AI is here to stay

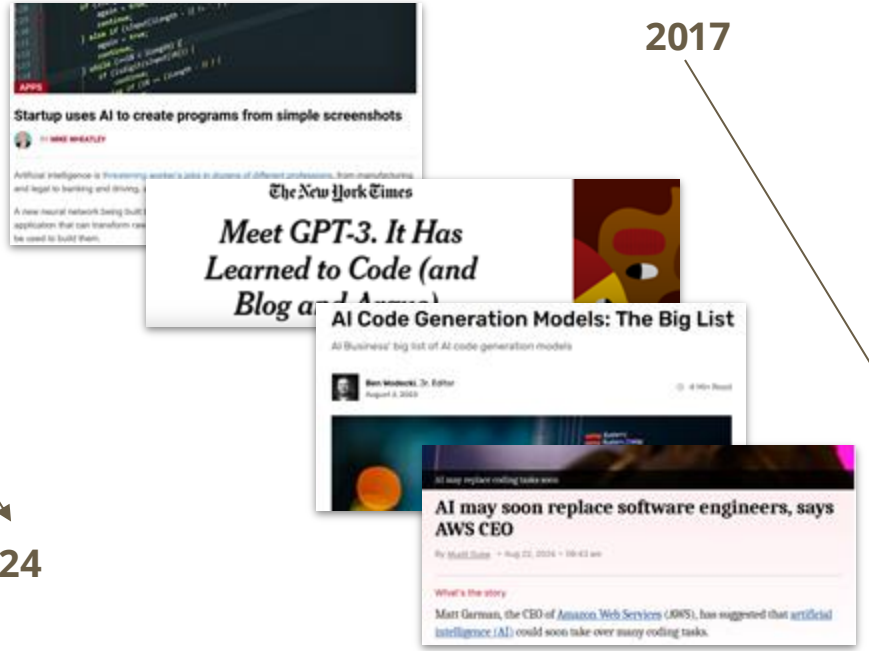
G.Huet
Board Director - Fintech Association of Hong Kong
Director - Accenture Financial Services

How far are we? 2 points of reference

2020

2024

Research & Science

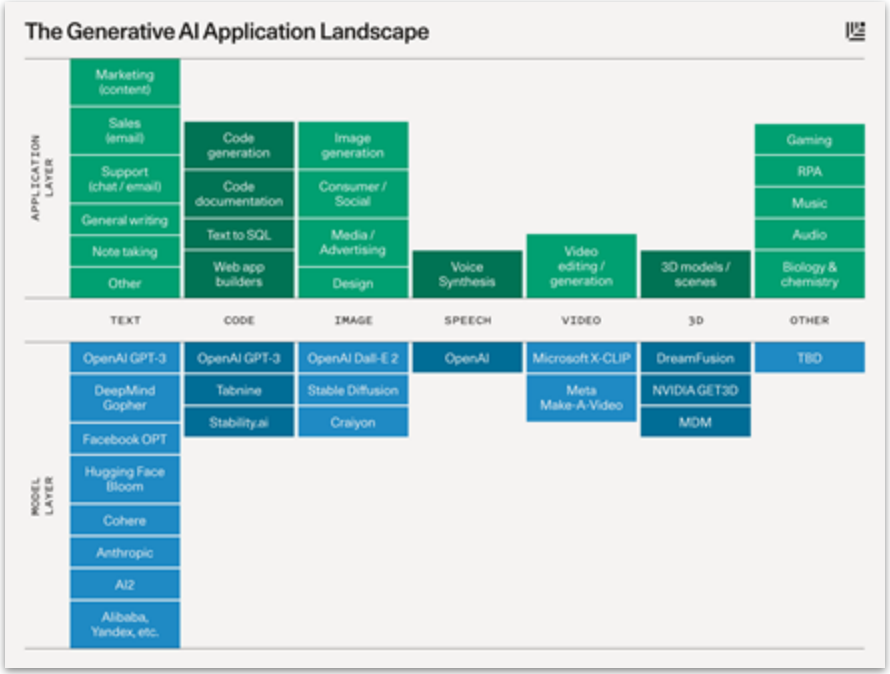


2017

2024

Code & Devs

Business application



Source: Sequoia capital

A breakdown of AI usage statistics and the potential benefits of ChatGPT for businesses

The potential benefit of AI	Percentage of business owners who expect this to happen to their company
Generate responses to customers (i.e. chatbots)	74%
Generate content quicker	70%
Create a personalized experience for customers	58%
Increase web traffic	57%
Streamline job processes	53%
Summarize information	53%
Improve decision-making	50%
Improve business credibility	47%
Translate information	47%
Generate responses to colleagues (i.e. emails)	46%
Create content in different languages	44%
Fix coding errors	41%
Generate website copy	30%

Source:Forbes

Insurance focus

Product, Marketing and Distribution

Improved agent and customer engagement metrics, close ratios and ROI

Email Campaigns
Automate campaigns with topics of interest and upcoming plays - generate marketing messages to stay 'top of mind' and cover more brokers

Agent Enablement
Enable agents with tailored recommendations and advanced insights on topics of interests, engagement history and claims experience

Content Generation
Support in creation of digital marketing content such as blog posts, social media updates, email newsletters, and landing pages

Brand Monitoring
Track online mentions of the brand and alert the insurer to any negative reviews before they escalate and damage the brand's reputation

Underwriting (UW)

Improved risk assessment and underwriter effectiveness

Intelligent Email
Automated extraction of email intent and routing of attachments, followed by unstructured data processing, validation and 'good order' checks

Intelligent Ingestion
Automate extraction of key terms from unstructured broker submissions such as policy booklets for enhanced risk assessment

Data Enrichment
Provide underwriters with fast summarized inputs and insights (from third party data sources) that help make informed choices

Triage: Appetite
Automatically apply risk appetite filters by helping summarize referral rules and aptly route applications to underwriters

Policy Generation
Automate policy generation and quality analysis/ audit to improve policy completeness, consistency and compliance

Servicing

Enhanced customer experience and reduced cost-to-serve

Hyper-personalization
Enable virtual customer service agents and personalization of comms across channels underpinned by advanced sentiment analysis

Notification Generation
Create context-aware, personalized and automated letter / notification (claim status, request for information, etc.) generation

Complaints Handling
Automated complaints categorisation and prioritization as well as recommended resolution across channels.

Wellness Intervention
Generate personalized recommendations – tailored to custom needs, interests and behavior to drive higher participation / engagement

Claims

Reduced indemnity and expenses

Seamless Claims Intake
Personalized communications that improve claims intake experience; automated detection of severity based on multimodal claimant inputs

Claim and Coverage Verification
Conduct fast checks / analysis to ascertain cause of loss and automate extraction of key terms to be used for coverage determination

Adjudication Insights
Generate insights for claim adjusters utilizing historical context and patterns to enable more informed and accurate decisioning

Subrogation/Litigation
Classify, extract and analyze inbound documents (e.g., letter of citation) to assist in predicting potential settlements or court outcomes

Fraud Detection
Utilize synthetic data to overcome data scarcity, simulate different fraud scenarios to improve fraud detection

Estimated ROI Low | Medium | High

Source: Accenture

Generative AI powered Underwriting

Use Cases	Description	Value	Complexity
Intelligent Email	• Automated extraction of email intent and routing of attachments, followed by unstructured data processing, validation and 'good order' checks	M	M
Intelligent Ingestion	• Automate extraction of key terms from unstructured broker submissions such as policy booklets for enhanced risk assessment	H	M
Data Enrichment	• Provide underwriters with fast summarized inputs and insights (from unstructured third-party data sources) that help make informed choices	L	L
Triage Appetite	• Automatically apply risk appetite filters by helping summarize referral rules and aptly route applications to underwriters	M	L
Policy Generation	• Generate insurance quotes, bind, policy issue documents and present different coverage options to the policyholder based on their specific needs and preferences	M	M

Underwriting

Use Case Focus – Intelligent email and Intelligent Ingestion

More than 40% of time currently spent by underwriting teams in non-strategic tasks around manually extracting, collecting and formatting data.

Accenture has been using AI to automate the entire workflow - including document classification and quick and accurate extraction of key terms from unstructured broker submissions such as policy booklets or coverage certificates.

We have incorporated Generative AI to help deliver higher accuracy, speed and adoption across clients - significant increase in accuracy (more than 75%) achieved using Generative AI in comparison to 40-50% achieved earlier.

20-40% reduction in cycle time; UW quality improvement by 2-4 points

Generative AI powered Servicing

Use Cases	Description	Value	Complexity
Hyper-Personalization	• Enable virtual customer service agents and personalization of communications across channels underpinned by advanced sentiment analysis	H	M
Notification Generation	• Create context-aware, personalized and automated letter / notification (claim status, request for information, etc.) generation	M	L
Complaints Handling	• Automated complaints categorization and prioritization as well as recommended resolution across channels	M	M
Wellness Interventions	• Generate personalized recommendations – tailored to custom needs, interests and behavior to drive higher participation / engagement	M	M

Servicing

Use Case Focus – Hyper-personalized Customer Servicing

Use Gen AI to turbocharge analysis of customer data, sentiments, queries that help understand customer preferences better & enable engagement in natural conversation.

We are using Gen AI's language comprehension and response capabilities to help further optimize & improve customer service by identifying issues raised in the past and predicting attrition risks.

Gen AI is also helping accelerate creation of a holistic view of customers and improve customer centricity by analyzing customer data and sentiment based on conversations with customers.

25% increase in Customer NPS; 3-5% increase in retention; 20%+ reduction in costs

Generative AI powered Claims

Use Cases	Description	Value	Complexity
Seamless Claims Intake	• Personalized communications that improve claims intake experience; automated detection of severity based on multi-modal claimant inputs	M	M
Claims and Coverage Verification	• Conduct fast checks / analysis to ascertain cause of loss and automate extraction of key terms to be used for coverage determination	L	M
Adjudication Insights	• Generate insights for claim adjusters utilizing historical context and patterns to enable more informed and accurate decisioning	M	M
Subrogation/ Litigation	• Classify, extract and analyze inbound documents (e.g., letter of citation) to assist in predicting potential settlements or court outcomes	M	M
Fraud Detection	• Utilize synthetic data to overcome data scarcity, simulate different fraud scenarios to improve fraud detection	M	M

Claims

Use Case Focus: Automated Claims Processing (Seamless Intake, Verification, Adjudication)

Traditional claims processing often relies on manual intervention, prone to inaccuracies and inconsistencies. Application of analytics and AI has enabled a uniform decision-making process by applying pre-defined rules and analyzing historical data for patterns – reducing likelihood of errors and fostering trust among policy holders.

Generative AI is helping take this automation and analytics-driven approach multiple steps further - more efficient processing and higher quality extraction from claim forms - ultimately improving response times and customer satisfaction with claims handling.

Use of Generative AI-driven automated claims processing is leading to significant cost savings for insurance providers.

20-40% Lower Claims Cycle Time; 30-50% STP Claims

Illustration – Virtual focus group

Source: Research Paper - "Automated Social Science: Language Models as Scientist and Subjects"

1 Parameterize the focus group

Theme:	The future of bank-insurance in a plug-and-play digital ecosystem?
Question1:	Where are you most likely to buy insurance and why?
Question2:	Would you buy insurance from a bank? If yes, what would convince you to do so?
Question3:	What are the arguments that would convince you most to buy insurance from a bundled product?

AI

2 Generate your focus group virtual profiles

Name: Wong Mei Ling / Age: 52 years old / Gender: Female / Locati
Hong Kong
Occupation: Retired
Marital Status: Widowed
Education: High School Diploma
- Background: Mei Ling worked as a teacher for several years before retiring. She is now enjoying her retirement and spends her time pursuing various hobbies and interests. Mei Ling is actively involved in local community events and volunteers at a nearby elderly care center.
- Interests: Mei Ling has a passion for gardening and spends a significant amount of time tending to her plants and creating beautiful landscapes. She also enjoys painting and participates in art exhibitions and local competitions. Mei Ling is an avid reader and always has a book by her side.

AI

3 Get feedback from each virtual participants on the questions

Question 1: Where are you most likely to buy insurance and why?
In my life so far, I've mostly bought my insurance through traditional channels - insurance agents and brokers. They're people I could look in the eye, people who knew me and understood my needs. But now with technology making everything simpler, I'm thinking about buying insurance online. It's quicker and much less hassle, isn't it? I can research at my own pace, make comparisons, and decide what suits me best. And at this age, I sure do appreciate anything that saves me a bit of legwork!
Question 2: Would you buy insurance from a bank? If yes, what would convince you to do so?
Buying insurance from a bank isn't something I've ever thought about, really. But, thinking about it now, it does make sense. Your money and your insurance, all in one place, right? It comes down to trust, doesn't it? If it's a bank I trust, I would consider it. And if they offer products with features relevant to my life, like health or travel insurance that comes with my account, I might just be tempted. Time-saving, trouble-saving, sounds like a good deal to me.
Question 3: What are the arguments that would convince you most to buy insurance from a bundled product?
Bundled insurance products could work well for me. Why pay several bills if one can cover it all? But it's like buying groceries in bulk; it only makes sense if you use all of it. If a bundled product offers coverage that fits my life, then it's a go. It must be adequately priced and from a provider I trust. And if it can offer not only convenience but also discounts or better terms for combining different types of insurance, then I'm sold. That's what I call getting the big picture!

4

AI

Get a full report with categorization and recommendations by demography

Question 2: Would you buy insurance from a bank? If yes, what would convince you to do so?

Participants' answers:
- Participants who value convenience and integration in their financial management express openness to buying insurance from a bank. They believe that combining banking and insurance services offers a seamless and simplified experience. Trust in the bank's reputation, competitive pricing, and a user-friendly interface are crucial factors in their decision-making.
- Participants who prioritize reliability and trust are more inclined to purchase insurance from a bank due to the perception that banks are regulated institutions. They believe that banks have established credibility and can offer a secure and trustworthy experience aligned with their financial needs.

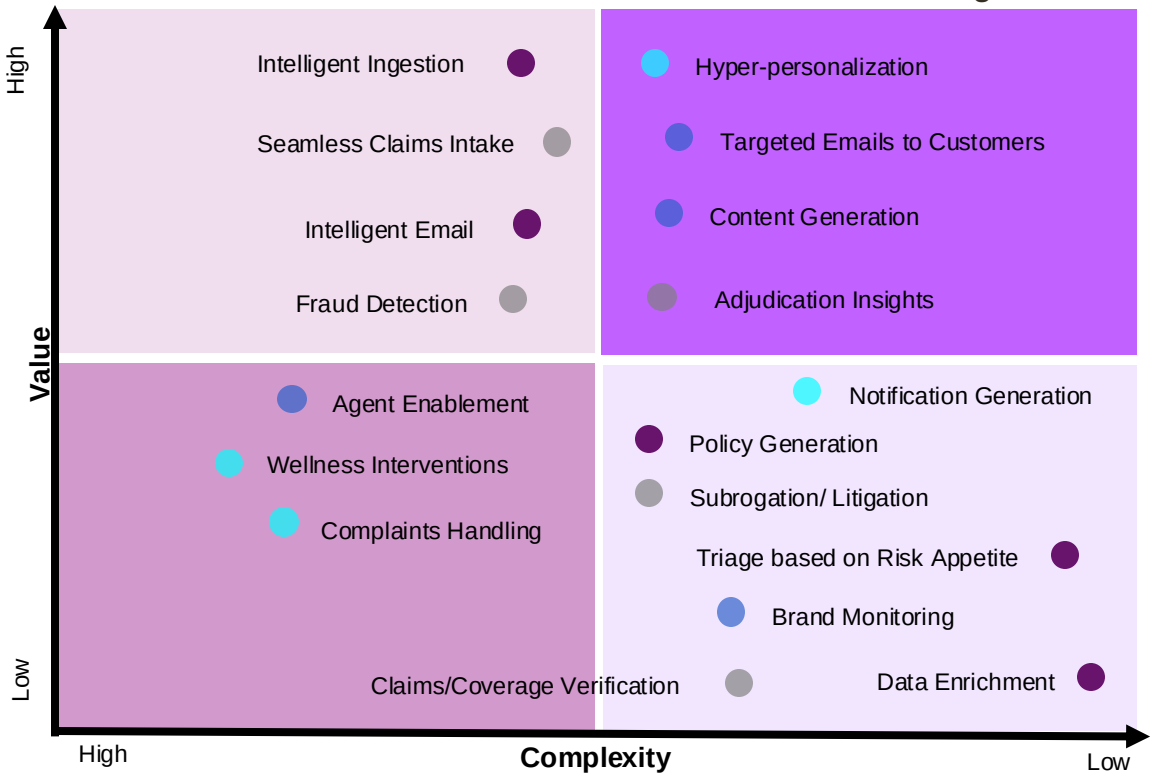
Recommendation:
- Collaborate with reputable banks to develop integrated banking and insurance services that offer a seamless user experience, competitive pricing, and transparent terms and conditions.
- Invest in robust security measures and communicate them effectively to build trust among potential customers.
- Leverage the reputation of banks to instill confidence in the quality and reliability of insurance products offered.

Source: Insurance - Undisclosed

Value Complexity Prioritization Model

Insurers need to determine the Generative AI use cases that could bring imminent value

Preliminary



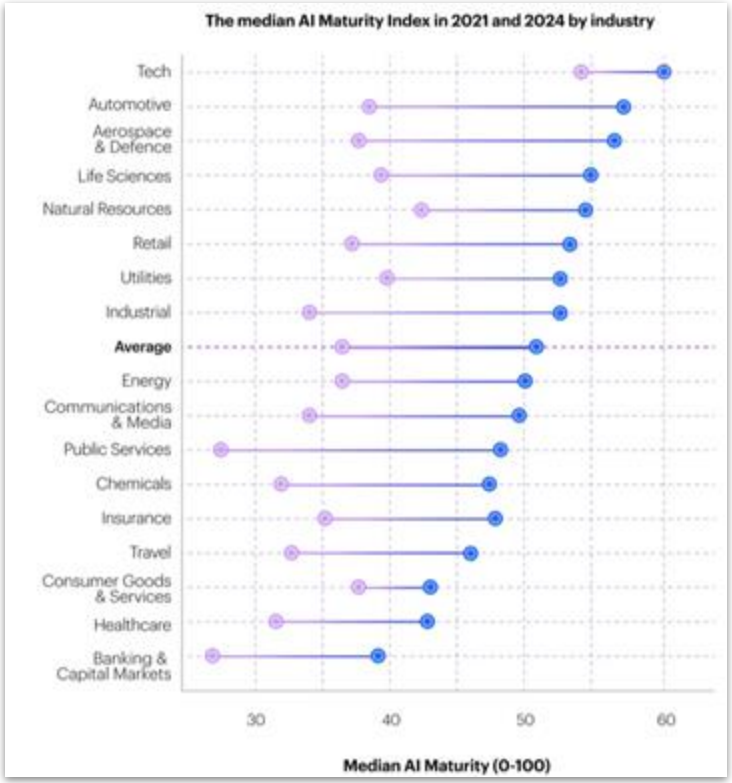
By applying the right set of use cases and value framework, Insurers can **prioritize value opportunities that could be realized early**. For example, the following Generative AI use cases could be a good starting point:

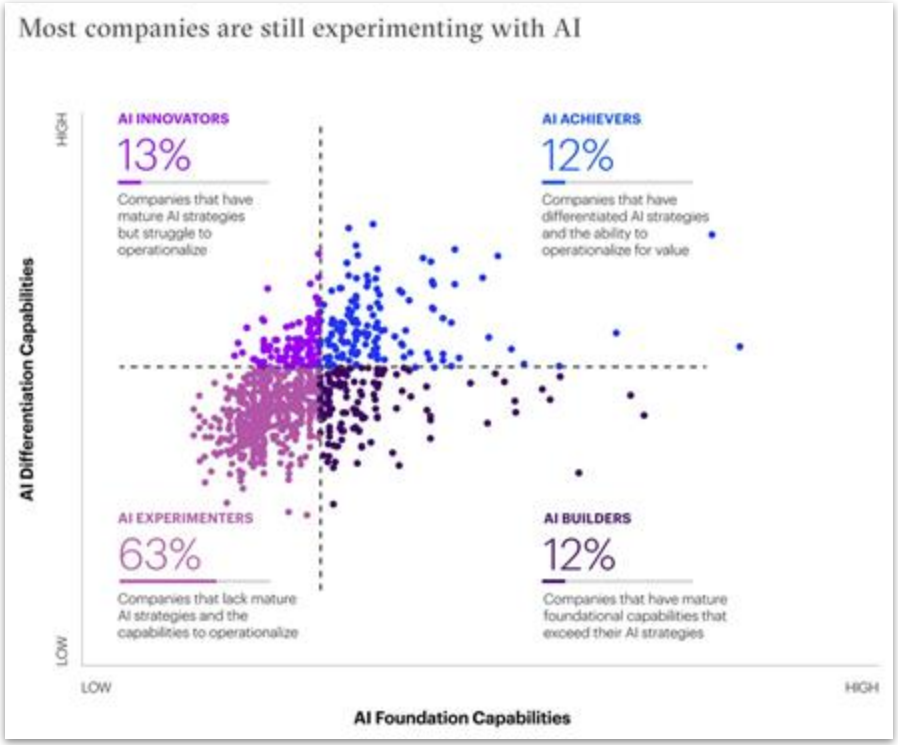
- Intelligent Ingestion (UW)
- Seamless Intake (Claims)
- Hyper-personalization (Servicing)
- Email Campaigns (Marketing)
- Content Generation (Marketing)

Underwriting
Servicing
Claim
Marketing

Value Parameters : Revenue Increase , Cost Optimization , Risk Reduction , Customer Engagement
Complexity: Data availability & readiness , Technology maturity – skills & platforms , Compute Requirements, Legal & Regulatory Requirements

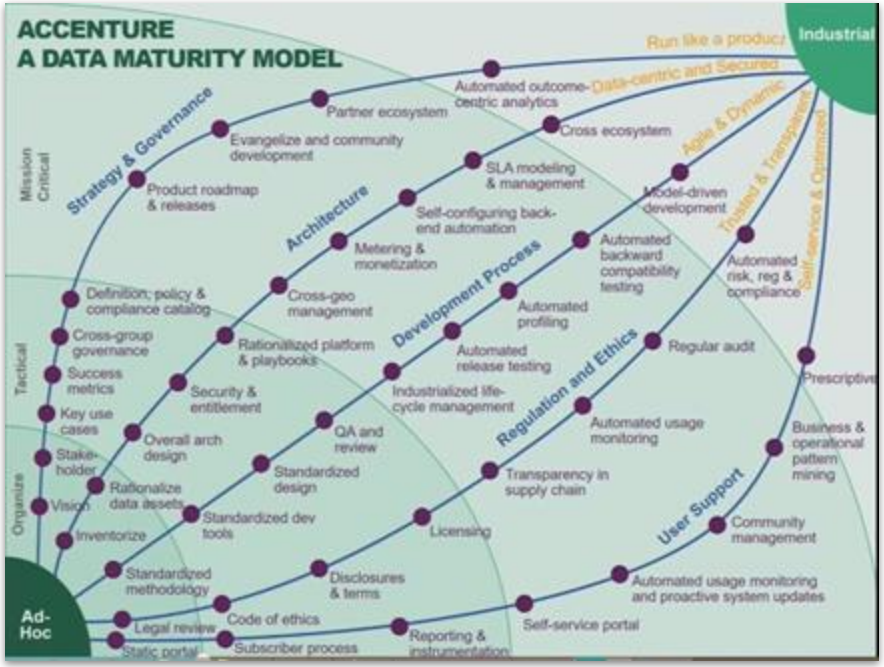
The challenge of moving up the maturity scale

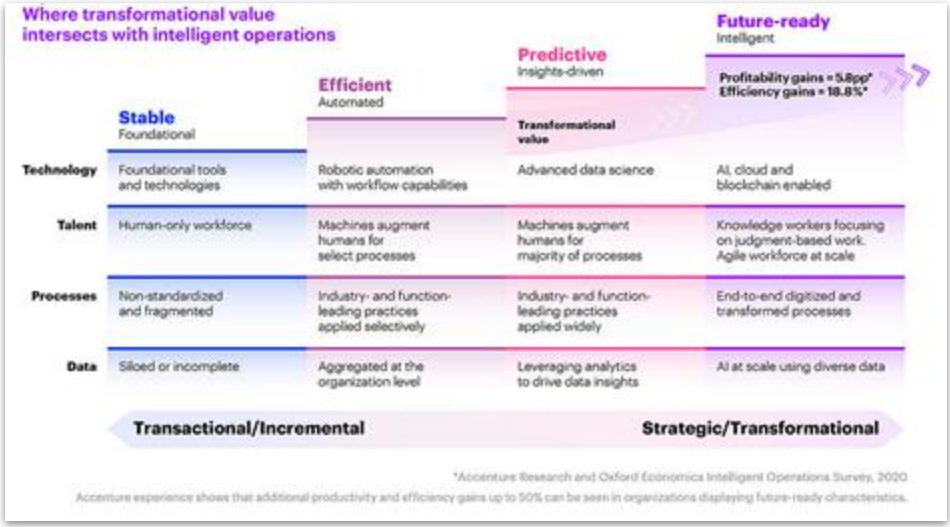




Source: Accenture Research analysis based on a sample of 1,200 companies.

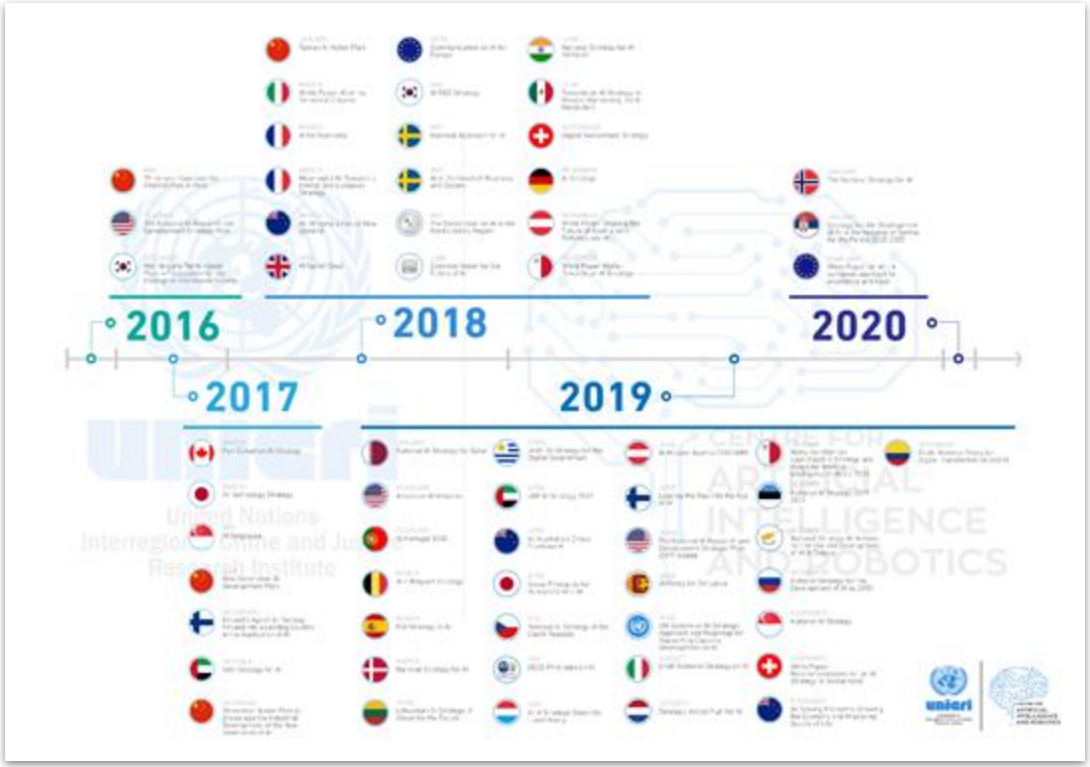
Journey to maturity





Source: Accenture

Regulatory horizon



Hong Kong / Hong Kong economy

Embrace new AI technology ChatGPT or regulate it? That is the question for Hong Kong special task force

- ChatGPT's increasing popularity has drawn polarised responses as some welcome it while others ban it
- City's government balances keeping up with technology while making sure advances are used correctly, says secretary

Long awaited EU AI Act becomes law after publication in the EU's Official Journal

Alert
16 July 2024
11 min read

Tim Hickman | Dr. Sylvia Lorenz | Dr. Constantin Teetzmann | Aishwarya Jha

On 12 July 2024, the European Union's Artificial Intelligence Act, Regulation (EU) 2024/1689 ('**EU AI Act**') was published in the EU Official Journal, making it the first comprehensive horizontal legal framework for the

CNN Business Markets Tech Media Calculators Videos

Business / Tech

Washington is waking up to AI's risks about three years too late

Analysis by Allison Morrow, CNN
3 minute read · Published 7:48 AM EDT, Fri June 7, 2024

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Artificial Intelligence Tech / Policy

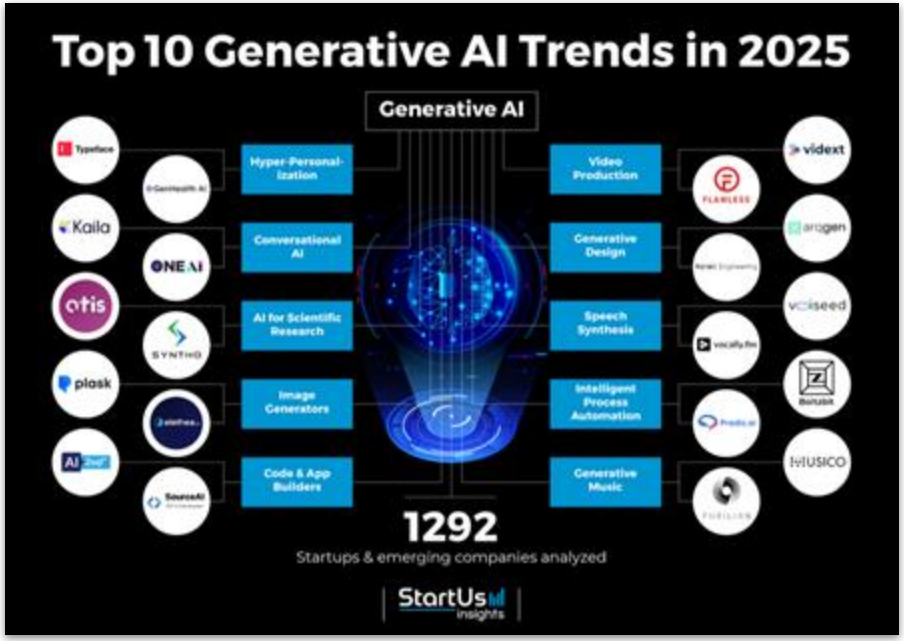
Hong Kong issues generative AI guidelines to banks to avoid bias against consumers

The Hong Kong Monetary Authority's new guidelines say the boards of financial institutions should be accountable for AI-driven decisions

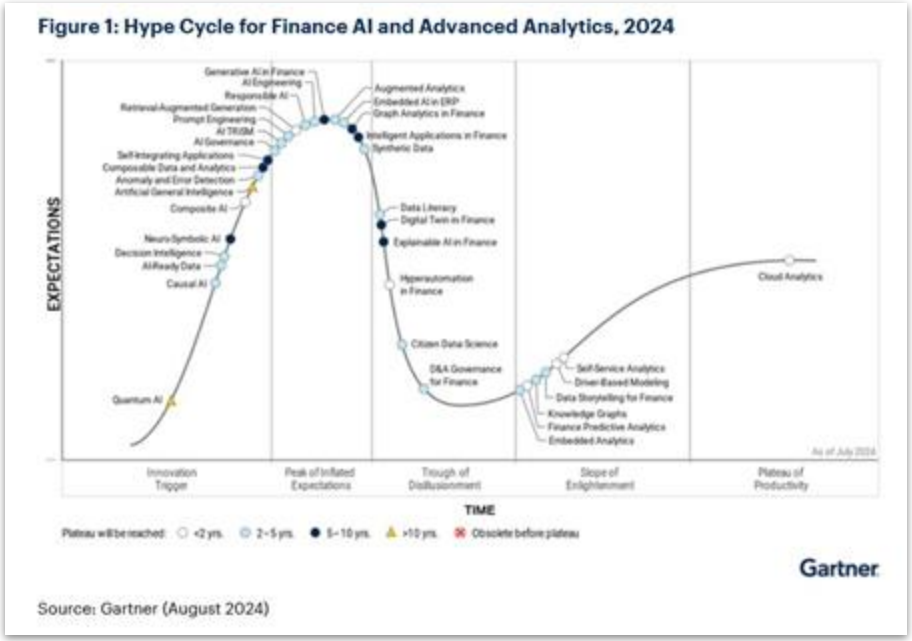
Reading Time: **2 minutes**

Source: Centre for AI & Robotics

More to come - We need to adapt



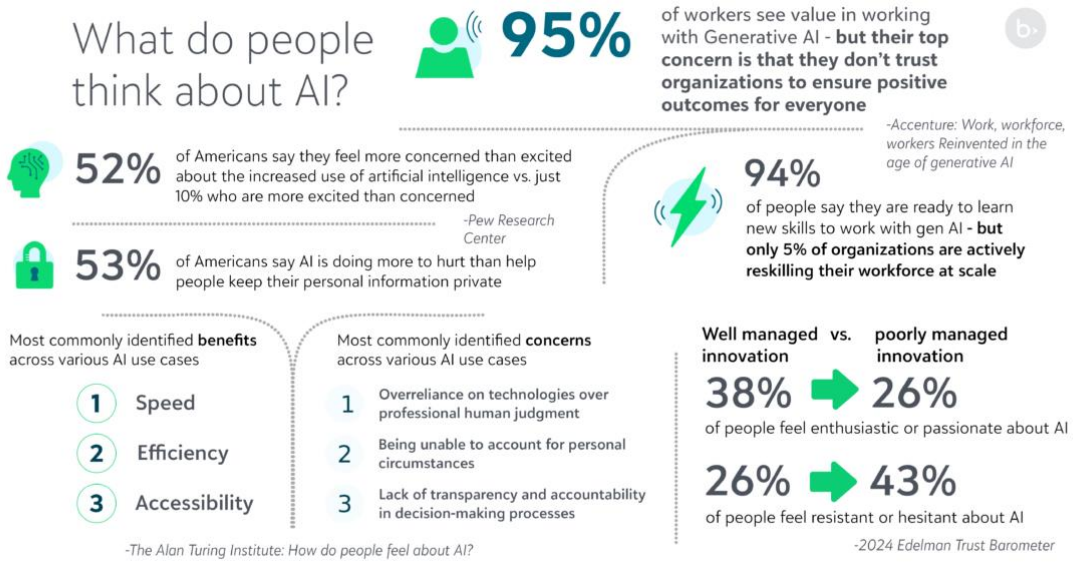
Source: StartUs Insights



Source: Gartner (August 2024)

Source: Gartners

People still need to be convinced



Source: Allan Turing Instiute

Source: Gartners

Conclusion

- AI is here to stay, it will simply become part of our Business As Usual,
- Success will be measured by the capacity to scale its implementation and build trust in the technology - with Responsible AI.
- Moving up the maturity ladder will require deep reinvention of legacy tech stacks, governance and ways of working
- Commoditization of the technology will keep lowering the bar for new entrants and competitors, adding pressure to laggards in the field
- Focusing on augmenting humans rather than replacing humans should be a priority to ensure support and adoption

Contacts

Guillaume Huet
Board member – Fintech Association of Hong Kong
guillaume.huet@ftahk.org
Director - Accenture Financial Services
guillaume.huet@accenture.com