



The Future of AI in Insurance – New Business Models and Disruptions

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Theme: Shaping the Future: Navigating the New Frontier

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Innovation Driving Change



Printing Press
(1440), by
Gutenberg



Commercial
Electricity
(1879), by
Edison



Airplane
(1903), by
Wright
brothers



Internet &
PCs (1960s-
1990s),



Smartphones
(2007).



Today, Artificial Intelligence (AI) is similarly transforming industries, including insurance.



What is AI?



Artificial Intelligence(AI) is the process of replicating human intelligence in machines like computers,

The key idea is to create systems that can “think”, learn, and solve problems like humans do.

The AI has 2 categories **Weak AI** (Narrow AI) and **Strong AI** (General AI)



2010s-present: Modern AI

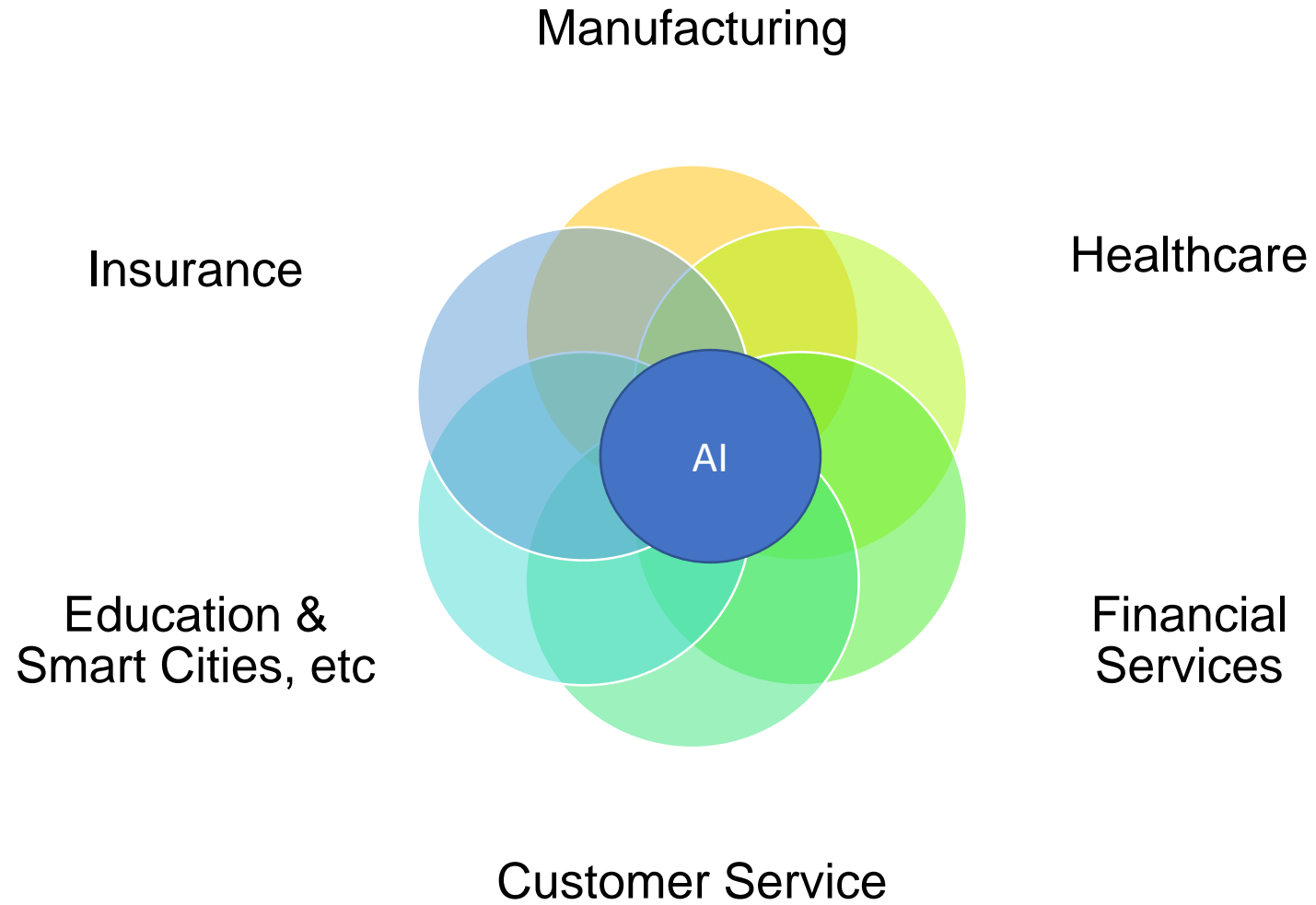


1970s-2010s AI Winter



1956 Formally introduced at Dartmouth Conference, by John McCarthy and Marvin Minsky

AI's Global Contributions





AI's Lessons from History: Innovation's Warning



Digital
photography



Smartphone
revolution



Personal
Computing



Search Engines





Current AI Applications in Insurance



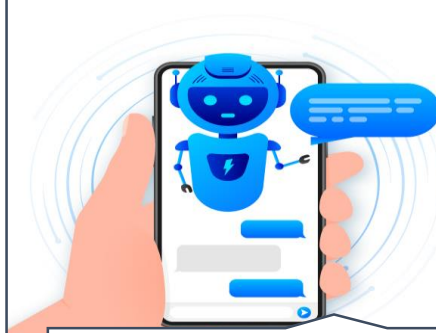

Fraud Detection: AXA




Risk Assessment: Zurich Insurance



Claims Processing: Lemonade Insurance, MyCover.AI



Customer Service: National Bank of Rwanda chatbots



Smart Claim Vetting: Smart Applications Group (East Africa)

AI Adoption in Insurance: **30-40% Implemented AI**



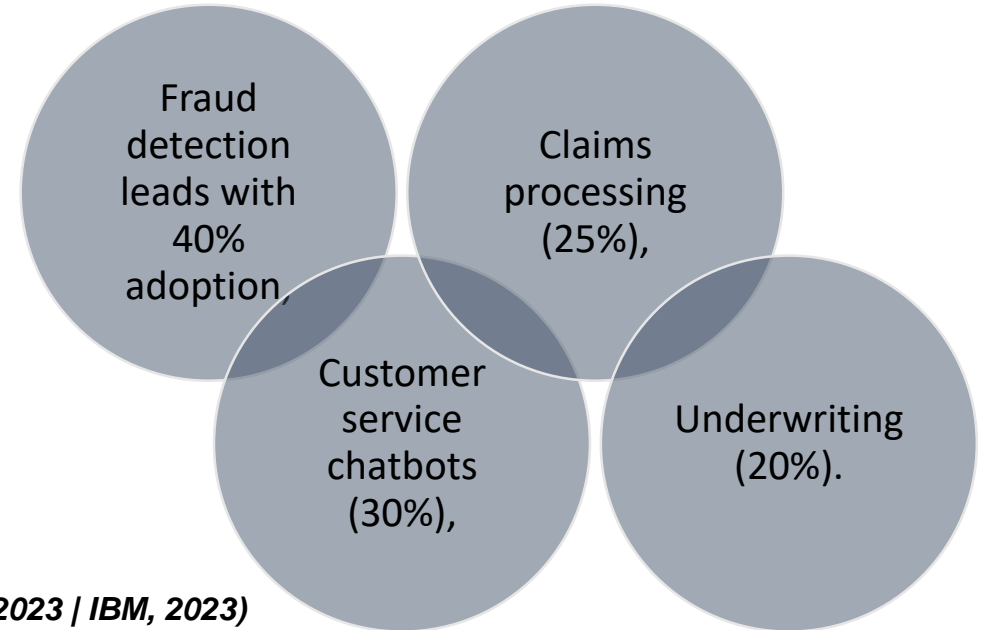
Claims Processing Efficiency: **Reduce processing times by 30-40%,**



Fraud Detection: **Detection rates improved by up to 50%**



AI-Powered Chatbots: **25% reduction in support costs**



(Reference: McKinsey & Company, 2024 | Capgemini, 2023 | Deloitte Insights, 2023 | Accenture, 2023 | IBM, 2023)



Challenges & Disruptions: AI Challenges



Employment: Job displacement and reskilling needs.



Value Chain Disruption: AI tools challenging traditional Distribution channel.



Data Security: Increased focus on cybersecurity to protect sensitive data.



Bias & Ethics: The need for fairness, transparency, and regular audits.



Regulatory Compliance: Collaboration with regulators for AI governance.



AI Integration Roadmap for Insurance



Short-Term (0-2 Years):

- Strategic AI in company strategy.
- Data Governance Strategy.
- Data-driven decision-making.
- Reskilling employees
- Develop AI-related regulations.
- Partner with AI Tech Companies.

Mid-Term (3-5 Years):

- Implement Weak AI
- Introduce ethical AI standards.
- AI for client advisory and risk assessment.

Long-Term (6-10 Years):

- Scale AI into core functions
- Implement Strong AI.
- AI-augmented consultants



Conclusion



AI-Driven Advancements:

- Enhancing operational efficiency
- Accelerating claims processing
- Detecting and preventing fraud
- Improving customer satisfaction
- Enabling new business models and Products

Challenges to Address:

- Ethical considerations in AI usage
- Potential job displacement
- Data privacy and security concerns

The Way Forward:

- Offering personalized products and services
- Implementing predictive risk management
- Delivering more accurate and efficient claims processing



Thank You