

Insurance in a digital age: Transformation and disruption of business models

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The scene

- Driving force
- AI underwriting
- AI claims
- Customer service
- The future
- Discussion





Technology transformation

These advancements have revolutionized the insurance industry, improving efficiency, accuracy, and customer experience

Driving force

- Technological advancements
- Customer expectations



Emerging technologies

AI & ML (Machine Learning)

Data analytics ,
automation, fraud
detection

Robotic process automation (RPA)

software robots to
automate repetitive and
rule-based tasks e.g data
capture, policy
documents

Internet of Things (IoT)

sensors and wearables,
provide real-time data
on insured assets,
vehicles, or even
individuals

Emerging technologies

Telematics & Usage Based Insurance (UBI)

- Customization and individual pricing

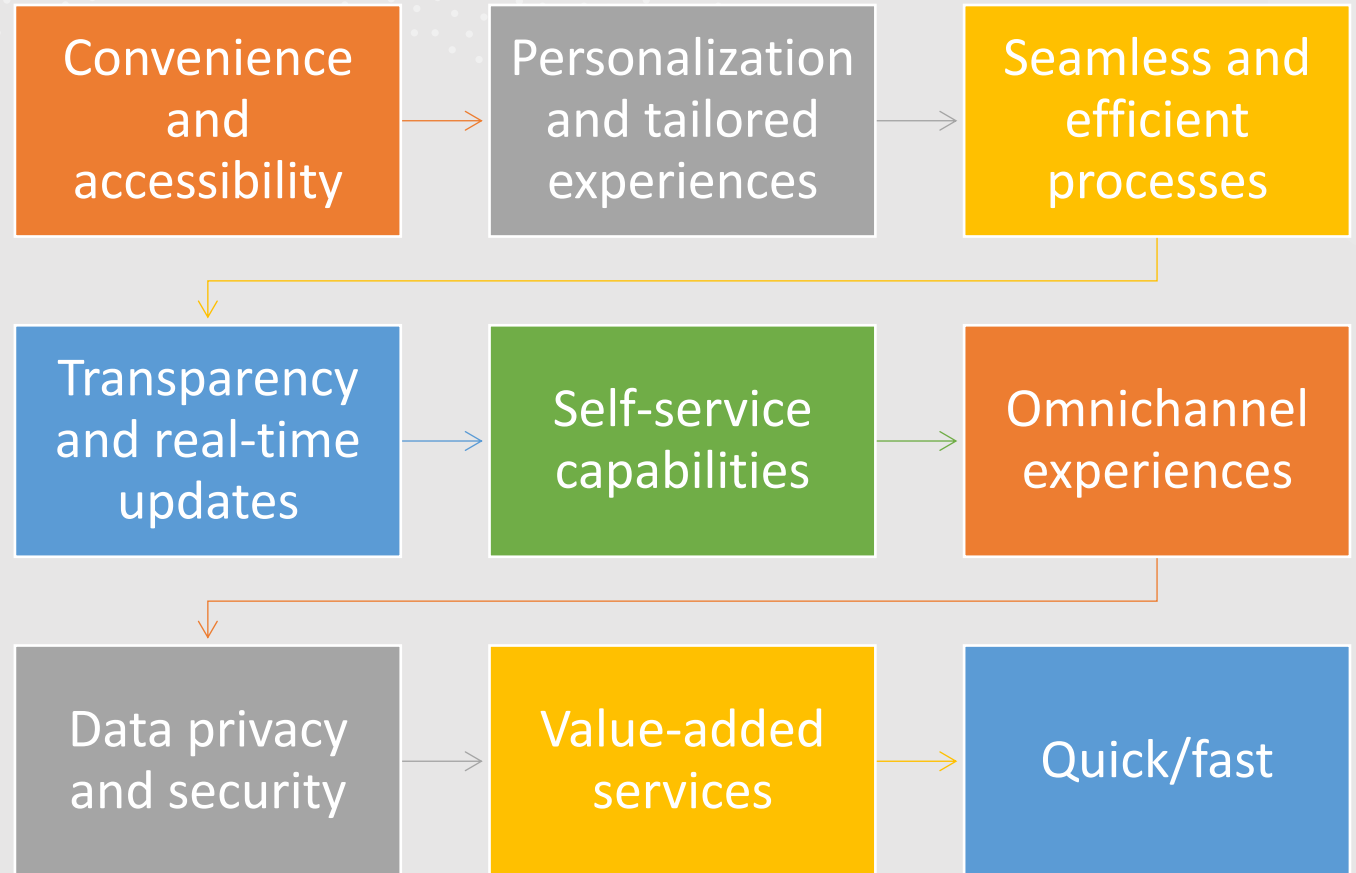
Natural Language processing (NLP)

- enables computers to understand and interpret human language

Image voice Recognition

- used for damage assessment, virtual inspections, and voice-based customer interactions.

Customer expectations





AI
Underwriting
& Claims

Scenario-home owners policy application

Traditional

Application forms, questionnaires
Manually calculate using predefined rates and rules



AI

Draw data from various sources- real estate maps, geographical & environmental data, crime rates, flood potential, property values, credit scores
Model computes risk scores and individualized premium

Scenario – Life policy

Traditional

- Application form, medical tests, questionnaires
- Rate tables, underwriting manual

AI

- Medical records, wearable devices, prescription drugs, social media, online activity for behavioural and mental health insights
- Automatic mortality and morbidity computations



Scenario-
agriculture u/w

Historical data, field inspections, weather reports, manual assessment

- Traditional

Satellite imagery, remote sensing, weather predictive analytics, pest data

- AI

AI-powered underwriting Pros & cons

Increased accuracy and efficiency
in risk evaluation

Faster underwriting decisions

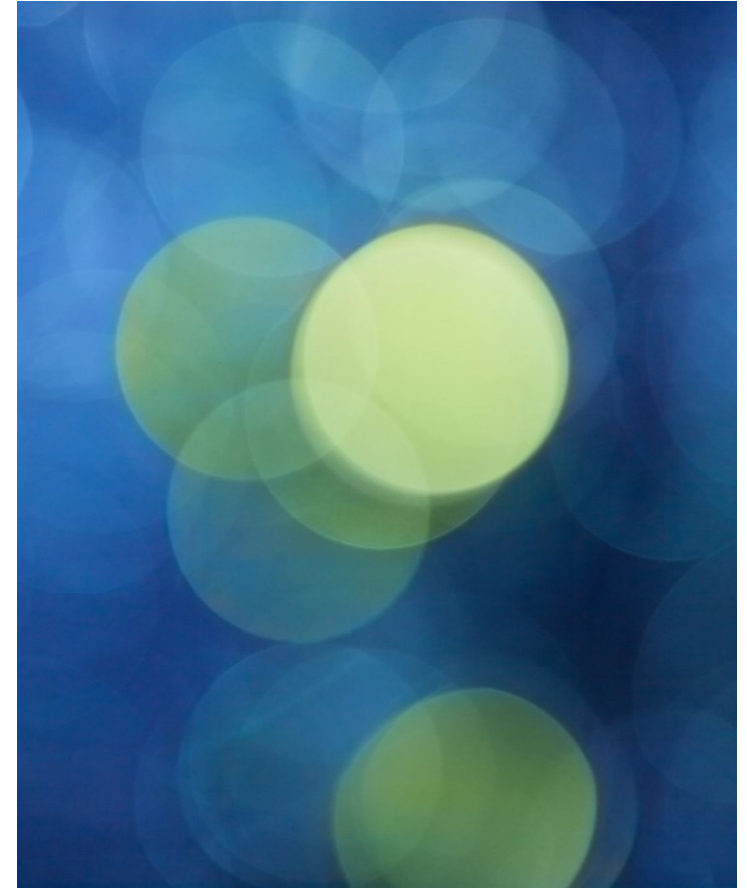
Personalized pricing based on
granular data analysis

Data quality and availability

Model bias and fairness concerns

Ethical issues-data privacy

Regulatory compliance and trust
issues



Scenario- auto claim



Traditional

- The claims adjustor manually reviews, and determines appropriate cover

AI

- AI system employs computer vision techniques to analyze the submitted photographs and videos of the damaged vehicle. It can detect and classify the type and extent of damage (e.g., dents, scratches, broken parts) and estimate the severity of the damage.

Scenario – agriculture claim

Traditional

- claims adjuster physically visits the farm, inspects the affected fields, and assesses the extent of the damage. The adjuster may collect samples, take photographs or videos, and review relevant data like weather records and farming practices.

AI

- leverages computer vision, remote sensing, and machine learning algorithms to automate the initial triage and assessment of incoming crop damage claims.

Benefits of AI in claims assessment

- Faster claims processing
- Improved accuracy and consistency
- Fraud detection
- Cost reduction



Chat bots and customer service

“Hello.
I am Taylor.
I am a bot.
I am delighted
to handle your
request
today!”



Chatbots for Customer Service

Advantages:

- 24/7 availability and instant response
- Improved customer satisfaction and engagement
- Cost savings compared to traditional call centers

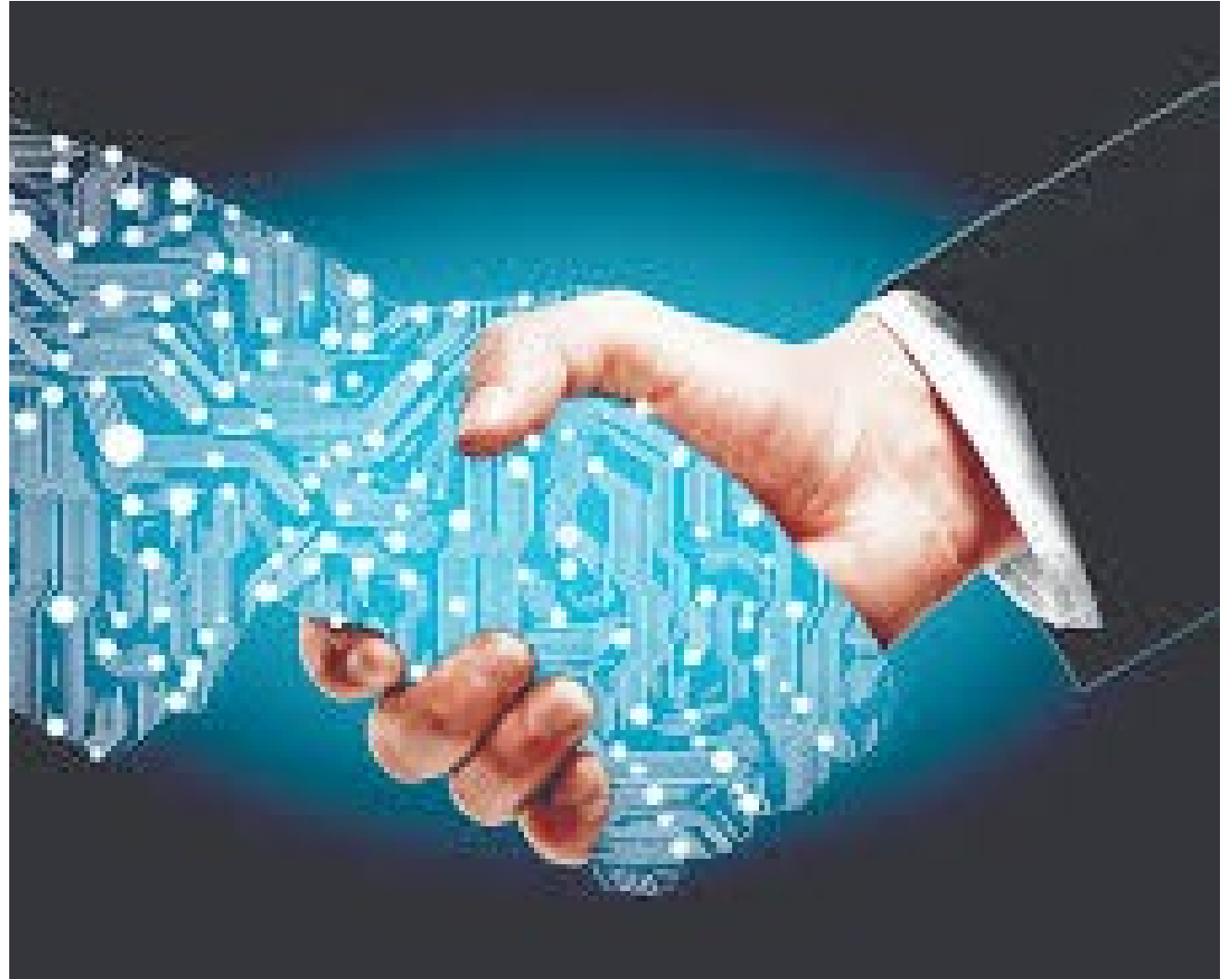
Challenges:

- Limited capabilities for complex queries
- Integration with backend systems
- Maintaining a human touch in customer interactions



Customer
experience

- Trust
- Human &
personal touch
- Complex issues



The future of the digital age

- Increased use of alternative data sources
- Real-time and continuous underwriting:
- Explainable AI and transparent decision-making
- Hybrid AI and human-in-the-loop systems
- Integration with other emerging technologies



Winding down

- **Combining technological implementation with robust risk management**
- **ethical considerations**
- **ongoing monitoring and adaptation.**
- **balance between technology and human expertise**
- **maintaining a customer-centric focus**



Examples : Lemonade

Instant Everything

Maya, our charming artificial intelligence bot, will craft the perfect insurance for you.
It couldn't be easier, or faster

As little as
90 seconds

Done.

3 Minutes
To get paid

The advertisement features two smartphones. The left smartphone displays a chat interface with a pink bubble containing the word "Done." The right smartphone displays a large dollar sign (\$) on its screen. Arrows point from the text "As little as 90 seconds" to the left phone and from "3 Minutes To get paid" to the right phone.

Examples



Zurich Ins
Group – Zura

Prudential
Financial-
Ayasdi



THANK YOU FOR
YOUR ATTENTION

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WAICARE



Reflections

