

**Better protection.
More value.**
Create more
'moments like this'



Lower lapses. Preserve healthier lives. Increase profitability.

When level-term premiums reach their limit, policyholders can face jaw-dropping rate hikes and insurers face the threat of soaring lapses. Solving this issue with a win-win model is one of many tools Swiss Re has developed to help you actively manage your inforce business.

We take the power of data layered with an understanding of how policyholders will behave, to create new solutions that help you mine hidden value in your inforce, keep your customers covered, and free up capital for other uses.

The challenge: US term policies with stiff rate hikes

When a level premium guarantee comes to an end, premiums can instantly jump 10 to 20 times higher. It's a shock to customers, many of whom will let their coverage drop immediately or within a few months – creating the shock lapse and losses in both income and the healthiest lives. Customers lose needed protection, and you've lost another valuable customer.

Tools to help

- Sophisticated predictive models
- Understanding consumer behaviour to effect better outcomes
- Regulatory insight and product structuring
- Support for reinsurance negotiations and restructuring

After years of analyzing lapse patterns, applying sophisticated predictive modeling, and using behavioural insights to improve customer communication, we have proven methods that can help reduce the shock lapse.

We use these same methods in other ways to extract more value from your inforce and

deliver more value to your policyholders – all at the same time.

Here's how it works

We offer a range of tailored services to build your retention capabilities and improve persistency, mortality, and profitability. And we guide you through the process from start to finish.

1. We begin with an end-to-end strategic review of your key blocks of inforce business approaching the PLT period.
2. Using lapse analytics and sophisticated predictive modelling, we then model a specific block to predict future cash flow. You have transparency around all our assumptions and we clearly outline how the proposed changes are expected to affect profitability for you and your reinsurance partners.
3. We then help you to implement a change together with your reinsurance partners, track the effects and measure the results. And because we apply PLT premium management to several of our own blocks, we can provide firsthand insight in how these solutions play out.

Did you know?

- In 2016, six of the top 10 US term writers were actively managing their PLT premiums.
- 8.5b USD – The amount of net cash flow available today in the industry with PLT premium management.

A managed approach improves profitability



Real-life success stories

Generating significant capital relief for one of the largest US-based life insurers

- A client recently acquired an agency which increased their field force by 60%. They needed a significant amount of capital relief in order to continue to write large capital-intensive products. Through our innovative modelling and the work of Swiss Re's transactions team, we helped them achieve USD 20 million in additional capital relief. The result? Improved capital and profitability, which enabled them to provide better and more affordable products to their customers.

90% cash flow improvement

- For another client, we provided modeling and lapse propensity insight for a key block that was about to hit the PLT. We helped them to improve persistency and profitability throughout the post-level term period and improved their net cash flow by about 90%.

Is there more potential hiding in your inforce portfolio? Contact your Swiss Re representative, and let's explore the possibilities together.

We're smarter together