THE RISE OF AI.

How Artificial Intelligence is Elevating the Insurance Game.

Vymo

CONTENT

THE RISE OF AI.

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An Overview

It is the Age of AI.

Artificial Intelligence is reshaping industries across the globe in profound ways.

From healthcare to finance, and even in sectors traditionally slow to change, like manufacturing, AI is proving to be a powerful solution to longstanding challenges and is unlocking unprecedented efficiency and innovation.

For instance, **Siemens AG** partnered with **Google Cloud** in late 2021 to enhance factory productivity through AI products. In 2023, Siemens and Microsoft joined forces to use generative AI tools like ChatGPT.

In healthcare, some truly inspiring work is underway as various companies delve into the realm of "robotic prosthetics," also referred to as 3D-printed prosthetics. These advancements are aimed at not just restoring lost functionality in human limbs but also giving patients the incredible opportunity to regain specific motor abilities.

It's a booming industry, with several startups like **Sarcos Robotics, ReWalk Robotics,** and **Esko Bionics** doing important work in various types of prosthetics.

Needless to say, AI's capabilities today have far exceeded what it could do even five years ago. It does not just try to defeat chess grand masters anymore; it has the ability to pull together data from multiple sources just like a human brain would.

In addition, AI can process large volumes of data, learn from patterns that aren't easily visualized by humans, and use them to solve traditional problems.

Embracing AI isn't just about keeping up; it's about staying ahead in a rapidly evolving world. By harnessing the potential of AI, businesses can not only streamline operations but also enhance decision-making, improve customer experiences, and drive growth.

It is an exciting time, where the fusion of human creativity and AI's analytical prowess promises solutions we never thought possible, opening up a whole new world.

AI Through the Years

2023 might be the 'Year of AI', but versions of Artificial Intelligence have always been around (and not just in the Terminator movies!).

Here's a timeline of some of the most important AI milestones:

The 1960s

This was a prolific decade for AI, with many important milestones:

1962 - The first industrial robot, Unimate, replaced humans on a General Motors Assembly line

1964 - Eliza, a chatbot developed by Joseph Weizenbaum at MIT, had a conversation with humans

1966- Shakey, a mobile robot from Stanford, was able to reflect on its own actions
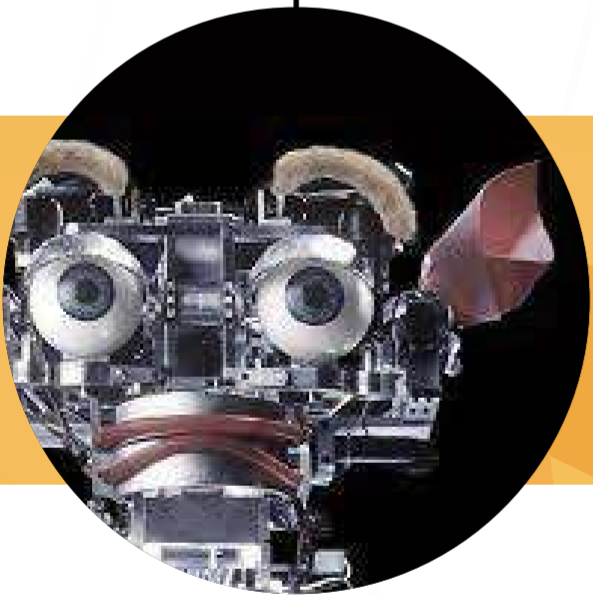
1950

Alan Turing 'invents' the modern concept of AI through the 'Imitation Game'

1997

Deep Blue from IBM defeated world chess champion Garry Kasparov

1955

Computer scientist John McCarthy coins the term 'Artificial Intelligence'

1998

Cynthia Breazeal from MIT introduced Kismet, a robot that detected and responded to people's feelings

2014

Launch of Amazon's Alexa AND chatbot Eugene Goostman passing Alan Turing's Test, with a third of judges believing it was human

2022

The launch of ChatGPT

2011

Apple integrated Siri to iPhone 4s

2017

Google's AlphaGo beat world champion Ke Jie in the complex board game Go

AI & Insurance

AI in the Insurance Industry

Insurance has been perceived as a traditional industry with legacy systems and strong roots that is slow in welcoming change.

Which is why it has been exciting to witness the industry not only embrace tech transformation but come alive with it. AI is now an integral part of several insurance processes, and it will be interesting to see how its influence grows.

In the insurance value chain, AI plays a significant role in four key areas:

- Product Development
- Sales & Distribution
- Risk & Underwriting
- Claims Processing

Among these, AI has made substantial advancements primarily in two domains: Risk & Underwriting and Claim Processing.

In the realm of **Risk & Underwriting,** AI mitigates potential biases, enhances transparency, and harnesses data for precise risk assessment. For example, **ZestFinance** utilizes AI to assess risks by analyzing both traditional (credit score) and non-traditional (rent, cellphone payments) data sources, streamlining its underwriting process for lower-risk cases. Through its Big Data model, insurance companies can potentially increase their Collections results while using *30% fewer resources*.

DID YOU KNOW:

Morgan Stanley announced plans to collaborate with the founders of ChatGPT for an AI–powered ChatBot to serve their Wealth Management clients.

Accenture's research found that a third of all claimants say that they were not satisfied with their most recent claims experience. So, on the **Claims Processing front**, AI streamlines the process for both customers and staff from the moment a claim is initiated. It automates tasks, ensuring swift and efficient processing while also determining the legitimacy of a claim and the corresponding coverage amount.

For example, **CCC Intelligent Solutions** automates its entire claims system with AI. Photographs taken at accident scenes are subjected to AI analysis and assessed according to insurer-approved guidelines. Utilizing this data, CCC's AI can evaluate damages and generate prompt estimates, which insurers can then approve and send to their customers for confirmation.

On the other hand, **Clearcover**, a digital car insurance provider, uses AI to process claims faster. Upon completing a simple questionnaire, Clearcover users have the option to receive quotes generated by AI and select the one that aligns most closely with their requirements.

Weird AI

2023 is already being dubbed 'the year of AI', what with the advent of ChatGPT, the popularity of AI art, and the rapid deployment of AI-based tools by companies worldwide. Here are five of the most offbeat uses for AI over the years!

1.

### A robot that finds Waldo - RedPepper

'Where's Waldo?' is a question that's plagued many for decades. But RedPepper, a creative ad agency, decided to do something about it. They developed 'There's Waldo', a robot that could find Waldo in ANY picture in under 4.5 seconds!

2.

AI to craft the perfect pint of beer

Can data really create the perfect beer? IntelligentX thinks so, being the first company to brew beer based 100% on customer preferences. Their machine-learning algorithm uses customer feedback data to inform their Master Brewer on what to brew next!
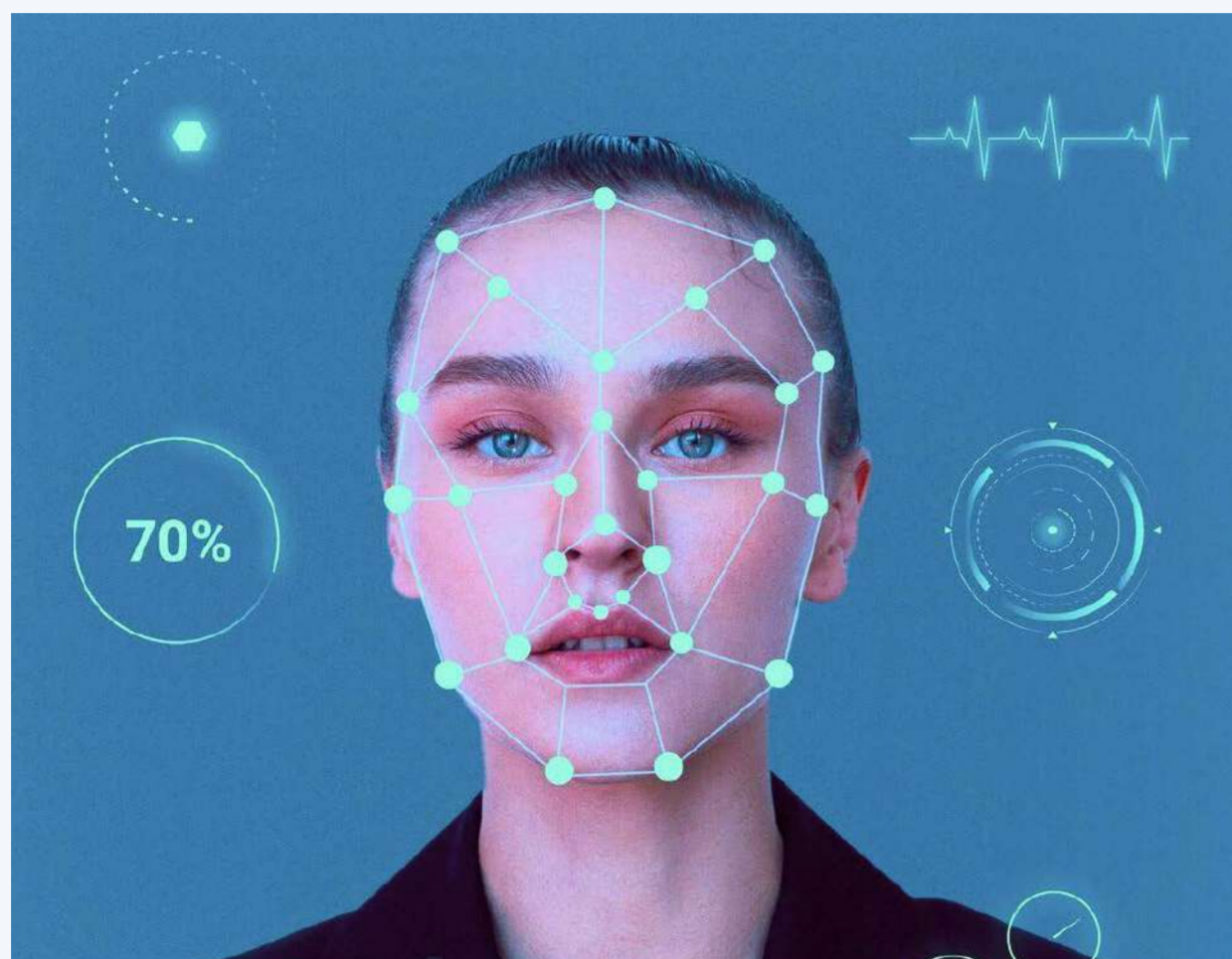
3.

Emotion Recognition

Companies like IBM and Amazon use Emotion Recognition in their interview processes to filter out candidates. Emotion Recognition software can analyze micro-expressions, including the twitch of an eye, to determine how suitable someone is for a job (as if job interviews weren't stressful enough!).

4.

Beauty Contests - beauty.ai

Ever thought traditional, human-judged beauty pageants were way too biased? Enter beauty.ai, an AI-judged beauty pageant, that evaluated contestants by assigning 'unbiased' scores on facial harmony, skin health, symmetry and so on.

5.

Deceptive Robots

In 2012, a team of researchers at the Office of Naval Research, led by Professor Ronald Arkin, studied the patterns of squirrels and birds to create robots that could deceive each other, believing that the applications could be useful in the military.

Insurance Sales & Distribution

AI in Insurance Sales & Distribution

Interestingly, many insurance startups and carriers have yet to explore a vital avenue for AI application: **Sales & Distribution.**

Sales & Distribution is the process through which customers purchase insurance products, encompassing the entire chain of transactions between the carrier and the end-customer. This process also includes multiple personas such as brokerages (wholesalers) or licensed agents (retailers).

Agents either contact potential customers, or vice-versa. They then choose the best possible insurance plan based on the customer's age, financial needs, risk appetite, and life stage and engage with them until the premium is sold.

By harnessing AI to assist agent work forces and client-facing marketing channels, insurance carriers stand to boost their profitability and deliver exceptional customer experiences throughout the distribution cycle.

Why is this crucial?

As mentioned earlier, today's customers expect hyper-personalized services. In a world with Netflix, Uber, and Google, it is only natural to expect your insurance provider to suggest suitable policies tailored to your specific needs.

In an era of economic uncertainty, where consumers are increasingly cautious with their expenditures, this differentiation in service can be the linchpin for your business's success.

So, let's break down how AI can help carriers in different stages of distribution like:

Recruitment

The Lead Lifecycle

The Customer Lifecycle

DID YOU KNOW:
Nearly 87% of financial service customers begin their journey online.

Recruitment

According to statistics from the **_Bureau of Labor_**, over 50% of the insurance workforce will be retiring in 15 years, leaving almost 400,000 open positions unfulfilled industrywide.

So now, more than ever, the onus is on carriers to streamline their recruitment process and make sure they're hiring the right producers – ones who can stay with them for a long time.

In an interview in early 2022, Gregory P. Jacobson, Co-Chief Executive Officer of The Jacobson Group, stressed that the insurance industry is in its most competitive environment. _"New roles and opportunities are emerging, job openings are near an all-time high, and retirements are accelerating,"_ he explains.

So, how can insurers leverage AI to get a leg up in the recruitment process?

McKinsey claims that _"most employers can benefit from using a broader lens in hiring. Instead of insisting on prior experience that matches the responsibilities of an open role as closely as possible, organizations can evaluate candidates on their capacity to learn, their intrinsic capabilities, and their transferable skills."_

How does this translate to real life?

Let's examine a typical insurance recruitment process to examine this.

Most insurance carriers post open recruitment announcements on job sites like LinkedIn or on social media. Based on this, producers reach out via various channels and begin the recruitment workflow. HR needs to work with managers to conduct interviews, nurture the best candidates, go through reference and documentation checks, and so forth.

Here's what that would look like:

Components of Powerful Agent Recruitment

1 Prospect — **2** Nurture — **3** Onboard

Where does AI fit into this framework?

a. Agent Profile Score

When a new producer enters a carrier's system, they fill in important information like age, educational qualifications, work experience, location, and illness records. This data can then be enhanced in multiple ways – such as scores from psychometric tests, and even (wherever appropriate), activities on social media. Based on all of this additional data, AI can calculate an 'Agent Profile Score' that gives a number to the strength of the candidate for the role the carrier is hiring for.

Moreover, once a candidate is hired and in the organization's ecosystem, it will also factor in their ongoing performance and adapt and change accordingly, i.e. learning based on historical data.
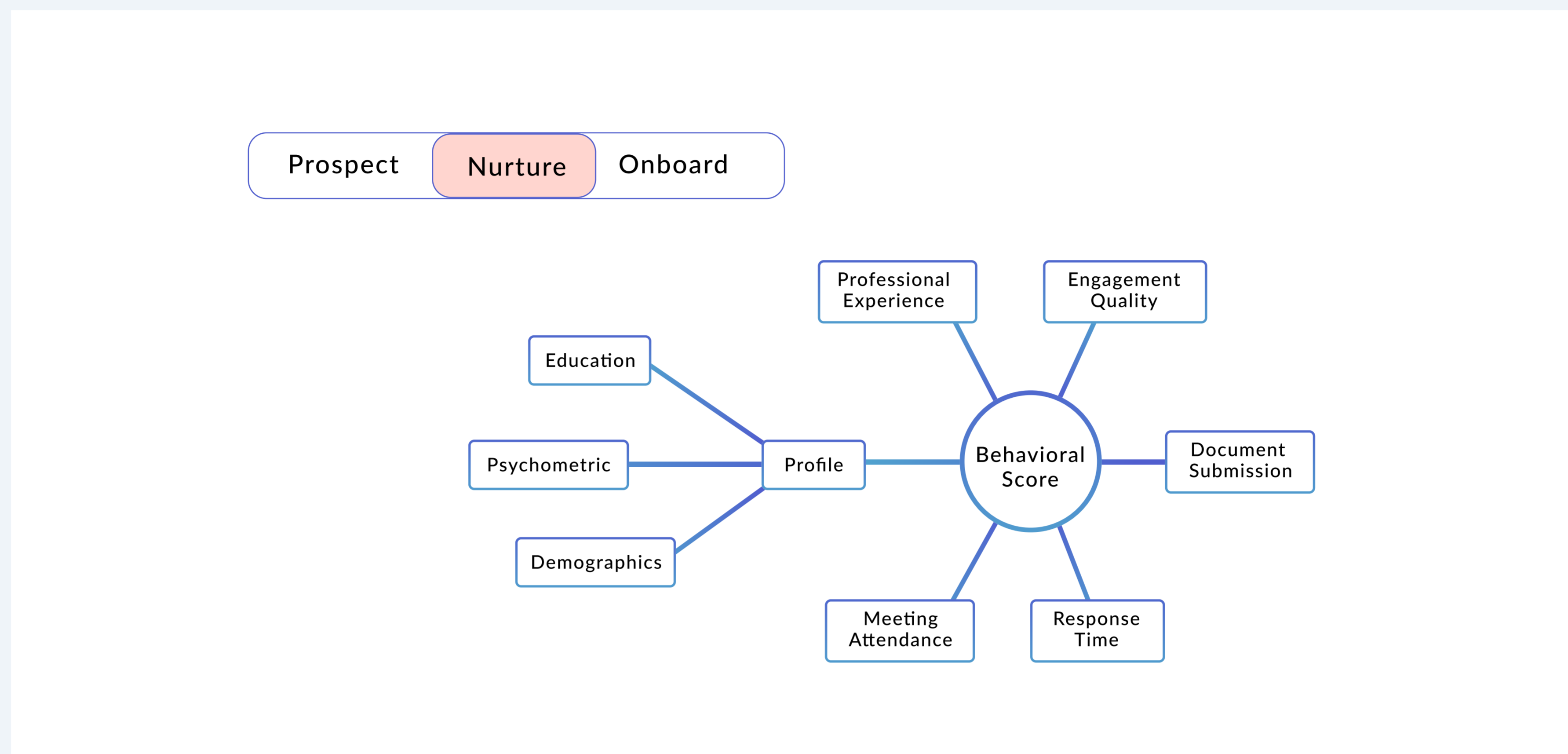
b. Engagement Score

According to Glassdoor, most companies see an *80% drop-off rate* during their application process. To avoid this, they must nurture their candidates and make sure they're focusing their efforts on people more likely to stay engaged.

AI can help identify such producers through an 'engagement score', calculated by measuring how quickly people respond to emails, how proactive they are in attending pre-onboarding webinars, how much they've interacted with the carrier's social media posts, and so on.

But, that's not all.

Let's suppose a high-profile candidate starts off with a high engagement score at the beginning of the recruitment process. However, over the next few days, their score drops drastically, indicating a potential loss of interest in the role. This can then alert the HR team to send out a pre-set sequence of emails and messages to reengage the candidate.

All of this may sound far-fetched utopia, but there are organizations that have successfully used AI to streamline their recruitment processes.

Let's take **_Ping An Insurance Group_** (China's largest insurer by market value) as an example. They struggled with slow recruitment cycles due to an over-reliance on manual processes and individual HR professionals in making basic decisions like drafting job descriptions, creating effective recruitment channels, and screening appropriate candidates.

An early adopter, the Group implemented a Smart HR system in April 2018 where they used AI and big data to help managers create better job descriptions, select accurate recruitment channels, and screen candidates.

The results? "*Their time to hire (from search onset to new-hire onboarding date) was cut by two-thirds; they estimated this return on onboarding improvement (ROOI) at nearly $17 million.*"

With all the developments in AI between 2018 to present day, there is potential for organizations to double or even triple these results

Another example is Siemens Energy, who, with the help of The Visage (a passive recruitment platform that leverages AI) successfully filled 400 out of 1,200 open positions in a year.

However, intuitiveness is important for the widespread adoption of these tools, no matter how effective.

Justine Annoreno (Financial Services Professional, New York Life Securities) says,

"While I am open to making my life easier, if I have to go out of my way to figure out how it (an AI recruitment tool) works, I'm going to get distracted and not end up doing it"

Justine Annoreno

(Financial Services Professional, New York Life Securities)

However, she also mentions that if her company supported the learning of these new technologies through the right kind of education and set deadlines, she would be more inclined to pick them up.

Companies should focus on vetting tools that are easy to use and should help minimize the learning curve for employees.

AI Books/Movies

Science Fiction media has the uncanny ability to predict the future of technology in real life, be it the surveillance-esque abilities of machines predicted by George Orwell's 1984 or the dangerous possibility of large corporations taking over our lives in Dave Eggers' The Circle.

Here are some books that predicted the rise of AI (and our reactions to it):

Klara and the Sun (Kazuo Ishiguro)

A novel ahead of its time, Klara and the Sun takes place in a near-future world where AI technology has advanced significantly, and people have AI companions for various purposes, including companionship and education.
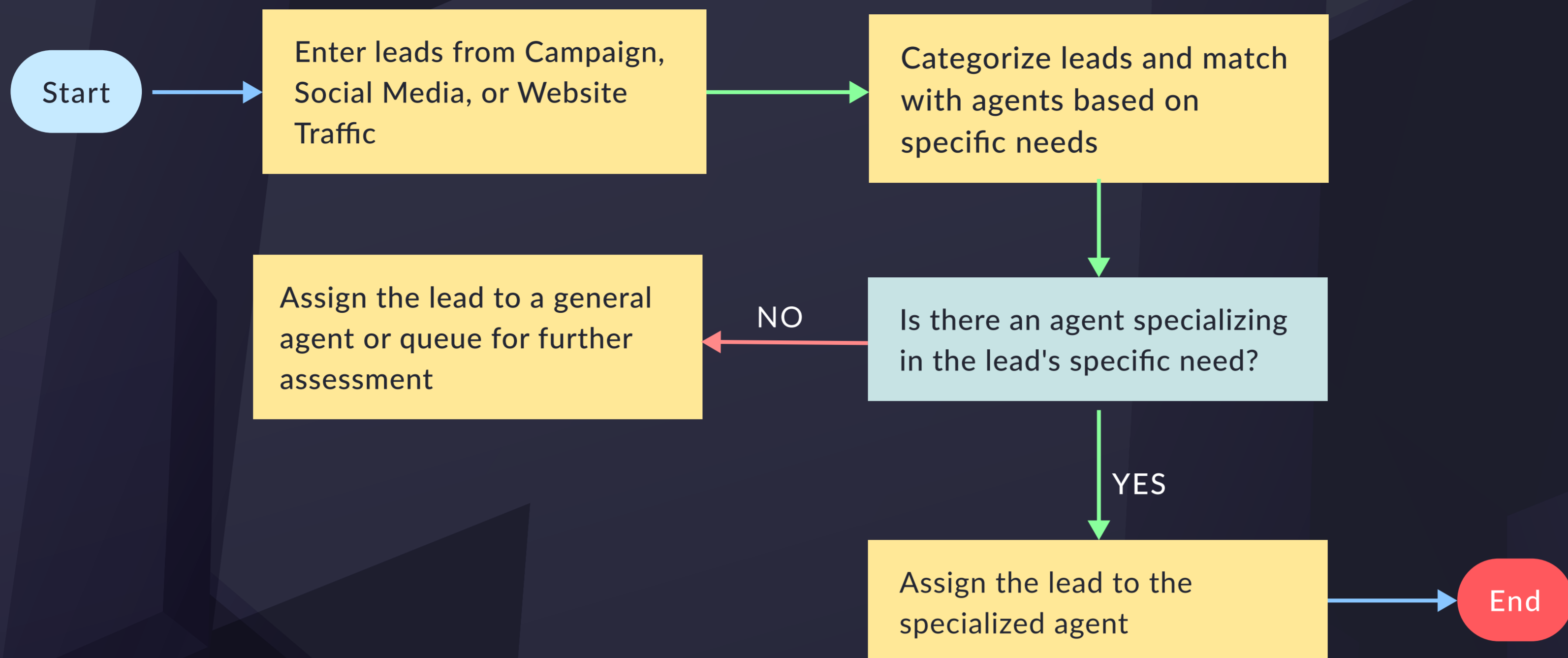
1984 (George Orwell)

With discussions around data privacy becoming more and more polarizing, several conversations bring up 1984, where governments and institutions use data analytics for surveillance and control.
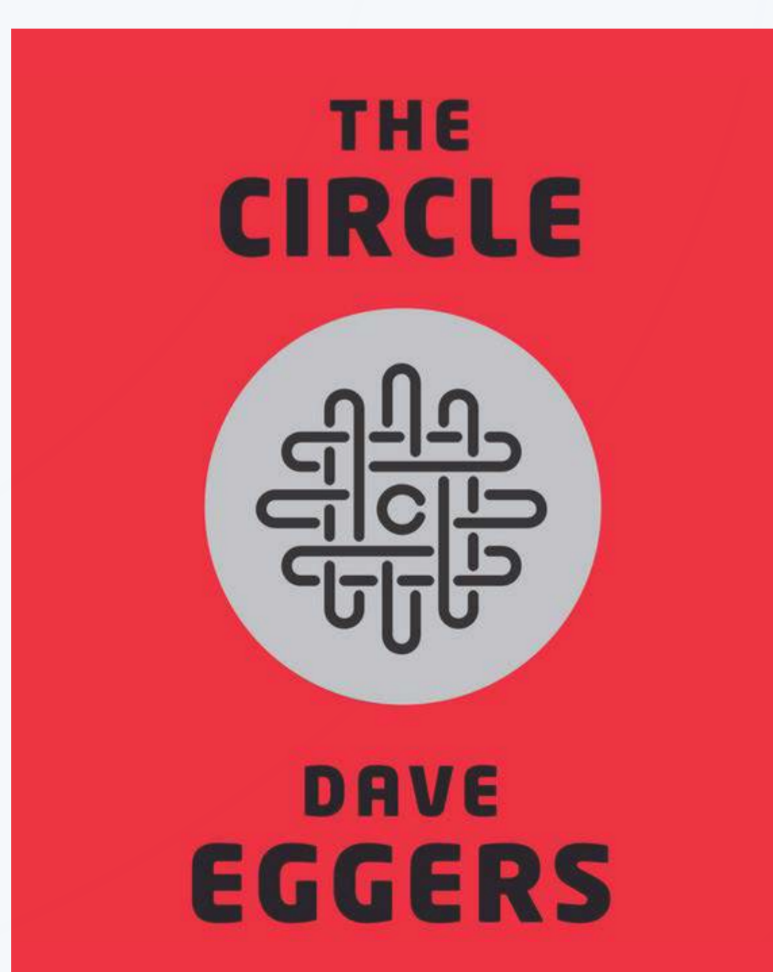
The Circle (Dave Eggers)

It is no secret that people are wary of large corporations using their data as cyberstalking becomes an increasingly prevalent problem.

In The Circle, a large organization called The Circle uses the data it collects regularly to encourage the loss of personal privacy and control the world's population as a result. The novel explores the ethical dilemmas arising from the loss of privacy and the dangers of a society where every action is monitored and judged by the public.

A typical Lead Allocation cycle

Start → Enter leads from Campaign, Social Media, or Website Traffic → Categorize leads and match with agents based on specific needs

Categorize leads and match with agents based on specific needs → Is there an agent specializing in the lead's specific need?

Is there an agent specializing in the lead's specific need? — NO → Assign the lead to a general agent or queue for further assessment

Is there an agent specializing in the lead's specific need? — YES → Assign the lead to the specialized agent → End

A typical Lead Allocation cycle

The Lead Lifecycle

A typical lead allocation process unfolds as follows:

Leads may enter an insurance carrier's system via a campaign, social media channel, or through website traffic.

Once a lead becomes part of the carrier's ecosystem, they are categorized and matched with agents according to their specific needs. For instance, if a lead comes from a middle-class background with aspirations for higher education, they will be assigned to an agent specializing in education loans.

However, this allocation process often proves to be time-consuming, slow, and inefficient, leading to lead disengagement and dropouts from the carrier's ecosystem before their journey even commences.

Conversely, a robust lead allocation system can be further strengthened with the integration of AI.

a. Enhancing Data Analysis

Having more data and information about leads simplifies the task of matching them with the right agents.

If Insurance carriers are able to prioritize efficient data collection at the point of entry, they can minimize the burden on lead time, optimize the process and enhance customer engagement.

This will help effectively route leads to appropriate agents and explore intelligent lead-scoring systems capable of assessing leads with minimal information. Leveraging non-traditional data sources can enrich lead profiles, enabling customized services and more effective engagement strategies.

Another approach is to provide a chatbot or Conversational AI interface for leads when they engage with a campaign. This allows organizations to gather more comprehensive context directly from leads, all while minimizing the inconvenience of excessive button clicks and questions.

Ant Financial (now known as Ant Group, an affiliate of the Chinese Conglomerate Alibaba Group) introduced Auto Insurance Points in 2018. Similar to credit scoring, in addition to conventional factors like driving history, age, and vehicle type, the system analyzes "lifestyle factors" (like the policyholder's credit history, spending patterns, and more) to construct a holistic risk profile and determine which leads might be worth pursuing.

AI can execute these tasks swiftly and efficiently, ensuring that companies can realize substantial returns on their quarterly investments in lead generation.

b. Digital Playbook

By and large, the lead allocation process is human-led. Leads fill in questionnaires, carriers use that data (and others from other sources) to evaluate leads, assign scores based on risk appetite, life stage, age, income, and more, and allocate them to an agent. It then the agent's responsibility to talk to the lead and determine what policy might fit them the best.

What if this ENTIRE process can be automated by AI in the future?

StashAway, a tech-led investment firm based in Singapore, leverages technology throughout the lead lifecycle. They first ask their leads a set of questions. Then, based on existing clusters and data sets, their tech framework assigns a risk level that can help create the right portfolio for the lead.

Understanding a cold lead's financial needs better through technology and using that to structure their journey is invaluable in helping them turn warm.

The idea of self-configuring cadences is also quite intriguing. In this approach, the AI engine can adapt its strategy in real-time based on changes in engagement scores. It can switch engagement channels, replace content with more relevant material, and make other adjustments as needed. The engine will also assess the situation to decide whether and when to involve a human agent for high-value advisory interactions.
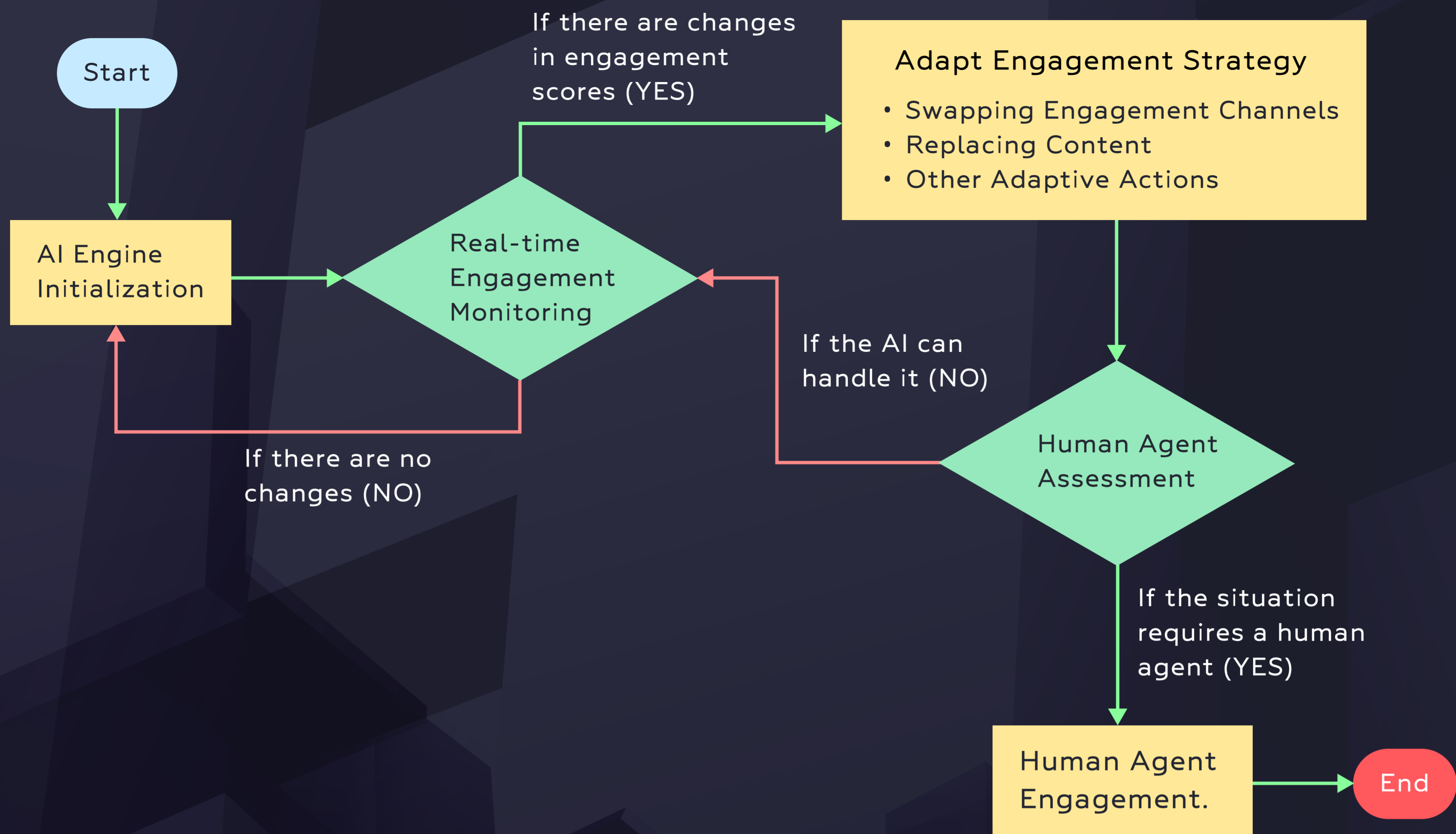
An Example of a Self-Configuring Cadence

In the near future, with the advancement of AI, the entire lead journey can be automated completely using augmented chatbots, eliminating the need for constant human intervention. Instead, human agents will be free to take on a more advisory role, stepping in only to solve more significant problems or answer more high-level, complex questions.

DID YOU KNOW:

Even back in 2018, *__Forbes__* reported that Sales Teams using AI were seeing an increase in Leads and Appointments by >50%!

Test your AI knowledge with a quick game of trivia!

*If you're stuck, just check out the Answer Key at the bottom of the page.

1 - Who is the 'Father' of Artificial Intelligence?

    a. Alan Turing
    b. Charles Babbage
    c. Albert Einstein

2 - Which AI-powered computer system famously competed on the quiz show "Jeopardy!" and won against human opponents?

    a. Siri
    b. Watson
    c. HAL 9000

3 - Which AI voice assistant is known for its soothing and calming voice, often used for meditation and relaxation?

    a. Siri
    b. Cortana
    c. Headspace

4 - In the field of AI, what does the acronym "GAN" stand for?

    a. Generative Adversarial Network
    b. Global Artificial Network
    c. Generalized Algorithmic Node

5 - Which AI technique is inspired by the structure and function of the human brain and is used for tasks like image recognition and natural language processing?

    a. Genetic Algorithms
    b. Neural Networks
    c. Decision Trees

Customer Lifecycle
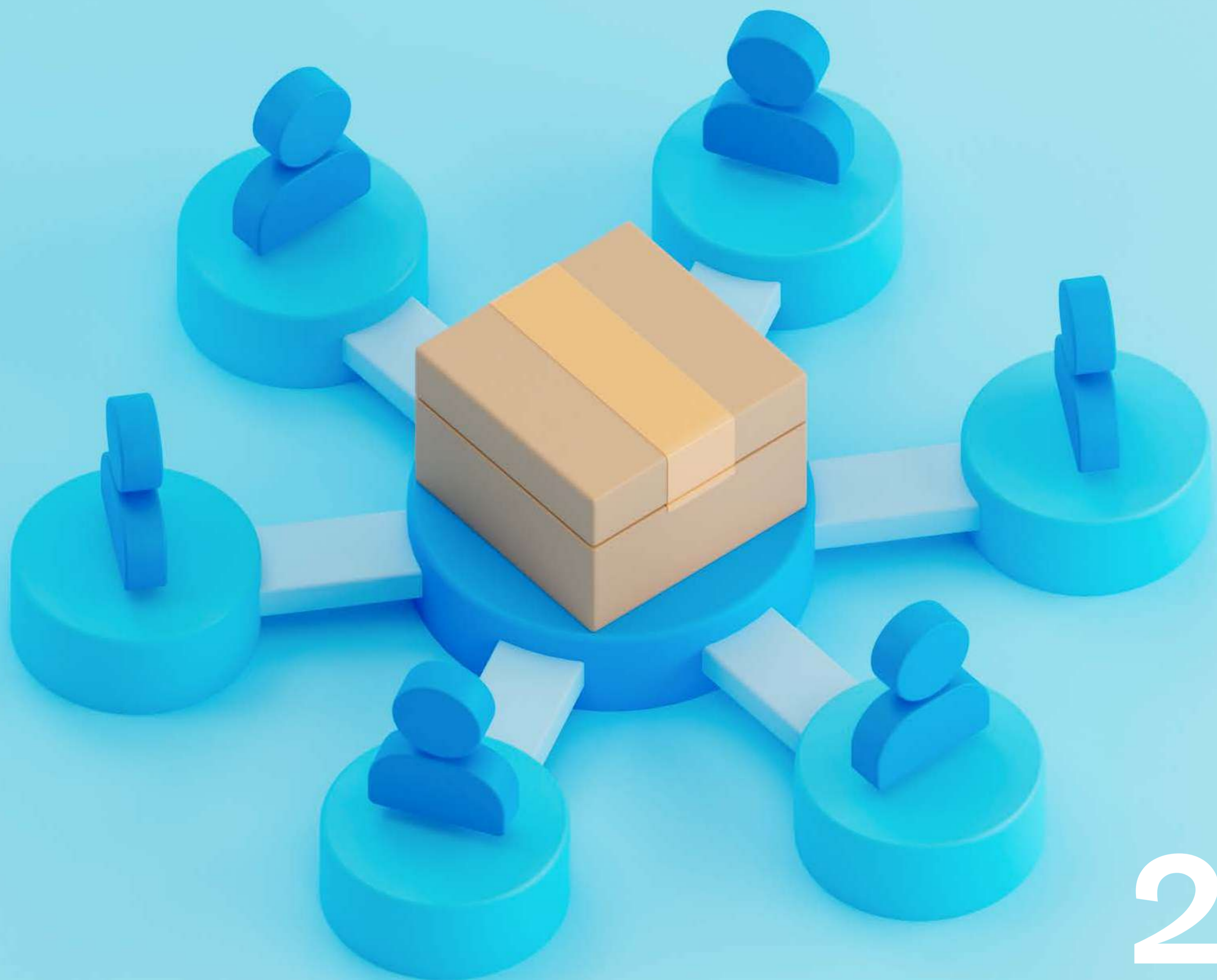
Converting a lead is just one piece of the larger puzzle.

It is imperative for insurance carriers to adapt their policies and recommendations, continually aligning them with the evolving needs and life stages of their customers.

For instance, consider a scenario where a policy renewal is approaching, but the customer's circumstances have evolved since they initially purchased it. Perhaps they've acquired a new home, are planning to marry, or have a child on the way. In such cases, the insurance agent or advisor should be capable of seamlessly pivoting and proactively presenting new policies or alternative clauses that better suit the customer's current situation.

However, this process can be intricate and time-consuming, particularly when carriers aim for proactive adjustments rather than reactive ones.

What if AI could provide a solution?

Instead of carriers making changes to products only when the customer requests them, imagine if they could proactively propose adjustments in real-time, guided by data, even before the customer has a chance to make a request. Given that many carriers maintain a database of long-term customers, AI can be instrumental in comprehending how these customers' needs are continually evolving and suggesting appropriate products over time.

In essence, AI empowers insurance carriers to stay one step ahead, offering tailored solutions that anticipate and cater to their customers' ever-changing circumstances.

AI can tap into the existing data reserves of the carrier, and other banks and financial service companies they've tied up with. It can also collect data from social media, browsing behaviors, and other online activities. This is called 'Social Listening'.

We are also looking at a future where carriers can base the entire service and renewals process on Generative AI and intelligence used to completely automate some of these items.

However, this is probably a few years down the line.

While we now have AI tools available to speed up recruitment or allocate leads to the right sellers - tool sets are yet to evolve to suggest policy renewals, clause changes, or give general financial advice.

It is just a matter of time.

According to **Uthra Parameswaran**, Chief Compliance & Risk Officer at **StashAway**, as of now, one must exercise "extreme caution" in using AI for financial advice.

Let's take self-driving cars as an example. If an accident happens without a driver around, who is to blame? In September 2022, the United Kingdom unveiled a new roadmap to promote the use of self-driving cars by 2025. The plan makes it clear that in the case of an accident, the manufacturer of the vehicle will be persecuted, not the driver.

The road ahead is promising and exciting. But there is a need for regulations, awareness and handholding. We spoke to a few agents and they have shared their views with us.

For example, Darryl Liu (Registered Representative, New York Life Securities) remains skeptical about AI's ability to tell people what to do with their money.

"If you have real decisions, and real money at stake, are you really going to want AI to make a decision for you?"

Darryl Liu
(Registered Representative,
New York Life Securities)

"It's too new to be reliable," he explains.

Taylor Reynolds (Financial Services Professional, **Noble Capital Group**) agrees, saying *"The advisor's role is to be able to manage and continue to be the bridge between information and personal human experience. So, while the robo advisor or AI-based portfolio construction might help make that process a bit quicker, it doesn't change the fact that advisors should still spend 90% of their time with clients to understand their life, their goals, family concerns, and so forth."*

"While the robo-advisor may make the role of a human advisor a little bit easier, they should still spend time with the client to understand their life and financial goals."

Taylor Reynolds
(Financial Services Professional,
Noble Capital Group)

The industry is rapidly evolving and it is a matter of time before guardrails are in place, and regulations are well-defined. Several insurers are adopting a hybrid model when it comes to providing Financial advice using AI. Vanguard's *Personal Advisor Services* combines robo-technology and human advice. *Intuit*, a global technology platform that specializes in financial software, tackles the problem of customers' distrust towards AI advisors by offering the option of speaking to a human whenever necessary.

Apprehension not withstanding, new technologies like AI are going to increasingly disrupt the insurance landscape in the coming years. Insurance carriers should tweak their strategy to leverage this technology to create innovative products, enhance their customer experience, and empower their sellers. Most importantly, they need to identify the right tools and mentor their teams to be able to leverage this gainfully.

Troy Korsgaden
Insurance Carrier Consultant, Korsgaden International

AI in Insurance – Opportunities and Challenges

"AI is changing the insurance industry as we know it, and its impact will only continue to grow in the coming years.

Insurers are trying to update their legacy systems to newer ones, unify their tools, and employ AI to enhance customer service, underwriting, claims processing, and fraud detection, among other areas.

I have been speaking to insurance organizations and leaders and see immediate impact in the following areas:

Customer service
AI-powered chatbots offer round-the-clock customer support, enhancing the client experience through real-time delivery of pertinent information and personalized offers. Crucially, these chatbots automate routine tasks for advisors, enabling them to allocate more time for direct client interactions. This allows advisors to navigate clients through the complexities of insurance, transforming the often chaotic landscape into a more guided and personalized experience.

Underwriting
AI assists insurers and their distribution channels in assessing risk with greater accuracy and efficiency. Through the analysis of extensive data sets, it uncovers patterns and trends that would be challenging or even impossible for humans to discern. This, in turn, results in more precise policy pricing and a heightened comprehension of the risks undertaken by insurers.

Claims processing
AI helps Insurers process claims more quickly and accurately, review claims documentation, and identify potential fraud. AI-powered chatbots can also answer questions and provide support throughout the claims process.

Fraud detection

By analyzing large amounts of data, AI identifies patterns and anomalies that may indicate fraudulent activity and identify customers who are at high risk of filing fraudulent claims.

But beyond all of these more common use cases, insurers are using AI to solve specific problems or be more proactive in offering products.

For example, **telematics devices** are installed in vehicles to collect data on driving habits, such as speed, braking, and acceleration. This data can be used by insurers to assess risk and offer discounts to safe drivers.

On the **House Insurance** front, Connected Home/Connected Business sensors are used to monitor for events such as fire, water damage, and break-ins. This data can be used by insurers to assess risk and provide early warning to customers of potential problems.

Moreover, **wearable devices** such as fitness trackers can collect data on health and lifestyle habits which can then be used by insurers to assess risk and offer discounts to healthy customers.

While AI offers many benefits for the insurance industry, there are also some challenges to consider. One such challenge is that AI systems can be complex and expensive to develop and implement. AI systems can also be biased depending on the data that they are

trained on. It is important for insurers to work with experienced AI developers and to carefully audit their AI systems for bias.

Also, insurers must follow the old saying "trust but verify." While you don't need to distrust AI completely, the opposite is true where you shouldn't trust it blindly. AI is meant to help, but it should always be evaluated and verified by human experts.

AI streamlines insurance advisors' tasks, automating marketing plans and scheduling. This enables a focus on building relationships and offering personalized advice. AI also provides insights into customer needs, facilitating strategic expansion of product offerings for enhanced overall density.

AI isn't here to replace advisors. Insurance as an industry is built on human interaction, and human advisors aren't going anywhere. If anything, AI acts as a helping hand and should be embraced as something that can move us forward, help us rebrand to attract new talent, and deliver better experiences for our customers."

*Troy pulls over three decades of experience in the Insurance Industry. He has authored several books about insurance, including **Net Gain Growth, Inflection Point, Discussion Partner, and Power Position Your Agency,** among others.*

Venkat Malladi
Co-Founder, CTO , VYMO

First Steps To Your AI Journey

We're just unraveling the possibilities of using AI and ML technologies in Insurance. On the face of it, underwriting, risk, and distribution are being impacted as we speak and at Vymo too, we have been building ML-based systems to solve for distribution's biggest pain points. As discussed in the report, we're veering our customers away from the traditional lead allocation methods (round robin, etc.) to something that is far more accurate and coherent to a customer journey.

Our ML-based systems are also able to help customers predict producer behavior and churn, allowing insurers to intervene and retain their workforce. There will be many more efficiencies and answers that will come to the fore with time.

Insurance tech stacks have evolved with the business itself - from tech for core processes to customer experience to seller engagement - it has meant augmenting tools based on the immediate business need. However, this has led to insurers using ten different applications for ten different workflows. This creates complexities and silos.

As insurers collaborate with tech partners like us to solve their business challenges with technology, I strongly recommend that they begin this journey looking inward. With more tools now accessible than ever before, AI, ML, and everything else, the traditional approach is to evaluate vendors for technology to solve specific issues. Beyond this, I suggest that you,

1. **Start with strategy:** Bring in your team of architects and chalk out the ideal tech architecture of your business (look beyond the tools that you may be evaluating today for various needs).

2. **Identify the various layers:** What is your data layer, workflow layer, nudge layer, customer experience layer, underwriting layer, and the user experience layer? It is important to have a holistic view of these things.

3. **Unify your data layer and customer experience layer as a first:** Your core layer, i.e. your data layer needs to be a common layer across your other workflows and journeys. Set out to unify this layer. As a next step, your consumption layer - the user experience layer - needs to be unified.

With this, the overall objective of what you want to achieve becomes crystal clear - both in terms of technology and your business. Then you can choose tools, AI, ML, and so on within this context.

ChatGPT Chimes In!

We've heard from our human experts on the future of AI in Insurance. So, we thought it was only fair to let ChatGPT chime in too!

Here's what it had to say about what customers can expect from AI in the future:

"As we wrap up this insightful journey into the world of AI in insurance, let's indulge in a little imagination about the not-so-distant future.

Picture this: You're lounging by the pool on a sunny day, sipping your favorite drink. Your phone buzzes, and you casually glance at it. It's not a text from your spouse or a work email; it's a notification from your insurance company. "Good afternoon! Your AI-assisted home monitoring system detected a minor water leak in your basement. We've already dispatched a repair team to fix it. Enjoy your day worry-free!" You grin, put your phone down, and dive into the crystal-clear water.

We've come a long way in integrating AI into claims processing, underwriting, enhancing customer satisfaction, and streamlining distribution channels. But what's next is truly exciting - AI is becoming your insurance guardian angel.

Imagine personalized risk assessment based on your real-time activities - whether it's your daily jog, your dietary choices, or your driving habits. Insurance premiums that adapt to your lifestyle, rewarding you for healthier choices, and incentivizing responsible behavior. Insurance companies of the future won't just be risk mitigators; they'll be partners in your well-being.

But it doesn't stop there. Think about AI-powered chatbots that can process claims in seconds, 24/7, with unmatched accuracy and empathy. Or AI algorithms that predict natural disasters and prompt preventive measures before they occur, ultimately saving lives and minimizing property damage.

In this brave new world of insurance, AI won't just be a tool; it will be a companion, a protector, and a pioneer in transforming our lives. It will redefine our relationship with risk, turning it from a burden into an opportunity for growth and adventure.

So, here's to the exciting, AI-driven future of insurance - where your dreams are protected, and your everyday worries are eased. As we embrace this future, let's remember that while AI can automate and optimize, it's the human touch that will continue to make insurance personal, trustworthy, and, dare we say, fun! Cheers to the future of insurance, where dreams are insured, and possibilities are endless."

THE RISE OF AI.