



# Insurance Carriers: Growth through Third-Party Products

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The future growth of insurance carriers depends on a dizzying array of factors. Unfortunately, many of these factors are out of carriers' control.

The economy's agonizingly slow recovery, for instance, could easily be undermined by the gridlock in Washington. Regulatory uncertainty is an ever-present challenge, hampering insurers' efforts to plan ahead. Consumer preferences are evolving rapidly and threaten to fundamentally change the way insurance is distributed. And, of course, a single major catastrophe could result in billions of dollars in losses to the industry.

That's not to say that insurance carriers are powerless. But, they may need to change the way they pursue growth. According to the 2014 Property and Casualty Insurance Industry Outlook<sup>1</sup>, "Innovation may ultimately be the key to keep insurers growing regardless of shifting economic and insurance market conditions."

## Growth through third-party offerings

One innovative way to achieve growth—with minimal risk and investment—is through new, relevant product offerings from third-party providers. This allows insurers to quickly and easily expand their premium pool instead of fighting over increasingly competitive markets for current products.

Of course, there's no shortage of third-party solutions for insurance carriers. The challenge for insurers is to find a third-party solution that can help them increase "touch points" as well as deliver the value and service insurers need to offer their policyholders today.

Specifically, insurers should seek a third-party solution that offers:

- Significant market demand while solving a current customer need
- Value for the insurer *and* its policyholders
- A respected brand
- Top-tier customer service
- An industry-leading retention rate and Net Promoter Score

## Identity theft protection: a high-growth product

Identity theft is one of the fastest-growing crimes in America.<sup>2</sup> According to the Department of Justice, approximately 16.6 million Americans were victims of identity theft in 2012, sustaining more than \$24 billion in economic losses.<sup>3</sup>

Identity theft continues to top the Federal Trade Commission's national ranking of consumer complaints, and American consumers reported losing over \$1.6 billion to fraud overall in 2013.<sup>4</sup> And today, someone is a victim of identity theft every two seconds.<sup>5</sup>

To help address this problem, many consumers are turning to identity theft protection services. In fact, LifeLock, a leader in identity theft protection, has a 35% year-over-year member growth rate. Providing access to identity theft protection can help insurers fill this growing demand while strengthening customer satisfaction.

## Using identity theft protection to increase engagement with policyholders

Policyholders today expect more frequent, positive engagements tied to new, relevant solutions that can increase peace of mind and enhance their relationship with their provider. Identity theft protection is a natural fit with insurance protection and can help strengthen insurers' relationships with their policyholders.

Additionally, LifeLock uses a business model that's based on frequent customer engagement. The proactive LifeLock Identity Alert® System<sup>6</sup>, for example, can drive unique value and touch points to policyholders.

Every time a member receives one of these alerts, they see firsthand how their insurer can help strengthen their protection and peace of mind—thereby potentially strengthening the insurer-policyholder relationship.<sup>7</sup>

## A boon for agents and brokers

Identity theft protection gives agents and brokers a powerful new tool that helps them reach more potential customers and bolster retention.<sup>8</sup> LifeLock, for instance, has an 89.7% partner retention rate.<sup>9</sup>

LifeLock also offers custom marketing programs to help insurers provide valued communications to policyholders. This can generate demand for agents and brokers, helping them sell more business in less time.

## Evaluating an identity theft protection service provider

When selecting a provider of identity theft protection services, insurers should consider these key success factors:

- **Brand** – Is the brand recognizable? Reputable?
- **Net Promoter Score** – How do relevant third-party products score?
- **Ranking** – How does it rank among competitors?
- **Retention Rate** – What are the rates for such relevant third-party products?
- **Experience** – Has the partner implemented programs with other insurers?
- **Marketing** – Is the partner able to support marketing efforts through multiple channels (e.g., email, digital and print publications, website, inserts)?
- **Customer Service** – How much does the partner value customer service? (Customer satisfaction surveys, product conversion, etc.)
- **Value** – Is the partner interested in building a long-term, profitable relationship?

Before talking with a potential partner, insurers should have a clear understanding of their goals (improve policyholder retention, increase revenue, add value, increase touch points, etc.). Defining these needs and setting realistic expectations will improve the evaluation process and increase chances for success.

## About LifeLock

LifeLock, Inc. (NYSE: LOCK), is a leading provider of proactive identity theft protection services for consumers and fraud and risk solutions for enterprises. LifeLock's threat detection, proactive identity alerts and comprehensive remediation services provide peace of mind for consumers amid the growing threat of identity theft. Leveraging unique data, science and patented technology from ID Analytics, Inc., a wholly owned subsidiary, LifeLock offers identity theft protection that goes beyond credit monitoring. As part of its commitment to help fight identity theft, LifeLock works to train law enforcement and partners with a variety of non-profit organizations to help consumers establish positive habits to combat this threat.

Partner today  
1-877-511-7906  
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<sup>1</sup> "2014 Property and Casualty Insurance Industry Outlook," Deloitte Center for Financial Services, 2014.

<sup>2</sup> "Identity Theft and Your Social Security Number," Social Security Administration, December 2013.

<sup>3</sup> "Victims of Identity Theft, 2012," Department of Justice, 2012.

<sup>4</sup> "FTC Announces Top National Consumer Complaints for 2013," Federal Trade Commission, February 27, 2014.

<sup>5</sup> CNN Money, "Identity fraud hits new victim every two seconds," Ellis, Blake, 2014.

<sup>6</sup> Network does not cover all transactions.

<sup>7</sup> Network does not cover all transactions.

<sup>8</sup> LifeLock Partner Recruitment Summary Guide: Insurance, 2014.

<sup>9</sup> As of 3/31/14.