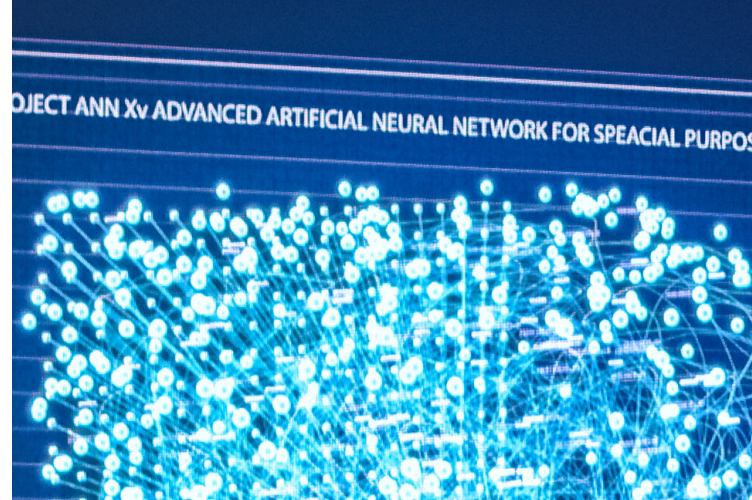# Evolution of Underwriting Using Generative AI

Exploring the Need, Roadmap, and Challenges

Foreword

In an era marked by rapid technological advancements and shifting market dynamics, the insurance industry, particularly in the property and casualty (P&C) sector, stands at a critical juncture. Underwriting, the core process of assessing and pricing risk, is more crucial than ever in determining an insurer's resilience and long-term success. As the landscape evolves, the need for underwriting excellence has never been more apparent. Xceedance is pleased to present this Everest group report sharing perspectives on the need for high-quality underwriting practices, the challenges and opportunities present in the P&C underwriting space, and the transformative impact of data and Generative Artificial Intelligence (GenAI). Additionally, it delves into practical GenAI use cases and provides a roadmap for its adoption, highlighting key considerations for industry leaders.

The P&C insurance industry is facing numerous challenges that complicate the underwriting process. Traditional underwriting practices, often reliant on historical data and manual procedures, can be inefficient and prone to errors. Additionally, the rise of new and complex risks, such as cyber threats and climate-related perils, poses significant challenges to traditional risk assessment models. Regulatory changes and the need for compliance add another layer of complexity, requiring insurers to continually adapt their practices.

However, these challenges also present opportunities for growth and innovation. The digital transformation sweeping across industries offers P&C insurers the chance to revamp their underwriting processes. By embracing digital tools and analytics, insurers can enhance their ability to assess risks accurately and efficiently. This transformation not only helps in better risk management but also opens new avenues for product development and market expansion.

The pursuit of underwriting excellence in the P&C insurance sector is both a challenge and an opportunity. By embracing the transformative potential of GenAI, insurers can enhance their underwriting capabilities, achieve business resilience, and stay competitive in a rapidly evolving market. This viewpoint offers a comprehensive exploration of the challenges and opportunities facing insurers, providing valuable insights and guidance for industry leaders as they navigate the future of underwriting.

At Xceedance, we are committed to helping insurers meet their challenges with AI solutions that leverage cutting-edge technology and deep domain expertise, delivering measurable, real-world results. If you would like to discuss how we can help you on your GenAI journey, please schedule a call with one of our AI experts.

Evolution of Underwriting Using Generative AI

Exploring the Need, Roadmap, and Challenges

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Introduction

Multiple industry headwinds and the rise of non-traditional competitors have compelled traditional insurers to enhance their products, processes, and customer experiences. To drive recovery and ensure future growth, insurers are modernizing their IT infrastructure, prioritizing operational efficiency and data-driven decision-making. However, increased market risks, rising claims costs, disrupted supply chains, and outdated processes are pressuring profit margins, necessitating a shift from insuring loss to ensuring protection.

Generative AI is valuable for insurers to enhance their RoI from modernization efforts and accelerate business value realization. Although generative AI can transform several core insurance functions, firms must start with small, incremental steps to demonstrate business value before scaling up as part of a comprehensive adoption strategy. Underwriting, in particular, presents significant long-term value creation potential. Implementing generative AI with staggered investments can yield near-term efficiency gains, improve underwriting accuracy in the medium term, and transform the underwriting function in the long term.

In this viewpoint, we:

- Examine the need for underwriting excellence to achieve business resilience
- Identify challenges and opportunities in the Property and Casualty (P&C) insurance underwriting space
- Assess the significant roles of data and generative AI in transforming the underwriting function
- Analyze generative AI use cases
- Evaluate the generative AI adoption roadmap and the key considerations along the journey

Underwriting excellence: the key to resilience

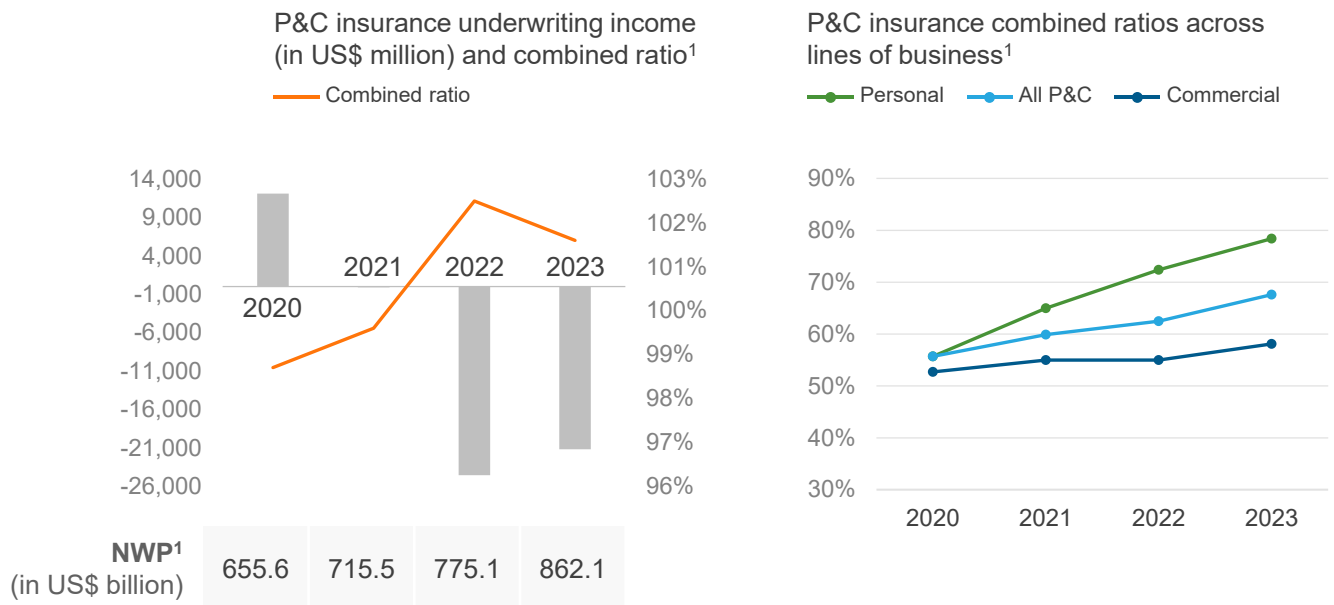## Challenges plaguing the industry

The global pandemic, geopolitical tensions, macroeconomic uncertainties, and a recessionary outlook have significantly destabilized the business environment for insurance companies. Additionally, increased risk complexities, elevated claims costs, disrupted supply chains, and outdated business processes and technologies complicate the path to profitability.

Despite these challenges, the insurance industry demonstrated resilience in 2023, with an improved combined ratio. However, the industry's future performance relies on pricing actions that keep pace with loss cost trends – a difficult task given the volatile economic conditions and underwritten risks' complex nature. Underwriting incomes from the past 24 months highlight the need for more impactful investments in modernization beyond the standard run-operate-change agendas, calling for a top-down change in mindset.

Exhibit 1 highlights the need for an enhanced focus on vital underwriting losses to support insurers' profitability mandates.

Exhibit 1: Key P&C insurance industry performance indicators
Source: Everest Group (2024)

P&C insurance underwriting income (in US$ million) and combined ratio[1]
— Combined ratio

P&C insurance combined ratios across lines of business[1]
— Personal — All P&C — Commercial

NWP[1] (in US$ billion)	655.6	715.5	775.1	862.1

1 Numbers represent US market
Source: Everest Group (2024), AM Best, NAIC, and Swiss Re Sigma 01/2024, and Swiss Re Sigma 06/2023

Driving a change in mindset

Profit margins for insurers raise the vital question of whether insurers can generate sufficient premiums to offset the outflow from claims and achieve profitability. Addressing these challenges requires rethinking underwriting and enhancing risk resilience, shifting the focus from insuring loss to ensuring protection. To ensure protection, insurers must align with the demand themes and proactively identify coverage gaps.

Leading insurers have proactively developed strategic initiatives to address these gaps. To stay relevant, they have doubled down on addressing key themes across emerging risks, evolving customer expectations, and underwriting cost transformations.

Rising emerging risks

The changing nature of risks, erratic climatic conditions, and a shift in how businesses function have widened the demand-supply gap that insurers struggle to address. Heightened exposure to climate risks and cyber threats has also highlighted the need for adaptable risk coverage. Insurers face challenges in adopting innovation to accurately quantify such unique risks, including coverage through easy-to-consume offering constructs such as parametric insurance and modeling for cyber risks. Leading insurers have demonstrated heightened activity over the past 24 months with the following objectives:

- Improve predictability in climate insurance using parametric insurance and extend applicability to meet demand needs, including agricultural risks

- Collaborate with broader insurance technology ecosystem providers to enhance cyber risk modeling and fraud detection capabilities and incorporate new risk factors

- Transition from human to data and AI-driven underwriting, adapting Excess & Surplus (E&S) lines to develop tailored coverage for complex risks

- Enable access to real-time IoT data and blockchain for extensive data analytics and risk modeling, using triggers from various sources such as weather and seismic sensors

Evolving customer expectations

Most insurers have yet to develop a mature technology architecture that builds sophisticated risk models, limiting their ability to manage cost efficiency and agility in addressing dynamic buyer needs. Omnichannel communication, advanced customer analytics and segmentation, and personalization are essential to meet modern customer expectations. Insurers must consider the following mandates to address these dynamic challenges:

- Prioritize client retention via hyper-personalized experiences through tailored offerings and sell experiences at the right time, to the right stakeholders, and through the right channels

- Develop business lines and key user-focused playbooks to capture and address distinct demand nuances

- Refine employee value proposition and build sophisticated talent to fulfill the evolving digital transformation needs
- Aid Single Tap underwriting and pricing with dynamic adjustments based on customer data and personalized actions using telematics, IoT, and alternative data sources
- Enable streamlined ecosystem interfacing and leverage partnerships for smart product packaging
- Partner with distributors, such as Managing General Agents (MGAs), to unlock niche expertise, region-specific nuances, and technology-driven distribution channels

Underwriting cost transformation

By weaponizing data across growth and efficiency objectives and managing leakage through fraud, P&C insurers can generate over US$700 billion. To unlock this value, insurers are becoming receptive to needs-based motions, prioritizing time-to-market, enhancing workflow accuracies, and accelerating product launches. Key initiatives in transforming underwriting costs into value-creating investments include:

- Identify opportunities for workflow automation and operational efficiency in high-volume underwriting business lines
- Monetize data to generate alternate revenue streams
- Employ Deep Learning (DL) and scenario analytics algorithms for precise risk modeling and fraud management
- Build multiple modular industry accelerators, pre-built insurance model systems with advanced rules and rating engines for specific business sublines
- Invest in capabilities to create wrapped products that seamlessly adjust coverage based on policyholders' evolving needs
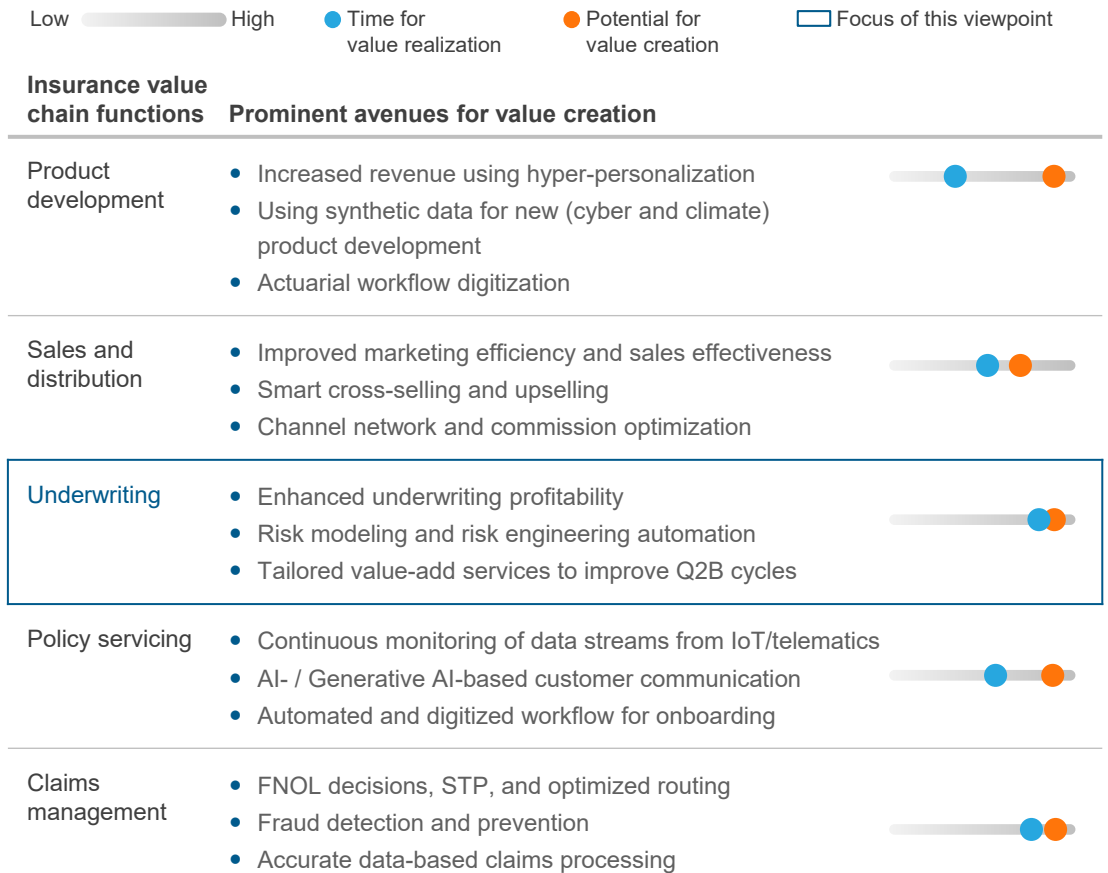
Insurers have invested in modernizing their technology estates, but most of these transformations enhance operational capabilities to drive efficiency and productivity gains. However, to transform underwriting functions, insurers must prioritize data in the next transformation wave.

Data and generative AI in P&C underwriting

Data can unlock value across all core operations in the insurance industry. Most P&C insurers prioritize underwriting because data has a significant potential for value creation in this area compared to other parts of the insurance life cycle. The emphasis on underwriting stems from the near-term value capture opportunity and the potential to achieve substantial gains in efficiency, accuracy, and customer experience through data-driven underwriting operations. Exhibit 2 highlights the value creation opportunities in underwriting.

Exhibit 2: Impact of data and AI-led underwriting on value realization and acceleration
Source: Everest Group (2024)

Low ▬▬▬▬▬ High   🔵 Time for value realization   🟠 Potential for value creation   ☐ Focus of this viewpoint

Insurance value chain functions	Prominent avenues for value creation	
Product development	• Increased revenue using hyper-personalization • Using synthetic data for new (cyber and climate) product development • Actuarial workflow digitization	🔵 🟠
Sales and distribution	• Improved marketing efficiency and sales effectiveness • Smart cross-selling and upselling • Channel network and commission optimization	🔵🟠
Underwriting	• Enhanced underwriting profitability • Risk modeling and risk engineering automation • Tailored value-add services to improve Q2B cycles	🔵🟠
Policy servicing	• Continuous monitoring of data streams from IoT/telematics • AI- / Generative AI-based customer communication • Automated and digitized workflow for onboarding	🔵 🟠
Claims management	• FNOL decisions, STP, and optimized routing • Fraud detection and prevention • Accurate data-based claims processing	🔵🟠

Generative AI unlocks value from data and revolutionizes the insurance sector by creating new services, innovative business models, and enhanced productivity throughout the insurance value chain. Unlike automation and ML, which optimize existing data and processes, generative AI delivers novel and creative outputs

accessible to users without technical expertise. It extracts insights from complex, large datasets, enabling faster and more informed decision-making. The underlying Large Language Models (LLMs) efficiently process and distill complex data, enhancing or even replacing human intervention to analyze extensive data volumes.

Generative AI's ability to democratize AI access has attracted interest from stakeholders beyond technology teams, and the prospect of business value creation has spurred investments. Insurers are beginning to adopt generative AI and implement proofs of concept, either independently or through external consulting and technology providers. Leading insurers have initiated a more comprehensive approach to generative AI to achieve efficiency gains and enhance customer experiences. However, initial steps for each P&C insurer will differ based on how industry challenges affect their business lines and the maturity of their existing technology systems across core functions. Thus, insurers must prioritize their needs and identify quick-win opportunities.

In the following exhibit, we have list use data, analytics, and AI-driven use cases prioritized by P&C insurers across personal, commercial, and specialty lines of business.

Exhibit 3: Leading data, analytics, and AI-based capabilities across major business lines
Source: Everest Group (2024)

	Intake	Triage and segmentation	Risk assessment	Decisioning and pricing	Quote, bind, and issue
Key business outcome	Automated data collection	Enhanced TAT	Streamlined data aggregation	Faster indemnity assessment	Automated document generation
Personal	User-generated data analysis	Analytics-based STP	Risk pattern analysis	Telematics-based risk quantification	Real-time binding
	Email body attachment ingestion	Renewal probability assessment	Hyper-personalized coverages	Customer lifetime value assessment	Virtual assistance
	Renewals analysis	Comparison of coverages	Integrating multiple data sources	Quicker repair estimates	Real-time quote generation
	Document classification		Customized risk protection		Workflow management platform for STP
			Fraud detection		Personalized communication with sentiment analysis
Commercial	Categorizing risk factors	Complexity-based segmentation		Anomaly detection with Root Cause Analysis (RCA)	Configured rules engine
	Data quality analysis			Synthesized rationale for decisions	
Specialty	Categorizing risk factors	Stakeholder capacity management	Catastrophe risk scoring	Dynamic pricing models	
	Data quality analysis		Cyber risk modeling	Rationalization of key metrics	

Reimagining underwriting for P&C insurers

Implementing generative AI successfully requires combining technical expertise, domain knowledge, and an agile development mindset. Insurers must understand the complexity of deployment, the associated timeline, and the potential business impact to identify an appropriate starting point. Simultaneously, developing a vision for the potential target state is vital to ensure continuous, incremental progress toward the long-term goals.

While there are strong indications that this technology will significantly impact the industry over time, each organization's readiness will determine the pace of progress. Early adopters will likely gain a competitive edge, unlocking value and driving differentiation. As insurers adopt generative AI, we recommend evaluating two essential considerations to support decision-making and help pinpoint the optimal starting point. By focusing on these aspects, insurers can better navigate the complexities of generative AI and prioritize investments in an evolving landscape.

- **Adoption ease:**
  - Need for generative AI capabilities such as creating datasets and multi-format content
  - Complexity of reasoning as it directly impacts the feasibility of generative AI adoption
  - Availability and quality of data necessary for training generative AI models
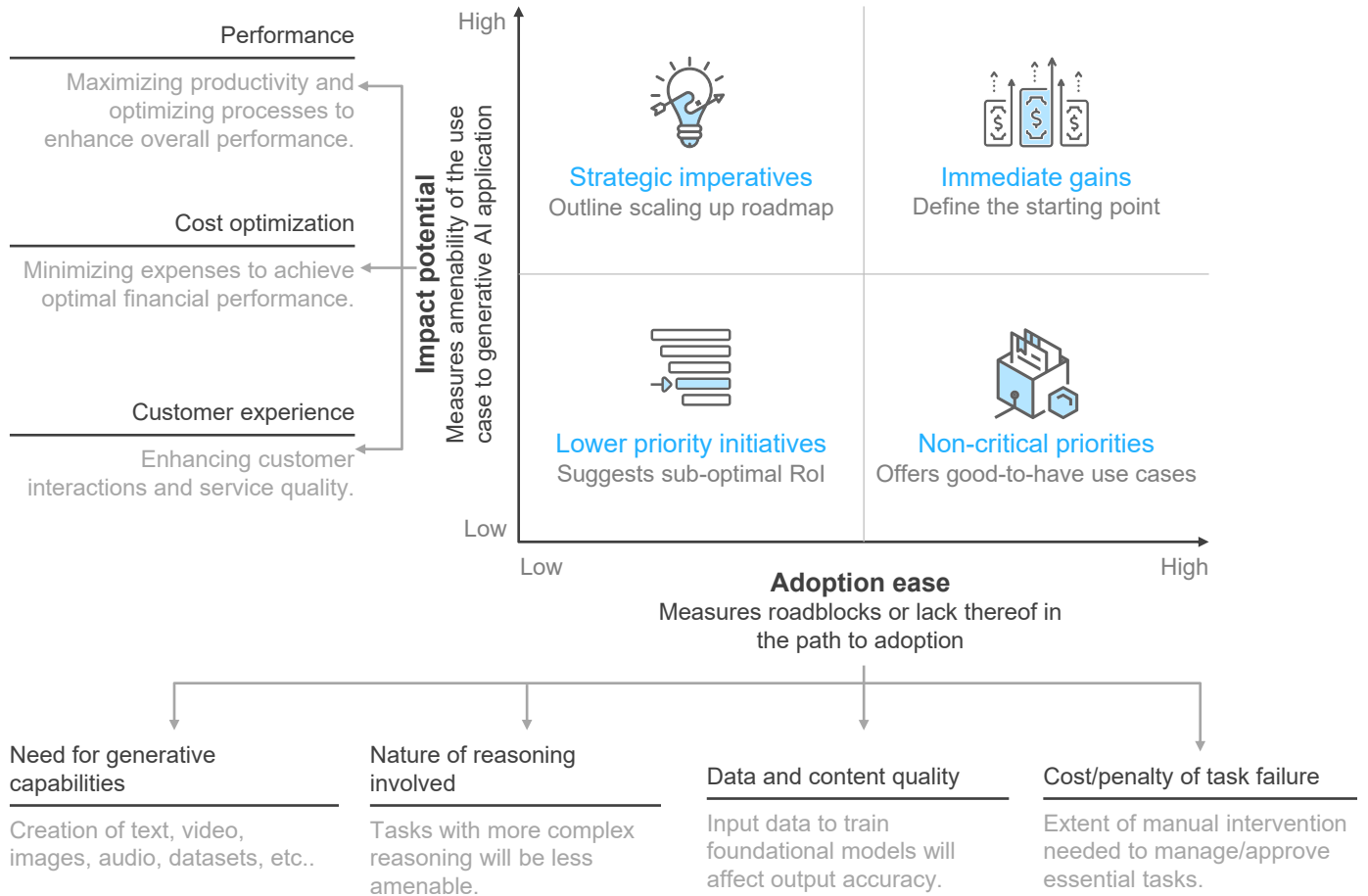 - Criticality of tasks, considering the cost and penalty of failure
- **Impact potential:**
  - Maximizing operational agility to respond to changes quickly
  - Efficiency and expense management to optimize financial performance
  - Customer experience for improving interactions and satisfaction

Exhibit 4 can serve as a reference for insurers to identify quick wins and long-term bets for adopting generative AI use cases based on their unique context.

Exhibit 4: Prioritization framework to assess generative AI use cases
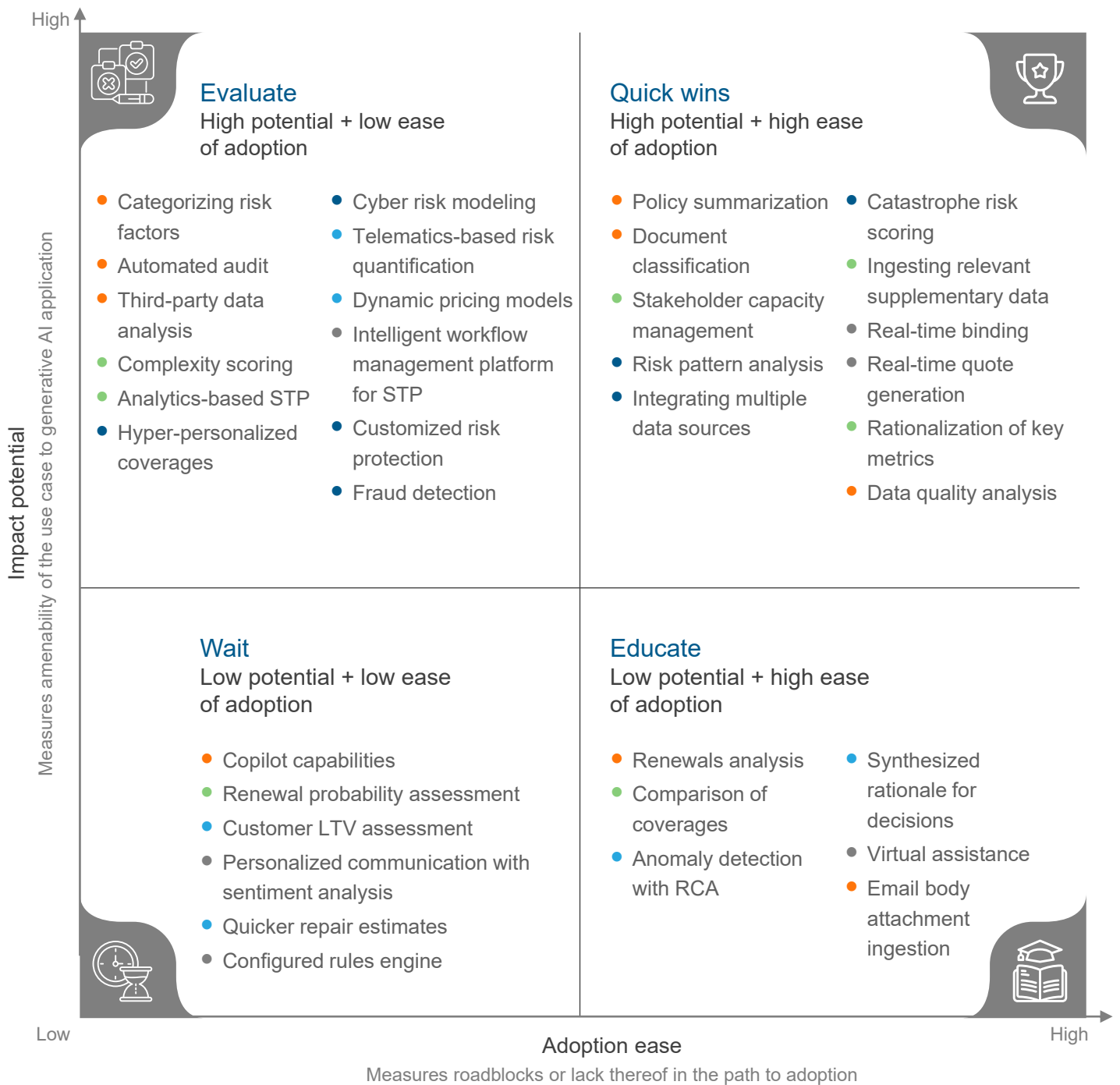
Source: Everest Group (2024)

Performance

Maximizing productivity and optimizing processes to enhance overall performance.

Cost optimization

Minimizing expenses to achieve optimal financial performance.

Customer experience

Enhancing customer interactions and service quality.

Impact potential
Measures amenability of the use case to generative AI application

High

Low

Strategic imperatives
Outline scaling up roadmap

Immediate gains
Define the starting point

Lower priority initiatives
Suggests sub-optimal RoI

Non-critical priorities
Offers good-to-have use cases

Adoption ease
Measures roadblocks or lack thereof in the path to adoption

Low   High

Need for generative capabilities

Creation of text, video, images, audio, datasets, etc..

Nature of reasoning involved

Tasks with more complex reasoning will be less amenable.

Data and content quality

Input data to train foundational models will affect output accuracy.

Cost/penalty of task failure

Extent of manual intervention needed to manage/approve essential tasks.

Insurers must identify appropriate action plans for adopting generative AI, starting with prioritized use cases. We have identified a sample set of underwriting use cases that have gained significant traction as part of strategic roadmaps and are currently being explored in the pilot-to-production phase.

Exhibit 5 classifies these use cases and provides a recommended action plan.

Exhibit 5: Prioritization framework for assessing generative AI use cases to support adoption roadmap

Source: Everest Group (2024)

● Intake   ● Triage and segmentation   ● Risk assessment

● Decisioning and pricing   ● Quote, bind, and issue   [N O T E X H A U S T I V E]

Impact potential
Measures amenability of the use case to generative AI application

Adoption ease
Measures roadblocks or lack thereof in the path to adoption

High ↑

Evaluate
High potential + low ease of adoption

- Categorizing risk factors
- Automated audit
- Third-party data analysis
- Complexity scoring
- Analytics-based STP
- Hyper-personalized coverages
- Cyber risk modeling
- Telematics-based risk quantification
- Dynamic pricing models
- Intelligent workflow management platform for STP
- Customized risk protection
- Fraud detection

Quick wins
High potential + high ease of adoption

- Policy summarization
- Document classification
- Stakeholder capacity management
- Risk pattern analysis
- Integrating multiple data sources
- Catastrophe risk scoring
- Ingesting relevant supplementary data
- Real-time binding
- Real-time quote generation
- Rationalization of key metrics
- Data quality analysis

Wait
Low potential + low ease of adoption

- Copilot capabilities
- Renewal probability assessment
- Customer LTV assessment
- Personalized communication with sentiment analysis
- Quicker repair estimates
- Configured rules engine

Educate
Low potential + high ease of adoption

- Renewals analysis
- Comparison of coverages
- Anomaly detection with RCA
- Synthesized rationale for decisions
- Virtual assistance
- Email body attachment ingestion

Low   High

Evolution roadmap for generative AI in P&C underwriting

Generative AI offers a dual advantage – it enhances the value derived from insurers' existing AI/ML investments while creating new opportunities for value generation. In the short term, generative AI can improve existing processes, providing insurers with quick wins. As insurers establish a baseline for generative AI adoption, they will gain the confidence to invest further, optimizing internal processes and enhancing stakeholder experiences. In the long term, insurers aim to shift human involvement from operational tasks to value addition, enabling more accurate decision-making capabilities that benefit both customers and insurers.

Using generative AI, underwriting organizations can deliver a faster and more streamlined experience for both customers and employees. Human decisions will be precisely informed and accelerated by AI-assisted data analysis, leading to improved efficiency and satisfaction. We expect the journey to mature over three phases, involving advances in AI/ML adoption as well as pure-play generative AI use cases.

- **Digital native (current state):** realizing efficiency gains by streamlining standard processes such as data enrichment and document summarization
- **Ecosystem enabler (value unlocking):** enabling insurers to unlock value across the underwriting value chain through automated processes
- **AI native (art of possible):** fundamentally changing the underwriting mindset from a risk management approach to ensuring protection with predictive capabilities

Exhibit 6 highlights the potential use cases of generative AI and the expected business impact and outcomes across these three adoption phases.

Exhibit 6: Generative AI's potential use cases across the adoption phases

Source: Everest Group (2024)

	Digital native (current state)	Ecosystem enabler (value unlocking)	AI native (art of possible)
Intake	Handwriting and image recognition and NLP to increase the data intake speed. Adaptive support for conversational agents with multilingual capabilities and context and intent-based questions. **Improve customer service efficiency**	AI-enabled document review services for faster data intake. Data quality analysis for identifying and plugging gaps in submission documents. **Enhance data adequacy checks**	Cognitive AI advisory to detect customer's requirements around documents, payments, and situations. Intelligent next-best action recommendations based on unique customer context. **Enhance predictive capabilities**
Triage and segmentation	Enabling a 360-degree data view for segmentation based on lines of business. Generative AI-assisted dashboards for real-time process tracking and transparent communication of current submission status. **Improve segmentation accuracy**	Facilitating analytics-based decision-making for reduced human intervention. Dynamic triaging based on adaptive workflows that depend on resource availability, underwriting skillset, and risk profile. **Enable faster TAT**	Boosted triage and segmentation capacity by up to 2.5 times. More than 80% reuse of existing code base for effective triage and segmentation. **Free up stakeholder capacity**
Risk assessment	Risk pattern analysis for calculating fraud and indemnity probability. Faster and more accurate coverage reviews; summarization based on loss and policy data. **Establish a foundation for STP**	Integrating multiple data sources and dynamically plugging gaps with relevant sources. Tailoring customized risk protection for specialty lines of business. **Enhance operational flexibility**	Generative AI-driven accident scenario analysis for loss occurrence probability calculations. Automated impact assessment on the overall risk portfolio. **Increase productivity and accuracy**
Decisioning and pricing	Identifying relevant datapoints to enhance pricing accuracy. Quicker repair estimates with generative AI-assisted analytics. **Enhance availability of relevant data**	Synthesized rationale for training generative AI models. Dynamic risk pricing models for emerging risks. **Increase share of automated decisions**	Using real-time, user-generated data for telematics-based risk quantification. Customer lifetime value assessment based on supplementary data points from external sources. **Enable customer-specific decisioning**
Quote, bind, and issue	Adaptive support for dynamic and context and intent-based questions. Real-time binding and quote generation. **Accelerate quote and bind processes**	Virtual assistant capabilities and effective summarization of notes. Generative AI-driven rules engines for automatic document generation. **Automate document generation**	Generative AI-driven intelligent workflow management platforms. Customized document generation capabilities. **Establish zero-touch workflows**

Persistent importance of human expertise

Generative AI is well-suited for tasks such as generating synthetic data, improving image quality, summarizing large texts, and optimizing designs. While the technology can automate numerous manual tasks, certain activities requiring creativity, empathy, critical thinking, and decision-making are best performed by humans. Generative AI cannot easily replicate these human qualities, particularly when accuracy is vital. To comprehend the persistent importance of human expertise, we identify key drivers contributing to the evolution of human involvement across the underwriting process:

- **Increased underwriting bandwidth:** Automation of high volume, low complexity workloads, particularly in personal lines, frees up underwriter bandwidth for more strategic workloads. Furthermore, Gen AI-led straight through processing has potential to increase enterprise-wide underwriting bandwidth

- **Complexity and customization:** The dynamic nature of risks, increasing complexity, and the need for customized solutions make human involvement critical for judgement-based decisioning

- **Regulatory Landscape:** The regulatory environment, particularly for commercial and specialty insurance, is stringent and requires human oversight to ensure no lapses and legal consequences

- **Innovation and Adaptability:** Need for constant innovation and adaptability in products and services keeps human underwriters at the forefront

- **Standardized data:** Availability of standardized data and established risk factors aids enhanced accuracy in terms of risk assessment and pricing, eventually contributing to the bottom line

These drivers are bound to impact the nature of human involvement, enabling the transition from routine tasks to value additions as the generative AI stacks keep evolving along the adoption journey.

Considerations for deploying an enterprise-wide generative AI stack

As insurance enterprises move along the generative AI adoption journey to more advanced stages, understanding and implementing effective enterprise-wide strategies is crucial. Based on our discussions with leading CIOs, two primary considerations emerge as critical for a successful generative AI adoption strategy.

- **Establishing the right value equation:**
  Generative AI is inherently costly, posing a significant challenge for enterprises with limited budgets. Beyond the high costs, tracking and managing generative AI's usage presents additional difficulties for leaders. Therefore, it is vital to set clear business objectives and translate them into a value equation that justifies the investment in generative AI. This ensures that the adoption strategy aligns with organizational goals and delivers measurable benefits

- **Choosing the appropriate generative AI model:**
  Large Language Models (LLMs) and other foundational models have achieved significant success across various language-related tasks. However, the market is now saturated with generative AI models, ranging from proprietary to open-source options, each tailored for specific applications, industries, and functions. Consequently, selecting the right model and vendor is crucial for impactful implementation. This involves a thorough assessment of the vendor's expertise, model performance on relevant benchmarks, adaptability, data security and privacy policies, and compliance with regulatory requirements

When assessing generative AI models, it is essential to ensure that the vendor's technological capabilities align with the organization's unique requirements. This alignment supports seamless integration into the existing infrastructure. Additionally, evaluating the Total Cost of Ownership (TCO) – considering not only initial implementation costs but also ongoing expenses related to maintenance, updates, and potential scaling – allows organizations to make informed financial decisions and ensure long-term viability.

Potential roadblocks on the generative AI adoption journey and proposed solutions

The integration of generative AI is not just about adopting a new technology but about fundamentally rethinking and reshaping business processes. The impact of generative AI can be profound, enabling insurers to offer more personalized products, detect fraud more effectively, and ultimately provide better value to their customers. However, staying ahead of the curve requires being cognizant of the challenges that arise while adopting newer technologies at enterprise scale.

By addressing these challenges head-on, insurers can better position themselves to leverage generative AI's full potential:

Data preparedness – Is your data estate ready to fuel generative AI?

Challenges	Solution
Insurers traditionally possess large amounts of customer data, but harnessing its value has been limited. For generative AI, the quality of output depends on the data fed into the models. Insurers must ensure the data used supports decision-making.	Insurers must feed filtered data inputs such as policy and customer data into models for training generative AI. Accurate data is essential to tackle model shortcomings and minimize issues such as hallucinations, bias, ethical considerations, and fillers.

Enterprise data privacy and security – How are you protecting your data?

Challenges	Solution
Using pre-trained generative AI models poses the risk of exposing data to third-party providers. Insurers face a paradox: vital information must be fed into training models, which also means potentially sharing private data outside their secure ecosystem.	Clear responsibility and accountability for AI-generated content must be assigned during generative AI integration. Insurers must treat privacy as a shared responsibility among all stakeholders and determine who is responsible for the quality and legality of the output.

Affordability of generative AI – What costs do you need to incur for value maximization?

Challenges	Solution
Current generative AI models fall short of being suitable for insurance applications. Customizing these models for specific business requirements, such as complex risk modeling, remains a challenge.	Fine-tuning models can provide a temporary solution, but unlocking generative AI's full potential requires training custom models. This involves extensive time, resources, and financial investment. Insurers can collaborate with strategic partners to facilitate smoother adoption.

Talent conundrum – How do you manage talent requirements?

Challenges	Solution
Industries seek skilled professionals with expertise in AI models, data structures, algorithms, neural networks, and ML. These professionals must also train models, manage ethical considerations, and contextualize them for insurance.	Insurers must prioritize re-skilling existing talent, leveraging their industry knowledge and familiarity with organizational goals. Alternatively, working with third-party consulting and technology partners can help insurers scale faster and manage talent costs.

Sustainability and governance – Can generative AI affect your sustainability score?

Challenges	Solution
Generative AI models' carbon footprint is expected to grow with increasing maturity, requiring massive computing power and energy consumption. These models also risk perpetuating bias and inequity, and there are societal concerns about job displacement.	Establish a strong, centralized governance system with policies and guidelines to ensure ethical and responsible generative AI operations. Evaluate the RoI of generative AI implementations, balancing them with sustainability efforts.

Conclusion

Generative AI's intriguing potential is propelling its transition from an optional consideration to a critical requirement for insurers aiming to remain competitive in today's rapidly evolving technology landscape. This shift offers a unique opportunity to revisit existing processes, unlock untapped creativity and productivity, and boost insurers' confidence in accelerating their transformation journeys. Generative AI thus presents insurers with an exceptional opportunity to reinvent themselves, delivering enhanced value to customers, shareholders, and the insurance industry.

To fully realize generative AI's benefits, insurers must explore sustainable integration methods across workflows incrementally. As generative AI continues to advance and mature, significant innovations and disruptions are anticipated across the industry. Insurers that effectively leverage these advances will be positioned at the forefront of progress, capable of meeting the dynamic demands of customers and markets, thereby ensuring long-term success in the transformative AI landscape.

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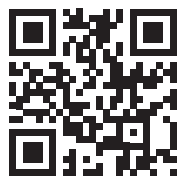Tech Space, Sector 48, 122018,

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