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Customer Lifetime Value (CLV) Maximization Solution

Plugging the Revenue Leak with Data-driven Decisions

Solution Brief

In today's hyper-competitive insurance market, growth is no longer limited by customer acquisition—it is constrained by retention. While insurers continue to invest heavily in winning new customers, millions in premium revenue quietly leak out at renewal. This erosion of Customer Lifetime Value (CLV) is rarely visible in real time, often accepted as an unavoidable cost of doing business.

The reality is stark: retaining an existing customer is up to five times more cost-effective than acquiring a new one, and even a small improvement in retention can unlock outsized profit gains. Yet most insurers remain reactive, engaging customers too late and with offers that miss the mark.

Hexaware's CLV maximization solution addresses this challenge head-on—helping insurers shift from reactive renewals to proactive, intelligence-led retention.

The Challenge

A Profit Engine Draining from the Bottom

Despite access to vast volumes of customer and policy data, insurers struggle to act decisively at renewal. Key warning signs are buried in silos, and external market signals are rarely connected to internal behaviors.

Common challenges include:

- Hidden churn risk: High-value customers leave without triggering alerts.
- Late interventions: Retention offers arrive after the decision to switch is already made.
- Wasted spend: 42% of retention campaigns fail due to poor targeting.
- Declining CLV: Missed cross-sell and upsell opportunities reduce lifetime value.

The result?
A compounding churn tax that inflates acquisition costs, suppresses lifetime value, and makes sustained growth mathematically impossible.

Why Customers Leave

Signals Insurers Often Miss

Customers rarely churn without leaving clues. These signals exist both inside and outside the organization—but most insurers see only fragments.

Internal behavioral signals

- Payment friction such as late or failed payments
- Negative claim experiences or denied claims
- Reduced digital engagement across portals and apps

External triggers

- Aggressive competitor pricing in specific geographies
- Economic pressures driving price sensitivity
- Life events such as relocation, marriage, or new mortgages

Without a unified view, these signals remain disconnected—and actionable insights arrive too late.

The Answer: CLV Maximization Solution

The Data-Driven Decisions Platform for the Renewal Imperative

Hexaware's CLV maximization solution transforms retention from guesswork into a scientific, predictive, and value-driven discipline powered by AI, behavioral intelligence, and real-time decisioning.

Early Warning Signs & Churn Prediction

- Deep learning algorithms **analyze internal & external signals** to forecast customer behavior. **Risk scores update** instantly after a negative interaction
- Identifies **renewal propensity, churn** risk, **coverage gaps**

Customer Prioritization & Value driven loyalty

- Customers are **segmented by lifetime value** to differentiate high-value from low-value profiles
- **Dynamic offers** including discounts, bundling and coverage are **tailored** to each segment

Retention Campaigns & Proactive Engagement

- The solution tells agents exactly what is **best course of action** to save the policy.
- **Personalized messages** are delivered through **optimal channels with** optimized **Timing** for renewal **outreach** and remarketing engagement

1. Early Warning Signals & Churn Prediction

- Deep learning models detect behavioral, transactional, and sentiment signals
- Real-time churn scoring adjusts after every negative event
- Identifies renewal propensity, churn risk, and coverage gaps

2. Customer Prioritization & Value-Driven Loyalty

- Segments customers by lifetime value, not demographics
- Tailors offers—discounts, bundles, coverage adjustments—to each segment
- Gives agents the "next best action" for every renewal conversation

3. Retention Campaigns & Proactive Engagement

- Automated, personalized, behavior-triggered outreach
- Optimizes channels (app, email, advisor) and timing (pre-renewal, post-claim)
- Reduces blanket discounting and unnecessary marketing spend

Proven Business Impact

- 20% increase in retention by acting on predictive insights
- 30% uplift in cross/upsell with value-aligned recommendations
- Up to 25% profit impact through optimized discounts and spend

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How CLV Maximization Solution Works

From Data to Action

Data Sources

Internal Data Sources

- Customer 360
- Policy Details
- Household Coverage
- Digital footprints
- Google Analytics
- CRM Interactions
- Payment Behavior
- Advisor Interaction Logs

External Data Sources

- Market-Benchmarking Across Products
- Credit Bureau Data
- Property Intelligence
- Utility Sign Ups
- Purchase Behavior
- Social Signals

Generate Risk Indicators

Computed Variables for Analytics

- Risk Score
- Product Fit Score
- Coverage Gap
- Price Competitiveness Score
- Property Health Score
- Hazard Exposure
- Renovation Cost
- Financial Stress Indicator
- New Mortgage or Loans Events

AI-Driven Decision Engine

Predictive Modeling

- Churn Prediction Model
- Cross-sell/Upsell Propensity Model
- Customer Lifetime Value (CLV) Forecasting
- Customer Clustering (price sensitive, disconnected, growth ready)

Decision Engine

- Product Suitability Checks
- Customer Priority Score (based on churn risk and CLV)
- Campaign Guardrails
- Select Best-fit Channels (App, Email, Advisor)
- Decides When to Engage (pre-renewal, post-claim)

CLV Outcomes

Quantitative Outputs

- Churn Risk Score
- LTV Forecast
- Product Propensity Score (Auto/Travel and/or Endorsements)

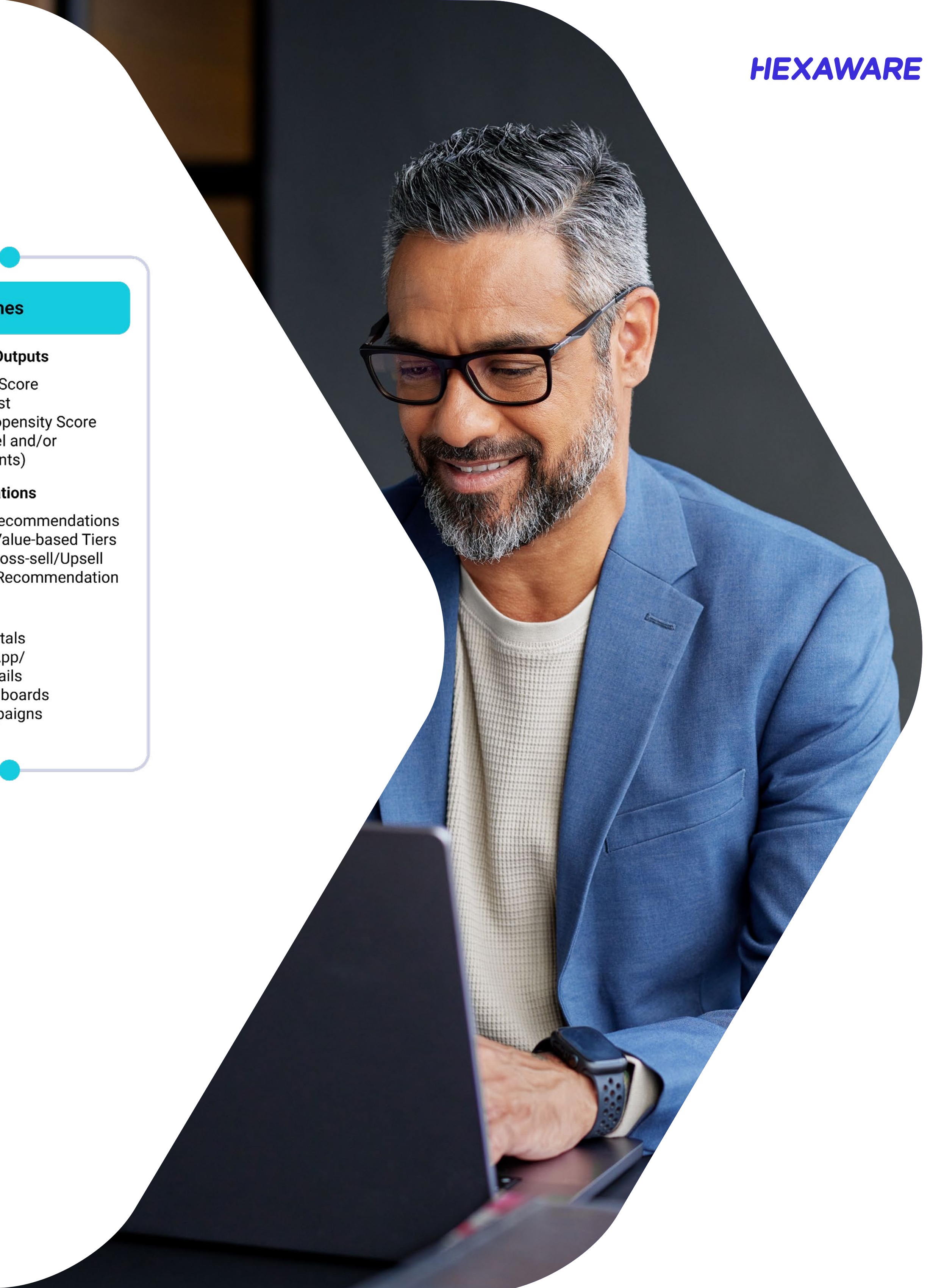
Recommendations

- Outreach Recommendations
- Customer Value-based Tiers
- Dynamic Cross-sell/Upsell Campaign Recommendation

Outreach to

- Advisor Portals
- Customer App/ Portals/Emails
- Smart Dashboards
- Sales/Campaigns

The platform unifies siloed data and applies machine intelligence to deliver precise, actionable recommendations.



Data Sources

- **Internal:**
  Customer 360, policy details, digital behavior, payment patterns, CRM logs, advisor interactions

- **External:**
  Market benchmarking, credit bureau feeds, property intelligence, utility sign-ups, social signals, life events

AI-Driven Modeling

- Churn prediction
- CLV forecasting
- Price sensitivity clustering
- Cross-sell and upsell propensity

Decision Engine

- Priority scoring
- Product fit and suitability checks
- Guardrails for campaign targeting
- Best channel and timing selection

Output & Activation

Delivered to advisors, campaign teams, and customer portals:

- Next-best actions
- Renewal optimization
- Retention interventions
- Personalized offers
- Customer value tiers
- Smart outreach strategies

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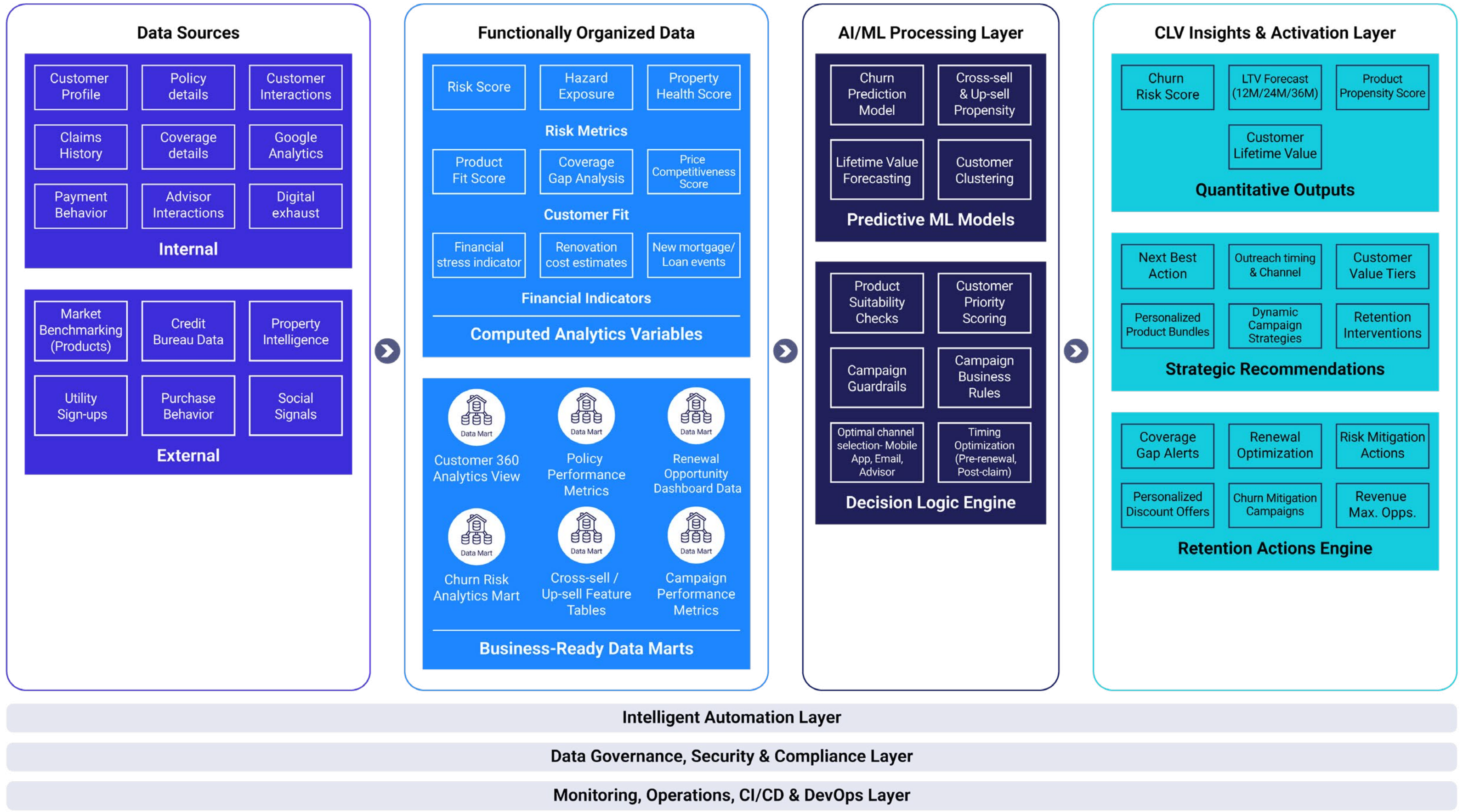
Solution Architecture

Intelligence Across the Stack



CLV maximization solution integrates seamlessly into existing environments, offering:

- Governed, secure, compliant data foundation
- Predictive ML models at scale
- Decision logic for renewal and retention orchestration
- Omnichannel activation across apps, portals, email, and advisor workflows

This is where unified data meets intelligent decisioning to unlock the lifetime value inside every policy.

A Library of Intelligent Agents

Purpose-built for CLV

Hexaware's Customer Lifetime Value (CLV) maximization solution includes a rich ecosystem of AI agents that automate data ingestion, prediction, reasoning, and decision execution.

System Agents

Extractors for policy, claims, payments, CRM logs, property data, utilities, social signals, and more.

Role Agents

Classifiers for churn signals, price competitiveness, engagement levels, life events, credit behavior, and property risk.

Decision Agents

Optimizers for pricing, coverage, product suitability, retention strategy, and CLV maximization.

Process Agents

Campaign planners, summarizers, intention detectors, explainability agents, and routing engines.

Together, they create a powerful, fully orchestrated retention ecosystem.

Why Hexaware

Hexaware combines deep P&C domain expertise with AI-first engineering and scalable modernization capabilities. Our Customer Lifetime Value (CLV) maximization solution is designed for real-world carrier environments—fast to implement, easy to integrate, and engineered for measurable financial impact.

What Insurers Gain

- A scientific approach to renewal profitability
- Higher CLV and lower churn
- Smarter and more targeted retention spend
- Empowered agents with real-time intelligence
- Data-driven growth instead of rate-driven survival

CLV maximization solution gives you something acquisition never can: **Profitable, predictable, compounding customer value.**

Summary

Hexaware's CLV maximization solution addresses one of the most critical yet overlooked challenges in the insurance industry: revenue leakage at renewal. While insurers continue to invest heavily in customer acquisition, profitability is increasingly constrained by low retention, late interventions, and missed lifetime value opportunities.

The Customer Lifetime Value (CLV) maximization solution is Hexaware's data-driven decisioning platform designed to help insurers shift from reactive renewal strategies to proactive, intelligence-led retention. By unifying internal customer data with external market and behavioral signals, the platform detects early warning signs of churn, prioritizes customers based on lifetime value, and recommends next-best actions in real time.

Powered by AI agents, predictive models, and an intelligent decision engine, the CLV maximization solution enables personalized outreach, optimized timing, and value-driven offers across advisor, digital, and campaign channels. Insurers gain clear visibility into churn risk, cross-sell and upsell potential, and long-term customer value—before renewal decisions are made.

The result is measurable business impact: higher retention, improved customer engagement, reduced discount leakage, and sustained profitability. With the CLV maximization solution, renewals become a strategic opportunity to protect revenue, maximize customer lifetime value, and drive profitable growth at scale.

Data-Driven Retention Starts Here

The renewal moment is no longer a risk—it's an opportunity. With the CLV maximization solution, insurers can plug revenue leaks, protect high-value customers, and turn renewals into a strategic growth engine.

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Unlock higher retention. Maximize lifetime value. Act before customers leave. Want to see the platform in action? Let's schedule a demo and walk through your data scenarios. Reach out to marketing@hexaware.com now.

About Hexaware

Hexaware is a global technology and business process services company. Every day, Hexawarians wake up with a singular purpose: to create smiles through great people and technology. With this purpose gaining momentum, we are well on our way to realizing our vision of being the most loved digital transformation partner in the world. We also seek to protect the planet and build a better tomorrow for our customers, employees, partners, investors, and the communities in which we operate.

With offices across the world, we empower enterprises to realize digital transformation at scale and speed by partnering with them to build, transform, run, and optimize their technology and business processes.

Learn more about Hexaware at https://www.hexaware.com.

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