

TECHNOLOGY VISION FOR INSURANCE 2018

Raising AI Responsibly Transcript

Portland Helmich: Last year, the tech vision suggested that AI is the new UI and this year we're talking about raising AI to benefit business and society. Can you talk about the latest trends in insurers' use of artificial intelligence?

Michael Costonis: Absolutely. And as fact, as the technology has been maturing so has the application. So, insurance companies started first using robotic process automations, really a rudimentary technology focused on routine tasks operate quicker. We've now seen a maturation of true use of artificial intelligence moving out of the back office and into the front office, taking the place of human-and-computer and human-and-agent interaction. But now, the issue becomes, how do we take that artificial intelligence and give it the personality, the fairness, the transparency that it deserves. It's creating a very different usage around artificial intelligence.

Portland Helmich: And how to program an AI to act responsibly, to explain its decisions, to work well with others given that it's increasingly trusted to make automated decisions that affect the lives of customers and employees and other people?

Michael Costonis: Well advanced AI isn't a system that's programmed; it's a system that learns. We need to approach it in that fashion. It's like human education, how we teach it, what data will put into it, what cases will we give it to understand, and then we really need to know are we putting bias in the data that we're giving it? Because at the end of the day, we have to create models and algorithms that work for our customers, not at their bias or at their disadvantage. We have to think of it as a person that we're creating with this artificial intelligence.

Portland Helmich: Isn't there a danger though that customers will mistrust AIs to make decisions that would have a life-altering on them? For example, like whether to pay out a life insurance policy on a policyholder when the policyholder dies?

Michael Costonis: Yeah, absolutely. This is a big risk. I think, when we look at it, at the end of the day people will mistrust something that they don't understand or see. And that's the risk with artificial intelligence. In fact, 70 percent of the insurance executives that we talked to are trying to gain their customers' trust by providing that transparency. So, the insurance companies need to be able to explain it to their customers. Why AI is making the decisions that it's making, for their benefit.

Portland Helmich: What's the next step in AI's evolution in the insurance industry?

Michael Costonis: In the future, we can imagine a combination of taking artificial intelligence with all of the different data sources that are available to us to really, fundamentally change the process from beginning to end. We can understand what people are doing, we can understand

what their wants and needs are, we can understand how businesses operate and it can be available at your fingertips when you need it across any channel. Artificial intelligence will be the engine that really makes that work.