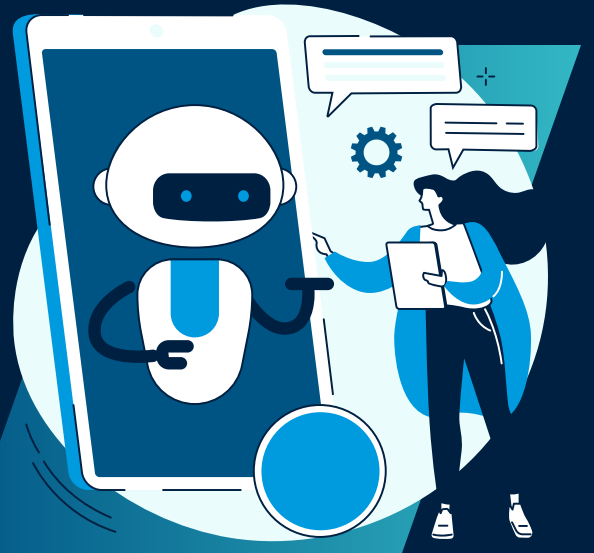




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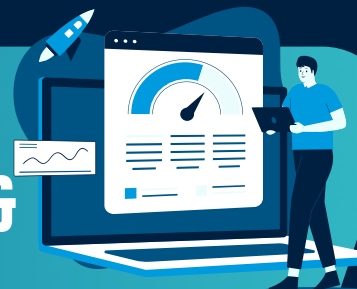
AI TRENDS IN INSURANCE UNDERWRITING FOR 2024



The year 2023 witnessed the prominence of generative AI. In the insurance sector, generative AI not only expedited processes but also facilitated more precise risk assessments. In 2024, the insurance industry continues to lead in generative AI innovation, focusing on addressing challenges like data mischaracterization and misinformation. Data-sourcing transparency is crucial to counter inaccurate data, and insurance organizations are actively evaluating workflows for AI-driven improvements while staying proactive in anticipating ethical AI regulations.

1

TRUST & TRANSPARENCY WITH CONTINUED EMPHASIS ON SPEED & ACCURACY



Insurance organizations must demand increased visibility into the data sources used by generative AI to guarantee accuracy, fostering trust and credibility in risk assessment information. Striking a balance between speed and precision is essential to meet customer expectations for prompt and accurate answers. Underwriters are inclined to prioritize trustworthy sourcing and transparency, collaborating with providers to ensure comprehensive and timely access to relevant risk insights and data sources.



2

ADAPTING TO EMERGING REGULATIONS

As AI regulations loom, insurance organizations need to establish an adaptable AI system foundation. Executive orders and legislations, such as the U.S. government's safeguards and the E.U.'s AI Act, highlight the importance of policies to prevent bias in machine-based decisions and safeguard sensitive data. Insurers will set criteria for regular reviews and updates to their AI policies, ensuring alignment with the changing regulatory environment.

3

SHIFTING ROLES WITHOUT JOB DISPLACEMENT

AI transforms underwriters' roles, shifting focus away from redundant tasks toward more sales- and service- focused activities. Streamlined processes enable identification of coverage gaps and risk mitigation opportunities, facilitating cross-selling. Integrating underwriters into sales processes using generative AI ensures real-time, individualized risk assessment beyond historical data reliance.





4 AI ADOPTION ACROSS ALL INSURER SIZES

AI integration is now prevalent among both established and growing insurers. Basic AI is becoming a necessity for even smaller insurers and MGAs, with straight-through processing nearing reality. Turnkey platforms, easily customizable for swift deployment, are now within reach for growing insurers and MGAs, ensuring cost-effective implementation.

5 AI ENHANCING INSURER-AGENT/BROKER RELATIONSHIPS

Insurance agents and brokers seek transparent pricing and improved communication. AI has already streamlined processes across different insurance sectors, resulting in quicker responses and improved risk information. In dealing with common risks, AI augments manual processes, expediting risk assessments. The accessibility of accurate information enables insurers and agents to shift their focus on advisory roles rather than being engrossed in data collection.



Amid the ongoing enthusiasm for generative AI, insurance organizations are becoming more aware of the challenges it brings, including ensuring data accuracy and complying with evolving regulations. The incorporation of transparency into AI workflows emerges as a crucial strategy to tackle these concerns and improve overall operational efficiency.



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