



The robots are here: Delivering practical innovation with AI

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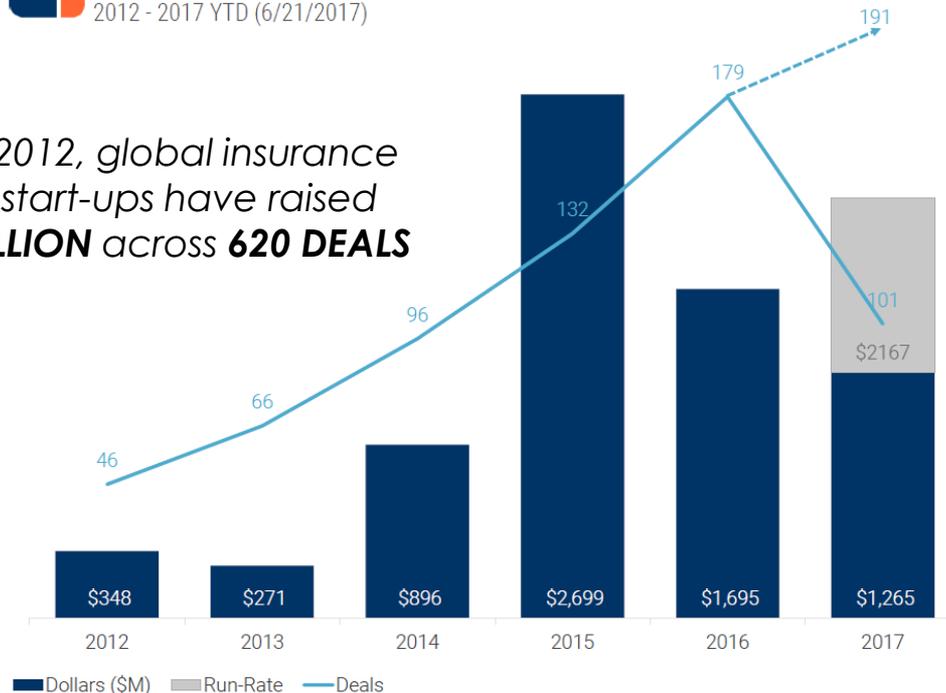
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There is strong momentum in InsurTech, with AI a hotspot

INSURANCE TECH FINANCING TREND 2012 - 2017 YTD (6/21/2017)

Since 2012, global insurance tech start-ups have raised **\$7.2 BILLION** across **620 DEALS**



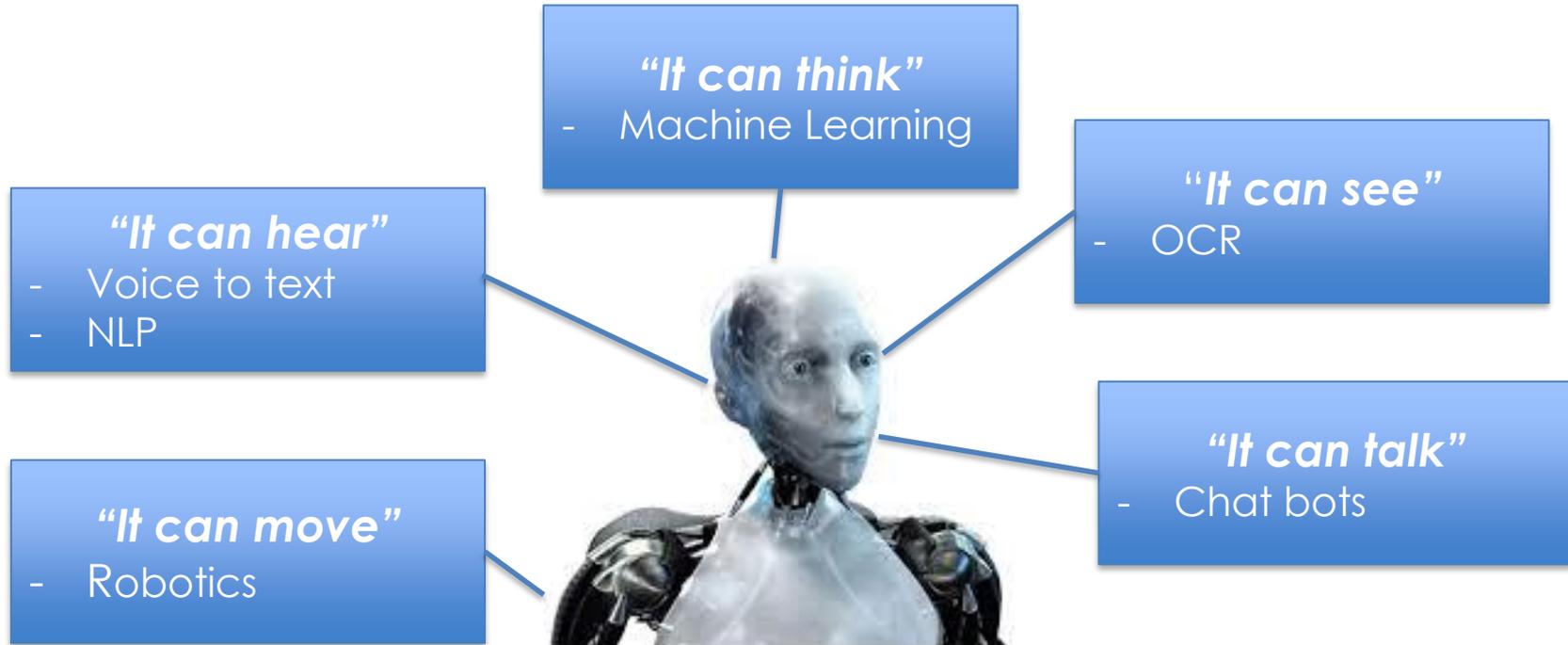
INSURANCE TECH FUNDING TOPS \$1.2B IN THE FIRST HALF OF 2017

At the current run-rate, insurance tech deal activity will hit a new record high.

AI in fintech and insurance tech is the leading category for deals in 2017

Source: CB Insights, Trends in Insurance Tech, July 2017

AI can mean a lot of things



Today, Focus on Artificial Narrow Intelligence across chat bots and machine learning



So what does A.I. mean for Insurance?



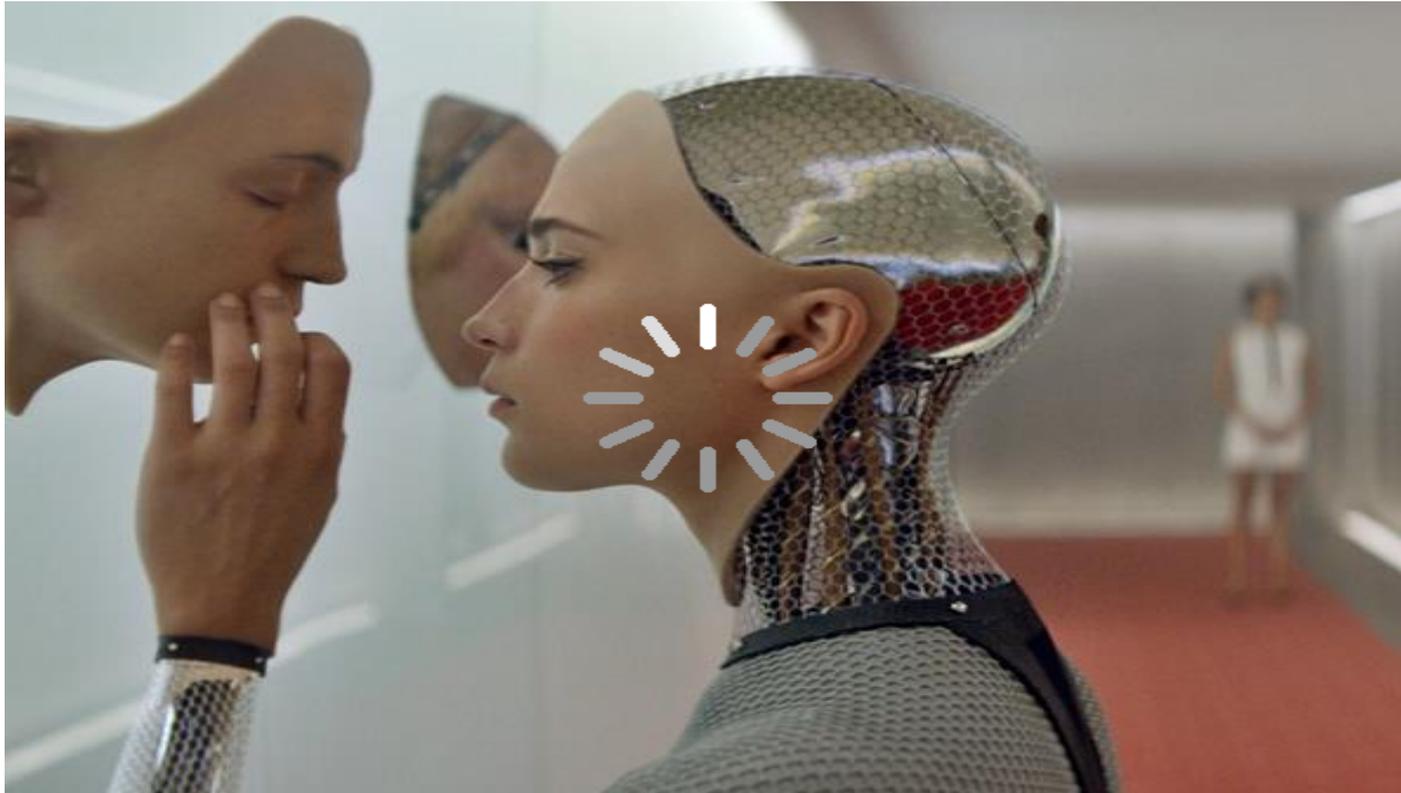


AI can enable a better experience for customers and staff, more tailored products, and even illness prevention





Amazon Prime has shown the potential by automating refunds



So how has TAL approached this challenge?

Our Innovation Team is focused on 2 approaches

TAL / Accelerator

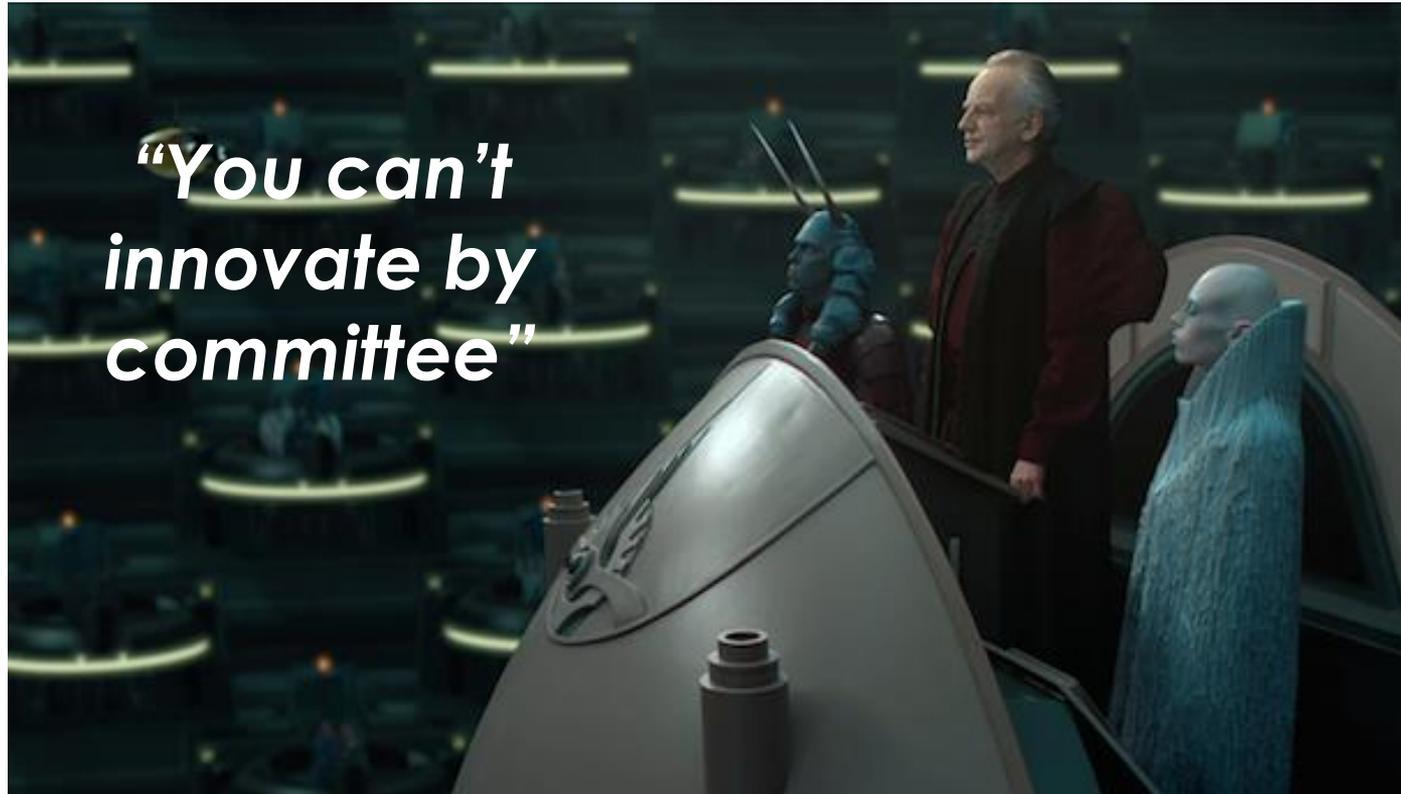
Inspire and engage the organisation to accelerate core and adjacent proposition development

Incubator

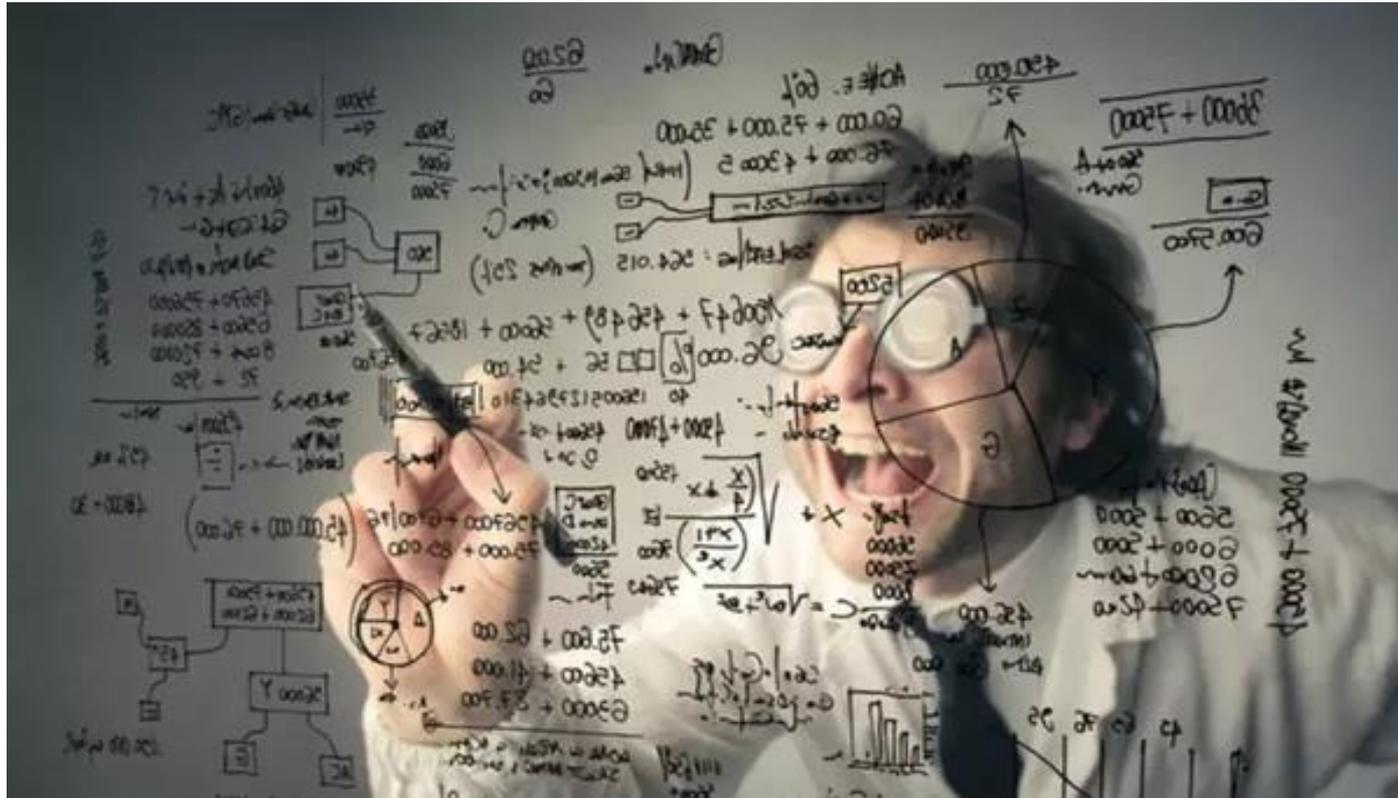
Leverage data and emerging technology to 'step change' our business



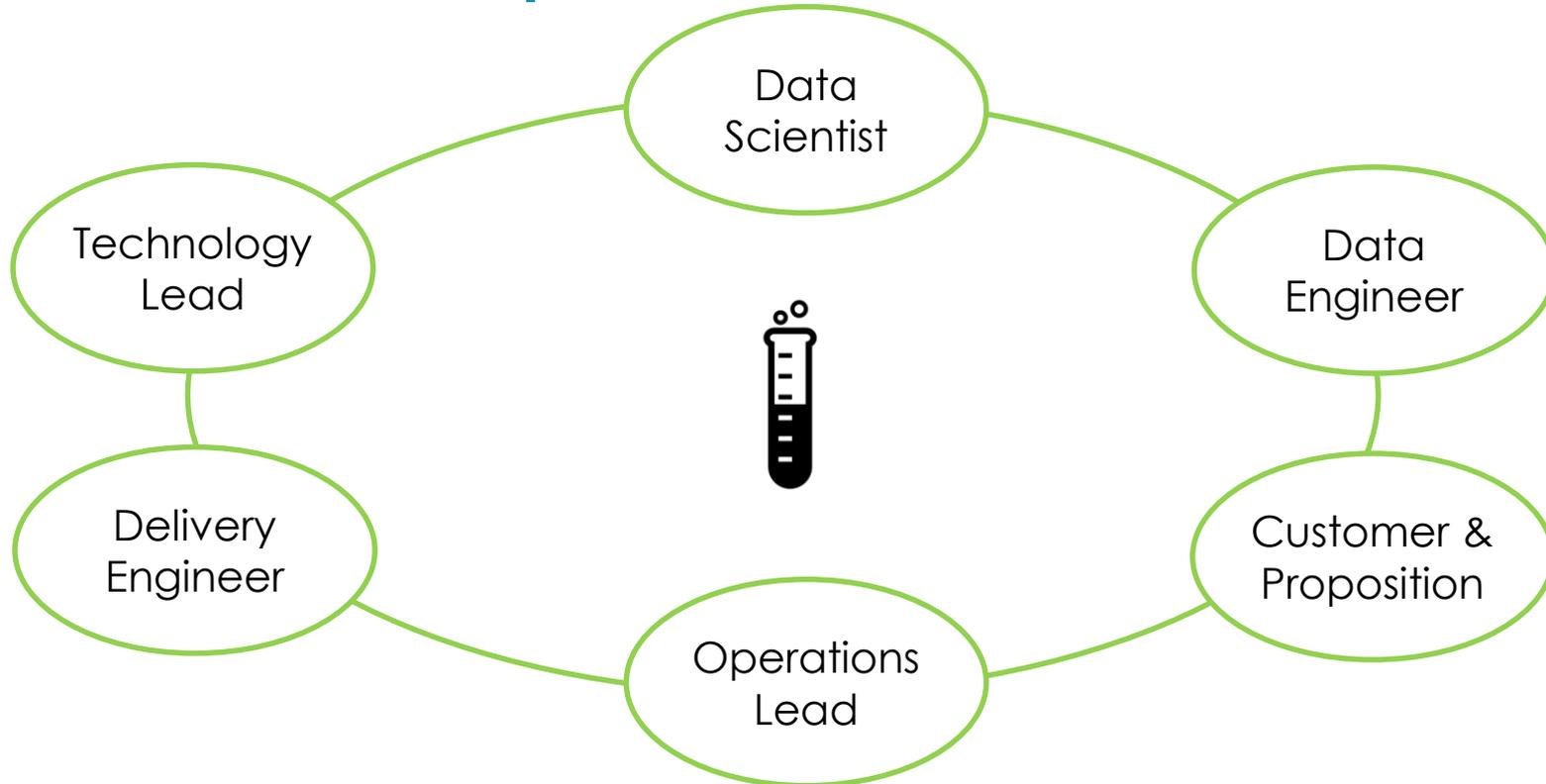
We have empowered a ring-fenced team



Hiring a data scientist isn't enough...



The team is multi-skilled and incentivised to experiment and learn





We have a clear purpose and focus on discreet customer-led projects



"COMPUTER SAYS NO"



Natural Selection

Financial Services Forum

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What are the results?

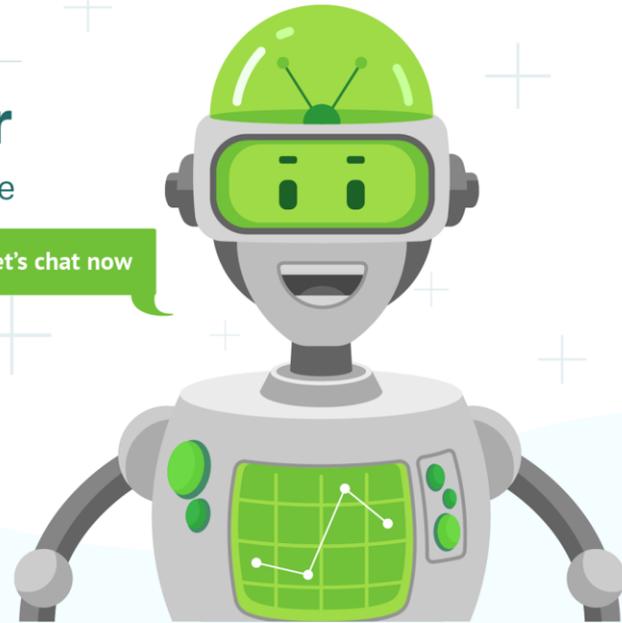


♥ Lifebroker

Meet Alfred from Lifebroker

He's a friendly robot that can help you quickly compare Life Insurance after a few quick questions.

Let's chat now





Cora helps claimants return to health by connecting them with experiences & advice of former claimants

Your Personal Injury and
Illness Recovery Companion



**CO
RA**

Introducing Cora

Exclusive to Facebook Messenger 



Used with the right discreet purpose, chat bots can bring clear benefits

User adoption

Messaging is overtaking 'Apps' with intuitive experience – but remember the context.

Non judgemental

Sometimes people don't want to speak to a human. More honest with a bot?

Knowledge & Compliance

Always gives consistent, compliant and comprehensive answers

24 * 7, Asynchronous

Ability to start a conversation and return to it over time.



They need to meet the 7 second test





“Personality goes a long way”



New data creates new opportunities

A range of 3rd parties have new data

- Physical activity
- Phone usage whilst driving
- Dr and pharmacy visits
- Social activity and connectedness
- When people are at home, or not
- How much alcohol people drink
- What food they eat
- Interests and search history

VISA



Telstra



mastercard.

Google



CommonwealthBank



coles

OPTUS

It's not always obvious which data is the right data



[Energy](#) [Home Services](#) [Smart Home](#) [Help & Support](#) [My Account](#)

Home Insurance

Protect your home with the right cover for you

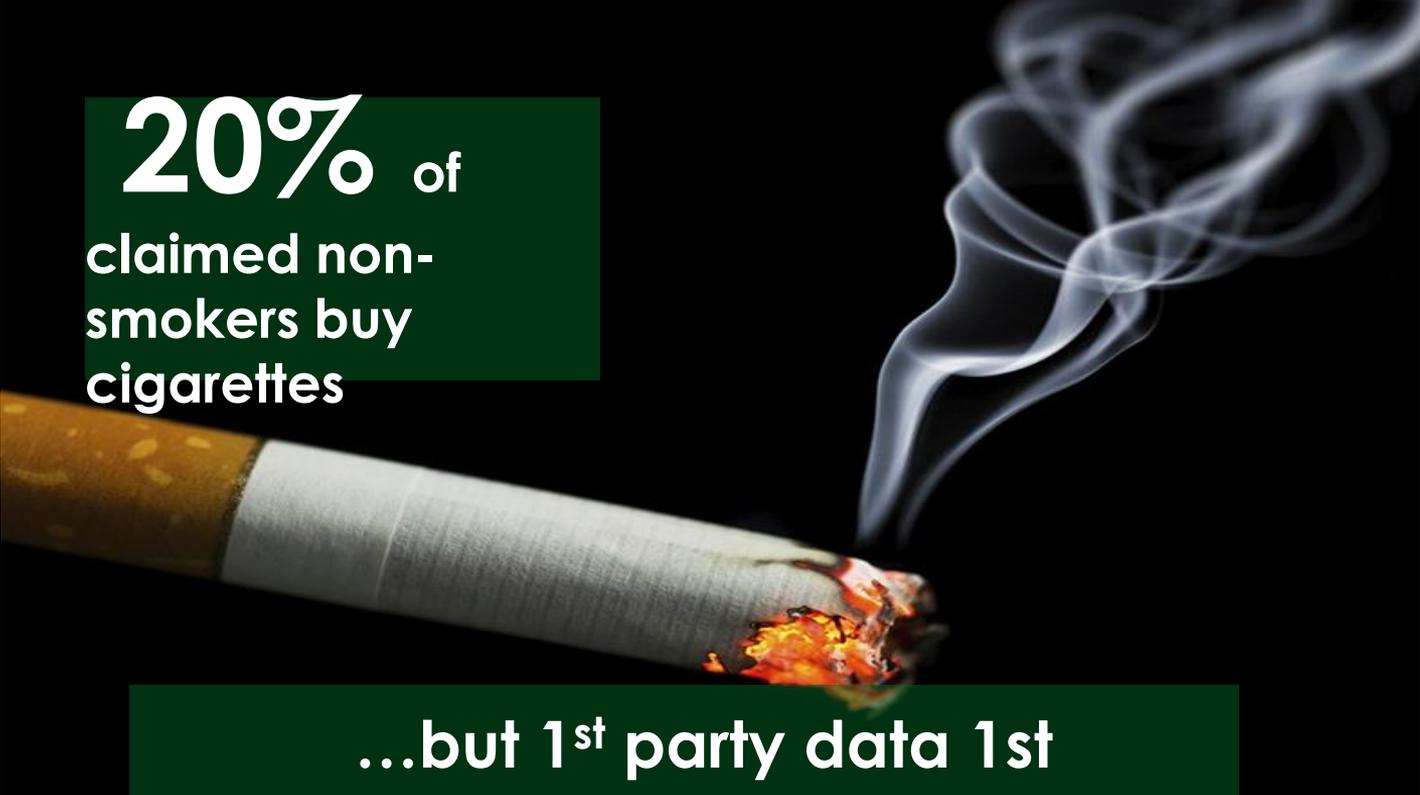
[> Get a quote](#)

**Smart Meter data
didn't prove to be as
smart as expected**





3rd party data can step change customer understanding...



20% of
claimed non-
smokers buy
cigarettes

...but 1st party data 1st

There is a lot of hype about AI taking away jobs





In life Insurance, the hype is a long way from reality

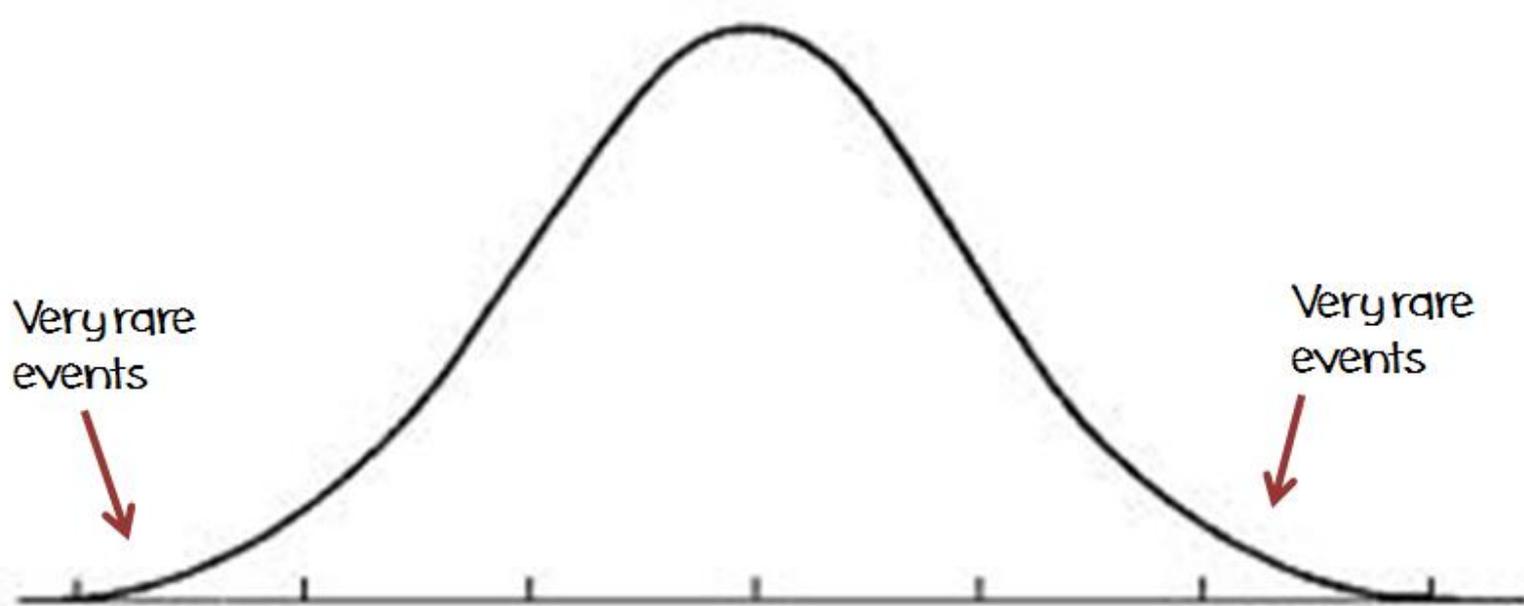


Machine Learning is only as good as the data it learns from

Data is rarely complete and correct



There are always 'edge' cases

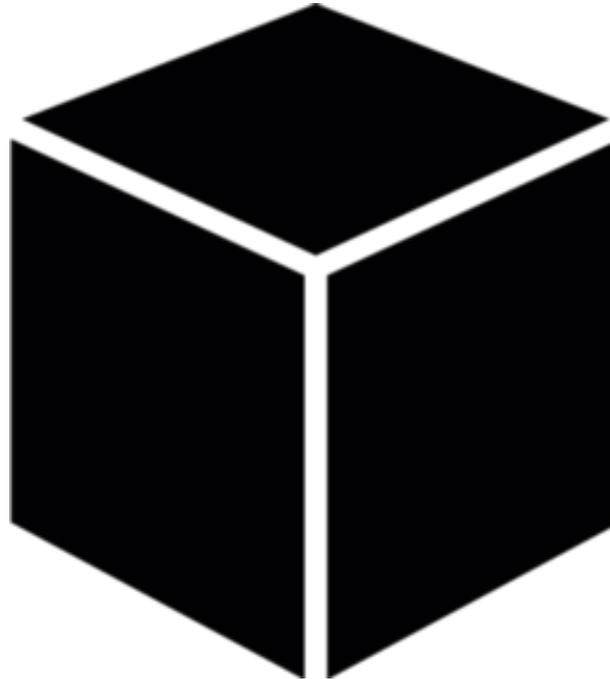


Just like humans, machines can learn to be biased





They are hard to audit





We have to learn to trust something we don't understand



However, we've found triage applications can add real value

Example



Machine reviews 100% of cases to triage which cases the QA team should audit fully

- Supporting existing processes – rather than inventing new ones
- Pilot real tools so both you and the machine can learn



In the right applications, machine learning can bring significant benefits

Consistency

Subject to new learning, it always delivers the same outcome

Speed

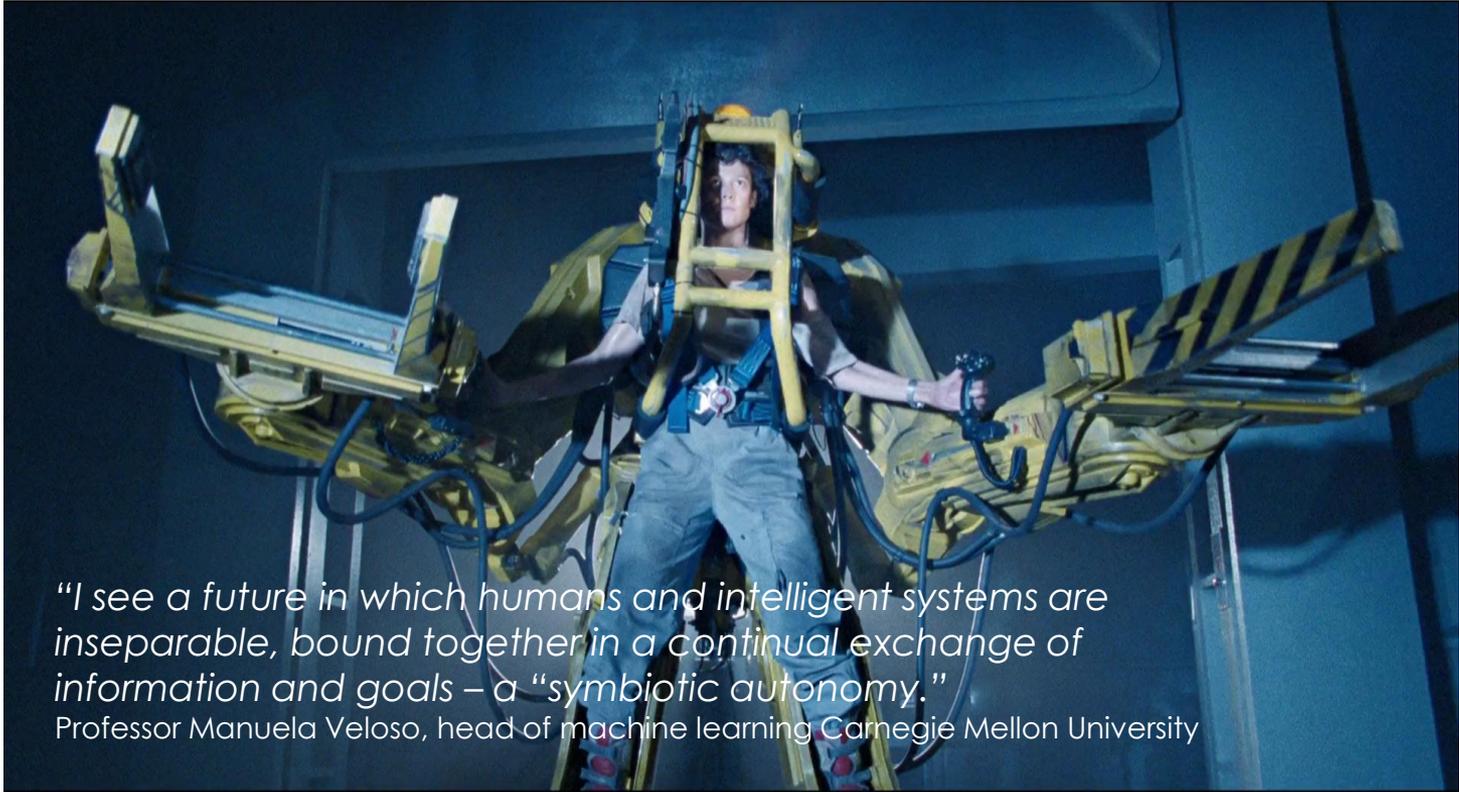
Real time processing

Productivity

Step-change in team productivity – enabling more human focus on the complex cases



So we believe AI will have a more symbiotic relationship



"I see a future in which humans and intelligent systems are inseparable, bound together in a continual exchange of information and goals – a "symbiotic autonomy."

Professor Manuela Veloso, head of machine learning Carnegie Mellon University

Question 1

<https://api.cvent.com/polling/v1/api/polls/spfbbbk1>

Question 2

<https://api.cvent.com/polling/v1/api/polls/sp-4zwaml>

Question 3

<https://api.cvent.com/polling/v1/api/polls/sp-vf5yc0>



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Thank you & Questions

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