

# CHUBB FILLS ITS NICHE WITH SAS®

Meeting customer expectations in personal, commercial and specialty insurance markets

## Jeff Hoffman

Senior Vice President  
Customer and Marketing Intelligence

### Industry

Insurance

### Business Issue

Develop and market specialized products to meet customer needs.

### Solution

After accessing data from internal and external sources, SAS® then analyzes the data to reveal customer and market insights.

### Benefits

Chubb markets its products to the right customers, develops new products that meet customer needs and operates in areas where the company's customer base is most likely to benefit.

Today's insurers are creating specialized products to meet the individual needs of art collectors, owners of mid-sized businesses and professionals in particular industries. While the demand for specialized policies is on the rise, the key to marketing and selling them still lies in the ability to segment and analyze customer data at ever-finer levels.

Well-known for its specialty insurance products and its premium personal and commercial coverage options, The Chubb Group of Insurance Companies counts on SAS customer intelligence to market its products to the right customers, to develop new products that meet customer needs and to make sure Chubb operates in areas where the company's customer base is most likely to benefit.

"We rely on SAS in four key areas at Chubb," says Jeff Hoffman, Senior Vice President of Customer and Marketing Intelligence. "SAS is a strategic resource for customer segmentation, customer prospecting, market assessment and data quality."

#### Making decisions with confidence

Chubb first experienced the power of SAS customer intelligence in 2001. At that time, the company's personal insurance group began providing independent agents with targeted prospect lists based on insights from SAS. The results were immediate, yielding higher growth rates and lower costs of customer acquisition.

Since then, Hoffman has expanded the use of SAS so that hundreds of users at

every level of the company rely on SAS business intelligence (BI).

"People feel that they're making decisions more confidently now than ever before," explains Hoffman. "In the past, decisions were generally made with less information. They didn't feel as confident. The data wasn't there to explain to others why certain decisions were reached."

#### Meeting customer needs

Hoffman says Chubb applies customer segmentation to every aspect of the company, but he lists three unique areas where he's seen customer segmentation really take hold: product improvement, targeted marketing and customer service.



"We use customer segmentation to drive research agendas and to improve products and service offerings," says Hoffman. "Segmentation also helps identify targeted marketing messages and communications. We also use it when developing service strategies for different segments of customers. SAS has been a core driver behind all of this activity."

As a result, product offerings have evolved to meet customer needs, marketing messages have become more targeted and customer cross-selling efforts are more productive.

“SAS converts raw data into useful information, and SAS helps us focus on producing clean, consolidated results, so we can have a system in place to optimize all our BI efforts.”

**Jeff Hoffman**

Senior Vice President, Customer and Marketing Intelligence  
The Chubb Group of Insurance Companies

In particular, Hoffman's team uses SAS software to establish a customer value index, which segments customers into various groups and predicts each group's purchase propensity for specific products. The analyses are used to create targeted lead lists for the many independent agents who sell Chubb's products. Likewise, those products are evolving to meet the specific needs of these many customer segments.

“We're trying to understand the differences between our customers so we can offer endorsements or enhancements to the product or service offerings that would be more meaningful to that type of customer,” explains Hoffman.

**Moving closer to customers**

Chubb also uses SAS to develop market assessments that help determine future strategies within specific territories. “Our market assessments are used to enhance our decisions around resource allocation, placement of offices and prospecting,” explains Hoffman. “SAS helps us from a strategic standpoint in identifying the strength of our distribution within a specific territory.”

Using SAS, Hoffman's staff is able to combine and analyze data from internal and external sources, including demographic census data, corporate data from Dun &

Bradstreet, customized industry data from MarketStance, and historical underwriting and claims data.

“We're working on a market condition score, which helps us compare and contrast different territories across the country based on five different factors,” explains Hoffman. Those five factors are related to market size, market share, distribution effectiveness, economic trends and the competitive environment.

Using these assessments, Chubb can move office resources to areas with greater opportunities and open new offices closer to the customers who are most likely to purchase Chubb insurance.

Operations executives can even drill into the results to determine which specific products need more support in various territories.

“We've been able to identify places where we need additional resources for a certain line of coverage or a certain type of product that we're selling, based on the market opportunity that presents itself,” says Hoffman.

As a result, says Hoffman, “The quality of the business that we're writing is improving because we're targeting our staff and our independent agents to spots where we believe there is the best match between customer need and a valuable Chubb client.”

**Data quality drives BI**

According to Hoffman, SAS data access and data quality technologies are at the core of the company's business intelligence success. “SAS converts raw data into useful information, and SAS helps us focus on producing clean, consolidated results, so we can have a system in place to optimize all our BI efforts,” he says.

Whether it's used for market assessments, customer segmentations or prospecting, Chubb is using SAS to ensure its results are accurate and complete. “SAS is at the heart of all our customer and market analysis,” says Frank Travisano, Assistant Vice President of Statistical Research. “It's able to access all the data sources, bring those data sources together, and present new ideas and new information to many different users.”

In addition to providing a platform for valuable business insight, Hoffman says SAS also has encouraged change at Chubb. “SAS has helped transform the mindset of the organization to accept new information and new business intelligence as part of our strategic decision-making processes at Chubb.”



SAS INSTITUTE INC. WORLD HEADQUARTERS 919 677 8000 [WWW.SAS.COM](http://WWW.SAS.COM)  
U.S. & CANADA SALES 800 727 0025 SAS INTERNATIONAL +49 6221 416-0

SAS and all other SAS Institute Inc. product or service names are registered trademarks or trademarks of SAS Institute Inc. in the USA and other countries. ® indicates USA registration. Other brand and product names are trademarks of their respective companies. Copyright © 2006, SAS Institute Inc. All rights reserved. 47524\_413399.1006