



## CASE STUDY

### Large Direct Broker



# Large Direct Broker

## Using the Earnix Insurance Suite

### Case Summary

**Industry:** Insurance

**LoB:** Personal Lines insurance

**Project Focus:** Pricing analytics

### Challenges

High competition, eroding commissions. Need for tool-based, hands-on solution. Seamless link into call center system.

### Business Results

Several alternative optimization scenarios. Optimal scenario selected and tested. Real time link between call center and Earnix Insurance.

### Background

One of the largest and fastest growing personal lines intermediaries in its national market, with over a million customers and major call center operations. The client used a set of proprietary pricing algorithms to optimize commissions based on customer segments.

### Challenges and Goals

#### › Improve current pricing practice

Faced with increasing competition and decreasing commissions, the client needed to improve pricing practices through more sophisticated analytical modelling tools and a more systematic pricing process.

#### › Wide applicability

The client wished to obtain a single solution for different product categories without developing a costly dependence on consultants.

#### › Link into call center

The client aimed to provide call center representatives with personalized inputs based on demand while they make real-time pricing decisions. A solution was therefore required which would seamlessly link into the client's advanced call center management software.

### Earnix Solution

Earnix Professional Services consultants together with two client team members, conducted an eight month implementation process, including:

#### › Business scenario development

A preliminary study was conducted to assess data availability, prepare data for modelling and build statistical models. Several alternative scenarios were



## CASE STUDY Large Direct Broker



**Within the first year, Earnix Insurance improved profit by over 3% of premium written while maintaining retention levels.**

built to consider various trade-offs between profit, retention and customer lifetime value. The scenarios incorporated sophisticated business constraints defined by management.

### › Preferred scenario selection

A preferred scenario was selected and tested on a sample of customers, comparing results to the client's existing pricing methodology, and proving the business case for a wider deployment.

### › Business process integration

**The Earnix Insurance Suite** was integrated into the client's mainstream pricing processes. This included systematic daily monitoring of market trends and maximising results in order to adjust prices as needed.

### › Real-time roll-out

Earnix's technical support team assisted the client in setting up a real-time link between the customer's call center software and the Earnix Insurance Suite, based on Earnix's enterprise software architecture. This connection was deployed over a very short period of time at a minimal expense and involves little maintenance.

## Results

### › Profit improvement of over 3% of premium written

Within the first year, Earnix Insurance improved profit by over 3% of premium written while maintaining retention levels.

### › Best practices developed

Working closely with Earnix, the client developed a robust pricing process which it uses to maintain a highly profitable leadership position under extremely volatile market conditions. This process includes best practices for ongoing use of market pricing tests and daily use of Earnix Insurance's monitoring module to update prices.

### › Real-time call center integration

**The Earnix Insurance Suite** is connected in real-time to the call center software and to the client's web-based customer interface. This allows call center representatives to feed customer information into their regular quotation interface, and receive from the Earnix Insurance Suite an optimal price quote for any product combination within seconds. Any changes introduced by the client's pricing analysts into the pricing models are immediately reflected in the call center's online pricing interface.



### Extended application

As a result of the successful implementation in the auto sector, the client extended the Earnix Insurance Suite's application to all its insurance products including household insurance and brands, using in-house resources only. The client also implemented Earnix in two foreign subsidiaries, where significant benefits are also being achieved.

For more information visit  
[www.earnix.com](http://www.earnix.com)