Bdeo

Whitepaper

Visual Intelligence applied to the insurance industry

Artificial Intelligence in general, and Visual Intelligence in particular, are very present in our days. Perhaps, much more than we imagine. Pepe Castelo, Sabine Vanderlinden and Nelly Brossard, experts in this technology in the insurance sector, tell us 6 key points detailing the transformation it is undergoing and where it is evolving towards.

Introduction

Artificial Intelligence is greatly present in our life, perhaps even more than we think, with Netflix, Spotify, and Google Maps, to name just a few. These are just some of the platforms that most of us use practically every day. The basis of these platforms is this type of technology; they use it to recommend series similar to the ones we've enjoyed, songs we might like based on our history, and similar routes to get to work where the route we usually take is slower than usual.

Companies are not alien to this technology. They know they have to implement it in their processes to offer the best experience to their customers. Insurtech is especially immersed in this transformation process and supported by the Artificial Intelligence. Visual Intelligence is key for them in automating their processes.

In this whitepaper, we highlight the relevance that Visual Intelligence is currently taking on, thanks to three experts in Artificial Intelligence and insurtech—because, nowadays, the insurance industry cannot be understood without algorithms and machine learning.

Los expertos

Sabine VanderLinden

Co-founder, CEO, and Managing Partner of Alchemy Crew a venture validation and commercialization lab using open innovation, ecosystem thinking, and parallel experimentation techniques to accelerate the curation, validation, and commercialization of digital services supported by disruptive business models.

Sabine has over 20 years of experience in insurance. She was the CEO & co-founder of Startupbootcamp InsurTech (UK) & Hartford's InsurTech Hub Accelerator (Hartford, CT, USA) where she worked with over 30 corporate insurers, accelerated 70+ growth ventures, helping them raise over $100m in funding.

She is a pioneer in building innovation ecosystems, a co-editor of bestseller The INSURTECH Book, a multi-award winner, and a top 50 InsurTech Influencer. She was appointed as an Honorary Senior Visiting Fellow of The Business School (formerly Cass) in early December for her InsurTech business model disruption work.

Pepe Castelo

Pepe Castelo holds a degree in Economics and Actuarial Science. His additional training includes the Advance Management Program at MIT Sloan School of Management and the ESADE–PwC Program for Board Members.

He has more than 30 years of experience in the insurance industry where he first held management positions in technical and benefits areas in insurance companies such as Aachener und Munchener, Direct Seguros and Axa Seguros. He participated in the launch of the direct insurance company of Banco Santander, as Deputy General Manager.

Subsequently, from the perspective of technology companies for claims management, he led the growth of the insurtech GT Motive both in Spain and in its international development in 21 European countries. As Managing Director of GT Motive, he was a member of the

Nelly Brossard

Insurance industry expert with more than 20 years of experience with brokerages, startups and mutual insurance companies, focusing on innovation, digitalisation, online distribution and marketing. She has worked for companies such as GT Tech, CAPA, CNP Assurances, Protegys / La Parisienne Assurances (now known as Wakam), Mutuelle des Motards and Amaguiz, Groupama's online underwriting company.

He is a board member of several startups and has made business angel investments in different insurtechs such as Assurdeal, Baloon and Astory.io. She is also Venture Partner of Blackfin Tech since June 2020 and Vice President of Insurtech France. Committed to gender equality in the workplace, she is a member of several groups (Parité assurances, Axielles, Digital Ladies and Red for Executive Women).

She has received several awards over the years, including Digital Person of the Year 2016 from l'Argus de l'assurance (the leading French magazine specialising in insurance issues).

The importance
of Visual
Intelligence in
companies

01

Visual Intelligence is here to stay. We used to think that this technology was science fiction and that it only existed in movies, but it has become indispensable in optimising processes in many companies. More and more the companies realise that it is necessary to speed up the most repetitive tasks to offer an enhanced service or product through automation.

As Sabine VanderLinden points out, this allows complex tasks to be processed very quickly, in a more agile and more accurate way, while at the same time enabling a better user experience. This is key for enterprises to get better results.

As companies are able to automate complex processes through Artificial Intelligence (AI) and machine learning algorithms, Visual Intelligence is growing into a unique technology that visualises information and recognises details from photographs, images, and behaviours.

Artificial Intelligence has emerged as an area capable of making the daily tasks from different company departments more efficient, even changing the way organisations work globally. Although there is still much to be done, the companies are increasingly aware of the importance of developing and implementing Artificial Intelligence solutions that help them automate parts of their everyday life, enabling people to focus on what really adds value, rather than on repetitive tasks.

Sabine tells us in [one of her latest published articles](#) how Artificial Intelligence addresses companies' needs:

1. Automation behind the data.

Artificial Intelligence takes charge of optimising data from the moment it is collected, its analysis, its management, and its subsequent application, keeping it as an asset for the company. The goal is to automate repetitive tasks in order to simulate real human behaviour. This kind of AI offers exceptionally high performance at low costs, and it is relatively easy to implement, given that each automation is linked to specific steps of the process. This is where the automation of image and object recognition has tremendous value.

2. What we can learn from deep learning.

Algorithms learn and become more intelligent as the degree of machine learning within the processes becomes greater. This allows for further customisation and specific pattern identification. Currently, Artificial Intelligence is used for this kind of application, thanks to the development of sophisticated rating and evaluation mechanisms that automate many of the underwriting and claims management processes. All too often, it even also allows fraudulent behaviour to be identified.

3. Bots as main enabling agents.

Thanks to the Artificial Intelligence that helps the development of bots, companies are able to improve and help customers more efficiently by reducing the number of agents involved, as well as eliminating repetitive tasks that can be done by technology. This approach is clearly demonstrated in conversational Artificial Intelligence technology, including chatbots, talk-bots, push-bots, and highly customised methods that are able to drive very specific recommendations and actions.

How Visual
Intelligence is applied
in the insurance sector

02

One of the industries that is undergoing a major transformation thanks to Visual Intelligence is the insurance sector. As Nelly Brossard explains, this sector adheres to very traditional processes and operations, and it must adapt to a new service demand and new clients that seek greater agility and transparency.

To focus on a specific case, Nelly Brossard shows us that, with the right approach and training, the tasks of assessing vehicle damage can be performed in a much more optimal way through Visual Intelligence. Using this technology, photographs and videos of the damage can be recorded and then analysed. Moreover, by integrating specific technologies such as geo-localised video and augmented reality, the claims management process is simplified greatly.

We must highlight that Artificial Intelligence engines have been trained for a long period of time through image analyses, which has allowed them to learn how to identify the size, severity, and even the origin of the damage from a simple photo. Here is where the importance of this technology lies: these processes, managed and used as an agile solution, provide a much more rapid response to the policyholder.

In numbers, Sabine tell us that there are around 5,000 insurtech companies in the world. 50% of these companies are entirely digital and use—in general—Artificial Intelligence, and —in particular—Visual Intelligence to develop their approach. These platforms are capable of offering a service to insurers that, thanks to this Visual Intelligence, means they can accelerate, enhance, and automate processes more effectively.

, Sabine notes that the global AI market revenue was estimated at $62 billion in 2020, and is expected to grow by 42.2% between 2020 and 2027. According to Tractica, this market will reach $125 billion by 2025. At the same time, it is estimated that emerging companies in the AI sector have grossed $300 million in the last ten years.

As highlighted previously, Artificial Intelligence covers various essential areas of the insurance industry. It also covers Visual Intelligence, which enables insurers to automate, analyse, and solve customers' problems more effectively. How does it do this?

Precise object identification.

Thanks to the recognition of objects through images and videos, valuable information can be obtained for insurers. This includes, for example, real-time detection of different patterns or behaviours in some products.

Image segmentation to reveal the most relevant data.

AI-based algorithms can help insurers to analyse damage to homes and cars in order to generate more precise client claims. For this purpose, in-depth analyses are created by placing the objects in the images in relevant micro-segments.

Customisation and adaptation of behaviour and actions to improve user experience

The behaviour of different stakeholders can be understood through video content to improve their experience.

Visual information capable of being processed in real time.

Visual Intelligence algorithms makes it possible to obtain and analyse data collected in real time to manage underwriting and claims management activities on the spot.

Nowadays, insurance companies themselves are much more mature and understand the importance of Visual Intelligence technology and its function in their processes. This allows them to reduce both the steps in process management and the cost, greatly increasing efficiency and offering a better customer experience.
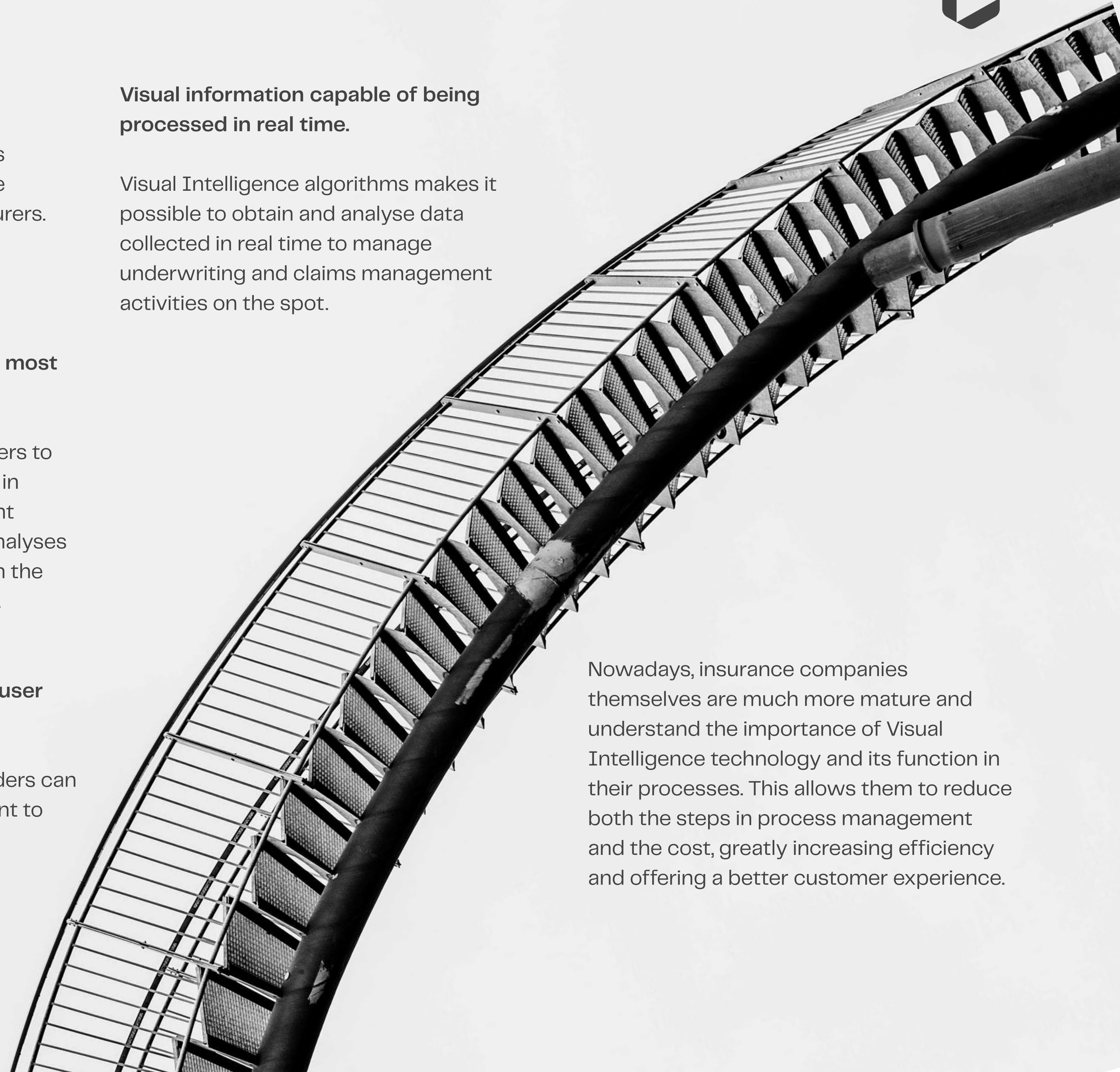
Trust: the main driver of Visual Intelligence in the insurance industry

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> The emergence of new technologies such as Artificial Intelligence, together with the social changes brought about by COVID-19, have shown that Visual Intelligence can generate this relationship of trust without the need for the in-person presence of the two parties.

An insurance contract is based on a relationship of trust between the insured party and the insurer. Until now, this trust required certain face-to-face interactions, in order to check the state of the insured object before the policy was taken out and/or after a claim, says Jose Castelo.

This relationship of trust is key. I do not forget that, when handling a claim, be it a motor or home incident, the insured party needs peace of mind. They need to know that their problem will be resolved in the best and quickest way possible. Thanks to Visual Intelligence, the insured party can focus on getting the message across, with the agents focusing their work on that message, while technology carries out the automatic and repetitive work.

Claims management is key here, as it tends to be one of the points of friction with policyholders, bringing about frustration and dissatisfaction in many cases. As Nelly tells us, the management of a claim is a test of truth for every insurer. This is the moment where the policyholder verifies that what they have been told to sign up to their insurance is true, and not just arguments used to draw in clients. Trust, as Jose says, comes into play again. This trust is key to transmitting the message to the policyholder that their problem will be given priority, and that a solution is being worked on from that very moment. Only this way will the policyholder to maintain loyalty and stay with the company.

Otherwise, it will be as easy as changing insurer. It is for this reason that customers expect an immediate response to their problem, tailored to their needs, making the process simple, transparent, and efficient.

As a result, more and more insurers around the world are using these tools to increase their efficiency while offering an enhanced customer experience, improving customer loyalty and satisfaction.

However, despite Visual Intelligence offering countless benefits for insurers, some still fail to see its value and are reluctant to integrate this technology into their processes. So, how can we highlight the strengths of these tools?

Jose Castelo explains that, nowadays, Visual Intelligence offers the opportunity and leverages the need to revise current processes of interaction with the policyholder.

This leads companies to design new experiences in which the client will be able to decide how and when they would like face-to-face interaction, and when they would prefer digital interaction. Trust, again, is key. Additionally, from an internal point of view, the insurer has the opportunity to automate business processes and decisions, shortening lead times, reducing costs, and improving the efficiency of its employees.

For example, insurers must analyse each and every point of contact they have with their customers, They must assess which ones are likely to be replaced by a physical interaction through the sending of photos or a video. It is here where technologies such as Bdeo's can help this internal analysis. Bdeo can help identifying opportunities, prioritising them, and implementing the changes required with clarity.

Nelly Brossard reinforces Jose's message, stating that companies must move quickly when it comes to integrating solutions that allow them to streamline processes: the cost of not acting on them due to doubt is much higher than it may seem.
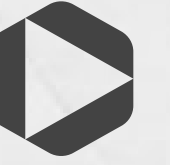
"The integration of these Visual Intelligence technologies is what makes the deal between the insured party and the insurer different, offering a better customer experience.

How businesses can manage change and adapt to these new technologies

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"For all insurers who wish to embark on this transformation process, I would recommend that they start by analysing the company's digitalisation process. Innovation cannot be limited to a strategic plan and an innovation team that is trying to push it. Without a strong conviction on the need for change and a real internal culture to support it, it will be very difficult to address the disruptive changes ahead of us," says Jose Castelo.

Insurers are immersed in very complex digital transformation processes. They have to combine short-term decisions, which directly affect their profit and loss accounts for the year, with more strategic long-term decisions.

In addition, they have to:

- assess whether or not their core management system can support these proposed changes;
- review their current processes, and ensure that changes do not lead back to previous processes; and
- manage a major cultural change in their teams, with the aim of combining the traditional risk-averse culture that is inherent with all evolution-driven change, and the need to adapt to the new situation in the industry.

Despite the fact that organisations know that adopting Visual Intelligence technology in their processes will help them, there are many that are not committed to this type of solution. As Sabine explains, this is because companies plan their actions in the short term, and do not take their plans to the medium and long term. Therefore, they leave aside a more strategic vision that, although it would entail a greater transformation process, will benefit the whole company.

Nelly Brossard agrees with Jose and Sabine on that one of the main reasons for AI-based projects not being implemented in companies is their own resistance to change their habits and culture. It's that traditional, "we have always done it this way, and it has worked well for us". Nevertheless, in a world where all actors and clients needs change at breakneck speed, this is not enough.

This is why Nelly emphasises some other reasons that make it very difficult to activate AI-based projects, which include:

- the long timeframe needed to make decisions in the industry;
- where the changes affect different departments such as sales, customer success, operations, IT, product, etc., the need for all teams to align and work together to achieve the best result;
- the need to review the impact of the processes in an overall approach and to focus on providing the best customer service;
- the integration of decision-makers, experts, and other stakeholders in all aspects of tools and processe; and
- the need for investment, as well as the choice to be made among the opportunities offered by the market.

In this situation, how are insurers to be convinced to implement this type of technology? To achieve this, Sabine and Jose explain that it is essential to focus on five company areas.

Strategy

When implementing these technologies, it is important to design a pragmatic digital transformation strategy on how to apply Visual Intelligence at the company. In this way, the different projects to be undertaken will be planned and prioritised, and, once implemented, feedback will be gathered to see what can be corrected for the following processes. As part of this area, we will also work on a Partnership Strategy with the best insurtech companies in each field and time

Technology

An open technology is essential, which supports agile integrations between different internal components (core management) and external solutions.

Organisation.

It is important to have experts in this technology within the company, as they will be able to contribute their vision and highlight the importance of these tools in the processes. However, it can sometimes be helpful to have independent advisors to provide an external view on the status and importance of these technologies.

Team.

Teams of people with different training and experience are needed to lead these results-based transformation projects.

Cultura.

A true culture of change and innovation must be implemented throughout the organisation, in which people are encouraged to contribute their views on a range of issues. To ensure the success of the project, it is essential to share what this transformation consists of with all the teams involved, as well as how it will affect them when it comes to redefining actions and the company's own customer journey.

Where Visual Intelligence technology is heading next

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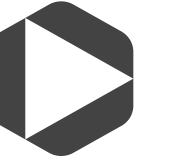
I think we are just at the beginning of the path; the application of Visual Intelligence has just started," Jose states. If we compare the willingness to adopt photo and video use between the insured party and the insurer, there is no doubt that the former are much further ahead than the latter. Once we have mastered the basic interpretation of what we see in photos and videos, we will incorporate Augmented Reality capabilities, as well as the interpretation of Policyholder Attitude Behaviour. These new capabilities will take Visual Intelligence to a new dimension, as we will see beyond the obvious in a photo or video to be able to provide information previously unknown.

Moreover, Jose also anticipates a radical change over the coming years in which insurers will have to make a great effort to adapt to the rapid changes in society. If they don't manage it, new actors, with business models much closer to current habits, will take their place.

So, in the
insurtech sector,
what are the next
steps?

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If we focus on the evolution of the insurtech sector, this industry is booming as a whole, and specifically insurtech companies are a fundamental lever of change for the insurance sector. From the point of view of technology and Artificial Intelligence, some have specialised in Visual Intelligence (VI), others in the Natural Language Processing (NLP), and others in the interpretation and management of text documents, etc.

For the coming years, Jose anticipates the emergence of a selection of those companies that have become benchmarks in the market, and, subsequently, alliances or mergers between them in order to incorporate their respective specialties and create more technologically powerful solution. This will help them not only transform their own organisation, but also improve their profitability and efficiency, while improving customer satisfaction ratios. That's what it's all about: offering a better experience to policyholders, adapting products and processes to their needs.

"Insurtech companies know how to implement cooperation actions with policyholders, and this is tremendously useful in helping insurers in their transformation processes. It is something that helps them to improve their profitability, efficiency, and to increase their customer satisfaction ratios.
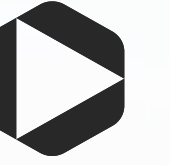
About Bdeo

Bdeo is an Artificial Intelligence company based in Spain, Mexico, UK and Germany working for clients in 20 countries.

The company's mission is to transform the insurance industry with an end-to-end Visual Intelligence solution to evolve the way customers engage with insurers. Bdeo provides world-class technology that accelerates the underwriting and claims settlement process by digitising and automating the process with advanced Visual Intelligence.

With an end-to-end value proposition for the entire customer journey, Bdeo revolutionises the underwriting and claims experience by minimising friction, increasing satisfaction and reducing operational costs for insurance companies with a major impact on their economics.