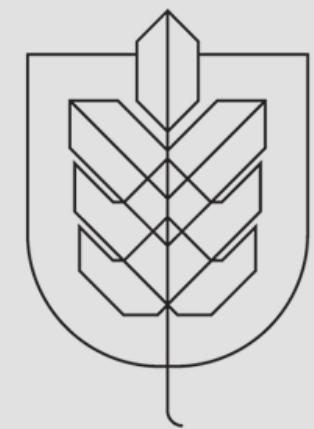


**BCG** X



**HULT**  
INTERNATIONAL  
BUSINESS SCHOOL



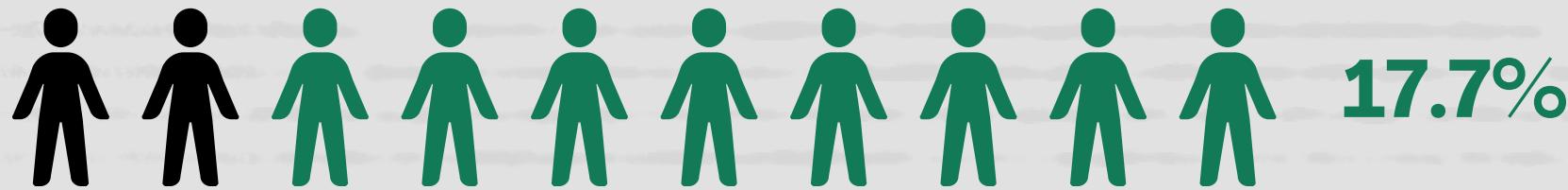
# **Churn Analysis and Strategy Development in the Insurance Sector**

**BUSINESS CHALLENGE**

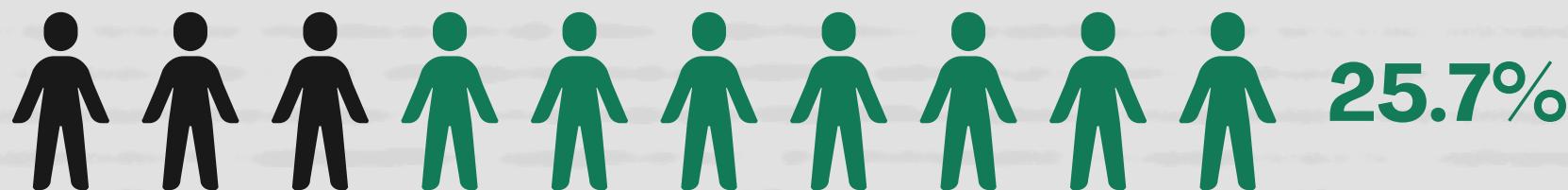
**MBAN TEAM 5**

# 15% OF CHURNED CUSTOMERS

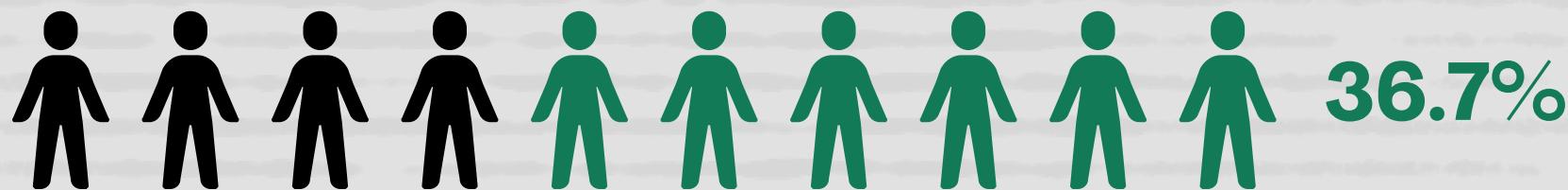
## Engaged Customers



## Customers between 20 and 30 years old

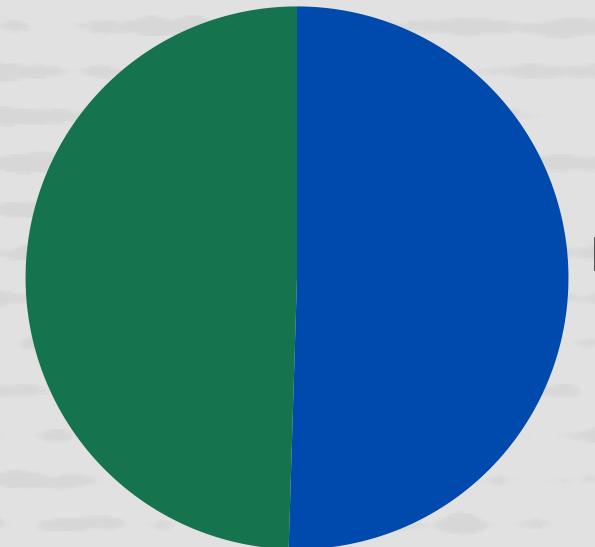


## Basic Subscription



## Minimal Variation Between

Sport Policy  
49.5%



Life Policy  
50.5%

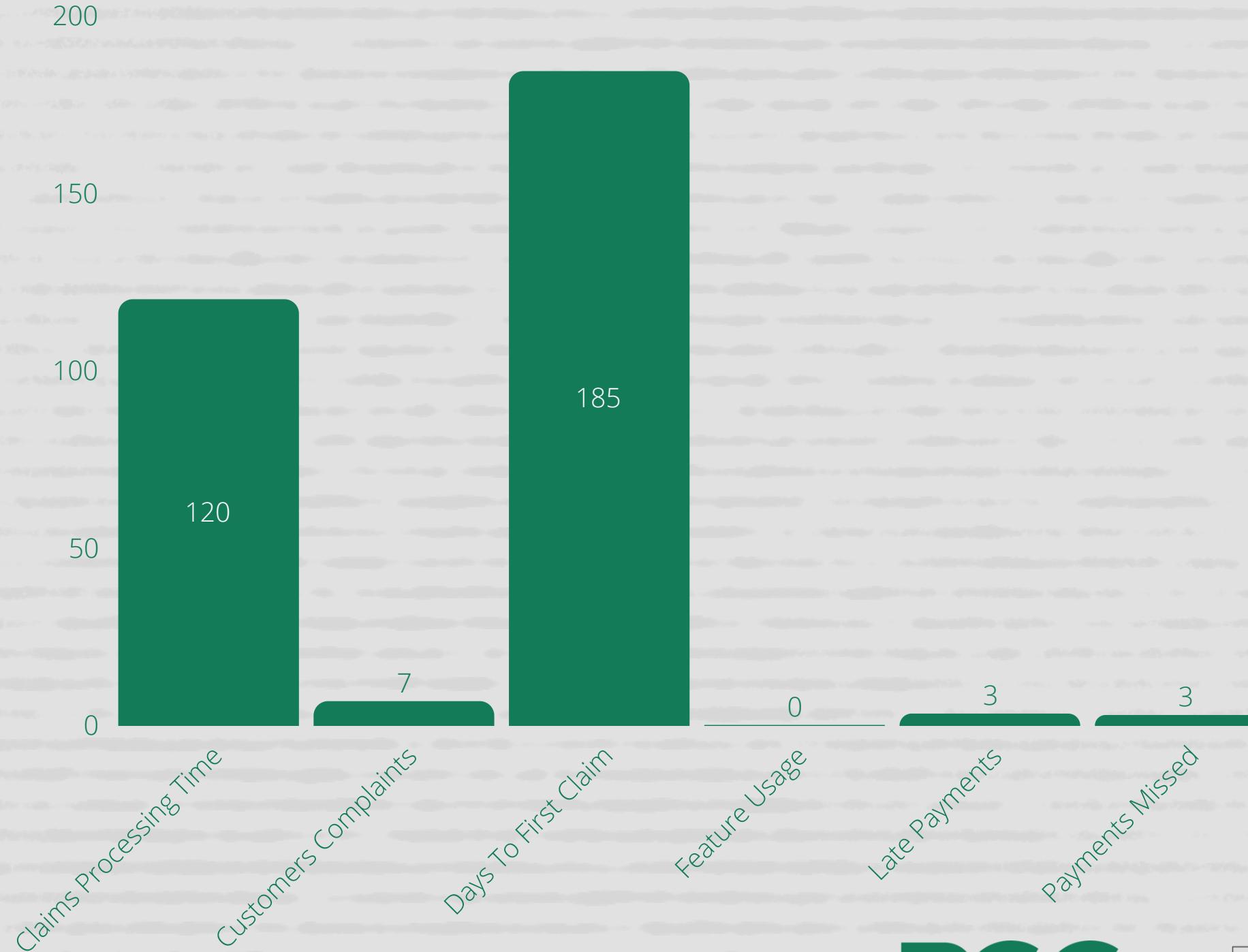
## Top 2 Most Visited Page

Policy Overview  
51.1%



Claims  
48.9%

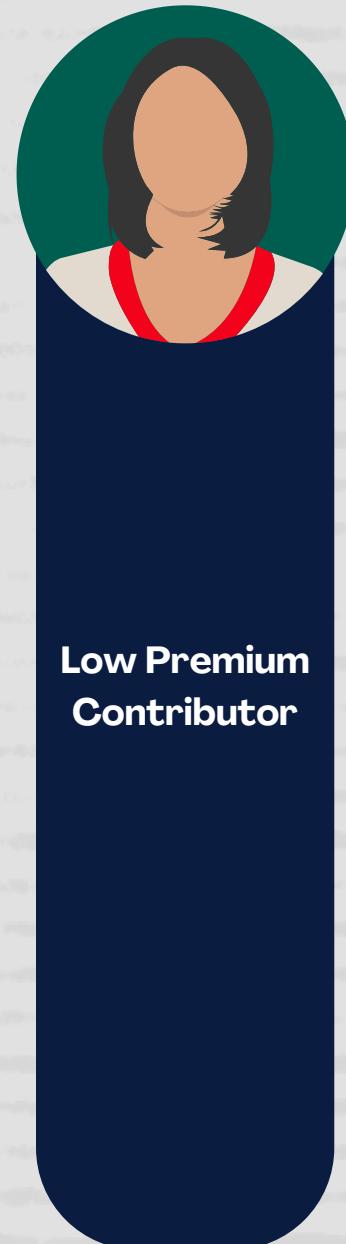
## CHURN-RELATED PATTERNS



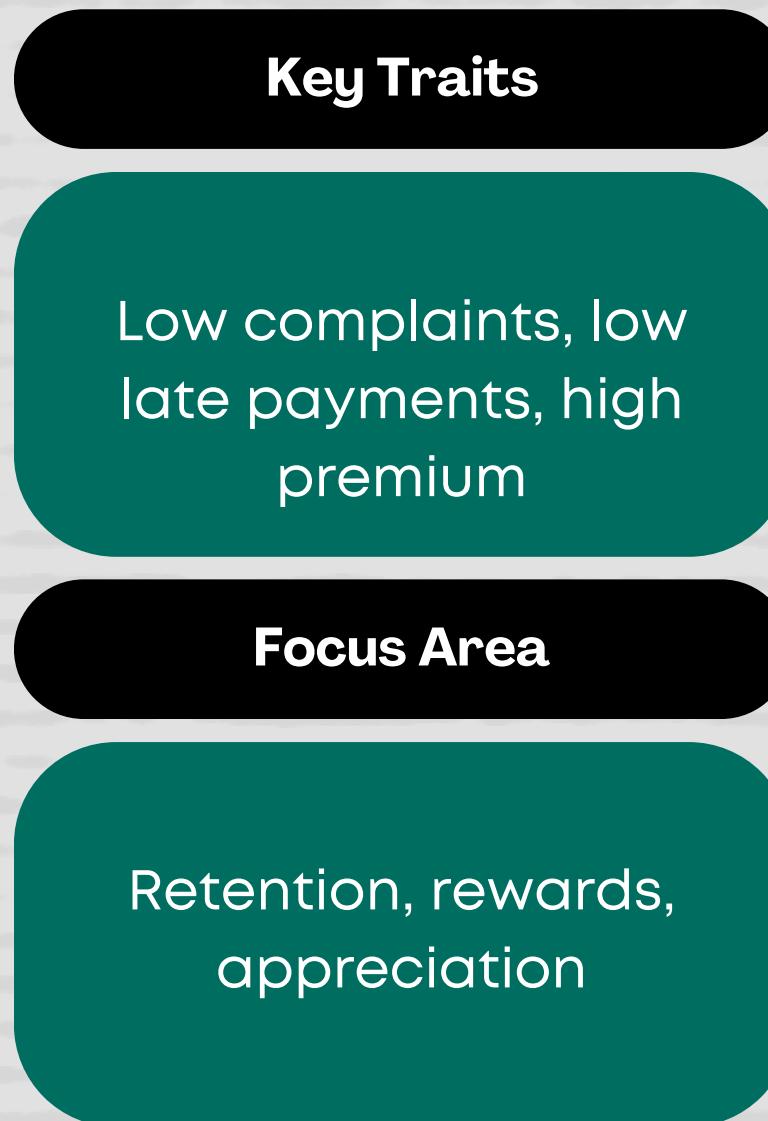
## For churned customers....

- It takes around **600 days** to leave the company
- An average of **120 days** to process a claim.
- An average of **6-7 complaints** to leave the company
- **185 days** in average to raise a first claim
- Feature usage around **0.15%** in average
- An average frequency of **3 late payments** and payments missed before leaving the company

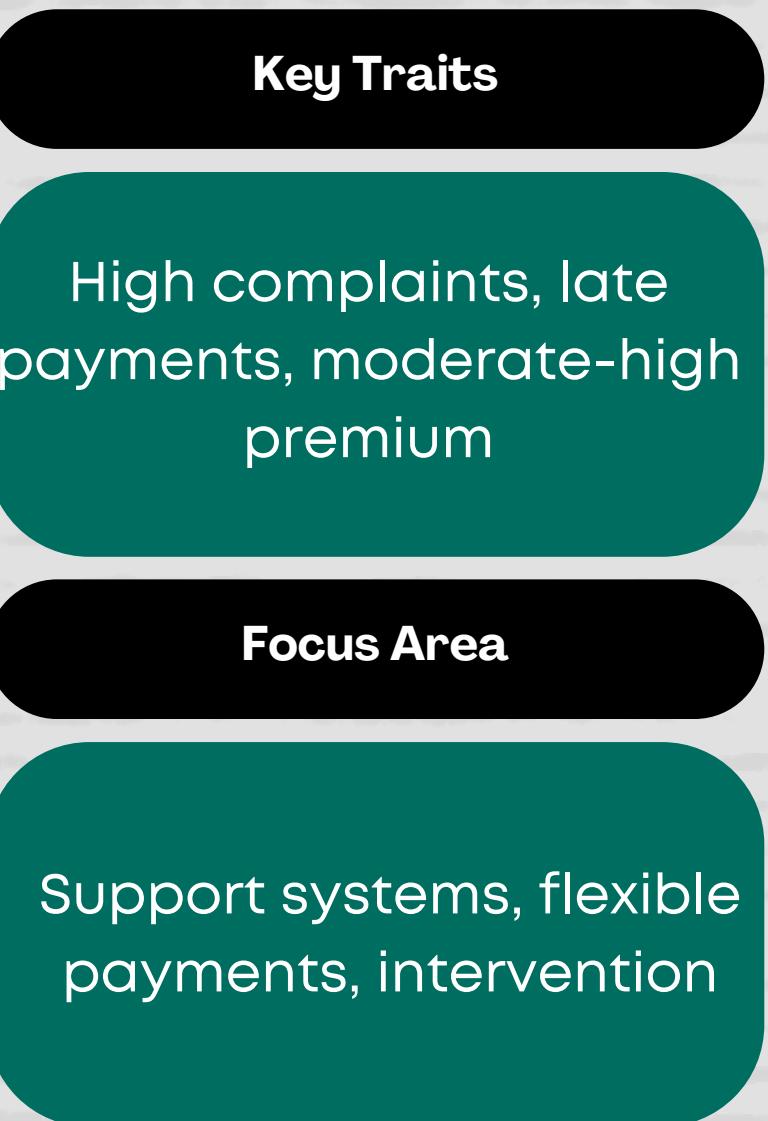
# CUSTOMER SEGMENTATION



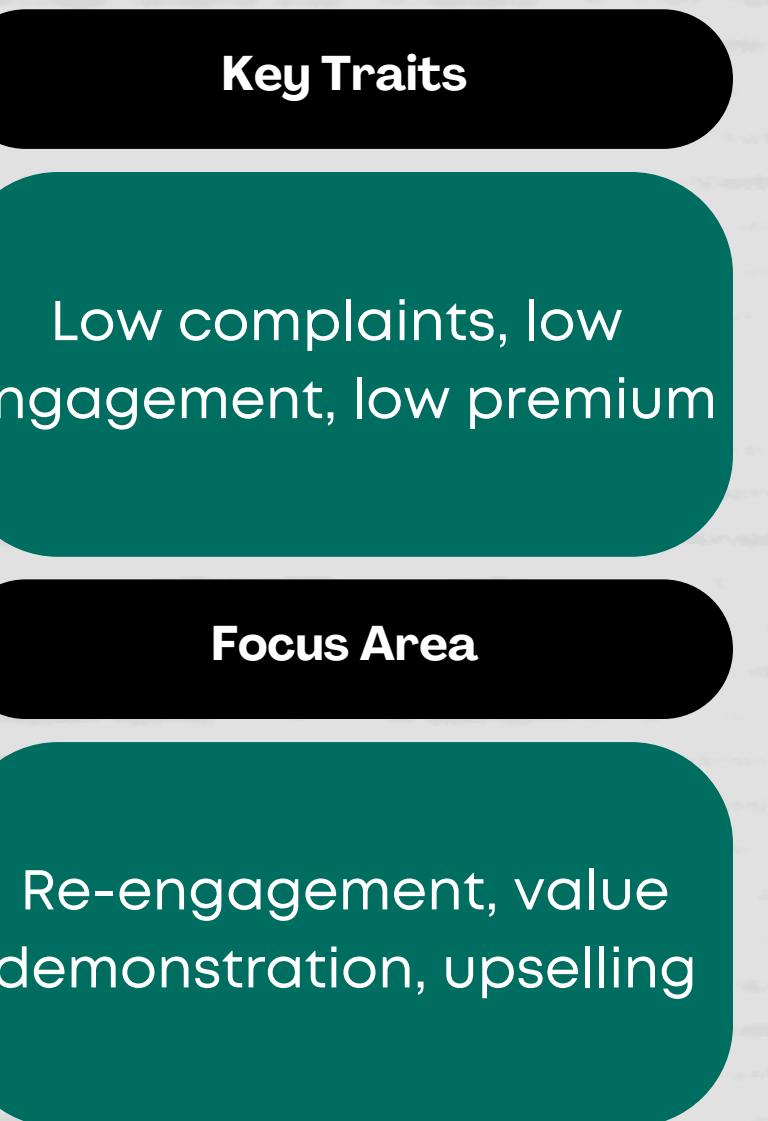
Low Premium Contributor



At-Risk Premium Payer

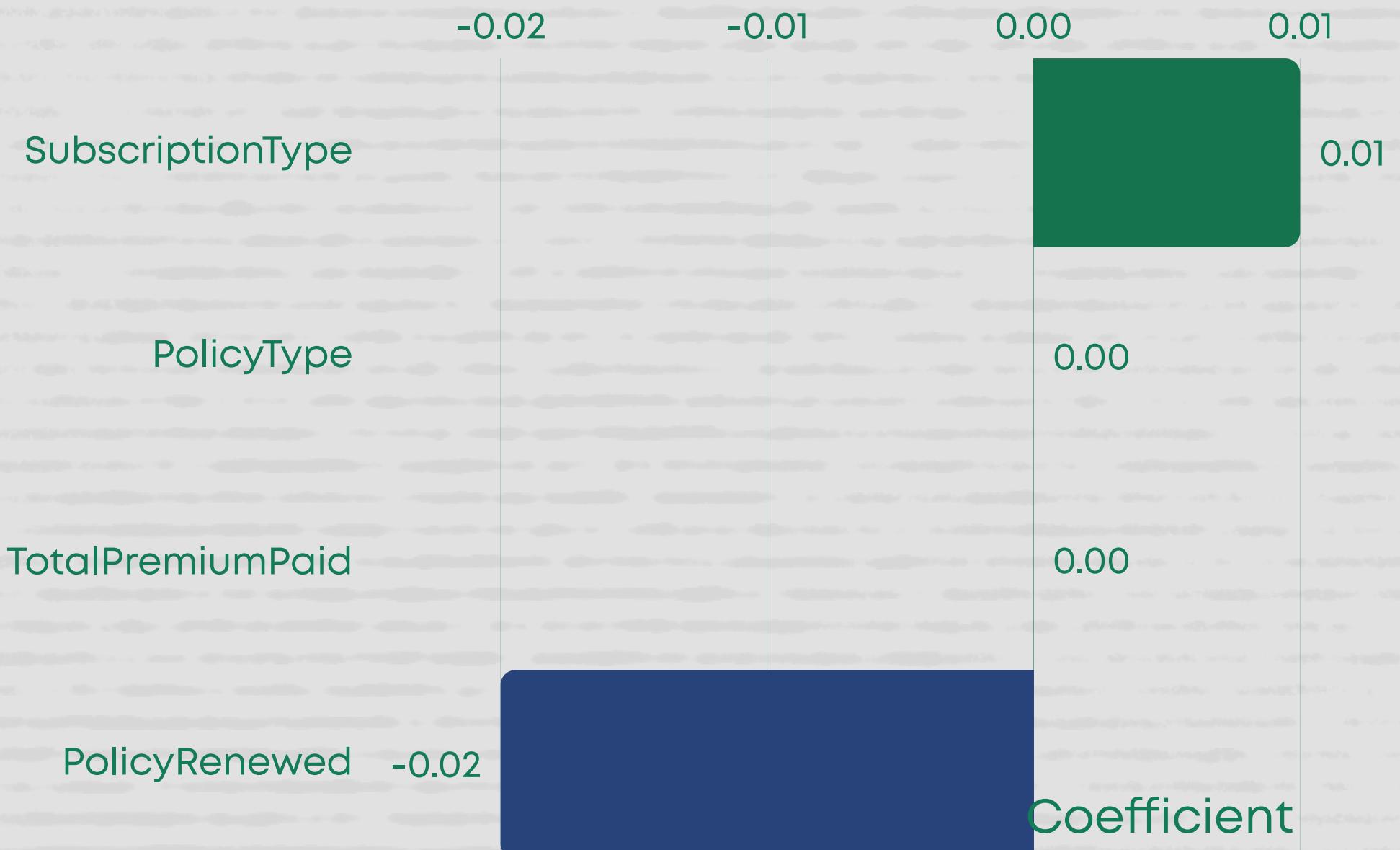


Silent Dissatisfied Customer



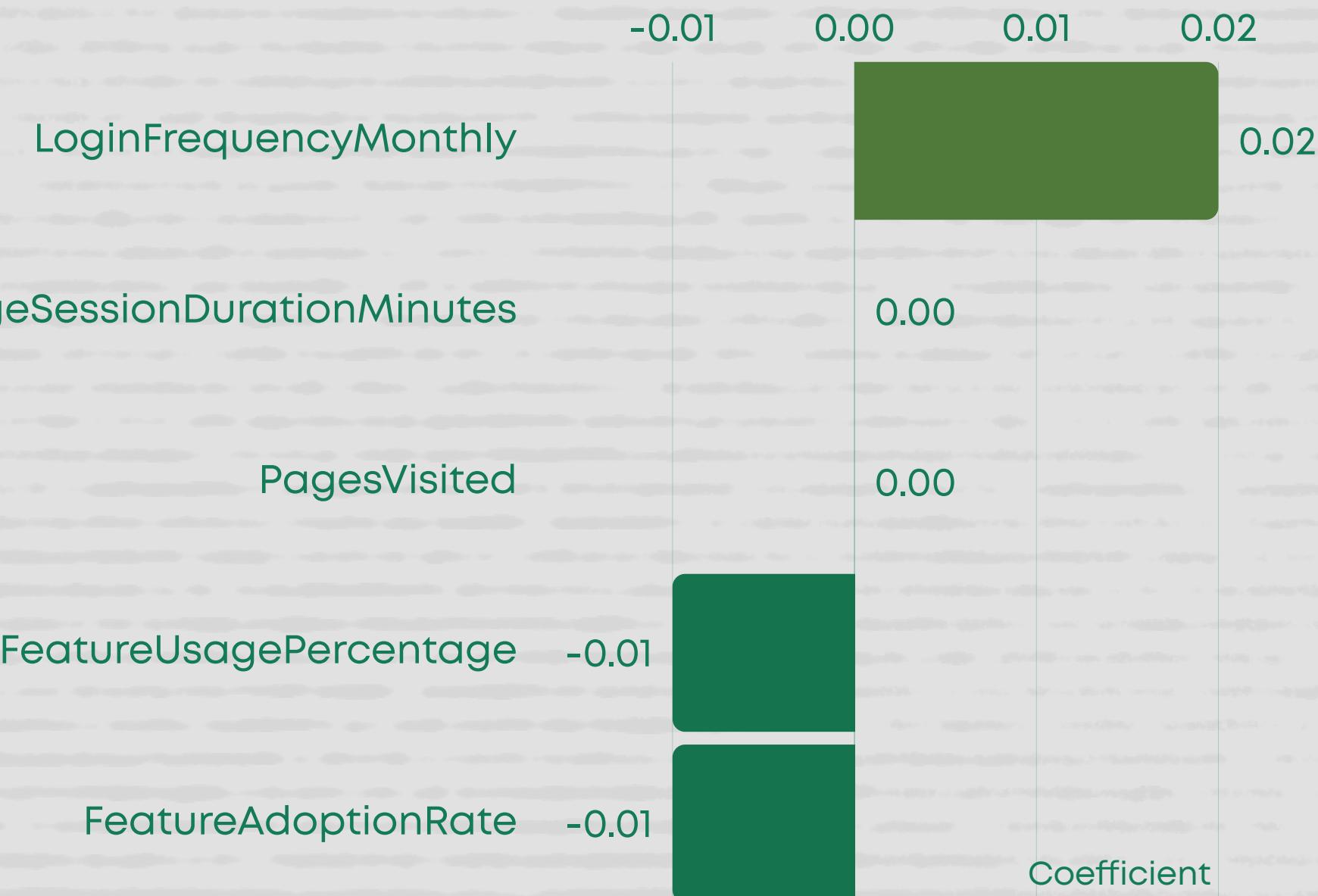
## POLICY INFORMATION

**Policy details overall do not play a major role in customer retention.**



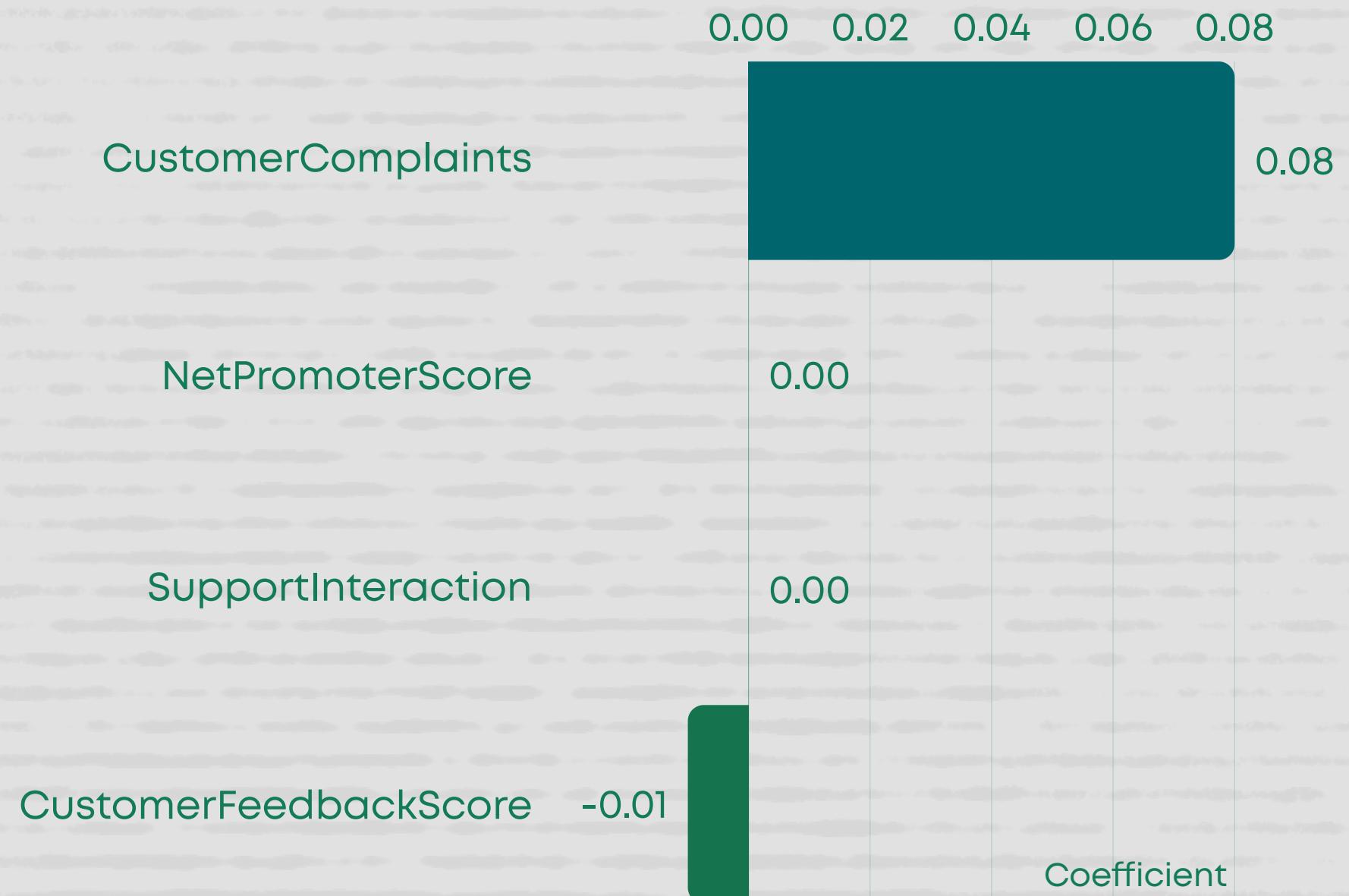
- Policy type and subscription type has a **very small positive effect** and **slightly increases** the churn.
- Policy renewals **slightly decrease** churn.
- Total premiums paid have a **negligible negative effect** on churn.

# Greater engagement reduces churn risk.



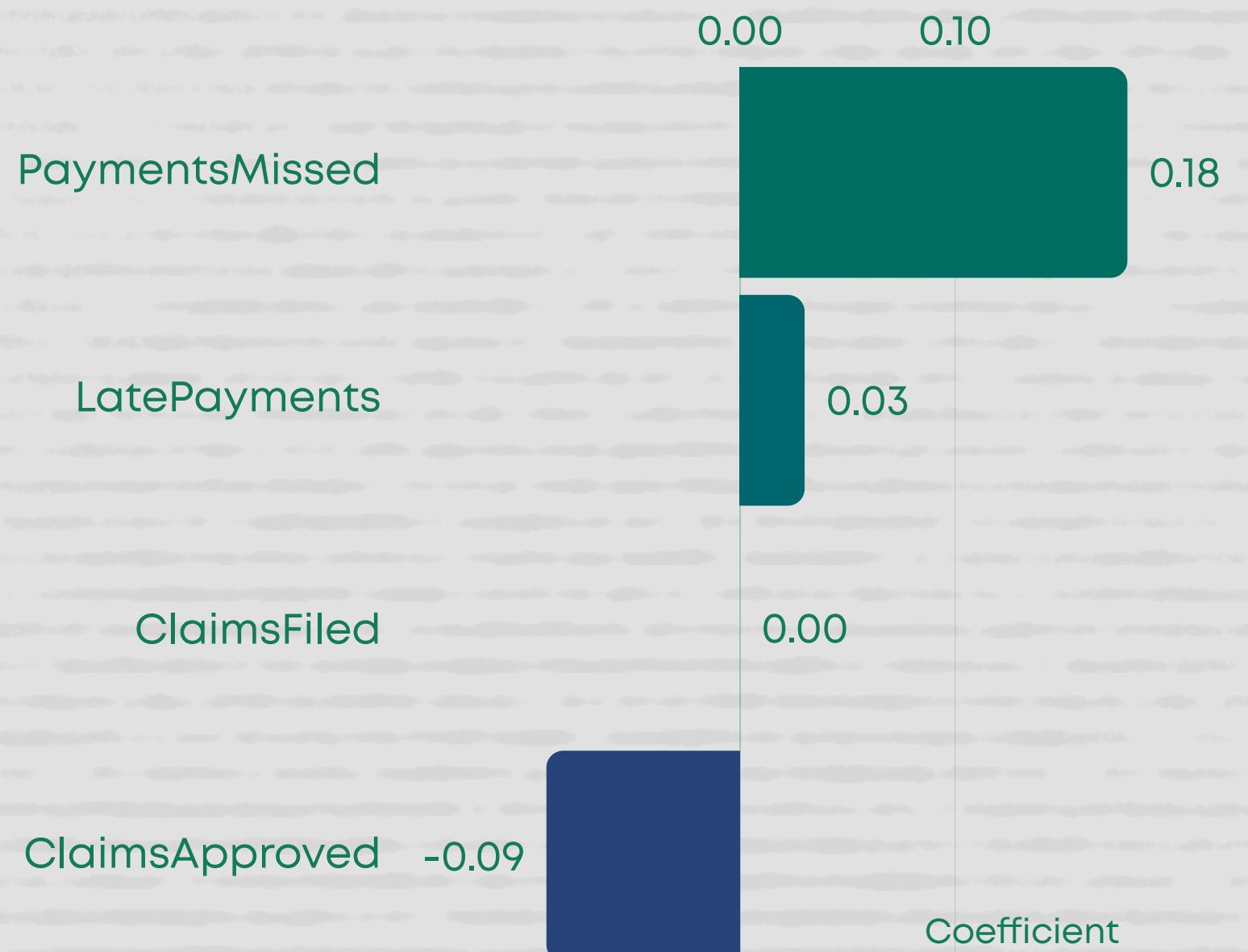
- Higher login frequency **increases** churn.
- Higher feature usage **reduces** churn.
- Longer session durations has a **small negative effect** and **slightly reduce** churn.
- More pages visited **slightly reduce** churn.
- Higher adoption rates **reduce** churn.

# Unresolved issues strongly impact customer retention.



- **Higher** feedback scores are associated with lower churn.
- Net promoter score has a **negligible effect** showing minimal effect.
- Number of complaints **increases** churn probability.
- **Increased** support needs may correlate with dissatisfaction.

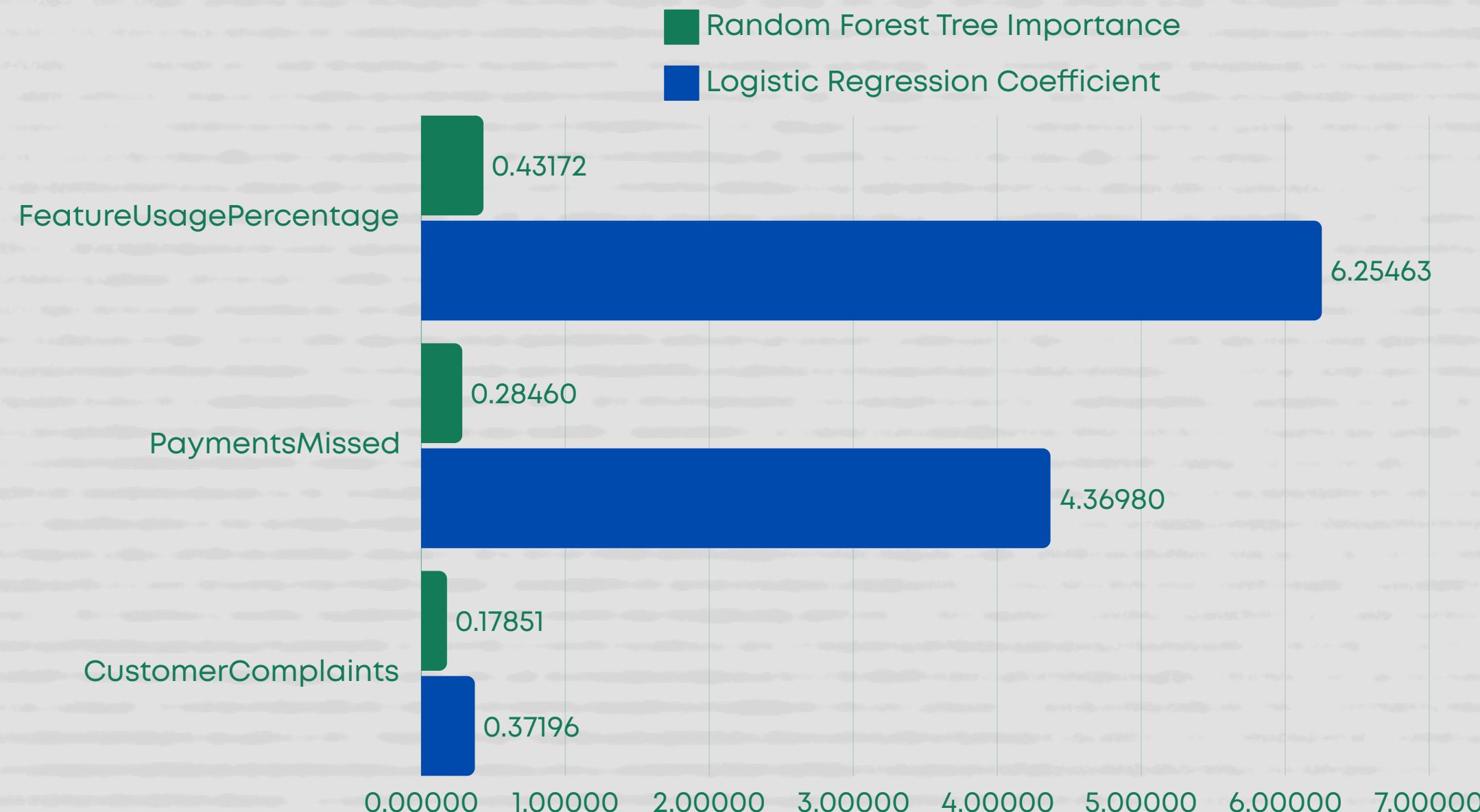
# Payment reliability and positive claims experience promotes loyalty.



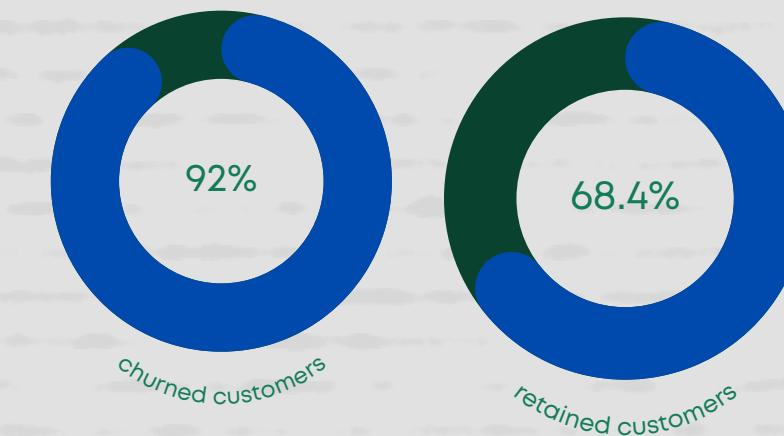
- Missed payments **increases** churn probability, making it the strongest predictor in this category.
- Late payments **contribute** to churn, though to a lesser extent than missed payments.
- Claims filed **slightly increases** churn .
- Claims approved **improves** customer retention.

## MAIN DRIVERS OF CHURN

Highlights the importance of engagement, reliable payments, and proactive interventions



### Feature Usage Percentage



### Missed Payments



100% of churned customers missed payments,  
with an average of 3 missed payments

### Customer Complaints

**7,486**

## Customer Re-Engagement 1

GOLD  
1600 - 2399

= 10%

SILVER  
800 - 1599

= 5%

BRONZE  
0 - 799

= 3%

## Refer-a-friend scheme



### Refer friends. Get rewards

Invite your friends and unlock exclusive rewards! Earn benefits and progress towards your next loyalty tier with our brand-new customer loyalty program.

## Loyalty status plan

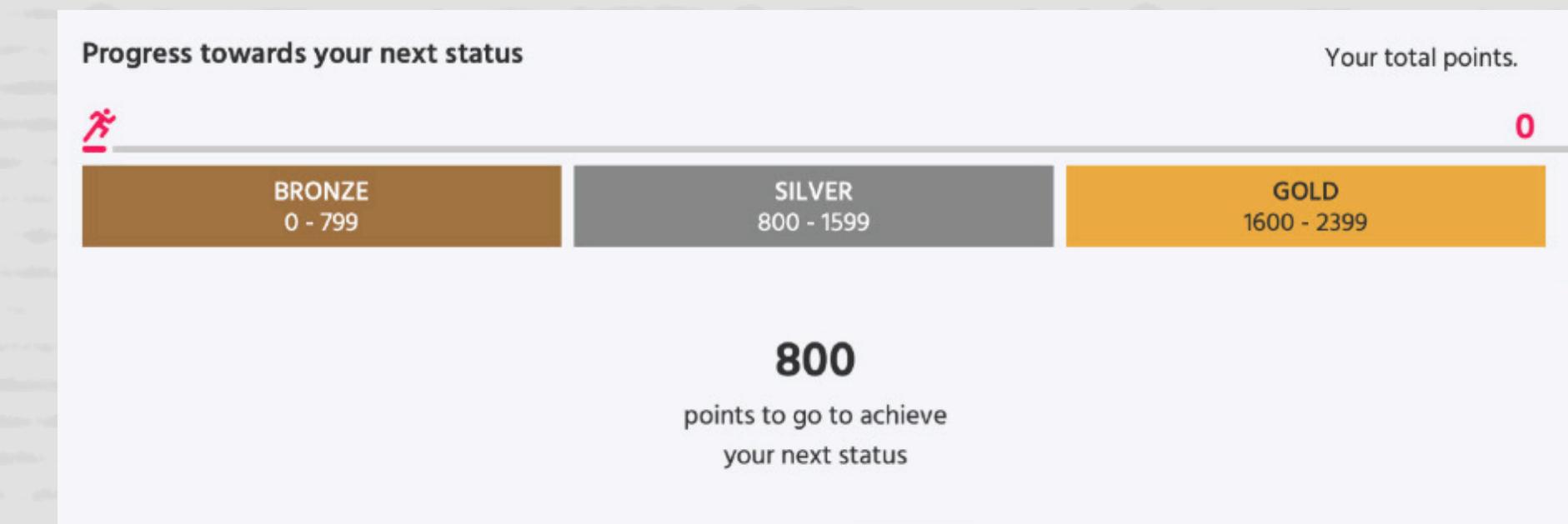
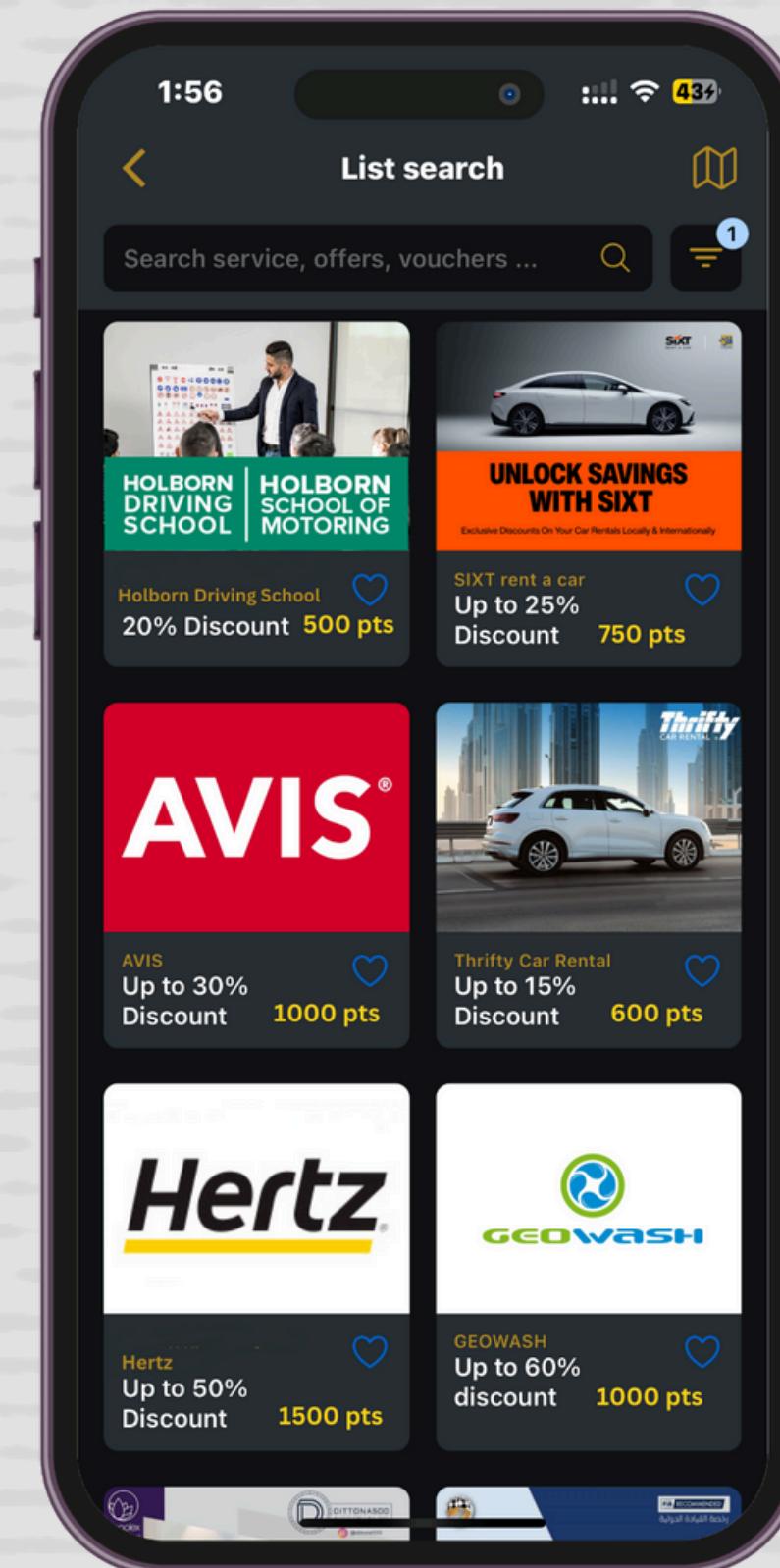
### Reduction in Monthly Cost

carē  
HEALTH INSURANCE

Month	Regular	Bronze	Silver	Gold
January	53.0	51.4	50.4	47.7
July	371.0	359.9	352.5	333.9
December	636.0	616.9	604.2	572.4

## Customer Re-Engagement 1

# Offers & Vouchers



# AI Chatbot integration



At-Risk  
Premium Payer

### Key Traits

High complaints, late payments, moderate-high premium

### Focus Area

Support systems, flexible payments, intervention

- Personalized Interaction
- 24/7 Availability
- Guided Re-Engagement
- Data Collection and Insights

landbot  
Start the conversation

Hi Mateo, welcome back! I noticed your policy has lapsed. Let me help you reinstate it quickly and claim your special loyalty rewards.

CHOOSE AN OPTION

Show me my rewards.

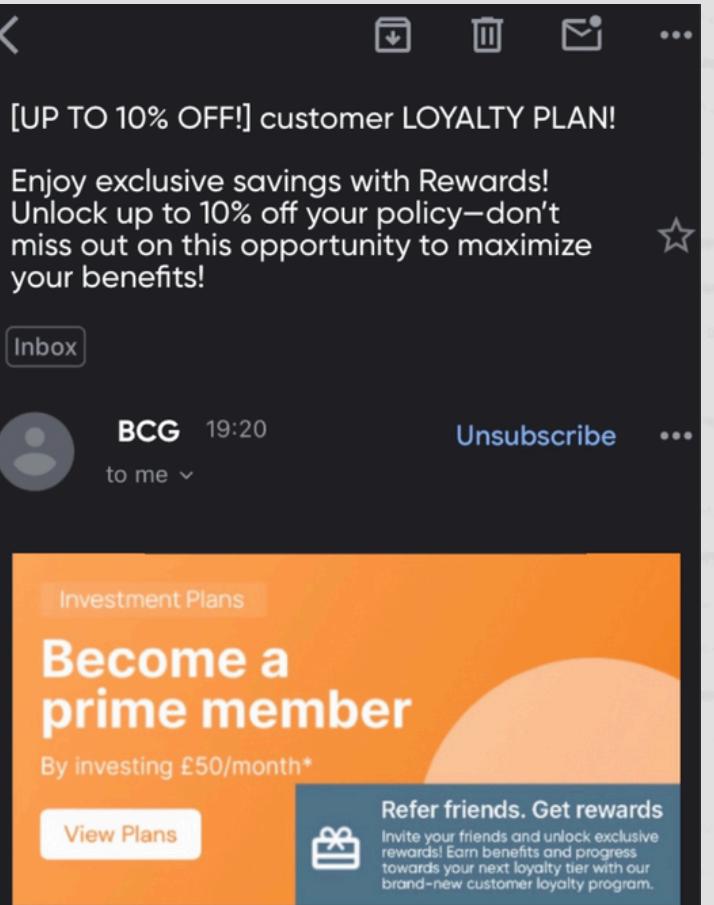
Renew my policy.

## Recommendation

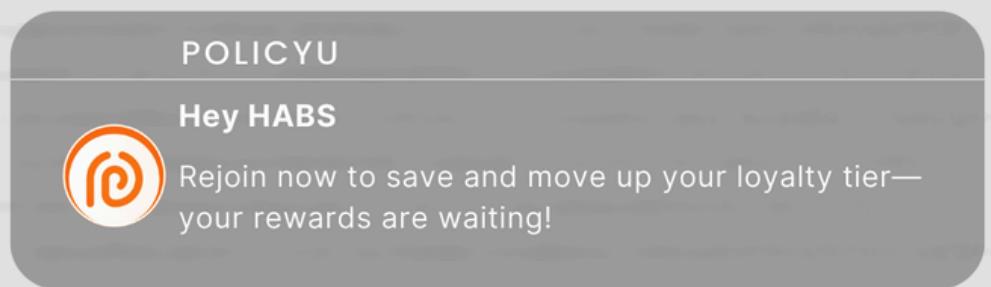
# Comparison of target communication channels

Approach	Personalise	Immediate Engagement	Highlight Benefits	Track Progress
Email Campaign	✓		✓	
Push Notification	✓		✓	✓
In App Personalization	✓	✓	✓	✓

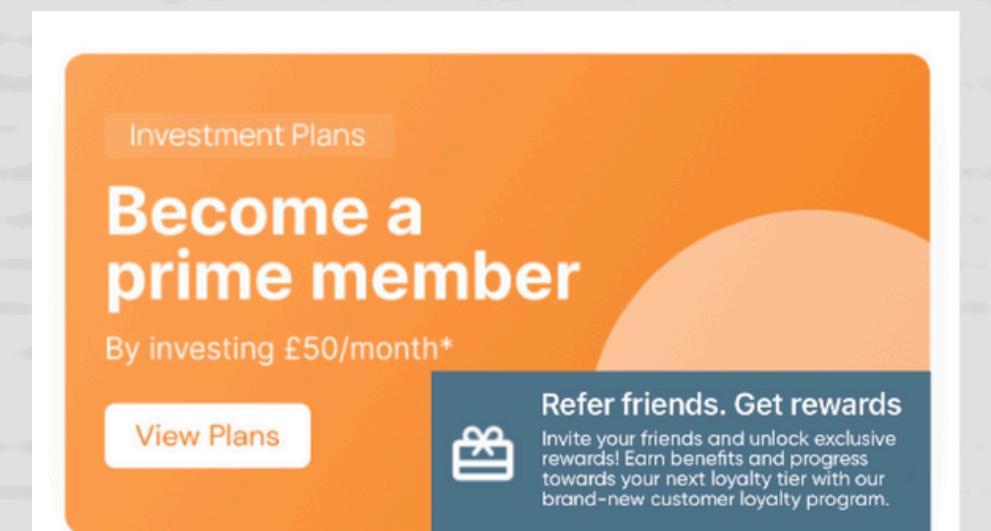
## Email



## Notification

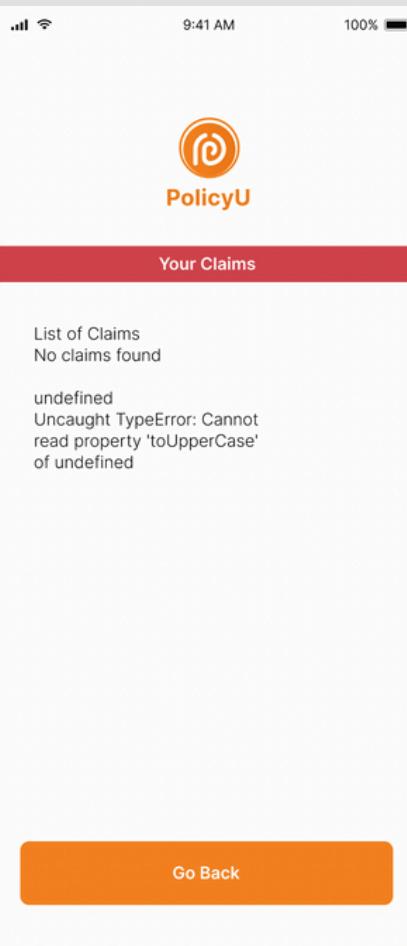
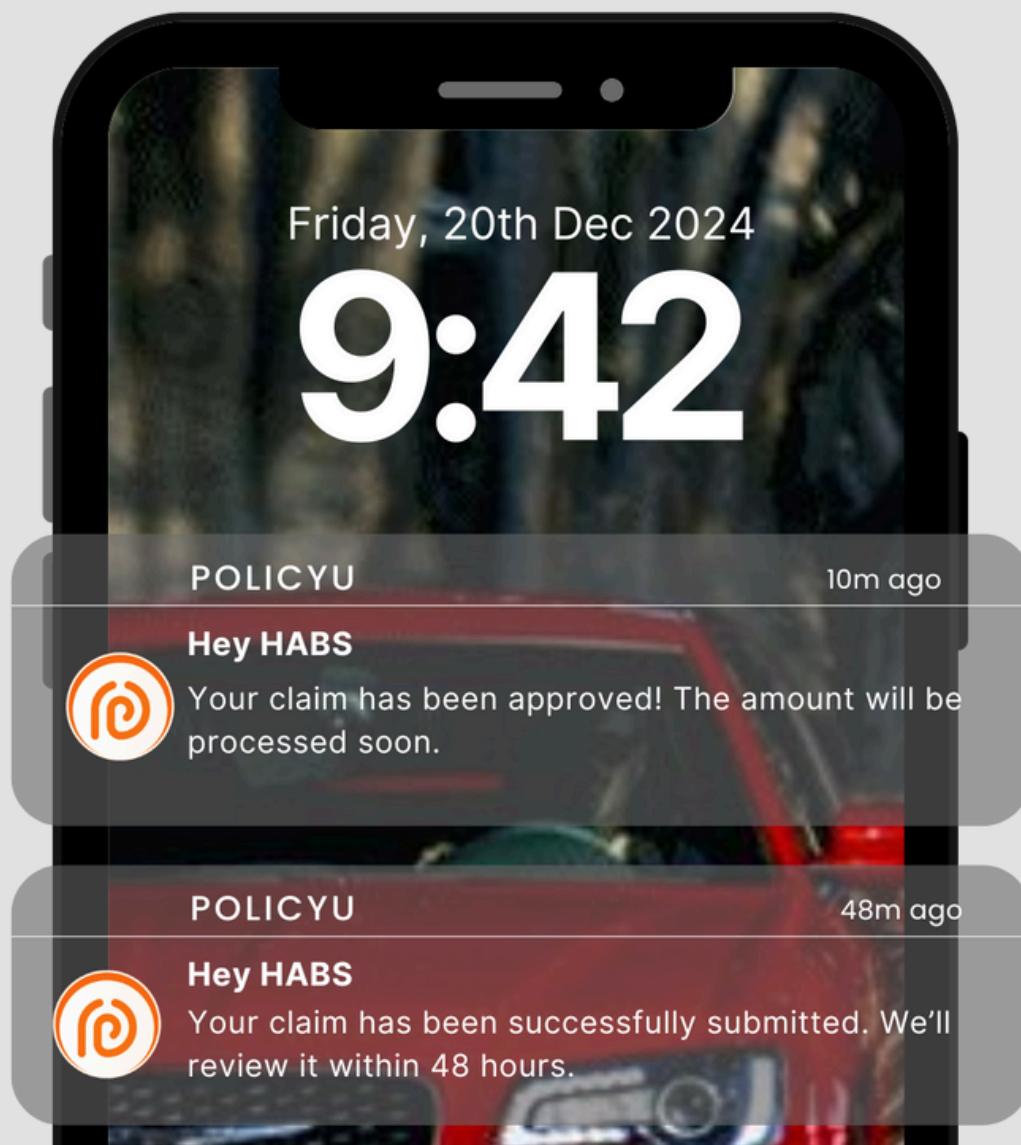


## In App



# Claim Status Updates

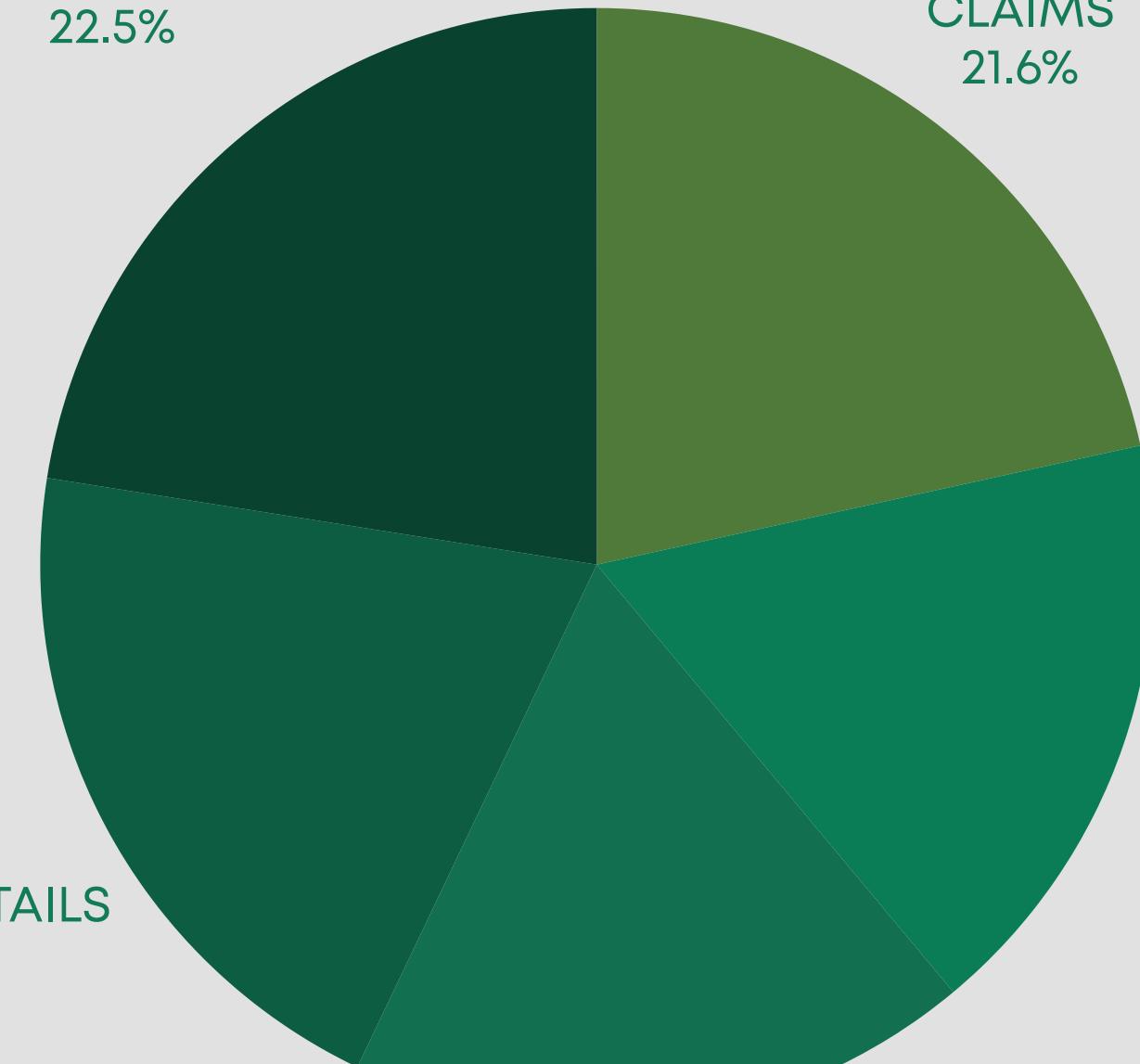
- Real-Time Claims Tracking:
- CX Enhancements
- Notification System for Claims



# Most Visited Page

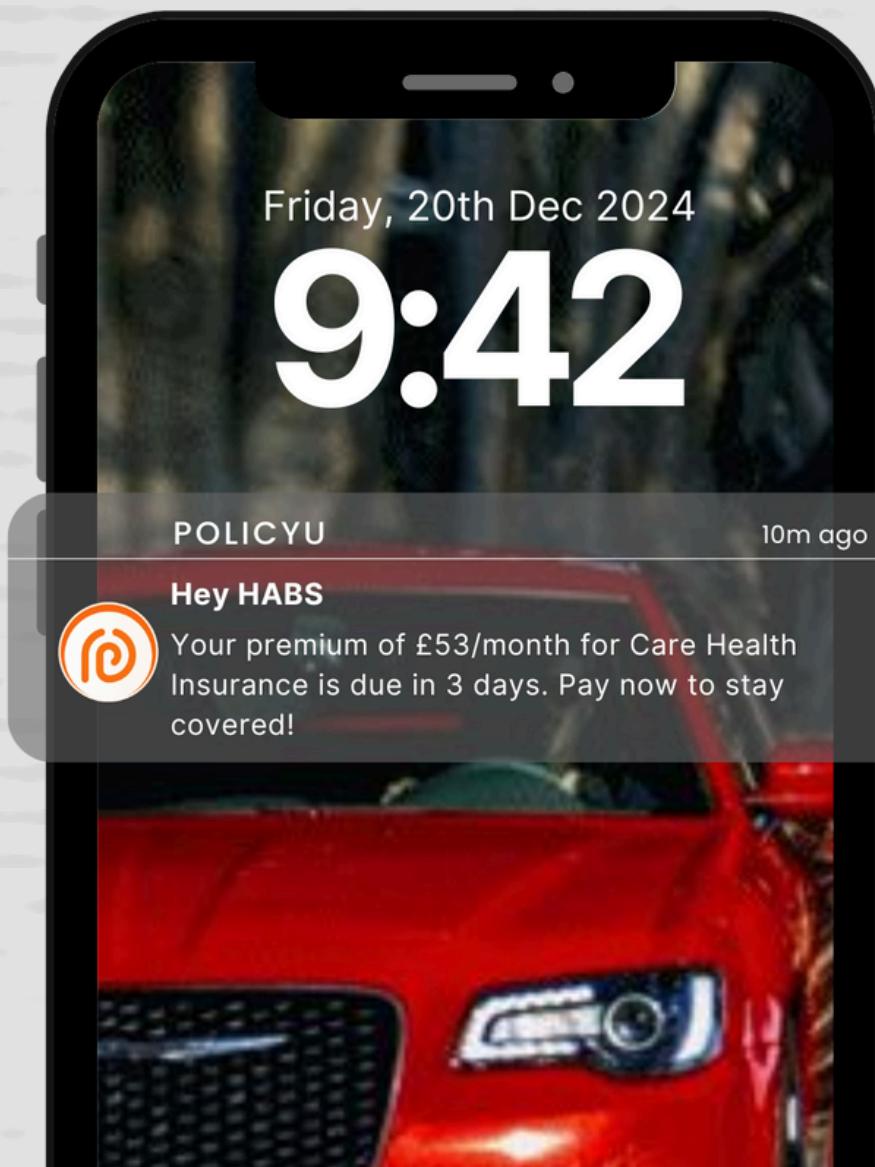
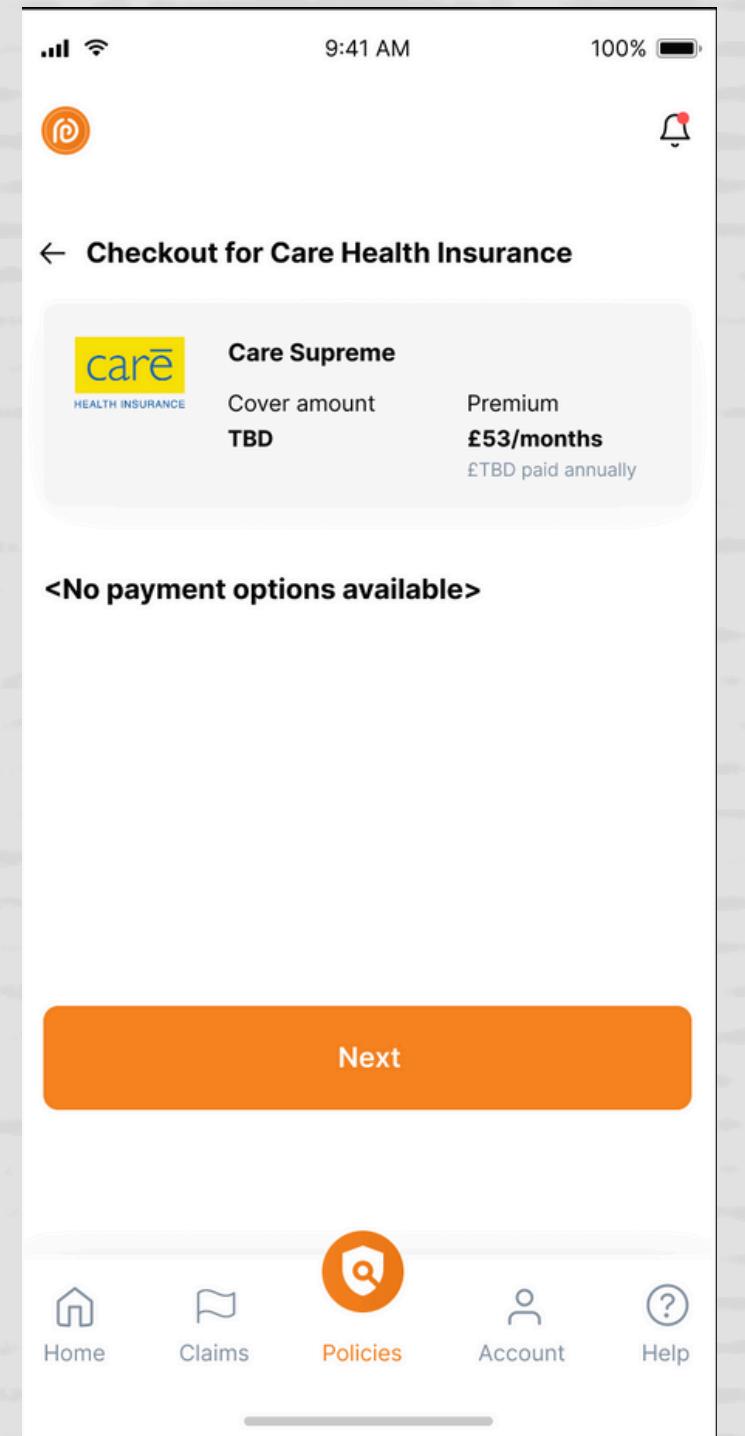
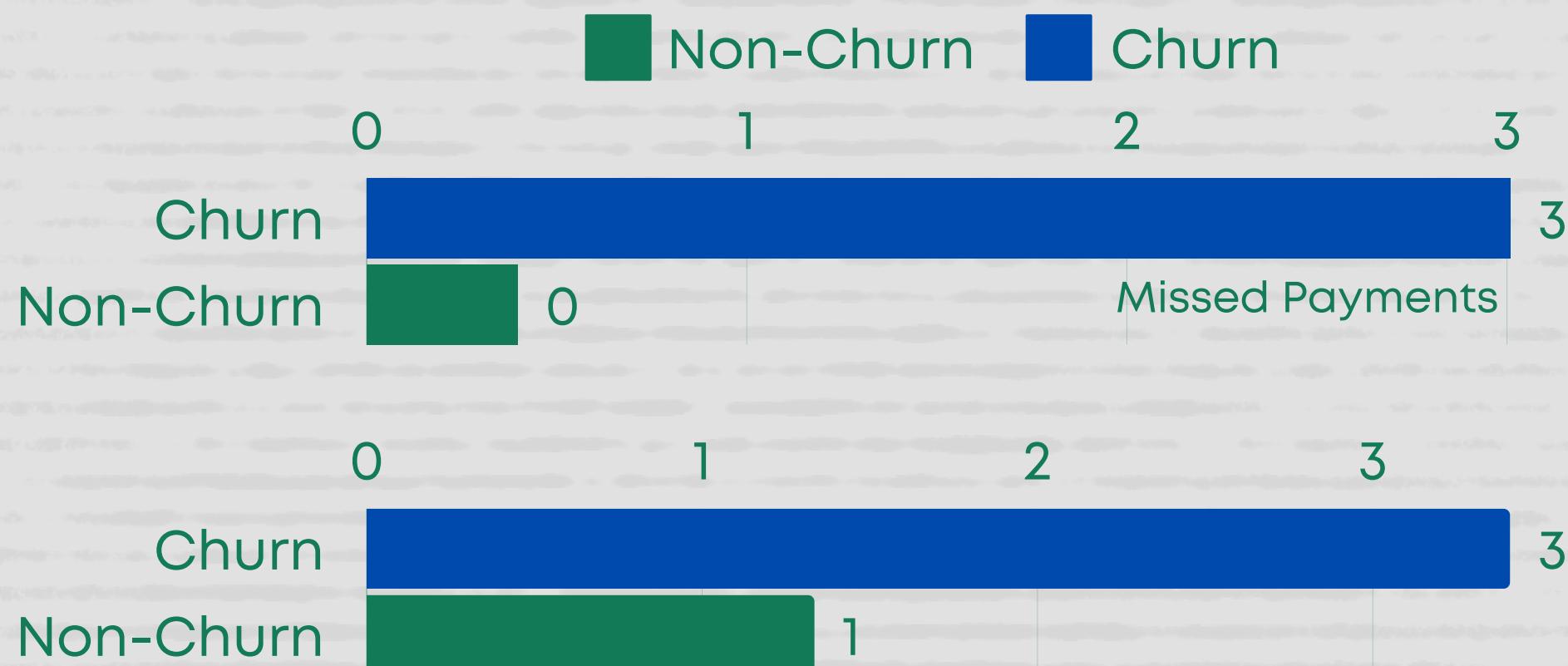
## POLICY OVERVIEW

22.5%



## Reduces Late and Missed Payments

- Automated Payment Reminders
- Payment Flexibility Enhancements
- In-App Payment Dashboard





BCG



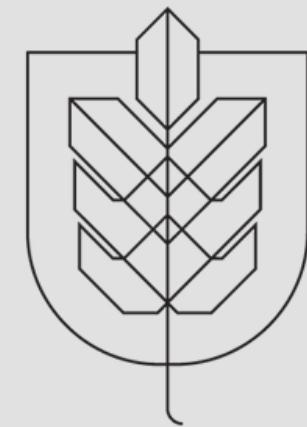
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# Churn Analysis and Strategy Development in the Insurance Sector

BUSINESS CHALLENGE

MBAN TEAM 5

**BCG** X



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