Distribution optimization = profitable growth

Improved underwriting profitability and producer satisfaction
New realities are altering the traditional distribution landscape

Shifting roles

For a number of reasons – greater consistency, lower transaction costs, leveraging of data, P&C insurers are taking on more activities that was once the responsibility of agents.

McKinsey & Company Report

Less satisfaction

Between 30-50% of those surveyed indicated they were likely to change or consolidate their current carrier relationships within the next year.

Deloitte Producer Satisfaction Survey

Renewed focus on profitability

Carriers will focus resources on those producers that deliver profitable business.

McKinsey & Company
Carriers who reinvent business models will build a more profitable producer network

**Reduced costs** by re-evaluating their producer networks – and removing under-performing producers

**Operational efficiency and scale** by using predictive analytics and new technologies can improve efficiency and effectiveness – and help carriers and producers grow

**Enhanced brand loyalty** Deeper producer relationships by delivering relevant, personalized, data-driven recommendations

**Increased share of wallet** Insurers who embrace transformation will be able to differentiate themselves and increase likelihood of being the preferred carrier of choice
Predictive analytics can offer greater precision, transparency, and foresight

Existing Producer Segmentation
Segment current (IA) and (EA) producers using analytics and determine who should be released, kept or invested in

New Producer Acquisition
Recruit based on a look-a-like model of your best producer profiles – and understand subtle signals that can predict future profile changes

Carrier - Producer Co-Marketing
Drive agency effectiveness and sales optimization to deliver market level insight to identify customer and prospect opportunity and growth
Leveraging predictive analytics allows you to efficiently segment and optimize your existing producer portfolio.

Today: Lowest composite risk profile
Future: Deterioration may be ahead

May consider revisiting and limiting long-term exposure.

Today: High composite risk
Future: Highest probability for improvement

May make the difference between an approval or rejection.

Neutral risk profile today in the 3 and 4 range

May help you anticipate what a future relationship may be like.
Sophisticated anticipatory analytics can evaluate new producers and distinguish between future risk or opportunity.

ABC Agency

Year Started: 1980
SIC: 6411
Employees: 26-50
Recent Payments: Prompt
Composite Risk: 3-Medium

XYZ Agency

At the primary agency level, the profit score becomes better when the risk situation improves.

<table>
<thead>
<tr>
<th>Risk Segments</th>
<th># of Agencies</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Low Risk)</td>
<td>1404</td>
<td>45.48%</td>
</tr>
<tr>
<td>2</td>
<td>607</td>
<td>19.66%</td>
</tr>
<tr>
<td>3</td>
<td>363</td>
<td>11.76%</td>
</tr>
<tr>
<td>4</td>
<td>335</td>
<td>10.85%</td>
</tr>
<tr>
<td>5</td>
<td>127</td>
<td>4.11%</td>
</tr>
<tr>
<td>6 (High Risk)</td>
<td>92</td>
<td>2.98%</td>
</tr>
<tr>
<td>NA</td>
<td>159</td>
<td>5.15%</td>
</tr>
</tbody>
</table>
Co-marketing efforts can drive agency effectiveness by delivering the foresight needed to target the best prospects.

The Power of the Carrier Brand

The Agility and Flexibility of the Producer

Targeted Policyholder Population
D&B is the recognized industry leader helping to build more valuable relationships and deliver compelling ROI

More than 87% of Fortune 500 companies around the world rely on D&B insight and analytics to achieve more precision in segmentation and powerful business results.

D&B is the global leader of predictive and anticipatory analytics driven by over 50,000 potential predictive attributes.

The world’s leading business information provider with unrivaled coverage of structured and unstructured data across the globe.

A legacy of innovation for over 173 years… groundbreaking predictive scores and analytical capabilities with built-in foresight.