

How Technology Enables Efficient Exposure Management

May 2023



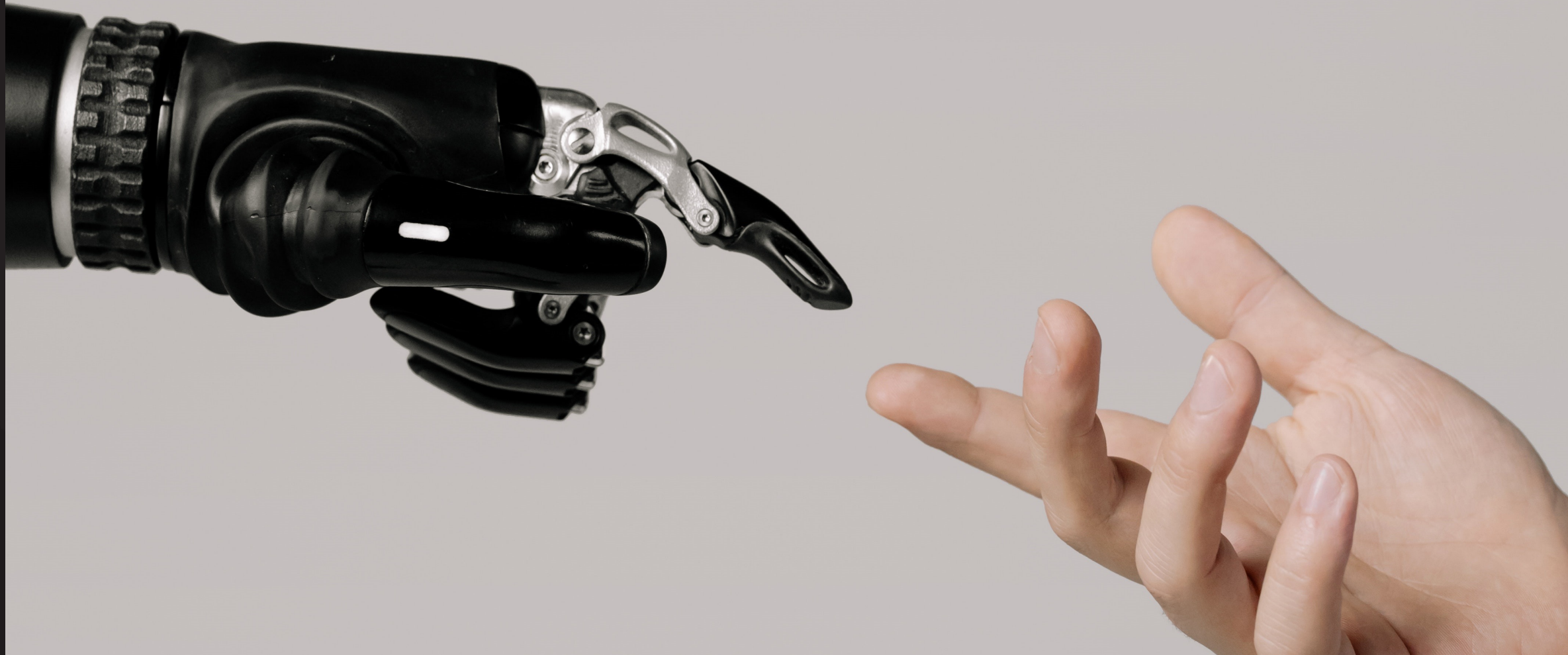


Contents

1. Automation
2. Skills
3. Artificial Intelligence

Automation

Reduce the time analysts spend on processing and tasks that are able to be and should be automated. Allowing analysts to focus on aspects that add even greater value.



Automation of Workflow

An opportunity to improve the workflow, reducing email traffic, increased transparency, auditability, and the ability to trigger processing tasks automatically.



Manual Operating Models



Even in this simplified model there are 11 manual processes listed – often comprising of multiple sub-processes

Raw Data

- Data attached to SQL server.
- Data manipulation /Augmentation/ Preparation / Conversion

Pricing & Underwriting

- Transfer of summarized data to subsequent teams



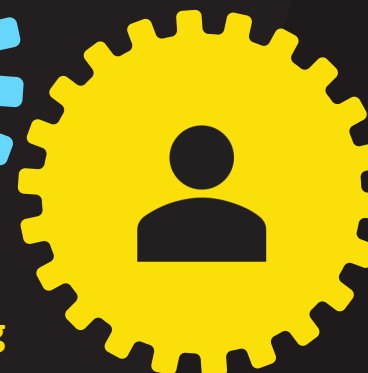
Submission

- Initial contact from Broker.
- FTP link provided.
- Data Downloaded to drive



Catastrophe Modelling

- Application of financial terms
- Analysis of view of risk through Catastrophe Model

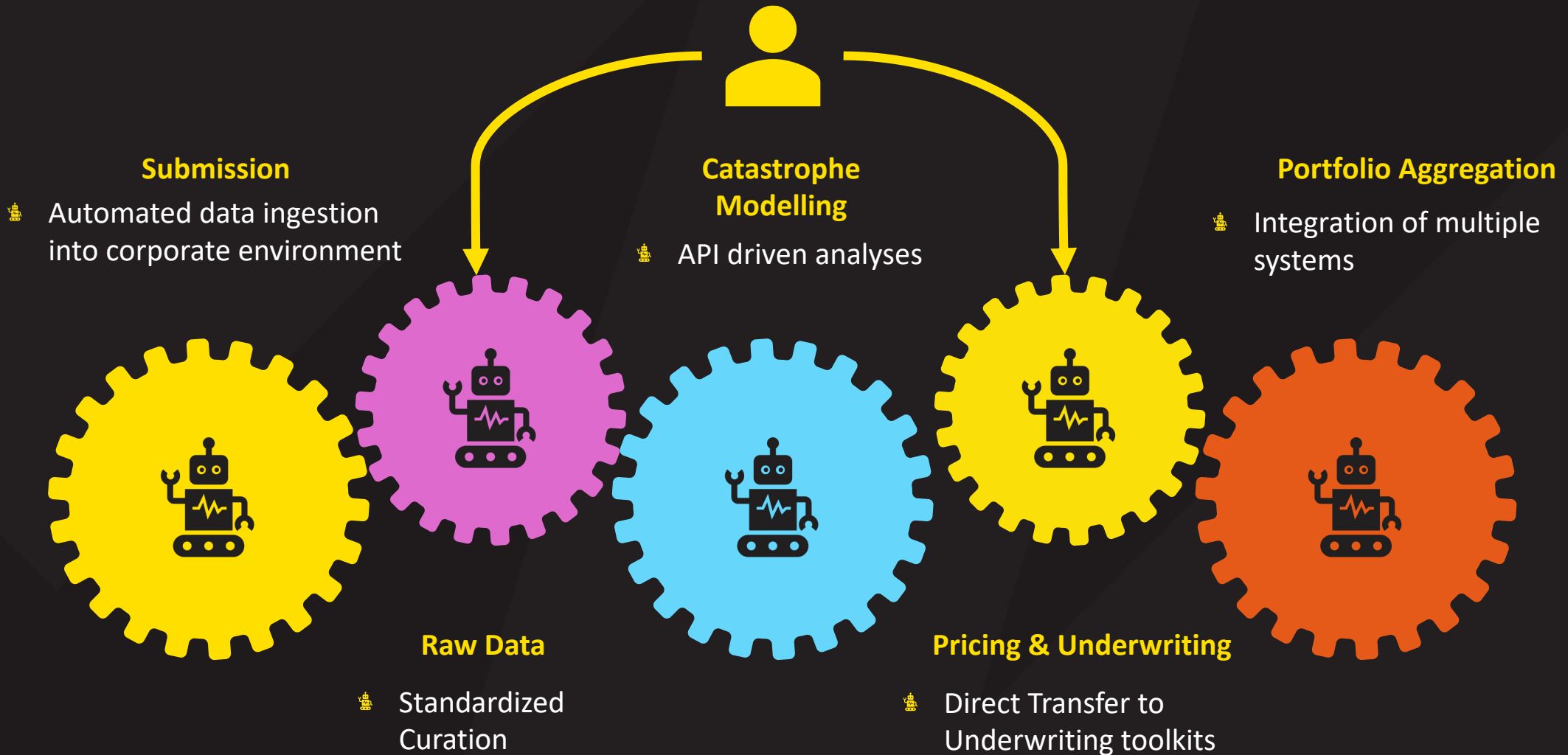


Portfolio Aggregation

- Bound list of accounts per class.
- Aggregation across classes.
- Multi-level reporting.

Automated Operating Models

Inclusion of human integration at specific touchpoints

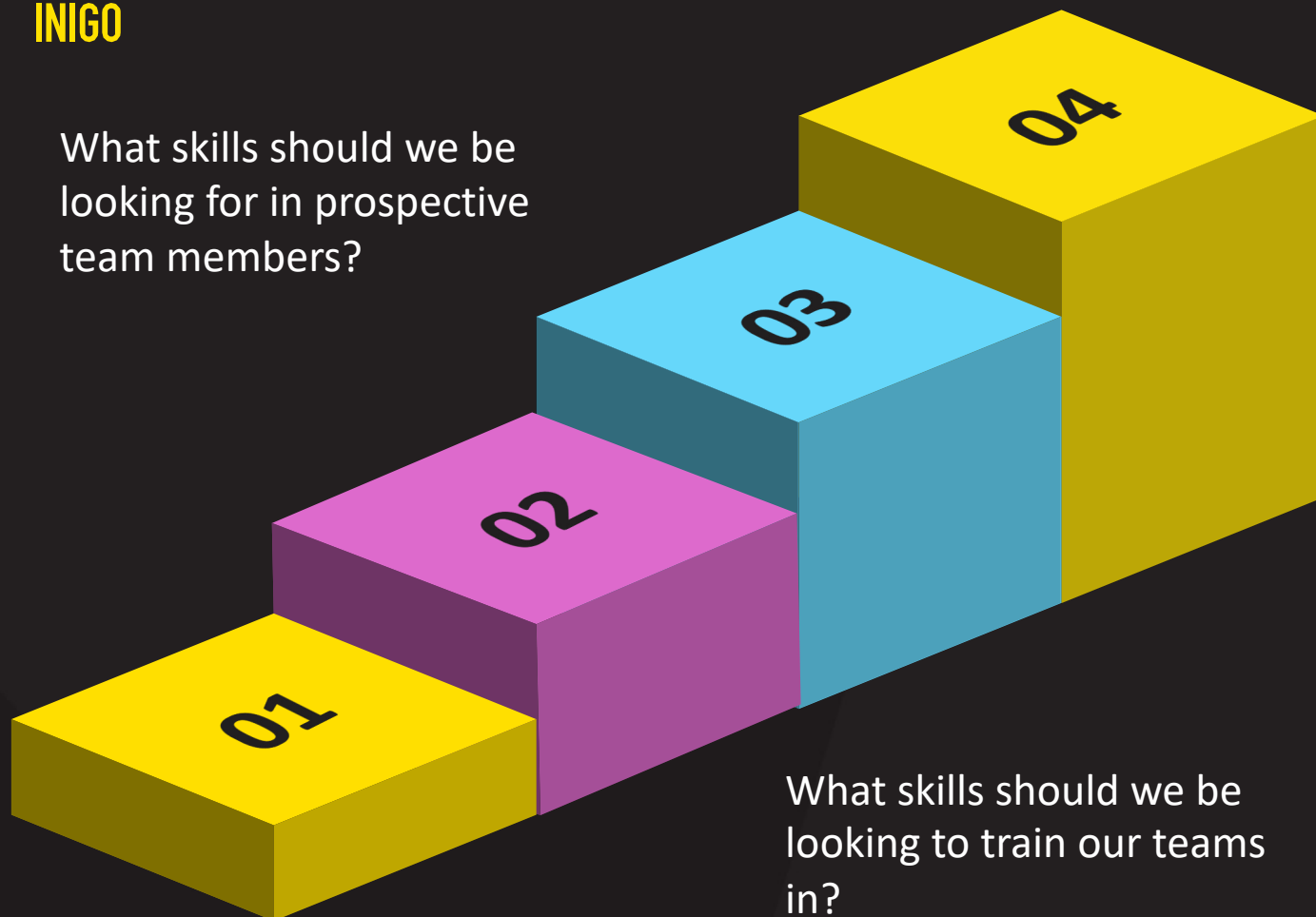


Skills



Skills within Exposure Management

What skills should we be looking for in prospective team members?



Skill Gap?

For new joiners into the Catastrophe Modelling space, is there a risk of separation from the underlying data & processes .

API Utilisation & Engagement

Processes should be built out in conjunction with developers to avoid key person dependencies. What about those out of scope?

Learning from data science

Many incumbents have joined from geophysical & mathematics background.

Needs to continue, but supplement with data science skill sets, either through recruitment, or inhouse training & development

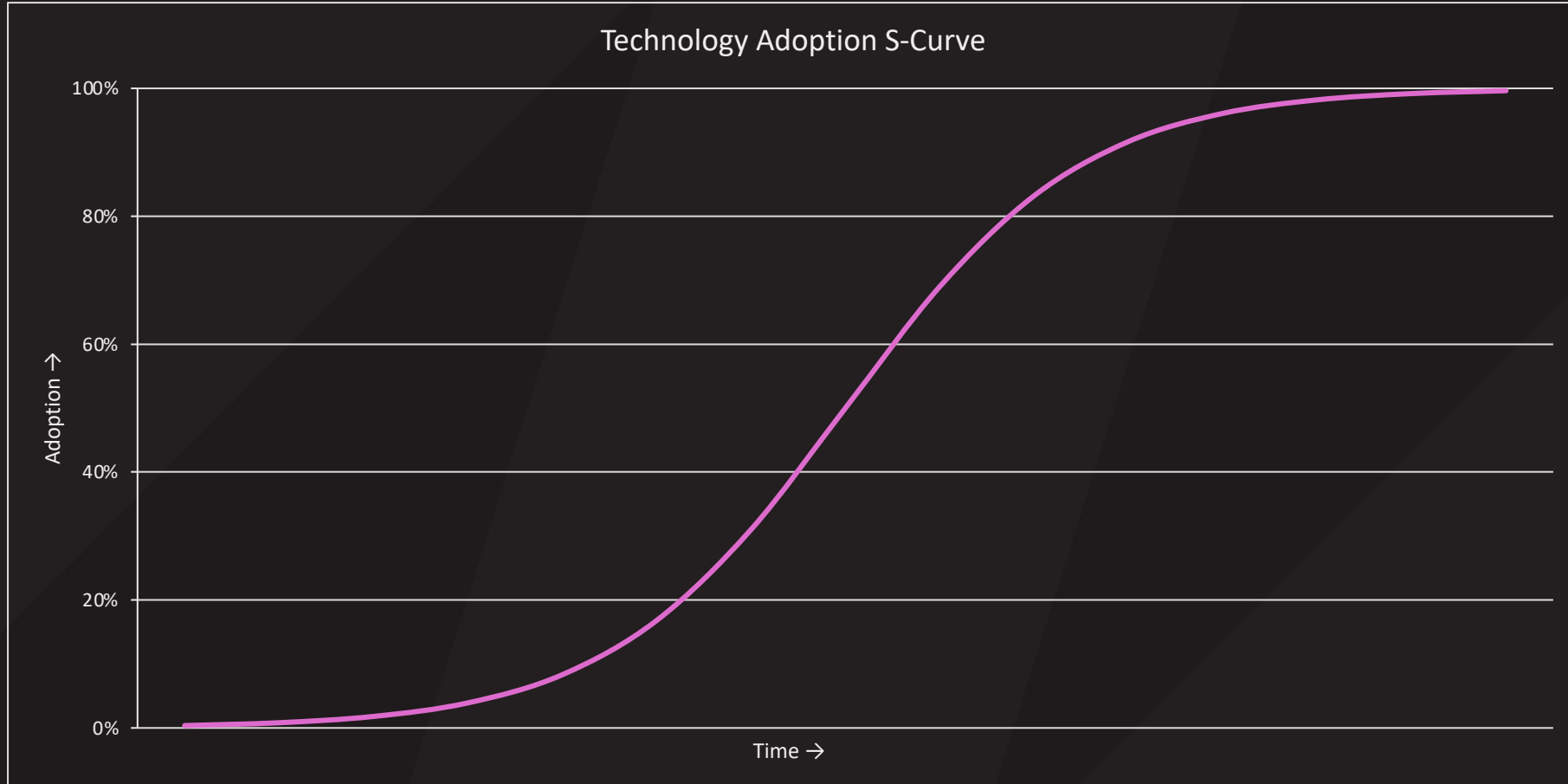
Prompt crafting...

A comparable new skill to develop to engage with AI Large Language Models.

Artificial Intelligence

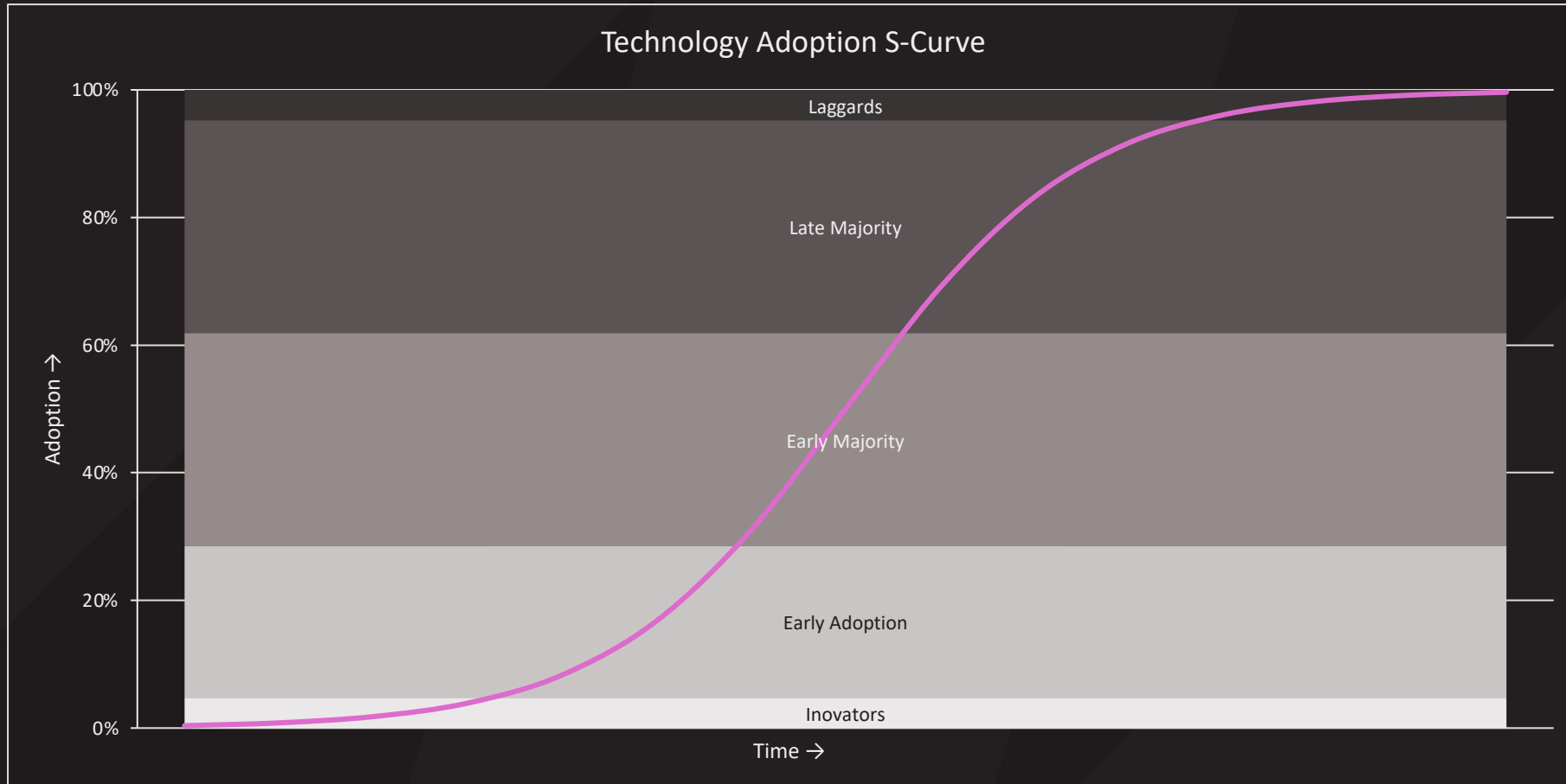


Technology Adoption



Each new technology and product category has an adoption curve which represents the cumulative rate at which a population adopts a service, product or technology over time

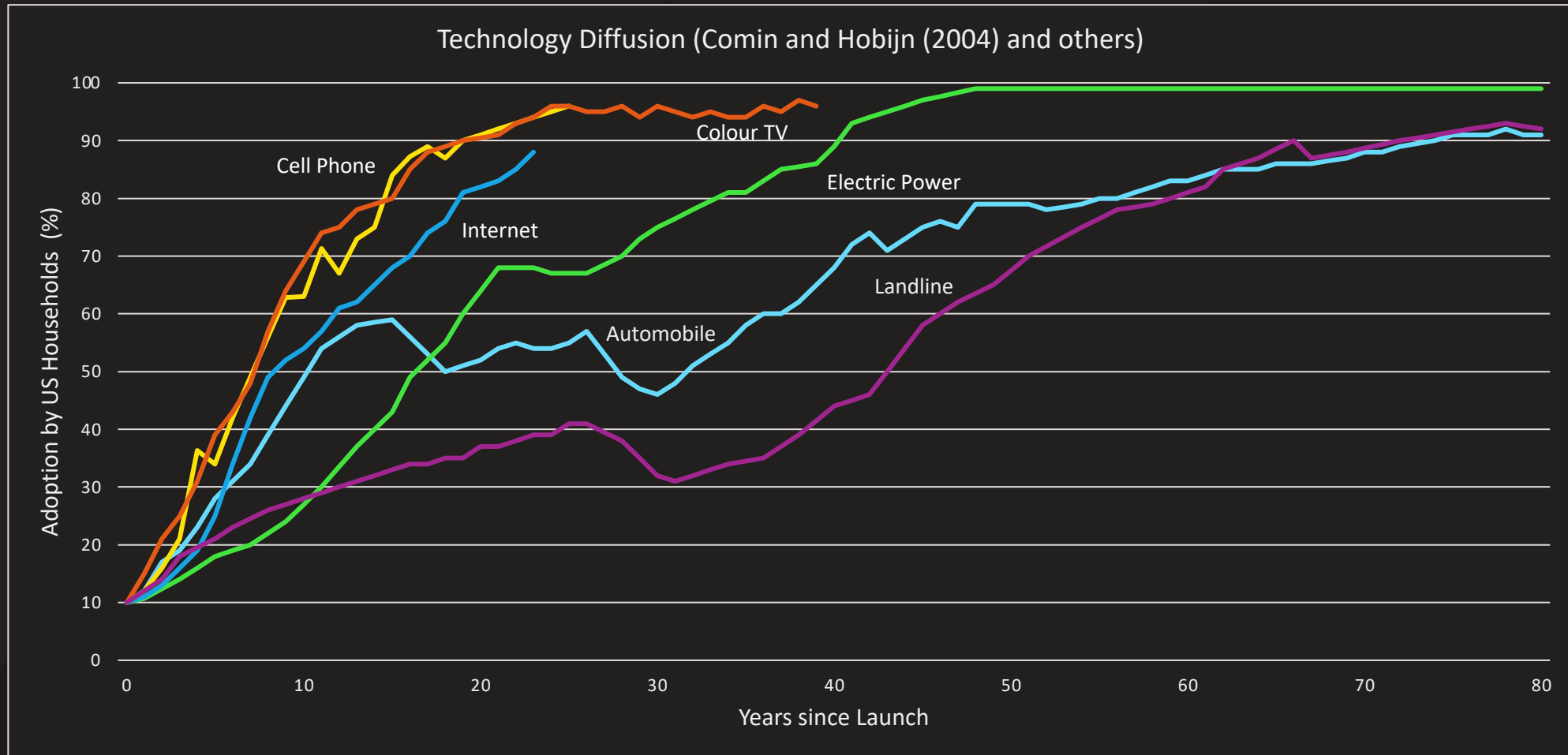
Technology Adoption



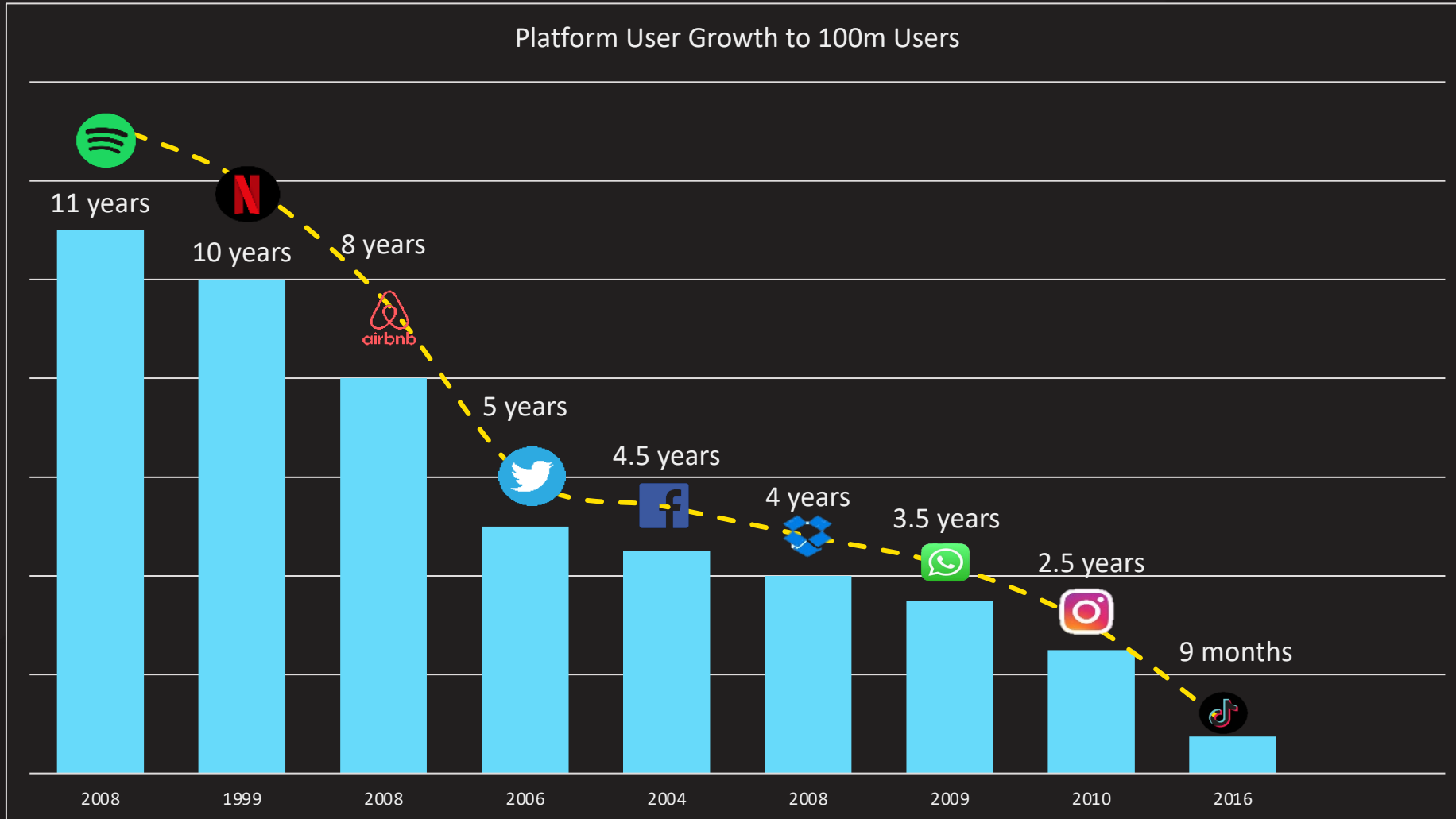
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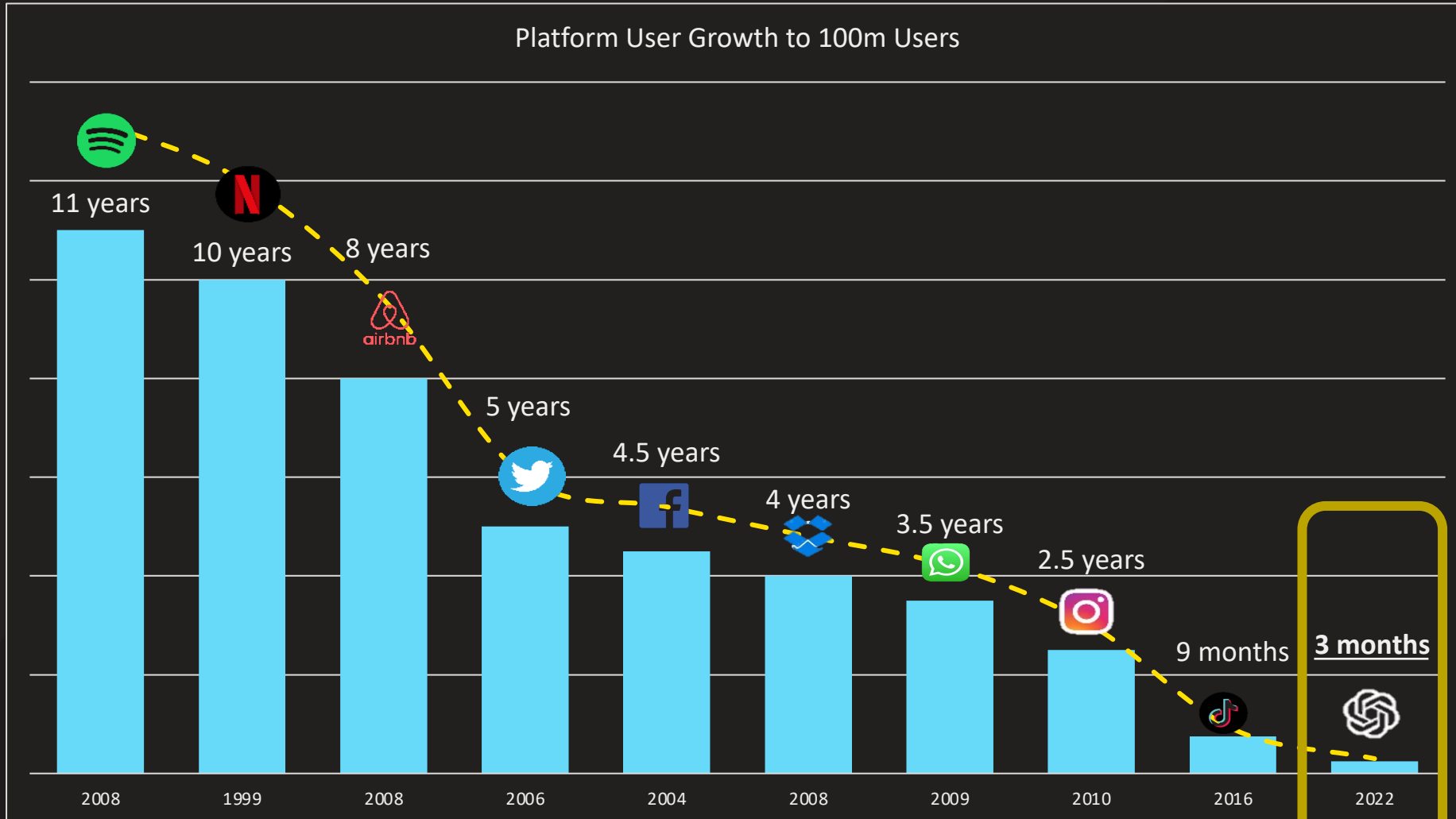
Historic Technology Adoption – US Households



Online Services Adoption – a Chat-GPT comparison

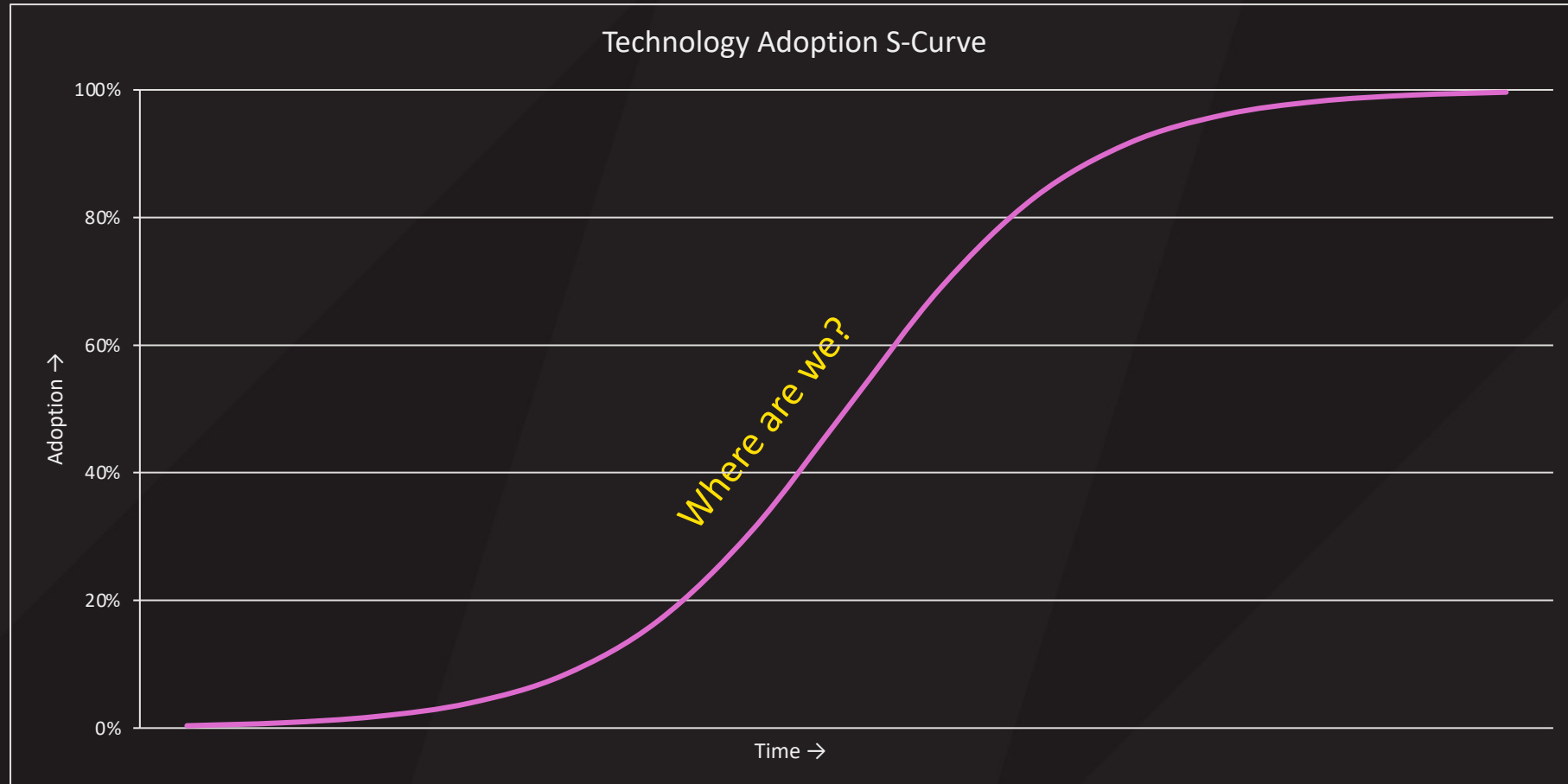


Online Services Adoption – a Chat-GPT comparison



Source: [Netscribes.com](https://www.netscribes.com)

Technology Adoption



Exciting proposition of this technologies maturity considering unprecedented interest, user base and potential

Industry Applications – how could we use it?

Asking the right questions!

Summarisation

The ability to obtain, review & summarise data live on the internet i.e. assist in review of events.

Summarisation of Model settings provided from a broker?

Automation

Automatic e-mail/quote/report generation in underwriting/pricing systems.

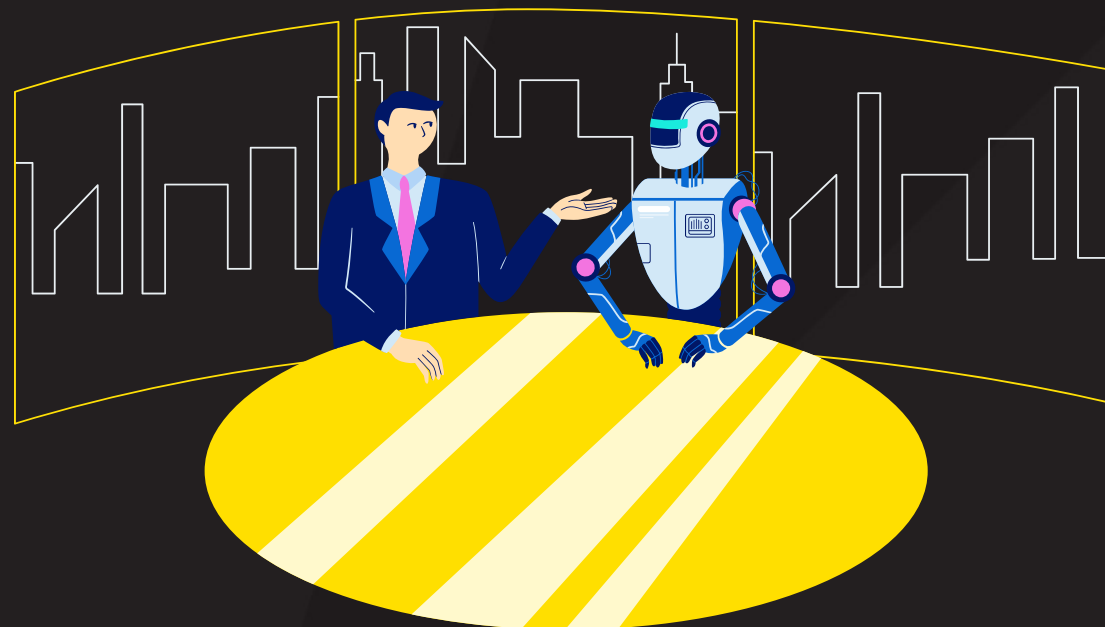
Email/Account triage?

Slip interpretation

Improve on where Machine Learning is operating to help interpret Slip wordings rather just classifications

Can we insure it?

Does it offer a new threat vector? Is this a new opportunity for Insurance?



Automation should be undertaken wherever significant repetition of work occurs – however it's important to consider where human integration is required.

**Must consider holistic training of new joiners to an automated process
Both new joiners & incumbent professionals should be considering skills to handle to large data volumes & sources in our industry**

**AI is a potentially transformative technology which is important embrace as it develops at rapid pace
Prompt crafting is a skill for us all to develop**