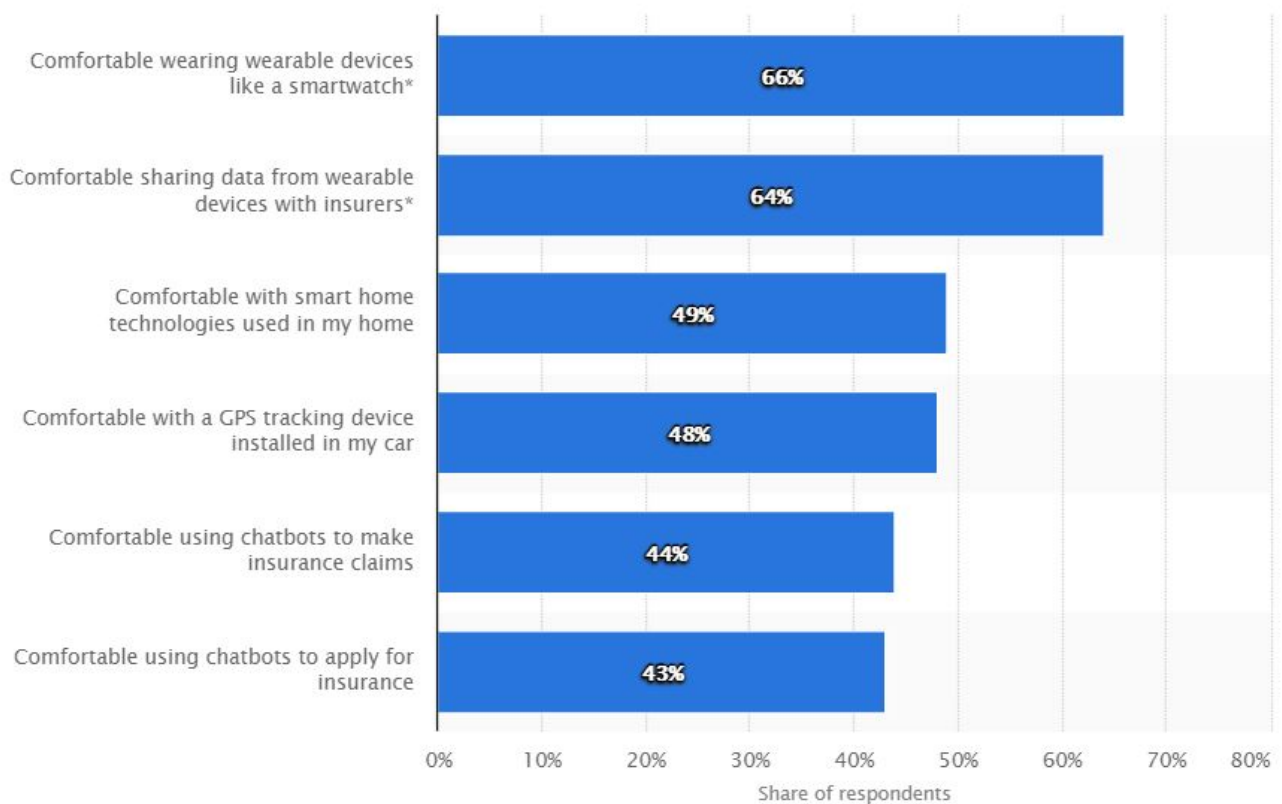CHATBOT, INSURTECH

Top 10 Insurance Chatbots Applications / Use cases in 2021

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Chatbots can provide faster and cheaper customer service, and accelerate sales and marketing efforts. There are chatbot applications for almost all industries,

including <u>healthcare</u>, <u>banking</u>, and insurance. According to a <u>statista</u> survey in 2019, 44% of customers are comfortable using chatbots to make insurance claims, and 43% are comfortable using them to buy insurance policies. Chatbots can manage claims instantly and deliver customized quotes to simplify insurance related processes and enhance customer service.

Chatbot use cases in insurance

Chatbots enable 24/7 customer service, facilitate ordinary and repetitive tasks, as well as offer multiple messaging platforms for communication. Insurance providers can leverage chatbots in:

Insurance policies

When a chatbot holds a conversation with policyholders or potential customers, it can:

Provide customized quotes to new customer

Chatbots can collect information about the customer's finances, properties, vehicles, health status, and relevant data to provide advice on quotas and insurance claims, and offer potential customers an overview about the available insurance solutions that fit their criteria.

Answer policyholder queries

Chatbots can provide policyholders with 24/7, instant information about what their policy covers, countries or states of coverage, deductibles, and premiums.

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For example, an insurance group utilized <u>CM's DigitalCX chatbot</u> to answer customer questions about insurance policies and services without delaying their requests. The chatbot was able to automatically answer **90%** of customer calls, reduce live contact by **50%**, as well as raise the NPS (customer loyalty score) from **+7 to +13**.

only **10%** of service requests is escalated to live-contact.

source: cm.com chatbot case studies

Cross-sell

Chatbots can leverage <u>recommendation systems</u> which leverage machine learning to predict which insurance policies the customer is more likely to buy. Based on the collected data and insights about the customer, the chatbot can create cross-selling opportunities through the conversation and offer customer's relevant solutions.

Claims management

Claims vary based on insurance types and insurance providers. However, all claims pass through the following steps:

Claims filing

Claim filing or First Notice of Loss (FNOL) requires the policyholder to fill a form and attach documents. A chatbot can collect the data through a conversation with

the policyholder and ask them for the required documents in order to facilitate the filing process of a claim.

Damage assessment

Based on the insurance type and the insured property/entity, a physical and eligibility verification is required. A chatbot can ask the policyholder to send pictures or videos of property damage (e.g. a car accident) to inspect the damage, send it to a human agent or use AI/ML image recognition methods to verify the damage and determine liabilities depending on the context.

Claim processing

After the damage assessment and evaluation is complete, the chatbot can inform the policyholder of the reimbursement amount which the insurance company transfers to the appropriate stakeholders.

Settlement

At this stage, the insurance company pays the insurance amount to the policyholder. The chatbot can send the client proactive information about account updates, and payment amounts and dates.

For example, Metromile, an American car insurance company, used a chatbot called AVA to process and verify claims. AVA was able to approve 70-80% of claims immediately.

Fraud detection

Fraudulent activities have a substantial impact on an insurance company's financial situation. In the UK alone, more than 27,000 fraudulent property claims were filed in 2019. AI-enabled chatbots can review claims, verify policy details and pass it