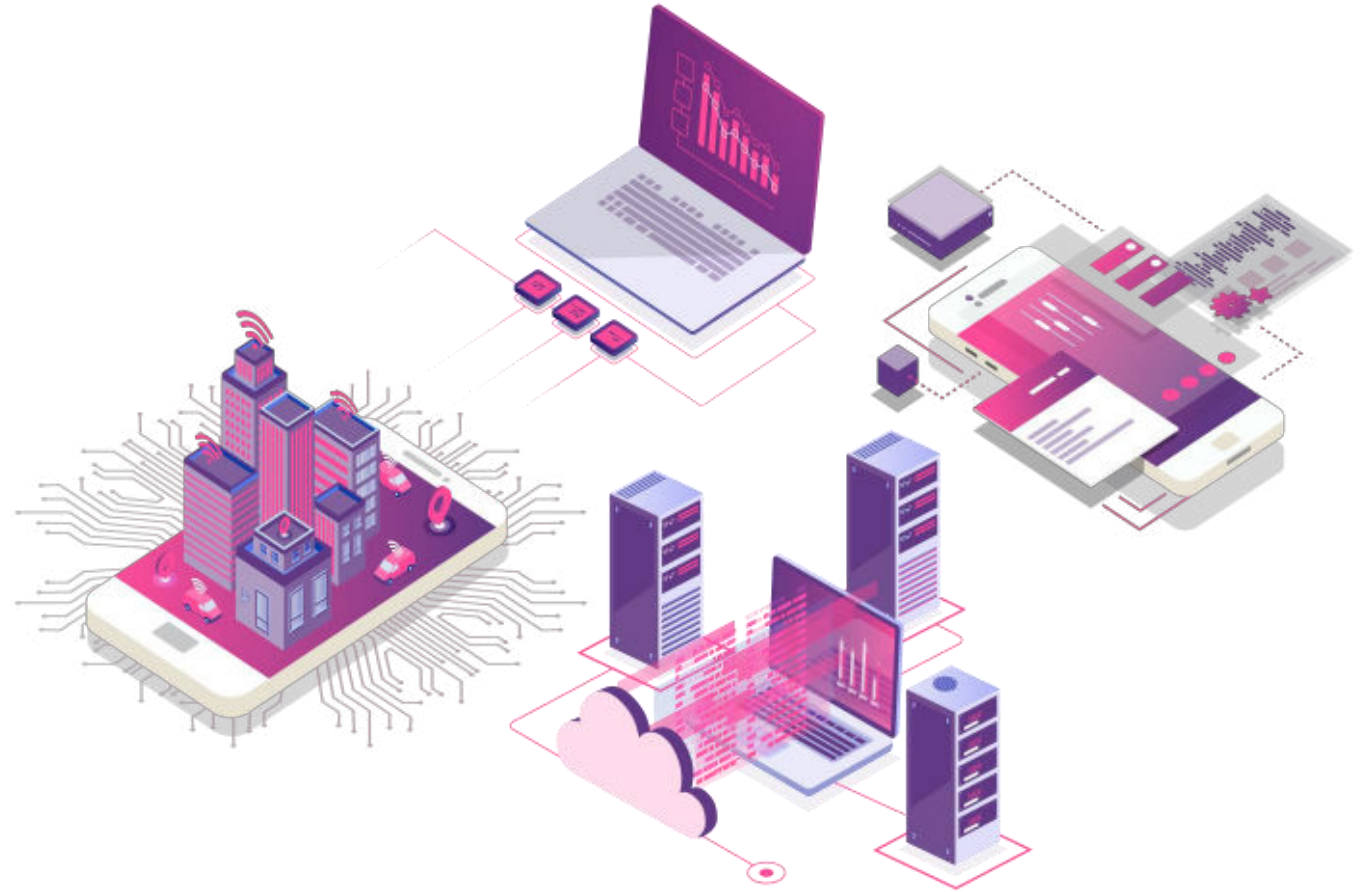




Christine Minetou



IQI

Insurance Quote Intelligence

IQI Executive Summary



01 IQI Executive Summary

01 Executive summary

02 Concept

03 Data Types

04 Framework

- Founded in 2010, UK-based Insurtech focused on personal lines; 3% share of UK home insurance market; 1m customers
- Cloud based micro-services tech architecture provides significant advantage allowing full control & speed of delivery
- Distribution predominantly via online channels e.g. aggregators; 95% online sales rate
- Efficient risk selection enables accurate and competitive pricing which is vital in elastic markets
- Informed decisions at POQ controls loss ratio and assists cost on post sale validation, cancelling & claims handling
- High retention and customer satisfaction i.e. right product for the customer is a key element
- Use of various data types, factual and rule-based; traditional factors can not capture all riskiness
- Creation of factors via advanced techniques to guarantee unbiased classifications and predictive groupings on loss ratio
- Segmentation techniques to define profitable, risk averse user groups, dynamic pricing & product offer

The Insurance Quote Intelligence concept

Online trading demands advanced level of information @ point of quote to achieve accurate pricing, product placement and consequently high retention and customer satisfaction

A simple definition of intelligence

Learn from experience



Insurance Agent



Human

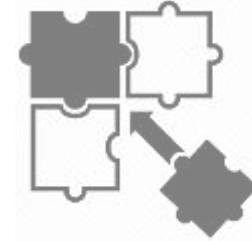
The acquisition, retention & use of knowledge.

Recognize Problems



Identify problems to put knowledge to use.

Solve problems



Provide useful solution to an identified problem & adapt.

Knowledge of customer via the use of various data types and sources; direct or indirect information via customer profiling and segmentation.

Use the experience obtained via the data to train the quote to identify conditions that need action or attention e.g. identify customer profiles that aim at manipulating the quote process to achieve a better price.

Take action towards an identified condition e.g. alter price, contact the customer, reject customer, upsell, cross sell.

System

02

IQI Concept

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Policy
Expert

IQI data types

Each data point is valuable as it contributes into the learning process of the quote:

Who the customer is, how they have acted in the store, what they want to buy and for what reason

03

Factors

who **Demographic** Data show who the customer is concerning **static** measurements like age, gender, profession, location (aka geographics) and marital status. Product specific details as per contract

how ***Behavioural** Data show you how customers act on a website. It is often represented by micro-events such as click-through rate, info about the provider, time of the day, device etc. They are a rich source in conversion patterns but have been found rather predictive in risk

what **Transactional** Data show you what individuals buy on the web store regarding product value, number of products, add-ons

why **Psychographics** answer the why people act based on their lifestyle, interests, motivators, and personality. When it comes to data, they represent the qualitative side of understanding customers eg good monies saver, Olympiakos, love for the environment

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**“It really doesn’t matter if you are a 60-year-old woman or a 20-year-old man because a 20-year-old man can watch Say Yes To The Dress and a 60-year-old woman could watch Hellboy.”*

Todd Yellin, VP of Product Innovation at Netflix

IQI Framework



Optimal Price & Product Offer for the customer

04

Framework

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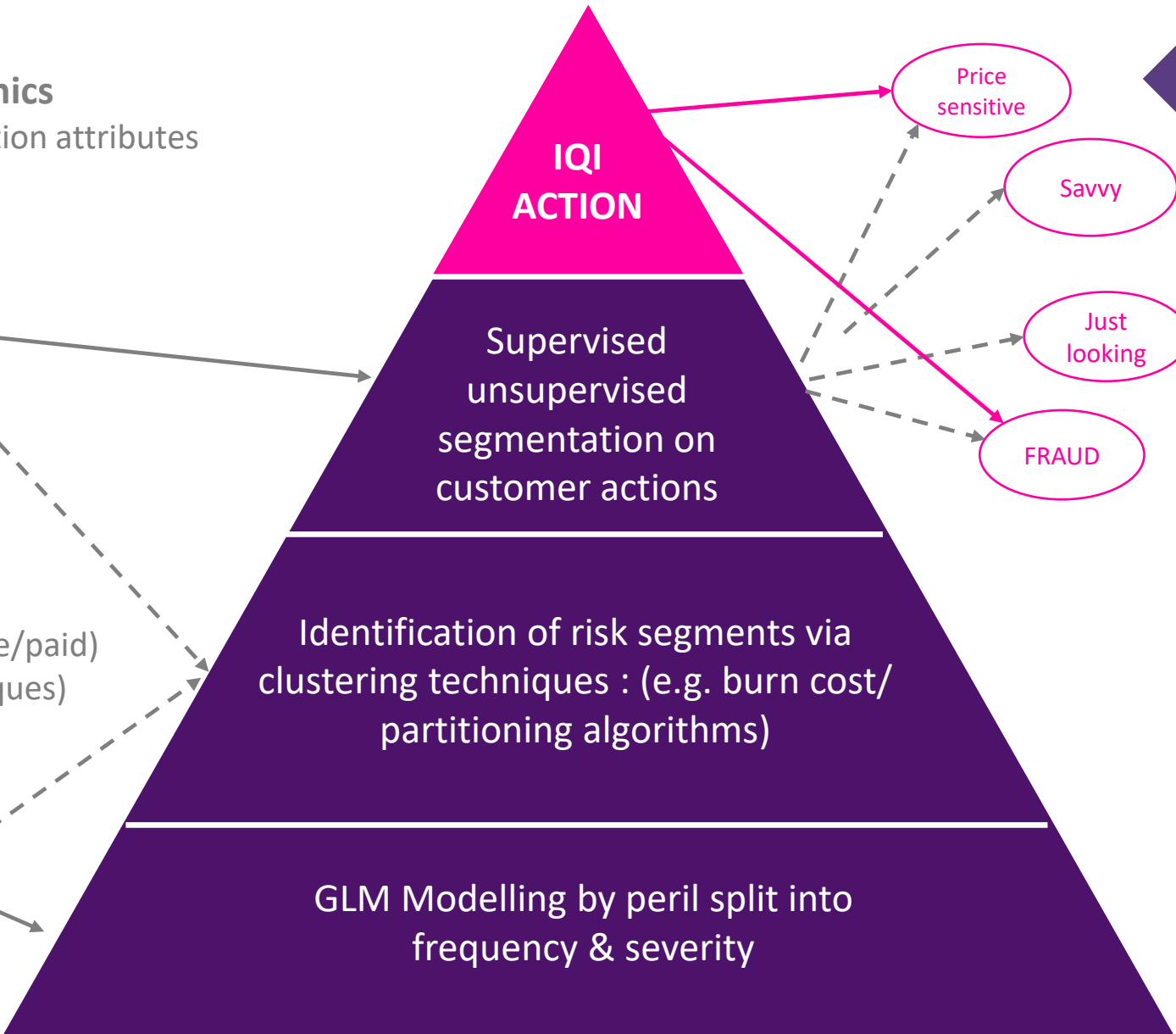
Behavioural Data – Psychographics

- Customer touch points & navigation attributes
- Quote Manipulation



Demographics – Transactional

- Customer & third party data (free/paid)
- Classifications (clustering techniques)



IQI ACTION

Supervised
unsupervised
segmentation on
customer actions

Identification of risk segments via
clustering techniques : (e.g. burn cost/
partitioning algorithms)

GLM Modelling by peril split into
frequency & severity

Price
sensitive

Savvy

Just
looking

FRAUD



Questions & Answers

IQI