



**Actuaries
Institute**

Accessing Hidden Value Through Customer Insights

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Swiss Re

Inforce value levers



The value in retaining customers

Why this is a priority?



Customer acquisition cost is 7 times more than servicing costs. A 1% improvement in actual lapse rate is roughly a 5% increase in embedded value/profit



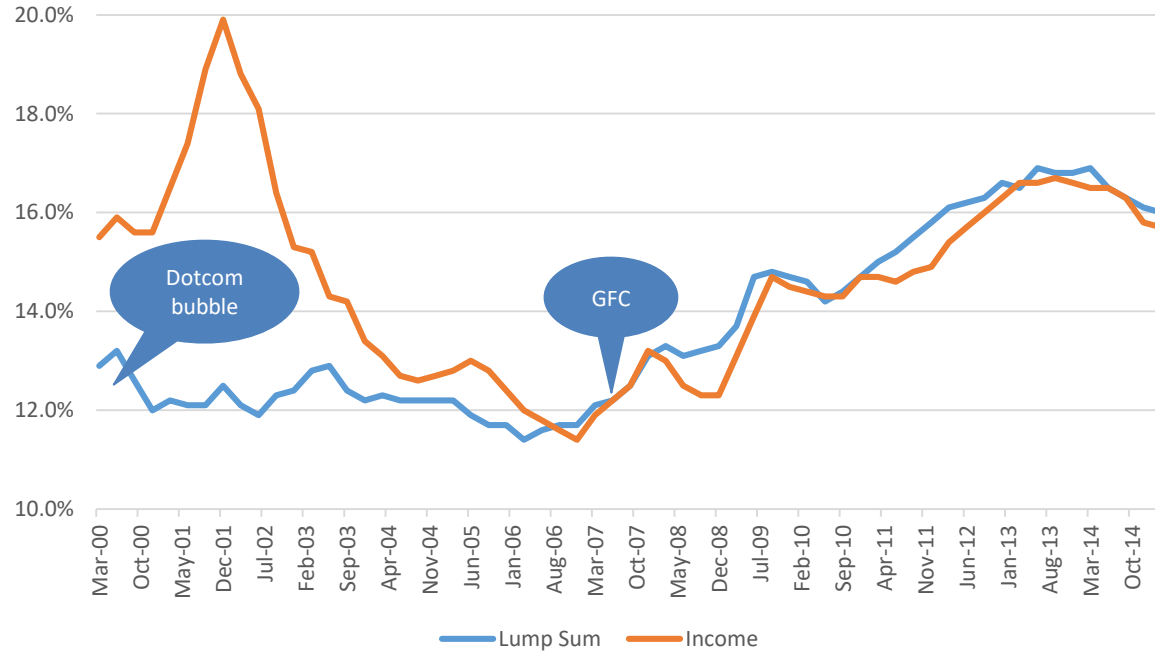
Deepens client relationships for upsell- cross sell to drive further growth



Keeps people insured, making society more resilient and helping to close the protection gap



Retail life discontinuances



Source: Plan for Life

What's holding us back?



Customer wants to leave, it's intrusive to stop them



Customer made an informed and rational decision to cancel



Lapses are within the assumptions.....it's not a problem



The adviser owns the customer, not us



Higher lapses aren't all bad, we can release reserves!

Data insights for customer experience

We know **facts** about the experience.....



Net promoter scores



Products per customer



Take up rates



Customer survey data



Length of call



Service process times



Lapse rates

.....but we don't understand **WHY**



In order to improve the experience, we must understand the **WHY** behind the **WHAT**

Seek holistic human insights

Capture empathy data



Observe
customers



Listen to
customers



Targeted
interviews



Customer
journey
maps



Ethnography



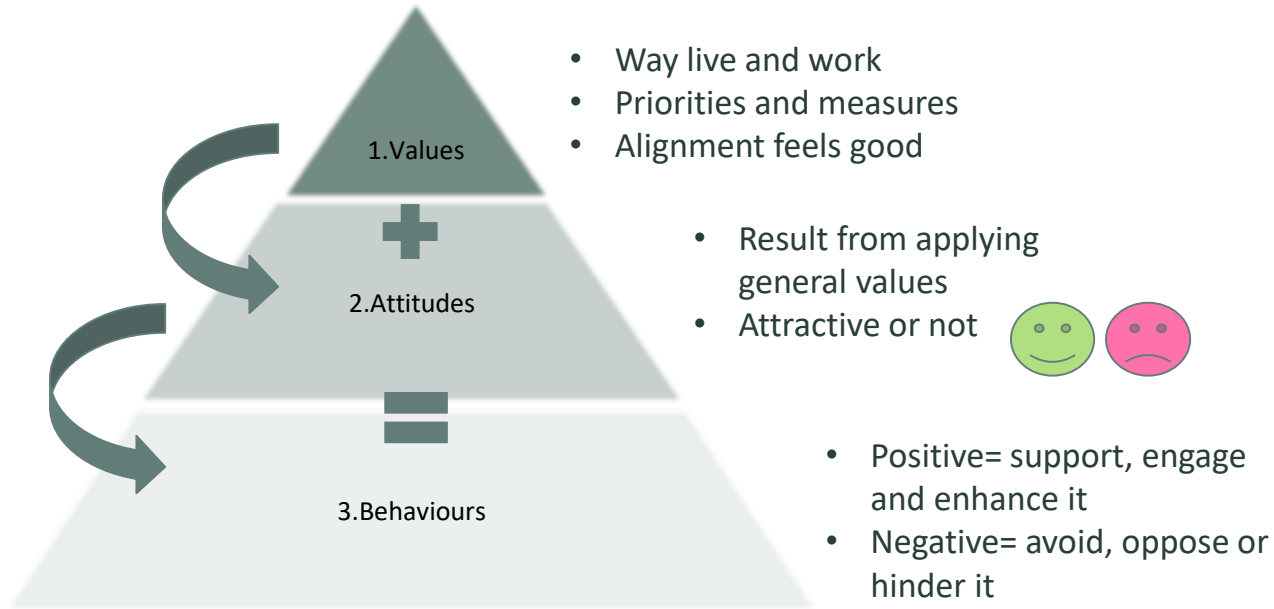
UX
research



Design
thinking

Gain qualitative insight to understand customers' emotions
and actions across the full customer journey

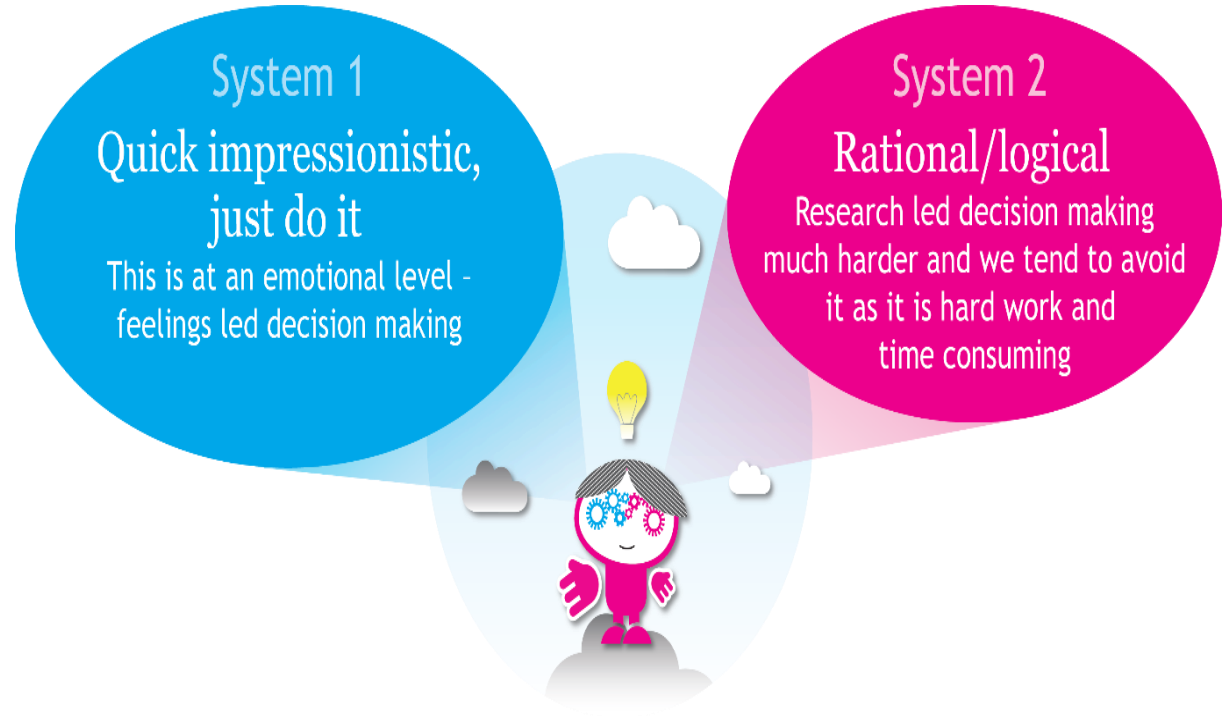
1. The behaviour equation



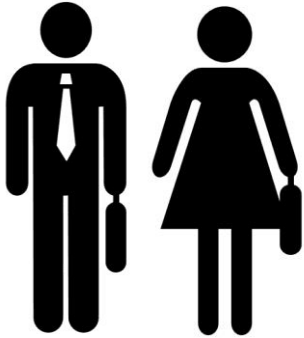
So to sustainably change 3...it's perhaps better to first start revisiting and influencing change with 1 then 2...than to jump and rebut the negative behaviour

2. Decision making

Behavioural Economics is the study of the psychological, social, cognitive and emotional effects on the economic **decision making** of individuals and institutions



3. The value equation and mental accounting



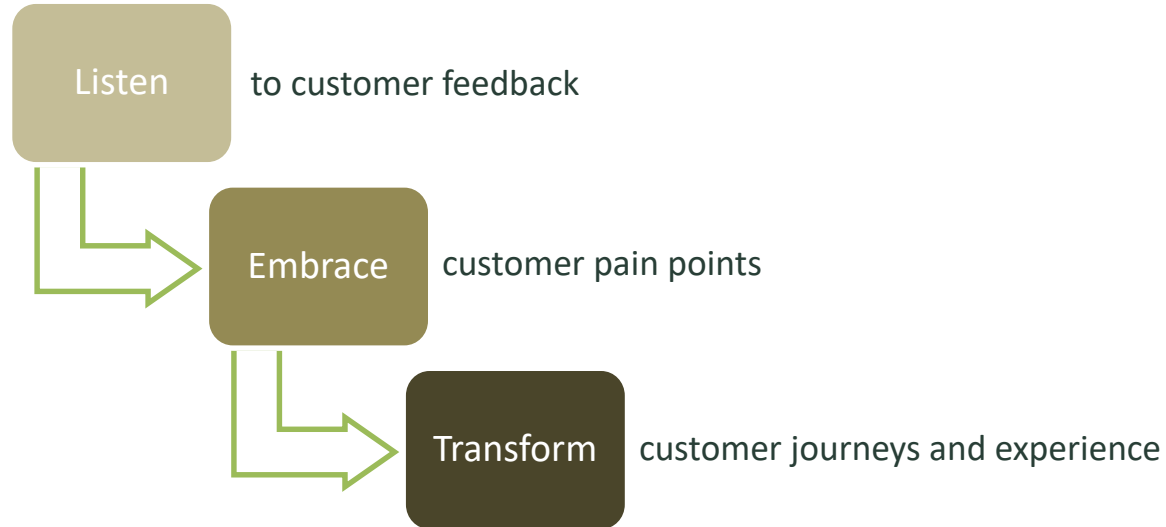
Customers

Product benefit less Cost = Net value

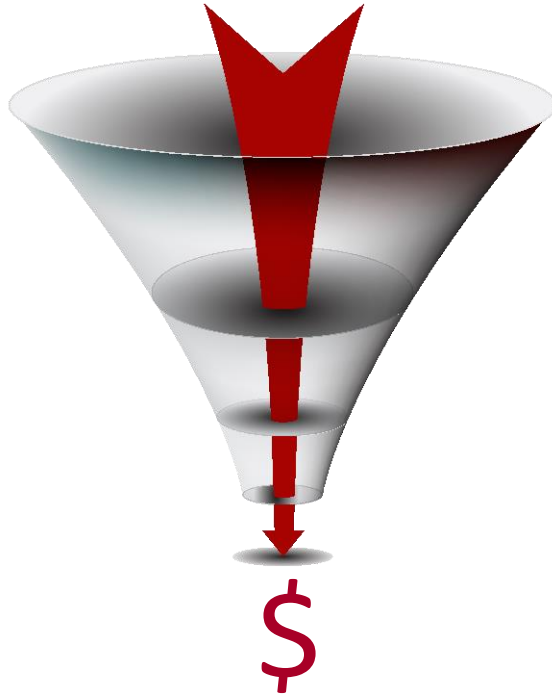
Perceived and actual

Cost \leq Net value then we generally buy/retain

Leveraging emotional intelligence



3 Levels to unlock value



1. Reactive and transactional
2. Pro-active and attentive
3. Differentiating and delighting

HOW SWISS RE



HELPS CLIENTS

1. Reactive and transactional	2. Proactive and attentive	3. Differentiating and delighting
<ul style="list-style-type: none"> • Perform diagnostic to benchmark against best practice • Lapse cycle process reengineering • Guidance on building a Save Team capability • Optimising customer communications and planning for digital • Strategy input using global and local insights • Voice of customer monitoring/feedback design • End to end customer experience mapping and touchpoint redesign 	<ul style="list-style-type: none"> • Vulnerability point analysis and predictive approaches • Design of low cost SMS, digital, and pre-recorded voice messaging • Developing inforce campaigns and customer care programs • Retention dashboard design and governance advice • Input into strategy using global and local insights • Advice on channel management, controls and sanctions • Integrating lapse risk into the Risk Management Strategy 	<ul style="list-style-type: none"> • Input into strategy using global and local insights • Call centre consultant training on advanced retention techniques • Customer experience training for ops team to improve service proposition • Persistency management training for sales support teams and BDMs • Data analytics and insights into lapse propensity • Introducing experiential marketing programs ie wellbeing/wearables

Questions



