

# unlock value profitable growth deep experience

We work with insurers to find opportunities that deliver profitable growth while protecting and optimising their enterprise.

Drawing on our deep insurance experience and ..... a new, whole brain analytics approach, we'll help you unlock new areas of value.

innovation

insight vhole brain analytics



# Trends, implications and opportunities

trends

The proliferation of data, technology advances and innovation in analytics create opportunities to take advantage in a changing world

natural disaster volatility opaque view on risk and concentration

intensifying global regulation stakeholders demand more information in real time

decreasing face to face interaction yet customers demand a more personal experience

data proliferation accessing and synthesising massive data volumes requires a new approach

#### opportunities

sensors across the planet capture data to create early warning systems

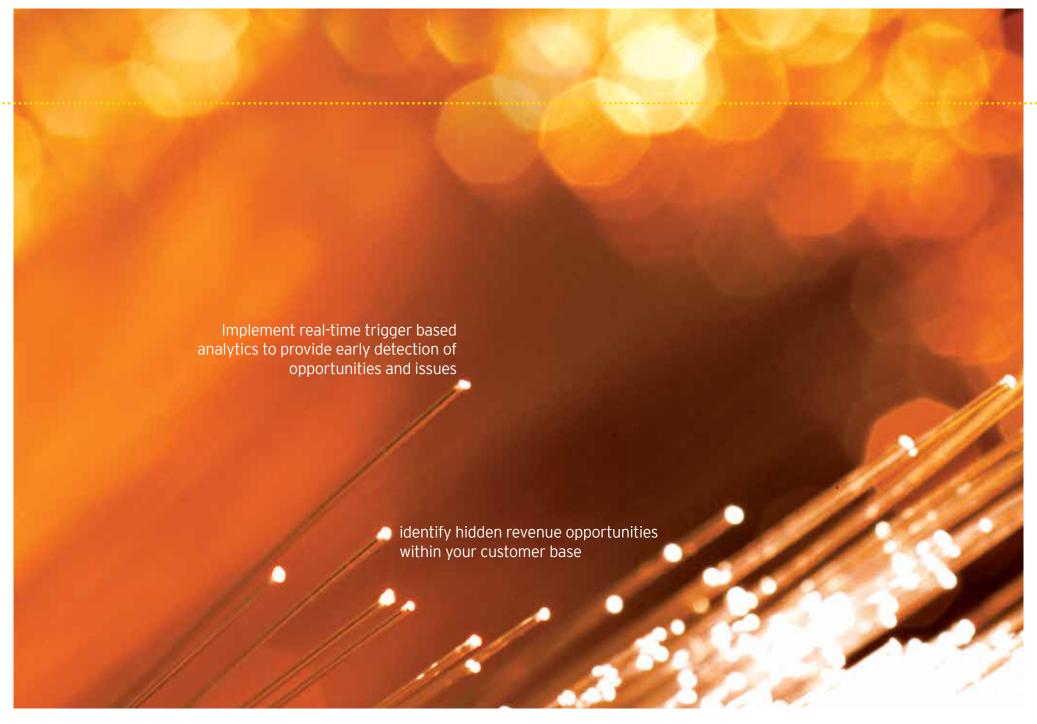
real time analytics automates compliance reporting to meet stakeholder needs

leverage human digital records to tailor services to a customer's situation, behaviours, preferences and risk profile

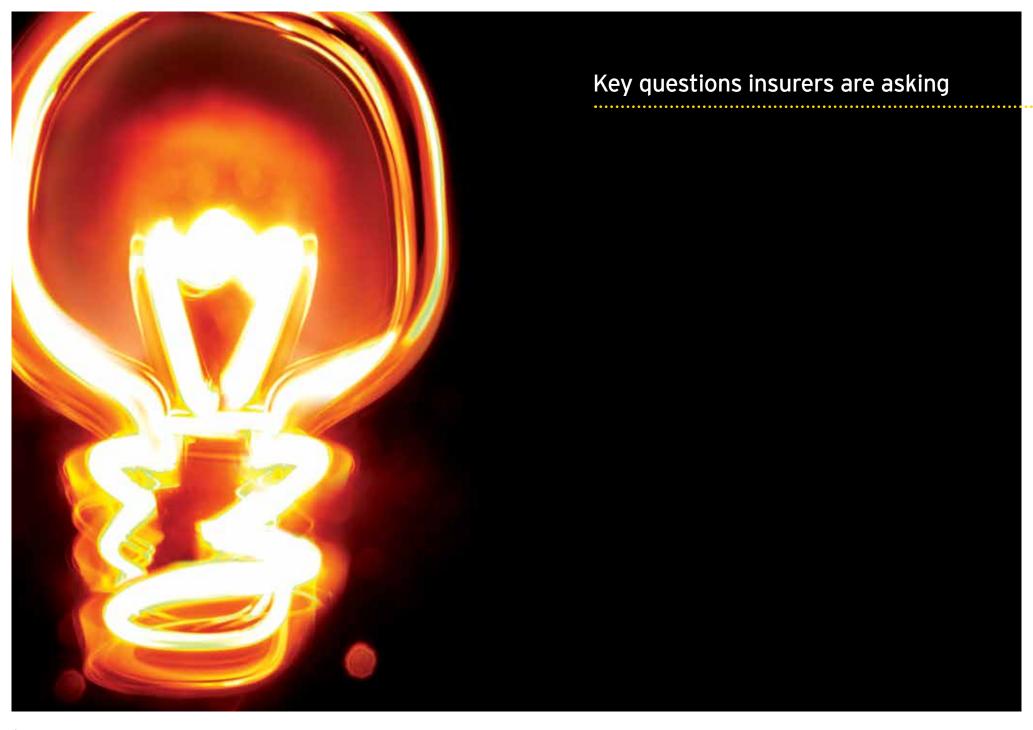
use advanced analytics modelling methods and tools to leverage useful internal and external data

## Personal data is becoming a new economic 'asset class', a valuable resource for the 21st century.

Norld Economic Forum, 2012







What more can our own data tell us?

2 ····· What else could we learn if we added external data to our models?

3 ..... How can we build the power of analytics into day-to-day decision-making?

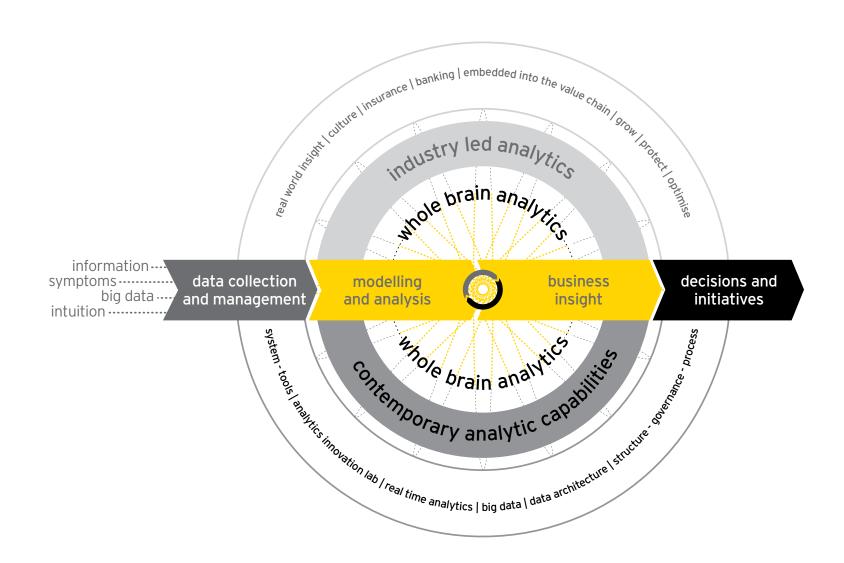
There is a formula for success

Three things are required to succeed

Whole brain analytics an advanced analytics method

Industry led analyticsintegrated into the business value chain

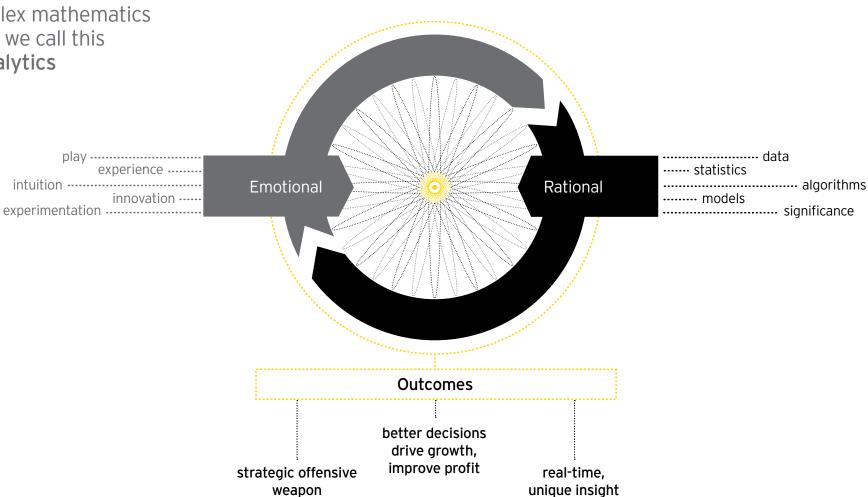
Contemporary analytic capabilities the right skills, information architecture and tools

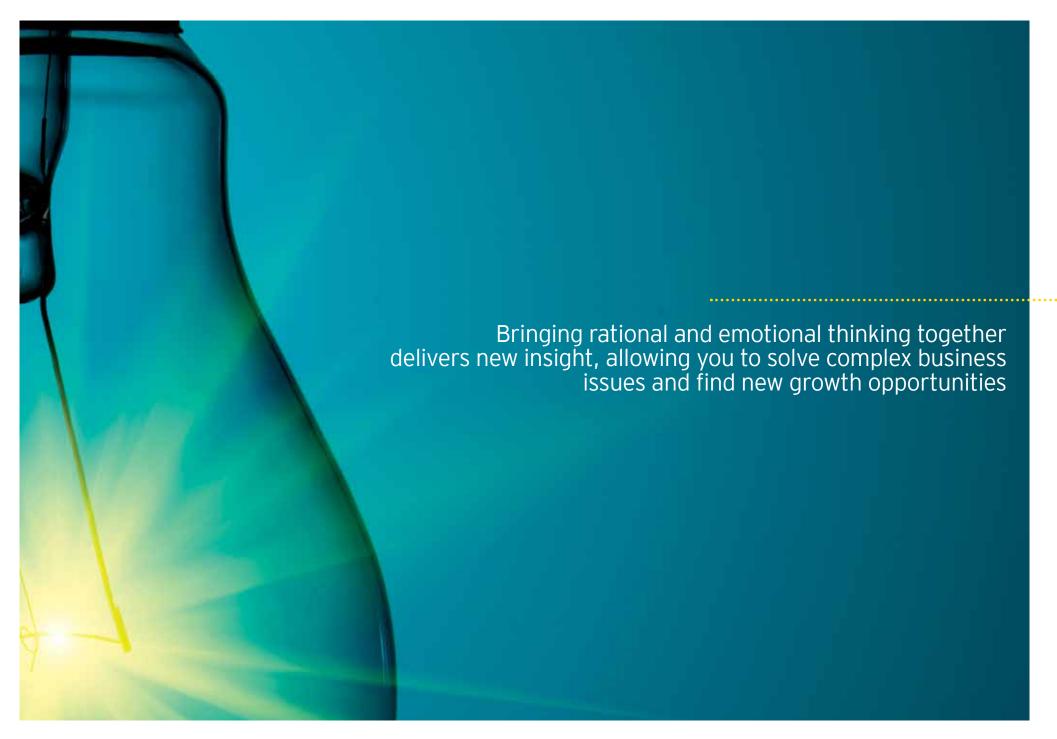


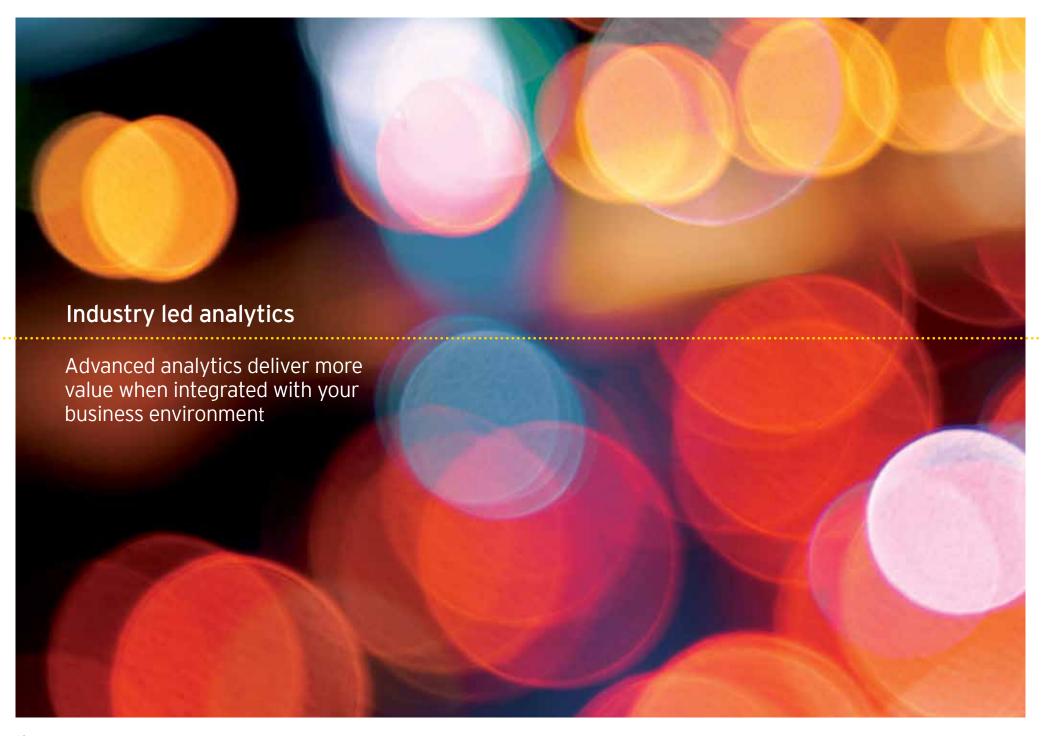
An effective combination of these capabilities accelerates innovation and delivery of business value

## Whole brain analytics

To generate business value, you need a method that combines complex mathematics and creativity – we call this whole brain analytics

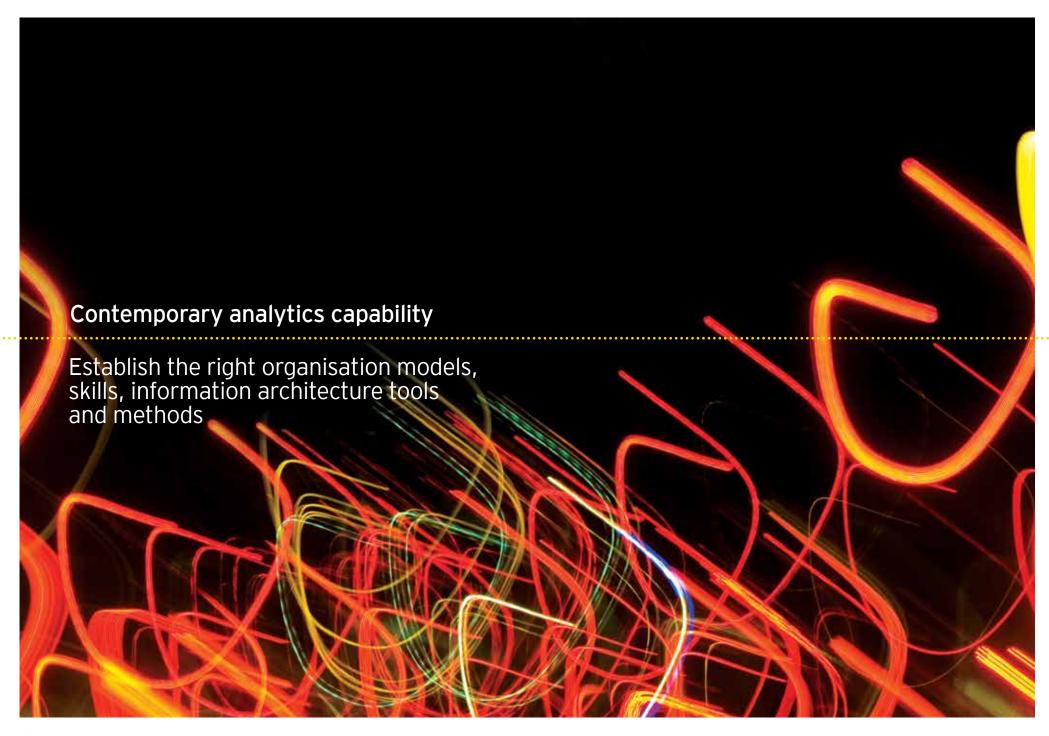


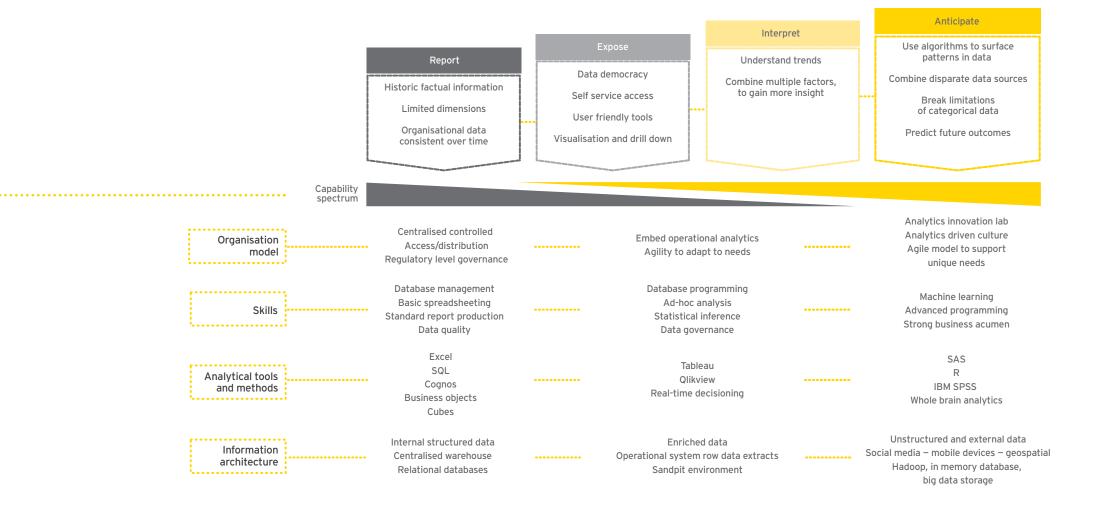




Grow .	Segmentation and acquisition Digital and social media Behavioural risk quantification	Propensity/cross sell Bundling Risk based pricing	Customer experience Distribution strategy, optimisation and economics Intelligent lead generation for cross sell and upsell	Retention and loyalty programs	
<b>\(\dot\)</b>	Research/strategy	- Product	Distribution	Servicing	
Protect and optimise	Risk concentration Stress testing Liabilities valuation Capital adequacy Scenario analysis Workforce planning	Capital optimisation, product profitability and portfolio performance Risk indicators and reporting Reinsurance strategy Expense value analysis Retention	Fraud Risk culture assessment Quality of advice Adviser productivity	Claims optimisation, leakage and predictive modelling Operational leakage and remediation Cost to serve Demand forecasting and supply modelling	

This approach informs decision-making with practical, deep insight in real-time across the insurance value chain





#### Seven actions for success

1	• Make a	commitment
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Commit to an inquisitive, information driven, culture

## 2 ······ Assess maturity

Assess analytics maturity against your current and future needs

### 3 ····· Define your approach

Establish a clear operating and governance model

## 4 ..... Map your opportunities

Develop an analytics opportunity map that identifies and prioritises analytics led initiatives based on business value

## 5 ······ Prove the concept

Start with a targeted scope and deliver value early

## 6 ······ Analytics innovation lab

Establish an analytics innovation lab as a way to do rapid experimentation and drive business innovation

## 7 ..... Build for the future

Build a scale-able road map to meet future needs of the business



examples

#### Situation

The life insurance division of a leading Australian bank had high lapse rates eating into its profit margins.

#### Solution

We used analytics to diagnose actual patterns, developed short term tactical remediation initiatives and designed high level retention strategies.

business outcomes

More than 7% increase in NPAT over the first 6 months.

Potential of a further 2% reduction in lapse rates over the long term.

#### Situation

A global insurance and re-insurance client had increasing claims costs, year on year.

#### Solution

We undertook an extensive analytical review of the clients' private motor vehicle portfolio, leading to a current state assessment of overall claims costs against industry benchmarks and an improved data management framework.

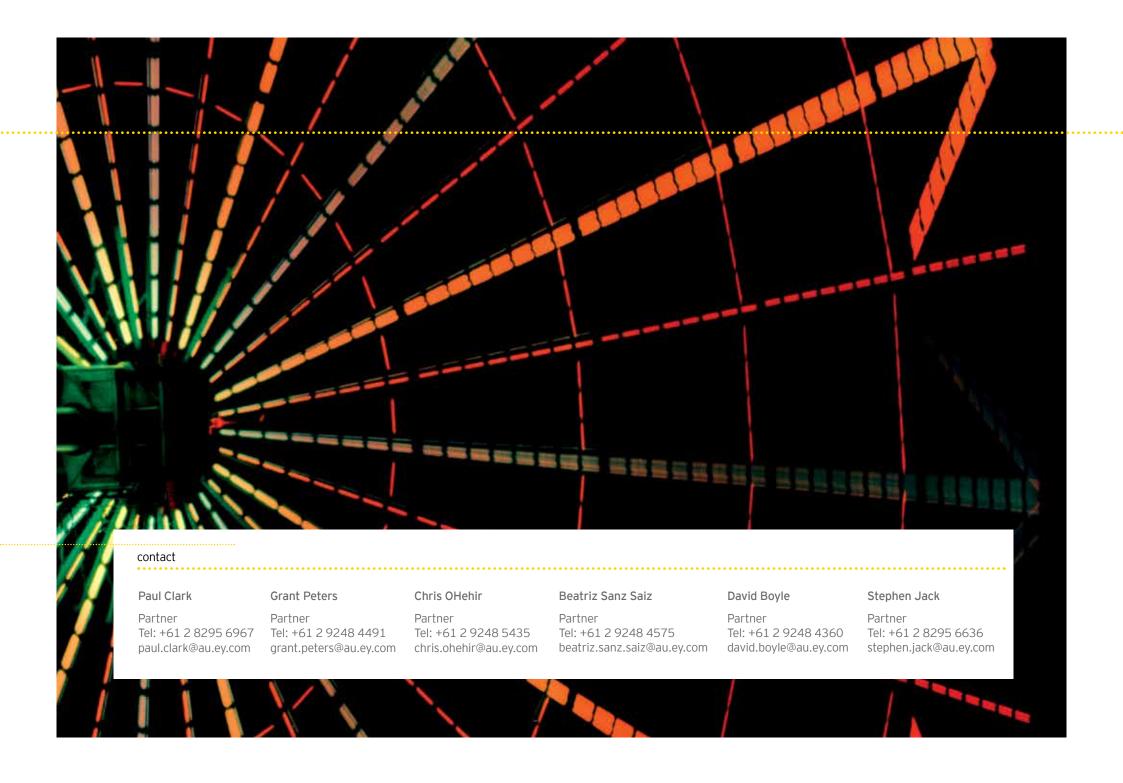
business outcomes

Savings of claims costs in the millions of dollars.

Improved overall operating efficiency.







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