Summary of workshop 2: AI Case Study

Speakers:
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Chair:
Tom Clark, *hyperexponential*

The session focused on the impact of AI on the London insurance market, examining its practical application, challenges and future potential. The discussion explored whether AI is genuinely transformative or merely a marketing trend used to justify price increases. It was acknowledged that AI is already here and being deployed across various parts of the insurance value chain, particularly in underwriting, where automation is reducing manual workload and improving efficiency. However, the effectiveness of AI depends heavily on data quality, system integration and overcoming cultural resistance.

A case study was presented on the implementation of AI in underwriting, particularly in automating a specific line of business. The results demonstrated significant time savings, reducing a two-day process to just three minutes. Despite these gains, challenges remain, particularly around data governance, integrating AI into legacy systems and gaining underwriter trust. Human oversight, while initially necessary, is seen as a bottleneck, and businesses need to reach a point where AI decisions can be trusted without constant manual review.

The discussion also covered the broader challenges of AI adoption, including regulatory concerns, ethical considerations and securing leadership buy-in. It was noted that AI should not be seen as a replacement for underwriters but as an augmentation tool that allows them to focus on complex risks while AI handles high-volume, low-value tasks. Future expansion of AI capabilities could enable round-the-clock underwriting and access to new business lines. However, successful deployment requires a clear business case, stakeholder engagement and robust governance to ensure reliability and compliance.

Key Takeaways

1. **AI deployment must start small but have a clear path to scale**
   Successful implementation requires identifying high-impact, low-complexity use cases, proving value, then expanding strategically. Underwriting automation has demonstrated strong ROI, but broader adoption must consider scalability and integration challenges.
2. **Data quality and system integration are critical enablers of AI success**
   AI relies on high-quality, structured data, but legacy systems and fragmented processes often hinder adoption. Organisations must invest in modern data architecture and interoperability to unlock AI's full potential.
3. **Leadership buy-in and cultural change are essential for AI adoption**
   Gaining executive sponsorship and ensuring underwriters trust AI-driven decision-making is key. AI should be positioned as an augmentation tool rather than a replacement, with clear governance frameworks to manage risk and ensure compliance.