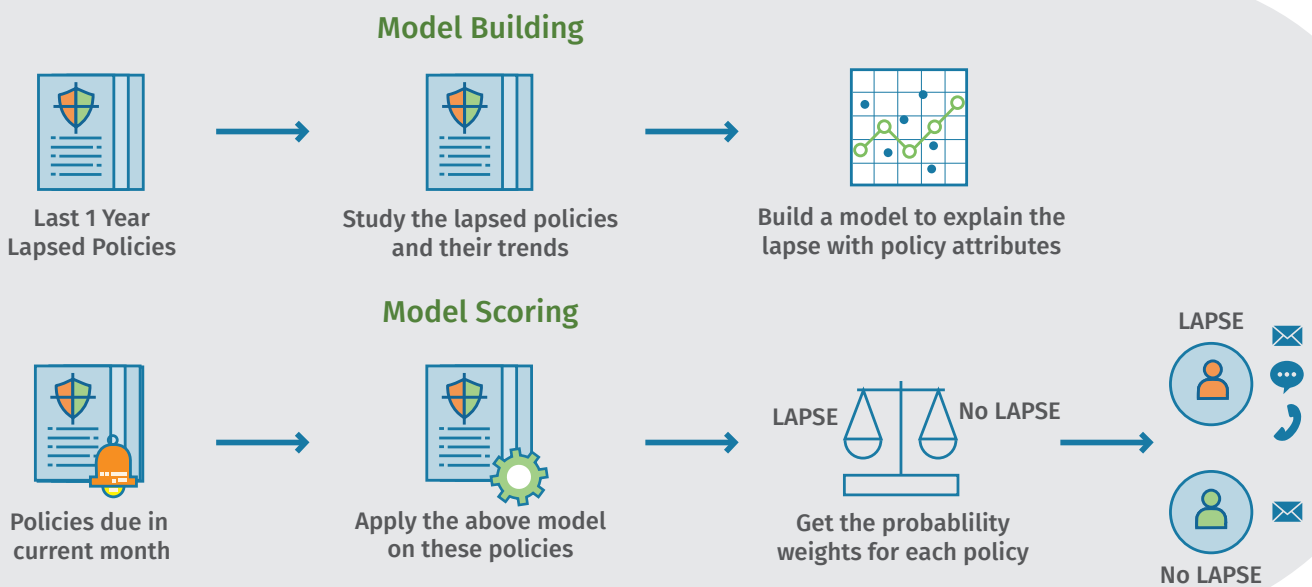


A leading Indian Life Insurance player uses ML-based predictive modeling to improve persistency



CHALLENGE

A leading life insurance player was facing low persistency rates. Every month out of the list of policyholders who were due for renewal, up to 45% policyholders did not renew their policies, and this was denting their profitability.

SOLUTION

- A Logistic regression model was build to identify triggers of policy lapsation from data on policyholders who were due in the last 12 months.
- For building the model our data scientists

crafted user level variable features around policy details, past renewal history, payment behavior patterns & marketing channel response behavior across emails & call centre channels.

- The model was able to provide > 82% accuracy in predicting lapsation in top 40% segment of policyholders that were predicted as most likely to lapse.
- Policyholders were profiled based on their propensity to lapse and premium amount & then the marketing efforts were prioritised accordingly depending on each propensity segment.

RESULTS



Reduction in campaign costs by 30% by reallocation of outbound calling strategy basis propensity segment.



Led to improvement in persistency by 8%.