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SHIFT TECHNOLOGY
INSURANCE
PERSPECTIVES

THE GENERATIVE AI EDITION

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From the Editor

Much like any new and exciting technology, generative artificial intelligence (AI) has captured the zeitgeist. The potential for Large Language Models (LLMs) and other generative approaches to change how we work, how we create, how we entertain ourselves and how we consume data, feels almost limitless. Futurists and pundits tout the possibilities along with the perceived challenges.

Naturally, Generative AI has also captured the interest and imagination of the insurance industry. Insurance companies are flooded with data. Underwriters, adjusters, claims handlers, investigators and other professionals are tasked with making thousands of decisions a day based on the data available to them. And making those decisions as quickly, accurately, and fairly as possible is tantamount to success for the insurer and for delivering an exceptional customer experience for their insureds.

So, what impact do insurance professionals believe generative AI will have on their industry? We took to LinkedIn to try and come up with some answers. Over the course of several weeks we posed a few questions to the LinkedIn insurance community to see where they believed Generative AI would have the most impact, how quickly the organizations with which they worked would initiate Generative AI strategies, and what challenges they believed were causing the most angst when it comes to Generative AI.

Faithful Shift Insurance Perspectives readers know that the Editor routinely thanks those who have helped in the development of each report. Not one to buck tradition, the Editor would like to thank not only **Shift's LinkedIn community**, but also the larger LinkedIn insurance ecosystem for participating in our survey.

What are you going to use Generative AI for?

With myriad potential applications for generative AI, we wanted to know which insurance processes our peers and colleagues believed held the most promise to benefit from this technology. Since Generative AI excels at extracting meaningful information from vast amounts of data and either presenting it to users or making it available in a useful way, it is perhaps not surprising that of the four responses presented, none achieved an overwhelming majority. Each choice offered to respondents highlighted a valid insurance process that could conceivably be improved through the application of Generative AI. In other words, we were not stacking the deck to drive people to a "desired" response.

What did our community have to say?

18 percent of our respondents reported that their plan was to have Generative AI enhance their risk assessments. Making the right decision about which policies to underwrite can have a huge impact on the future health of the business. Generative AI is definitely up to the task of analyzing applications and other relevant data to help underwriters know exactly what they may be getting into and the risks associated with potential policies or policy holders.

20 percent indicated that Generative AI would be used to bolster customer experiences. This technology has been shown to effectively produce responses based on prompts and inputs, so it is only natural that insurers are making plans to have their customers interact with the company through Generative AI enabled channels. For insurers looking to offer a digital-first experience, Generative AI is a good place to start.

25 percent of responses indicated that automating claims processing was on tap to be supported by Generative AI. Much like the processes we have previously discussed, it is clear that Generative AI is well suited to support claims automation strategies. Its ability to analyze billions of data inputs to help guide the claims journey from FNOL to settlement is simply amazing.

Finally, **37 percent** reported that they intended to use Generative AI to improve claims fraud detection. For all the reasons highlighted previously it makes complete sense insurers would see claims fraud detection as a key insurance process that could be improved through the application of Generative AI. Finding the patterns that indicate a claim may be fraudulent requires significant amounts of data from myriad sources.

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How soon do you anticipate launching Generative AI initiatives?

New technologies that show a lot of promise often generate comparative excitement. That is certainly the case for Generative AI. And with excitement comes a real desire to see how quickly that promise can be realized. With this in mind, we asked our friends in the insurance industry when they anticipated Generative AI would take hold in their organizations.

Much like our first question, none of the responses secured a majority. In fact, three of the four ended up in a virtual tie.

30 percent indicated their organizations had immediate plans to launch Generative AI initiatives while **28 percent** said their Generative AI plans were scheduled to begin six months and 12 months out respectively.

14 percent responded that their organizations' Generative AI initiatives would begin in four-six month time.

Just as every new technology has the potential to generate tremendous excitement, there is always a flip side to the coin. Generative AI is no exception to the rule. And while it does not seem like these concerns are causing insurers to pump the breaks based on how they responded to our timing question, it is still interesting to see where their thinking lies on the topic.

More than half of the respondents, at **55 percent,** reported that customer trust and privacy are at the top of their list. This is not surprising as AI in general, and its reliance on data to be effective, often drives conversations around privacy and trust.

An offshoot of privacy and trust, **24 percent** of those answering the survey indicated that compliance was their top concern. In a highly regulated industry it should be expected that compliance would be top of mind with respondents.

Finally, **11 percent** of respondents each reported that data readiness and IT skills and capabilities were the concerns keeping them up at night.

Conclusion

The insurance industry is rapidly changing. New technologies and new approaches are being embraced. We are seeing the real benefit AI can bring to the insurance decision making process across the policy and claims lifecycle and how it can positively impact the customer journey. And Generative AI specifically has piqued our interest as we contemplate its power to further change the game for both insurers and their insureds.

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