Legal disclaimer

- The views expressed in this presentation belong to the speaker and not Allstate Insurance Company of Canada (AICC), its affiliates, or employees.

- Only mock data is used in this presentation for illustrative purposes.

- The "Allstate Canada" trade name and the "good hands" logo are the properties of AICC. Use without AICC's express consent is strictly prohibited.

One more disclaimer

- The content in this presentation was created by a human, a.k.a. **actual intelligence**. Nevertheless, humans make mistakes too. While we strive for accuracy and quality, we cannot guarantee the accuracy, completeness, or timeliness of the information provided. We recommend independently verifying the content and consulting with professionals for specific advice or information. We do not assume any responsibility or liability for the use or interpretation of this content.

Agenda

1 Responsible and ethical use of AI

2 Where AI could help

3 Deep-dive of use cases

Have you eaten your rocks today?

Source: https://searchengineland.com/google-ai-overview-fails-442575)

Sample guidelines of responsible use of AI

Do not enter confidential or personal information of any kind into generative AI queries in public portals, such as ChatGPT. Assume everything will be public.

Careful review inputs and outputs for accuracy, fairness and bias.

Be transparent and disclose how and why you are using AI to your teams, leadership and end users.

Store inputs and outputs securely and with the ability to explain the outcomes.

Do not incorporate generative AI data output into Allstate datasets or proprietary models unless your management team has received approval from the ACG AI Working Group.

Do not use generative AI cutouts for externally facing content, decisions that may impact outcome for people, business decisions, or for software coding, unless your management team has received approval from the ACG AI Working Group.

Question: "Do not do this" "Do not do that" – What CAN we do?

Response: Be thoughtful about "augmenting humans" vs. "replacing humans" – in other words – supervise your AI (especially in heavily regulated industries)

AI can benefit a business in 4 major categories

Speed and efficiencies in general operational and administrative tasks and communications.

Category	Description	Low-Hanging Use Cases
Internal operational efficiency	Speed up or automate operational and administrative tasks and communications	Summarize meeting notes, summarize emails, writing and translation.
Customer service availability	AI engine connected to customer interaction engine	Always-on chat, common task self-serving, call analysis
Increase Top Line	Optimize segmentation, customer	Customized retention and pricing tactics
Improve Bottom Line	Increase the speed and accuracy of loss costs improvement	Faster adjuster experience, auto-detection of fraud

We will now dive deeper into some potential use cases.

Use case: claims fraud

Problem statement

- Detecting staged auto theft, staged collision, and staged vandalism leading to substantial financial losses and increased premiums.

How AI can help:

- Identify probability of staged fraud at real-time scanning all claims automatically defining major risk factors/ reasons for the alert including pattern matching, anomaly detection and relationship pathfinding, identify synthetic IDs, fraudulent communities and relationships to previously highlighted fraudulent activities.

Why it matters:

- Improves loss cost and keeps lower premium to customers.
- Improves operations efficiency and reduces operations cost by automatically scanning claims.
- Increases customer trust.
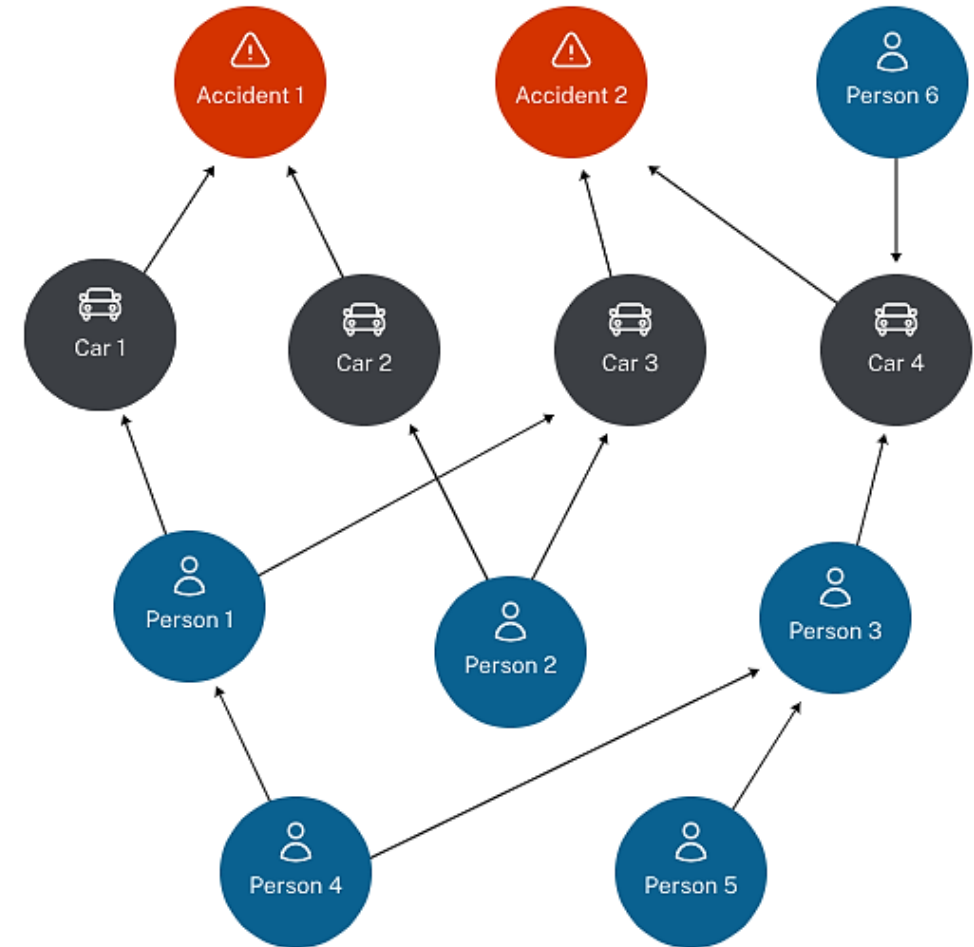
Use case: geolocation analysis

Problem statement

- Integrating geolocation data with claims data to optimize claims and underwriting

How AI can help:

- Identify unusual driving routes and driving patterns.
- Time and place correlations with other data sources: traffic, weather, etc.
- Witness verification.
- Creation of risk routs and maps.

Why it matters:

- More accurate geolocation risk profiling optimizes pricing and reduces premium leakage.
- Reduces fraud, improves loss cost and keeps lower premium to customers.

Use case: customer interaction analysis

Let's look at a banking use case first…

Problem statement

- Summarizing customer interactions to enable customized individual resolution as well as general business insights.

How AI can help:

- Text-mining to identify common requests.
- Provide unprecedented and fast insights.
- Embedded AI engine can serve as sales or service assistant for customized recommendation (coverage review, discount and deductible review, etc.).

Why it matters:

- Improves customer retention and NPS.
- Improves operations efficiency and reduces operations cost by automatically scanning claims.
- Increases customer trust.

dollars
tomorrow
call   cancel
someone   back
rebate
let   else
annual
two-hundred
fee give

We've come a long way

Still image from
2001: A Space Odessey, courtesy of Stanley Kubrick Productions.

And we have a long way to go

Q&A – Connect with me

- Chief Risk Officer, Chief Data Analytics Officer, FinTech Advisor
- >20 years of data analytics experience in the financial services industry in both Canada and the US
- MBA from New York University
- CFA charter holder