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Inflection Point

THE TRANSFORMATIVE PROMISE OF AI IN INSURANCE AND BEYOND

Artificial intelligence, machine learning, and large language models are the catchphrases of 2023. The business hype has been prolific. Executives tout generative AI for its ability to speed the pace of innovation while simultaneously relieving the burden of human labor through automation. One day, it all sounds too good to be true; the next, like a dream come true. This report takes a bird's eye view of the business landscape, and dives into some specific applications for the insurance industry, many of which we're pioneering at Newfront.

A Newfront *Perspective*

The AI gold rush can feel overwhelming. To fully grasp its usefulness for your business, a bit of guidance can help. Enter Newfront. We're at the leading edge of generative AI technology in the insurance space and are pioneering new applications for enterprise clients. We've created this report to provide a broad overview of this fast-evolving industry. We hope you find it informative and illuminating, and we look forward to connecting with you to discuss the future of your organization.

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INTRODUCTION

A Long Way from Tatooine

In an early scene of Star Wars, young Luke Skywalker visits a robotics resale market with his Uncle Owen on the desolate planet of Tatooine. Together they examine various artificially-intelligent droids, looking for robots trained on specific data sets. Owen and Luke eventually buy C-3PO and R2-D2 from the hooded, laser-eyed Jawas, inadvertently setting in motion one of the great adventures of the galaxy. It is fascinating to see this imagined interaction between a human and a large language model (LLM) AI trained on massive data sets. For the most part, George Lucas got it right. Much of what he imagined in 1977 in the sands of Tatooine is very much a near-term reality in 2023.

Artificial intelligence is revolutionizing the business landscape faster than technology media can track it. And it is no different in the insurance industry, where Newfront is taking the lead in implementing transformative AI applications to streamline an age-old way of working and deliver data-driven insights to clients and prospects.

In this market report, we will give you a broad overview of the AI space—from major investments to consumer sentiment to the ethical implications of the technology. Then we'll examine specific ways in which generative AI can deliver unprecedented advances in the insurance industry.



PART II

The Wider Impact of AI on Business

2023 will be remembered as the year artificial intelligence superseded cryptocurrency as the “it” topic of conversation among professionals. All it took was the release of ChatGPT by OpenAI to make Bitcoin and the blockchain feel like yesterday’s news.

The staggering aptitude of ChatGPT 3.5 and its bar-passing 4.0 successor have already transformed every blue-chip innovation roadmap—from Google to Salesforce. It shouldn’t come as a surprise. Google’s CFO predicted the AI revolution will be bigger than “electricity

or fire.” Not a small claim. It seems others agree. The rate of AI adoption is remarkable. The market for AI is anticipated to grow from US\$327.4 billion in 2022 to US\$390.9 billion in 2023. And it’s only just getting started. The market is anticipated to increase from US\$390.9 billion in 2023 [to US \\$1.5 trillion by 2030](#).

A [2022 report by McKinsey](#) laid out a few telling statistics. Since 2017, the adoption of AI has more than doubled, with 56% of respondents reporting usage in at least one business area. But businesses aren’t just integrating it out of a curiosity factor or making a long-term bet. The report also found that AI is increasingly being used to drive business value, with 25% of respondents reporting that at least 5% of their organizations’ EBIT was attributable to AI in 2021.

“AI is one of the most important things humanity is working on. It is more profound than electricity or fire.”

[Sundar Pichai](#)

[CEO, Google](#)

Consumer Sentiment and the Pace of Investment

Newfront recently conducted a survey of 1,000 U.S. consumers to gauge their understanding, sentiment, and willingness to adopt AI into their daily

lives and specifically, into their insurance decisions. [According to our research](#), more than half of Americans have tested out ChatGPT or a similar technology within the past year, with 19% having used it a minimum of six times. And 39% of respondents reported that AI can actually help their job or already has proven to be beneficial. While respondents were generally receptive, just 43% said they trusted AI-generated responses, reflecting the challenge of accuracy that is a critical factor in the viability of the technology.

Looking at enterprise level adoption of AI, [Deloitte's State of AI in the Enterprise report](#) found that 94% of surveyed said AI would be critical to their success over the next five years. 79% reported “full-scale deployments for three or more types of AI applications” in 2022. The technology is becoming increasingly integrated into businesses across various industries, with a [Thomson Reuters report](#) on professional services finding that 52% of those surveyed agreed that generative AI not only could be used for legal and tax services, but should be used. Forbes [got more specific](#), predicting that AI will continue to be a transformative technology, with five pivotal trends emerging, including AI-powered chips, quantum machine learning (ML), and AI-powered cybersecurity, the latter of which has particular relevance for the insurance industry. Of course, none of these trends could or would emerge without major investments from the business community. According to the [2023 AI Index Report](#), the initial R&D investment push has largely peaked as the fruits of those investments are beginning to hit the market. Private AI investment decreased by about a third from 2021 to US\$189.6 billion, falling for the first time in a decade, but public offerings have surged, indicating a continued and evolving interest.

52%

of Americans report that AI can help them better understand insurance policies.

51%

of Americans have used AI technology, such as ChatGPT, at least once in the past year.

45%

of respondents said they are at least somewhat likely to opt for an insurance company that is using AI technology to improve the customer experience

B2B Product Launches

Microsoft's Azure Machine Learning platform and the IBM Watson Studio are among the latest entrants into the space, competing with earlier product suites from Google and Amazon. Salesforce has renamed its AI toolkit as AI Cloud. Meta AI and AWS are advancing the technology in open-source applications and in the cloud, respectively.

Two of the most important alignments to take note of are the partnerships struck by OpenAI and Microsoft, and Anthropic with Google. One hopes this will not create another unbridgeable gap between platforms (think Mac/PC) that plagued users for decades.

Amazon Bedrock is [making it easier for developers to build and scale generative AI applications](#), while AWS HealthScribe will allow healthcare

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Point of View



Gordon Wintrob

Co-Founder & Chief Technology Officer

Technology is facing a major inflection point. Most of us are familiar with previous tipping points in modern tech: the mainframe, the personal computer, the mobile shift, and the cloud. If you think about it, you'll realize that each of these transitions had to do with the geography of human-technology interaction. They were about where we interacted with technology: in giant corporate offices, in cubicles, on the go, and in the cloud.

The inflection point that artificial intelligence has introduced today isn't about where we interact with technology or even where data is stored; it is fundamentally about how we interact—it is about the nature of our relationship with technology. Before, we issued commands, installed programs, and delivered inputs. Technology, in a real sense, was passive. It responded to very linear command structures.

That is changing. Modern tech, through LLMs and generative AI, will think for itself, and based on our prompts, create strategies and recommendations and present them to us. The relationship between humans and machines is becoming a conversation rather than dictation. It will begin to mirror human to human interactions. Yes, we will still give the commands and make the final decisions, but the caliber of the feedback from technology will be of a dramatically higher quality.

software suppliers to offer automated clinical documentation of doctor-patient visits and more. And top consulting firm Accenture is planning to double its staff of AI SMEs and data scientists and engineers to 80,000 as part of a \$3B investment in AI.

Applications are touching a diverse set of industries as well. Israeli startup ThetaRay is rapidly developing AI tools to combat money laundering, and has recently added Santander Bank to its client roster. AI is making headway in industrial automation as well, with robotics software startup Mujin having garnered some US\$85 million in Series C funding.

Enthusiasm is only growing. At the recent Y Combinator Demo Day, [some 60% of pitches](#) were from startups building applications around AI.

On the consumer-facing side, an array of applications are hitting the market:

[Microsoft announced a series of AI updates](#) this spring to make both Bing and ChatGPT smarter and more intuitive. Its enhancements of its first AI chatbot, Microsoft 365 Copilot, made waves on the consumer side as the assistant helps users manage the complexity of business operations through creating, editing, and summarizing documents.

Google Meet's Duet AI helps users catch up and summarize what happened on calls, including the ability to take notes, provide mid-meeting summaries, and access a highlight reel of video clips.

Zoom is rapidly rebranding some existing generative AI features and launching new ones, including its AI Companion, which by spring 2024 will



be a fully interactive chatbot that users can mine for information on previous meetings and chat sessions.

OpenAI has enhanced its GPT4 algorithm and made it the default choice for plus users.

Prompt engineering is rapidly expanding as a field, already replete with subject matter experts, training webinars, and conferences.

Nvidia, a chipmaker serving as a key supplier to corporations attempting AI builds, recently became a US\$1 trillion company, only the sixth to reach such rarefied air. Only Apple, Google, Microsoft, Amazon, and Meta have all reached the milestone.

AI in Daily Life

AI applications are predictably expanding their scope across the consumer market. It is increasingly obvious that AI will soon become a regular part of our everyday lives. For instance, Uber is integrating a chatbot into its app. Toyota is planning to invest heavily in mass production of robotaxis, using autonomous vehicle technology across China.

An AI search engine is in the works to parse oceans of government contracts. AIs for taking meeting notes, summarizing email threads, and handling schedules and general tasks are all the rage. Last but not least, Tinder is using AI to help eligible bachelors and bachelorettes build their profiles.



AI is especially popular in the creative arts. Dozens of entrepreneurial businesses have launched hoping to empower creatives. DALL·E 2, Midjourney, Starry.ai, and other AI image generators have combined with content generation applications like ChatGPT, Google’s Jasper, Rytr, Copy.ai, and others to supercharge content production.

Responsible AI

We would be remiss if we did not mention the other side of the coin: the existential risk which could be posed by soon-to-be autonomous AI. Speculation is rife around artificial general intelligence, or AGI, known as the “holy grail” of the technology.

Earlier this year, Stanford University released a [386-page report](#) on the state of AI, emphasizing the need for technical ethics in AI development and saying that

ethical considerations should be a mandated aspect of every technical design process. The report also discussed the potential for AI to exacerbate existing social inequalities, a long-standing fear that first surfaced on a national scale during entrepreneur Andrew Yang’s 2020 presidential bid, when he called attention to the [threat of automation replacing millions of human jobs](#).

In May, hundreds of top AI scientists, researchers, and others, including OpenAI Chief Executive Sam Altman and Google DeepMind Chief Executive Demis Hassabis, [voiced deep concern that AI could lead to human extinction](#).

The federal government has moved swiftly to develop an initial framework for AI development. The Biden administration last fall laid out what it called a “Blueprint for an AI Bill of Rights” that called for responsible development of the technology, but also a

risk management framework, a series of national AI research institutes under the aegis of the National Science Foundation, and an executive order that tasked federal agencies to “root out bias in their design and use of new technologies,” foremost among them AI.

Also in May, the Federal Trade Commission, Consumer Financial Protection Bureau, Equal Employment Opportunity Commission, and Department of Justice’s Civil Rights Division issued a joint communique on the need to protect the public from potentially harmful impacts of AI.

Given these serious reservations, almost every report that surfaces highlights what it sees as a lack of sufficient concern for the ethical considerations of AI. However these predictions bear out, the regulatory framework that evolves around the technology will dramatically alter its rise, one way or the other.

In June, Newfront [joined](#) seven industry representatives on Capitol Hill to discuss, demo, and debate the role of artificial intelligence (AI) in American business. Newfront’s Vice President of Engineering, [Lin Yuan](#), demonstrated Newfront’s [AI benefits assistant](#), explained the data inputs that informed the generative technology, and noted that any AI application had to be deployed responsibly, with human-in-the-loop guardrails, data privacy controls, and considerable testing before deployment.

Also in June, Newfront became one of the first insurance brokerages to [publish](#) a set of ethical guidelines to govern its use of AI and LLMs, hoping to help establish an industry-wide set of reliable protocols.

PART III

AI in Insurance

Before we dive in, a quick note on terminology. For our purposes, we're focused on commercial business insurance, not personal insurance like health, life, auto, or home insurance. In the commercial arena, insurance includes coverage for business assets, from physical infrastructure to intellectual property, customer and patient data, indemnification for leadership teams, and the like.

We'll also talk about applications in total rewards and employee benefits. While insurance is an aspect of benefits, total rewards are a broader category that includes the full suite of compensation and benefits a company provides, from salaries, career development, and paid time off, to health insurance and retirement plans. Newfront delivers both business insurance and total rewards and employee benefits to clients, whether that is property and casualty coverage or a benefits plan to recruit and retain the best talent in your space. With that broad definition in mind, let's jump in.

“AI represents a once-in-a-generation opportunity to reshape an industry.”

Spike Lipkin
CEO, Newfront

A Seismic Impact

McKinsey's “Insurance 2030” report predicts that insurance—an industry beset by antiquated conventions and outdated technology—is on the cusp of a “seismic tech-driven shift.”

Something of a broad consensus is emerging among major consultancies like McKinsey, Deloitte, Ernst & Young, as well as business research firms like Forrester—all of which have issued their due-diligence reports on the future of AI in insurance and other fields. Broadly cast, the shift will pivot on a number of key trends.

The most obvious influence—the rise of generative AI and machine learning models, much of it open source—will drive the near-term business impact as thousands of novel applications are emerging to manage document complexity, drive productivity, and transform giant data ecosystems into sources of real-time risk assessments and predictive modeling.

From a productivity standpoint, [McKinsey estimates](#) that AI could reduce claims processing costs by up to 30% and improve loss ratios by up to 5 points. Newfront recently calculated that its new AI-powered benefits assistant could save HR teams a month's worth of work each year by automating recurring benefits queries.

Likewise, the continued explosion of data from connected devices like cars, smart watches, mobile phones, fitness trackers, and home assistants will dramatically influence insurance risk assessments and pricing. Accessing data of this kind with consumer consent could help insurance brokers and carriers to understand and more

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Point of View



Aaron Forth

Chief Product Officer

When the Newfront team thinks about ways in which AI will be especially useful in insurance, we tend to agree the opportunity will fall into two dimensions:

The first dimension is extractive. Insurance data is incredibly complicated. It is voluminous, jargon-filled, and tedious. And, it is often locked in antiquated formats, be it a PDF, a spreadsheet, or a filing system. This is what Newfront has been working to change since our inception. Our proprietary data platform—powered by LLMs and AI-powered applications—allows us to extract data at scale from carriers and clients and map it onto our structured data model. The process is much faster, requiring fewer work flows and less transcription, among other time savings. But it also makes the data more useful. Our model is relational, which means we can identify patterns across all of our data sets, letting us mine insights that ultimately lower systemic risk for our clients.

The second dimension is generative. Separating information from those old formats is step one; step two is transacting on that information. Since we have an integrated data platform, generative AI tools can help us identify broad patterns that indicate risk, from geographical exposures to indices of fraud. They can also conduct swift and insightful comparative analysis, helping establish more accurate benchmarks, create more refined risk profiles, identify compliance gaps, and produce shortlists of carriers to market renewals to. These applications can also streamline communications, providing condensed, digestible information to employees round the clock.

accurately create the risk profile of individuals, companies, and networks.

The impact of robotics on risk will also transform underwriting. Technologies like 3D printers, self-driving cars, and autonomous farm equipment will all introduce potential insureds for whom there is no existing risk model. Upstart industries like the sharing economy are already experiencing this, and the trends continue to evolve. The possibilities are numerous, but there are a handful of specific areas in which we see significant potential for AI to have a positive and immediate impact on the insurance space.

Customer Experience

As part of its consumer survey, Newfront not only sought to capture sentiment around AI, but consumer willingness to adopt AI into their daily lives and specifically, into their insurance decisions. We found a general openness to the technology and its potential to benefit their search for insurance. Fifty-two percent report that AI can help them better understand insurance policies. Through our research, we discovered that 45% of respondents said they are at least somewhat likely to opt for an insurance company that is using AI technology to improve the customer experience.

With a general openness to AI adoption, the insurance industry is beginning to leverage the technology to deliver more personalized services for individual needs and preferences. This will, in turn, drive higher customer satisfaction levels and, within companies, lead to better employee satisfaction and productivity. Let’s look at a few employee-focused use cases.

AI-Powered Chatbots

The AI-led transformation of insurance is being initially driven by the

development of chatbots and virtual assistants that provide immediate assistance and custom recommendations to improve the work experience of both HR teams and employees. For instance:

AI-powered chatbots can deliver always-on support for companies, employees, and customers, freeing up valuable internal resources and driving customer satisfaction levels. For a customer with a product issue, the chatbot might ask a few relevant questions and then direct the customer to a troubleshooting post on the exact problem.

Virtual assistants can collect customer feedback as well, generating a trove of customer insight without the legwork of creating, launching, and curating a general survey.

Virtual assistants can deliver product recommendations—unprompted, but customized by audience or user behavior. There are few better ways to surface the full product catalog than through contextual recommendations. Plus the chatbot gathers a wealth of behavioral and purchase data.

Insurance applications are capitalizing on general learnings in interesting ways. AI can analyze employee data to create personalized wellness recommendations, helping them maintain a healthy work-life balance and take advantage of benefits they would otherwise not know about, such as EAP benefits, pet insurance, continuing education credits, and more.

Virtual assistants can deliver ongoing educational content as well. An employee with a willingly disclosed history of diabetes may receive information on a recent innovation in blood-sugar monitoring devices.

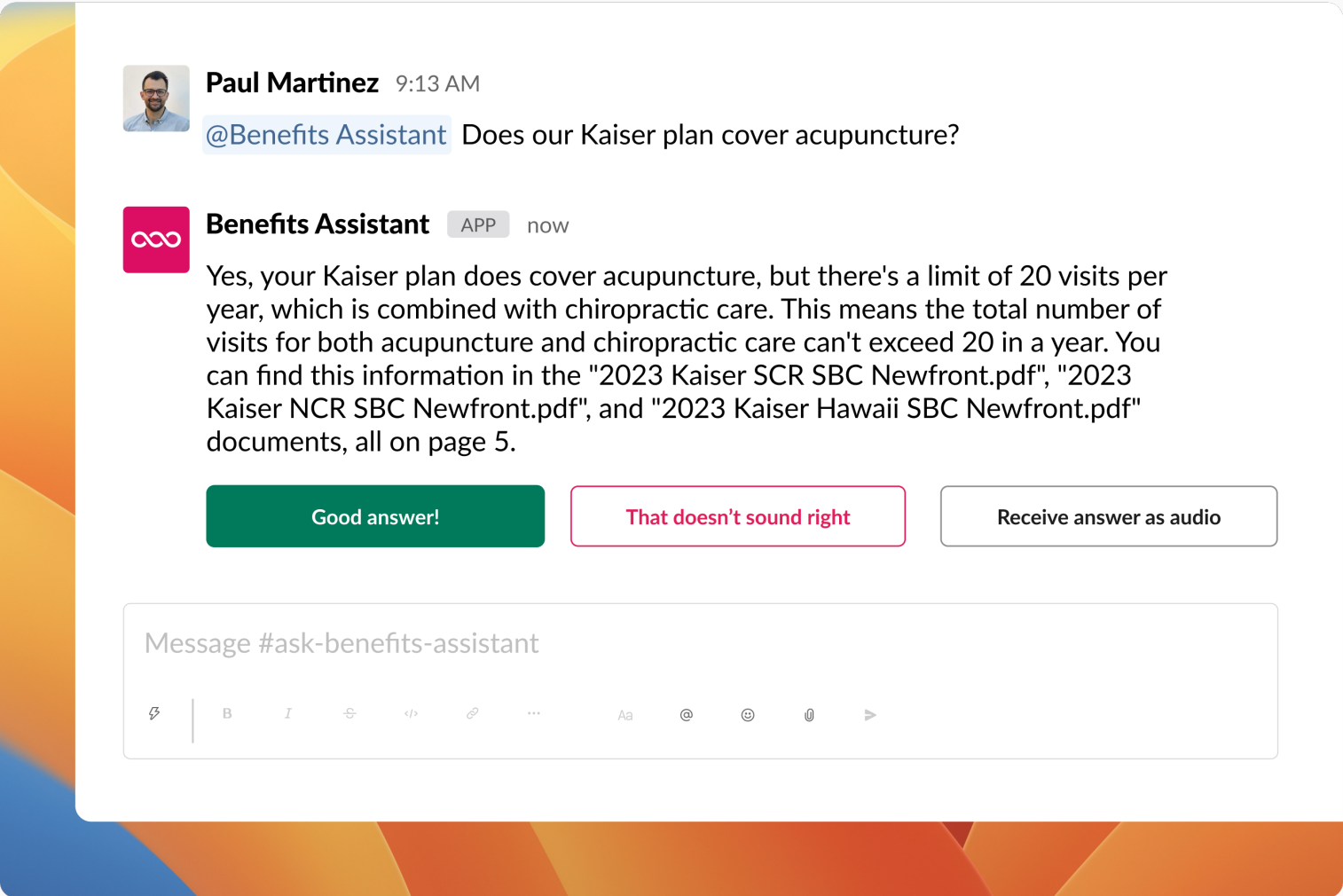
Spotlight: AI-Powered Benefit Assistants

A recent survey revealed that 85% of workers say they don’t understand their benefits programs. Given this state of affairs, developing conversational chatbots to provide 24/7 answers to employee questions and help them better understand their benefits package can deliver transformational results for HR professionals and employees alike. A specific integration that illustrates the potential is now being piloted with a Newfront client. Newfront estimated its new AI-powered benefits assistant could save HR teams 4 weeks of work per year by automating recurring benefits queries.

AI-powered chatbots and virtual assistants will have a dramatic impact on modern insurance brokerage operations, and Newfront is harnessing the potential of artificial intelligence to deliver exceptional experiences for our brokers, clients, and their employees.

Claims Processing

A significant advance in recent years has been the use of AI technology in claims processing. By automating data collection and analysis, insurers can



speed up claim resolution and reduce instances of human error. This confers benefits not only for insurers but for the customer experience as well.

Automating Repetitive Tasks for Faster Claim Resolutions

The great advantage of AI-powered systems is the ability to process huge volumes of data quickly and accurately. Document verification or damage assessment reviews can be completed much faster than when done manually. This frees claims adjusters to focus on complex cases that require their expertise, leaving simple claims to be swiftly resolved by automation.

Pattern Recognition to Identify Claim Trends

AI technology can also conduct predictive analysis, giving insurers the ability to forecast future trends. Analyzing broad historical data, AI applications can review past claims alongside contextual factors like weather and economic fluctuations, ultimately identifying potential risks before they materialize into costly setbacks for policyholders.

Quote Comparisons

Brokers spend precious time each week breaking down insurance quotes from various carriers, reviewing each document separately, and then putting together a summary document for clients. With AI-driven algorithms, brokers can upload these lengthy quote PDFs, usually dozens of pages long, and extract relevant information into a scannable format. Structured information, such as premiums, associated taxes, and carrier policy fees, are rendered in a digestible way, alongside a snapshot of the data's location in the original quote document to prove its accuracy. Using AI-driven

algorithms allows clients to quickly compare multiple quotes from different providers, easily see the pros and cons of different policies, and confidently make more informed choices, thus enabling brokers to spend less time breaking down PDFs and more time partnering strategically with the organization.

Contract Review

Lengthy, complicated contracts are unavoidable as a business owner, especially when it comes to insurance. Seeking new coverage or even renewals means hours comparing coverage types, limits, and endorsements. AI-powered contract review tools compare requirements of new contracts within in-place contracts and identify coverage gaps, reducing the time spent on contract reviews by fully automating document comparison and instantly showing users the differences.

Regulatory Compliance

Generative AI is positioned to improve compliance for companies across the board. Trained on contracts, federal and local regulatory policies, and internal compliance profiles, AI applications can read large document sets, extract regulatory requirements, and then compare them to a company's current compliance status, identifying coverage gaps and regulatory shortfalls that can then be immediately addressed.

Fraud Detection and Prevention

Both Deloitte and Forrester report that AI can help commercial insurers improve detect fraud. AI-powered systems analyze vast amounts of data to identify fraudulent activities or potential risks before they become costly issues. By implementing these advanced technologies, insurers can enhance the security of their operations while

minimizing financial losses. There are two areas of particular relevance here: historical data and real-time monitoring. Machine learning algorithms analyze historical data sets to uncover patterns that may indicate fraudulent behavior, while real-time monitoring enables insurers to act swiftly when suspicious activity arises.



Analyzing Historical Data to Spot Fraud

Machine learning algorithms are an essential feature of leading-edge fraud detection systems. These algorithms sift historical data and identify patterns that might indicate fraud. Three specific applications feature here:

Data mining

Using machine learning to extract valuable information from large volumes of raw data helps insurers spot unusual trends and behaviors.

Anomaly detection

Machine learning models recognize normal claim patterns, which means they also detect anomalous patterns that deviate from the norm. These are flagged as instances of potential fraud.

Predictive modeling

Insurers can leverage predictive models to forecast potential cases of fraud based on known risk factors, allowing them to proactively address emerging threats.

Conducting Real-Time Monitoring for Advanced Detection

Insurance companies can leverage AI to continuously monitor transactions and customer interactions for signs indicative of fraudulent activity.

Social network analysis

AI-powered systems can evaluate social media platforms to identify connections between fraudsters, and in some cases uncover organized crime rings.

Text analytics

AI algorithms can analyze unstructured data like emails or claims forms, identifying patterns in language that may indicate fraudulent intent.

Geographic monitoring

Insurers can use location-based data to spotlight areas with unusually high patterns of fraud, allocating resources more effectively for preventative action.

Leveraging artificial intelligence can improve security operations by detecting anomalous behavior historically and in real-time, allowing for more effective fraud prevention.

Cyber Crime

Closely related to basic fraud is sophisticated cyber crime. From a cybersecurity standpoint, AI can help address key areas of digital fraud—and there's no shortage of demand for help.

In 2017, the total value received by ransomware attackers was US\$46M. By 2021 that number had ballooned to US\$766M. It fell by 40% in 2022, but not necessarily because attacks are declining. Rather, victims are often refusing to pay. The business of cyber crime is still booming. In January 2023, there were 33 publicly disclosed ransomware attacks, the [highest number of attacks ever recorded](#) for that time of year. Among the most common types of cyber crime are:

Ransomware attacks

Attackers encrypt the victim's data or systems and demand a ransom to restore access. Ransomware is a type of malware that can spread through phishing emails, malicious downloads, or vulnerabilities in a network. Insurance companies often hold large amounts of sensitive data, making them attractive targets for ransomware.

Phishing attacks

Phishing is a common cyber attack in which an attacker tricks individuals into providing sensitive information such as usernames, passwords, and credit card details. In the insurance industry, phishing attacks can be especially dangerous because they can result in the theft of personal and financial data.

DDoS attacks

Distributed denial of service (DDoS) attacks involve overwhelming a target's website or network infrastructure with a massive amount of traffic, rendering the services inaccessible. Attackers may threaten to launch an attack unless a ransom is paid.

Ransomware and DDoS attacks are forms of cyber extortion. Ransomware and phishing attacks are leading data breach threats. Access to sensitive data, such as personal information, customer transactional data, patient information, clinical trial data, and intellectual property, can all lead to serious financial and reputational damage.

The impact on insurance has been immense. Insurers have raised rates, sometimes in excess of 100%. Coverage quality has deteriorated as underwriters are attempting to further reduce policy risk. At the same time underwriters have increased standards for coverage and demanded improved security.





Controls like multi-factor authentication (MFA) and encryption are now a standard requirement, for instance. Several AI-powered functions can strengthen a company's security posture:

Behavioral analysis

AI can analyze user behavior and identify patterns that deviate from normal behavior.

Cyber threat intelligence

AI can analyze mass web crawling datasets across the dark web and other online forums to identify new threats and vulnerabilities.

Anomaly detection

AI can identify anomalies in network traffic, such as unusual IP addresses, file transfers, or port scanning, that may indicate an ongoing attack.

Phishing detection

AI can be trained to identify phishing emails and flag them before they reach employees' inboxes.

It's also worth noting that the use of AI itself also poses privacy concerns, including the potential for breaches and unauthorized data access. Because of this, cybersecurity practices are

emerging around AI, including:

Ethical data collection

Collecting only necessary data as well as obtaining consent before collecting information from individuals or companies

Anonymizing data

When possible, this limits the risk of sensitive data being linked to an individual or company

Using encryption

Encryption transforms data into a code so that, even if it's stolen, it can't be deciphered

Employing firewalls as an additional layer of security

Privileged access management (PAM)

PAM protocols control and limit user privileges for employees accessing the systems—which is crucial, as employees are often targeted in cyber attacks

These practical measures are available to use today, though security measures will continue to advance as AI develops. As Newfront adopts artificial intelligence technology, our team of cyber security experts have an eye on cutting-edge security and the future of cyber risk.

CONCLUSION

The Tip of the (A)Iceberg

If Star Wars gave us a glimpse of the world to come, we are only at the threshold of the transformation. After all, we haven't got C-3POs or R2-D2s running around. But what was once science fiction seems closer to reality than ever before. AI-powered technology is revolutionizing the insurance industry, enhancing the customer experience, automating repetitive processes, and delivering data-driven market intelligence to improve decision-making. Those companies already positioned to take advantage of the AI revolution will lead the way with first-to-market applications that deliver win-win solutions to insurance brokerages, their clients, and their client's customers and employees.

Key Takeaways



AI is a “once-in-a-generation” opportunity to transform the business landscape. The implications of AI will reverberate across every sector globally and we are just at the threshold of major change. Industries with data-intensive operations, such as insurance, offer fertile ground for AI-driven transformation.



More than half of American consumers have used an AI-powered tool like ChatGPT in the past year; nearly a fifth of them have used it six or more times.



Almost half of consumers are at least somewhat comfortable with the idea of AI assistance on claims, policy recommendations, reading contracts, and more.



AI solutions deliver a double benefit, generating more accurate market intelligence and automating repetitive tasks that free businesses from time-intensive manual work.



Every aspect of insurance work will be impacted—including claims processing, contract reviews, quote comparisons, and peer benchmarking.



AI can do the heavy lifting. With chatbots and virtual assistants, HR teams can answer employee questions in real-time, insurers can better tailor policy recommendations, and drive faster claim resolutions.



Cybersecurity will grow stronger with support from AI applications that help companies mine historical data for anomalies and spot mistakes before they inflict financial and reputational damage.



Evolving ethical and regulatory guidelines will dramatically alter the path of AI in businesses. Companies that apply AI with care and consideration will move to the front of the industry.

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Newfront is a modern brokerage transforming the risk management, business insurance, total rewards, and retirement services space through the combination of elite expertise and cutting-edge technology. Specializing in more than 20 industries and headquartered in San Francisco, Newfront has offices nationwide and is home to more than 800 employees serving organizations across the United State and globally.

If you're interested in learning more about how our AI-powered insurance brokerage can help your business, get in touch with our team today by visiting newfront.com and following us on LinkedIn. We'd love to show you how transformative AI—in the hands of empowered insurance experts—can be when applied to your business.

Talk to an expert →



A brokerage for the 21st century

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