



# Improving Cross-sell Results

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## Improve Targeting in the Top 3 Deciles

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### The Challenge

A top 5 US life insurer was interested in growing second product penetration within its policyholder base. Total US life insurance premiums grew at 1.44% CAGR between 2017 – 2020 so the ability to successfully cross-sell products such as annuities is critical to achieving growth targets. The insurer has a large agent network that it depends on for product cross-sell but no systematic way to prioritize its millions of policyholders for cross-sell efforts.

Today, these agents primarily rely on their own intuition to guide and prioritize cross-sell efforts. To improve success rates, the carrier was interested in using a more data-driven approach to identify policyholders likely to buy a second product.

### The Solution

**Powerlytics leverages government data** sources and unique IP to offer a proprietary database that provides a comprehensive financial profile of all 150M US households and 30M US businesses.

**Powerlytics' data science team** analyzed the insurance carrier's historic anonymized customer data to identify which of Powerlytics 3,000 consumer financial variables and the insurance carrier's own data were most predictive of likelihood to purchase a second product.

**The Powerlytics team** initially ran a baseline analysis using only the carrier's data variables; this analysis was able to target the top three deciles with a 41% likelihood to purchase a second product.

The team then ran the analysis with both carrier and Powerlytics' variables; this combination was able to target the top three deciles with a **70.5% likelihood to purchase a second product**

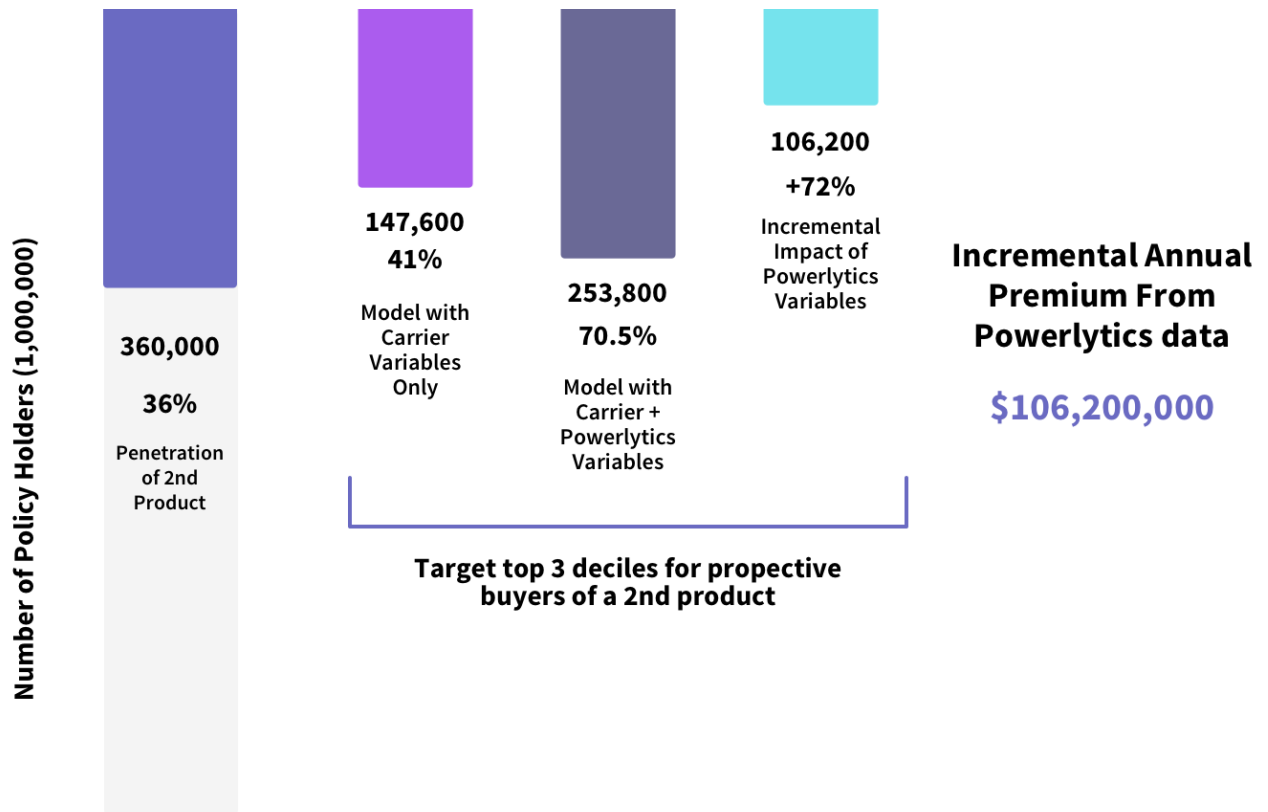
Thus, Powerlytics data was able to **improve targeting in the top 3 deciles by 72%** vs. the carrier's variables alone.

**The team also ran the analysis with only Powerlytics variables and not customer specific data.** Powerlytics' variables alone were able to identify the top three deciles with a 69% likelihood to purchase a second product. As a result, Powerlytics can be used to target new customers that are more likely to buy a second product.

## The Impact

By implementing the model featuring Powerlytics data, the insurance carrier could generate 106K incremental annual product sales per 1M policyholders resulting in an additional \$106M of Y1 annualized premium on each 1M policyholders.

By leveraging the model featuring Powerlytics proprietary data, the carrier can **improve its cross-sell results** while also **targeting prospects more likely to buy a second product.**



Note: incremental premium per 1M policyholders is calculated as follows:  
Incremental customer from top 3 deciles 106,200 \* average premium (\$1,000) = \$106,200,000