem is compounded by high lapsation in the initial years. The importance of proactive thinking to control and manage this cost has never been greater.

#### High Agent Attrition

Agency force continues to be the back-bone of life insurance selling although new channels like bancassurance have had an impact on the distribution. High attrition rates in tied agency results in higher sales costs as well as slowdown in the growth plans of the carriers.

#### Increasing Productivity of Agency

Insurance companies are still struggling with strategies to leverage information technology to optimize the performance of its agency force and develop promising agents to their full potential.



Siemens vision for Customer and Agency Attrition Analytics has the following business components:

- Zero attrition Customer Identification (Pure Group Analysis)
- Segmentation of Attrition Groups
- Predicting Sales Premium Persistency and Lifetime Value of an Agent
- Agency Recruitment model

#### Solution Components

Siemens Insurance specific analytics framework enables insurers quickly organize data from disparate sources into a single view for analysis and reporting.

#### Analytical Models

The solution includes industry specific analytic and dimensional models which integrate critical information from across the enterprise. The models available include:

#### Customer Attrition

The Customer Attrition models helps insurers identify the customers with the highest propensity to lapse. Customer Attrition scores delivered through the model enables the insurer to effectively target high lapse risk customers and improve customer retention.

#### Pure Group Analysis

It enables the insurers to identify the customers you would like to have and analyze the performance of other customers against them. An integrated view of master and transactional data is used to identify this group. A scientific identification of target customers based on attrition and premium paying patterns is done.

#### Segmentation of Attrition Groups

This module assists identification of acceptable customers within high attrition groups. It also entails segmentation of loss ratios depending on different types of attrition.

#### Predicting Sales Premium Persistency and Lifetime Value of an Agent

This module enables the users to effectively analyze the Performance of agent vis-à-vis other distribution channels. This comparison can be done across products and customer segments. It can also predict the lifetime value and the sales premium persistency of an agent

#### Agency Recruitment Model

This model helps you to identify a model

agent with high persistency and sales premium through analysis of socio-demographic, behavioral as well as other attributes and transaction data.

#### Web Based Reporting

Siemens Insurance analytics solution comes with a number of pre-built report templates. The solution provides a web based interactive reporting interface for the users.

Users can create, view and save reports based upon OLAP cubes and/or relational data. The reports can be exported to various formats like Excel, PDF, etc. The solution also provides for multidimensional data exploration filter, sort, drill, rotate etc.

#### Dashboard

Siemens Insurance analytics solution also includes a web based Dashboard to present information on Customers and Agency to the management.

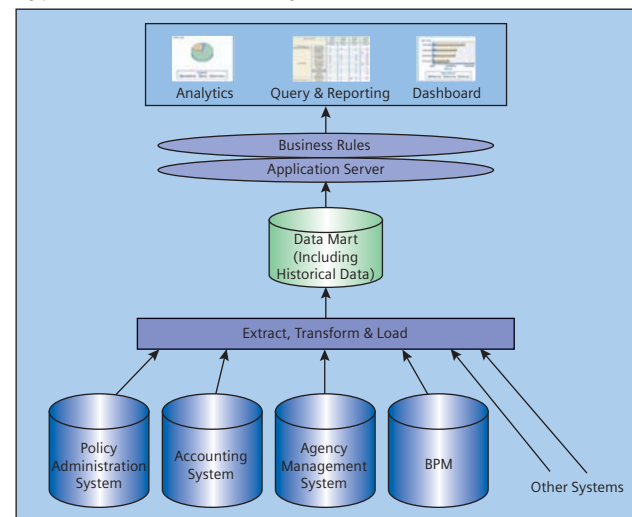
#### Business Benefits

We have seen our clients getting the following benefits:

- Ability to predict and analyze customer attrition
- Decision support for agency recruitment
- Web based reporting and dashboards for management
- Greater returns per customer and better agent productivity

#### Technical Basis

Siemens Insurance analytics framework is available on both J2EE and Microsoft technology platform and works on leading BI tools like Business Objects, Cognos, Hyperion & Microsoft Analysis Services.



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