



ICICI Prudential Life Insurance leverages advanced Machine Learning models for customer benefit and better persistency

- **Machine Learning models built to predict future persistency behaviour of long-term savings products**
- **13th month persistency ratio improved from 83% at December 2021 to 85.9% at December 2022**

Mumbai, February 27, 2023: ICICI Prudential Life Insurance has deployed advanced machine learning models to ensure customers continue to reap the benefits of their life insurance policies and stay on course to achieve their long-term financial goals.

This digital solution predicts future persistency behaviour and has enabled the Company to improve persistency across all cohorts. Coupled with the Company's other initiatives, it has resulted in higher premium collections, enhanced productivity and improved profitability.

Persistency measures the proportion of customers who continue to pay renewal premiums. In the life insurance industry, persistency ratio is an important indicator of the quality of the sale as well as the future growth of the insurer.

Paying renewal premiums enables customers to provide financial security to self and their families. The 13th month persistency ratio of the Company improved from 83% at December 2021 to 85.9% at December 2022. Similarly, the 61st month persistency ratio improved from 50.2% at December 2021 to 64.8% at December 2022.

The advanced models have helped map customer behaviour to various inputs and options that can be provided by the Company. Integration of the advanced models into the Company's operations have helped provide targeted interventions to multiple customer segments, enabling the Company to step in and resolve customer queries and improve persistency. Simultaneously, the solution also aids the Company in predicting future persistency behaviour of new customers being onboarded, enabling the Company to initiate appropriate action. This includes interactions with senior sales managers to resolve queries thereby providing excellent customer service experience.

Mr. Dhiren Salian, Deputy Chief Financial Officer, ICICI Prudential Life Insurance, said, "Customer-centricity is the focus of everything we do. As a 'Customer First' Company, we have been leveraging data science and technology to ensure our customers are on course to achieve their long-term financial goals. This is in line with our vision of building an enduring institution that serves the protection and long-term saving needs of customers with sensitivity.



With the deployment of advanced machine learning propensity models, we are witnessing an improvement in our persistency ratios across all cohorts. It has resulted in higher premium collections, enhanced productivity and long-term sustainable growth. These models help identify distinct customer segments, enabling us to offer a more engaging experience by taking into account their preferences, profiles and expectations.

Besides, persistency improvement ties in with one of the key levers of our 4P strategy. Deploying data science and technology has enabled us to achieve significant success on this front. Persistency improvement has been one of the engines for driving the Company's profitable growth. Our 13th persistency improved from 83% at December 2021 to 85.9% at December 2022. Similarly, our 61st month persistency improved from 50.2% at December 2021 to 64.8% at December 2022."

About ICICI Prudential Life Insurance Company (www.iciciprulife.com)

ICICI Prudential Life is promoted by ICICI Bank Limited and Prudential Corporation Holdings Limited. The Company began operations in fiscal 2001 and has consistently been amongst the top private sector life insurance companies in India on a Retail Weighted Received Premium (RWRP) basis. The Company offers an array of products in the Protection and Savings category which match the different life stage requirements of customers, enabling them to provide a financial safety net to their families as well as achieve their long-term financial goals. The digital platform of the Company provides a paperless onboarding experience to customers, empowers them to conduct an assortment of self-service transactions, provides a convenient route to make digital payments for purchasing and making renewal premium payments, and facilitates a hassle-free claims settlement process. At December 31, 2022 the Company had an AUM of Rs 2,518.84 billion and a Total Sum Assured of Rs 27.55 trillion. ICICI Prudential Life is listed on both the National Stock Exchange (NSE) Limited and the BSE Limited.

Disclaimer

Except for the historical information contained herein, statements in this release which contain words or phrases such as 'will', 'expected to', etc., and similar expressions or variations of such expressions may constitute 'forward-looking statements'. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results, opportunities and growth potential to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to, the actual growth in demand for insurance and other financial products and services in the countries that we operate or where a material number of our customers reside, our ability to successfully implement our strategy, including our use of the Internet and other technology our exploration of merger and acquisition opportunities, our ability to integrate mergers or acquisitions into our operations and manage the risks associated with such acquisitions to achieve our strategic and financial objectives, our growth and expansion in domestic and overseas markets, technological changes, our ability to market new products, the outcome of any legal, tax or regulatory proceedings in India and in other jurisdictions we are or become a party to, the future impact of new accounting standards, our ability to implement our dividend policy, the impact of changes in insurance regulations and other regulatory changes in India and other jurisdictions on us.



ICICI Prudential Life insurance undertakes no obligation to update forward-looking statements to reflect events or circumstances after the date thereof. This release does not constitute an offer of securities.

For further press queries, email us at corpcomm@iciciprulife.com