

Future-proofing data science operations: the successful case of insurance company la Mobilière

la Mobilière

La Mobilière adopted a privacy-first approach in a time where fast-evolving data regulations are compromising companies' digital transformation strategies. The team validated the use of synthetic data in the context of data privacy protection, adding a new tool in their digital transformation toolbox.

Customer analytics is driving innovation

The insurance industry strongly relies on its **ability to collect and process customer data**. It's central to develop better service and customer experience, better risk assessment measures and also help uncover fraud and improve claim processing models.

This is no news for the Swiss insurance company who **prioritizes its digital transformation** since 2018. Among the company's data-driven initiatives, the data science team leveraged **customer data to develop churn prediction models**. Built upon state-of-the-art machine learning techniques, these models are a precious asset to improve customer retention and prevent financial losses.

"As Switzerland's most personal insurance company, la Mobilière aims to uphold its success in the digital world, too. This is why we invested over CHF 160 million in our IT project portfolio in 2019. Included in this amount are the additional CHF 50 million we earmarked for the acceleration of the digital transformation process."

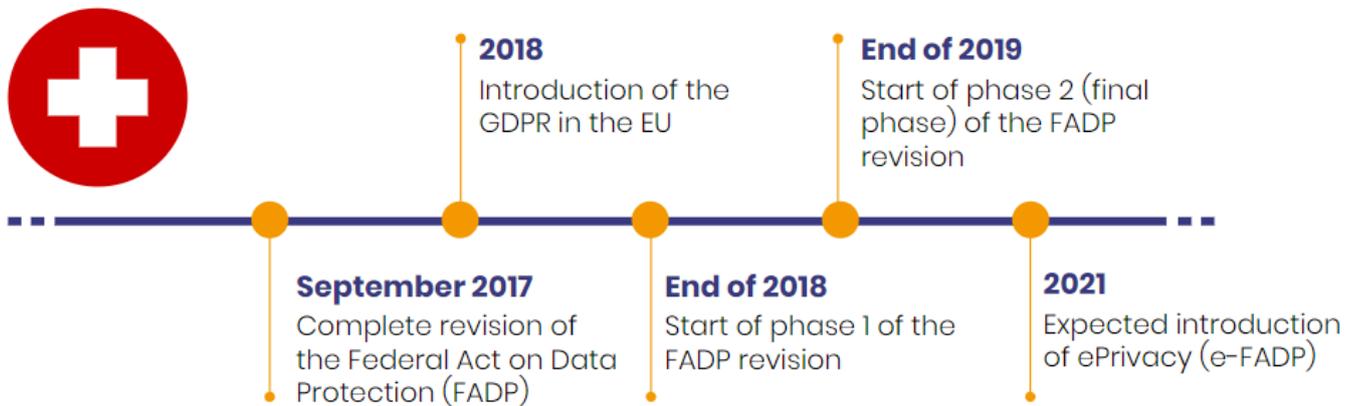
Markus Hongler, CEO of la Mobilière

There was, however, a cloud on the horizon. Switzerland has been in the process of revising its legislative framework. **Preparing for the new legislation**, and retaining the ability to use data, is thus now a key success factor for Swiss organizations.

Corporate innovation is dependent on fast-evolving regulations

The Swiss Federal Act on Data Protection (FADP) of 1992 enacted Switzerland's first data protection laws. Ordinances and additional federal laws now complete the FADP legislative framework in the country. In 2017, the FADP went under a complete revision by the Federal Council, to increase transparency, strengthen individual's data rights, and align with European regulations. At the end of 2019, the revision of the FADP entered its final phase. And the **fully revised DPA (E-FADP) is expected to enter into force in 2021**.

Besides reinforcing privacy obligations for the protection of customer data, the new framework will increase the requirements to document processing activities and implement governance processes. Besides, the new regulations will increase the range and importance of **sanctions for non-compliance**.



Among la Mobilière data activities, their churn prediction models were initially relying on customer data, which is subject to **evolving data protection laws**. For the company, anticipating regulatory changes was crucial if they wanted to maintain their data science division's ability to work with data safely and efficiently. Without it, the **risk of having data operation hindered and slowed down by compliance procedures** and constraints was high. This lack of agility ultimately would prevent innovation and deprive the company of significant competitive advantages.

Rather than adopting a passive stance, la Mobilière decided to **follow a compliance-first approach and embed privacy** directly within their data processing activities to future-proof their operations.

How to process sensitive customer data while remaining compliant

One method to guarantee data privacy and comply with any regulation is to anonymize data. Among the anonymization methods, **synthetic data represents one of the best-in-class approaches**. Instead of working with sensitive data, synthetic data is artificially generated from the original data. Algorithms learn the statistical characteristics of the original data and create new data from them. As a result, a synthetic dataset consists of new data points that preserve to a high degree the statistical properties and structure of the original dataset. This makes synthetic data an ideal candidate for any processing and statistical analysis intended for the original data.

Technology like the Statice data anonymization engine implements privacy mechanisms to generate **privacy-preserving synthetic data**. This means that private and sensitive information of an individual present in the original dataset will be protected after releasing the synthetic dataset.

Validating the use of privacy-preserving techniques to future-proof data operations

The implementation of synthetic data successfully passed all the tests from the team. In **less than two weeks**, they managed to produce and use highly granular, compliant data that would future-proof this aspect of their data operations. The data science team validated the use of this **compliant synthetic data to train their churn model**. They were able to train their machine learning models without compromising on the model performance. Thanks to the privacy-protection in place, la Mobilière can use the synthetic data for secondary purposes without having to undergo long and costly compliance processes.

“The Statice software protects the original data of our customers on the one hand, and on the other, enables us to work with the data across departments without compromising privacy or security issues.”

Georg Russ, Data Scientist, Data & Analytics

Simply by embedding privacy-preserving techniques within their processing framework, la Mobilière demonstrated how insurance companies could ensure data-driven innovation activities. La Mobilière’s ability to overcome sensitive data usage restrictions while safeguarding customer privacy will be the key to tomorrow’s success. La Mobilière’s use of synthetic data proves that integrating compliance at the heart of digital transformation can future-proof the development of data-driven innovation for insurance companies.

Learn more and get in touch with us at www.statice.ai

About Statice

[Statice](#) develops state-of-the-art data privacy technology that helps companies double-down on data-driven innovation while safeguarding the privacy of individuals.

Thanks to the privacy guarantees of the Statice data anonymization software, companies generate privacy-preserving synthetic data compliant for any type of data integration, processing, and dissemination.

With Statice, enterprises from the financial, insurance, and healthcare industries can drive data agility and unlock the creation of value along their data lifecycle. Safely train machine learning models, finally process your data in the cloud or easily share it with partners with Statice.

About la Mobilière

Every third household and every third company in Switzerland is insured by [la Mobilière](#). Active in all lines of insurance, la Mobilière had an annual premium volume of CHF 3.831 billion as at December 31, 2018.

Eighty entrepreneurially run general agencies with their own claims service guarantee proximity to more than two million customers at around 160 locations.

La Mobilière has more than 5,500 employees in its home markets of Switzerland and the Principality of Liechtenstein as well as 345 trainees. It is Switzerland’s oldest private insurance company and has operated on a cooperative basis since its founding in 1826.