



Technology for a **Changing World**

Predicting Premature Annuity Policy Withdrawals

Company and Industry:

The company is a large Life and Annuity insurer with over \$60B worth of outstanding variable annuity policies.

Impact:

Previously, the company had not been able to identify at risk policy holders with any degree of confidence. Armed with a deeper, data driven understanding of policy holder behavior, the company has targeted its resources on profitable customers who are likely to begin withdrawals, with the goal of stemming those outflows and stabilizing the account balances. Over time, the client is expected to add about \$2M* per year to the bottom line through a targeted retention program.



BUSINESS PROBLEM:

Many policy holders were drawing down their annuities earlier than anticipated. Company management wanted to get more insight into which customers were liquidating prematurely and why, so they could focus their attention on retaining their most profitable customers.



SOLUTION:

Using customer and policy data for several preceding years, Scintel generated insights that describe the annuitants with high propensity for withdrawals. The predictive models assisted the client to locate risky yet profitable annuitants.



The analysis painted a clear profile of risky policy holders we need to focus on. Scintel complemented our traditional actuarial strength with its new generation analytical methodologies and intellectual property

- Managing Director, Annuities Business Unit