



# BEST'S REVIEW

Monthly Insurance News Magazine

Insurers • Agents & Brokers • Reinsurers

PLAN B



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# INNOVATION

## SHOWCASE

A forum for forward-thinking initiatives that are providing insurance organizations with measurable success.

**B**est's Review is pleased to present in alphabetical order 16 submissions to 2013's Innovation Showcase that our independent panel of insurance experts recognized as examples of projects that demonstrated innovative qualities.

This package is not a contest and inclusion in this package is not an award. We produce the package to demonstrate what we glimpse regularly as we write about the insurance industry: insurance organizations can be a home to creative thinking and fresh approaches to solving familiar problems.

Entries were evaluated as individual projects, which is why some companies are represented multiple times. The selected projects were cited by the reviewers as having innovative features; we make no comment about the overall value or ultimate success of any project or organization.

Submissions are drawn from a wide range of insurance segments, from personal lines to life insurance to risk management and catastrophe modeling. Sponsors of each submission were asked to describe how their project had a positive impact on the insurance organization through measurable results.

In all, more than 40 submissions were received from North America, Europe and Asia.

Submissions began in July. Submitters were challenged to describe why each entry was innovative; its history; how it was implemented or applied; and how success was measured.

In September, Best's Review staffers provided the entries to a panel of outside insurance experts for their review. These eight experts were drawn from the life, technology, risk management, processes and distribution sectors. They include:

- Dianne Batistoni, partner, EisnerAmper
- Bill Jenkins, managing partner, Agile Insurance Analytics
- Robert W. MacDonald, principal, CTW Consulting
- Howard Mills, chief adviser, Insurance Industry Group, Deloitte LLP
- Gates Ouimette, founder and principal, ITconnector
- William Panning, principal and founder, ERMetrics LLC
- Jerry Ravi, partner, EisnerAmper
- Pat Saporito, senior director of BI, SAP Labs

We thank everyone for their effort and willingness to share their knowledge.

# Arbella Insurance Group

## 'Carpartment' for Millennials

### What It Is

Recognizing an underserved demographic in its customer base, in 2012 the Arbella Insurance Group developed a new insurance package targeted at the millennial generation. Geared toward this demographic—those born between approximately 1980 and 2000—Arbella's Carpartment product was created to bundle discounted auto insurance with a renter's policy. Carpartment launched in the first quarter of 2013 along with a multifaceted branding and marketing campaign aimed at young adults, and has driven impressive sales already. With a collegiate-style design, edgy tag lines and accompanying infographics shared on social media, Carpartment has proven to be not only something that young consumers want to buy, but also a fun and effective marketing tool that Arbella's independent agents are eager to use to reach this important demographic.

### Expert Review

“Carpartment is innovative because it targets the often under/uninsured millennial generation, creates awareness of an insurance need, offers a coverage to meet that need at a reasonable cost and markets it in a way that appeals to younger generations (especially via social media). The promotional materials showing a half-car/half-sofa “recliner car” driving down the street are eye-catching and fun and had me laughing out loud... Creativity exemplified.”

**Dianne Batistoni**  
Partner  
EisnerAmper

### Why It Is Innovative

Carpartment is novel because it targets a demographic that is usually left out of the insurance conversation, but one with a lot of spending power and a lot to lose if they are not covered. It's innovative in that it acts as a kind of insurance “starter package.” Young adults know that driving without insurance is not an option, but many aren't aware that their landlord's policy will not cover damage to their possessions in the event of a disaster. In fact, research shows that only 30% of apartment dwellers have renter's insurance. Bundling discounted auto insurance with a renter's policy makes it easy for young people to tack on additional coverage that they weren't even aware they needed until it was offered to them. Carpartment works as an insurance teaching tool for millennials, an introduction to a new group of customers for the independent agents and a sales vehicle for Arbella.

### Measure of Success

Carpartment not only expanded Arbella's business to a new customer base, it's already delivered impressive sales. In two quarters Arbella's renter's insurance new business counts were 166% over the previous year's numbers, and 88% of those policies came with auto policies as well. Fifty-one percent of the new renter's policies were Carpartment packages, and they averaged over \$20,000 in personal property coverage (Coverage C). Additionally, the marketing campaign has been embraced by the independent agents with whom Arbella partners.

By offering cobranded Web ads and marketing collateral, the agents have become great supporters and ambassadors of the product. The campaign has also helped the agents begin relationships with younger consumers, who will be future condominium and home buyers, and ideally, long-time customers.

### How It Was Implemented

Arbella's corporate communications team worked hand-in-hand with personal lines to develop a product and a campaign that would speak to the target audience. Arbella's in-house marketing team and partner ad agency pulled from years of consumer research to understand the characteristics and shopping habits of the millennial demographic. A creative marketing campaign was introduced in the style, and through the channels, that millennials identify with and respond to. Arbella's creative advertising agency, Full Contact, was critical in the development of the look and feel of Carpartment's branding. Concurrently, Arbella secured approval from the Massachusetts Division of Insurance for their new renters filing, which included lower renter's base rates in a number of territories and a very competitively priced renter's protection package, which covers personal property replacement cost, special computer coverage and identity fraud coverage. Combining auto insurance with this “starter policy” for young renters encourages customers to start and stay with Arbella and their agents for a long time. Carpartment is a fun and whimsical way of attracting millennials' attention while educating them on the importance of insuring their belongings.