Upselling on Credit Life
Allianz Indonesia Experience

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Allianz’s MI in **numbers**, Dec 2013

- **76** credit life partners
- **2,700,000** no of insured loans
- **220,000** new insured loan per month
- **$0.5** single premium per insured
- **$110,000** GWP per month
the credit life “trap”

what’s the trap?
quickly penetrate market,
less awareness
Allianz’s studies told...

GfK Customer Research (2013)

45% of Allianz Indonesia credit life customers were unaware of their insurance cover. Only 20% could correctly point at Allianz as their insurer.

MILK#36 Client Math (2014)

The loan forgiveness component covers on average 23% of the various outstanding loans. It helps beneficiaries to almost completely avoid financial difficulties. Covering (mostly male) spouses would create even more social impact – and premiums.
why does Allianz focus on upselling?

to bring Allianz’ long term strategy “grow with customers” to life
how did we do it?

offering voluntary products to credit life customers using “tick-box” approach
the products...

**Personal Accident:**
Sum assured: USD 2,000
Premium: USD 2 per year

**Hospital Cash Plan:**
Sum assured: USD 8/day (max 180 days)
Premium: USD 12 per year

**Housing Insurance:**
Sum assured: USD 160
Premium: USD 1.6 per year

Simulation cards to explain insurance concept
what's the result of our pilot?

4 pilot partners

12 months from Jan 2014

12,476 reachable customers

Conversion rate on average 5% of reachable customers

839

25.3%

KKBS

967

15.7%

BDAS

9246

2.5%

KAKR

1424

1.6%

BDAL

Reachable Customers

Tick-box Sales
What made the **difference**?

**Successful partners**
- Showed a **high trust** level in Allianz’s capabilities.
- Made insurance sales talk as **clear part** of their own SOP.
- Each front liners **clearly instructed** to explain “tick-box”.
- Instead of driven by commission income, they were more focusing on **value proposition** enhancements.

**Unsuccessful**
- No **clear rules** of game on commission defined by the management.
- The commission was **not attractive** enough and could not be used as key driver.
- Field level staff did **not really aware** the importance of having insurance as part of customer value proposition.
lessons learned...

- Seamless **integration** to SOP and system is a key
- **Customer conversion works**
- **Small size** of pilot partners proved helpful
- **Disconnecting** insurance from loans is the key for renewals and loyalty building
challenges faced...

filter partners with the right “DNA for success” in faster way
tailor products to better meet customer needs

establish an efficient renewal process
scalable low-cost awareness building, tied in with the sales and collection process
way forward...

- Scale up the approach with larger partner
  - develop more “converter” products
  - conducted awareness campaign, tied in with the product sales

- arrange for efficient renewals
  - $
When a RISK happens → remember INSURANCE → remember ALLIANZ