



General Insurance Seminar

Transform the Future

12-13 November 2018 • Sofitel, Sydney





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Marketing are from Mars, Actuarial are from Venus: How actuaries and marketing can better work together

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*This presentation has been prepared for the Actuaries Institute 2018 General Insurance Seminar.
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Actuaries
Institute

Introduction

Agenda

- 
- Actuaries' involvement in the insurance value chain
 - Current practice with respect to collaboration between actuarial and marketing functions
 - Opportunities and barriers for actuaries in marketing
 - A road map to more effective collaboration

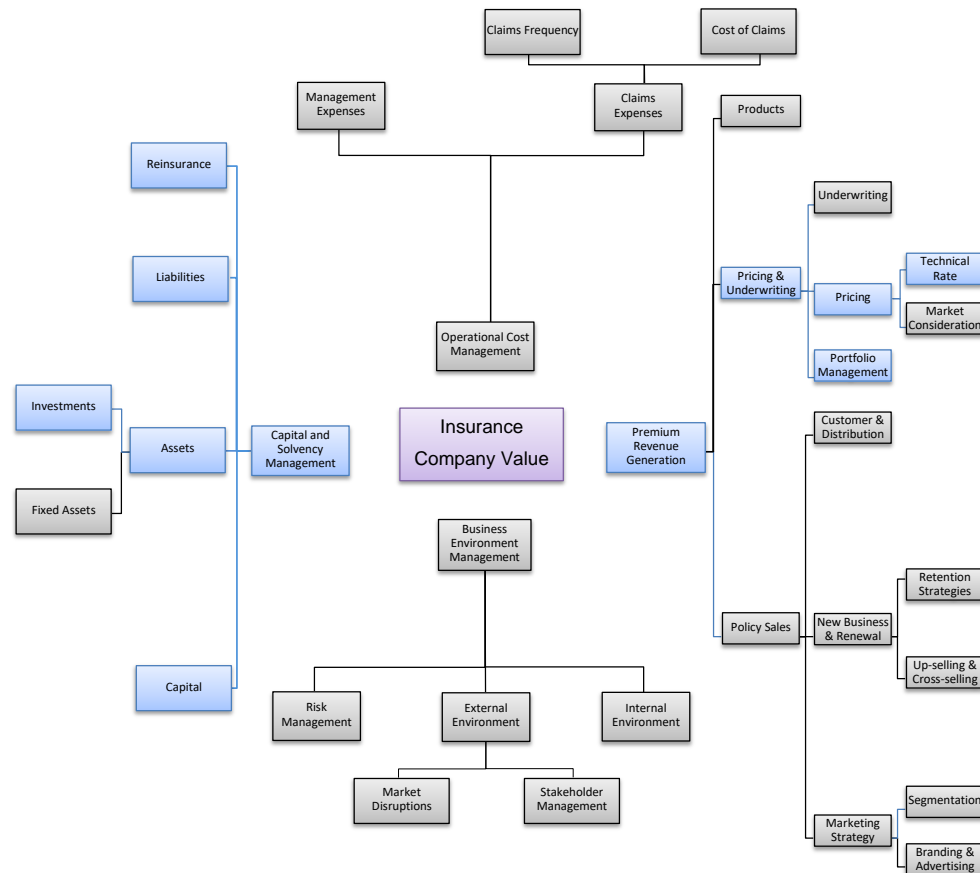


ANZIIF Insurance Value Chain

Reserving, capital management and pricing can be described as “core” areas of work for actuaries, supported by the Appointed Actuary framework.

— Areas with no actuarial involvement

— Areas with Traditional actuarial involvement





ANZIIF Insurance Value Chain

Pricing and underwriting have been key areas of growth for actuaries

- Areas with no actuarial involvement
- Areas with Traditional actuarial involvement
- Areas with recent Actuarial Involvement





ANZIIF Insurance Value Chain

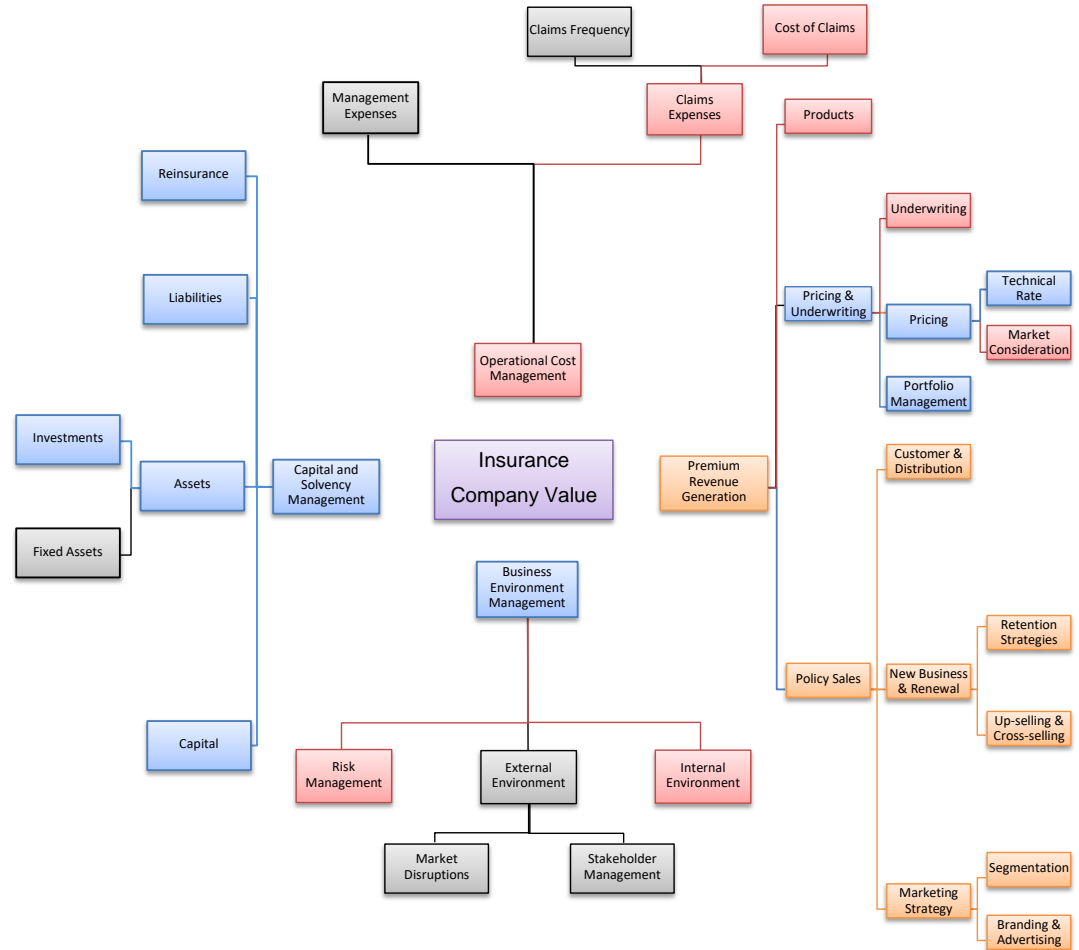
Actuaries remain largely uninvolved in the marketing process.

— Areas with no actuarial involvement

— Areas with Traditional actuarial involvement

— Areas with recent Actuarial Involvement

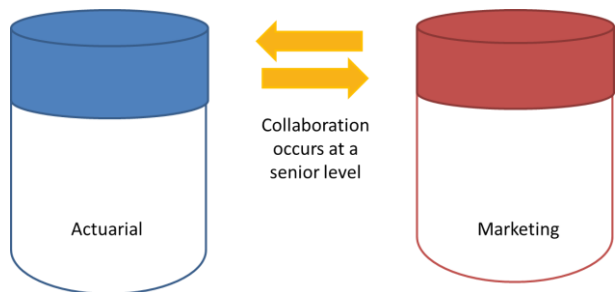
— Areas for collaboration between marketing and actuarial





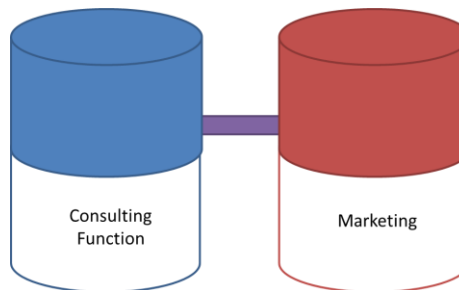
Current Industry Practice

Typical Siloed Approach



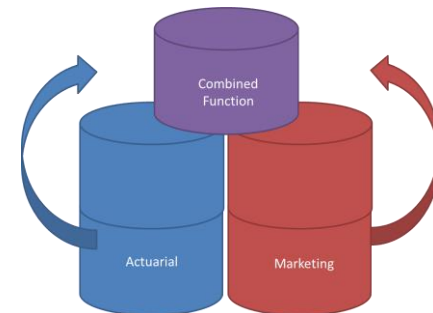
- Low physical proximity
- Minimal interaction
- Opposing KPI's
- Different taxonomies

Consulting Approach



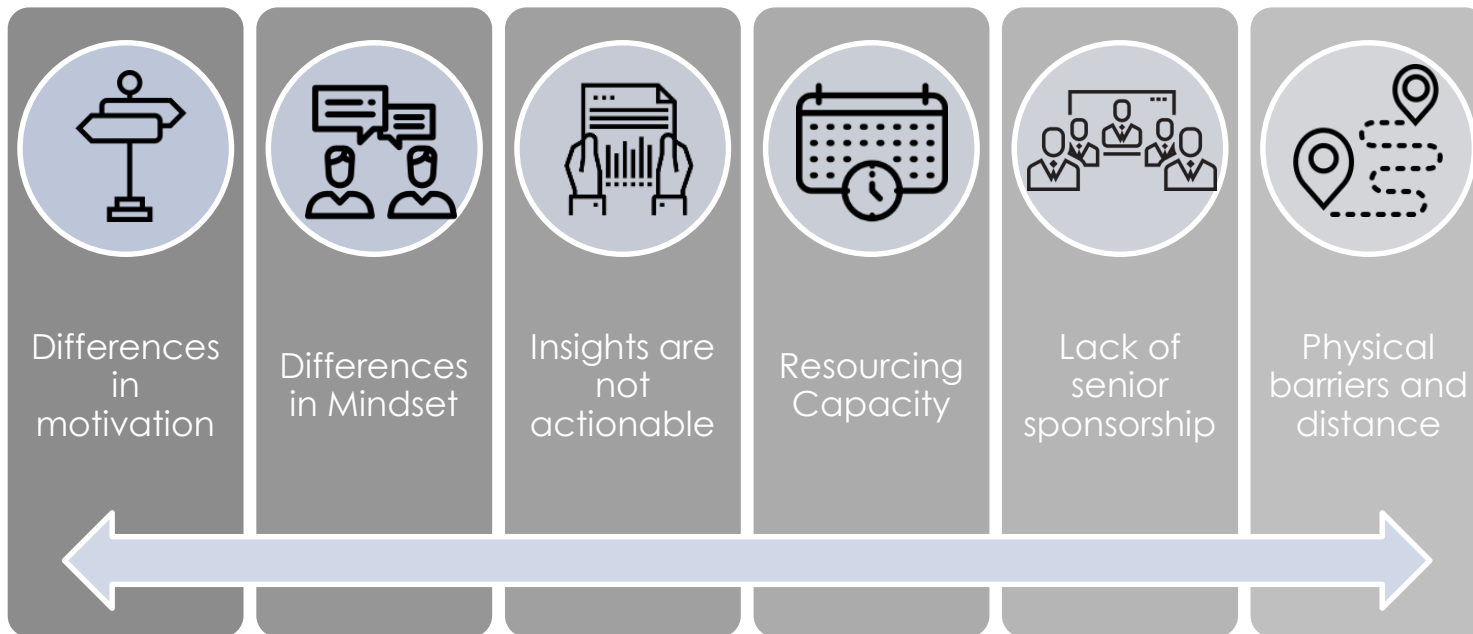
- Project based work
- Contextualisation of marketing activities
- Typically one off insights

Collaborative Approach



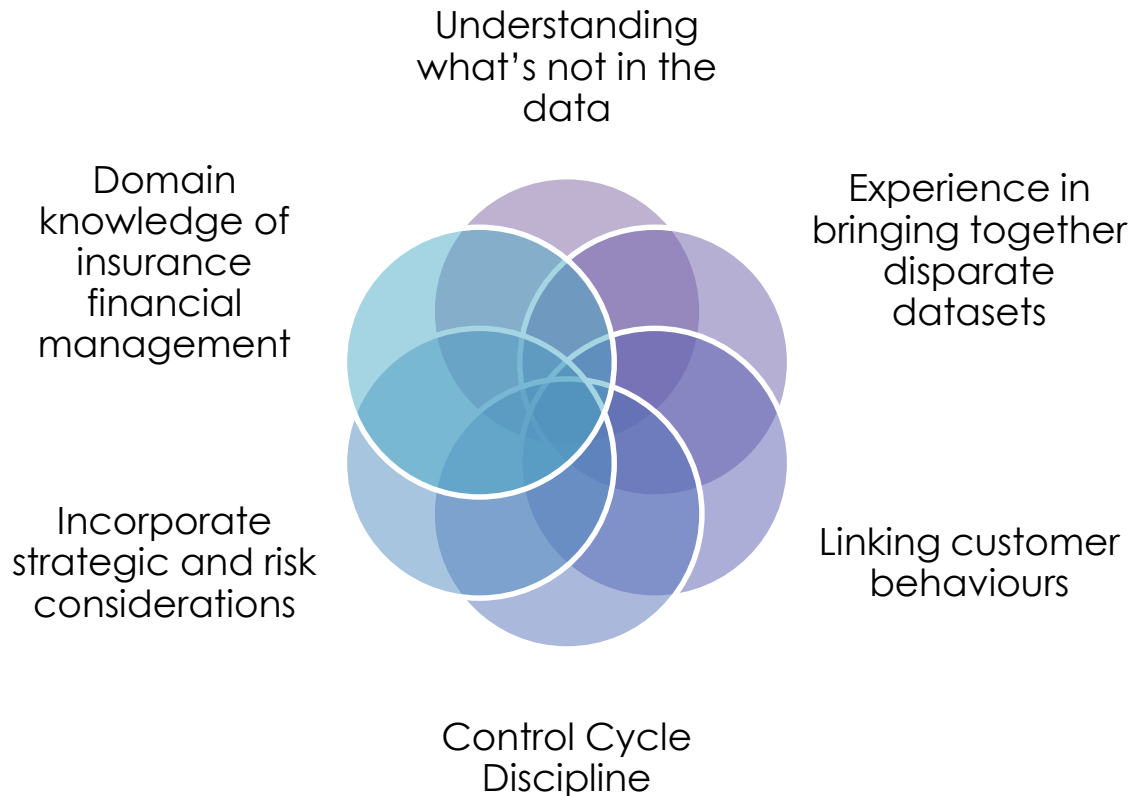
- Extensive data sharing and validation
- Aligned KPI's
- Continual feedback
- Integration of profitability and LCV

Barriers to Effective Collaboration





Why Actuaries?





Immediate opportunities called out

Data sharing

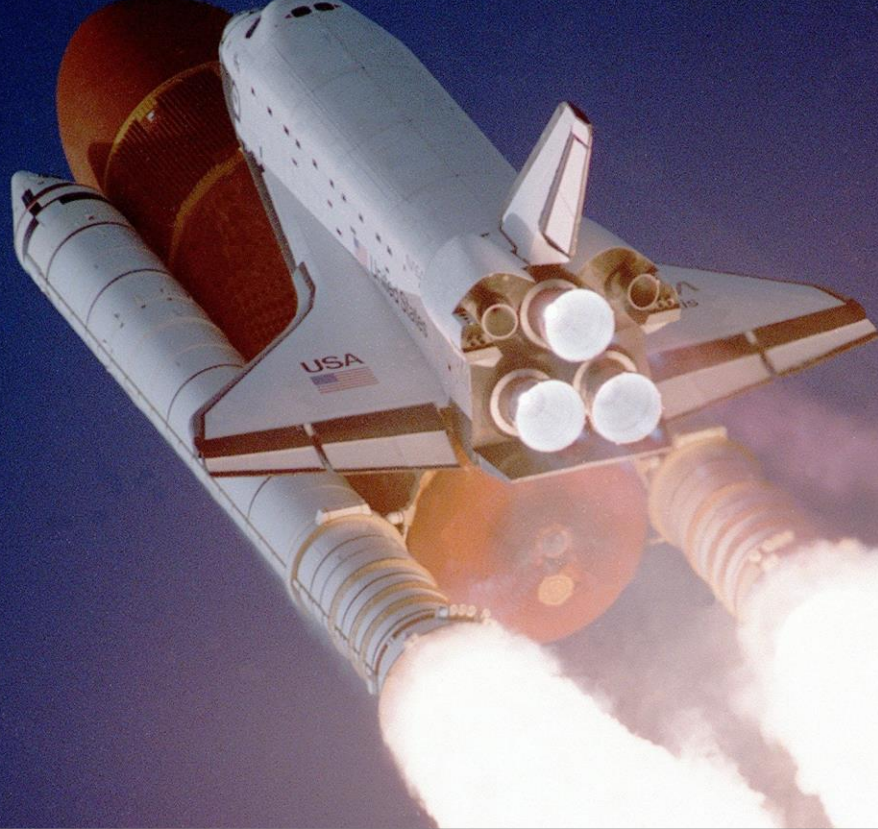
Measuring
campaign
performance

Validating
marketing
activities

Using
marketing's
information

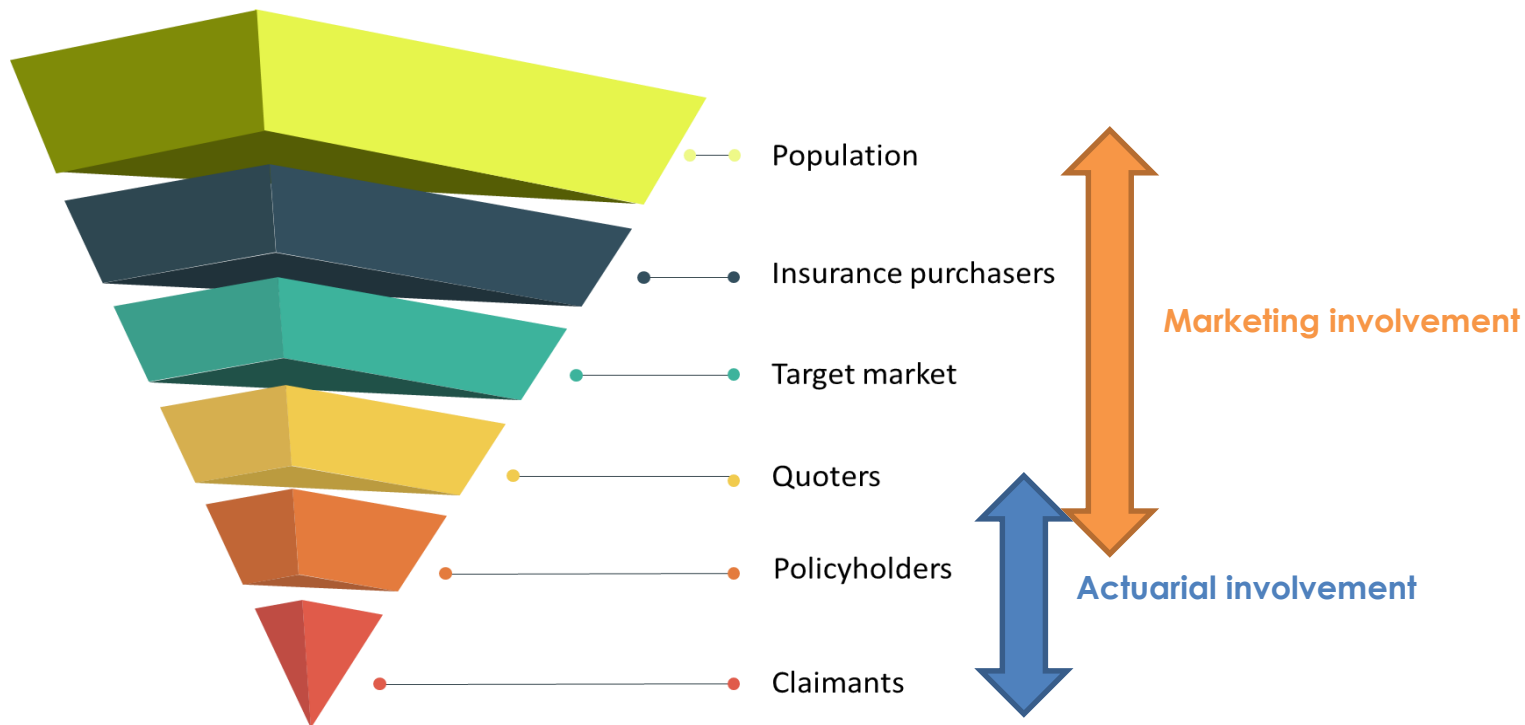
Customer
lifetime value

Integrating
profitability



THE VOYAGER PROGRAM

Throw out the funnel?





Thinking about insurance business more holistically

Corporate

Risk
Management

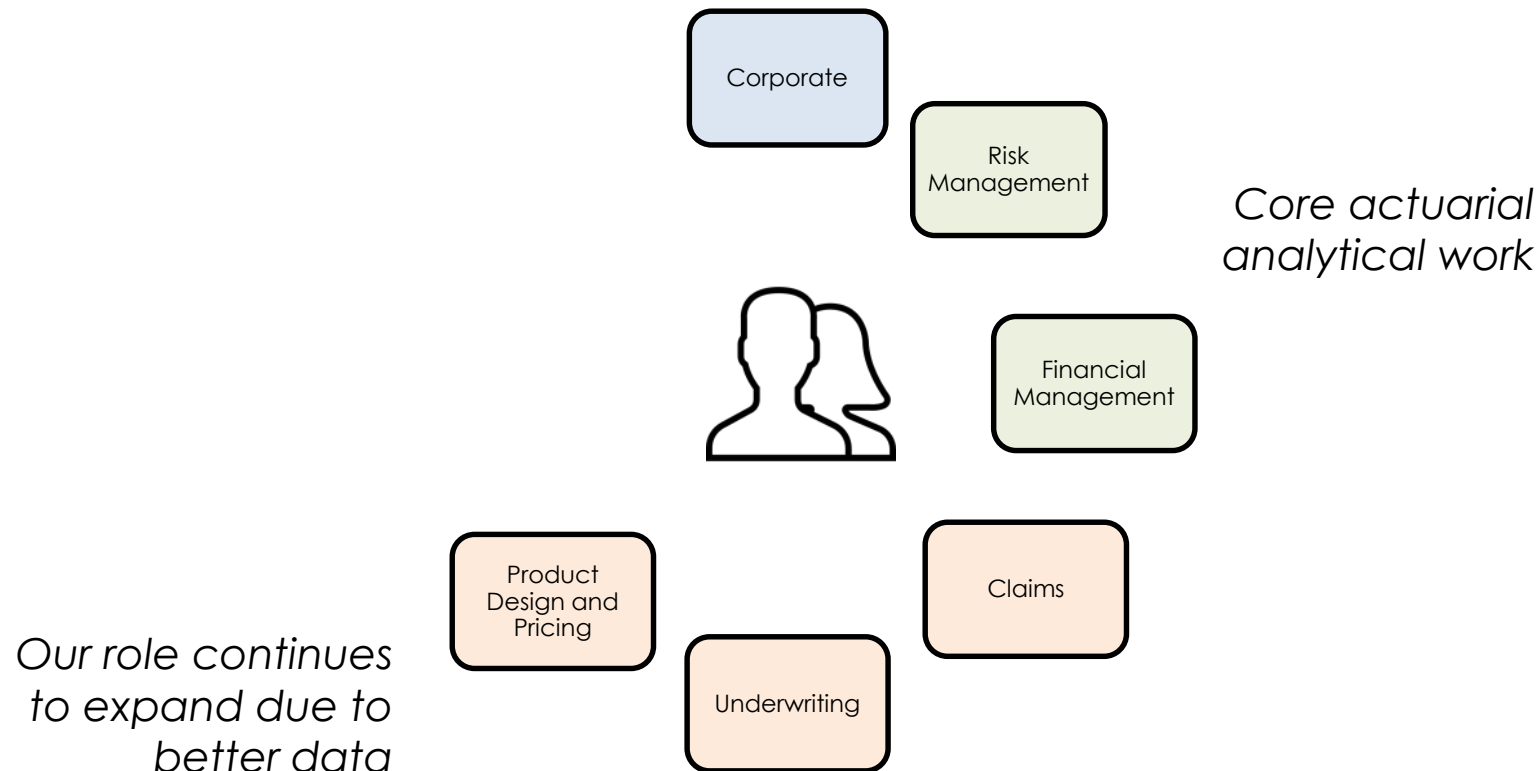


Financial
Management

*Core actuarial
analytical work*



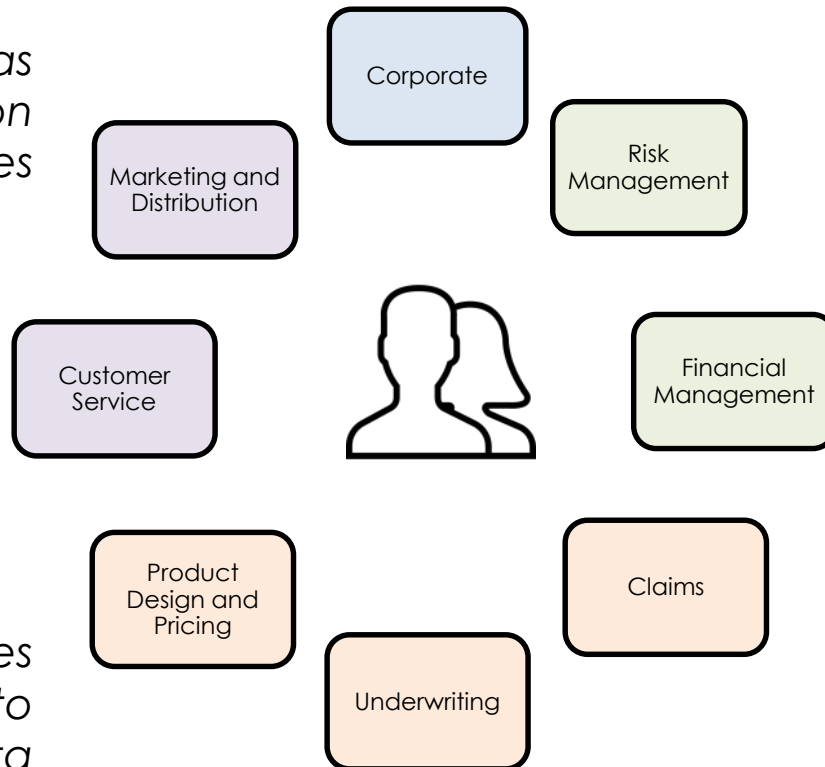
Thinking about insurance business more holistically





Thinking about insurance business more holistically

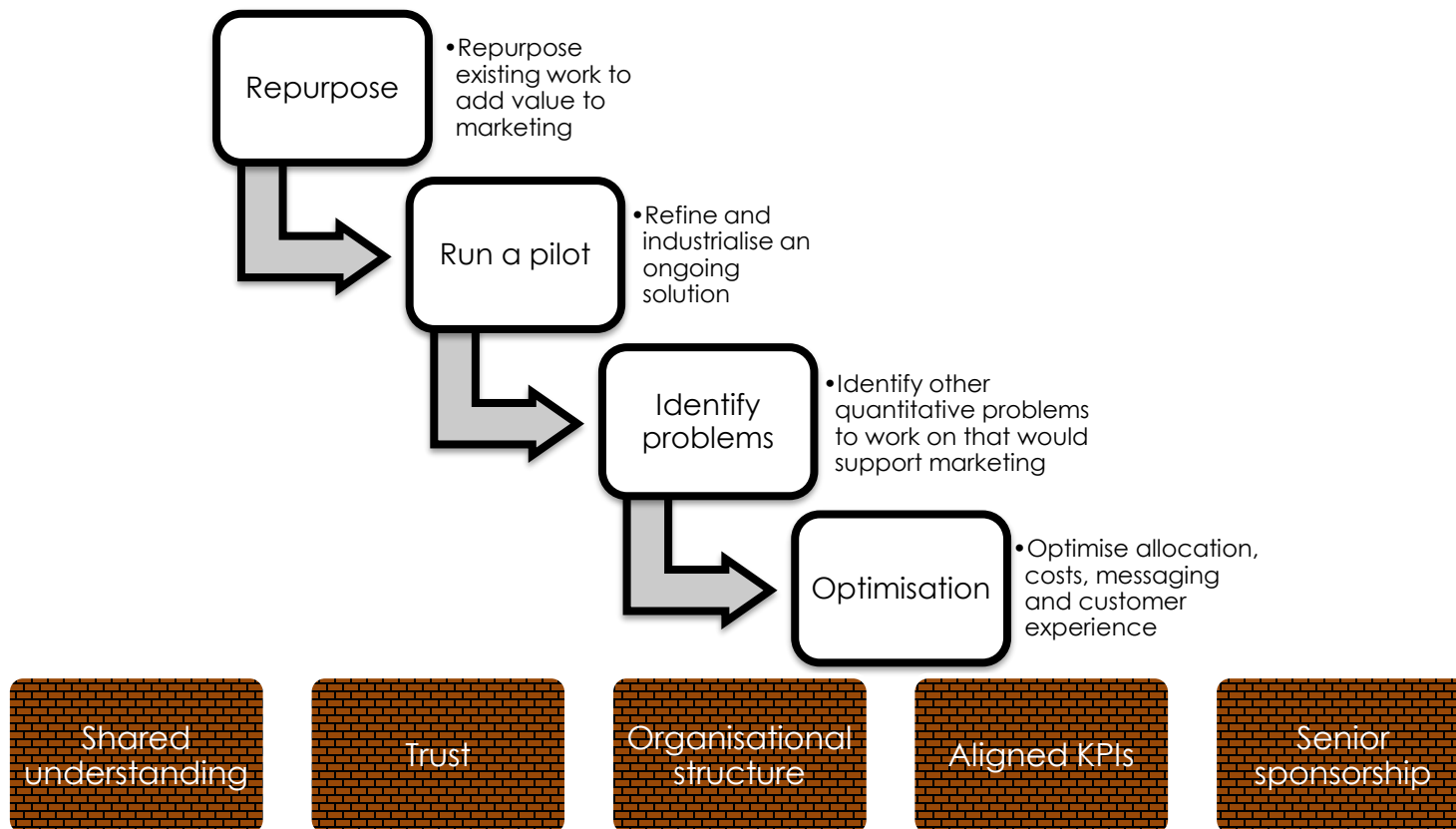
*The next frontier as
data sophistication
improves*



*Core actuarial
analytical work*

*Our role continues
to expand due to
better data*

A Roadmap to Better Collaboration



Getting started – humility is critical

Start with a conversation

Do the doable

Avoid modelling exercise

Repurpose an existing solution

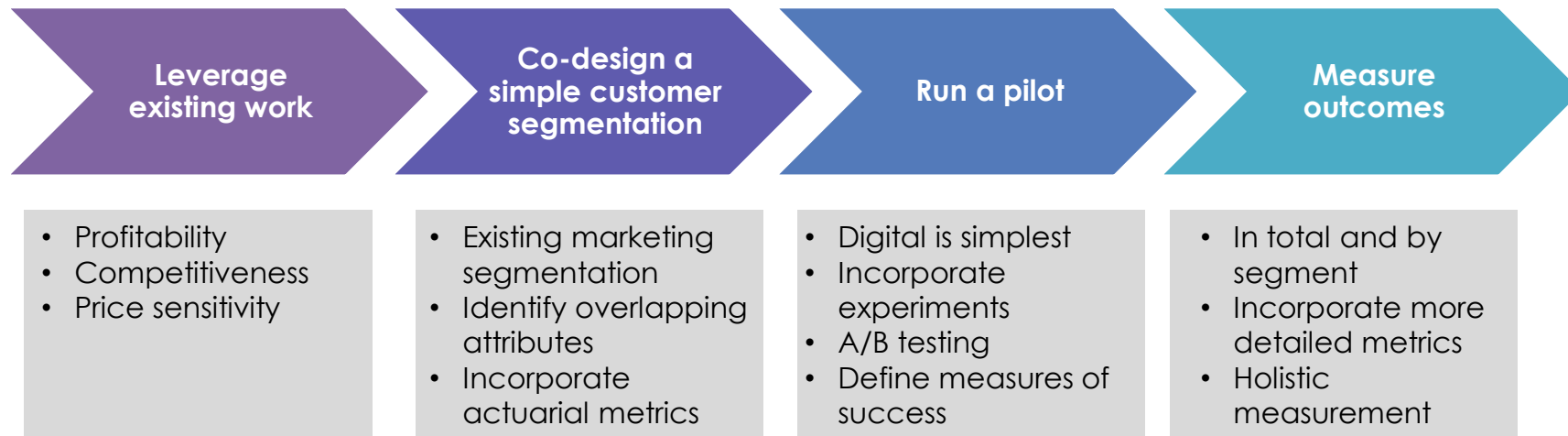
Co-design

Don't forget to measure outcomes

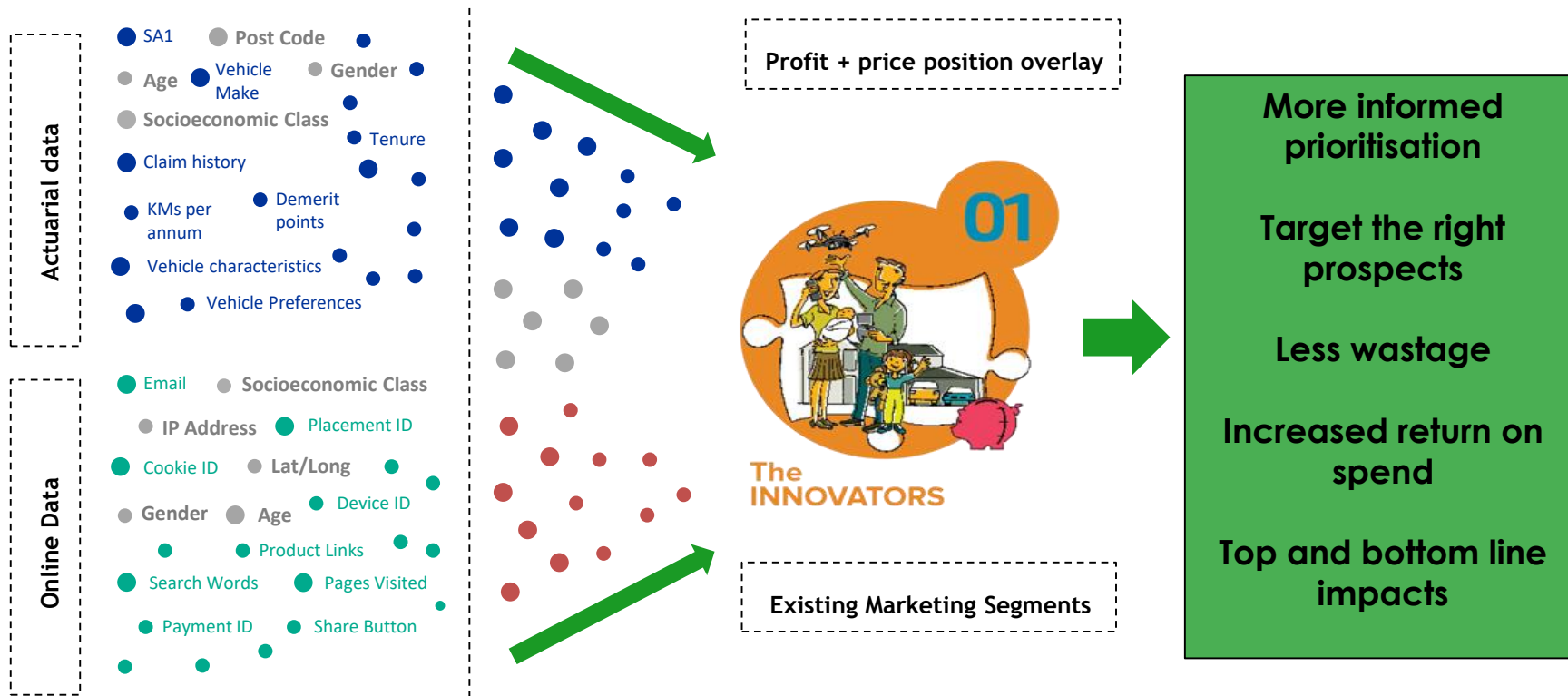
Identify learnings



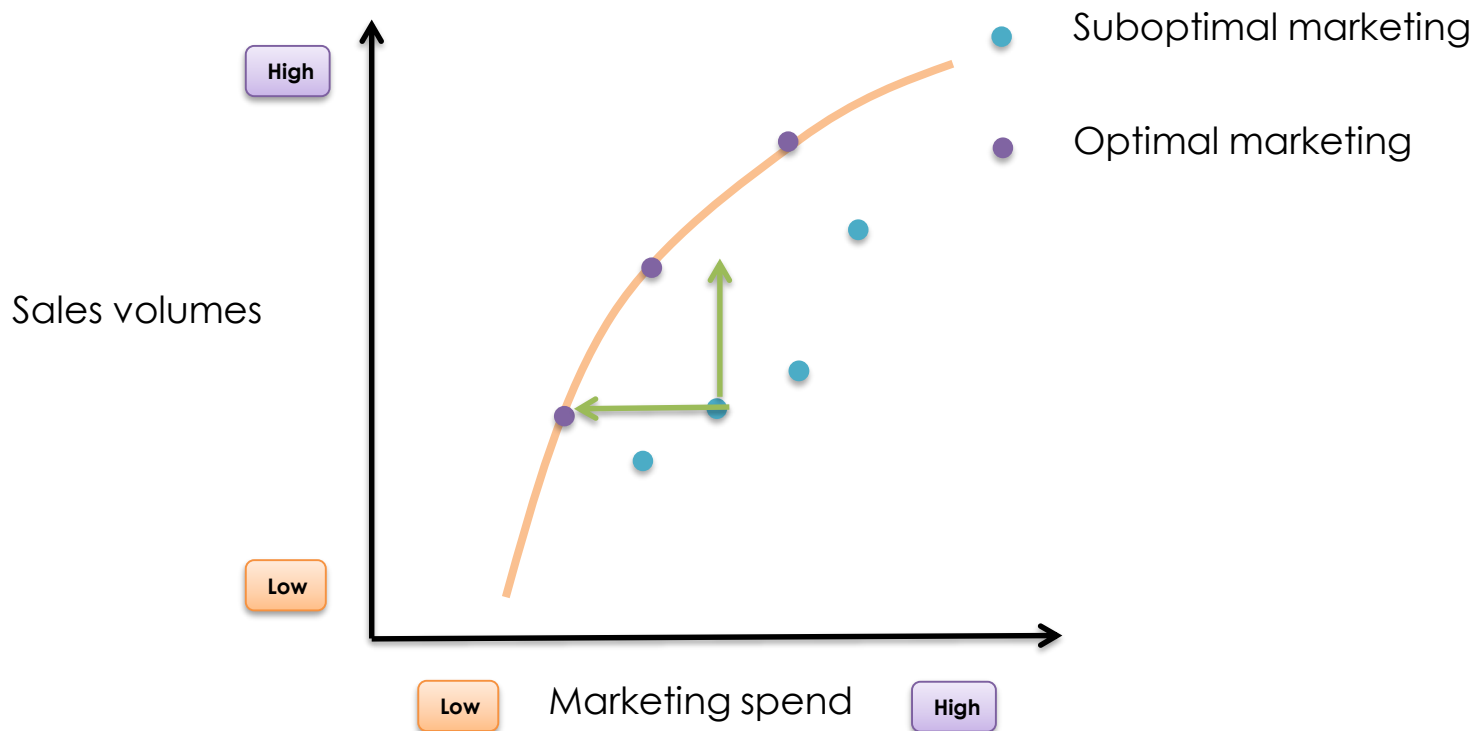
A repurposing example



Digital advertising example in action

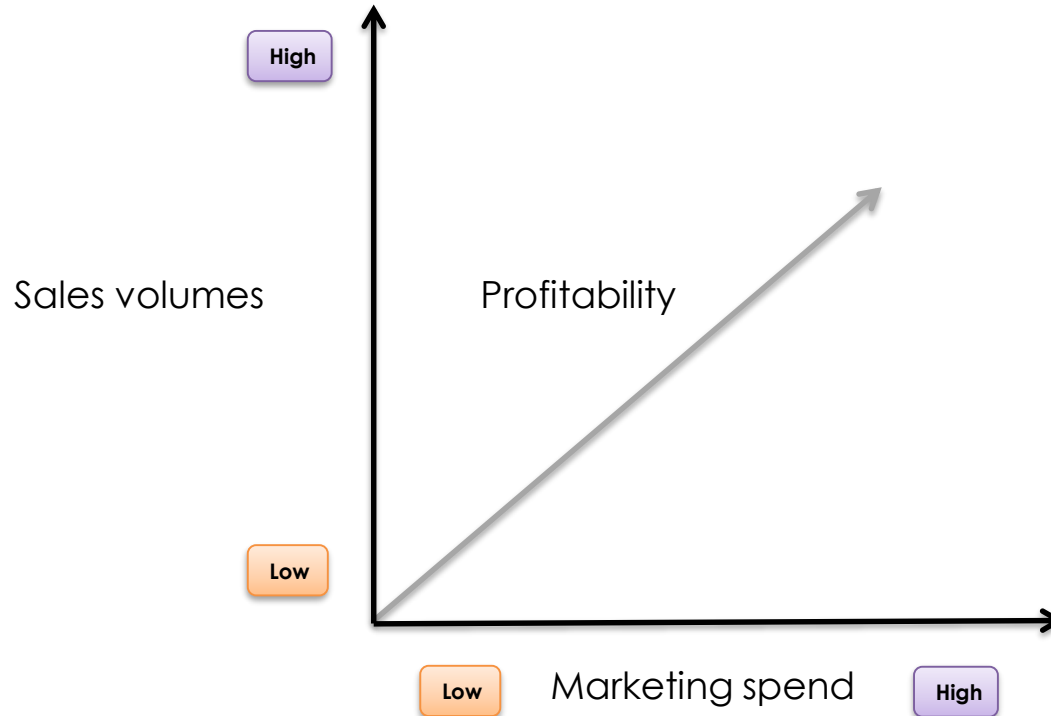


Think of it as an optimisation problem



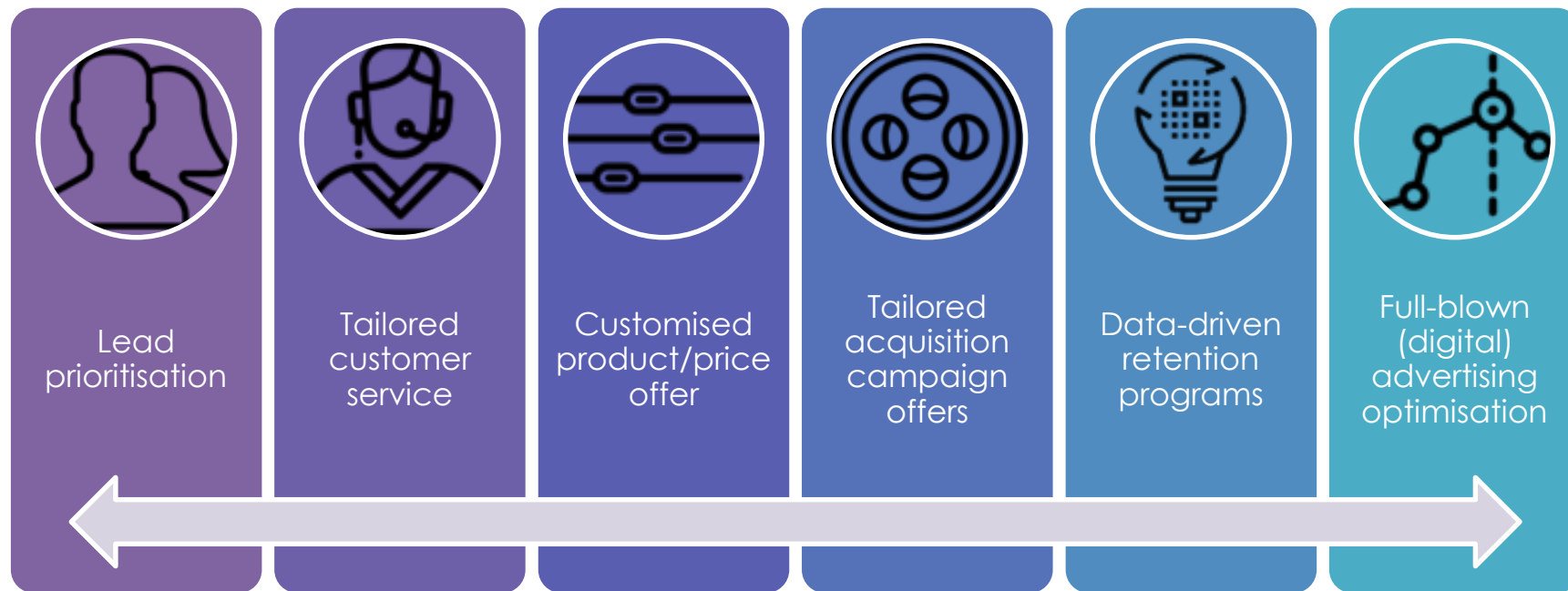


What if we add in profit into the mix?





Broader opportunity set



Concluding remarks

- Industry practitioners see the potential
- Actuaries are well placed
- Barriers do exist
- Challenge status quo (take a risk)
- Recognise what you don't know – humility
- Start simple and figure it out together
- The business case for change doesn't create itself

QUESTIONS

