

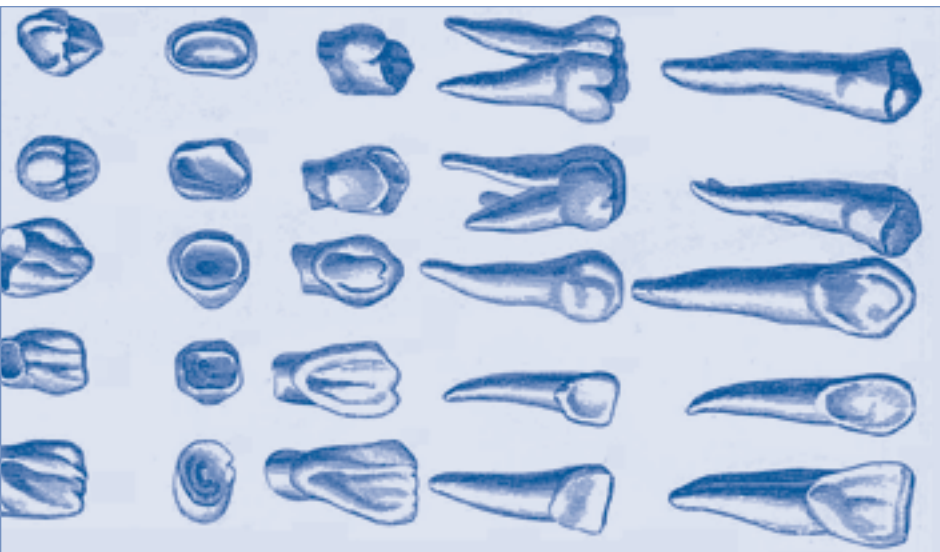


SOCIETY OF ACTUARIES

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P²IMA = 12 DOG BONES

BY JAY M. JAFFE

The first annual Product & Process Innovative Marketing Awards were presented at the February 2005 Professional Insurance Marketing Association (PIMA) annual meeting in Tucson. This award is co-sponsored with the Nontraditional Marketing Section (NTM) of the Society of Actuaries (SOA).

Any one who attended the PIMA 2004 Annual Meeting in Puerto Rico may recall that I presented my methodology for evaluating new products based on the premise that “the only thing that counts is whether the dogs eat the dog food.” Accordingly, an outstanding new product is rated with four dog bones whereas a lesser product may only receive a single or even just a half dog bone.

The judges for the award were Don Neal from Marsh Affinity, Nancy Manning from AEGON Direct Marketing Services, and myself. The panel decided to have three co-winners for 2004 because each of the winners has potential value to PIMA and NTM Section members. Therefore, we awarded four dog bones to each entry or a total of 12 Dog Bones for 2004!

Two of the submissions described new processes and the other was for a new product. Two of the entries

were from PIMA members and the other from a NTM Section member.

The purpose of this article is not only to report the award but also to expose the winning product and process concepts to PIMA and NTM Section members. A brief recap of each entry follows:

The entries were from:

- Authtel
- Marsh Affinity
- Acting Agent

Authtel:

Authtel has created an interactive CD called iCD (patent pending). This innovative marketing tool allows users to deliver compelling value propositions, including offers, trials and premiums, to their prospects.

To gain access to the content on the iCD, consumers are presented with a request for their ongoing consent for contact via a specific marketing channel, such as telemarketing. This begins a new relationship between the consumer and an insurer. The company may now communicate directly with the consumer utilizing the marketing channel the consumer has chosen. With this system, regulatory compliance is maintained and consumers are more receptive to the marketing message presented to them.

Authtel’s system is based on their Company-Specific Permission (CSP) Engine. The CSP Engine is a data-base driven marketing system that checks for compliance with various “do not” lists and then initiates a permission campaign using the iCD and other marketing tools (postcards, e-mails, etc.). Names and contact information of consumers who give their consent are returned to sponsors and a permission audit trail is maintained. Ultimately, this process leads to more cost effective, consumer-friendly direct marketing.

Marsh Affinity Group Services:

Marsh created an Over Age 65 Short-Term Recovery Plan. The plan was developed to address the loss of thousands of insureds when the 2001 TriCare for Life legislation eliminated the need for Medicare Supplements for military retirees. As a result of research, Marsh determined that an at-home recovery coverage would help fill a benefit need of many individuals age 65 and over.

The Short-Term Recovery program is based on an HIP chassis. The plan provides benefits to cover expenses incurred at home during recovery of an illness and which may not be covered by Medicare. Benefits are triggered based on a Medicare-approved course of treatment following a hospital confinement.

Premiums for the product average \$360 per insured per year. The product has been successfully sold to many of Marsh's military and other professional client members. First test marketed in January 2002, the program has grown to over \$1.5 million in annualized premium in just over three years. The product is underwritten by The Hartford (another PIMA member).

Acting Agent:

The third entry was from Acting Agent, Inc. It is a distribution platform that makes each customer's motivations visible throughout a company. It is based on event prediction and guides each sale's interaction in a completely unique way. By synchronizing activity generation, solution creation and selling, action management and sales chemistry enhancement, Acting Agent aims to transform person-to-person distribution systems into a high-value, high-productivity model.

Better information usage, not information technology, is at the heart of Acting Agent. Acting Agent uses highly effective generalized learning mathematical models to predict and improve the success of each customer-agent interaction and also how such information is presented for effective usage.

...remind the questioner that you are a marketer and always looking for a new product idea worth four dog bones.

If you want more information about any of the three **P²IMA** award winners, please contact them directly:

Authel: *Jon Hamilton at jon@authtel.com*

Marsh: *Ed Ruth at edward.j.ruth@marshpm.com*

Acting Agent: *Rolf Running at rolf.running@math-model.com*

We're already looking forward to the 2005 awards (to be presented in March 2006). An entry form can be obtained on the PIMA Web site (www.pima-assn.org) or contact *Jay Jaffe at jay@actentltd.com*.

The "take away" from this short article is to go out and buy a box of dog bones and place the box prominently on your desk. It will be a good way to start a conversation with visitors. The next time someone asks why you have the dog bones in front of you, remind the questioner that you are a marketer and always looking for a new product idea worth four dog bones. There's one exception to the suggested response: if the questioner has four legs and barks, be a nice person and slip your friend a few treats. ■



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