



BADISCHE VERSICHERUNGEN



Success Story BGV

blueyonder

Forward looking. Forward thinking.

Individual tariffs – satisfied customers

The mission statement of insurance provider BGV/Badische Versicherungen sums it up perfectly: "Customers must be treasured and taken seriously. The objective of our business is to convince our customers day after day that they are the most important factor for BGV. Fulfilling their needs is our greatest motivation. Each customer deserves our undivided attention." Heinz Ohnmacht, Chairman of the Board at BGV, views the need to constantly drive customer satisfaction management forward as one of his highest priorities tasks. "The company's effectiveness reveals itself whenever a claim is made," explains Heinz Ohnmacht. The objective is to not only convince the insurant by proving them with exemplary service, but also the claimant. With a below-average rate of complaints for the industry, BGV are clearly implementing this strategy extremely adeptly.

Why Blue Yonder?

What's important for account management:

By assessing numerous different factors, such as the age of each insurance policy holder and the vehicle they choose to drive, BGV is able to determine the perfect tariff for each of its customers, thereby increasing their competitive advantage in the process.

What convinces those at management level:

When working together with Blue Yonder, the probability of your customers cancelling their contracts is analyzed right down to the individual contract number. Customers who are looking to switch providers can be deterred in good time by sending them tailor-made offers.

Tailor-made tariffs for every location

Around half of the company's revenue comes from the motor insurance sector, an area in which the volume of data collected is growing every single day. BGV has been working together with Blue Yonder since 2003 in a bid to analyze this material. As Heinz Ohnmacht states, "In the motor insurance sector, we have millions of data records at our disposal. Blue Yonder uncovers interconnections that we would otherwise have struggled to identify. In terms of creating a tariff system that is both attractive and effective and

analyzing the actual claims themselves, this has helped us make huge strides going forward." After all, the times where insurance tariffs were determined by the engine size and power of the policy holder's vehicle are long gone. Instead, Blue Yonder takes other factors into account; factors such as the age and manufacturer of the vehicle and the location regional structure and property in which the policy holder resides. These are then used to create an image of each individual insurant.

Uncovering features that define each tariff

Tree structures, gut instinct and sophisticated models – each provider has its own approach for determining tariffs. BGV decided to opt for a unique Predictive Analytics solution that combines statistical methods with neuronal networks. According to Heinz Ohnmacht, "We provide Blue Yonder with our entire data and they then use an abundance of factors to reliably identify correlations for clearly defined target groups. We were therefore one of the first providers to in-

clude the age of the vehicle at the time of purchase into the tariff system process. Since then, the Predictive Analytics Software has been able to uncover even more important features for our pricing processes, meaning we are now able to offer tariffs that are incredibly client-specific." The results of the forecasts are used as a basis for deciding how a particular component is assessed: by using a factor of one, or by using a higher or lower factor.

Accurate risk forecasts for drivers of all ages

Not only does Blue Yonder prove its worth in determining individual tariffs, it also reveals its true power in the area of risk management. The risks attached to certain target groups are estimated realistically and are fed into the assessment of how attractive certain groups of customers are to the company. For example, getting a driver's license at 17 while driving accompanied by an adult has led to young dri-

vers causing far less damage. On the flipside, the risk of older drivers causing an accident increases the more complicated the equipment inside the vehicle becomes. This is also taken into consideration as part of the rational risk management process when drawing up a tariff system. Blue Yonder enables you to identify a whole host of other areas that can lead to an increase in the risk of damage.

New car? Blue Yonder lets BGV intervene in time

BGV also uses the Predictive Analytics Suite to detect the risk of their clients cancelling their contracts. Customers often choose to look at other providers at the end of the year. However, the management at BGV are equally interested in customers who leave BGV during the course of the year. "Blue Yonder determines the probability of our customers cancelling their contracts right down to the level of

individual contract numbers," says Heinz Ohnmacht. The likelihood of a customer switching providers is often linked to them changing the vehicle they drive. It is precisely here that the board chairman envisages a whole series of additional services that can make the company more noticeable and attractive during this stage, such as by issuing electronic insurance certificates for new vehicle registrations.

One giant leap: BGV revolutionizes its tariffs

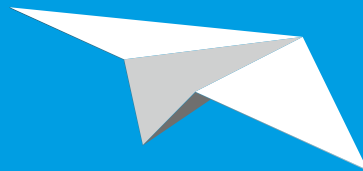
Overall, Heinz Ohnmacht now has a much broader picture of his customer structure. And with this as its foundation, BGV is now able to offer a broad range of individual tariffs. They calculate the most fitting price for each customer, making sure that the community of policy holders is not affected detrimentally by any individual

member. Thanks to Blue Yonder, BGV is able to handle enormous volumes of data with complete competence, and has taken a giant leap for the coming year, when it will be offering completely new tariffs for the sizable motor insurance sector.

Use your data to navigate to success

Still have any unanswered questions? Looking for a partner who can help you develop forecasts that are **specifically tailored to your own sets of data**? Contact Dunja Riehemann (Tel +49 (0)721 383 117 36, dunja.riehemann@blue-yonder.com) to join us in this visionary venture.

For more information, visit us at: www.blue-yonder.com



Blue Yonder GmbH & Co. KG
Karlsruher Straße 88
D-76139 Karlsruhe

Phone +49 (0)721 383 117 0
Fax +49 (0)721 383 117 69

info@blue-yonder.com
www.blue-yonder.com