

AI and Humans: Synergies in Insurance

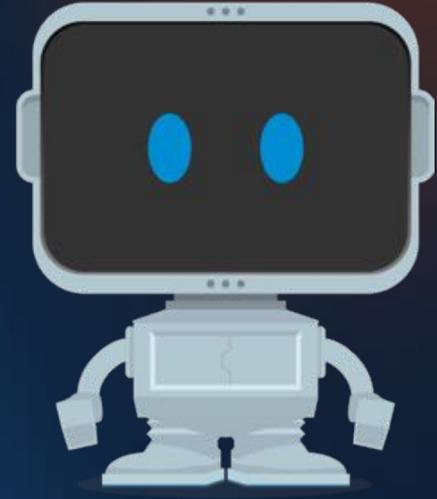


AI in Insurance



What Computers Are Best At

Repetitive Tasks
Mathematics
Data Manipulation
Parallel Processing



Mainstream Best Practice

- Roboadvice
- Automated underwriting
- Claims triage
- Suspicious transactions
- Next best offer, cross-sell and up-sell



Roboadvice

Objective, individualised insurance
product recommendations



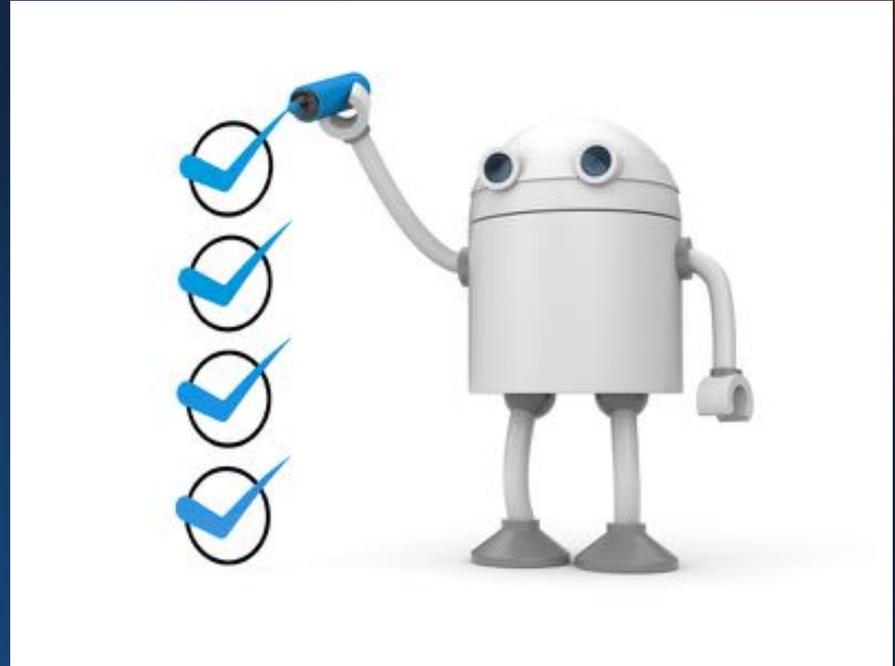
Automated Underwriting

Categorising Insurance Applications:

Standard

Sub-standard

Reject



Claims Triage

Automatically flagging claims for immediate payment versus manual review.



Suspicious Transactions: Fraud & AML

Automatically flagging applications and claims for special review.



Next Best Offer, Cross-Sell and Up-Sell

Marketing campaigns optimised for individual customer characteristics.



Rapidly Becoming Best Practice

- Next best action
- Smart customer dashboards
- Duplicate customer records
- Disputes



Next Best Action

Engaging communication with customers and leads, individualised for both content and timing.



Smart Customer Dashboard

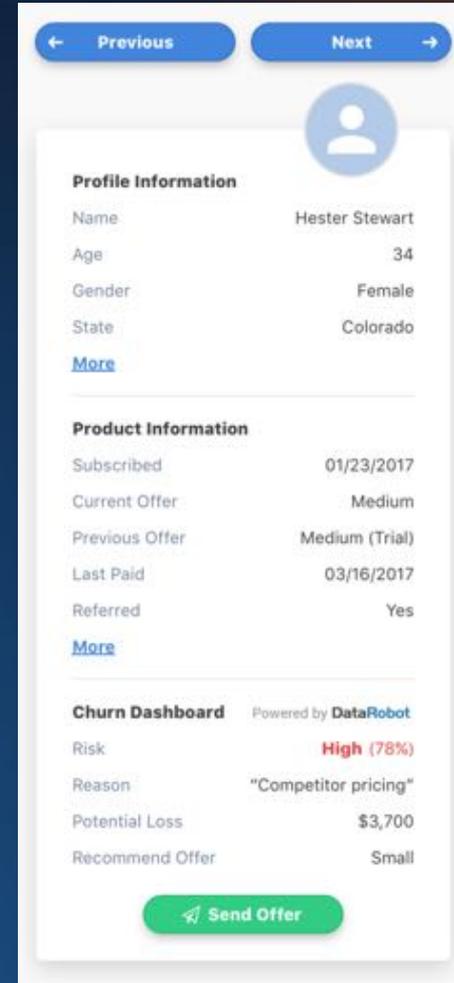
Know your customer:

Churn probability

Next best offer

Net promoter score

Lifetime customer value



The image shows a mobile application interface for a customer dashboard. At the top, there are two blue buttons: 'Previous' with a left arrow and 'Next' with a right arrow. Below these is a circular profile icon. The main content is divided into three sections: 'Profile Information', 'Product Information', and 'Churn Dashboard'. Each section contains key-value pairs of customer data. The 'Churn Dashboard' section includes a risk level indicator and a 'Send Offer' button at the bottom.

Profile Information	
Name	Hester Stewart
Age	34
Gender	Female
State	Colorado
More	

Product Information	
Subscribed	01/23/2017
Current Offer	Medium
Previous Offer	Medium (Trial)
Last Paid	03/16/2017
Referred	Yes
More	

Churn Dashboard	Powered by DataRobot
Risk	High (78%)
Reason	"Competitor pricing"
Potential Loss	\$3,700
Recommend Offer	Small

[Send Offer](#)

Duplicate Customer Records

Flag customer records that may be duplicates of each other e.g. slightly different spelling or address.



Disputes

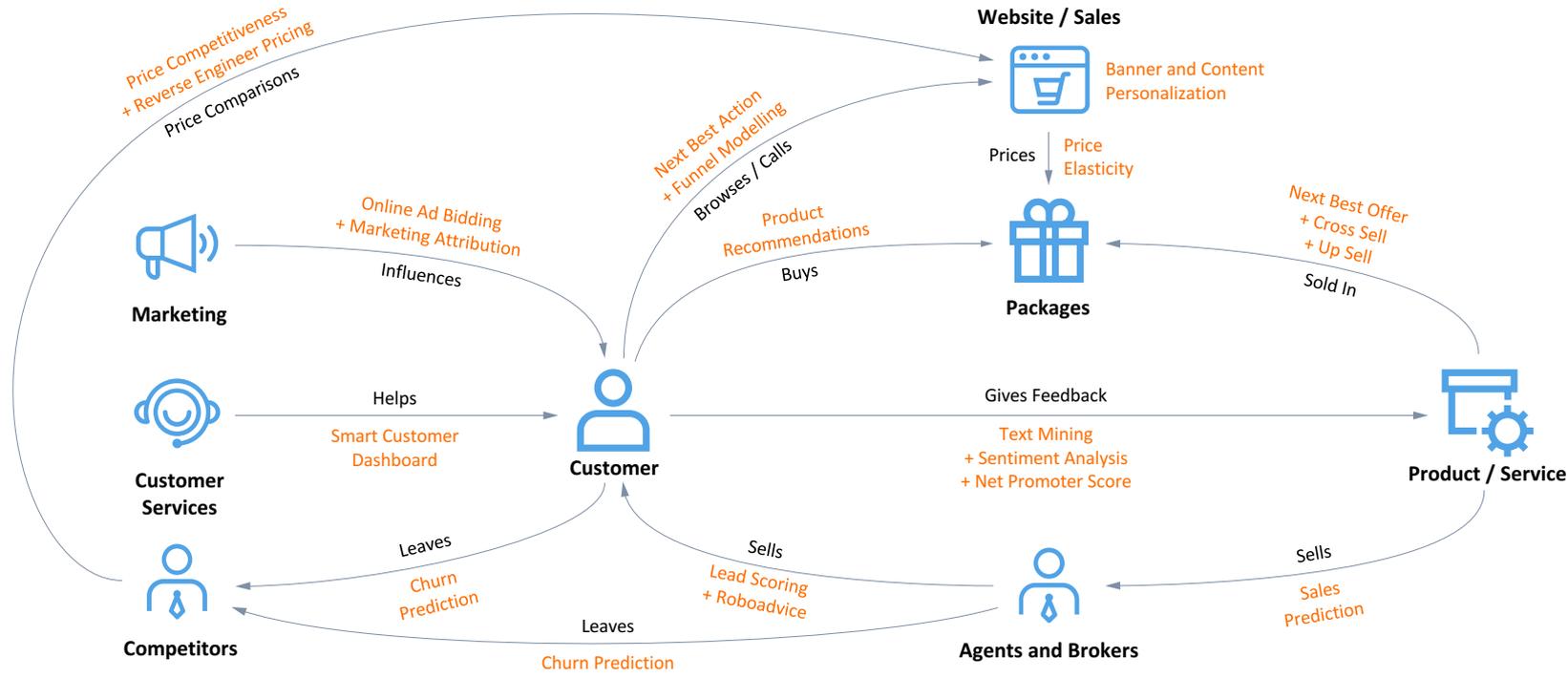
Which disputes will end up in legal action?
Which ones can be solved by negotiation?



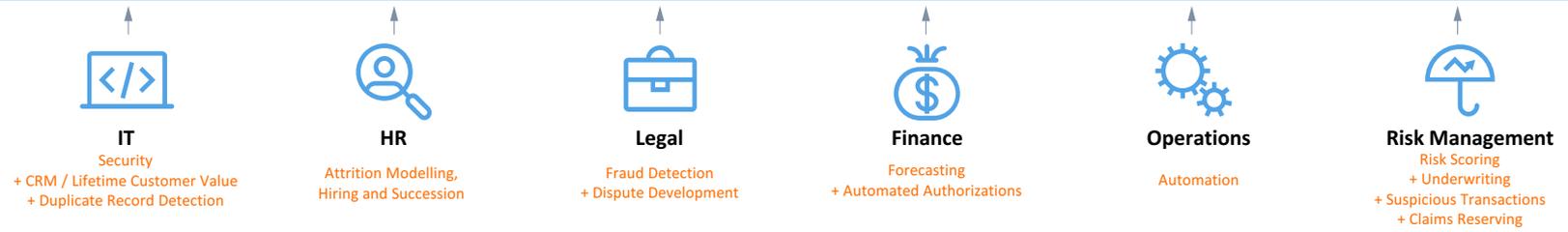
The AI-Driven Insurer

Strategy

Logistics

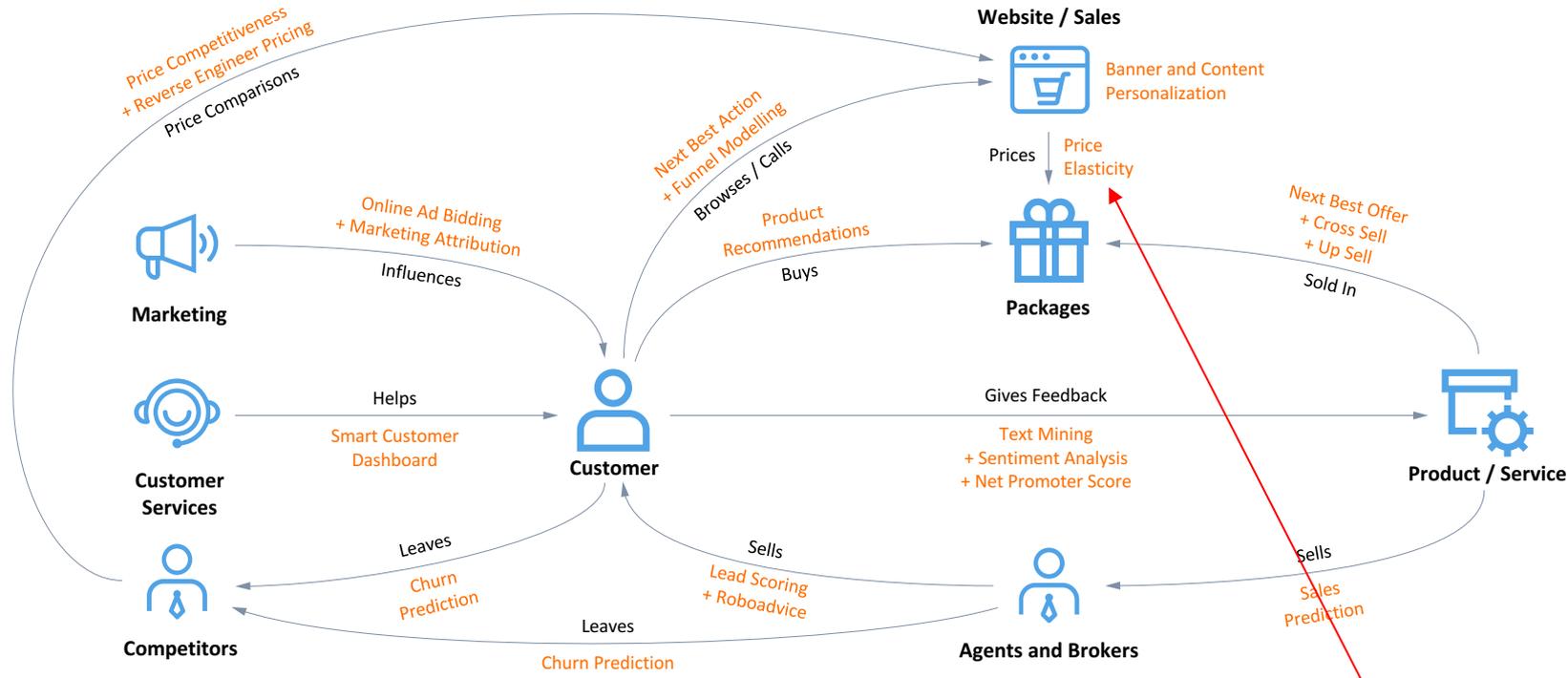


Support

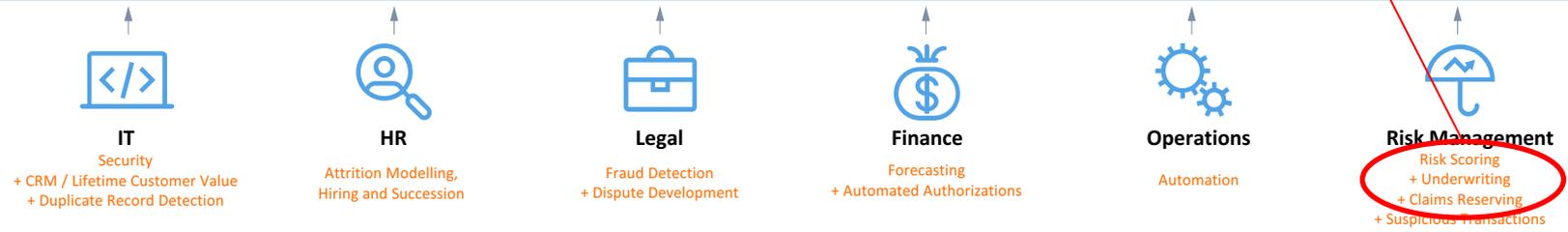


My Personal Career Journey – From Actuary to Data Scientist

Strategy
Logistics



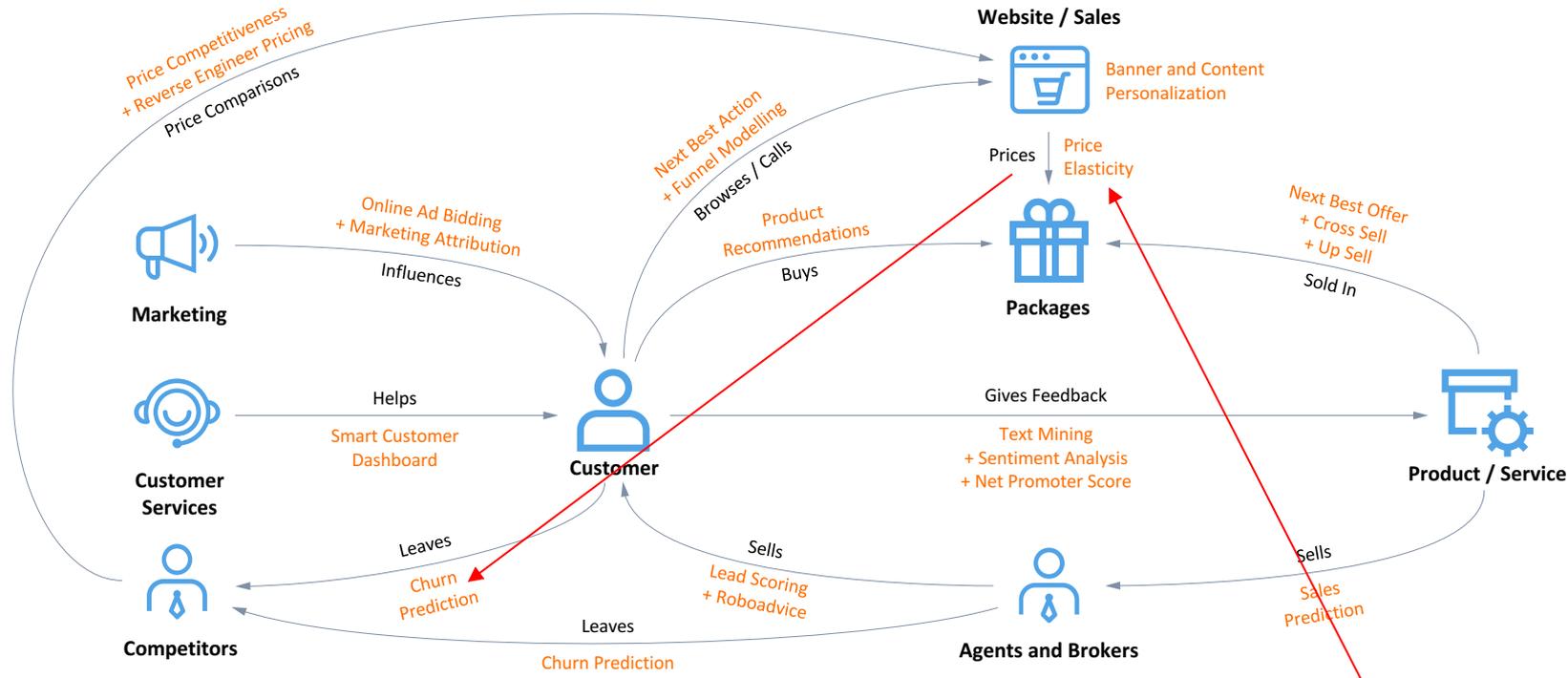
Support



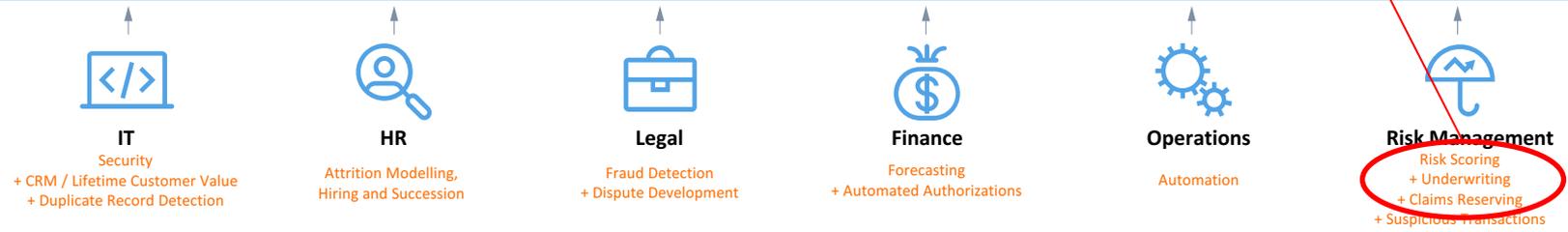
Actuarial tasks

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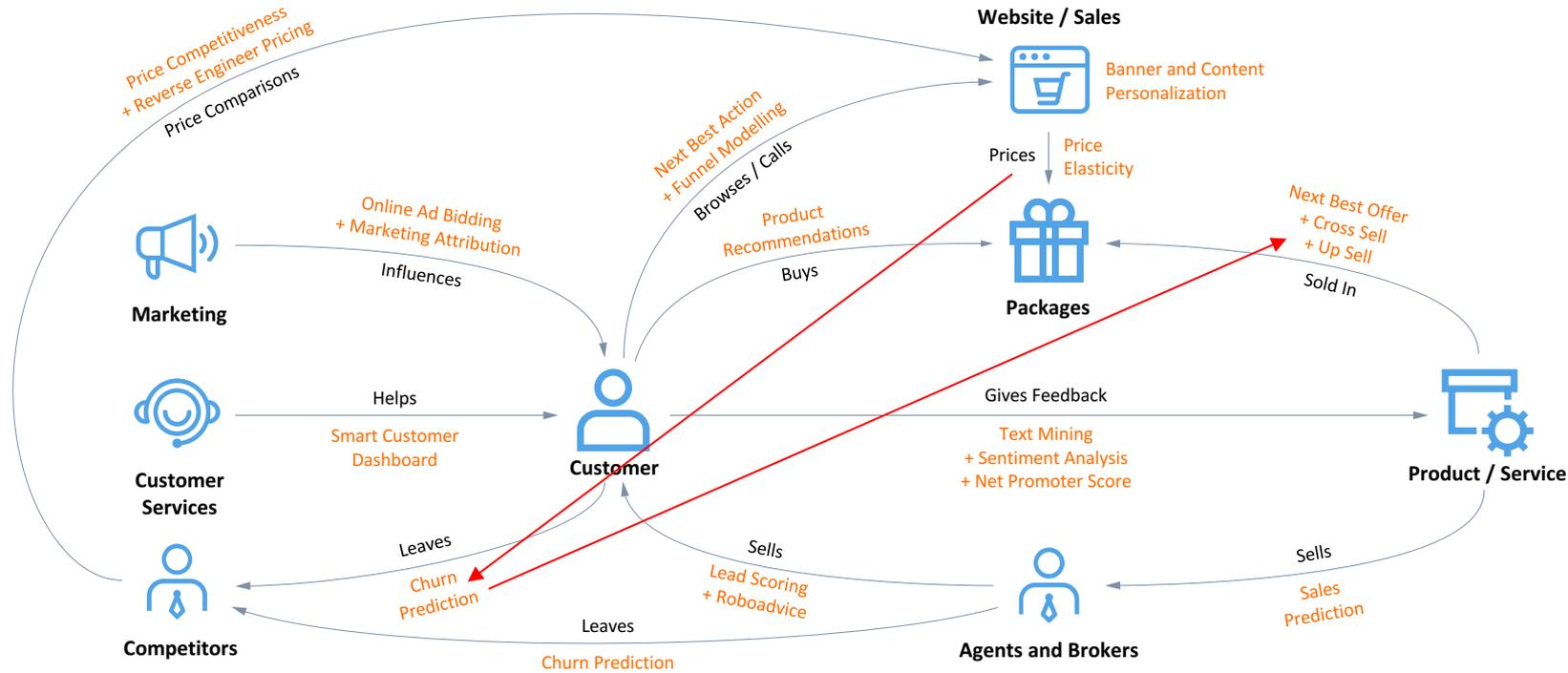


Support

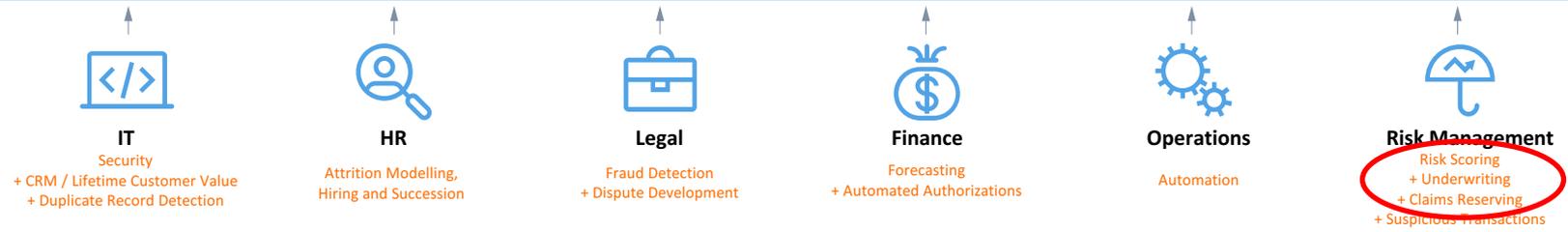


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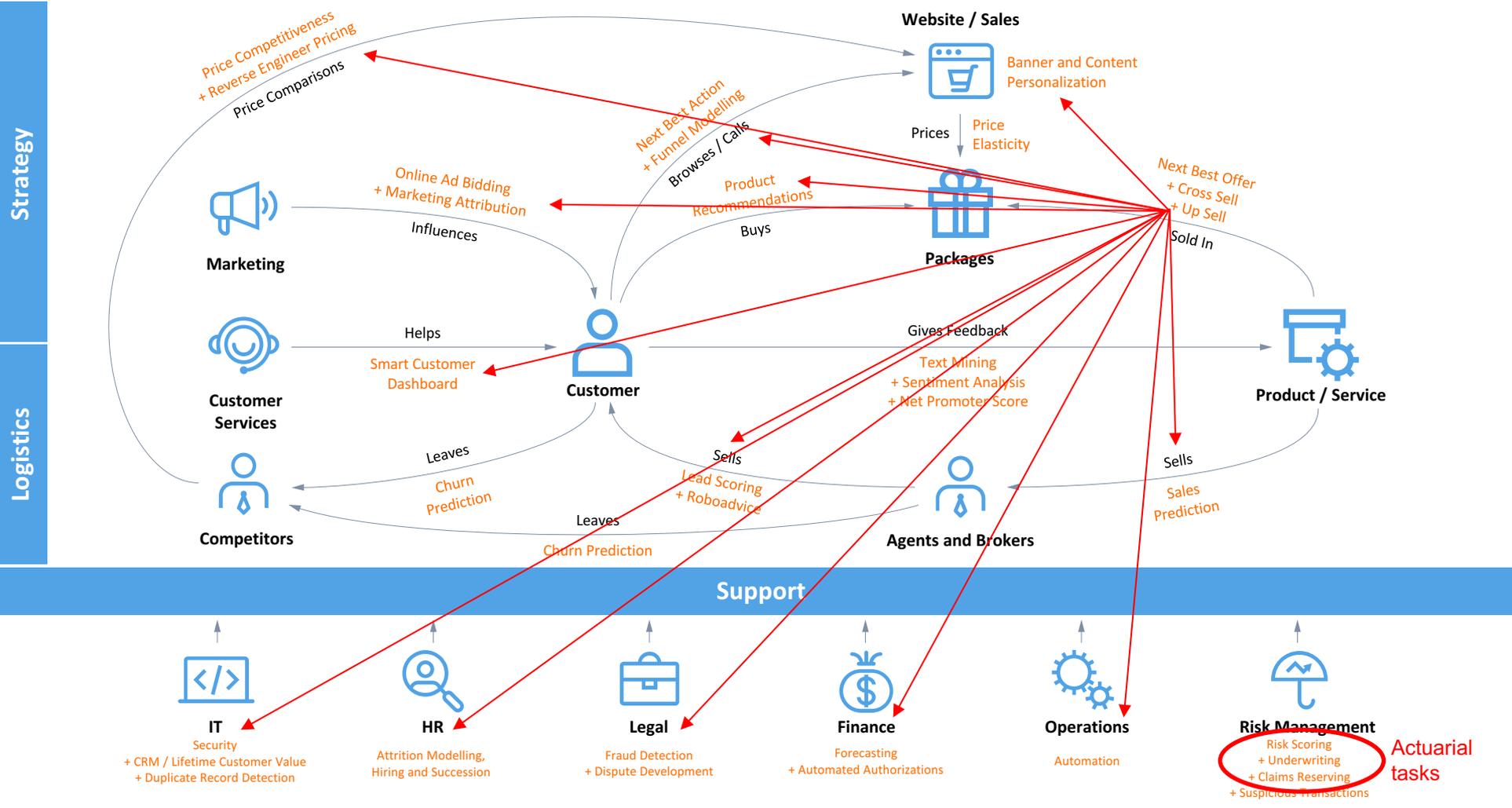


Support



Actuarial tasks

My Personal Career Journey – From Actuary to Data Scientist



Human Roles in Insurance



What Humans Are Best At

Communication and Engagement
Context and General Knowledge
Creativity
Empathy



When Customers Want a Human...

“humans are inherently social creatures who get emotional value from seeing and interacting with one another”

Source: <https://hbr.org/2018/02/the-parts-of-customer-service-that-should-never-be-automated>



Lessons From Banking

Research has shown that “when banking customers used the ATM more and the teller less, their overall level of satisfaction with the bank went down”

Source: <http://onlinelibrary.wiley.com/doi/10.1111/j.1937-5956.2010.01151.x/abstract>



AI / Human Synergies in Insurance



Use AI For Transactions and Processing

Let the AI do work that is mundane, with predictable outcomes, and high volume.



Use AI To Triage Problems to Human Staff

AI can refer difficult judgement calls
to humans.

For mainstream day-to-day processes, leave it
to AI to give speedy solutions.



Facilitate Human Interactions

Don't push customers away. No more “Select 1 to update your password, Select 2 for a premium payment...”

Give customers the option to contact a human up-front. Then empower that human with AI driven knowledge e.g. smart customer dashboard



Enhance Workflows That Involve Humans

Smooth the process so that technology doesn't distract from human interactions.

Get AI to triage what staff see.

Show customers which person is helping them,
and the status of the process.



Make Staff and Customers Visible to Each Other

Particularly for emotional issues.

Don't make unsolicited emails the main communication line.

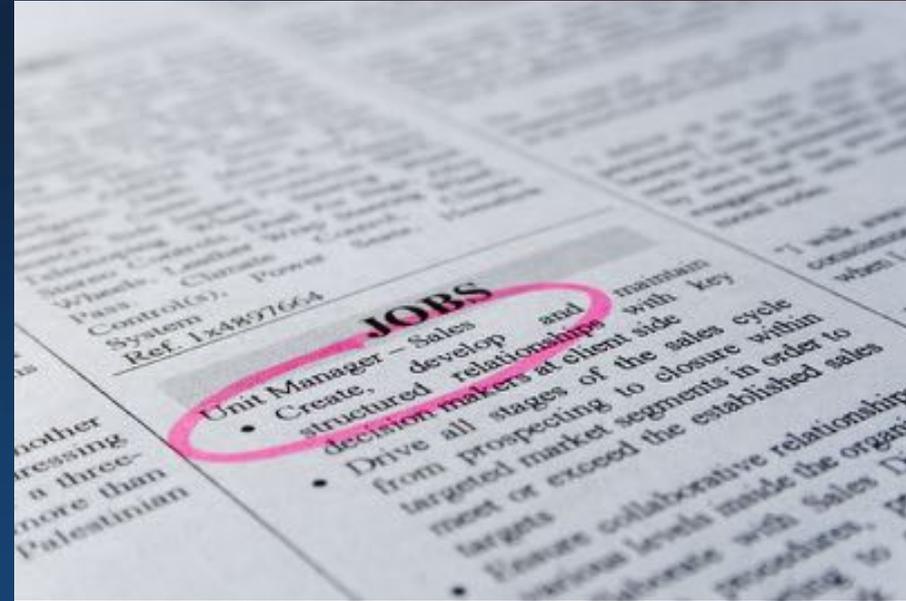


Reengineering Insurance Jobs and Hiring



Hire Staff for Soft Skills and Common Sense

Not for procedural skills.



Set Staff KPIs and Job Descriptions to Be About Engaging Customers

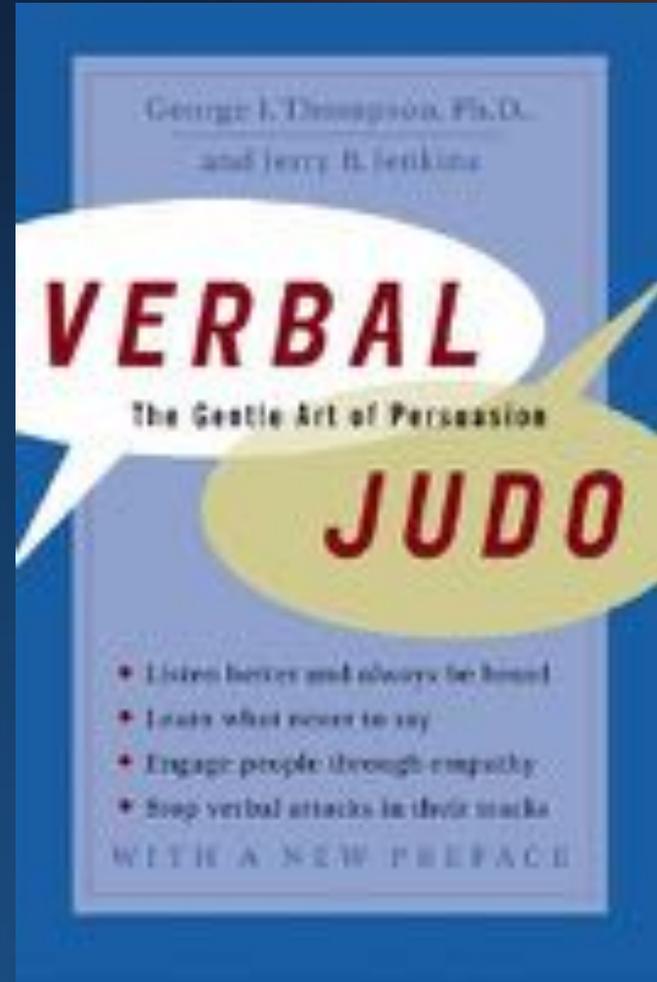
Not about the number of closed cases.



Underwriter

Key skills:

- Common sense
- Verbal judo



Claims Manager

Key skills:

- Compassion
- Verbal judo



Actuary

Key skills:

- Curiosity
- Communication
- Converting predictions into decisions



Summary



The Human Touch

Free up your humans to:

- Use soft skills with customers
 - Apply common sense
 - Create new solutions
 - Evangelise new ideas
- Generate sales and profit



Your staff will be more valuable and productive when you free them from the mundane, to do what they are best at.





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Questions?

