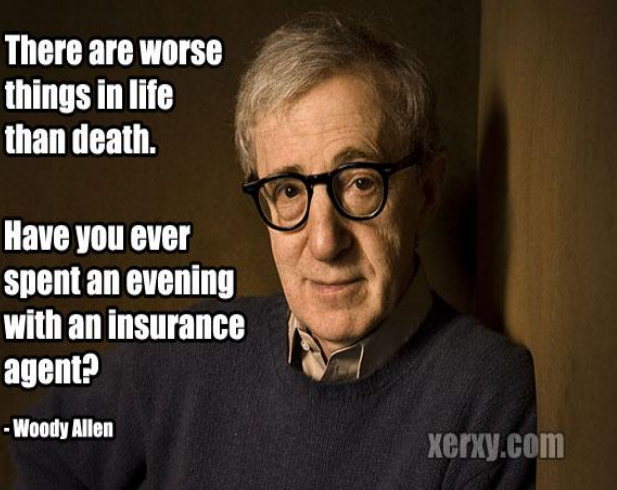
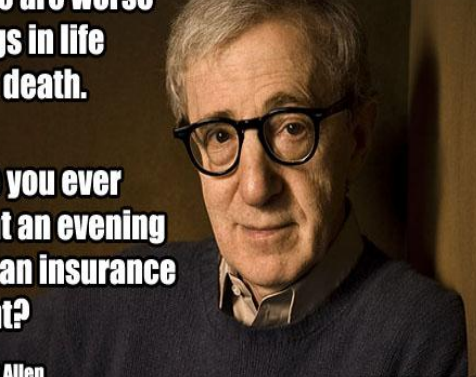


**Create Inner Value perception
for greater willingness to pay-**

A response to higher profitability

Let's talk REAL! insurance market

Insurance, a **product** that inspire ?

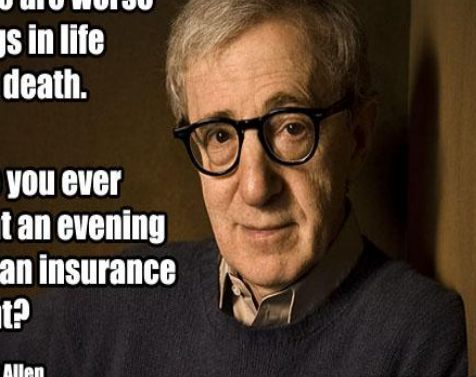


There are worse things in life than death.

Have you ever spent an evening with an insurance agent?

- Woody Allen

xerxy.com

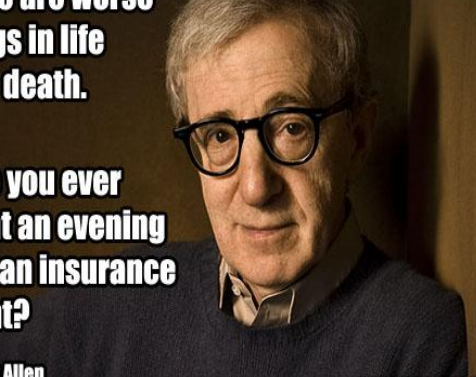


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**When did you share with your friends over dinner...
.... the ultimate Motor cover**

When is the last time you could not sleep.....

.... Too excited by your latest insurance purchase?

Ok, Go figures!



- Ladies owns more than 7 pair of shoes
- People can queue up to 6 days to purchase a phone



Probability of someone opening his door to....

... an insurer?

Why we all love insurance

Let s kill it!

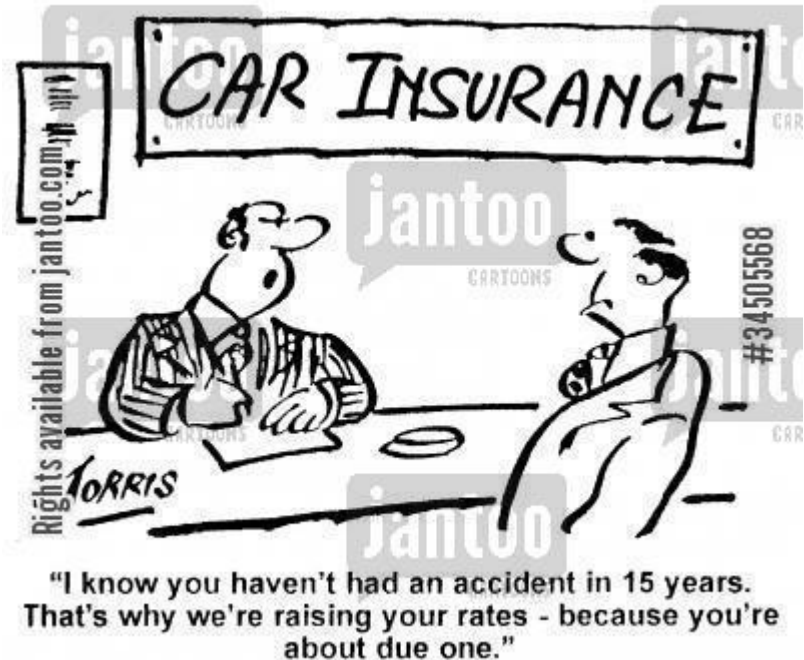
1. We buy insurance, because we have to, not because we love to!
2. We don't understand what we buy!
3. We don't trust what we purchase!



When insurance supply meets **NO** demand

To make it short

1. No Value perception
2. No Utility
3. No Interest

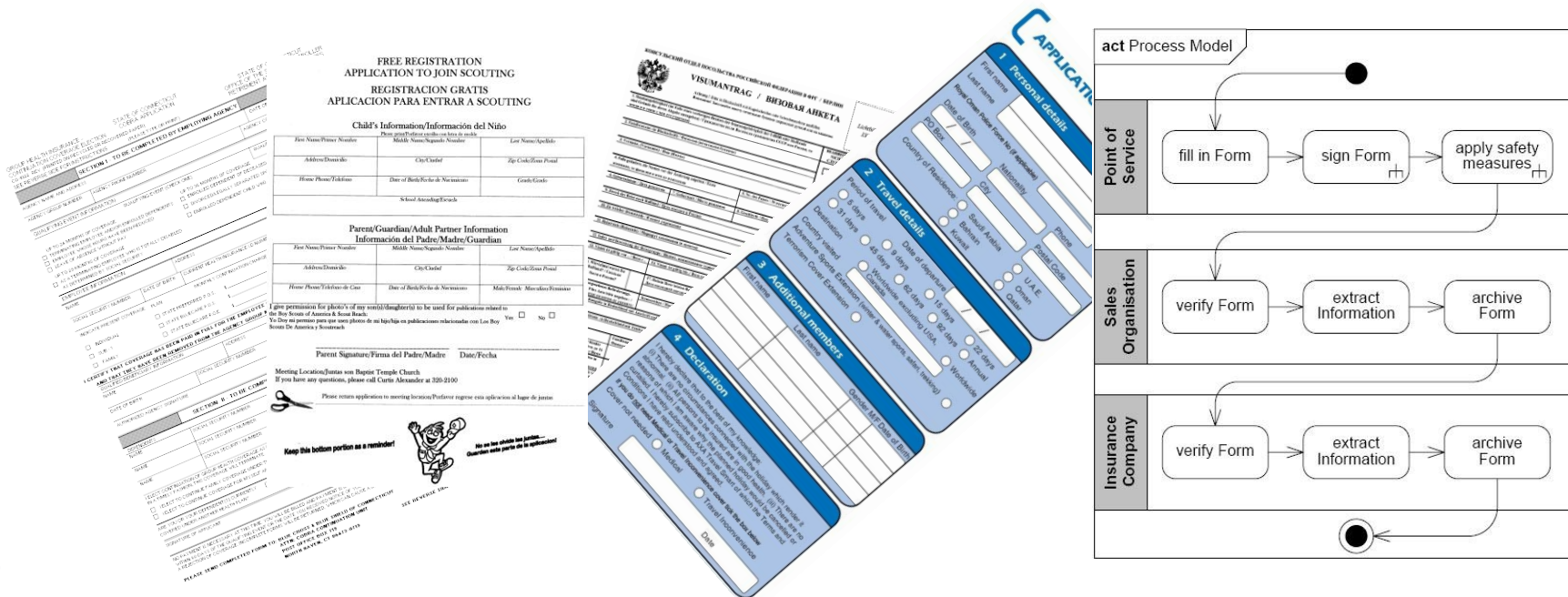


Unattractive Supply Chain



Our response ?

- Imaginative market with innovative product
- 20 pages “Super Light” application form
- PHDs required to understand our Colorful Term & conditions



Let's kill it!

1. The insurance response has not changed for the past 20 years
2. Price is the ultimate weapons to fight that war
3. Or Even Lower PRICE !

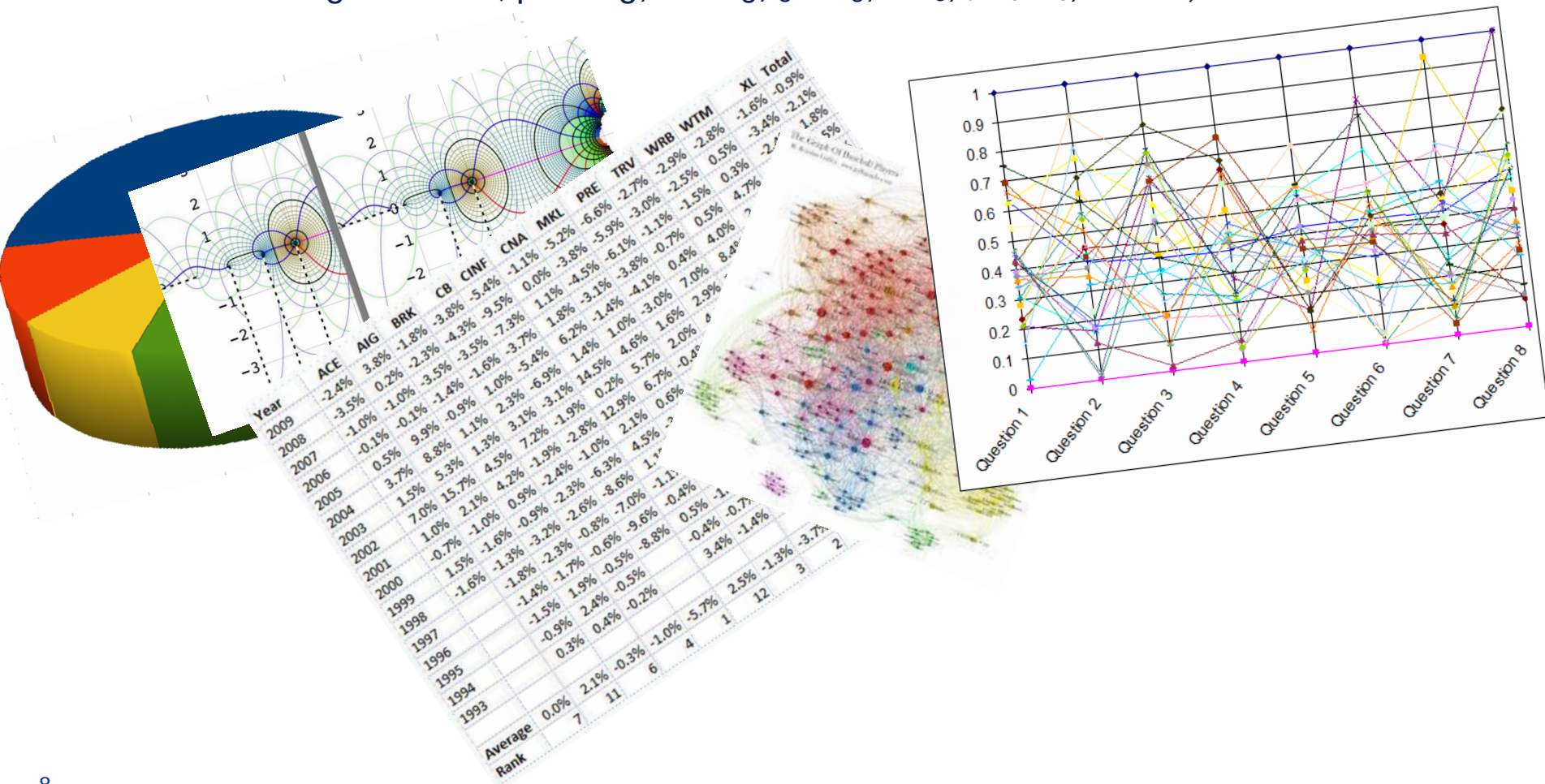


But God created.....

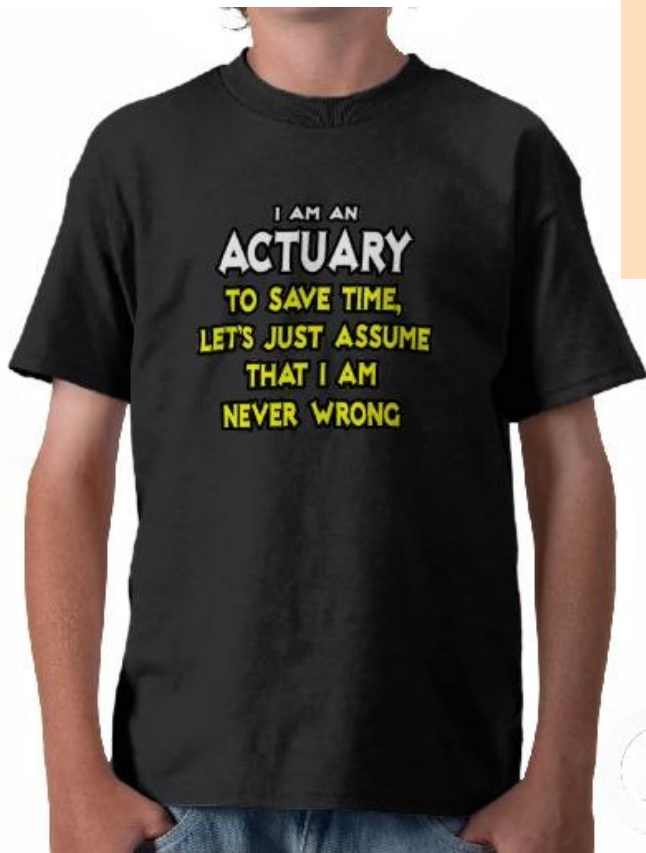
ACTUARIES

To lower Prices for bigger profitability

- Technical Segmentation, profiling, scoring, grading, ceiling, pricing rating, studies, analysis,



a sustainable paradigm ?...



We face years of Loss (12, 25, 75?)!

- Endless price war with new entrants on main lines
- Denial of known cyclical market
- Failed forecast of event that wipe out the industry



So how?

- Our biggest battle today is **inflation**
- As the **war for customer** is already lost

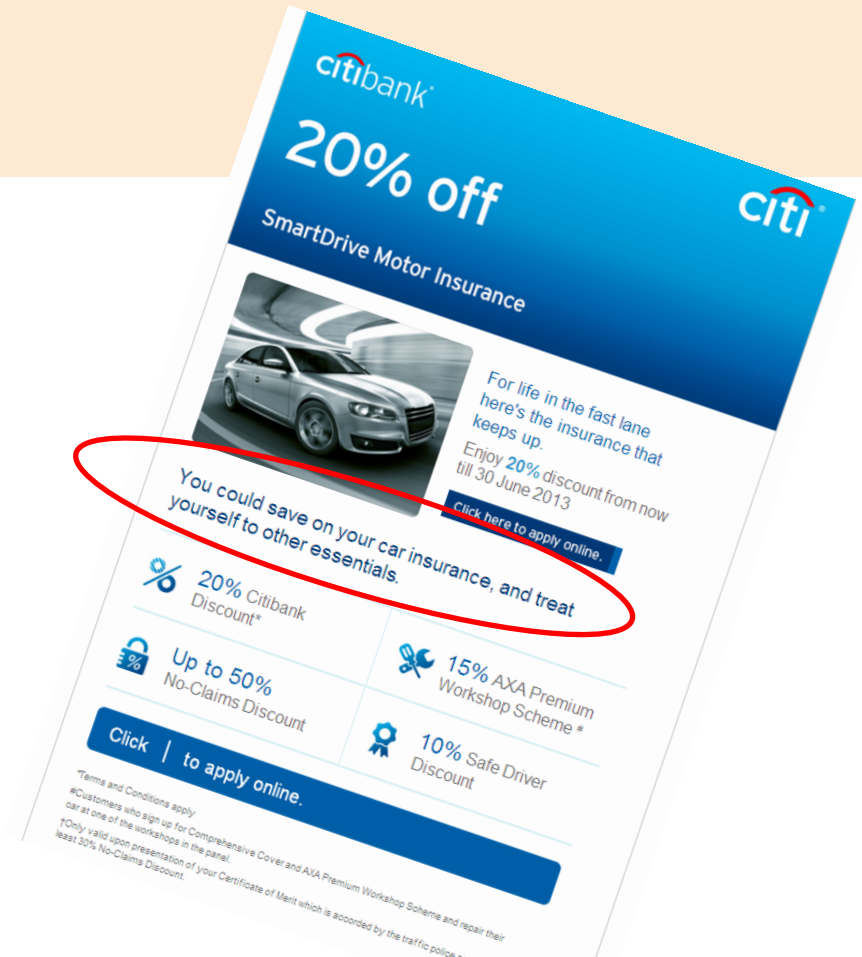


- Is there a way to be more sustainable?
- Shall we stop being obsessed by price

The insurance industry model

Tell me **who** you are,..... I will tell you what **to** pay

1. Underwriting
2. Application form



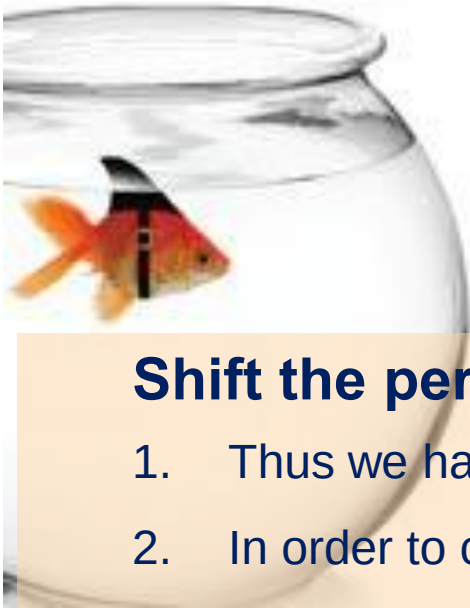
... while other industries

Tell me what you **want**

- I tell you how much, Let's see if you can afford
- Let s see if I can do it for the price you are willing to pay

Want
vs.
Need

How to move forward



Shift the perception.... From price to Value?

1. Thus we have to create value
2. In order to create willingness to pay

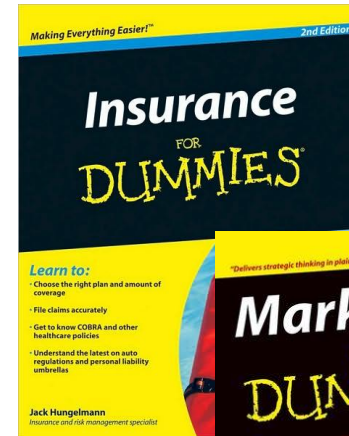
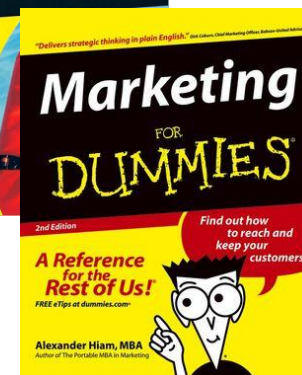


The experience at AXA

Initiating the creation of **Value Perception**

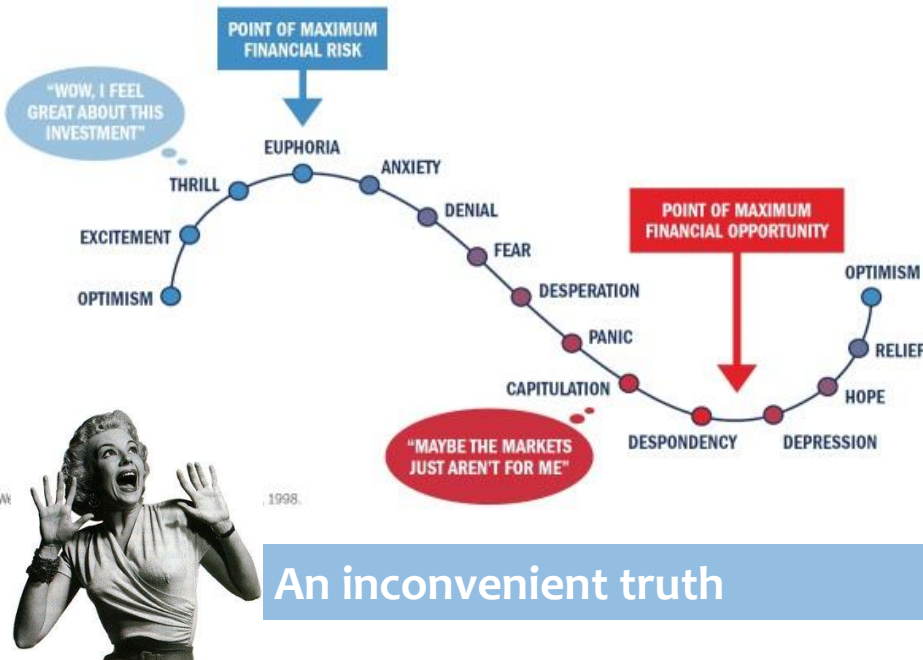
How to create **value perception**...
.....beyond price?

Shift the strategy from **price** ...
... to **customer focus**



The experience at AXA

Initiating the creation of **Value Perception**



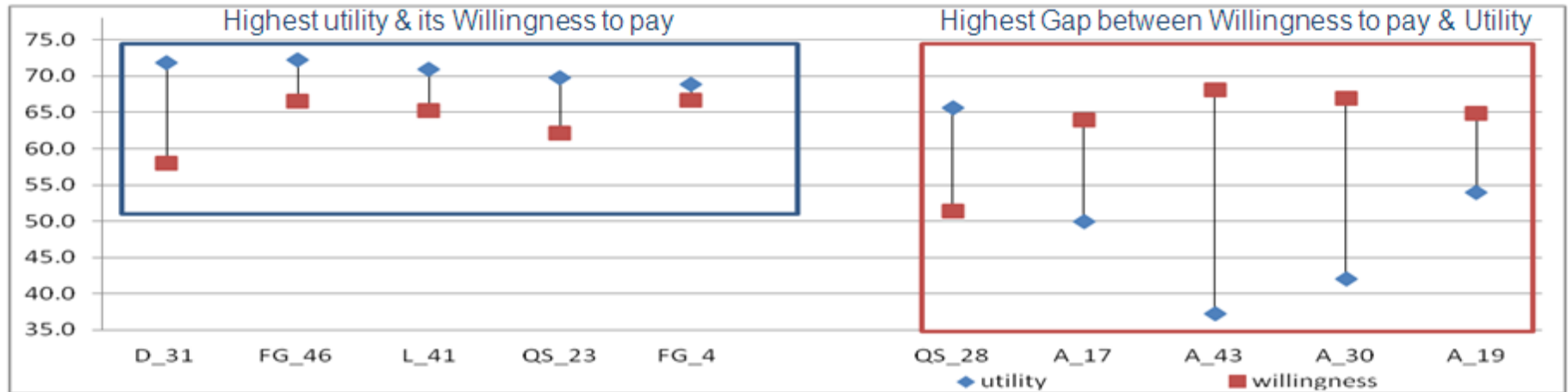
research practice Questions researchers evidence taken work

An inconvenient truth

- Insurance benefits can create emotions
- Value perception exists in insurance and varies according to profile
- Customer prioritize the utility & arbitrates it with his willingness to pay
- There is a key to optimize utility while maximizing willingness to pay

The experience at AXA

Initiating the creation of **Value Perception**



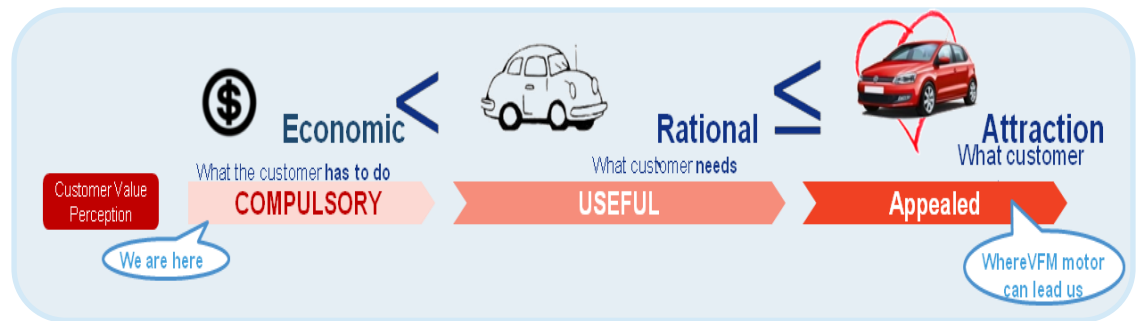
What does it mean for us?

- Insured is ready to **shop instead** of performing an administrative task for his insurance.
- We have to **adapt our offer** according to his habits, who he is, what & when he wants rather than adapting the price
- Such change in the business model **can increase up to 3 times** the profitability



The experience at AXA

What does it mean in term of Offer?



A transition from **"I give a quote"** to **"I provide you an offer"**.

Creating a journey for the customer through a purchasing experience

- **Get him engaged**
- **Play with his priorities of choice or necessities**
- **Facilitate his acceptance**

SO.... Help us

The solution is marketing, but **the actuaries** is critical for success



- From finding the ultimate minimum price
- To optimizing the offer by finding the maximum willingness to pay of customer

Other Industries have achieved such challenge

■ Fast Food industry



■ Airlines



Shall we change now ?



- Try to understand the past And stick to graphs & charts...



- Or looking ahead ... by innovating and targeting customer





*It was only **Food for thought**.....*

.... All technical, statistical figures, & analytical findings that are the source and the essence of this presentation are available....

.... Not automatically at your disposal.....

*..... **The end***