



# Improving the Customer Experience with Automation and Analytics

**Neil Spector**

President, Underwriting Solutions

Verisk

# The Challenges of Underwriting Insurance Today



**The application process can be lengthy, complex, and sometimes, intrusive.**

- Numerous questions.
- Medical examinations.
- Answers not readily available.

**Result:** Applications are often incomplete, inaccurate, or worse, abandoned.



**The underwriting process can also be frustrating.**

- Verifying information through extensive research.
- Underwriting may evolve based on risk.

**Result:** Consumers may choose coverage that does not align with risk. Final premium may not match quoted, potentially resulting in customer dissatisfaction.

# The challenges facing consumers

- **Emerging issues and evolving societal trends** are creating new risks.
- **Today's consumers** are increasingly digital savvy and have grown to expect seamless integration as they do business (i.e. Smart Phones, On-demand Apps, etc.).



# Verisk's advanced analytics and automation are designed to address these challenges

1. **IoT/Telematics** → usage-based insurance.
2. **Virtual technology** → remote property inspections.
3. **Building permit data** → interior improvements.
4. **Address-level information on risks, and component-based, replacement cost estimates** → more refined underwriting and valuations.
5. **Unstructured data on businesses and AI** → better understanding of coverage needs and how employees are mitigating risks.

**The result:** All of this data, when combined with powerful prefill solutions, is transforming CX, and enabling consumers to more easily and quickly obtain coverage and claims payments.



# Customer challenges are also affecting life insurance



Life insurance need in underserved communities.



May be difficult to apply for insurance and understand coverage.



Websites and financial planning tools are helping.



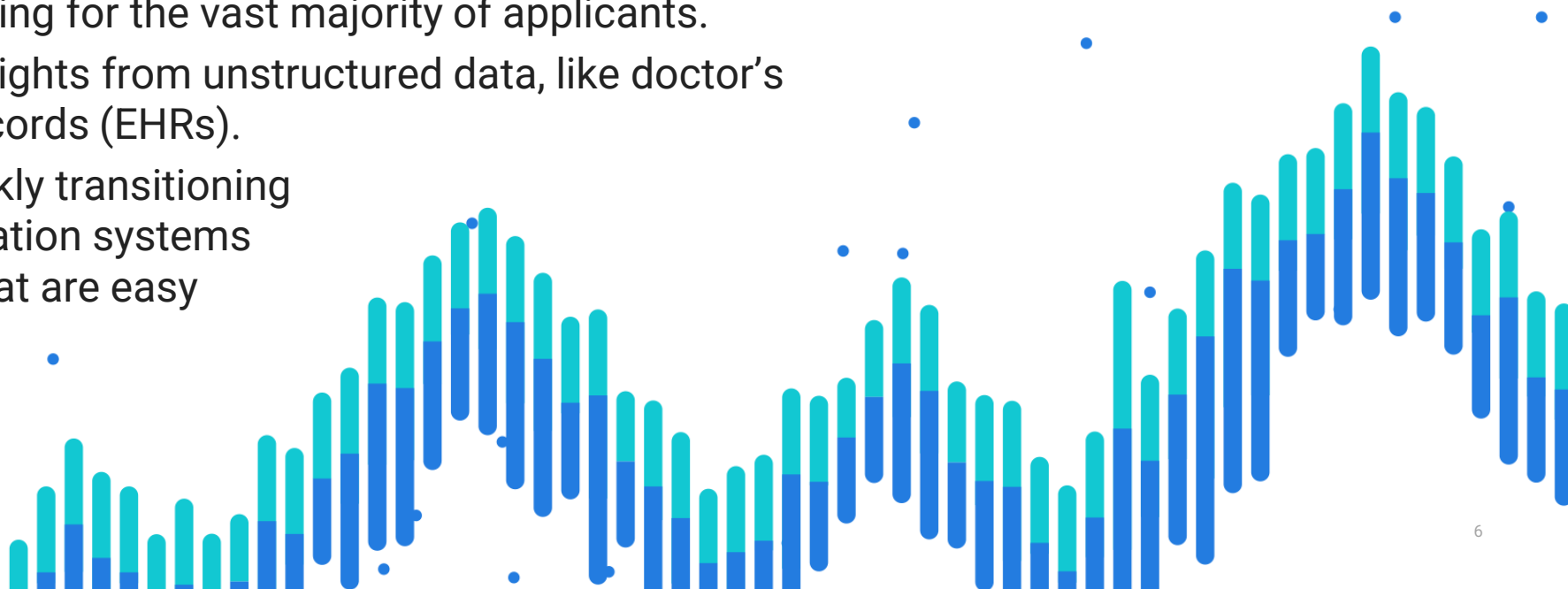
But life insurers need accurate risk information and ability to quickly create new products.

# Automation and analytics help life insurers move forward with digital journeys and meet growing demand

The pandemic has increased demand for coverage. Premiums for new individual life-insurance policies rose 20 percent in 2021 from a year earlier, and the number of policies rose 5 percent ([WSJ](#), 3/15/2022).

## How are consumers obtaining coverage? With help from the industry's digital transformation.

- On the front end, insurers are using voice analytics of phone interviews to flag potential tobacco use and accelerate underwriting for the vast majority of applicants.
- They're using AI to obtain insights from unstructured data, like doctor's notes, in electronic health records (EHRs).
- On the back end, they're quickly transitioning from legacy policy administration systems to new, no-code platforms that are easy to implement.



# The importance of data quality

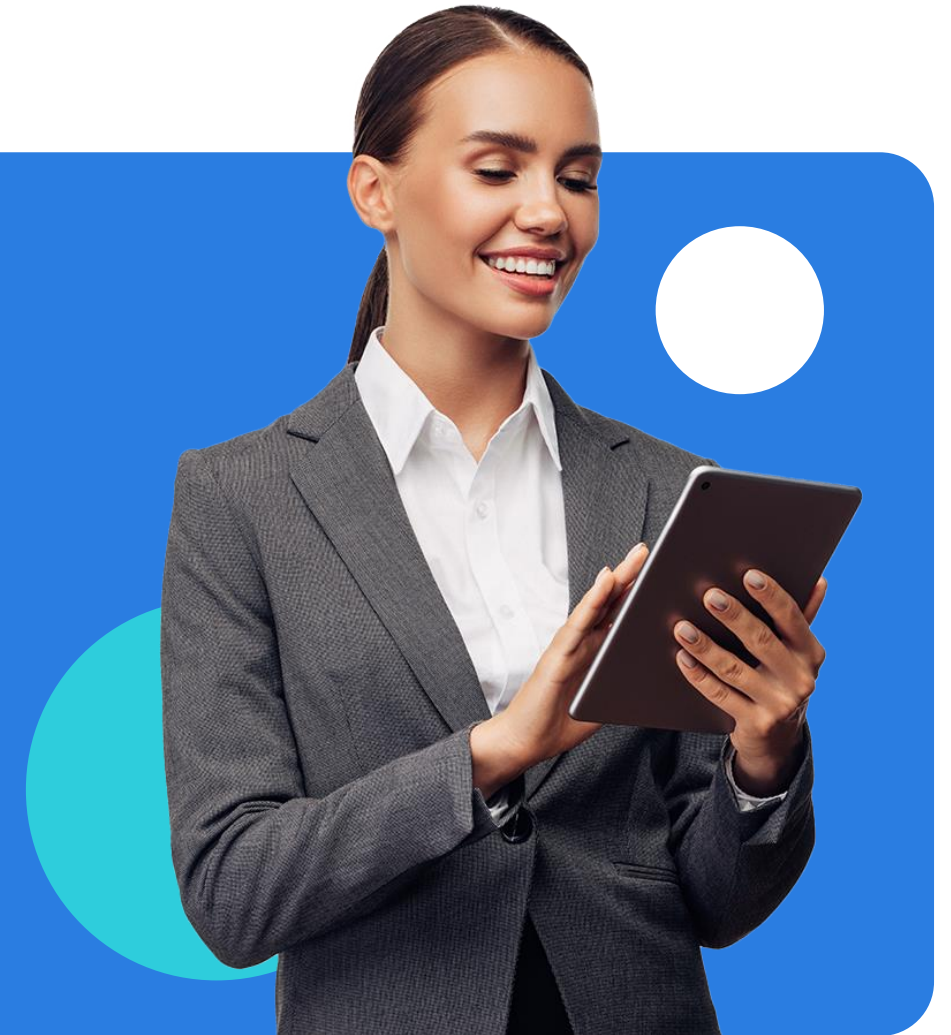
- Not all data is of the same quality.
- If data is incomplete, outdated, or not useful for insurance, then.
- Robust and current analytics are critical.
- Understanding how data is sourced and analytics developed.
- Data needs to be “insurance-ready.”



## Our responsibilities as data stewards

The diversity and amount of data are changing the world at a quickening pace. ***The benefits of data to business*** and society are great, and the potential uses are seemingly limitless. But along with the rapid growth of big data applications come risk and privacy concerns, such as how data is being collected, protected, and used—and ultimately how the public is affected. ***Responsible use of this data is critical for the good of the economy, consumers, and society as a whole.***

– *Our Commitment to Data Responsibility, Verisk*







# Thank you. Questions?

*© 2022 Insurance Services Office, Inc. Verisk Analytics, the Verisk Analytics logo, and ISO are registered trademarks and Verisk is a trademark of Insurance Services Office, Inc. All other product or corporate names are trademarks or registered trademarks of their respective companies. No part of this presentation may be copied or redistributed without the prior written consent of ISO. This material was used exclusively as an exhibit to an oral presentation. It may not be, nor should it be relied upon as reflecting, a complete record of the discussion.*