



2024 LIFE
INSURANCE
& ANNUITY
CONFERENCE

**Powering
Growth**



**Navigating the Evolution:
AI Innovation and
Regulatory Shifts**





Anand Premasundar

Global Insurance Data and AI Lead
Accenture



Brian Bayerle

Chief Life Actuary
ACLI



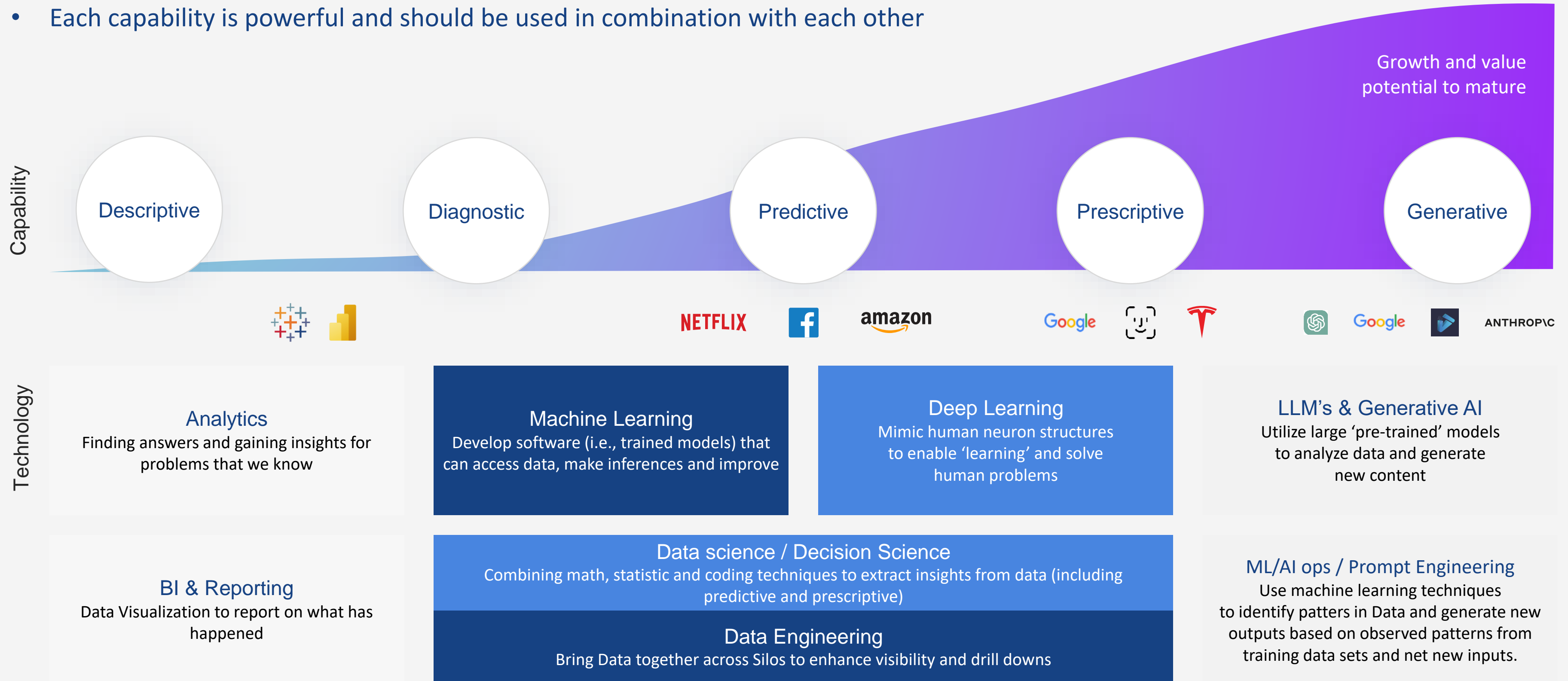
Robert Eaton

Principal and Consulting Actuary
Milliman



The Mix of AI

- AI technologies have evolved from descriptive analytics to GenAI
- Each capability is powerful and should be used in combination with each other



OVERVIEW

Underwriting – Group Benefits

HOW IT WORKS TODAY

Submission Screening	Unable to appropriately triage submissions due to high volume and/or limited case information
Context Gathering	High quantity of research required to fully understand risk in order to price
Risk Insights	Limited ability to generate insights and compare information against similar risks
Premium Determination	Limited view of case characteristics and inability to easily extract key pricing considerations
Risk Mitigation	Inability to easily assess loss trends and automate risk mitigation recommendations

WHAT'S NOW POSSIBLE

Analyze the completeness, quality, and complexity across all submissions to focus on the right submissions
Centralize and summarize key attributes across internal and external data sources
Comparative insights on risks by evaluating submissions against similar companies and underwriting guidelines
Extract pricing factors, augment info received from the broker with 3 rd party data, and automate entry into pricing tool and initial pricing
Identify A/E drivers from risk insights and context gathering to more effectively recommend risk mitigation actions

OUTCOMES

- 20% Reduction in time to quote
- 10% Increase in win rate
- 2-3% Increase in retention

Underwriting – Group Benefits

SUBMISSION

EXTRACTION

ENRICHMENT

ASSESSMENT

UW PORTAL

1 Intelligent email

Email received with documents/package and automatically routed using AI capabilities

3 Data enrichment

Data from client data systems and 3rd party data sources are integrated to supplement submission

2 Intelligent ingestion

Information is extracted from the documents received via email by leveraging AI capabilities

4 Comparative analytics

New submissions are compared against past submissions using historical trends and risk analytics

5 Triage: Appetite

Automated appetite checks occurs to assess and flag submission if necessary

6 Triage: Propensity

ML is used to compute win propensity scores from submission data to inform decision

7 UW Portal

UWs access comprehensive view of submission data to support review and decisioning within UW Portal

8 Pricing Tool integration

Connection with pricing tools enables policy documents to be generated automatically, and to manage signing process

GenAI Powered Solution

Case ID: APP202310060003

Decline Submission
→ Bind Policy

Case Details
Member Insights
LoB Insights
Submission Details
Pricing
UW Notes

Submission Clearance
Completed: 10/06/2023

Risk Evaluation
Completed: 10/06/2023
Generate 3rd Party Data

Quote Generation
Quote Generated [View Quote](#)

Binder Generation

Policy Issuance

Win Potential

30%

Medium win potential due to

- Preferred broker
- Key industry

Basic Information

Case Name	ABC Cargo Inc	Upsell	N
Case Number	APP202310060003	Cross-sell	N
Contact Name	Abc Cargo Inc	Estimated Premium	\$100,000
Contact	1234@abc.com	Primary Risk State	AR
Address	5333 MLK Lane	Policy Start Date	11/01/2023
Years in Business	22 years	Policy End Date	10/31/2024
Industry	Freight and Cargo		

Source: Submissions

Quoting Status

Add Additional LOB(s) to Quote

Line of Business	Status
Life	●
AD&D	●
STD	●
LTD	●
Hospital Indemnity	●
Critical Illness	●
Group Accident	●

● Sent to Broker
 ● Submission Quoted
 ● Not Included

GenAI Insights

Level of Risk: ● Low ● Medium ● High
[GenAI Chat](#)

OUTLIER DETECTED

Plan Design Summary

The prior policy plan for ABC Cargo Inc, a company with 34 employees and 4 dependents, is a comprehensive short-term and long-term disability package with a high benefit percentage of 90% and industry-specific coverage, which is unusual compared to standard disability policies.

[View insight →](#)

MEDIUM RISK

Book of Business

The businesses similar to ABC Cargo have an average A/E ratio of 1.13, which is higher than the ideal ratio of 1. This indicates that the actual claims are higher than the expected claims, suggesting that insuring ABC Cargo may not be as profitable as expected. This presents a risk as it could lead to financial losses for the insurer.

[View insight →](#)

HIGH RISK

Industry

The cargo/freight industry, in which ABC Cargo Inc. operates, presents unique risks related to the physically demanding nature of the work, potential for accidents, and the reliance on equipment and technology, which could impact the insurer's risk assessment for short term and long term disability policies.

[View insight →](#)

MEDIUM RISK

Location

The location risk evaluation for ABC Cargo indicates a moderate to high risk profile for their Group Benefit Short term disability and Long term disability proposal. The business operates in a sector and location that present several risk factors that could potentially result in claims against the group benefit plan.

[View insight →](#)

LOW RISK

Census Demographics

While ABC Cargo's diverse age and gender profile is not unusual for their industry, the high percentage of tobacco users and the presence of older employees could potentially increase their risk profile. A thorough health screening process and possibly higher premiums to account for these risks is recommended. Additionally, implementing wellness programs that encourage healthy behaviors, such as smoking cessation, could be beneficial in mitigating some of these risks.

[View insight →](#)

GenAI Submissions Comparison

Case Name	Case ID	Similarity Score	LOB Requested	Status	Most Recent Year A/E	Key Factors
Smith Cargo Group	APP8976541678	80% Similar	STD, LTD, Group accident	Active	1.10	Size: 28 employees Industry: Cargo and Manufacturing Location: Missouri Demographics: <ul style="list-style-type: none"> 65% male 32% > 50 population
United Cargo	APP2736410352	55% Similar	Life, AD&D	Active	1.15	Size: 108 employees Industry: Cargo and Manufacturing Location: California, Arizona, Texas Demographics: <ul style="list-style-type: none"> 72% male 28% > 50 population
Cargo Associated LLC	APP789363482	25% Similar	Life, AD & D	Active	1.13	Size: 14 employees Industry: Maritime Cargo Location: Texas Demographics:

Copyright © 2024 Accenture. All rights reserved.

6

US Regulatory Activity

- National Association of Insurance Commissioners Model Bulletin on Use of Artificial Intelligence Systems by Insurers (AI Bulletin)
- Colorado SB 21-169: Protecting Consumers from Unfair Discrimination in Insurance Practices
- Other state activity
- Federal activity

- Enumerates regulatory expectations on the use of AI and similar technologies
- Outlines documentation a department may request during an examination
- State adoptions: AK, CT, NH

- Law directed the creation of governance and testing regulations related to use of “External Consumer Data Information Systems”
- Governance regulation promulgated; first reporting due 12/1/2024 with a status update due 6/1/2024
- Testing framework is under development

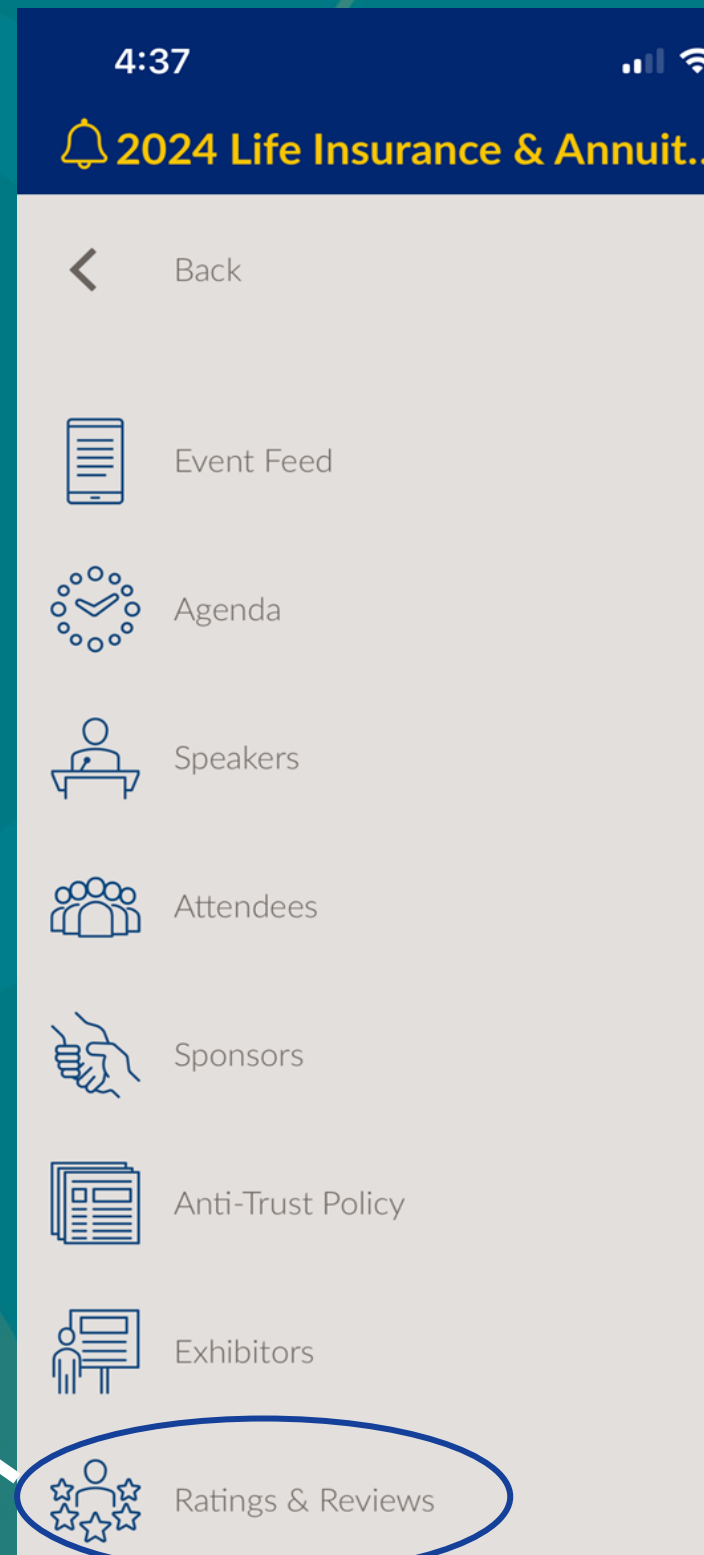
Other State Activity

- New York Insurance Circular Letter No. 1 (2019)
- Exposed updated draft of the NY Circular Letter
- AI bills introduced in other states

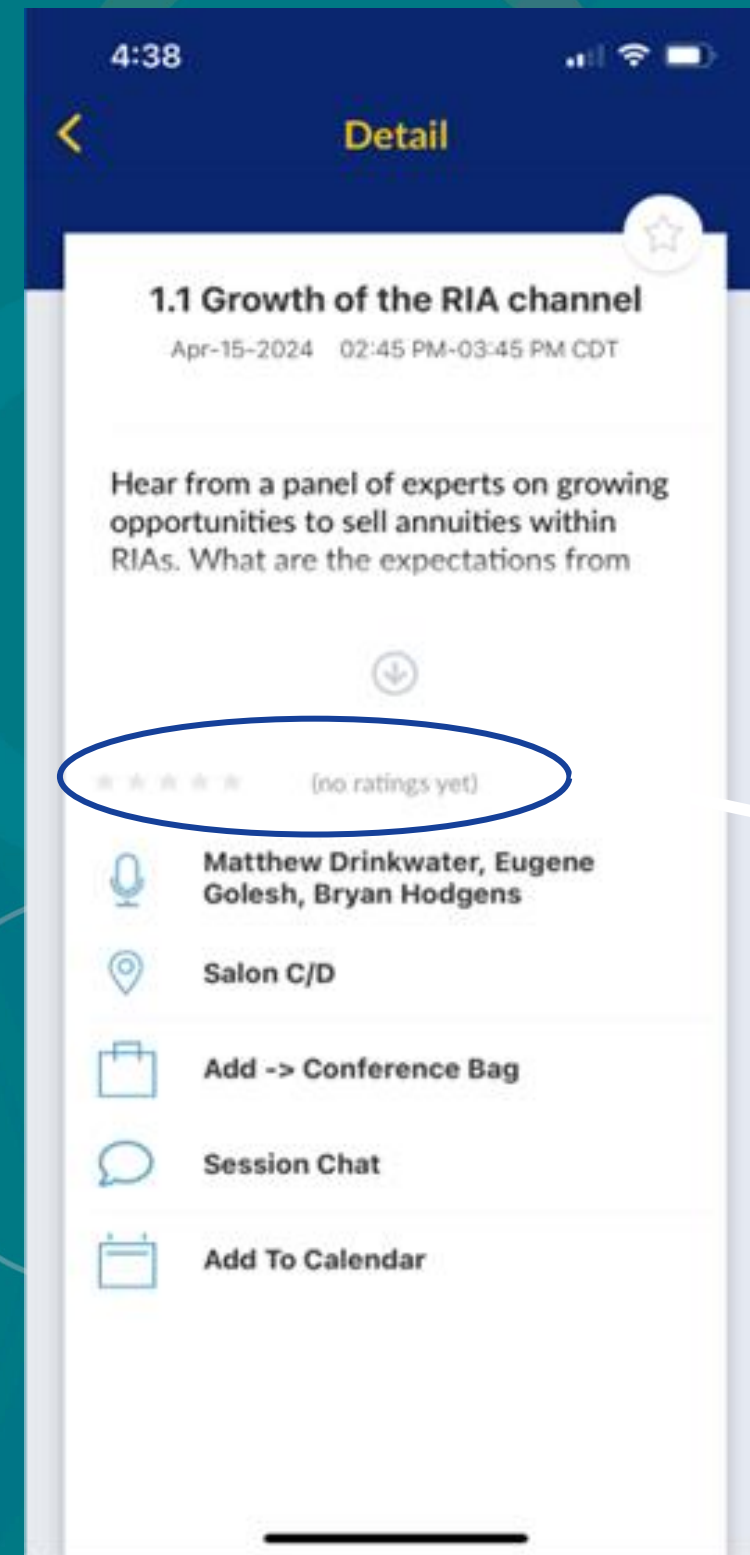
- Executive Order on the Safe, Secure, and Trustworthy Development and Use of Artificial Intelligence
- National Institute of Standards and Technology (NIST) AI Risk Management Framework
- House Announces Bipartisan Task Force on AI

Please Provide Your Feedback on the Conference App

OPTION 1



OPTION 2



Thank You

