Microsoft

AI in Insurance

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Keylane
insurance & pension software

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AI will reinvent every industry

Especially those that are highly automated and knowledge/data centric,

like Insurance

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We always **overestimate** the change that will occur in the next **two** years

and **underestimate** the change that will occur in the next **ten**

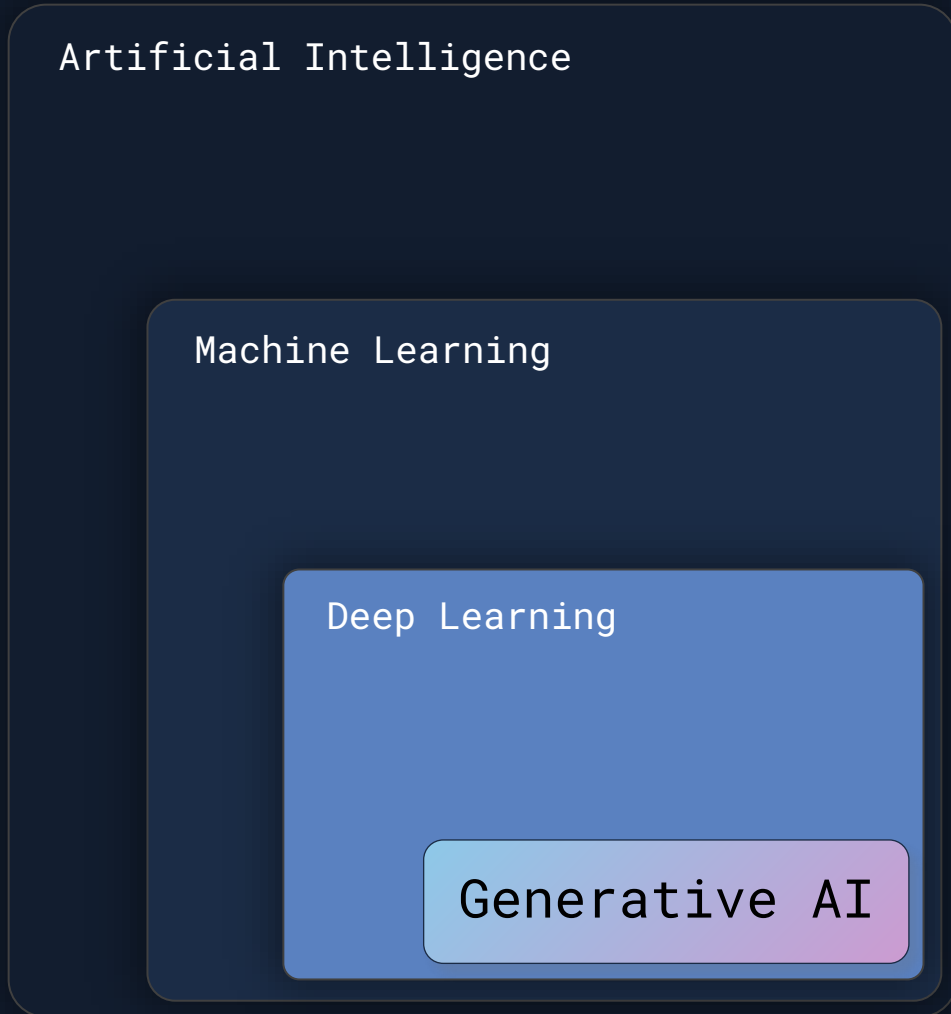*Don't let yourself be lulled into inaction*.

Bill Gates

Agenda

Intro

What is AI?

How will it impact Insurance (and you)

How you can be successful

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Brief history of AI

Artificial Intelligence

Machine Learning

Deep Learning

Generative AI

Artificial Intelligence
1956
The field of computer science that seeks to create intelligent machines that can replicate or exceed human intelligence
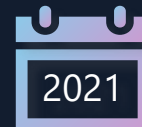
Machine Learning
1997
Subset of AI that enables machines to learn from existing data and improve upon that data to make decisions or predictions

Deep Learning
2017
A machine learning technique in which layers of neural networks are used to process data and make decisions

Generative AI
2021
Create new written, visual, and auditory content given prompts or existing data

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Traditional AI

Simple model

Purpose-built
for one use

"Narrow"

Benefits from a well-organized data
environment

Next generation /
Gen AI

Massive model

Generalized intelligence
with many applications

"Generalized"

Not always reliant on a mature data
environment to start exploiting

OpenAI

Generative AI Models

GPT4 o

GPT-3 (4)
Generate and Understand Text

Codex
Generate and Understand Code

DALL·E
Generate Images from text prompts

ChatGPT
Chat Bot, Avatar, Contact Center Reply

Prompt:

Write a tagline for an ice cream shop.

Response:

We serve up smiles with every scoop!

Prompt:

Table customers, columns = [CustomerId, FirstName, LastName, Company, Address, City, State, Country, PostalCode]

Create a SQL query for all customers in Texas named Jane

query =

Response:

```
SELECT *
FROM customers
WHERE State = 'TX' AND
FirstName = 'Jane'
```

Prompt:

a painting of a fox sitting in a field at sunrise in the style of

Response:

TEXT   AUDIO

IMAGES VIDEO

What is the fastest animal on land?

the cheetah (Acinonyx jubatus), which can reach speeds of up to 60 miles (97 kilometers) per hour.

What makes them so fast?

Cheetahs are built for speed and have several adaptations that make them the fastest land animal: lean body, long legs, flexible spine, large nostrils and claws that don't retract.

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AI Capabilities are coming to you in various shapes and forms

Built in (Copilot)

Built into products and apps:-

- Everyday devices (phone, car,)
- Search engines
- Tools: Word – Excel – Powerpoint
- Business Apps

Smarter and easier to use

Help to generate content and actions

Build Your Own (BYO)

Built specifically for organizations:-

- Finding/analyzing information
- Generating content, letters, offers
- Customer email Intake and triage
- Business Apps for sales and services

Automating the mundane and tedious

Help to become productive/effective

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AI as you personal assistant

Look at AI as your personal smart assistant

- The better and more detailed the instruction, the better the results

- Smart, but does not have your professional experience

- AI is only as good as the data it references

- Adoption is a culture change

- application requires an ethical framework

Helps with the boring stuff so you can be better

But requires training, supervision and validation

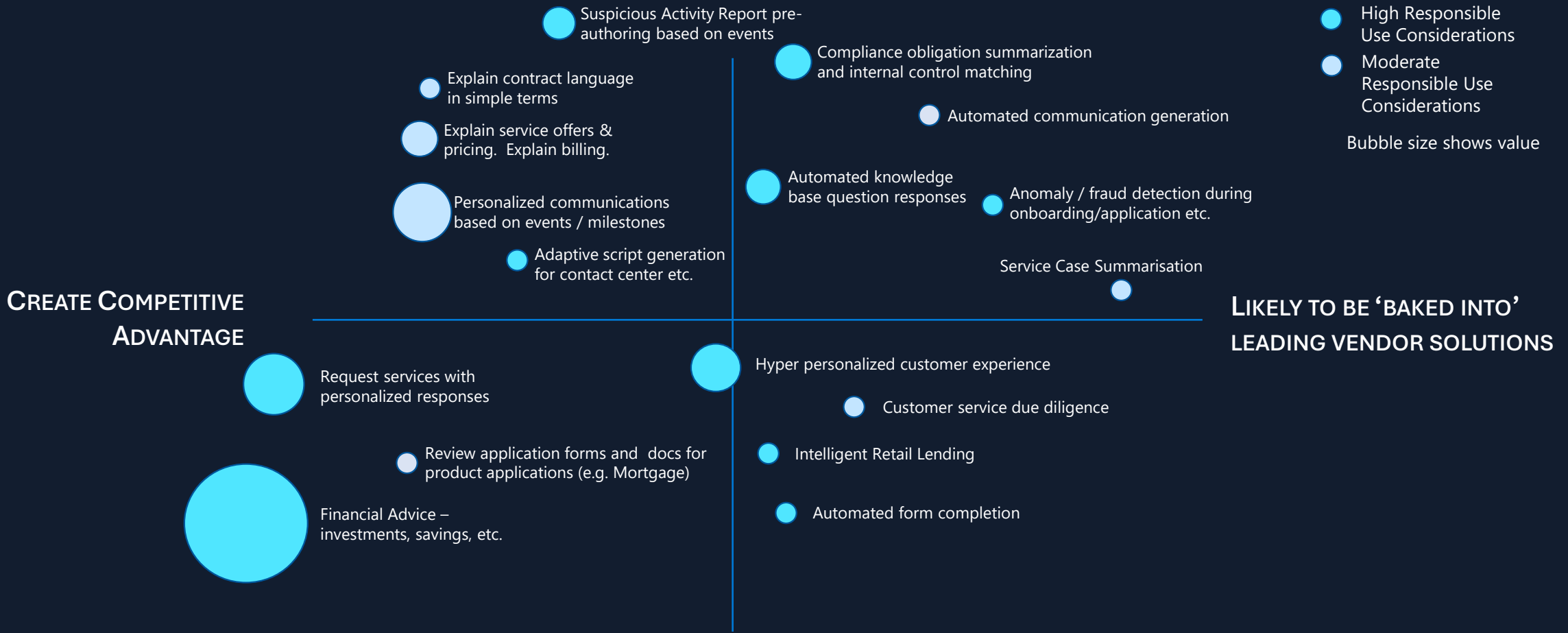DALL-E: An office environment with an agent and a graduate of different ethnic backgrounds

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Gen AI Use Cases Being Considered Today

EMPLOYEE EXPERIENCE - PRODUCTIVITY

Suspicious Activity Report pre-authoring based on events

Compliance obligation summarization and internal control matching

Explain contract language in simple terms

Automated communication generation

Explain service offers & pricing. Explain billing.

Personalized communications based on events / milestones

Automated knowledge base question responses

Anomaly / fraud detection during onboarding/application etc.

Adaptive script generation for contact center etc.

Service Case Summarisation

High Responsible Use Considerations

Moderate Responsible Use Considerations

Bubble size shows value

CREATE COMPETITIVE ADVANTAGE

LIKELY TO BE 'BAKED INTO' LEADING VENDOR SOLUTIONS

Request services with personalized responses

Hyper personalized customer experience

Customer service due diligence

Review application forms and docs for product applications (e.g. Mortgage)

Intelligent Retail Lending

Automated form completion

Financial Advice – investments, savings, etc.

Potentially higher risk / deployment complexity

CUSTOMER EXPERIENCE:
NPS, UPSELL, REACH NEW MARKETS

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Evolution to more human-like and interactrive conversation

The impact of GenAI on Customer Experience

Possible ways to leverage AI for Agents

Contact centers

BETTER CONVERSATIONS

- Assist to search relevant info based on conversation
- Suggest additional options/cross sell
- Summarize calls
- Draft follow-up messages
- Distill action points

More focus on conversation.
Less administrative burden
Faster follow-up

Client Visits

PREPARATION AND FOLLOW-UP

- Get up-to-date report on client interactions
- Suggestions for cross/upsell
- Verbal summary of meeting and follow-up actions
- Draft follow-up messages

Personalized and focused conversation, less burdensome and faster follow-up

Underwriting

PERSONALIZED OFFERS

- Consistent and relevant access to contextual, historic and policy data
- Support preparation of personalized offers
- Support adequate follow-up
- More conversational interaction

Faster, personalized response.
Lower initial lapse rates.
Better risk management

Claims

BETTER CONVERSATIONS

- Automated intake and initial analysis
- Fast turn around time and personalized response
- Improved Fraud detection through consistency checks

Faster response, better triage of high value customers vs

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Manulife / John Hancock

- Canada's largest Insurer (est. 1887)
- Active in North America and Asia
- 30 mln clients
- 38,000 employees
- 119,000 agents
- C$ 1.2 trn Assets Under Management
- Fully embarked on AI since 2016, with over 100 models deployed
- Developing GenAI at scale:
    - 240 use cases identified
    - 7 in full production
    - 16 under development

See also: Manulife Investor Day 2024 Gen AI in Operations (talk at minute 13, demo at minute 20)

Manulife sample use cases

- ChatMFC:
  - Summarize Call Transcripts
  - Determine trending topics faster
- ChatAnnuity:
  - Look-up complex contract data
  - Showing source and confidence level
  - Faster response and faster onboarding
- Manulife 365: Sales Agent Copilot:
  - Generate leads based on client profile
  - Generate mail/chat, tailor tone and language

See also: Manulife Investor Day 2024 Gen AI in Operations (talk at minute 13, demo at minute 20)

Swiss Re Life Guide

- **Swiss Re Life Guide:**
  - Life & Health underwriting manual
  - Combining Medical and Actuarial knowledge
  - 23 million hits per year, users from 100 countries

- **Life Guide Scout :**
  - GenAI underwriting assistant
  - To increase efficiency and quality of underwriting
  - Generates answers from curated expert knowledge
  - With source text for reference
 - Queries by the underwriter in natural language

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How you can be successful!

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How you can be successful!

- AI is a game changer, but not before the end of the month
- Think big, start small:
  - This will ultimately be infused in every process
  - Start with the obvious use cases and
  - Build your knowledge and capabilities and focus on where it brings competitive advantage
  - Organize to scale-up
- Get your data estate in order
- The adoption of AI involves a culture change Pro-active adoption and change management
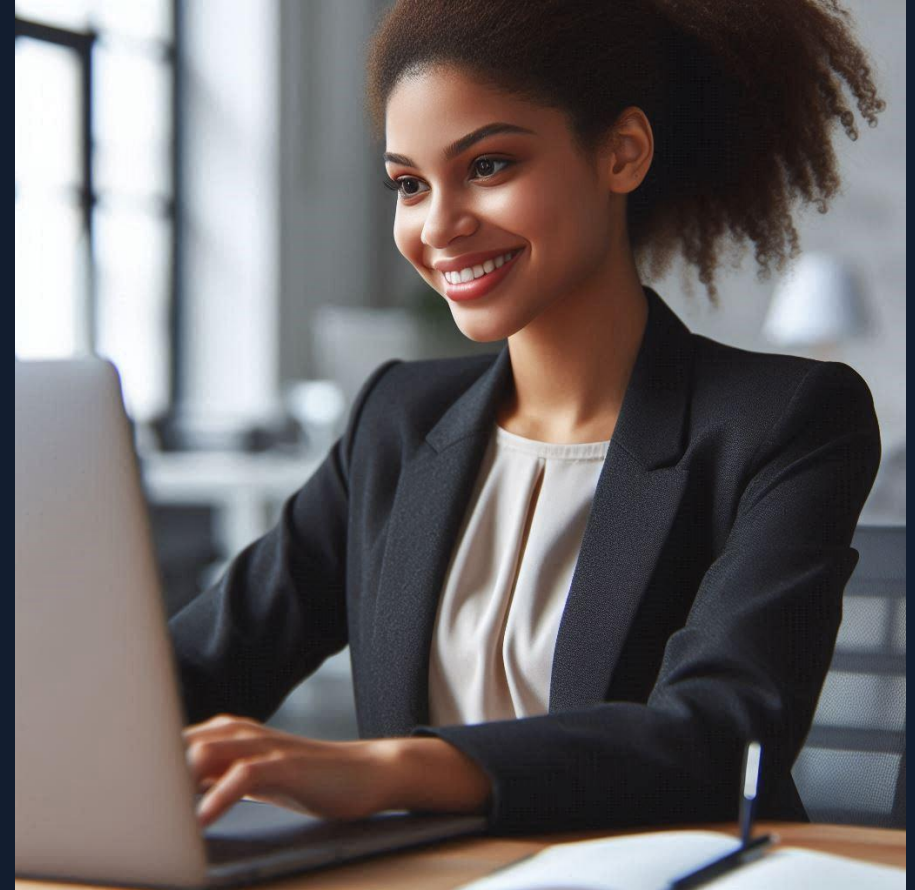
A successful office worker who mastered and embraced new technologies

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Thank You !

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