
Policyholder Churn Prediction and Retention Course: Lapse Models, Offers and Fair Treatment

27 September – 1 October 2027
Geneva





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Programme Summary

Policyholder churn prediction and retention is the subject of this one-week training course for insurance customer, distribution and retention directors and analytics leads, ending in a retention plan for one portfolio. Insurers lose policyholders at renewal, often after the signals were visible in claims, contact and payment records. The programme moves from defining churn and preparing data to lapse models, retention offers, measurement and fair treatment controls, using cases from motor, health and property cover. Mars Training Centre UK delivers this programme on policyholder churn prediction and retention to mixed-organisation cohorts.

The Business Case

An insurer that learns of a lapse only when a policy expires has no time to act, and one that discounts for every policyholder gives away margin it did not need to give. Leaders who define churn precisely, test a model before trusting it and match each action to the reason for leaving retain customers at lower cost.

- Renewal Rate: Improves as at-risk policyholders are found early and offered the right action.
- Retention Cost per Policy: Falls as offers go to customers where they change the outcome.
- Customer Complaints: Fall as scores follow fair treatment rules.

Principles and Evidence Base

- Churn Definition and Observation Window Logic: Fixes what counts as a lapse and over what period, and is applied in Sessions 1 and 2.
- Classification Model Evaluation: Compares lapse models on ranking quality and stability, and is applied in Session 3.
- Retention Uplift Testing with Control Groups: Separates customers who stay because of an action from those who would have stayed anyway, and is applied in Session 4.
- IAIS Insurance Core Principle 19 and the IAIS Application Paper on fair treatment of a wide range of consumers: Set international supervisory expectations for treating customers fairly, and are applied in Session 5.

Intended Participants

- Customer and retention directors who own renewal and attrition targets.
- Distribution leaders who manage agents, brokers and direct channels.
- Analytics leads who build or commission lapse models.
- Pricing and product managers who set renewal terms.
- Compliance and conduct leads who review how customer scores are used.



Typical settings include general, health and life insurers and intermediaries.

Learning Outcomes

1. Participants will be able to define churn and construct a lapse dataset with a clear observation window.
2. Participants will be able to diagnose the drivers of policyholder attrition from policy, claims and contact records.
3. Participants will be able to evaluate lapse models on ranking quality, stability and explainability.
4. Participants will be able to design retention offers and test their effect against control groups.
5. Participants will be able to justify fair treatment rules for the use of churn scores.

Programme Structure

Day 1: Policyholder Churn Prediction and Retention Foundations

What counts as churn, and what does it cost the portfolio?

- Churn and Lapse Definition Sheet
- Observation Window Design
- Customer Lifetime Value Estimate
- Renewal Funnel Map
- Retention Baseline Report

Day 2: Data and Early-Warning Signals

Which records show that a policyholder is likely to leave?

- Policy, Claims and Contact Data Inventory
- Signal Library for Lapse Risk
- Payment Pattern Review
- Data Quality Checklist
- Feature Selection Log

Day 3: Lapse Models and Evaluation

How is a lapse model built, compared and explained?

- Propensity Model Overview
- Gradient Boosting and Random Forest Comparison
- Ranking Quality and Stability Tests
- Score Explanation Sheet
- Model Challenge Questions



Day 4: Retention Offers and Uplift Testing

Which action keeps which customer, and how is the effect proved?

- Customer Segment and Reason Map
- Retention Offer Menu
- Control Group Design
- Uplift Result Reading
- Offer Cost and Margin Check

Day 5: Fair Treatment and Retention Plan for One Portfolio

Do the earlier records form one effective and fair plan?

- Applying the Session 2 Signal Library to the Portfolio
- Testing the Session 3 Score Explanation Sheet
- Reviewing the Session 4 Offer Cost and Margin Check
- Setting Fair Treatment Rules for Scores and Offers
- Completing the Portfolio Retention Plan

Methodology

The programme uses case analysis built on a shared case of a general insurer with rising non-renewal in its motor and household portfolios. Participants work with prepared policy extracts, model outputs and test results, then adapt each artefact to a portfolio from their own organisation.

- Suggested activity: Rewriting a vague churn definition into a testable one.
- Suggested activity: Questioning a lapse model score for ten sample policyholders.
- Suggested activity: Choosing which of three offers to test and defending the control group.

Capstone Output

Each participant completes a retention plan for one portfolio. It holds a churn definition, a signal list, a model evaluation summary, an offer and test design and fair treatment rules. The plan is used at work to brief leadership, instruct analytics and distribution teams, and agree how retention results are measured.

Frequently Asked Questions

Is policyholder churn prediction and retention training suitable for non-technical leaders?

Yes. Policyholder churn prediction and retention is taught through cases and templates. It assumes experience in insurance customer, distribution or analytics work, but no programming and no statistics beyond averages and percentages.



Which standards does policyholder churn prediction and retention training rest on?

Policyholder churn prediction and retention training rests on churn definition logic, classification model evaluation, retention uplift testing and the IAIS Insurance Core Principle 19 and fair treatment application paper.

How is the plan from policyholder churn prediction and retention training used at work?

You use the plan to brief leadership, direct analytics and distribution teams, set test rules for retention offers and decide how scores may be used with customers.

How does policyholder churn prediction and retention differ from general insurance analytics training?

Policyholder churn prediction and retention concentrates on lapse models, retention actions and fair treatment of customers, while general insurance analytics training covers underwriting, pricing and claims broadly.