

Brokers, pandemics and AI

Level 3 Covid-19 brings another wave of economic activity, but given the new normal of masks, social distancing and a healthy dose of hand sanitiser, this makes life a little more complicated for intermediaries in the insurance sector, who rely on face-to-face interaction with their clients. Or does it?



Peter Castleden, CEO, Sanlam India.

For many years, the role of artificial intelligence (AI) in replacing the need for the traditional broker has been debated. So say that a machine could never provide the same type of advice that a person does. Others argue that simple, low-cost platforms exist, allowing insurers to take advantage of AI to enhance customer service. It would also be particularly handy the time of Covid-19 to reduce face-to-face interactions.

The sweet spot lies in the combination of technology and human interaction. "AI and technology are capable of augmenting intelligence and humans, rather than replacing them outright. Good insurance intermediaries are invaluable to clients and provide positive and powerful consumer engagement. Technology enables intermediaries to spend less time on time-consuming and laborious tasks, freeing them to spend more time investing in clients," says Peter Castleden, CEO of Sanlam India.

Strong vs weak AI

AI has become a buzzword in recent years, but the concept is not widely understood. He says that there are two classifications of AI, namely - strong and weak. Weak AI is a system which is designed and trained for a particular narrow task. Strong AI on the other hand is a more generalised system which is capable of finding solutions to unfamiliar tasks without human intervention. Strong AI, for the most part, does not really exist and is more commonly found in movies.

Weak AI has become far more commonplace across industries, including insurance. New and incumbent insurers are already looking at narrow tasks which they are able to automate using data and AI.

"Although AI and robo-advice are in vogue, nothing beats the personalisation and trust that a human broker experience delivers. No one likes paperwork – neither the client, nor the broker. The idea is to use technology where it's most efficient but still have people involved where they add the most value to the customer," says Castleden.

Technologies like AI should be integrated to the extent that they enhance the customer experience. "There are cases where AI is used with a primary focus on cost saving, which is great. However, if it comes at the expense of a great client interaction, we believe the cost saving just isn't justified.

“I don’t believe that brokers will be replaced by a robot in the near future, despite the fears around the spreading of the coronavirus. The insurance category needs more genuine human empathy, creativity and intuition – especially at a time like now. Technology is just a means to deliver those qualities, not replace them.”

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