PITFALLS AND POSSIBILITIES:
How analytics and AI are being used to drive sustainable growth in life insurance
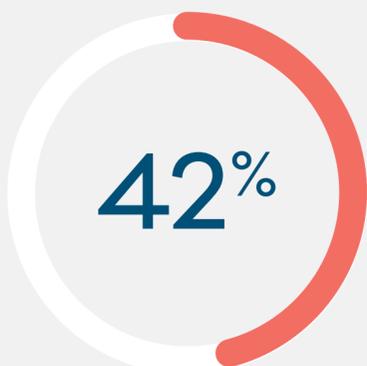
61% Are actively increasing their experience with AI and advanced analytics

1 in 20 consider their company highly experienced with AI and advanced analytics

42% Say lack of internal experience is the biggest hurdle with regards to implementing AI and advanced analytics

82% Say the biggest benefits of analytics and AI are deeply understanding customers and targeted customer interventions

How do insurers start the AI and advanced analytics journey?

- Invest in the skills, resources, and technologies required to tackle AI and analytics; consider a mix of internal and external solutions
- Apply decision science principles to find the sweet spot between the insights data analytics can deliver and human expertise and judgment
- Move beyond data concerns - pick a pressing business problem to focus on and make a start

How do insurers ensure their data efforts contribute to sustainable growth?

- Use analytics to design products and journeys which appeal to future generations of consumers
- Be very clear and intentional about the problem; don't dive deep into data without an objective
- Expand underwriting to include more diverse customers and find a balance between customer and shareholder value, both are vital for sustainable products
- Get granular, not just in analytics but in understanding - this is what improves decision making

"The solution isn't throwing advanced analytics at the way things have always been done. The change needs to encompass product, pricing, marketing, underwriting - everything. It needs to be transformative."

Stephen Carlin, Montoux

"There's a general aversion to risk that doesn't need to be there. I'd urge all insurers to take their conduct risk and risk management teams, and their experience, along on the analytics journey."

Peter Heffernan, PwC UK

"I think collaboration will be the answer to a lot of the challenges facing insurers. The most effective projects are tackled through partnerships where both parties learn and upskill together as they go."

Gavin Maguire, SCOR

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