Atidot

CASE STUDY
Growing Non-Assigned Policies

RESULTS

12x More Accurate Models	Higher Retention Rate	4X Growth Potential	350 New Leads A Month

The Challenge

A tier one life insurance company in the US was interested in optimizing the value of its 80,000 orphaned policies to align with its growth strategy. Their main goal was to increase revenues from existing policies.

The Problem

On average, there is a 30% agent turnover in the US life insurance industry, which creates a respective number of non-assigned or orphaned policies. Unserviced and without guidance, these policies typically underperform. There is a 2X-5X revenue gap between serviced and unserviced policies. Moreover, unassigned policies are more likely to be underinsured and are at a significantly higher risk of lapsation. This widespread reality, seen across the industry, is a source of revenue loss and dollars left on the table.

Consider that selling to an existing policyholder is 8X more profitable than acquiring a new customer. This understanding was crucial in this carrier's motivation to increase revenues from existing policies.

In addition:

✓ Systematic attempts to identify would-be lapsers using internal data scientists' models had failed and resulted in a significant investment of resources without any results.

✓ Internal marketing, operational and organizational constraints prevented the carrier from executing respective plans quickly and efficiently, so they turned to an external solution.

The Solution

Atidot provided and implemented a comprehensive solution based on its AI and predictive analytics platform and operational elements. Atidot used large-scale, data-based insights—both from the carrier and from various external sources—to increase revenues through a combination of offline and online operations.

Step 1: Lead Generation

Atidot's models analyzed the block of policies and produced accurate weekly real-time reports reflecting:

✓ Customers with a high propensity to lapse
✓ Customers that showed high potential for upselling and cross-selling

Step 2: Contacting Leads

Armed with reliable data about specific policyholders, Atidot reached out to the carrier's leads to capitalize on opportunities.

✓ System-generated, AI-based reports automatically implemented a series of strategic actions to grow policy Life Time Value (LTV).
✓ All leads were placed into a personalized customer journey that moves at-risk policies into a strategically structured retention plan to increase the likelihood of policy upgrades and prevent lapsation

The system includes

- ✓ Pre-CRM capabilities
- ✓ Built-in data lake
- ✓ Texting capabilities
- ✓ Call center
- ✓ A dedicated team of professional agents who provide a personal touch and respond to customers' needs

The Success

- ✓ Predictive models prove 12X more accurate than existing, traditional modeling.
- ✓ Models reflected in real-time reports provided insights and categorizations of customers, suggesting unique, tailored-made offerings for each customer, thus improving customer loyalty and satisfaction on top of new revenue streams.
- ✓ Ongoing: 350 new leads generated per month, representing a significant opportunity for future growth.

The Impact

Potential Annual premium impact (per 1M policies):

1. With a 4% avg. lapse rate, company experiences 4K lapsers with $5K avg. premium
2. $120M annual premium opportunity by retaining with a 60% hit rate rather than 4%
3. Improved predictability by >70%
4. Potential increase of top-line growth by >30%
5. Enhanced efficiency by >50%
6. Generated avg. of $3K/per retained policy

ASSUMING 5 YEARS AVG. TERM LTV IMPACT IS $60-125M

The How and Why

1. Atidot's platform is built by expert data scientists and leading actuaries and is packaged with gradable and easy-to-maintain software. This combination is unique in the market and was awarded by Gartner for its exceptional positioning.
2. AI models are trained on approx. 30 million policies.
3. Enriched Data: 50 data points are added to the model, and ZIP+4 information. Together with nano- segmentation methodology this allows for highly accurate predictions. Proprietary technology was developed to support operational challenges and integrate smoothly with legacy systems, ensuring that limited additional IT resources are needed on the carrier side.

Next steps:

1. Carrier plans to implement Atidot's platform as a recommendation engine at the point of sale to apply real-time analyses for new customers in order to optimize LTV.
2. Allocation of larger blocks of policies to be processed on the Atidot platform, tapping into new opportunities to grow LTV of existing policies and increase revenues.

About Atidot

Atidot is a provider of AI and Machine Learning solutions for life insurance companies.

Our cloud-based AI and Predictive Analytics platform provides data-driven insights that impact the value of new and existing customers, drives new business, and generates new revenue streams. Atidot offers turnkey solutions across the value chain.

Founded by a team of data scientists and actuaries, Atidot works with leading life insurers in North America and Europe, such as Pacific Life and Guardian Life, to optimize their book of business and distribution channels. Atidot has offices in California, UK and Israel and was awarded by Gartner to be 'Cool Vendor 2019 in Insurance'.

"Guardian and Atidot, working together, are uniquely positioned to bring 160 years of experience and underwriting knowledge together with the most modern technology to create new opportunities for consumers, our policyholders and our agents."

Revenue Operations

Using Insights From In-force

Customer Journey Through Emails And Text Nurturing To Optimize Lead Acquisition And Onboarding

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