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Three Ways Insurance Carriers Can Put AI To Work — Instantly and Effectively

Your Value Chain, Reimagined

The insurance industry is at a crossroads – navigating an extraordinary convergence of economic, societal, and technological disruption.

With monumental change afoot, it can no longer be business as usual.

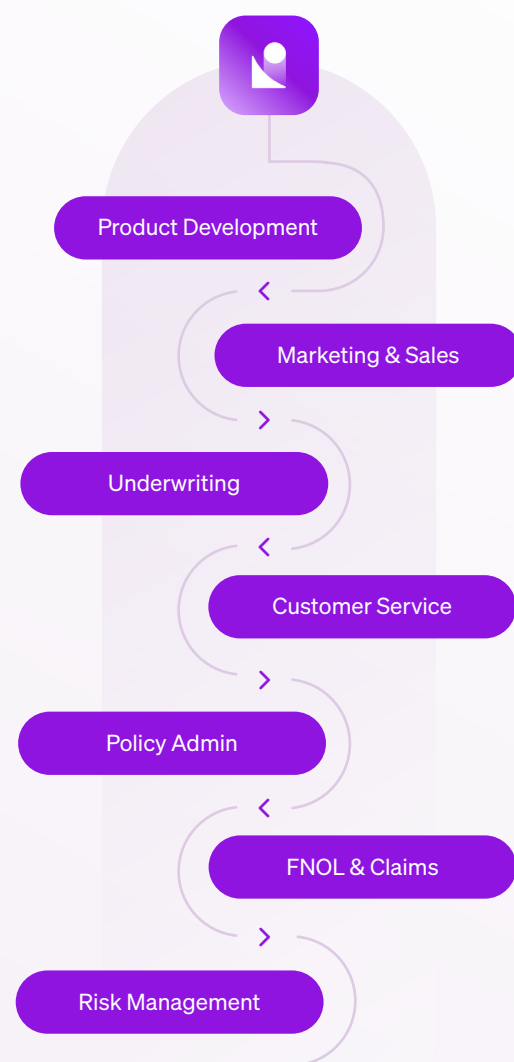For agile, forward-thinking insurers, this turbulence means opportunity.

By leveraging AI, insurers can reshape core insurance processes, adding value to every point of the insurance lifecycle.

This is a time for bold moves.

The following pages illustrate three imminent and impactful ways insurers can use AI to cost-effectively adapt to this new environment and emerge stronger than ever before.

The race is on.

Will you lead or will you follow?

Product Development

Marketing & Sales

Underwriting

Customer Service

Policy Admin

FNOL & Claims

Risk Management

The Time for Bold,
Strategic Moves

While carriers are emerging from the hard market, they are also continuing to navigate economic, societal, and technological disruption. Businesses are optimistic but cautiously controlling budgets. Labor shortages and inflation remain daunting challenges. Consumer expectations for speed, information and convenience have skyrocketed, and technology is advancing at a faster pace than ever before in history. [1]

Smart execution will be essential.

Insurers must navigate carefully, managing the ongoing threats of inflation, natural disasters and rate inadequacy. To avoid past mistakes while providing more value, new thinking will be needed – and now.

Key Personal Lines Challenge

A great reshuffling is already underway following years of consecutive rate increases.

According to the J.D. Power 2024 U.S. Shopping Insurance Study[2], 49% of auto insurance customers have already shopped for a new policy.

When rates start falling, these dissatisfied auto insurance customers may jump at the opportunity to save money – and they'll probably move their homeowners or renters policies along with their auto insurance.

Key Commercial Lines Challenge

Over the past five years, commercial P&C premiums have increased by an average of 8% annually, while the industry combined ratio has trended downward.

Commercial insurance growth has largely been driven by rate increases.[3]

As rates moderate, the top line may stagnate, requiring claims and expense management to play bigger roles in driving profitability.

Sources:
1. https://ourworldindata.org/technology-long-run
2. https://www.jdpower.com/business/press-releases/2024-us-insurance-shopping-study
3. https://www.mckinsey.com/industries/financial-services/our-insights/global-insurance-report

Three Ways to Leverage AI —Quickly and Effectively

AI has huge potential in insurance, but success depends on choosing the right projects. The key is fast, meaningful impact.

Long development cycles are a thing of the past—insurers need solutions that can be up and running in weeks, not years. Wait too long, and the problem you're solving may no longer be relevant.

As you explore AI options, focus on solutions that drive immediate, tangible improvements across the insurance value chain. Here are three areas where AI can make a real difference.

#1 Value Chain Opportunity: Sales

The Challenge:
Insurance shopping is on the rise and consumer service expectations have skyrocketed. To seize this opportunity and capture new business, carriers need to be responsive. This isn't always easy, especially since insurance shoppers may seek information outside of normal business hours. Adding after-hours customer service representatives is one solution, but it's a costly one.

Insurers must capture new business opportunities without hiring or increasing operational costs.

The Solution:
Use Voice AI to manage insurance shopping inquiries, answering the phone immediately with zero hold time – 24/7 – even on weekends, holidays and during periods of high call volume.

How it works:

1 An insurance shopper calls to get an insurance quote.

2 A Voice AI agent that is capable of human-like conversation and integrated with the insurer's systems answers the call.

3 The Voice AI agent interviews the caller to answer all the questions needed to generate an insurance quote.

4 The AI tool delivers the answers to the carrier's API.

5 The Voice AI produces a unique bridge URL that is valid for a predetermined period of time, usually around 24 hours.

6 The insurance shopper receives the URL by text.

7 The insurance shopper clicks the URL to visit the carrier's website where all their information is prefilled on the form, enabling the shopper to complete their purchase.

8 The carrier's online system delivers the quote directly under its license and brand and facilitates the sale.

9 Alternatively, if the shopper wishes to speak to a human, the Voice AI agent will transfer the call to an insurance agent. The agent will have already received all the information to bind the policy, so the interaction is fast.

Added Bonus:

Capture even more market share by delivering **multilingual services.**

The best voice AI agents can seamlessly converse in many languages and dialects, making it very easy for you to capture new prospects who are often underserved.

There are more than 41 million Spanish-based speakers in the U.S.[4] and the Latin community is the fastest growing segment in the United States.[5]

McKinsey & Company[6] says revenue from financial services in the Latino market may grow to more than $265 Billion by 2030. This is an enormous opportunity for growth. However, to capitalize on it, insurers must be ready to meet the needs of this population.

Multi-lingual Voice AI represents a fantastic opportunity to capture new market share and serve a growing market without hiring new team members.

#2 Value Chain Opportunity:
Customer Service & Policy Administration

The Challenge:
Technological advancements have reshaped customer expectations. While people may have been willing to call during business hours and wait for processing time in the past, modern consumers no longer tolerate these outdated practices.

Today, policyholders expect to be able to access information and make policy changes and payments whenever they want.

Self-service and generative AI capabilities are emerging as crucial solutions as businesses try to meet modern expectations.

24%
of Gen Zers

28%
of Gen Xers

26%
of Millenial

28%
of Baby Boomers

will abandon a customer service interaction if they have to wait on hold too long.
Source: Gartner[7]

Sources:
4. https://www.census.gov/library/stories/2022/12/languages-we-speak-in-united-states.html
5. https://www.census.gov/newsroom/press-releases/2024/population-estimates-characteristics.html
6. https://www.mckinsey.com/featured-insights/diversity-and-inclusion/the-economic-state-of-latinos-in-america-advancing-financial-growth

The Solution:
Voice AI provides 24/7 customer service for agents and policyholders. By integrating Voice AI with other systems, insurers can leverage Voice AI to resolve common requests and receive payments without human intervention.

How it works?

1 Insurance customers can call whenever they want, even in the middle of the night, on the weekend, or during a holiday.

2 The Voice AI agent answers each call with zero wait time. Multi-lingual options are available.

3 Using human-like speech, the Voice AI agent assists the policyholder with his or her reason for calling. Because the AI is integrated with other systems, it can solve many issues and accept payments without transferring the call.

4 Human representatives are no longer bogged down by mundane tasks and have more time to devote to issues that require human problem solving and creativity.

80%
of incoming services calls can be independently resolved by Voice AI.

#3 Value Chain Opportunity:
FNOL & Claims

The Challenge:
For policyholders, every claim is an emergency that requires an immediate response. During catastrophic events, claims volume may surge, leaving carriers struggling to keep up. To make matters worse, claims happen at any time, not just during standard business hours.

For insurers, the claim is a crucial touchpoint – an opportunity to deliver on the promise of insurance. An exceptional claim experience results in a raving fan. A poor claims experience almost guarantees that the customer will shop their policy.

In 2024, Hurricanes Helene and Milton struck Florida back-to-back, resulting in **436,168 insurance claims**, according to the Florida Office of Insurance Regulation.[6]

Sources:
7. https://emt.gartnerweb.com/ngw/globalassets/en/sales-service/documents/trends/customer_service_support_2024_top_priorities.pdf
8. https://www.insurancebusinessmag.com/us/news/claims/hurricane-helene-milton-claims-in-florida--how-much-has-been-paid-out-515527.aspx
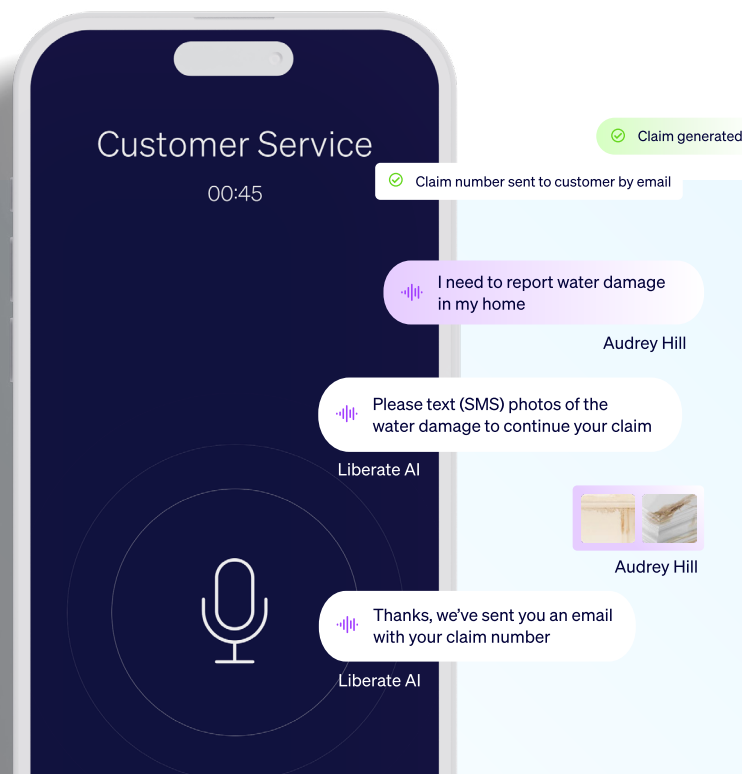
The Solution:
Voice AI FNOL can expedite every claim by providing streamlined, 24/7 claim reporting options and integration with the carriers' claim system to eliminate the need for manual data entry. As a result, carriers can give policyholders the attention they deserve – even when claim volume surges.

How it works?

1 Policyholders can call to report a claim using Voice AI FNOL at any time. The voice agent answers each call immediately.

2 The Voice AI agent uses conversational speech to collect the necessary information about the claim, eliminating the need for forms. Alternatively, if policyholders prefer an online option, they can use the digital FNOL option on the insurer's website to report the loss.

3 The FNOL call resolution time is reduced by as much as 42%, enhancing claimant satisfaction.

4 The claims team receives a thorough, accurate report of the claim, along with alerts of any red flags or urgent issues noted during the call.

5 The Voice AI agent integrates with the carrier's other systems. Insurance can automate claims assignments and even connect with vendors for urgent needs, such as water damage mitigation or windshield replacement.

Through the power of Voice AI, carriers unlock the capability to **receive one claim every six seconds** during hurricane season, enabling them to keep up with claim surges during catastrophic events.

Customer Service
00:45

✓ Claim generated

✓ Claim number sent to customer by email

I need to report water damage in my home
Audrey Hill

Please text (SMS) photos of the water damage to continue your claim
Liberate AI

Audrey Hill

Thanks, we've sent you an email with your claim number
Liberate AI

Key Questions to Consider

While personal and commercial lines insurers face different challenges, there's overlap in potential solutions. Below are a few key questions to consider:

- ☐ How can we serve agents and customers 24/7?

- ☐ How can we provide quotes faster and more efficiently?

- ☐ How can we capture more new business opportunities?

- ☐ Do we serve customers in their native languages?

- ☐ Do we operate in the hours that customers prefer to manage their insurance?

- ☐ Do our products and services meet customer expectations?

- ☐ Can we provide omnichannel service experiences?

- ☐ How do our customer-facing processes compare to those of other industries?

- ☐ How can we more effectively deploy our talent and cultivate a happy, engaged workforce?

- ☐ How can we reduce claims time-to-close?

- ☐ How can we reduce litigation costs?

- ☐ How can we reduce policyholder churn due to claims or service dissatisfaction?

- ☐ How can we manage and mitigate the threat of natural disasters?

Meet Liberate's Voice AI

Liberate's Voice AI solutions enable carriers to deliver modern customer service support with 24/7 availability and bilingual capabilities.

Imagine what it would mean if you could capture more new business, boost policyholder retention and resolve claims faster and more cost-effectively with engaging, modern processes throughout every point in the insurance life cycle.

Best of all, Liberate's Voice AI implementations typically require just 30 to 60 days, enabling you to quickly introduce new solutions and outperform your competitors – without adding more labor costs.

Visit liberateinc.com/carrier to explore the possibilities.

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The most effective
AI agent. Advanced AI.
Real conversations.

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