

The future of insurance in the era of AI



Generative AI is transforming insurance

Artificial intelligence (AI) presents great possibilities to transform the insurance industry compared to other technologies currently available. Generative AI, specifically, promises competitive differentiation with its content creation, summarization, semantic search, and code generation capabilities—all completed in seconds. The future scenarios are compelling for insurers looking to gain efficiencies across operations and services.

There's a reason it's considered transformative. Insurance leaders want cost reduction, speedy claim resolutions, faster underwriting, and improved customer satisfaction. Customers want personalized, custom products and services. AI provides the capabilities to make that possible for everyone who taps, swipes, or clicks.

Generative AI seemed novel at first but represents some of the first mainstream steps into the intelligent automation age. Adoption of AI capabilities for business has more than doubled since 2017,¹ but the introduction of generative AI to the public using large language models (LLMs) and natural language processing (NLP) made the power of deep learning accessible to everyone on a daily basis.

¹ McKinsey & Company, "[The state of AI in 2022—and a new half decade in review.](#)" December 6, 2022.

² Precedence Research. "[Generative AI Market.](#)" December 2022.



The generative AI market is estimated to reach \$22.12 billion by 2025.²



\$70 billion

\$70 billion in additional value for the insurance industry could be contributed by generative AI.¹

The future is AI-powered and it matters now

As adoption of AI technology increases, so does investment in it. In a 2022 report, 52 percent of respondents said at least 5 percent of their digital budgets go to AI—up from 40 percent in 2018. Businesses continue to adopt more AI capabilities, with natural language text understanding, virtual agents, and conversational interfaces among the most common. The technology and applications that will carry us into the future—like using AI to generate code and data to test that code—are available and being used compellingly today.²

¹ McKinsey & Company, "[The economic potential of generative AI: The next productivity frontier](#)," June 2023.

² McKinsey & Company, "[The state of AI in 2022—and a new half decade in review](#)," December 6, 2022.



Transform insurance with generative AI

With heightened focus on unlocking business value and deepening customer relationships, the insurance industry is well-positioned to take advantage of AI capabilities like predictive summaries, code-scripting, and data analysis.

The time to act is now. Where you begin your AI journey is up to you.

Empower your entire team

AI has potential to unlock innovation and business value at an accelerated pace, but adopting intelligent solutions doesn't have to mean revolutionizing your customer channels on day one. Human agency and supervision are critical to ensure generative AI supports and enables human creativity. For insurers new to generative AI, start by learning how to deploy and take advantage of AI capabilities through empowering employees first. Supporting employees with productivity-based AI features—like those found in Microsoft copilot technology—can produce positive, personalized experiences for customers over time. We see four insurance-based roles as natural entry points to use generative AI to improve teamwork, insights, and communications.



Contact center agents



Claims managers



Underwriters



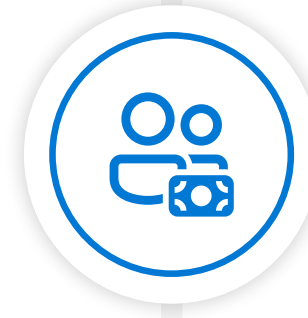
Insurance brokers and agents





Contact center agents

Instantaneously record, translate, and summarize First Notice of Loss (FNOL) phone calls into the customer record. Use Cognitive Services speech-to-text to translate voice into text, and then apply LLMs to summarize the conversation. New intelligence can be fed into contact center knowledge bases to give agents better, faster responses for future questions and AI-generated coaching on their performance, while also enriching customer records for convenient reference and insights. These aggregated insights inform key performance indicator (KPI) tracking for customer satisfaction, engagement, and Net Promoter Score (NPS) impact so you can continuously improve the customer experience.



Claims managers

Enhance almost every step in the claims lifecycle. Speed up claims processes by summarizing policy documents during FNOL and more quickly responding to customer inquiries. Auto-generate adjuster reports and summaries of claims investigation findings, and help insurance recovery specialists expedite recovery from third parties or reinsurers with AI-powered coding support.



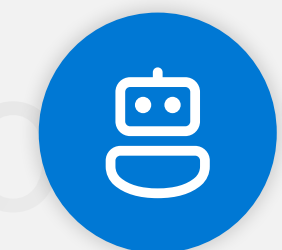
Underwriters

Free underwriters from non-core and administrative tasks that typically take up to 40 percent of their time. Generative AI can ingest unstructured data, summarize it, and suggest areas of opportunity for underwriters to consider based on appropriate logic. Extract specific fields and complete customer records when you pair generative AI with Azure AI Document Intelligence.



Insurance brokers and agents

Give brokers and agents access to information they need to answer customer questions about coverage levels and other benefits. Deploy powerful knowledge base systems that use a chat-like experience to supply answers quickly and easily. Give employees and agency partners the contextualized answers they need—fast.



Build better virtual assistants

Reimagine chatbots and enable self-serve, on-demand engagements for customers exploring insurance options online.



Make intelligent insurance a reality

You can use AI to empower employees and modernize core insurance processes efficiently and effectively. By applying for access to [Azure OpenAI Service](#) or engaging [AI-powered copilots](#) across Microsoft 365, Dynamics 365, GitHub, and Security, insurance innovation is just around the corner.

Azure OpenAI Service allows you to deploy large, pre-trained, foundational models developed by OpenAI with the enterprise capabilities of Azure. It's provisioned within your Azure subscription, so you can transform tasks like writing, content generation, reasoning over structured and unstructured data, and text and data summarization within your Azure tenants. Your data stays within the bounds of your organization.

Copilot was created to support you and work under your direction, with you—the human—in charge. For insurance companies, [Microsoft 365 Copilot](#) works alongside agents, claims managers, underwriters, and brokers in the apps they use every day. Unleash productivity with copilots that help summarize meetings and calls, quickly find information and answers, and enable creative work. The world's most advanced AI models are available to meet business imperatives responsibly, securely, and with confidence only achieved with the Microsoft Cloud.

Generative AI with the Microsoft Cloud means your data is protected.



Your data is your data.



Your data from any fine-tuning is not used to train the foundation AI models.



Your data is protected by the most comprehensive enterprise compliance and security controls.





Keep responsibility in mind

AI systems aren't inherently fair—they're subject to the same biases that exist within the data and decisions used to train them. To create AI that responds and behaves responsibly, system creators and users should develop, assess, deploy, and use AI in safe, trustworthy, and ethical ways. At Microsoft we focus on keeping people and their goals at the center of decisions about system design.

Prioritizing enduring values like fairness, reliability, and transparency helps proactively guide AI decisions toward more beneficial and equitable outcomes.



The Microsoft commitment

AI presents nearly limitless potential for people, the insurance industry, and society—it's the defining technology of our time. We ground our AI advancements in a company mission to help every person and organization on the planet achieve more.

Responsibility can mean different things to different people at different times. For us, building responsible AI means that AI systems should:

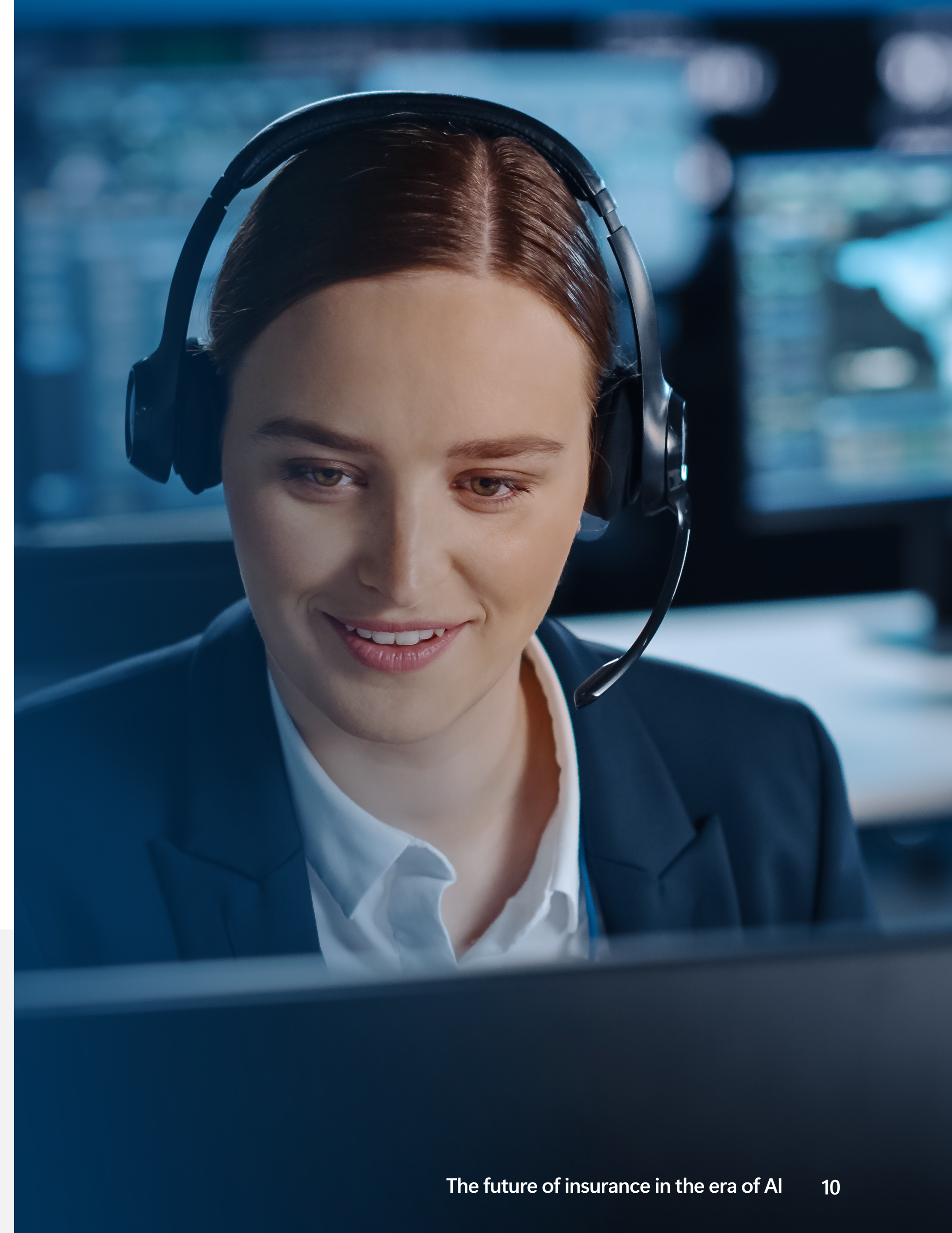
- Treat all people fairly.
- Perform reliably and safely.
- Be secure and respect privacy.
- Empower everyone and engage people.
- Be understandable.
- Be accountable to people.

Microsoft commits to making the promise of AI real and doing it responsibly. Read more about how we [drive responsible AI](#), including the [Microsoft Responsible AI Standard](#). We'll uncover a path forward with generative AI—together.



Lead the AI transformation

The opportunity is yours—Microsoft can help. Contact your Microsoft representative. Learn more at www.microsoft.com/ai



Microsoft Cloud for Financial Services

Unlock business value and deepen customer relationships



**Transform the
policyholder experience**

Deliver differentiated customer experiences through deeper insights and relationships.



**Empower insurance
employees and agents**

Improve productivity through better teamwork, insights, and communications.



**Manage risk and
compliance**

Improve risk modeling, facilitate regulatory compliance, and protect against fraud.



**Modernize core
insurance operations**

Transform key processes in the cloud to bring new products to market quickly.



**Create a
sustainable future**

Drive impactful sustainability outcomes in financial services with ESG solutions and analytics.

