

# Generative AI Insurance Automation

SEAC Session

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# Today's presentation and speakers

## AGENDA

1	Generative artificial intelligence overview	5 mins.
2	Insurance automation and demo	15 mins.
3	Closing - How to start?	10 mins.



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# Gen AI overview

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# Gen AI overview

The insurance industry is experiencing disruptive change at an ever-increasing pace

## Market trends



## Insurance outlook

As the reliance on artificial intelligence/machine learning (AI/ML) applications increases with Generative AI (Gen AI), the aggregate risk and growth opportunity also increases in tandem.

- ▶ Market changes with increasing brokers, agents, managing general agencies (MGAs)/third-party administrators (TPAs) involvement is demanding **accelerated innovation**.
- ▶ Reinsurers and Insurers are **investing in Gen AI, data and infrastructure capabilities and skills**.
- ▶ Gen AI will be **embedded within class of business/products and core operations** based on immediate value.
- ▶ **AI/ML applications are increasingly interconnected**, impacting core business processes for all parties.
- ▶ **A large number of low-risk use cases/applications** (e.g., underwriting, process automation, cedant statements/document intake, customer analysis, policy and claims operations) are expected to emerge.
- ▶ Companies will proceed with new AI strategy and increase attention on the **responsible use of AI/ML** while also reaping the greatest rewards.

# Gen AI overview

Evolution of traditional AI into Gen AI

Traditional  
AI and ML

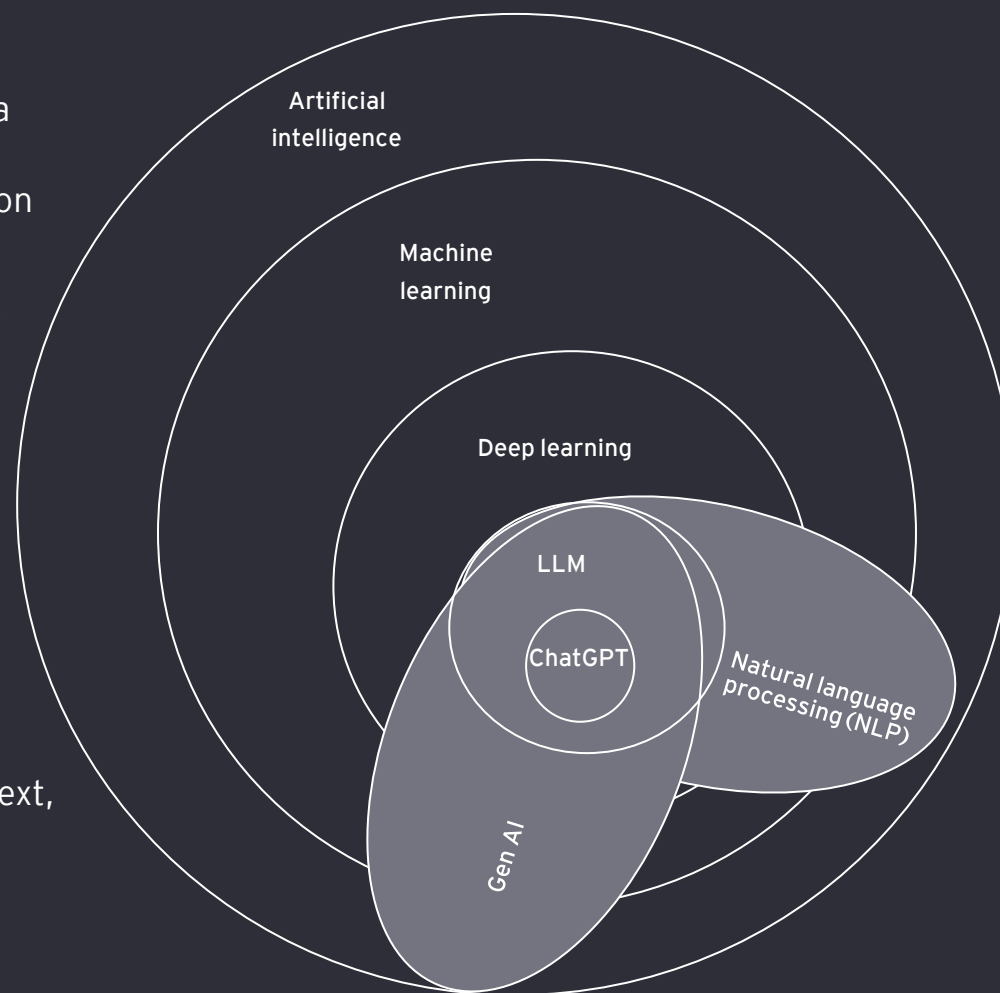
- ▶ AI and ML has enhanced predictive analytics capabilities for over a decade and enabled for better decision-making.
- ▶ As the technology and business capabilities have matured, adoption and usage have expanded to a critical competency for all insurers.

ChatGPT  
and  
language  
models

- ▶ ChatGPT is a chatbot launched by OpenAI in November 2022 that recorded 1m users in a week from launch.
- ▶ It is a large language model (LLM) that uses a massive amount of data to generate humanlike text.
- ▶ LLMs take advantage of self-supervised learning and can learn from large amounts of unstructured and unlabeled text data (i.e., cedant statements/bordereaux).
- ▶ GPT-4 is an example of LLM evolution that can accept both text and image inputs; these models are a case of Gen AI.

Gen AI

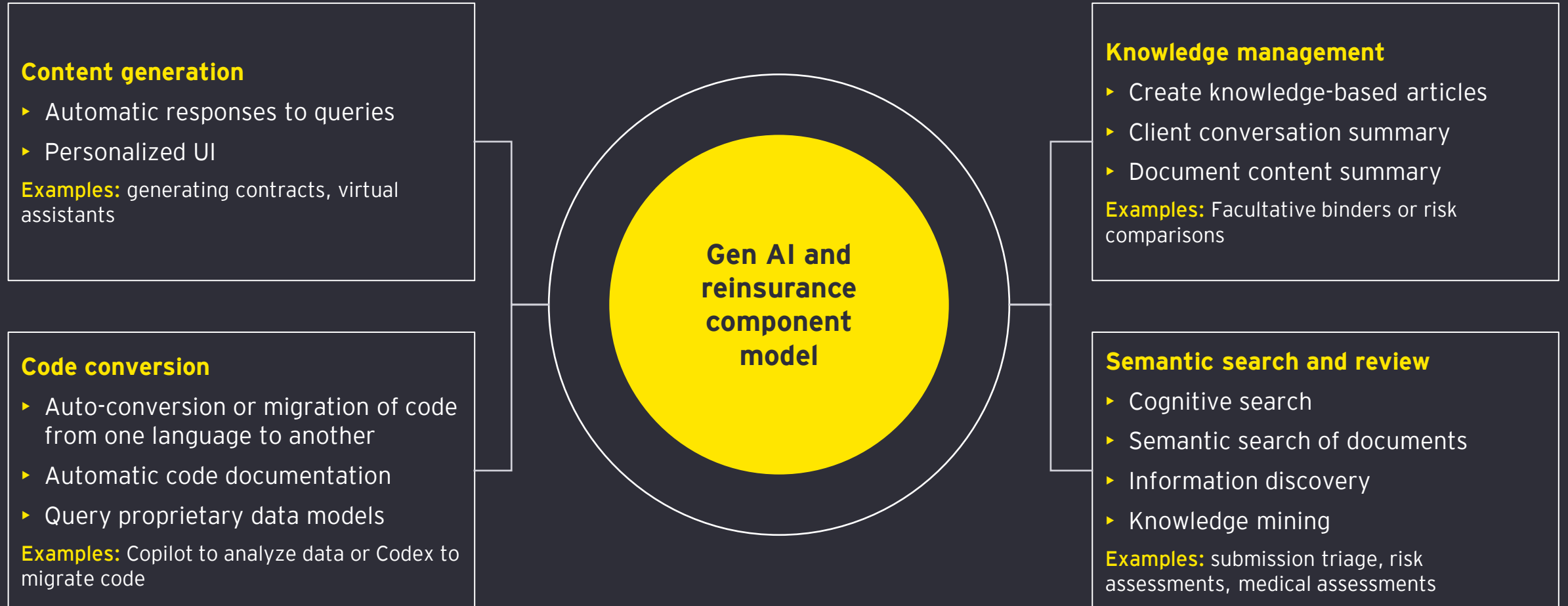
- ▶ Gen AI is AI that can generate new content in the form of images, text, audio and more, evolving from simple analyses and regenerating existing data to more human-like decisioning.



ChatGPT is a manifestation of Gen AI and has democratized usage, broadly imbedding AI into how we work.

# Gen AI overview

Four key components have emerged that are significantly altering how insurers and reinsurers go to market





# Insurance transformed

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# Insurance transformed: Unlocking hidden value

Insurance is transforming operations, automating low-value tasks, improving outcomes and gaining capacity

Integrating Gen AI into your operations removes friction and gains efficiencies across all parties with improved service at a lower cost.

## *Transforming insurance with Gen AI automation*

### Challenge complexity

Insurers rely on manual processes to apply complex judgments. Gen AI enables process automation for simple decision-making at scale.



### Augment expertise

Gen AI can assist with research, analyze and synthesize content across large corpuses for better decision-making in real time.



### Unlock value

Automate the simple and create content packages that remove the complexities of insurance and assist all parties.



# Insurance transformed: Applying use cases

Simple learnings that will build momentum and adoption

## Use cases to avoid

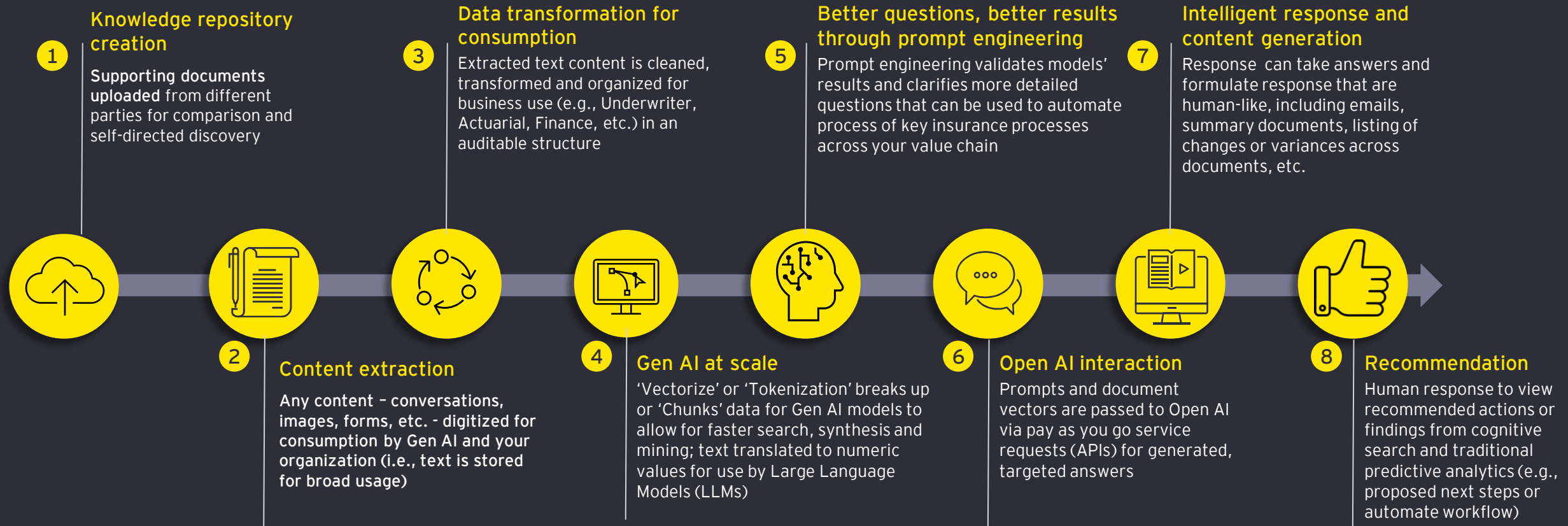
- ✗ **Gen AI does not replace risk models**  
Gen AI is designed to work with documents and not to process numerical calculations in real time. This constraint also applies to images, handwritten-scanned documents and videos.
- ✗ **Use cases cannot require high accuracy**  
Gen AI technology today can hallucinate and generate made-up answers. Evaluate use cases requiring high accuracy after establishing necessary guardrails.
- ✗ **Avoid use cases with regulatory impact**  
Gen AI is still new. Steer clear of use cases that have regulatory impact or oversight as regulations in the space are still being defined.

## Use cases to evaluate

- ✓ **Choose small use cases**  
Begin with small use cases to understand Gen AI.
- ✓ **Text summary or synthesis use cases**  
Text summarization, synthesis, Q&A and comparison on documents, and form content generation are the sweet spot.
- ✓ **Knowledge mining is the most deployed**  
Mine your data for knowledge and leverage Gen AI for information discovery on risk assessment or selection.
- ✓ **Leverage off-the-shelf LLMs**  
Tailor off-the-shelf LLMs to use-case needs by training them through interactive learning.
- ✓ **Augment human review and decision-making**  
Begin with low-risk use cases and add to the human experience to grow trust and enable adoption.



# Gen AI Demonstration: Solution Overview





# Closing - How to start?

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# Closing - How to start?

## Delivery road map

- ▶ Engage the business to define and prioritize the use cases balancing risk and impact
- ▶ Define the blueprint to layer Gen AI into your data architecture
- ▶ Define the business case for change - quantify benefit and costs across use cases

## Technology analysis

- ▶ Evaluate and select Gen AI platform and tools (e.g., open vs. closed source code and API-based vs. hosted)
- ▶ Buy/build/acquire/wait analysis for tech acquisition
- ▶ Pilot a quick win to build skills and momentum while getting immediate value
- ▶ Optimize consumption to lower costs for imbedded solutions

## Governance and risk compliance

- ▶ Gen AI organizational posture, policies and procedures
- ▶ Security and cyber risk assessment
- ▶ Refine your governance framework with recommended controls and guardrails

## Organizational readiness

- ▶ Gen AI adoption and enablement strategy
- ▶ Talent upskilling roadmap
- ▶ Organizational structure assessment and change management plan
- ▶ Performance measurement and KPI development

## Closing - How to start?

- 1 Thank you for your time. Feel free to reach out if you want a more in-depth demonstration
- 2 Question-and-answer session - also feel free to reach out for more context any time
  - ▶ Where do you need more clarity? Actuarial is leveraging to source better data
  - ▶ What additional challenges are you seeing?
  - ▶ What use cases have you started and are getting good results with?



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