

Orchestrating A Revamped Insurance Landscape with **Artificial Intelligence**

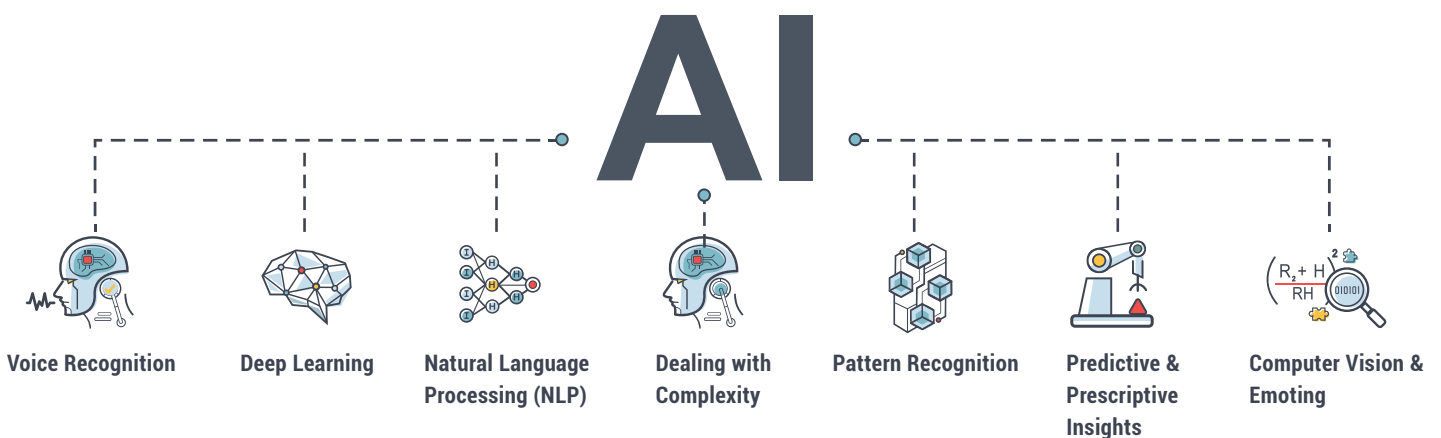


After its tryst with the world of science fiction and fantasy, Artificial Intelligence (AI) has now entered the real world, as it offers smart solutions to things of serious business. And there are possibilities to offer a lot more on how AI can help build a world of exciting opportunities in various domains.

Changing faces of Artificial Intelligence

During the foundational years, machines had been extremely successful in indicating their effectiveness while performing certain low-level activities, which needed self-governing behaviour patterns. However, those showed signs of failures when it came to attempting to perform significant high-level activities, which required a deeper level of understanding, learning and thinking, leading to the advent of AI.

And now, AI is all set to exhibit some promising results through newer capabilities, like,



From helping to do the basic recursive functions, AI offers solutions, with the help of self-organising procedures and supports learning, and is moving towards creatively sorting out complex problems, while bringing down the requirement for human intervention.


Evaluating the importance of AI in the insurance space


Intertwining everything and everyone along with countless communication pattern variances produces huge volumes of data that might be structured or unstructured. AI can play its part to integrate this data for obtaining appropriate insights and achieve a concerted role, depending on a certain frame of reference.


AI can also be tested to perform the roles of:


 Robo-agents (or more popularly customer servicing)	 Robo-advisors (whom we have better known as sales and portfolio management)
 Robo-bosses (as work monitors)	 Robo-writers (who do the work of content generation)


and so on, to counsel, empower, monitor, and reach out to people when it comes to automating the tasks and processes. AI has the scope to offer significant improvement in the insurance space. However, many times because of certain conservative processes, and hesitation to adopt revamped technologies that might disrupt the said pattern, status quo, the scope of AI remains ring-fenced mainly around business process automation. It also offers significant improvement in certain other areas, like:

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Underwriting: This is useful in automating functions and fast-tracking them. Expert systems and case-based reasoning can help in faster and more consistent decision-making.
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Claims: Using progressive pattern-matching techniques as well as decision-trees for detecting duplicitous behaviour and finding out its source.
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Personalised servicing: Bringing together the online and offline details of customers continuously when it comes to offering contextualised and in-the-moment services.
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Automated workflow management: Following up the respective tasks, till their closure, thereby bringing down the reliance on a manual intrusion as well as constant tracking.
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Straight-through processing: Initiating actions based on preset settings for more rapid business process output but at much-reduced transaction expenses.

Expanding the path of AI in Insurance

The primary urge to remain significant in this interlinked world is driving the insurers of today to leverage AI when it comes to enterprise process automation, thereby providing affluent customer experience, at much-reduced cost of insurance, while delivering value-added services. In the days to come, AI can be positioned for composing multiple mechanised processes and to learn perfectly an unbroken composition among these processes.



Product structuring: Introducing pioneering products that change for individual customers and unceasingly monitor the behavioural or a few other pattern changes, for auto-altering the price, coverage and terms and conditions of the contract.

Sales and grievance management: Voice analytics is used to construe human speech, get the best of customer sentiment and to involve with them in a manner that's appropriate and empathetic at the same time.

Policy servicing as well as customer interaction: Use of contextual intelligence for automating Customer Relationship Management processes such as, lead qualification as well as interaction. Engaging effective assistance, when it comes to selling as well as servicing the policies.

Actuarial and product pricing: The preventive care driven by AI will help to increase the longevity of individuals and the other connected things. This way, frequency and the extent of certain preventive care initiatives can be qualified as added parameters when it comes to pricing. AI will be used to build a vigorous and new risk model when it comes to personalised pricing.

Intelligent structures for underwriting: Deploying intelligent systems that have a deep learning capability when it comes to underwriting functions, which helps in smart classification, unswerving decision-making and risks related to pricing.

Assessment of damages for claims: Performing sophisticated image processing to comprehend the exact extent of damage, and further create the complete claims scenario like a 3D model.

Refurbishing the future of Insurance

The Internet of Things (IoT), along with the Internet of Services, can create a networked ecosystem, which can drive the next phase of human living. Disruptive enhancements in the competencies of Virtual Private Assistants (VPAs) in smartphones will enable AI support to individuals.

Upbeat loss-mitigation approaches could bring down the incidence of a risk event, notify from before there is a requirement, which needs immediate attention, activate action during an at-risk situation and make sure safety is maintained at all times.

A boost in communication that's machine-to-machine will change the insurance ecosystem by bringing down the involvement of humans in events that involve risk.



Human-Machine Blur: It is possible to drive business processes completely through digital interactions, sans any human intervention at all. So, it is possible to conduct the entire policy journey of the customer by interacting with smart machines.

Smart and Effective Assistance: Contribute by helping people with significant insights on the content so that they can focus on core activities like discretionary decision-making and interpersonal interactions.

Consistent Intelligence: Insurer's intelligence can get boosted manifold and become steady across the varied levels.

Self-Learning and Automation: It's possible to self-learn from basic data to mechanise functions such as altering underwriting guidelines in a bid to rectify a glitch detected by evaluating the claims or identifying the distressed customers and proactively initiate the right set of measures to prevent escalation.

What **Artificial Intelligence** holds for the future?

The scope of the mandate to which AI responds is being developed from a coarse level to arranging for the tasks leading to prompt decision-making. However, as of now, AI still is dependent upon human intelligence for setting the guiding principle, showing the right direction, goals, and the discernment to make the final decision. AI is still in a nascent state with newer capabilities yet to make its foray. At this state, the immediate focus is to come up with results that are reasonably precise and accurate.



Insurers have to embrace AI in a phased manner by opting for space for implementations depending on current urgencies and priorities with respect to processes, products and customer service as well as the challenges on the road ahead.

This must be bolstered by business commitments that are long-term and can yield positive results from AI depending on the maturity of intelligence, which can be attained by continuous machine learning. Insurers may need to begin with exploring one aspect of AI in a certain business operation and navigate deep into it for creating a niche offering.

The insurance industry by now has already transformed itself into a new standard prototype with the execution of concepts like wellness-based underwriting and usage-based insurance.

AI will help to accelerate the process by ensuring the insurance industry reshapes itself, overtakes the novelty curve and then redefines the digital journey.