Perspectives on AI in P&C Insurance

Forsikringskonferansen 2024 // Christian R. Moe // Gjensidige

Hello, I'm Christian! 🙋‍♂️

- SVP Data, Analytics & AI @ Gjensidige
- SW Engineer, Mgmt Consultant, Data Scientist, SVP IT, SVP Digitization
- NTNU, Computer Science & Algorithmics
- 3 kids, 1 wife, 0 dogs
- Skiing & virtual cycling on Zwift

Five key takeaways from this talk

I. Data & AI is at the core of P&C insurance 💰

II. Generative AI creates additional value potential from data 📈

III. Generative AI enables automation of operations and customer journeys ⚙️

IV. Start experimenting & learning - and experiment with scaling 🧪

V. Build the foundation: People + Technology + Agile + Governance + Data =🚀

Classified: General Business

1 Data & AI is at the core of P&C insurance

What is the right marketing mix?

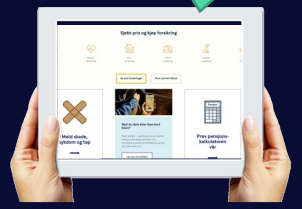
Will the customer on the phone be profitable?

The customer just bought a new house. Which advice should we provide they with?

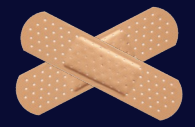
How can we process the customers' claims automatically?

Create & price insurance

Buy insurance



Manage insurance



Use insurance

What is the right price for this product?

What is the **potential for cross-selling** for this customer? How should we contact them and what personalized message to convey?

How much money should we set aside for future claims?

Is this claim fraudulent?

Classified: General Business

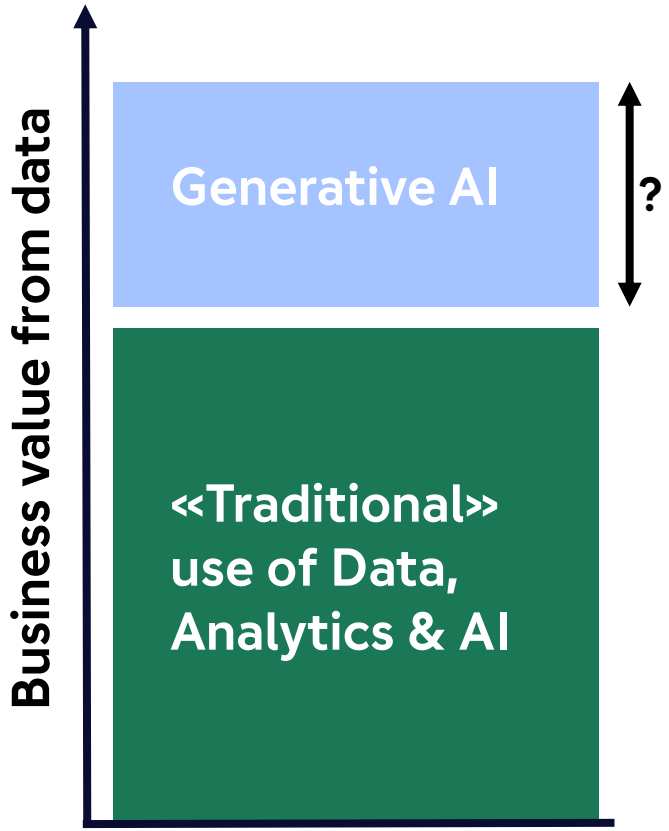
200+
analysts
AT THE FOREFRONT
OF THE INSURANCE INDUSTRY
IN DATA, ANALYTICS & AI

What do we remember from 2023?

Classified: General Business

Generative AI: What is beyond the hype for P&C insurers?

2 Generative AI creates additional value potential from data 📈



Sources: Oliver Wyman, McKinsey, BCG, Gjensidige

Classified: General Business

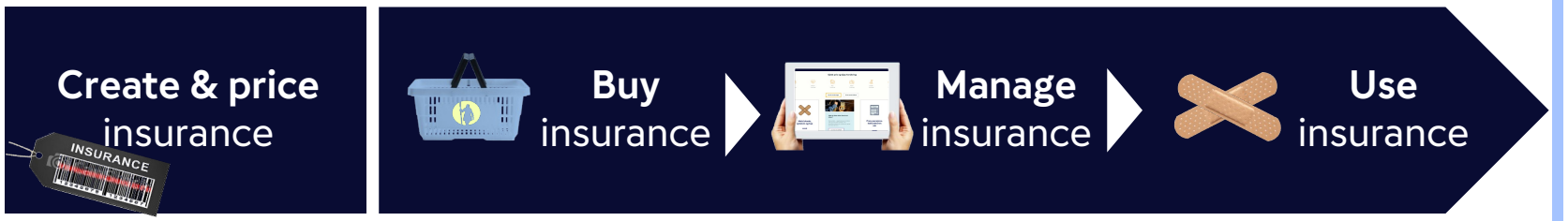
3 Generative AI enables automation of operations and customer journeys

Business value from data

Generative AI

«Traditional» use of Data, Analytics & AI

How can Generative AI create value?

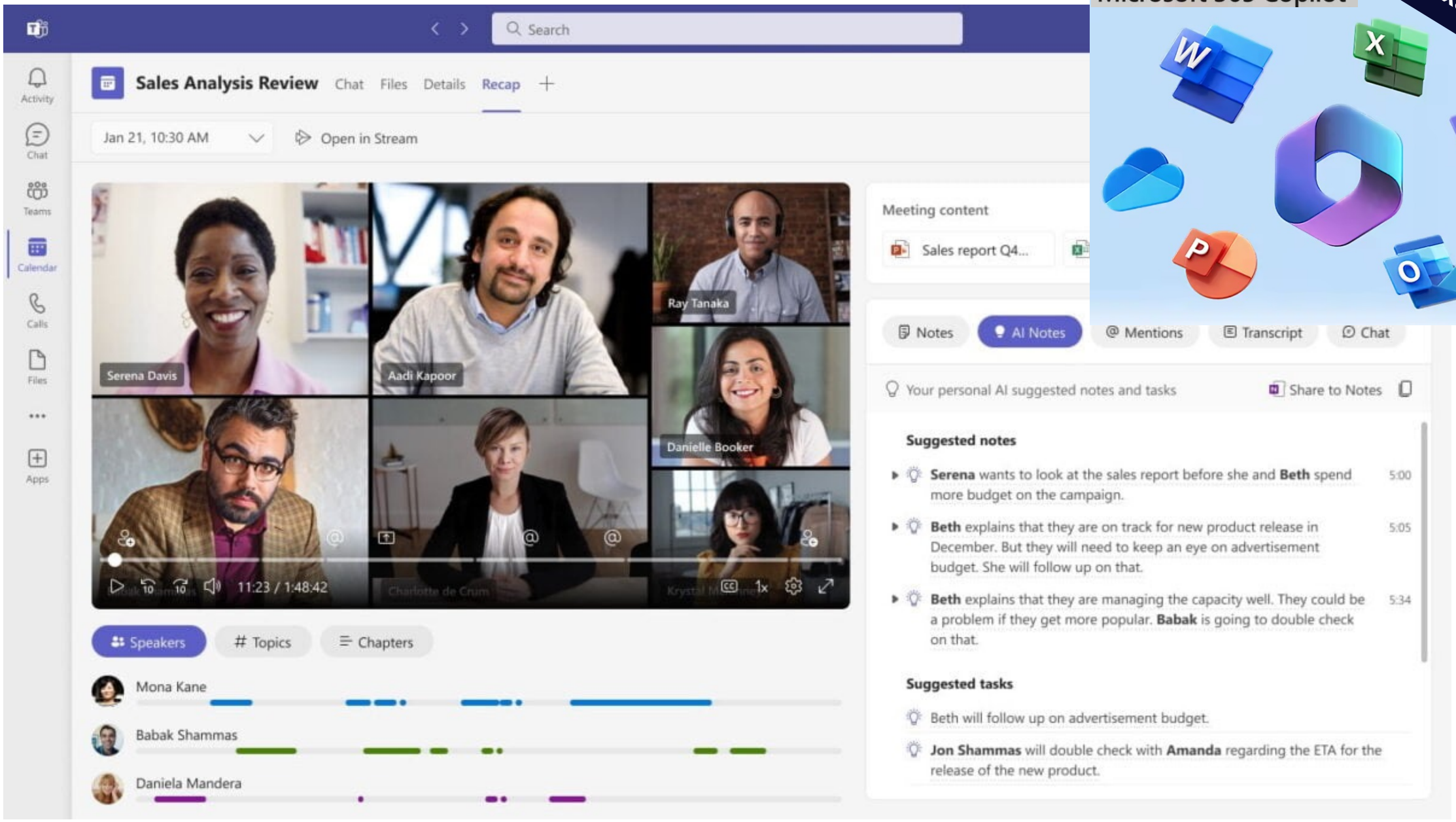


1. End-to-end automation of **customer-facing** processes
2. Automation of **back-end business & customer** processes
3. Automation in shared **corporate functions** *(marketing, IT, HR etc)*

Sources: Oliver Wyman, McKinsey, BCG, Gjensidige

Classified: General Business

3 Automation in shared **corporate functions**



Classified: General Business

Example

Code generation and developer productivity

- Code completion, boilerplate code generation
- Error detection and debugging
- Convert code between languages
- Write code documentation
- Automated testing
- Natural language to code generation
- Virtual code assistant for learning to code

sentiments.ts

```ts
#!/usr/bin/env ts-node

import { fetch } from "fetch-h2";

// Determine whether the sentiment of text is positive
// Use a web service
async function isPositive(text: string): Promise<boolean> {
  const response = await fetch(`http://text-processing.com/api/sentiment/`, {
    method: "POST",
    body: `text=${text}`,
    headers: {
      "Content-Type": "application/x-www-form-urlencoded",
    },
  });
  const json = await response.json();
  return json.label === "pos";
}
```

Copilot

max_sum_slice.py

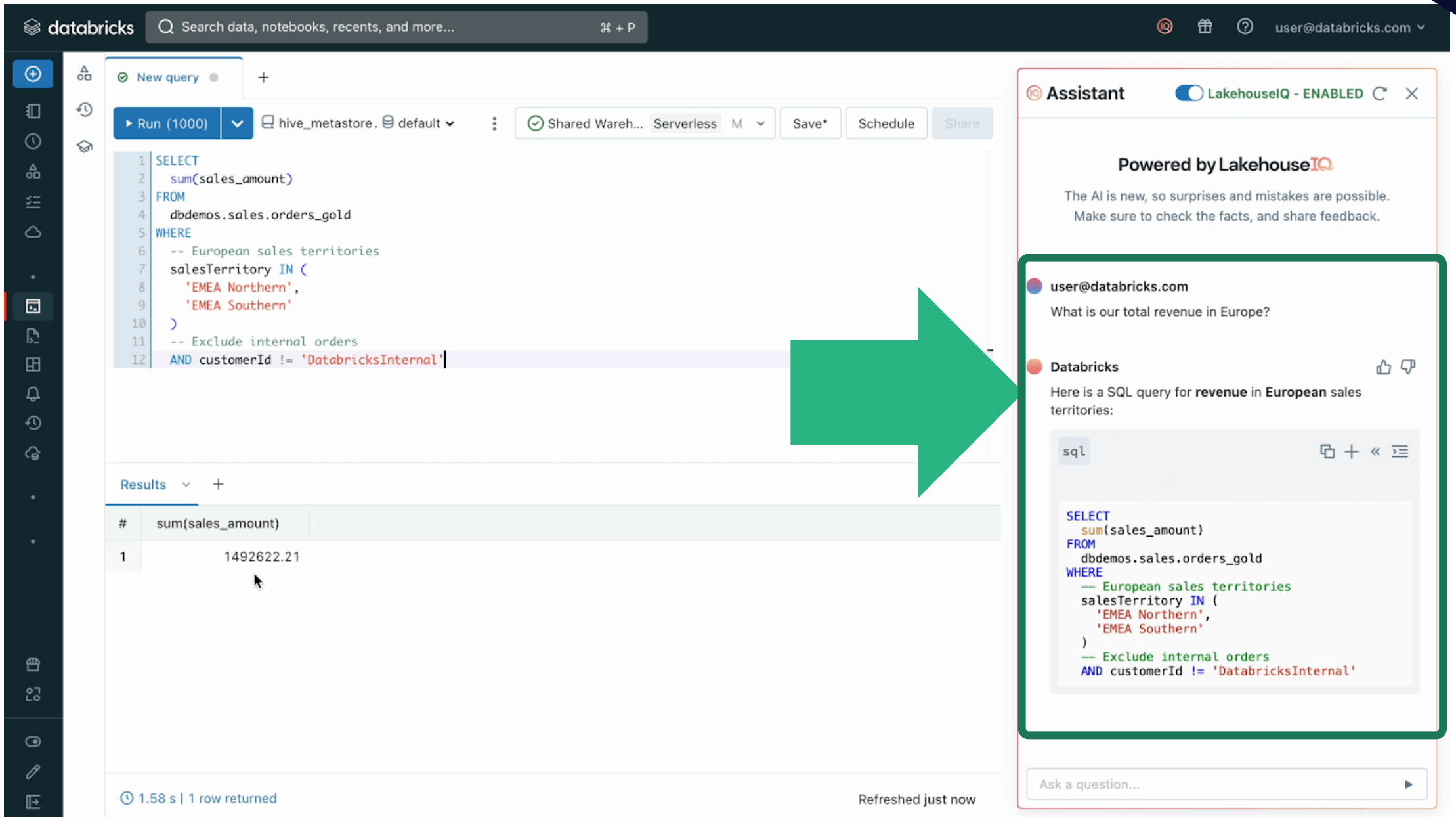
```python
def max_sum_slice(xs):
    if not xs:
        return 0

    max_ending = max_slice = 0
    for x in xs:
        max_ending = max(0, max_ending + x)
        max_slice = max(max_slice, max_ending)
    return max_slice
```

Copilot

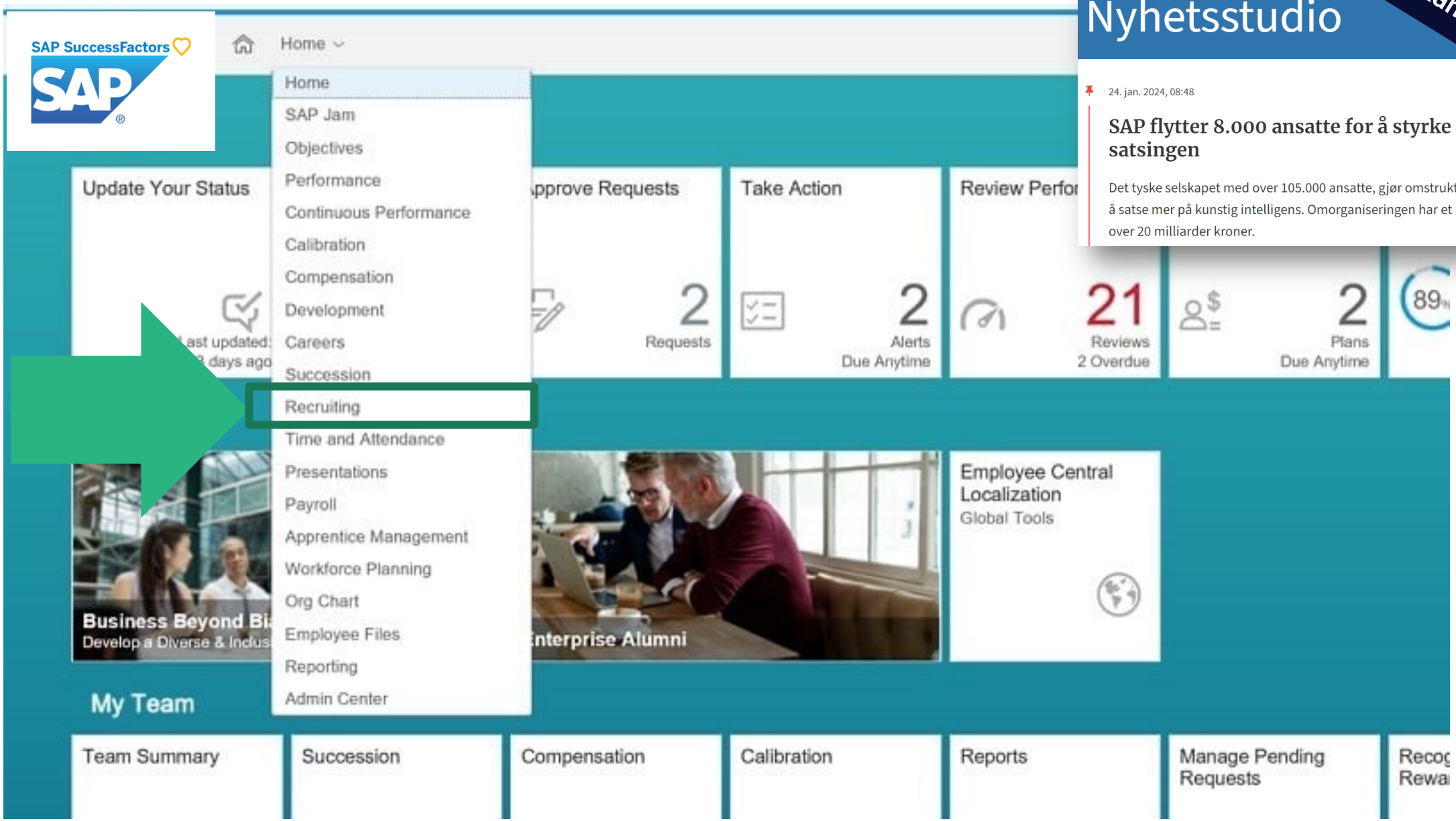
3 Automation in shared **corporate functions**

Example



Classified: General Business

❸ Automation in shared **corporate functions**



Example

Nyhetsstudio

24. jan. 2024, 08:48

SAP flytter 8.000 ansatte for å styrke KI-satsingen

Det tyske selskapet med over 105.000 ansatte, gjør omstruktureringer for å satse mer på kunstig intelligens. Omorganiseringen har et budsjett på over 20 milliarder kroner.

Classified: General Business

Our hypothesis

Automation in shared corporate functions in P&C

- Non-differentiating source of cost efficiency
- Fast(er) evolution, not revolution
- Becomes basic expectation from employees

Approach

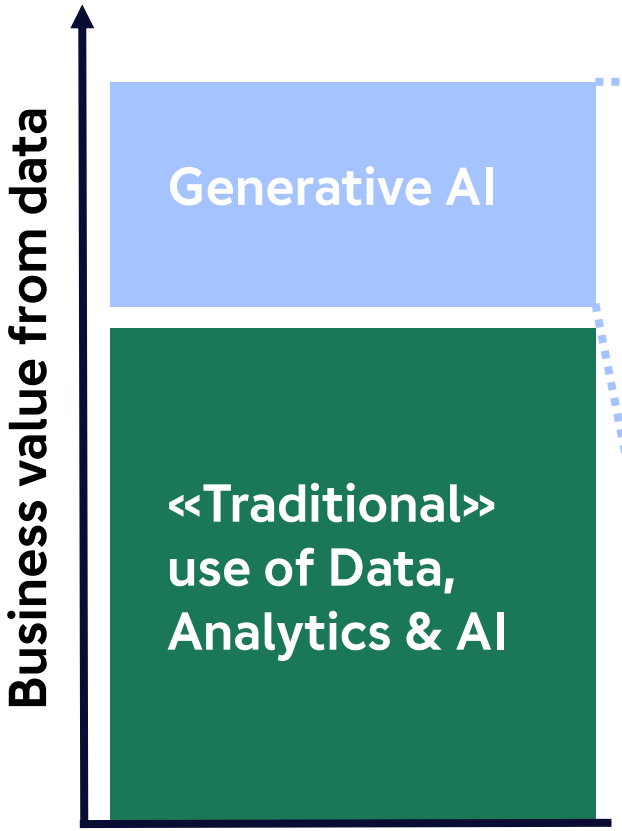
- Assess and leverage (an increasing set of) standard solutions with AI functionality

when

- Efficiency gain ≥ Cost of AI technology

Classified: General Business

2 Automation of back-end business processes



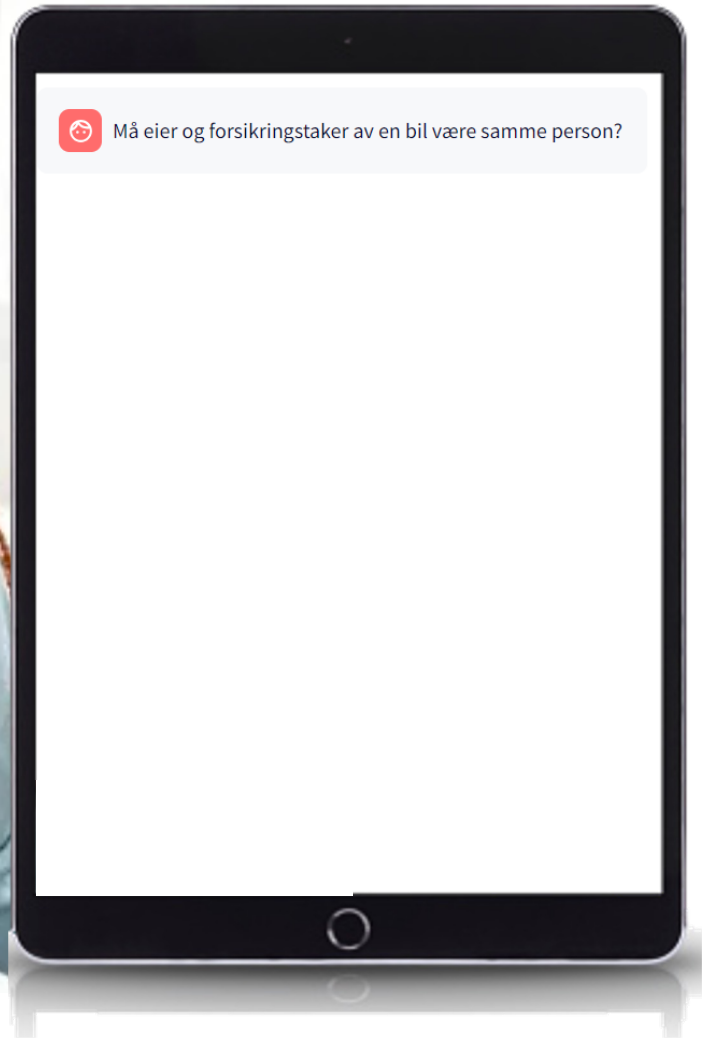
The GenAI value potential can be divided in three categories

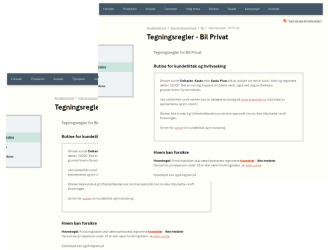
1. End-to-end automation of **customer-facing** processes
2. Automation of **back-end business & customer** processes
3. Automation in shared **corporate functions** *(marketing, IT, HR etc)*

Classified: General Business

Example

Co-pilot & dialogue support for customer advisors





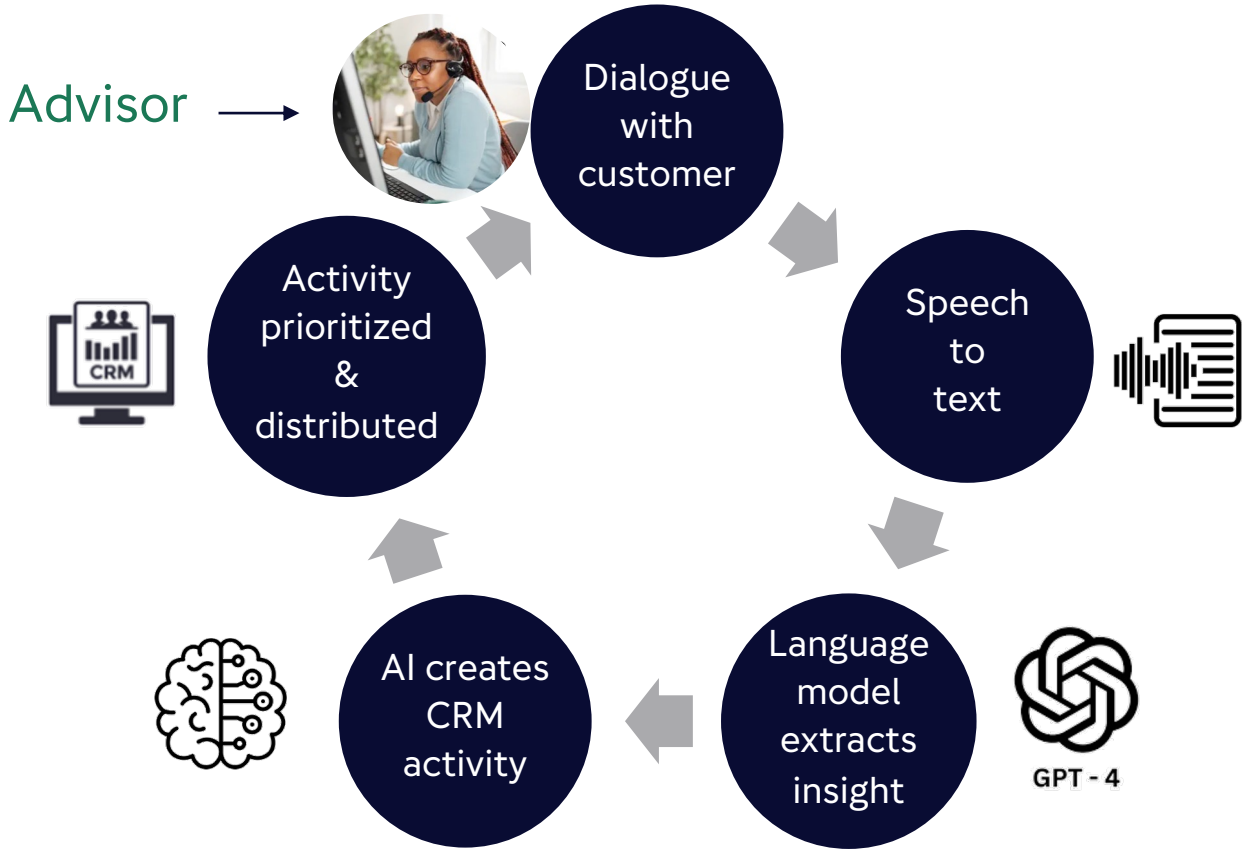
Internal policies & procedures

GPT 4

«Du er en AI assistent som hjelper kunderådgivere å finne informasjon i interne dokumenter...»

Develop more personalized customer experiences

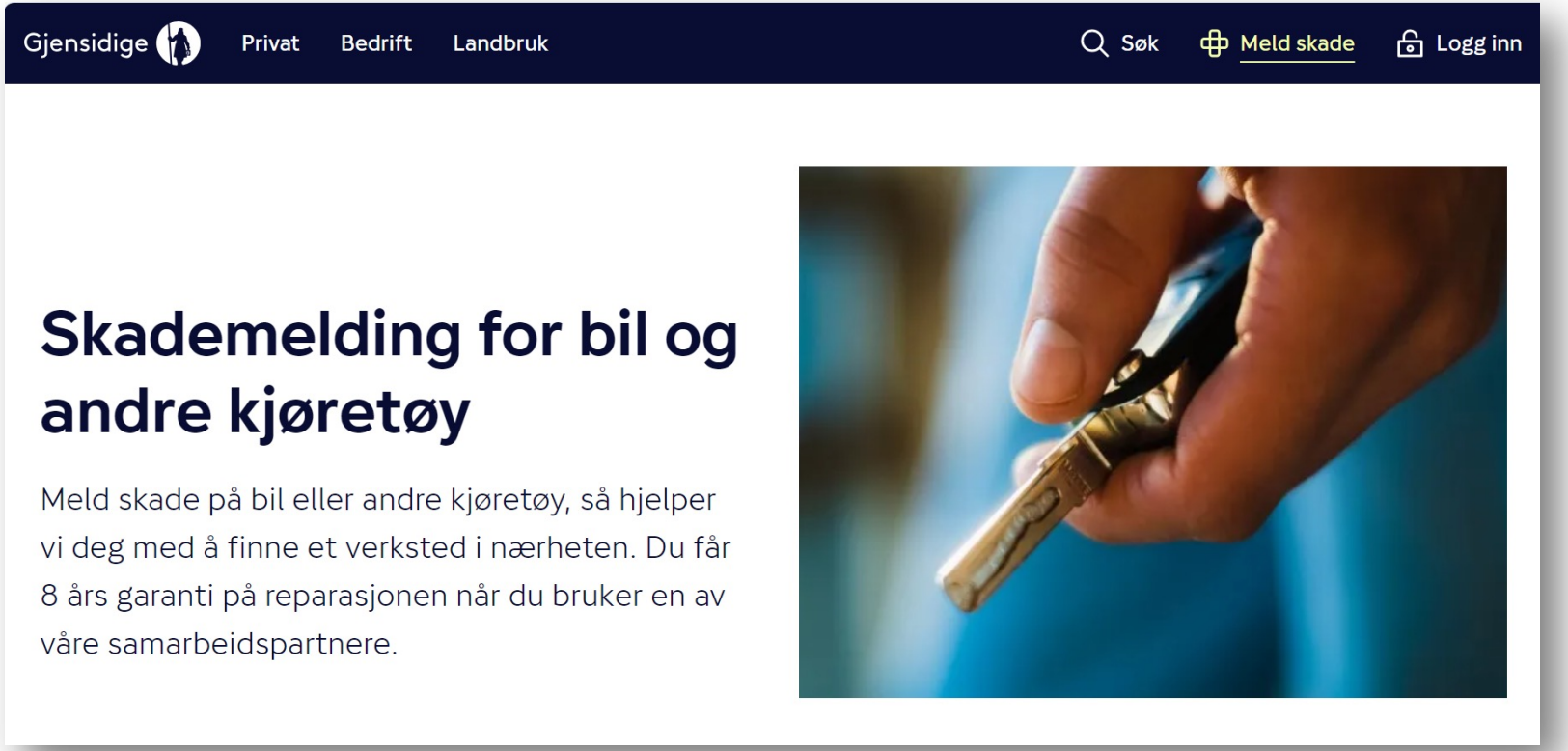
Example:



Classified: General Business

Example

Claims handling: Leveraging AI / text analytics to understand customer sentiment & prioritize tasks



It's been a while and I haven't heard from you. I have to say it's scary how a claim is handled.

Did I misunderstand the terms about the amount for dental damage? Can you call me?

Thank you for your fast help! You can close the case now.

Claims automation

Classified: General Business

Gjensidige

Welcome! I'm Eglev, your virtual analyst fueled by GPT/LLM technology. My mission? To revolutionize Gjensidige's approach to data interaction across the organization

Logout

My limitations

My scope

User Guide

Example (mock data)

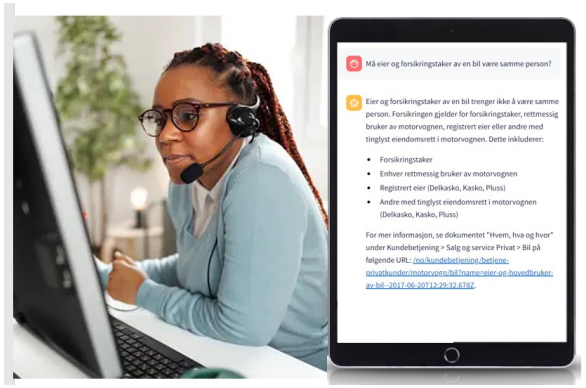
Hi, I'm Eglev. How can I help you?

Type in your question...

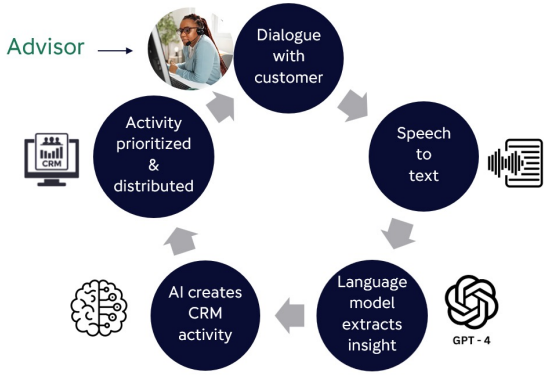
Meet Eglev: Our GenAI-enabled analyst powered by GPT-4

In general: Potential to automate tasks that we previously could not automate

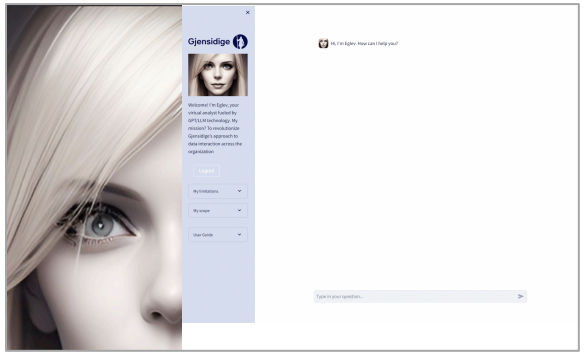
DRIVE EFFICIENCY VIA AUTOMATION



HYPER-PERSONALIZE ENGAGEMENT/ EXPERIENCE (CUSTOMER & EMPLOYEE)



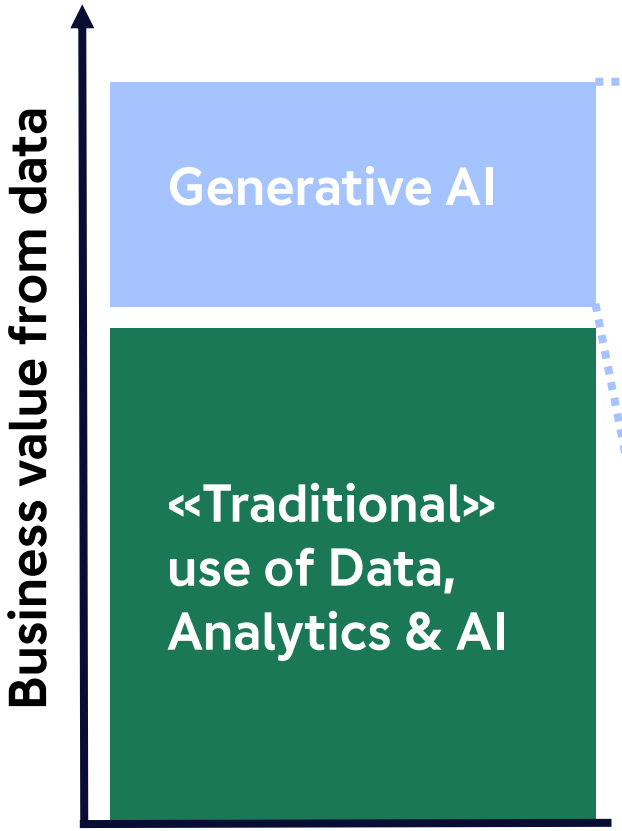
AUGMENT/"CO-PILOT" DECISION-MAKING



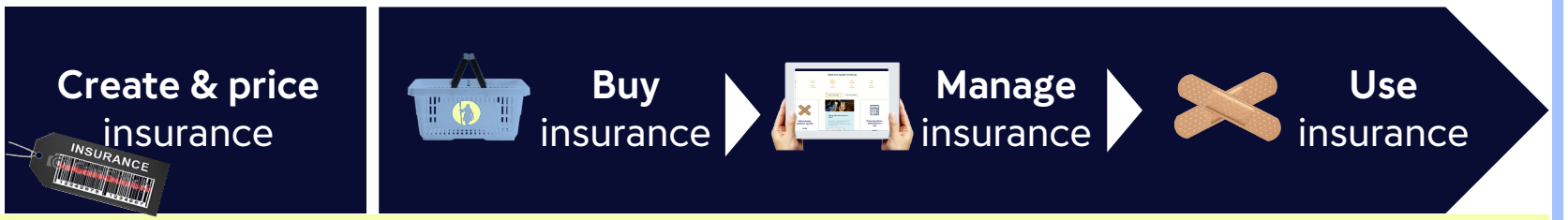
We expect majority of GenAI efforts to be within this space

Classified: General Business

1 Automation of customer-facing processes



The GenAI value potential can be divided in three categories



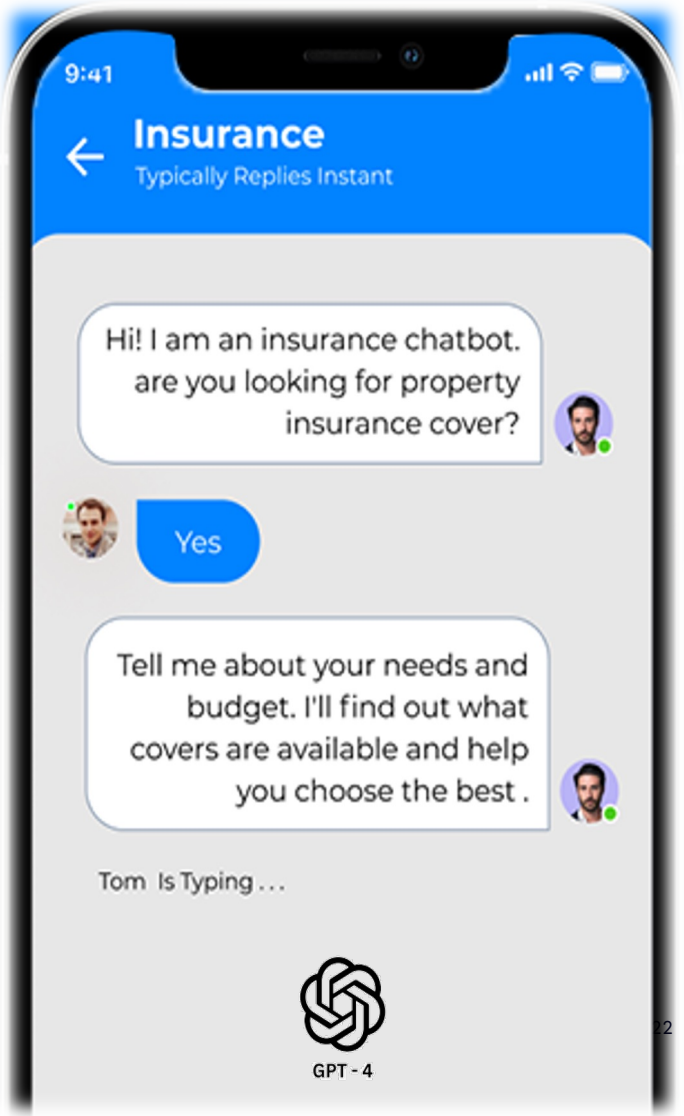
1. End-to-end automation of customer-facing processes
2. Automation of **back-end business & customer** processes
3. Automation in shared **corporate functions** *(marketing, IT, HR etc)*

Classified: General Business

Will we have end-to-end digital AI assistants for P&C customers?

Not just yet?

But sometime in the future.



Classified: General Business

4 Start experimenting - then experiment with scaling 🧪

Direct your AI initiatives towards specific insurance-related challenges and needs

(Business + AI + Technology) x Agile x Empowerment = 🚀

5 Build a solid foundation for execution

Develop the **People**

Access to **Data**

Power with **Agility**

Enable with **Technology**

Safeguard with **Governance**

Classified: General Business

Beyond the hype for P&C insurers?

Five key takeaways from this talk

1. Data & AI is at the core of P&C insurance 💰
2. Generative AI creates additional value potential from data 📈
3. Generative AI enables automation of operations and customer journeys ⚙️
4. Start experimenting & learning - and experiment with scaling 🧪
5. Build the foundation: People + Technology + Agile + Governance + Data =🚀

Classified: General Business

Thanks

christian.moe@gjensidige.no // 99631835