

WILL YOUR INSURANCE AGENT BE **KNOCKED OUT** BY A ROBOT ANYTIME SOON?

Does the rise in artificial intelligence (AI) mean a showdown is coming?



83% Growth

in spending on enterprise virtual assistant (EVA) technologies 2013–2016¹

THE MATCH IN INSURANCE

ROUND
1

ROBOTS ARE COMING ON STRONG

For Customers:

32% of P&C personal lines insurance sales advice and quotes are provided through digital channels today²

35% of respondents said they have some interest in working with a robo-advisor (46% Gen X, 24% Boomers)³

And Carriers:

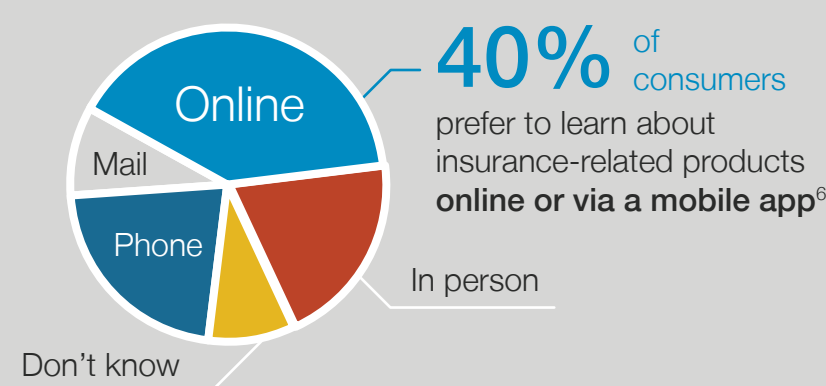
21% reduction in combined ratio could be achieved from automated processing, online sales, big data pricing, and fraud detection⁴

80% of agent respondents said they are still having trouble analyzing data fast enough to meet customer demand⁵

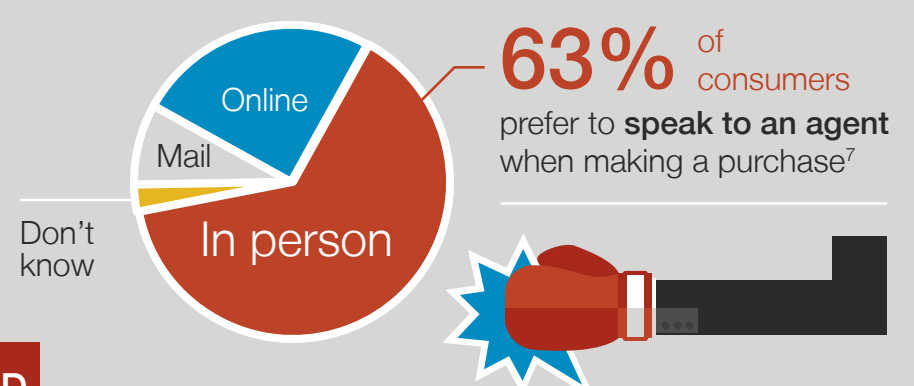
ROUND
2

COMPLEXITY DRIVES THE HUMAN COUNTERPUNCH

Automation is fine for simple tasks:



But customers prefer human support for more complicated purchases



ROUND
3

A SPLIT DECISION



only **10%**

said they would be comfortable having their relationship with their financial advisor exist entirely online¹⁰

ROUND
4

CARRIERS MUST STEP IN TO STOP THE FIGHTING

Carriers can make peace by getting automation right for:

Customers:

29% of smart phone users will immediately switch to another site or app if it doesn't satisfy their needs

67% will switch if it takes too many steps to purchase or get desired information¹¹

Agents:

#1 request of agents was for carriers to better integrate into agency management systems

of 1,700 independent agents surveyed¹²

ROUND
5

INDUSTRY CHAMPS USE TECHNOLOGY TO STRENGTHEN, NOT KNOCK OUT, AGENTS

Winning carriers will follow the footwork of financial services counterparts who are using robots and AI to empower their agents – not beat them up.

200

customer transactions enabled by USAA's Enhanced Virtual Assistant¹³



"The possibilities for a technology revolution in insurance are indeed endless with the rise of AI, robots, and robo-advisors. But what if this revolution could produce more heroes than casualties? **What if rather than being replaced by these technologies, humans could be made better, stronger, and faster by them?**"¹⁴

— LISA WOODLEY, VICE PRESIDENT, DIGITAL EXPERIENCE, NTT DATA

Sources:

- Miller, Dan. (January 2014). "Opus Research Interview: Evaluating Enterprise Virtual Assistants." Opus Research, Inc.
- Accenture. (9 December 2015). "Reimagining insurance distribution: Insurers accelerate the shift to a radically different distribution model."
- Allianz Life Insurance Company of North America. (January 2015). "Allianz Generations Apart Study." <https://www.allianzlife.com/retirement-and-planning-tools/generations-apart>
- Morgan Stanley Research and the Boston Consulting Group. (8 September 2014). "Insurance and Technology: Evolution and Revolution in a Digital World" <http://www.the-digital-insurer.com/wp-content/uploads/2014/10/372-evolution-revolution-how-insurers-stay-relevant-digital-world.pdf>
- Beattie, Craig and Michellod, Nicholas. (January 2016). "Bigger Data: A Look at How Far Insurers Have Moved to Take Advantage of Opportunities." Celent.
- CEB TowerGroup Insurance, "Multi-Channel Sales and Service: Why Insurers Must Respond and How to Execute the Strategy." Quoted in LifeHealthPRO. (3 October 2014) "Navigating the Last Mile: Insurance" Infographic.
- Ibid.
- Carnahan, Karlyn. (14 March 2016). "What Google Compare Could Have Been." Insurance Networking News.
- Ibid
- "Allianz Generations Apart Study."
- Adams, Laura; Burkholder, Elizabeth; and Hamilton, Katie. (August 2015). "Micro-Moments: Your Guide to Winning the Shift to Mobile." Google. <https://think.storage.googleapis.com/docs/micro-moments-guide-to-winning-shift-to-mobile-download.pdf>
- NTT DATA. (September 2015). "Independent Agent Survey." Survey.
- Power, Brad. (19 March 2015). "Artificial Intelligence Is Almost Ready for Business." Harvard Business Review.
- Collamer, Joel and Woodley, Lisa. (June 2016). "The AI Revolution in Insurance: A Reality Check." NTT DATA Consulting, Inc.