



Precision Marketing

An Affiliate of Arch Capital Group Ltd.

PMAP Insights | Q3 2021

Gearing Up for a Strong Finish to 2021

The end of the year is approaching, and the overall PMAP business is preparing for a very strong start to 2022. It certainly has been one of the most challenging years in history and the resilience of our partners across Asia has shone through.

Our commitment is to support our distribution partners to recapture opportunities that were lost or delayed in 2021. There is more of a need than ever for personal and family protection and we are preparing to drive distribution activities:

- Our continued investment in innovative techniques and technologies to support our marketing efforts will drive maximum sales volumes for our partners in 2022.
- Our new expert team members will supply additional capability to enhance our offering.
- We have recently renewed our relationship with DataRobot, our AI and machine-learning solution provider, to ensure we can bring cutting-edge analytical solutions to our marketing model.
- We are partnering with a new call centre in Japan to support our growth into regional retail distribution.
- Several new products are set to launch across Japan and Indonesia at the end of 2021 and into 2022.

The team spirit across the PMAP business is really strong and enhanced with some fresh thinking from our new employees.

I look forward to reconnecting with our partners early in 2022 and moving into what is projected to be a solid production year.

Keith Lowry
Chief Executive Officer, PMAP Group



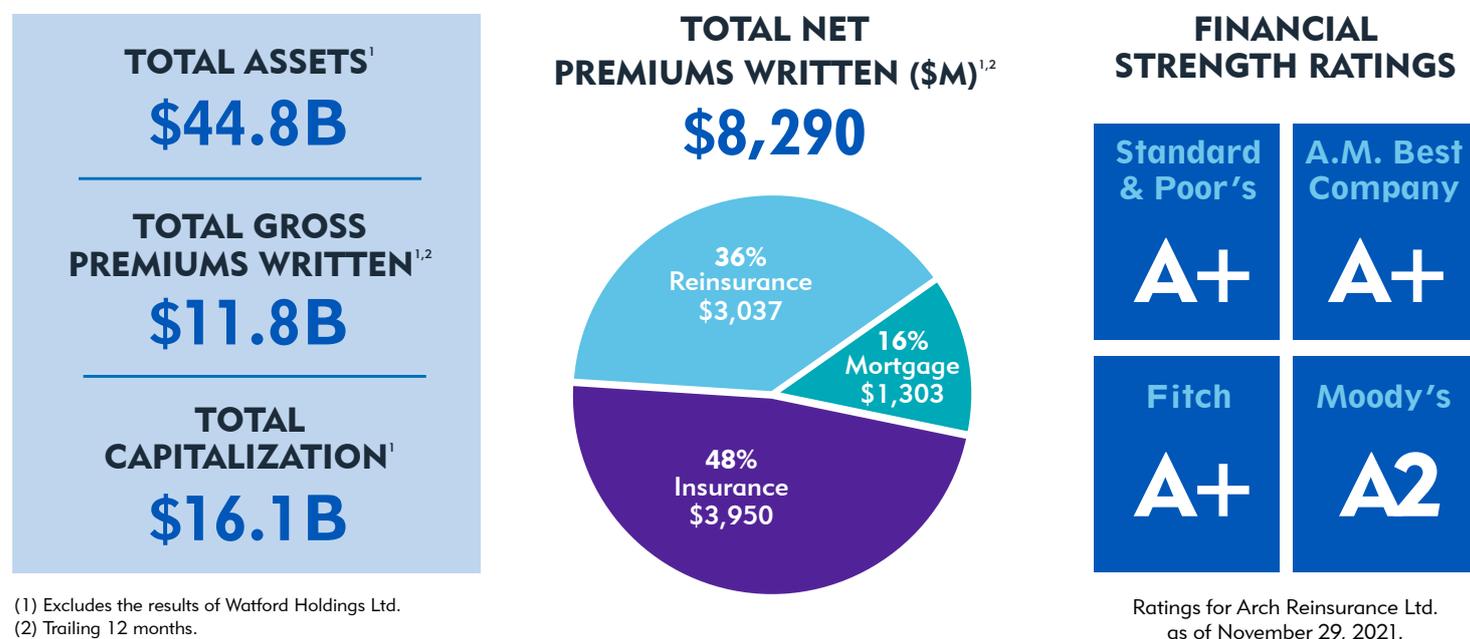
keith@pmapac.com



Learn more about recent data insights ... See pg. 3.

Arch Consolidated Corporate Overview – September 30, 2021

Arch Capital Group Ltd. (NASDAQ: ACGL), a publicly listed, Bermuda exempted 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 innovative solutions and support expected of a leader.



Arch Reinsurance Reports Strong Q3 2021 Earnings

The parent company of PMAP, Arch Reinsurance, recorded impressive results for the third quarter. This financial strength positions PMAP to improve the products and services we offer customers.

| | Three Months Ended Sept. 20, | | |
|----------------------------------|------------------------------|--------------|-----------------------|
| | 2021 | 2020 | % Change |
| (U.S. dollars in thousands) | | | |
| Gross premiums written | \$ 1,251,760 | \$ 1,004,590 | 24.6 |
| Net premiums written | 621,389 | 604,202 | 2.8 |
| Net premiums earned | 678,702 | 554,498 | 22.4 |
| Other underwriting income (loss) | 3,293 | 298 | 1,005.0 |
| Underwriting income (loss) | \$ (38,948) | \$ 5,506 | (807.4) |
| Underwriting Ratios | | | % Point Change |
| Loss ratio | 80.4% | 76.1% | 4.3 |
| Underwriting expense ratio | 25.8% | 22.9% | 2.9 |
| Combined ratio | 106.2% | 99.0% | 7.2 |

Source: Q32021 ACGL Earning Release.



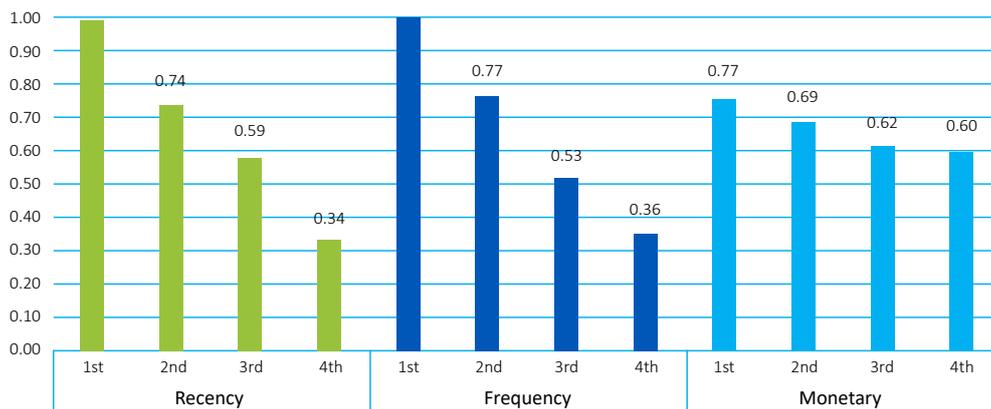
DATA INSIGHTS FROM THE PMAP Campaign Factory



RFM Model — Which Is More Predictive “R”, “F” or “M”?

- Recency, Frequency and Monetary value are commonly used to identify organizations’ best customers based on spending habits to optimize marketing returns.
- The three metrics measure how recent the last purchase was, how frequently the customer has transacted and how much the customer spent.
- One question we may ask: Are the three metrics equally important? Some organizations may target ACTIVE customers based on recency. Some tend to focus on customers with high spending.
- The chart below indicates the response from experience by quartile ranking the three metrics individually from top to bottom. The response indicator has been scaled with 1.0 as the highest.

Response indicator by RFM Quartile



- The correlation to response exists in all three metrics. Frequency has the strongest correlation. Recency is not as strong as Frequency but still very significant. Monetary is almost flat in contrast, which implies a weak correlation.
- This showcase has demonstrated the importance of Recency and Frequency over Monetary in the RFM model in one experience.
- Proper weight needs to be applied to the three metrics in obtaining the ideal RFM score or RFM segmentation to optimize the outcome.



News from the Markets — Indonesia

Expanded Protection for Multi-Finance Partners

In Q3, PMAP Indonesia worked with one of our local general insurance partners to conclude the pricing and design of a new program to deliver personal accident protection and final expense benefits to customers taking new car loans.

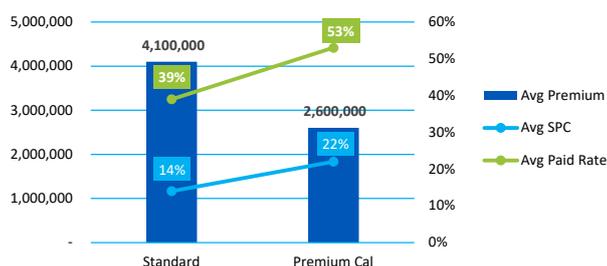
The program has just launched and ensures that, upon disbursement of their loan, all new customers will receive coverage not only for their vehicle, but also – and more importantly – for both personal accident and death. This removes the potential hardship of loan repayments for family and dependents if the worst should happen.



Real-Time Negotiation via Telemarketing

Our partnership model is defined by creating solutions whereby everyone benefits from the best possible outcomes, and central to this is our clients' customers.

In July 2021, we began a pilot with a real-time premium calculator function during our telemarketing sales that had previously only been available to insurers' branch and agent staff.



The results have been significant in the first three months of the launch across the entire value chain:

- Customers save on average IDR 1,500,000 more annually on their renewal premium.
- Sales conversion has increased by 57% as a result of the real-time negotiation tool.
- Our program payment and collections have also increased by 36% over the first three-month period.

COVID-19 and BD Cycle in Indonesia



The COVID-19 surge driven by the Delta variant has not only taken a tragic toll on families across Indonesia since the pandemic began, but also removed a key

element of Indonesian business culture by shutting down the social and relationship development cycle that is so fundamental to the market we support and operate in.

In a country that thrives on face-to-face interactions, the past 18 months have challenged every status quo. However, reports indicate that Indonesia has already reached fully vaccinated rates of above 27% (with Jakarta above 70%), and while remaining highly vigilant in our work and operational practices, we are also cautiously optimistic and looking forward to once again reconnecting in person with our clients and prospects and delivering new and effective channels of insurance distribution at a time when individuals and families need it the most.



News from the Markets — Japan



Our New Partnership for 2022

We are concluding partnership agreements with several high-profile and highly regarded business partners in the credit/banking and affinity markets. These partners have the largest number of individual customers/members in their respective industries. The credit/bank company has over 10 million members and the affinity has approximately 5 million senior members. This means we can effectively approach members who have a strong interest in nursing insurance. The developments position our Japanese business for significant growth. Our teams are getting geared up to support our partners with a high-quality deliverable of precision marketing in 2022.



Welcome Sayaka Minagawa!

We welcomed Ms. Sayaka Minagawa as Assistant Manager of our Sales team on Oct. 1. She previously worked as a marketing resource at a major Japanese life insurance company, and her experience and skill set in developing introductions of insurance to individual customers will be a fantastic addition to our Japan team. We look forward to introducing Minagawa San to our partners over the coming quarter.



Distribution Company Telemarketing Campaign in a New Region

In September, we launched a new telemarketing campaign in the Hokuriku area for retail distribution companies boasting a solid domestic network. The campaign will run for approximately six months, and the response from customers has been very positive. This campaign provides cancer insurance, and with the cooperation of our partner insurance company, the newly established special policy contract for anticancer agents in July 2021 has boosted the insurance products lineup and contributed to our success.

Currently, the incidental rate of this special policy contract is 50%, and the average premium has increased by 11% compared to last year.

We will continue to develop our services to meet the needs of our customers and ensure that they are satisfied with our services.



Meet the Board Spotlight on Peter Maher



Peter has a long history with PMAP, having been the initial sponsor of the business in its original establishment within the Macquarie Group in 2008.

He spent 13 years on the Macquarie Group Executive Committee as the Head of the Banking and Financial Services Group before his retirement in 2013. In that time, the business grew to over 1.1 million clients, with a 10-fold increase in profitability. He also served as the Chairman of the Australian Financial Services Council, with extensive

consultation with the government on financial services regulation.

He is particularly excited about the opportunity for the PMAP team to deliver on the strategic potential for Arch in the Asian region and the opportunities it creates for our clients, staff and business partners.

Meet the Board

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

Peter Maher, *Chairman.*

Head of Macquarie Bank's Banking and Financial Services Group for 13 years.

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.



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