



## Interview with ZLM Insurance: Using indices as an insurance company

Rob Bartels is product coordinator at ZLM insurance, a regional insurance company. Although construction cost data is primarily used in the construction sector, Rob explains how this data can also be of value in the insurance branch.

“As a product coordinator, I analyze our products: the insurance policies. These analyzes are based on the premium and claims. I evaluate whether or not we should raise or lower the premium. Besides that, I am involved in the introduction of new products to the market. As a product coordinator, I also analyze our policy, by reviewing the law changes and restrictions. Based on the customer experiences and their suggestions, I examine if we can improve the products. This I do for every separate product, but also for the whole product range together. Giving value to our customers is considered an important part of ZLM. We review the premiums and products, to see what we can do to make them even more appealing for our customers.”

“Recently I worked on an analysis of the part of our insurances that are prolonged per may first. These also include our home insurance, that covers damage on a house caused by fire, storm or a hailstorm. Based on the results of the analysis we check to see if we can update or change the premium. The BDB index will give us an indication of the development of the construction costs of a house. We index the premium to prevent our customers from the risk of being underinsured.”

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We have better knowledge on the development of  
the construction prices.”**



ZLM Insurance is a regional insurance company for the region Zeeland and Noord-Brabant. Customers can take out insurances for their homes, transport and travelling.

“The index can cause a raise of the premium, or lower the premium. When the construction and material costs rise, the premium will also rise. And the other way around: the lower the costs, the lower the premium. This way, the index is also used to keep the value determination of a home on the right level.”

“A few years back, we chose to work with BDB. At the time, we had the feeling the numbers we were using, were not corresponding with the actual market. We chose BDB because their numbers are based on reliable and proper data. Their data gives a good impression on the activities in the housing market. Some insurance companies index based on the numbers of CBS (Statistics Netherlands). The BDB numbers we receive are specially constructed for our company. The indice figure and forecast figures give us more control over our wallet; we have better knowledge of the development of the construction prices.”

“Internally, it is a fixed fact that we base our information on the BDB indice. If the increase or decrease of the premium is extreme, this will lead to questions from our customers. Based on the background information I receive from BDB, I can substantiate these changes. We want to give a good and clear explanation to our customers. Therefore it is important we are able to tell them how we determine our premiums. BDB supports this as an external, independent party.” •