

# Actuaries Applying Advanced Analytics in Non-Traditional Roles

Actuaries applying advanced analytics in non-traditional insurance roles are deploying their acumen to solve business problems.



*Actuaries applying advanced analytics provide a window into the profession's future.*

As demonstrated in [Part II of my Actuarial Review](#) series about “the others,” actuaries applying advanced analytics are working in various industries. (“The others” are members of the [Casualty Actuarial Society](#) who *not* working in traditional insurance industry actuarial roles.)

Part II features four actuaries applying advanced analytics in very exciting ways. It provides a window into the future of the actuarial profession. Increasingly, actuaries will be serving in roles beyond pricing and reserving. As technology moves forward, advanced analytics and artificial intelligence will become more commonplace, offering new potential roles to actuaries.

The article features:

**Kevin Kuo, Software Engineer, RStudio** After serving as a life actuary, Kuo applied predictive analytics for direct mail credit card acquisitions for Citibank. He’s now working to enhance “R” software to offer big data and deep learning capabilities.

**Aaron Fezatte, Strategy Manager, Expedia.** Beginning his career as a P&C actuary for Liberty Mutual, he secured a job with Expedia to develop new ways to price and offer travel insurance.

**Cathine Lam, Data Scientist, Economics & Actuarial Team, Metabiota.** The former Milliman Inc. consultant works to track infectious diseases around the world and supports her company’s software product. Insurance companies and government entities are key clients.

**Frank Chang, Director of Insurance and Safety Analytics, Uber.** Chang wrote for *The Motley Fool* and handled pricing for Esurance before working for Google and then joining a team at Uber. His multifold role includes applying analytics to encourage risk management and insure Uber drivers.

[The first article about “the others,”](#) published in the September/October edition of *Actuarial Review*, was highly popular, attracting hundreds of visitors. This second and final article is a **must read** because it showcases how actuaries applying advanced analytics and forging new pathways for the profession.

During the past few years, I’ve written several articles about advanced analytics and the actuarial profession. If you would like to check them out, please visit the [actuarial section](#) of this blog. My next [Actuarial Review](#) article covers insurtech. Slated for early January, it explains how and why insurtech will be changing the insurance value chain - forever.

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## **Insurers Must Beat the Customer Engagement Disconnect**



*Insurers must overcome the customer engagement disconnect*

Insurance marketing professionals are striving to beat the customer engagement disconnect.

They know that customer engagement must go beyond internet and social media participation to meet customers where they are — at their cell phones. We live in a world where the mobile phone has become the center of people's lives. Insurers should be taking full advantage of this.

Sure, customers are using their smartphones to surf the net and participate in social media. However, the best way to reach customers personally is through voice mail, text messages and email.

My most recent [blog](#) for [SPLICE Software](#) covers the results of a recent [Marketo study](#) of marketers from many industries across four countries. The study reveals that marketers, in general, know they must overcome what I call the customer engagement disconnect. Not surprisingly, the study also reveals that customers are willing to be brand advocates for companies that demonstrate they care for them.

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Insurance marketers need to find the tools to help engage more directly with potential and current customers. Usually, sales and customer service departments already have such tools. To ensure messaging and branding are consistent, marketers should be partnering with other departments that are contacting policyholders.

While my SPLICE blog centers on personal lines insurers, the study also offers insight for B2B communicators. If you market commercial insurance take note: B2B customers have even higher expectations on brands when it comes to engagement. And note this: they are more willing to be brand advocates compared to B2C customers.

I hope you'll check out the blog. It offers much more specific information to encourage marketers to start thinking about how to topple the customer engagement disconnect.

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## Claim Prevention Tips Can Upgrade Customer Experience and Mitigate Losses



*Claim prevention tips can improve customer experience and prevent losses.*

Claim prevention tips give personal lines insurers ample opportunities to upgrade customer experience and mitigate losses. Catastrophic (CAT) events such as hurricanes Harvey and Irma are reminders of why providing critical information to policyholders will quickly become a best practice.

As I explain in [my blog for SPLICE Software](#), directly delivering useful safety and loss prevention information to customers via their communication channel of choice — such as text messages — allow insurers to tangibly demonstrate their commitment to policyholder protection.

Further, arming customers with critical information allows them to take positive steps to decrease the frequency and severity of claims. These tips can also build customer loyalty and provide a new way to reinforce marketing strategy.

[My blog](#) explains other reasons why insurers should use claim prevention tips. Happy reading!

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# Claim Closure Can Enhance Customer Experience, Branding

Claim closure can set a positive tone that bolsters overall customer experience and an insurer's brand. How insurance companies finish off the claim process can leave an overall impression that can affect customer retention and loyalty.

It's really quite simple, isn't it? When someone is happy with their insurance company, they recommend it to friends either in person or online. Conversely, unsatisfactory claim experiences can lead to negative social media posts that harm an insurer's brand.

Claim closure gives both customers and claims professionals that wonderful feeling of finality. There is just something about being able to check something off the to-do list! For insurers, it's also an important way to make that final positive impression on customers.



*Claim closure should enhance customer experience and an insurer's brand.*

Historically, insurers send a letter via snail mail - thereby delaying that positive feeling of resolution. In addition to those letters, however, insurance companies should seriously consider the role technology can play in leaving a *timely* positive impression at the end of the claims process.

As I wrote in a blog for [SPLICE Software](#), technology offers a means to accomplish just for personal lines insurers. Reaching customers quickly is important for boosting customer experience, which in and of itself, is brand enhancing.

## **Claim Closure Messaging**

The message's language is also critical. The "it was a pleasure to serve you" type wording has

become so ubiquitous that insurers need to consider messaging that uniquely reinforces an insurer's brand.

That's why I believe an insurer's marketing, communications, claims and customer service leadership should work together to send brand reinforcing messages available through omnichannel technology.

How insurers handle claims can make or break their relationship with their customers. Going the extra mile to provide timely and brand-enforcing messages throughout the claims process, including claim closure, just makes sense.

Eventually, using the omnichannel approach to communicate with insurance customers will become an insurance industry best practice. In the meantime, insurance companies already leading the charge should reap customer loyalty-building results.

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## **Sending Omnichannel Appointment Reminders Offers Multifold Benefits**



*Appointment reminders are a customer experience enhancing opportunity.*

Sending omnichannel appointment reminders can help personal lines insurers save money, encourage efficiency and improve customer experience.

Using omnichannel tools is a more effective approach than traditional methods. That's because claimants can decide how they want to receive and respond to notifications.

To find out how technology is improving the transmission of appointment reminders, please check out my [blog](#) for SPLICE Software.

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## [Deploying the First Notice of Loss as a Customer Experience Opportunity](#)



*The First Notice of Loss is a critical customer experience opportunity.*

The First Notice of Loss is more than a critical part of the claims process. It's an opportunity to improve customer experience. I explain why in a blog I wrote for one of my clients, the award-winning [SPLICE Software](#). The [blog](#) demonstrates why the First Notice of Loss gives insurance companies the chance to begin effective communication, which is a critical part of building positive customer experiences. I hope you will check it out!

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# To Write Successful Marketing Content, Think Like A Journalist



*Courtesy of Mike Lincht NotionsCapital.com via flickr.com*

To write successful marketing content, think like a journalist. This approach certainly works for my clients and my company.

The primary goal of content marketing is to provide “organic” content — as opposed to advertising — to boost Search Engine Optimization (SEO) to attract potential customers.

While executives can get excited about the bells and whistles of technical SEO, the truth is that content remains king. After all, if the written material does not attract search engines to your website, what’s the point?

So it’s curious to me that many companies do not make the necessary investment for unique and useful content that is more likely to garner the all-coveted higher search engine rankings.

You no doubt see the results every time you do an Internet search. Since anyone can publish on the Internet without editorial scrutiny or peer review, the cyber world is filled with a lot of distracting and frustrating written refuse. There’s too much content “noise” on the Internet: material that is too generic, doesn’t answer reader questions or even worse, is duplicative from other websites.

The explanation for Internet noise is simple. Content marketing is a form of self-publishing. And yet, much online copy is not produced by publishing professionals. That is why thinking like a reporter will help you write successful marketing content.

To write successful marketing content and become an awesome content marketer, therefore, you need to think more like a quality-minded publisher or journalist. Consider this: just as a byline is the journalist’s brand, the material your organization publishes reflects its brand. Some experts call this [brand journalism](#).



Publishers and journalists understand they must thoroughly [know their audiences](#) to offer content so compelling that busy people will sacrifice their time to read it. Yes, I mean sacrifice. By publishing a piece, you are asking the viewer to read your stuff instead of doing something else.

Frankly, I am always amazed at the marketing hype that gets published by people who don't want to spend their precious time reading the hype of others.

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***Is your company's content so awesome  
that someone would actually pay  
for the privilege of reading it?***

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I've also been equally shocked by how many professionals are not well acquainted with their customers' needs and situations. Such information is necessary for producing quality content that will best serve customers. Investing in interviews, surveys or focus groups is a great way to know your customers better. (And by the way, you'll also get great content ideas.)

The key is to *show* - not just *tell* the customer - why your firm is unique and how that equates to better products and services. That means no direct sales material or the *blah, blah, blah* about your company's greatness. Ways to *show*, instead of *tell* are: publishing expert advice and insight, providing testimonials and case studies that solve common problems.

Professionals with publishing backgrounds understand that to make money, they must produce material that is so credible, useful and compelling that a person would buy it (through subscription) or it will attract enough readers to sell advertising.

Ask yourself a question. Is your company's content so awesome that someone would actually pay for the privilege of reading it? If so, they will keep coming to your website for more!

Your organization's content should showcase your expertise and build credibility with your potential and current clients. This is another reason why I recommend a journalistic approach. Strict journalistic standards push out the hype and sloppy content because the writer must justify every sentence. Therefore, to write successful marketing content, think like a reporter.

Such journalistic standards include:

- **Knowing the reader.** This cannot be emphasized enough!
- **Assuring accuracy.** Fact-check and double fact check when referencing other authors or sources. That means that proper nouns must always be correct or they are factual errors.
- **Clarifying** the purpose of the article, blog or other material and ensuring it answers the famous: who, what, when, where, why and how questions.
- **Being specific.** Instead of writing, "according to a study," you name the study, the organization that published it and provide a link.
- **Anticipating and answering reader questions** about the subject.
- **Presenting material** in its appropriate "editorial package" by considering the appropriate use of graphical elements such as bullets and art.
- **Staying concise.** That does not necessarily mean keeping material short. Search engines do reward thoughtful and longer pieces. Aim for smaller sentences, tighter and active wording (for example, overusing the phrase "of the") and phrasing that compels further reading.

Applying such standards for producing unique and high-quality content takes a lot of time and

adjustment. So what are you to do?

There are several approaches. You can:

- **Buy generic material** about insurance that is pretty affordable. Since it is not original, it is more likely to be pushed down by the search rankings.
- **Produce content in-house**, making sure that you have an editor who will approach the article journalistically.
- **Hire a freelance writer** with a journalism background. Writers with solid reputations, years of experience and who know the subject matter (or know what to ask) will likely cost more. Just think of the time it takes subject matter experts, consultants and executives to produce well-written material. Compare that to the cost of hiring a seasoned writer. Besides receiving quality and unique content, you should also benefit from ideas for re-purposing, new stories, different angles and approaches and creative ways to present material.

## **Conclusion**

Publishing unique and quality content is more important for boosting SEO than technical SEO enhancements. By approaching a subject like a journalist, you will enhance your organization's brand to build trust and credibility that should attract potential customers.

To write successful marketing content, try a journalistic approach. For more tips regarding marketing and communication, please click [here](#).

*Like what you see? Then follow me!*

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# **[The Difference Between Customer Service and Customer Experience](#)**



What's the difference between customer service and customer experience for personal lines insurers?

I tackle that question in a blog for one of my clients, the award-winning [SPLICE Software](#). The [fact-based blog](#) includes research that demonstrates why customer service and customer experience is different — and why it matters. I hope you will check it out.

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## [The Art and Necessity of Writing Long Content](#)

Writing long content, such as feature articles, reports and studies, may be a dying art. While minimalist web designs require brief content and web writers focus on search engine pleasing text, it is ironic that Google rewards longer and more meaningful content and readers are clamoring for it.

There are several reasons to invest in long (a.k.a. long form) content, which I define as written work with more than 1,200 words. Writing long pieces, however, is not for everyone. At a minimum, it requires vision, reader understanding and organizational skills.

### **The Case for Long Content**

Google sees long form content as having greater quality and uniqueness - and rewards it accordingly. More importantly,



*Writing long content requires vision, organization and focus.*

longer content provides a deeper look into topics. Thanks to years of internet content publishing and supersaturation of similar text, customers have become more sophisticated. They want greater insight that comes from more detail, explanation, examples and other elements that define meaningful content.

Producing longer content attracts readers and boosts search engine optimization (SEO). It also demonstrates subject matter expertise and thought leadership. While communications and marketing professionals know this, they are often too overwhelmed to ensure their content is truly unique. Long content also presents greater opportunities to reuse material for tweets and blogs or enhance it for short e-books.

Developing comprehensive website content requires a long content approach to ensure organization, avoid omissions and maintain focus. Building website maps and structure requires the same big picture thinking and focus as organizing reports or feature articles. When writing or re-writing websites, I approach a site as a large and flexible editorial package. The combination of content and visuals should support a website's main purpose and message.

## **It Ain't Easy**

Anyone who has tried writing long form content quickly realizes that it is not easy. Besides requiring skills I mentioned already, there are also characteristics of writers who can produce long copy that cannot be taught.

The art of writing long content requires an almost unquenchable natural curiosity, deep thinking and the ability to simultaneously focus on the big picture while focusing on micro details. Writers of long form content also possess the necessary patience and perseverance to reach completion. They are also quick studies who can overcome deep learning curves.

Writers who possess the skill, natural ability and experience to produce long form pieces are rare. There are several reasons, but I see two primary explanations.

To my knowledge, being able to write long pieces for business purposes has never been required for degrees in business, marketing, journalism or communications. Due to continual changes in communications technology and techniques, marketing and communications professionals find themselves struggling to stay current. Since writing long content requires practice, they have little time to develop this valuable and essential skill.

# Tips for Writing Long Content

After publishing hundreds of feature articles and other forms of long content, I have developed practical techniques for working through the process. Here are some:

- Create an outline for long content; always being flexible to new ideas, directives and information can redefine the original path.
- To keep track of different sources while combining their information for text, electronically color-code each source.
- After producing a cohesive work, convert the colorful text to black to focus on the actual words without distraction. Print the text and review it to ensure organization and flow. Put on “the critic” hat. Make sure the text is truly informative, the writing is clear and the organization is logical. Be relentless and remove anything unnecessary.
- Upon making necessary revisions, print out a fact-checking draft. I use different colors of erasable pens, pencils or markers for each source. When the process is complete, I have the option to erase distractions before making electronic corrections.
- When possible, abandon content for at least a day or two. This way, the next review is more objective. The longer the wait, the greater the objectivity.
- Before submission, print out the written work once again. Read the material backward, starting with the last sentence of the piece and working to the first. This is the best way to find potential comma faults, misspellings and other small details easy to miss on screen.

If you decide to hire a writer for long content projects, [review work samples](#). During the interview, pay close attention to what the writer asks about a project. Long content writers do not think in essays, but editorial packages. That is, they see the big picture and anticipate ways to make long content more easily digestible through sidebars, infographics and other graphic elements. (For more advice on hiring freelance writers, click [here](#).)

## A Final Thought

In the next few years, it will become more commonplace for companies to use predictive modeling and artificial intelligence to produce content. It may also work for tweets, news releases and even brief blogs.

This is no immediate threat to creators of long form articles. While people and machines may learn some skills necessary for writing long content, there are natural characteristics that cannot be taught.

Question: How do you tackle writing long content? Let me know in the comments section below.

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## [For Insurance, Predictive Modeling Will Surpass Human Judgment](#)



*Predictive modeling will surpass human judgment.*

Predictive modeling will surpass human judgment and lead insurers to adapt a data and analytics insurance business model. This is according to sources in my recently published covering the latest in predictive modeling.

Published in the March/April issue of *Actuarial Review*, [Predictive Prudence](#), also covers how the new business model works, impediments limiting predictive modeling to reach full potential and data ethics.

Despite continual issues with data quality, information accessibility and regulatory considerations, predictive modeling is already demonstrating its power for guiding executive decision making, sources explain. As property-casualty insurance companies grow smarter in addressing predictive modeling barriers, some forward-moving carriers are already finding that predictive modeling can

provide probability insight for decision-making and encourage measurable accountability.

Transitioning from a human judgment-based decision making to one based on models is not easy. The idea that predictive modeling will surpass human judgment is a threat to employees comfortable with traditional approaches. It is not surprising that internal pushback is a major reason why many insurance companies struggle to adapt to the new business model to remain competitive.

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***The idea that predictive modeling will surpass human judgment is a threat...***

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This article is part III in my series on the latest in predictive modeling. I am thrilled to see it spur discussion on [Actuarial Outpost](#). The intent of three part series was to update actuaries on predictive modeling applications for varying lines and purposes. The first article covers [growing data availability](#). The second one discusses the great [modeling experimentation](#) taking place for applications.

Here's the summary of the three articles:

1. **More data is available.** Ensuring data quality and obtaining enough of the right data to answer a question continues to be a growth area, especially for some commercial lines. Additional data is still needed.
2. **There are hundreds of potential models.** Actuaries and other quantitative professionals are experimenting with different ones to determine which will provide the most insight.
3. **Classic predictive modeling** through generalized linear modeling and decision trees are finding new applications. Concurrently, models beyond those, such as neural networks and gradient boosting, remain in the experimentation phase. There are traces of evidence that such models are being used in the real world.
4. **Predictive modeling will surpass human judgement** as it moves from specific, functional applications. Four years ago, I saw this potential and called it "integrated predictive modeling" in [an article](#) I wrote for the American Academy of Actuaries' *Contingencies* magazine.

## **Modeling Nomenclature**

As a professional communicator who writes about actuarial topics and has worked with actuaries for 25 years, I urge the actuarial community to develop and adopt consistent nomenclature. Common nomenclature is unifying and quite practical. It is cumbersome to define terms just to have a conversation.

For example, I reluctantly choose to use the term "advanced modeling" to describe models beyond GLMs and decision trees because other terms are clunky. It's not a perfect term, I know.

Agreeing upon nomenclature will not only improve communication among actuaries, but the lay professionals that hire and depend on actuaries. Further, classifying models by type or family would also aid discussion.

## **Another Article Coming!**

In the coming months, I will also be publishing a piece in *Actuarial Review* describing how actuaries are addressing cyber insurance.

*Question: Do you think predictive modeling will surpass human judgment for insurance decision-making? Please let me know by commenting below.*