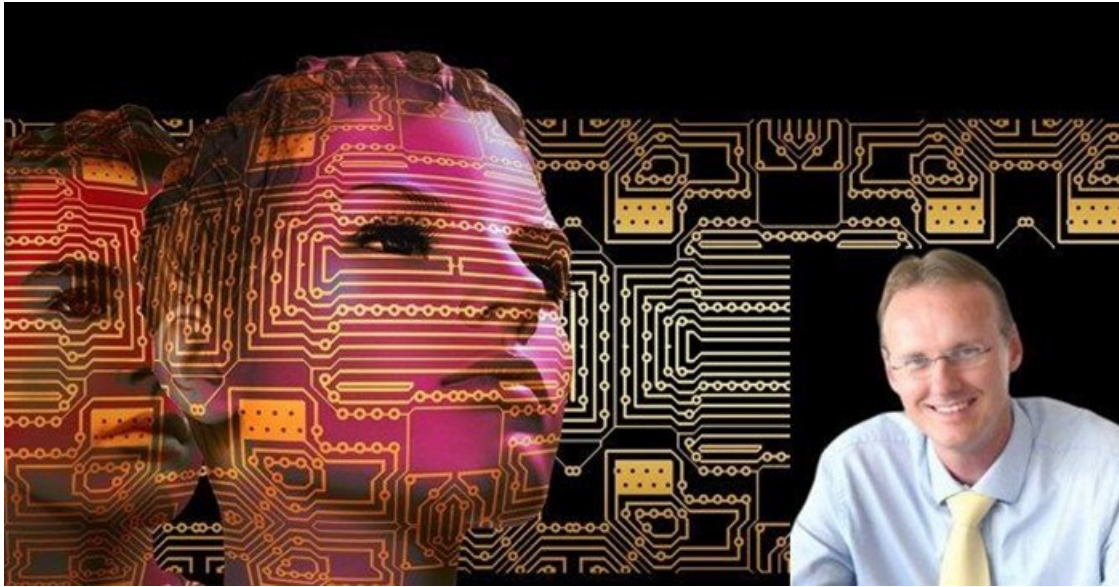# How Artificial Intelligence is changing the insurance industry as you know it

By Oscar Stark

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The insurance industry is data driven, the more an insurer knows about you, the easier it is for them to offer you a competitive insurance package that matches your lifestyle and financial outlook more accurately.

Source: Pixabay

This is very much the case in lifestyle or medical insurance where your own circumstances are key to how you get insured.

Currently Artificial Intelligence (AI) is revolutionising the insurance industry because it is able to treat clients as individuals while comparing them to millions of others to find insights that are unique about their lifestyle that in turn adds value to them in terms of holistic and comprehensive insurance cover.

In essence, AI creates the ability to intelligently sift through vast volumes of data quickly - a repetitive task that ordinary humans struggle with - while treating you not as a number but as an individual.

Looking into the future

To understand the magic of AI, the process begins when clients, along with the support of an accredited financial adviser, compile a comprehensive financial needs analysis (FNA). It's the financial adviser's job to physically gather as much data about you, after which it can be processed for further analysis against other like individuals.

In doing this, an insurer has to look into your future to decide what your premiums are and what cover they can offer you given your financial needs, health status and lifestyle choices.

All of these things require data and the more data an insurer has, the easier it is to make the right choices for every individual.

But what happens when you have so much data that it actually becomes difficult to make decisions because of the amount of human input required? This is where AI makes all the difference.

The data journey

Leveraging technology like the cloud, which is suited to dealing with large volumes of data, your information is compared to similar profiles to find common linkages and deeper insights through AI, which better appreciates depth and complexity than just a normal set of logical rules which a human would use.

This is a much more efficient way to review client's information than the time-consuming human intervention that is the norm in the industry. The benefit to the customer is that AI not only improves the quality of the offering based on your needs, but also delivers results in a speedy and efficient way.

Medical bots can examine your health

With AI using all of this information, the state of your health can be calculated more accurately and more quickly. One example that is being looked at currently is how AI can tell a great deal about your health by simply examining a photo taken of you from your phone.

Technology like this helps reduce the need for physical medical examinations which can take up to a month to conclude.

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AI is also able to match your medical data with other data to make predictions about the state of your health; this again cuts down on the need for the insurer to perform individual physical examinations.

This all means clients are able to get insured much faster than in the past; they can now access things like life cover much more quickly than in the past, a bit like a credit-card application, where technology is simplifying the process.

AI continually monitors your life's journey

Once you are insured after the on-boarding process has taken place, AI is then able to monitor your insurance needs as your life evolves.

Using data you have shared for your insurance profile, AI can continue to analyse opportunities which are relevant for you through your life journey. You will barely notice it because AI is able to perform repetitive tasks continually in the background.

> *A meeting with your adviser is no longer about the products you may need, but how you want to successfully*

plant the next stage of your life. 〞

Maybe your insurer will make suggestions through your financial adviser about things in your life that may need to be covered as your life evolves, before you need them, allowing you to better plan for the future.

This could include from when you start a family to when you get older and start to look toward retirement or maybe working for yourself part-time. All of these stages of life require different types of cover.

With your information being constantly processed and compared to the lives of others around you as well as the options available to you, a meeting with your adviser is no longer about the products you may need, but how you want to successfully plan the next stage of your life.

All of these things mean that insurance is now becoming a more flexible tool to ensure and protect the individual lifestyle you want. AI makes choices more available and more precisely, while getting insured is now much quicker than in the past.

With AI, we as insurers are no longer just in the business of providing holistic comprehensive cover, but more about providing a stable path for you to live the life you aspire to.

ABOUT OSCAR STARK

Oscar Stark is a seasoned IT executive, and financial services veteran who specialises in driving the transformation that redefines organisations in the digital world. He focuses on innovation through transforming, enterprise architecture, setting up data as an asset, and building the resilience that protects organisations. Stark is Liberty group's chief strategic enterprise architecture.

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