



**Precision Marketing**

An Affiliate of Arch Capital Group Ltd.

## PMAP Insights | Q1 2021

### How Arch Is Helping PMAP Improve its Offerings

It is just over a year since Arch Reinsurance (Arch) announced its intention to acquire a majority interest in the Precision Marketing Group (PMAP), and what a year it has been. The transaction was completed on 1 July 2020 and we have embraced the positive change that comes with being part of a significant and successful capital group.

As we all know, in the last 12 months, a once -in-a-lifetime pandemic has dominated our lives, our businesses, our planet and our economies. So many things have changed, and we have all been forced to adapt to a new way of living and working.

From a consumer perspective, the current circumstances really highlight the need for insurance protection, and from a PMAP perspective, have shown that appropriately targeted and communicated digital and direct insurance offers will likely be a necessary service proposition for the foreseeable future.

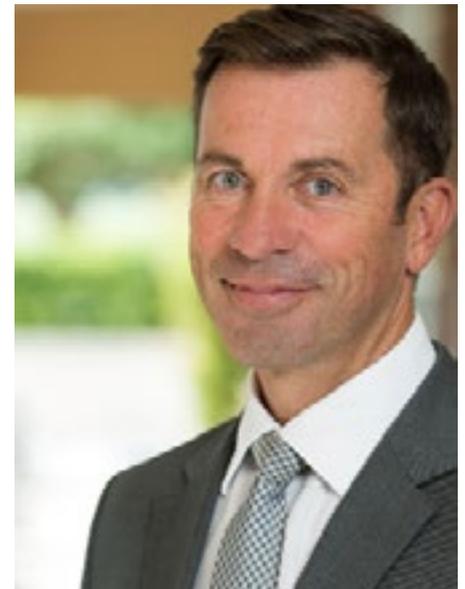
Thanks to many of our partners in Japan and Indonesia we have continued to roll out data-driven life, accident and health offers via a multitude of channels over the last 12 months.

In a time when many groups are retreating, we have doubled-down to introduce quality protection products to individuals who really appreciate the safety and convenience of the direct distribution approaches. This is particularly relevant during this very challenging time.

In this update, we will share some background on Arch and its impressive financial performance, some insights into the success of one of our market disruption approaches, an introduction to our Board Members and news from the markets.

I look forward to catching up with you face-to-face when travel will permit. Until then, stay safe and feel free to drop me an email.

Keith Lowry  
Chief Executive Officer, PMAP Group



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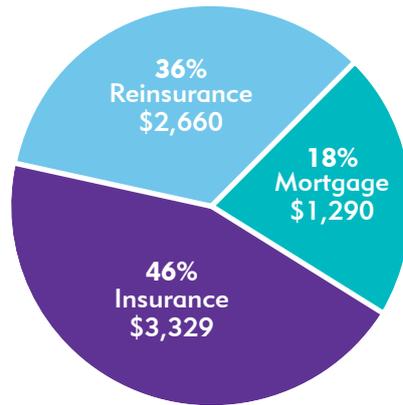
**Learn more about recent data insights ... See pg. 4.**

# Arch Consolidated Corporate Overview – March 31, 2021

Arch Capital Group Ltd. (NASDAQ: ACGL), a publicly traded, Bermuda-based company provides insurance, reinsurance and mortgage insurance on a worldwide basis through its wholly owned subsidiaries. Arch’s financial strength — combined with a disciplined approach to underwriting and risk management — lets us provide the innovations and support expected of a leader.



**TOTAL NET PREMIUMS WRITTEN (\$M)<sup>1,2</sup>**  
**\$7,279**



**FINANCIAL STRENGTH RATINGS**



(1) Excludes the results of Watford Holdings Ltd.  
(2) Trailing 12 months.

Ratings for Arch Reinsurance Ltd.  
as of April 27, 2021

## A Global Presence

Arch’s operations began in 2001 when reinsurance operations were launched to meet a global need for capacity. Through thoughtful organic growth and strategic acquisitions, Arch has evolved into a leading diversified specialty insurer and reinsurer with over 4,500 employees worldwide.



This information is qualified in its entirety by reference to reports filed by Arch Capital Group Ltd. ("Arch Capital") with the SEC, including, without limitation, the risks and other factors set forth therein, and the ratings reports issued by ratings agencies from time to time. Please note that any opinions, estimates or forecasts regarding the performance of Arch Capital and its subsidiaries made by the ratings agencies are their estimates alone and do not represent opinions, forecasts or predictions of, and have not been adopted by, Arch Capital or its subsidiaries. Arch Capital and its subsidiaries undertake no obligation to publicly update or revise any information contained herein. This overview makes reference to some non-GAAP measures of financial performance. The reconciliation to GAAP and definition of operating income can be found in the Current Report on Form 8-K furnished to the SEC by Arch Capital in connection with its most recent earnings press release, and is also available on Arch Capital's website: [www.archcapgroup.com](http://www.archcapgroup.com). From time to time, Arch Capital posts additional financial information and presentations to its website, including information with respect to its subsidiaries, and investors and other recipients of this information are encouraged to check the website regularly for additional information regarding Arch Capital.



# PMAP Distribution Case Study — Japan



**1** We conduct marketing campaigns that regularly introduce insurance promotions into existing retail consumer touchpoints across Japan for our business partners. Product information is hand-delivered to the customer.

We apply artificial intelligence (AI) to predict the outcome and make revenue projections.

**2**



**3** Based on the projection, we determine who to follow up, when to dial and the priority across the list to optimize the effectiveness and minimize unwanted customer contact.



Our highly qualified call center agents from our call center contact the selected consumers to follow up and provide support and information as needed.

**4**

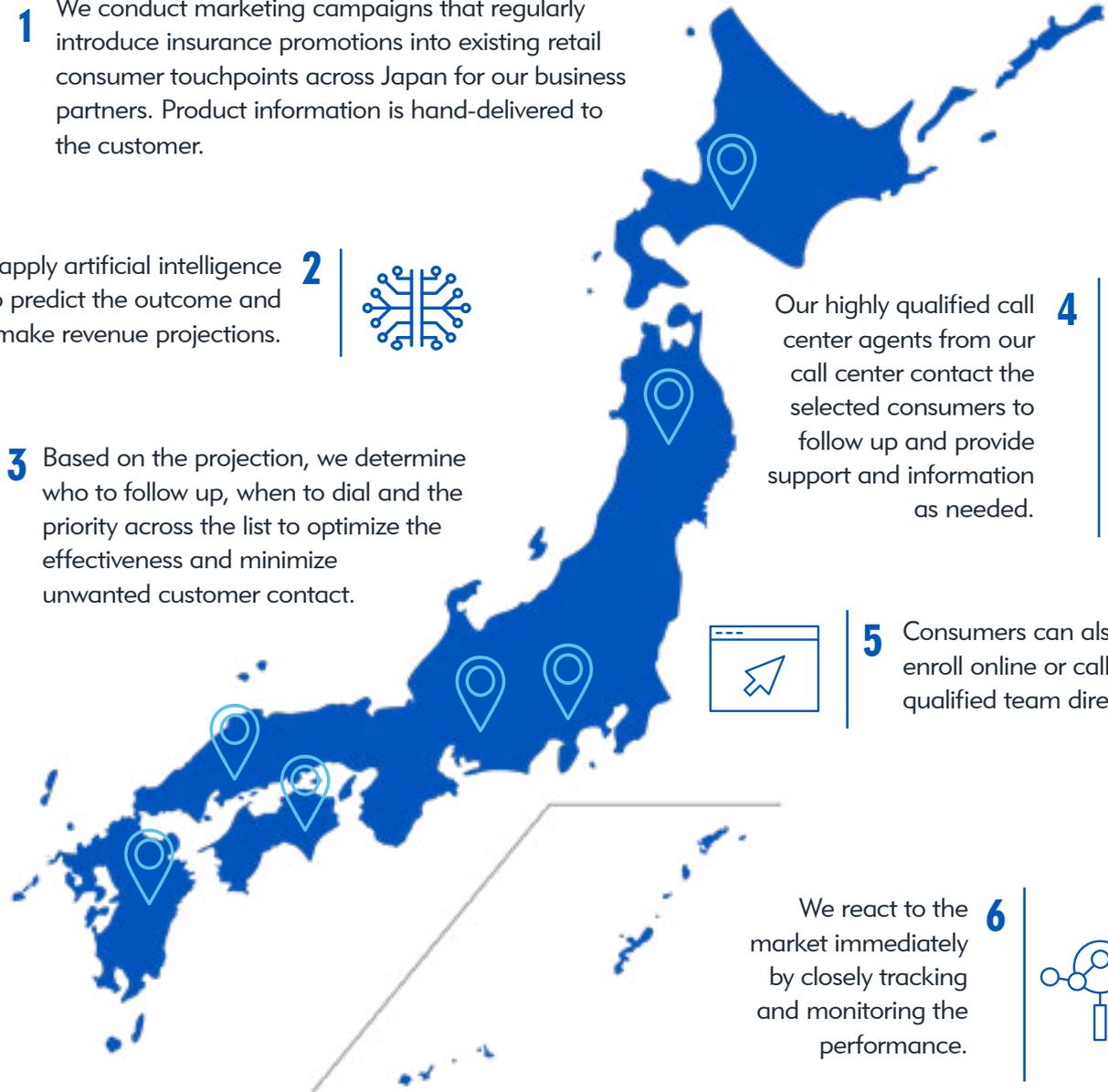


**5** Consumers can also enroll online or call our qualified team directly.



We react to the market immediately by closely tracking and monitoring the performance.

**6**



## Marketing ROI



Average 50+%

## Realized Uplift



Up to 46%

## Projection Accuracy



Up to 99%



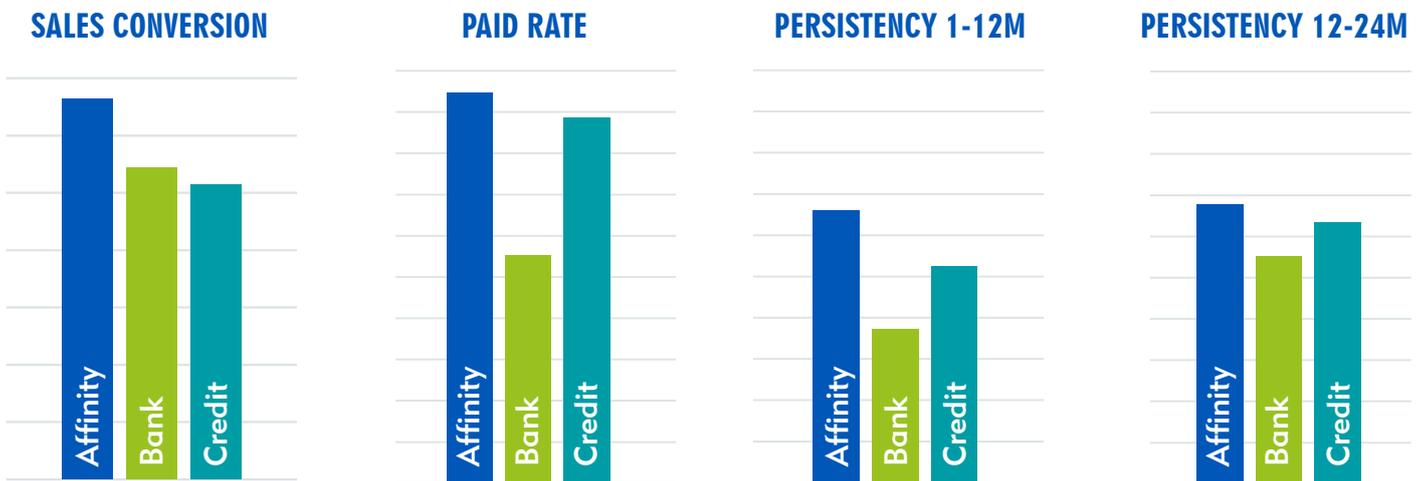
# DATA INSIGHTS FROM THE PMAP Campaign Factory



## Distribution Segmentation Analysis Reveals Interesting Insights

- PMAP categorizes campaigns based on the sector of business partners into Affinity, Bank and Credit organizations.
- Contrary to popular belief, PMAP Affinity partners distribution has outperformed the other two segments in terms of sales conversion, paid rate and persistency.
- Better sales conversion in Affinity may be due to some level of marketing saturation in the Banking and Credit segments; however, the higher persistence would indicate that it may well be the core relationship with the Affinity group that is contributing to superior loyalty.
- Affinity groups are becoming more sophisticated with customer experience management. Working with PMAP to deploy AI driven marketing opportunity identification, it is clear that this segment is a source for significant development and growth in the coming three years.

### Distribution Performance by Segment





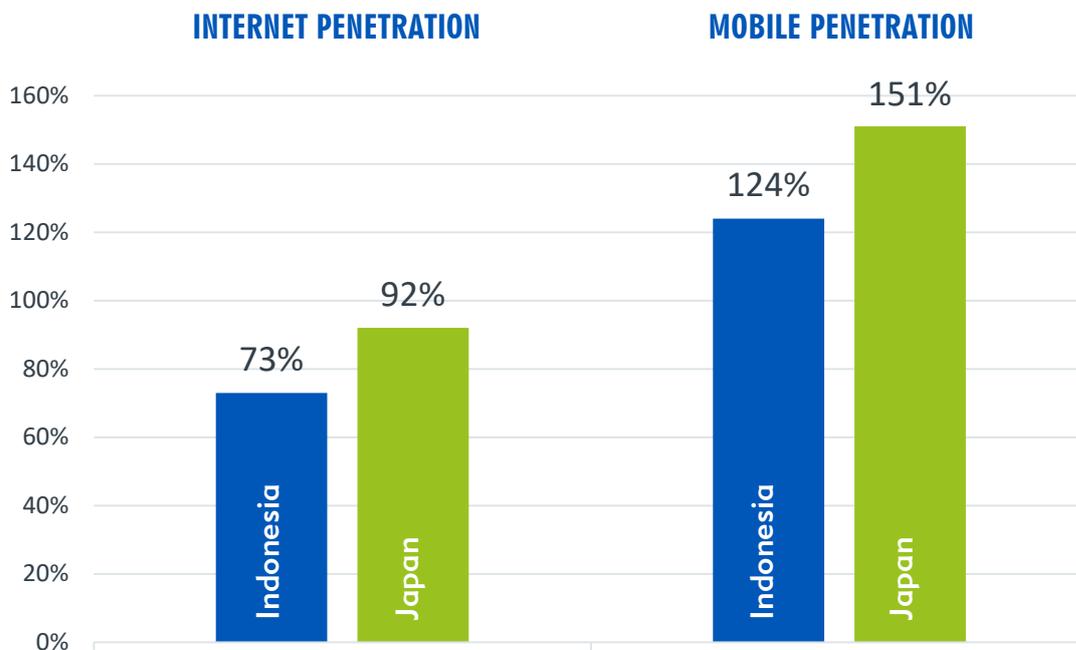
# DATA INSIGHTS FROM THE PMAP Campaign Factory



## Rapid Digital Expansion in Indonesia Opens Broader Insurance Distribution Opportunities

- Indonesia is a country of 270m people, with over 197m internet users (73% internet penetration). With its growing digital native population, successful fintec and unicorn ventures accelerating online services and high social media usage rates, Indonesia offers a lot of opportunities to create new digital solutions for financial inclusion and literacy; especially for simple protection and health insurance.
- Our observation is that the digital growth alone is not impacting protection insurance penetration and there remains a very important role to integrate digital and telephone based customer communication. In a market where insurance penetration remains one of the lowest in Asia — at less than 4% — the growth opportunity remains significant and can be achieved through the deployment of a data driven multi-channel model.

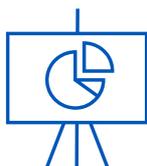
### Digital Penetration



Source: datareportal.com



## News from the Markets



PT Precision Marketing Indonesia is pleased to announce the appointment of **April Rachmawati** as Partnership Account Head. In this newly created role, which supports the current growth cycle of the business, April will be responsible for detailed planning and client engagement both with manufacturers and distributors.



Since the start of 2021, the **Indonesian management team** have continued to pursue a number of strategic new partnerships. PMAP is about to execute new distribution agreements with two local insurers and their financial services partners. PMAP's established telemarketing capability will be expanded into new integrated face-to-face and digital channels. These partnerships will provide the foundation for growth in 2021 for the Indonesian business.



As of 1 March 2021, **PMAP's Sydney team** have moved into a new office and are now sitting adjacent to the existing Sydney-based Arch team. The modern collaborative workspace will no doubt spark creative collaboration with the broader Arch team.



**Vincent Tevanotai** steps up to Chief Information Officer (CIO). After working with PMAP for almost 10 years, Vincent has moved into this newly created role to bring PMAP's data management disciplines to the next level. As part of the Arch Group, PMAP will be using market insights to support the product development process to inform the pricing and profitability evaluation.



**Sridhar Narasaiahgari** will join MPM Japan in April as Data Platform Engineer to take the lead in innovating and implementing the campaign management and business intelligence platform. He has seven years experience working in insurance-related projects using big data technologies and traditional relational databases.

### Meet the Board

PMAP Board of Directors has been significantly enhanced under Arch ownership.

**Peter Maher**, *Chairman*.

13 years as the head of Macquarie Bank's Banking and Financial Services Group.

**Maamoun Rajeh**, *Director*.

Chairman and CEO of Arch Worldwide Reinsurance Group.

**Thomas Keel**, *Director*.

Vice President, Life Insurance Asia, Arch Underwriters Europe Limited.

**Raul Maldonado**, *Auxiliary Director*.

Chief Underwriting Officer, Life & Health, Arch Reinsurance Ltd.

**Keith Lowry**, *Managing Director*.

PMAP Group CEO.

**Nicola Henderson**, *Company Secretary*.

PMAP Group General Counsel.

## Spotlight on Arch Re CEO Maamoun Rajeh



Maamoun Rajeh was promoted to the position of Chairman and Chief Executive Officer of Arch Worldwide Reinsurance Group in October 2017. From July 2014 to September 2017, he was Chairman and Chief Executive Officer of Arch Reinsurance Ltd. He joined Arch Reinsurance Ltd. in 2001 as an underwriter, becoming Chief Underwriting Officer in November 2005. Prior to that, he was President and Chief Executive Officer of Arch Reinsurance Europe Underwriting Limited from October 2012 to July 2014.

Maamoun has taken a keen interest in the PMAP business and considers PMAP to be a strategic investment for Arch, enhancing its Life Accident & Health offering and opening up some the largest and fastest growing markets in the world.



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