



CLAIMS



MARKETING



SALES



DISTRIBUTION



PRODUCT



PRICING



UNDERWRITING



SERVICING



LOSS CONTROL

# INSURANCE 2.0

## Reinventing the Traditional Insurer

**IMPROVING YOUR CLAIMS CYCLE WITH  
ARTIFICIAL INTELLIGENCE**



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# Introduction: Key forces driving change



**More than 80%** of millennials are open to switching to another insurance provider.<sup>1</sup>



**20.8 billion “things”** will be connected by 2020, with it an influx of data that can be harnessed by AI and ML.<sup>2</sup>



**The rise of InsureTechs** is substantiated by the double-digit increase in funding in the space.<sup>3</sup>

## **The insurance industry is up against new competitors and higher customer expectations.**

Advanced technologies are revolutionizing every industry, and the insurance sector is primed to be one of the most radically changed. **As customer expectations and market dynamics evolve, digital agility is critical for insurers to predict and respond quickly to shifting attitudes, market opportunities, and risks across the value chain.** Artificial intelligence (AI) and machine learning (ML) are creating new opportunities for insurers to glean deeper customer insights, improve risk-modeling, and revamp their claims cycles. These new technologies put the customer at the center, enabling an enhanced experience throughout the insurance value chain. At the same time, a new breed of InsureTech companies are chipping away at the market share of traditional insurers. These new companies don't carry the burden of legacy processes, and they are adopting these opportunities like never before.

**The insurance sector must adapt to this new reality. Companies pioneering intelligent, AI-driven solutions today will be better prepared for the rapidly evolving future.**

Sources:

1. <https://www.bain.com/insights/insurance-loyalty-2018-infographic/>

2. <https://www.gartner.com/en/newsroom/press-releases/2017-02-07-gartner-says-8-billion-connected-things-will-be-in-use-in-2017-up-31-percent-from-2016>

3. <https://www.cbinsights.com/research/report/future-of-insurance-keynote-2019/>



# Embracing the power of digital

## An “outside-in” perspective

To stay relevant to the changing landscape amid threats from heightened customer expectations and the rise of InsureTechs, modern insurance providers must adopt an “outside-in” approach to their offerings. This includes:

- Providing engaging, value-added interactions
- Proactively helping customers manage and prevent risks
- Reimagining business processes as customer experiences

Shifting these perspectives can improve customer satisfaction while making business processes more effective and efficient. Today’s insurance providers have a multitude of tools and resources to make this reimagined process a reality. Some of the main avenues of innovation pursued by organizations include discovering new ways to use the cloud and mobile, creating and accessing new data sources, and leveraging advancements in AI and ML.

## Adopting a fully analytics-driven claims lifecycle

While a customer-centric claims journey is a must, there’s another important piece of the puzzle: Identifying the digital assets to enable this customer-centric journey. Using these technologies, you can automate the claims-handling process for simple cases. Meanwhile, adjusters and handlers can quickly fast-track complex claims.



**Customers expect a consistent experience,** whether it’s online shopping or handling claims through their insurer. When it comes time to make a claim, they expect a certain degree of ease and quality to inspire loyalty. With claims being the only real “moment of truth” for customers, you should start by looking at the customer journey throughout the claims lifecycle.



# Your new digital ecosystem

Using an automotive insurance example, here's how each stage of a claims journey can be automated to improve the overall process through analytics-driven and proactive solutions.

## Claims prevention

Know your customer (KYC) on a deeper level and enable preventive measures

Aaron receives periodic notifications of storms, blizzards etc

### FOLLOW AARON'S CUSTOMER JOURNEY

NAME: Aaron, Age :52

PLACE: Somewhere in Wisconsin

EVENT: Windshield crack

## First notice of loss

Fully automate the FNOL process with AI-driven contact centers and self-service capabilities

Aaron uses the automated contact center to notify the loss

## Case management

Intelligent case management can identify the optimal next step for each customer

Aaron's claim is analyzed in real time, fraud checked and marked as simple

## Assessment & repair

Fully automate specific back-office processes such as damage estimation and repair center selection

Aaron is automatically assigned to safelite and the car is picked up at his home for repair

## Settlement

Enable automated repair invoice verification and payments to the end customer.

Once repaired, the invoice is verified automatically and payments are settled directly without Aaron worrying about it



CLAIMS



# AI-driven solutions for claims journey

## Predictive analytics

### CLAIMS PREVENTION

Using data analytics and forecast modeling, you can predict any unwanted happenings based on different input signals. For automotive insurers, these signals can include weather forecasts, driving patterns, vehicle response – measuring behavior through the integration of tire pressure monitoring and engine malfunction tracking – and more. Outbound chatbots can send real-time warnings to customers to help avoid dangerous driving situations.



## ChatBots and VoiceBots

### FIRST NOTICE OF LOSS (FNOL)

Using natural language understanding and processing capabilities, an AI-powered virtual agent can provide 24x7 real-time assistance to customers through human-like conversations. The benefits extend beyond the customer experience, as from a business perspective, virtual agents can manage and resolve queries quickly with minimal workforce intervention.



## Intelligent document understanding

### CASE MANAGEMENT

A typical claims process involves several verifications and document validations, including licenses and other critical paperwork. AI-driven solutions allow these documents to be uploaded, analyzed and validated in real-time within the same ChatBot or VoiceBot conversation. This reduces the hassle for customers by eliminating the need for multiple engagements for a single incident. At the same time, it makes the entire claim settlement process smoother for insurance providers.

## Image recognition & damage estimators

### ASSESSMENT & REPAIR

For a typical claim settlement, the most time is spent assigning estimates, categorizing specific types of damage, and calculating reimbursement amounts. Smart image recognition and damage estimators use ML algorithms within ongoing conversation sessions: When customers upload images of the damage, the algorithm manages the entire process without any human intervention, drastically simplifying and speeding up the process.

## Recommendation engine

### SETTLEMENT

Once the damage is assessed, the customer receives a list of recommended repair centers based on their location and customer feedback ratings. From beginning to end, these AI-driven solutions make the entire claims experience quick and seamless. Automated settlements are then the final step in the whole process, which the carriers handle directly with repair centers.



# Roadmap to adoption

## Meeting your specific business needs

Quantiphi's approach to reimagining your claims cycle starts by defining your customer personas and their experiences with your current process. From there, we help you visualize how AI and ML assets can enhance the overall claims journey and improve customer satisfaction and retention.

No two insurance companies are alike, and there are often multiple customer journeys within different product offerings. This is why each journey is fine-tuned based on your customer segmentation and then aligned with the AI-based solution that will achieve your overall business objectives. From there, we work with you to implement and scale these assets across your organization. Our highly collaborative engagement journey ensures faster adoption and accelerated speed to market.

## Show me the future of insurance

Customer demographics and expectations are changing. InsureTech companies are gaining ground on traditional insurers by leveraging intelligent solutions that meet those needs. AI and ML can be game-changers for your business and early adopters will come out on top. Connect with one of our insurance experts today for a private consultation on how you can shake up the industry.

[Connect with an expert](#)



### GOOGLE HAS PIONEERED

the widespread use of AI across its products, including publishing a variety of leading AI research and releasing TensorFlow, the world's most-popular open-source ML framework. Through the Google Cloud Platform, the organization is democratizing AI and making fully-managed services available so any organization can take advantage of machine learning.



## REAL-WORLD RESULTS: AI SUCCESS STORY

**CHALLENGE:** For a third-party administrator providing employee health benefit services, query resolutions required a large amount of manual intervention. This resulted in restricted contact hours, long wait times, and poor customer experiences. Internally, fluctuating call volumes meant higher costs for fixed resources, training, and employee retention.

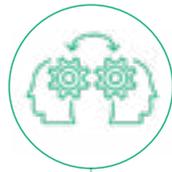
**SOLUTION:** Quantipi developed an AI-powered virtual agent to cater to queries 24x7 with no wait periods. By using natural language capabilities, the virtual agent was trained to understand and respond to nuanced conversations, providing a human-like conversation experience to customers without any live-agent intervention.

**RESULTS:** 24x7 support using virtual agents, real-time suggestions to agents on how to handle customer conversations, reduction in average queue time to zero, and a reduction in resolution time.

# How do I get going?

## The four key stages

To fully reap the benefits of AI and ML, think of it as a journey rather than a point implementation. Our recommendation can be best summarized in a four-step journey:



### STAGE 1: HACK IT

The ideation phase. Here, we help you select a solution with high feasibility and impact potential and develop a prototype.



### STAGE 2: PROVE IT

The proof-of-concept phase. In this phase, we fully define the problem and set targets to prove it can be solved with AI.



### STAGE 3: NAIL IT

The product-development phase. Here we ensure upstream and downstream processes are functioning and that you're seeing ROI.



### STAGE 4: SCALE IT

Once we validate the AI solution in a sub-segment of your business, we help you expand the scope to encompass the full spectrum of opportunities across the enterprise.

# About Quantiphi

Quantiphi is an award-winning applied AI and big-data software and services company driven by the desire to solve transformational problems at the heart of business. Its unique approach combines deep industry experience, disciplined cloud and data-engineering practices and cutting-edge machine-learning research to achieve quantifiable business impact.

## Solutions for the entire insurance value chain

We specialize in guiding insurance leaders toward the right AI and ML solutions, customizing their data-transformation journeys to their maturity and business needs. Our portfolio includes several differentiated solutions across the broader insurance value chain. Some of the recommended solutions are highlighted below.

Marketing, Sales & Distribution	Product, Pricing & Underwriting	Servicing, Loss Control & Claims
<ul style="list-style-type: none"> <li>Marketing effectiveness models</li> </ul>	<ul style="list-style-type: none"> <li>Price elasticity</li> </ul>	<ul style="list-style-type: none"> <li>Fraud analytics</li> </ul>
<ul style="list-style-type: none"> <li>Sales forecasting</li> </ul>	<ul style="list-style-type: none"> <li>Smart operations - document processing</li> </ul>	<ul style="list-style-type: none"> <li>Auto damage estimation</li> </ul>
<ul style="list-style-type: none"> <li>Cross-selling/Up-selling</li> </ul>	<ul style="list-style-type: none"> <li>Churn models</li> </ul>	<ul style="list-style-type: none"> <li>ChatBot-driven FNOL</li> </ul>



-  Recommendation Engine
-  Predictive Analytics
-  Time Series
-  Natural Language Processing
-  Reserve Forecasting
-  Computer Vision
-  Speech Recognition

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