

BCG

AI in Insurance

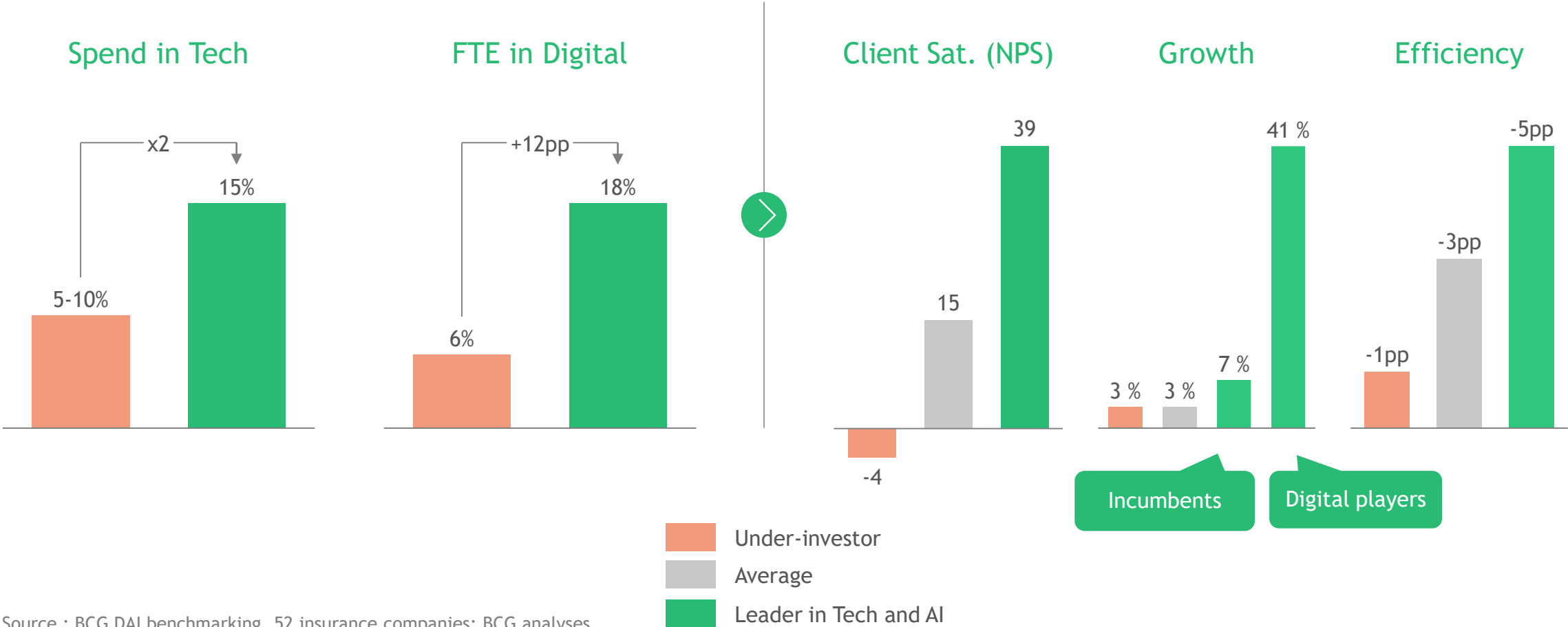
MEETING IN TURKEY

MAY 23rd 2022

Why Tech, Data and AI Matters?

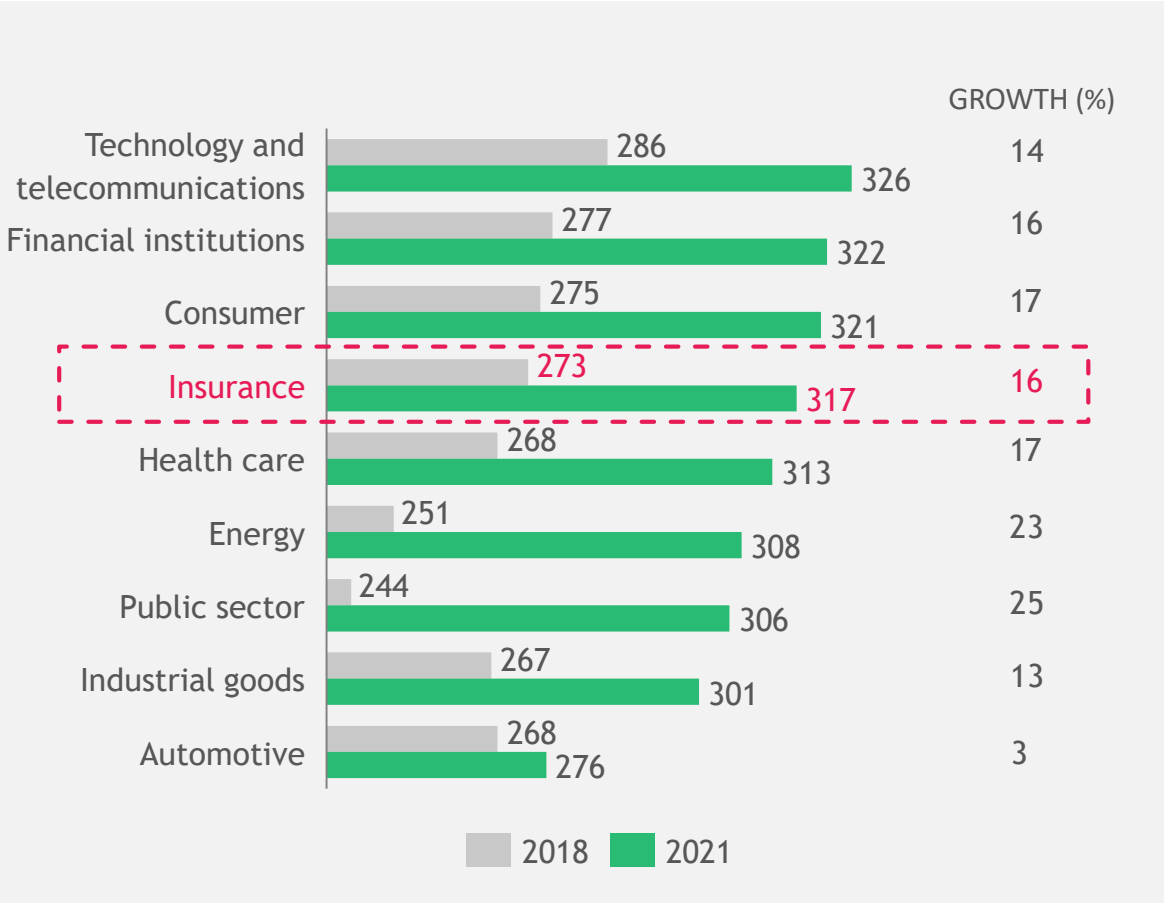
Tech leadership...

... means business advantage nowadays

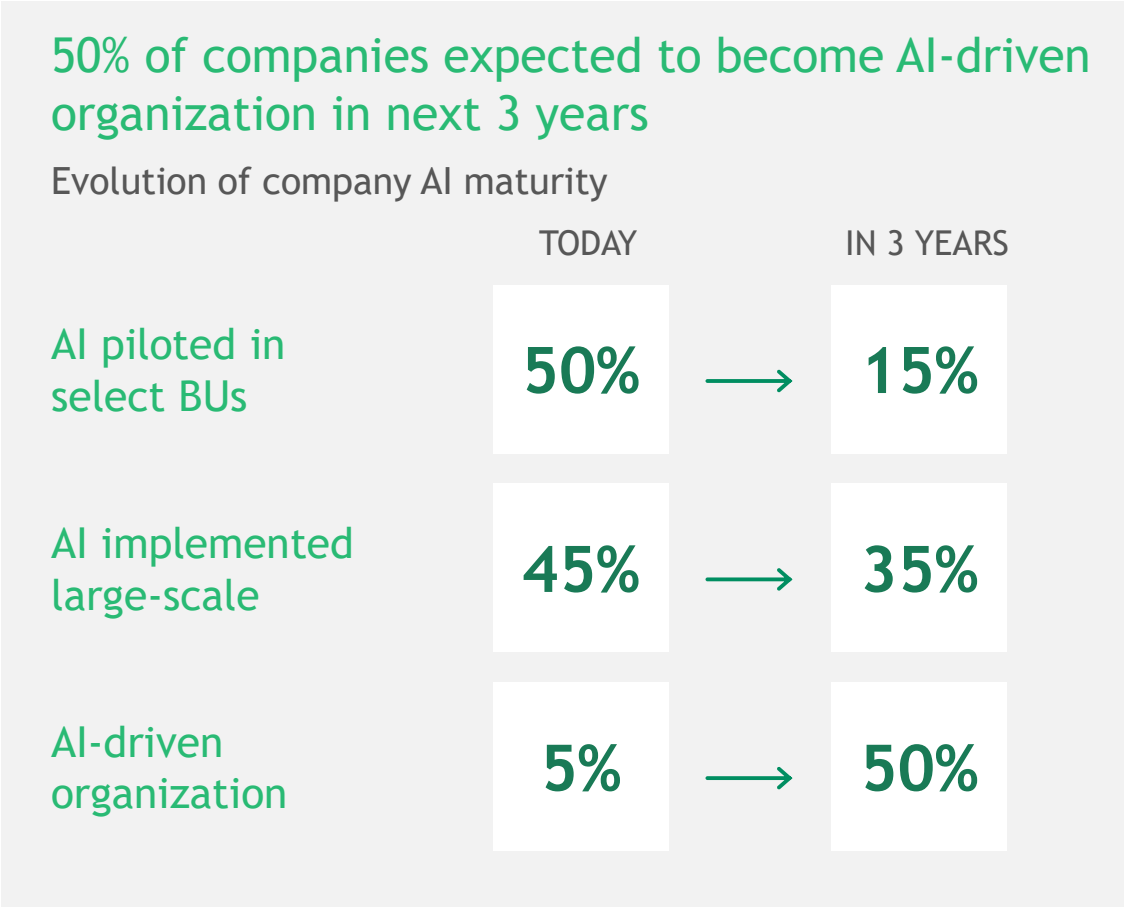


Source : BCG DAI benchmarking, 52 insurance companies; BCG analyses

Companies are accelerating on data and AI



Note: Maturity calculated as a score using 19 dimensions across 7 elements: vision, use cases, analytics, data governance, data infrastructure, data ecosystem, change management, the index score for the best-practice maturity stage is 500.
Source: BCG Data Capability Maturity (DACAMA) Survey, 2021, n=1100, BCG Analysis



Only **10%** of companies obtain significant financial benefits with AI...

...but **73%** with significant impact among those with highest AI maturity

% Companies reporting significant financial benefits with ai

2%

Discovering AI

AI in targeted areas, without developing basics (infrastructure, etc.)

21%

Building AI

Developed the basics: infrastructure / talent / strategy for AI

39%

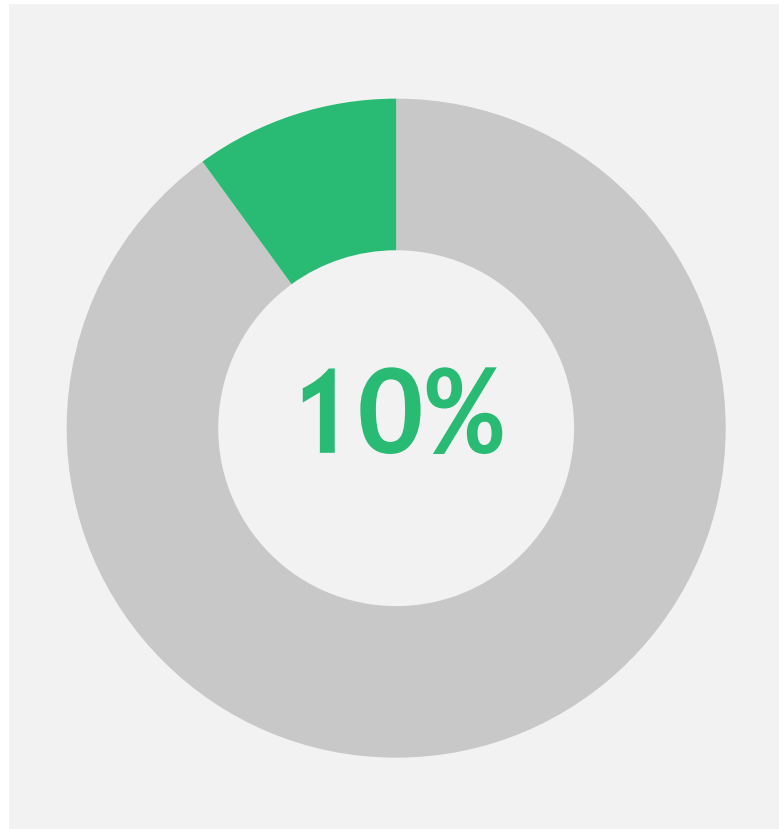
Scaling AI

Scaled AI implementation, including use cases beyond full automation

73%

Organizational learning with AI

Practicing Human-AI mutual feedback & learning and diverse human-AI collaboration modes



Why 70% of companies are frustrated by outcomes of AA/AI investment?



Cutting edge,
but no scale



We developed that very cool and sophisticated analytics model, but... couldn't put in production



Many initiatives,
but no impact



We work since months and have launched a to of initiatives, but... no business impact



Eternity to build the
technical solution



It took us 2 years to build the first data lake, but... we still have no data in it



Code too difficult
to industrialize



Everything works well in the development environment, but we cannot get it into production



Exists but nobody
uses it



We have a great solution, but... we don't understand its uses

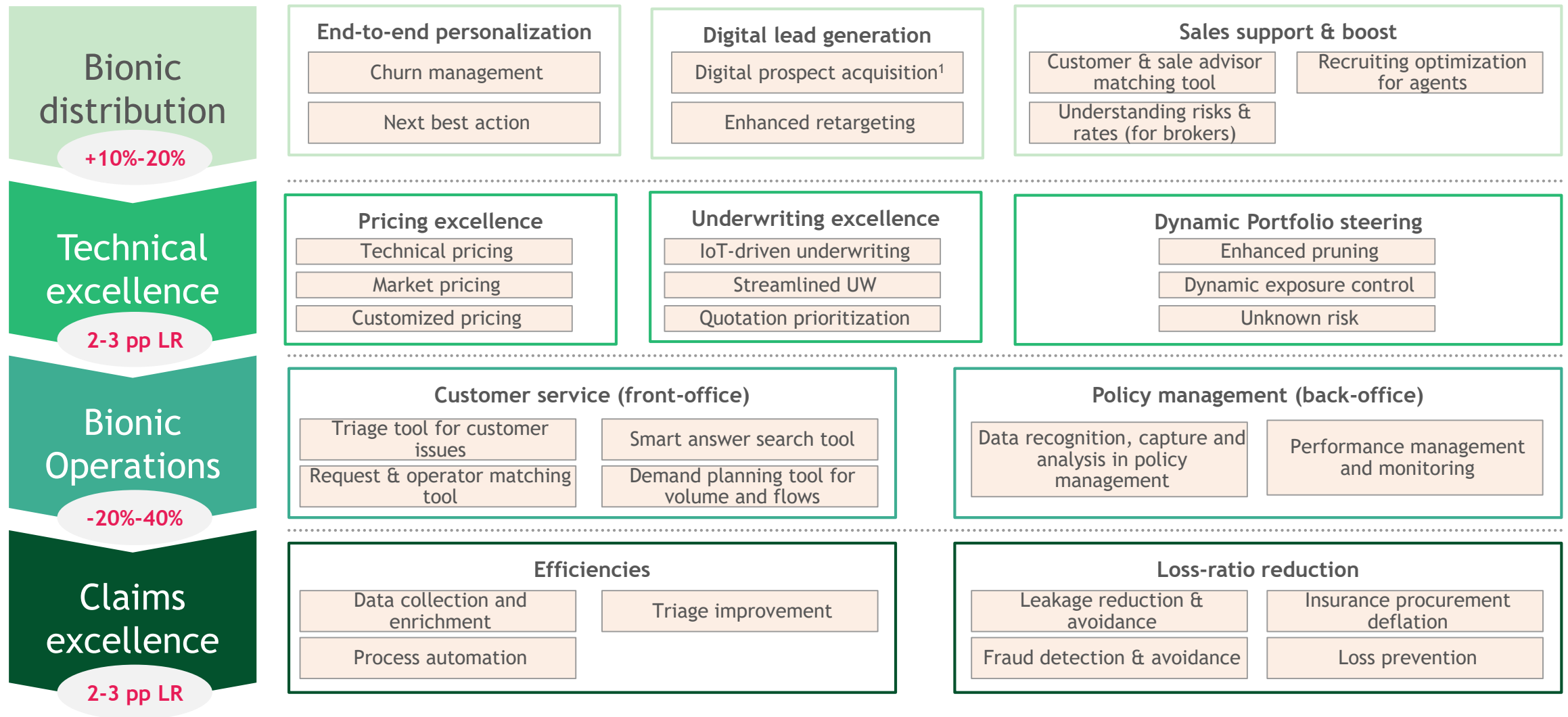


Difficulty to attract
and retain the "stars"






We spent a lot of time in recruiting and had built a very good team, but... one by one we lost them all

Numerous sources of value in insurance delivered with AI

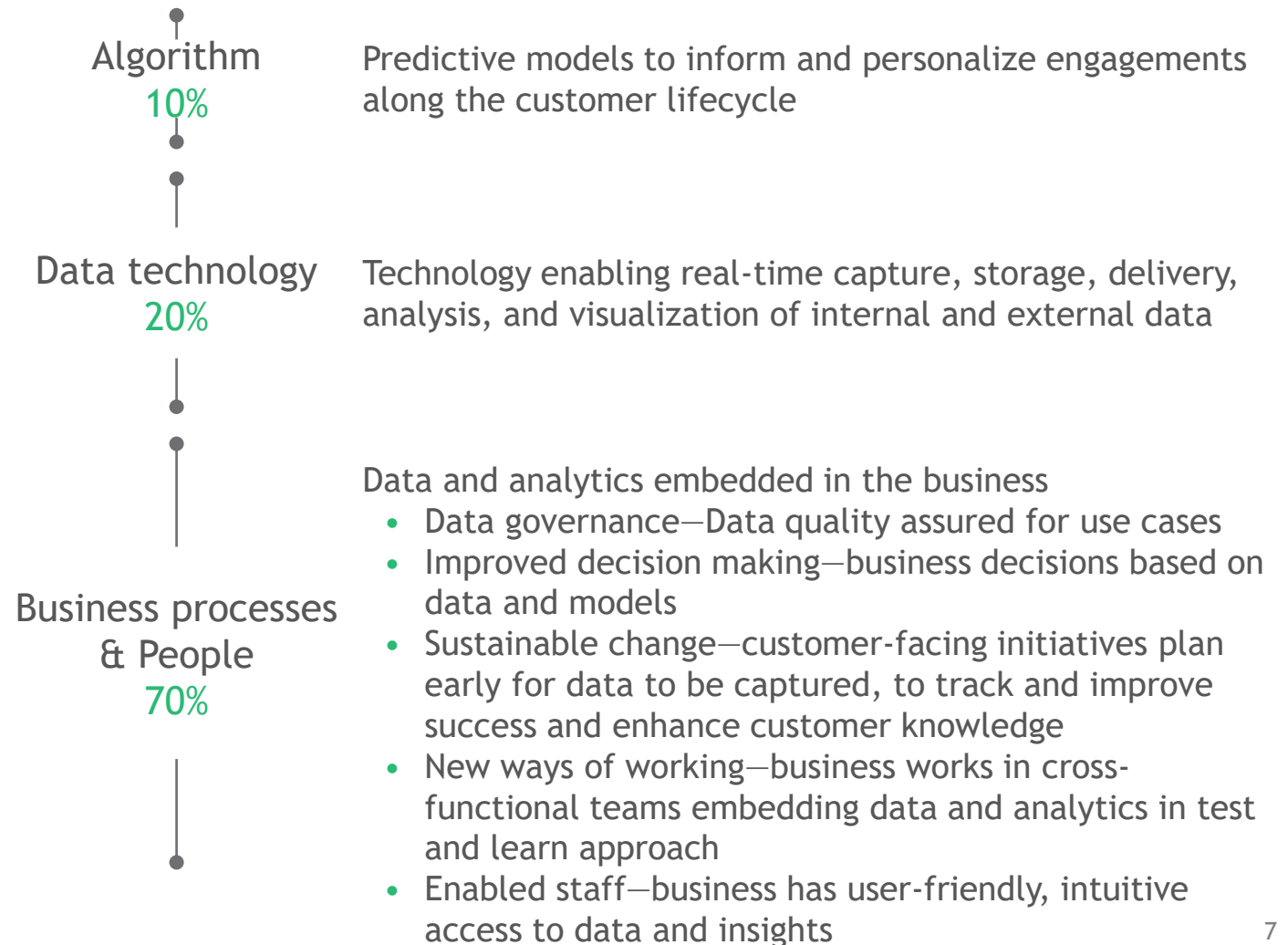
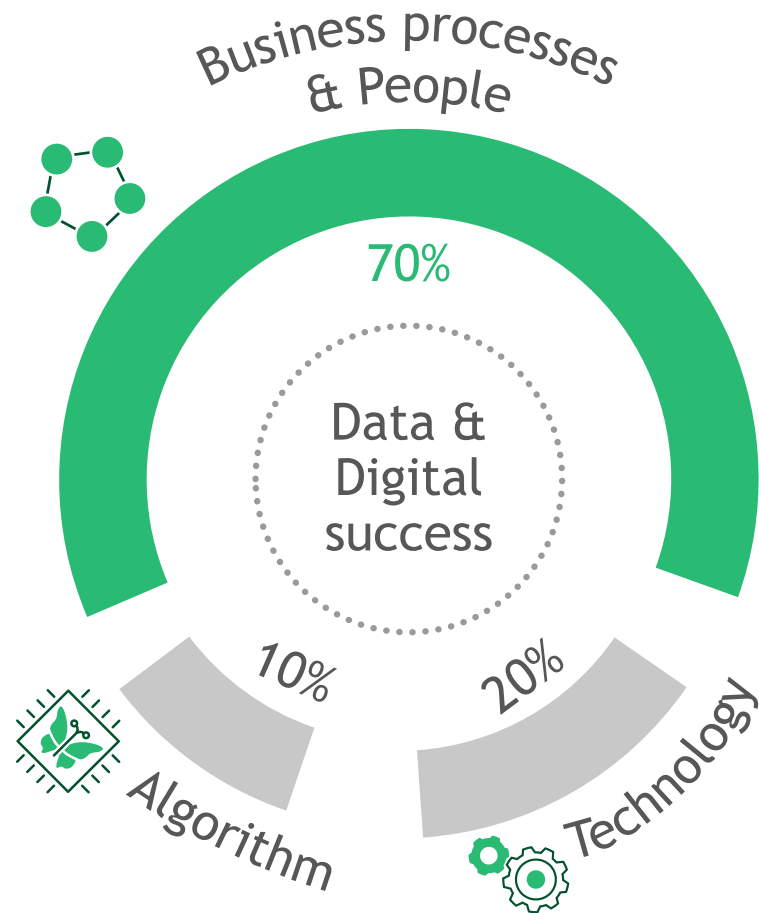


1. Including AdWords bidder, social media targeting, data driven targeting, lead generation & targeting
Source: BCG library of use cases – not exhaustive

Examples of AI outcomes

			
Problem	Stagnant growth in past years in life, as sales highly dependent on agents	35% of employed benefit account dormant as agents focus primarily on acquisition	churn of pension customers means outflow of 6bn p.a. of assets to competitors
	▼	▼	▼
Solution	AI powered recommender engine used for cross/up-sell campaigns	design and launched call center supported by AI models prioritizing the accounts and supplying key insights	AI powered personalized actions to engage, retain and bring in outside assets
	▼	▼	▼
Impact	6% growth in new business in Life	2-3x increase in conversion rate and 20-40% premium increase; projected impact of +\$200m over 5 years	2x impact in retention/conversion effectiveness. Aim is to reduce outflow by 50%

70% of the effort lies in business transformation



6 principles at the core of successful analytics transformations

- 1 Remember: 10/20/70**
Think amplified intelligence, not artificial intelligence
- 2 Be ONE team**
Ensure deep business sponsorship & avoid silos
- 3 Focus on value, not proof of concepts**
Put efforts towards value potential, not experiments
- 4 Rapid implementation**
Think big, start small; don't wait for the perfect set-up
- 5 Build an AI ecosystem**
Leverage networks to build a star team of talent
- 6 Put skin in the game**
Commit focused time and resources, dare to centralize

What it tackles



Tech obsession



No impact



Use not adapted



No impact



No scale



No impact



Use not adapted



Tech eternity



Talent challenge



Tech eternity



Talent challenge



No scale

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