

# Insurance Broker, Meet Your New Assistant – The Chatbot



Grant Patten  
Digital Media & UX Specialist, CSIO

Chatbots are computer programs designed to simulate natural conversation with human users, and they're increasingly being used by innovative companies in the insurance industry to improve customer service. Facebook founder Mark Zuckerberg made waves in April 2016 when he declared the popular Messenger app was open for chatbots. Companies can now setup their chatbots inside Messenger and other third-party messaging apps, allowing users to engage with any company's bot via those apps to ask questions and receive basic service.

The chatbots, in turn, use sophisticated programming to understand the user's request, provide exactly the required information, and do so in a way that is conversational and natural. Customers could potentially complete entire transactions this way, using their instant messaging apps to research and purchase almost anything they do via regular apps and websites today. Most importantly, chatbots could potentially access a user's entire profile and account history, using that information to understand the context of any given query and provide increasingly customized service.

## Chatbots and Insurance

Facebook's announcement of bots for Messenger is a significant step toward the possibility of creating an automated insurance agent that is convincingly lifelike because Facebook's technology incorporates DeepText, which is a sophisticated natural

language processing engine. And people already like to text a lot – Messenger has more than 900 million monthly active users. So, there is a clear opportunity to build chatbots to quickly and efficiently address the needs of insurance customers.

Will customers really interact with chatbots for purchasing insurance in the future? One company, Spixii, based in England, is already developing chatbots for the insurance space. A sample conversation between the platform and Rick, a beta tester needing travel insurance, looked like this:

**Spixii:** Where are you going?

**Rick:** I'm going to Le Mans next month.

**Spixii:** Do you mean the 24 hour race on the 18-19th June? That sounds cool, Rick. I see the long-range weather forecast is looking good for the race. Let me ask you about your travel plans. When will you go out to France?

And so on. The chatbot not only knew what information it needed to underwrite the policy, but was able to obtain it in a conversational manner, identifying and discussing relevant information about events and the weather much like a human would.

## Opportunities for the P&C Industry

But, of course, chatbots cannot serve as a replacement for insurance brokers. This technology should be regarded as a potential complement to brokers, not necessarily a competitor. From discussions with brokers, we know that the vast majority of calls from customers – whether they are related to personal lines or small commercial lines – are to either make very basic policy changes, or to ask a question that would be easy to answer with just some basic contextual data about the caller. E.g., policy endorsements such as adding or removing a vehicle, requesting a certificate of insurance or asking a question related to current coverage. Simple inquiries like these could very quickly be addressed by chatbots inside a messaging app such as the one powered by Facebook.

"If you think about it, the insurance application process is entirely designed for a chatbot, as the process of filling out a

traditional application is just a series of standard questions and answers," comments Andrew Bartels of PSAdvisory.com, a Salesforce.com consultant focused on the insurance industry. "Rather than filling out a form, the customer could chat with a bot, which would collect the information and then potentially generate a quote. If at any stage the bot encounters a set of non-standard questions that it cannot answer, the conversation could then be transferred to a broker either in real-time or the chatbot could schedule a future touchpoint with the broker."

Meanwhile, the broker, customer service representative, or employee normally dealing with such an inquiry can be free to handle more cognitively demanding tasks that a chatbot cannot do so easily. In this regard, chatbots actually have the potential to make brokers and their employees more efficient.

As the technology evolves, chatbots could eventually reach the level of sophistication to also serve as an automated assistant to underwriters. Chatbots could potentially calculate automated underwriting functions based on dynamic data input, which would be a step up from the limited rows and columns of today's actuarial spreadsheets. As the customer provides data to a chatbot, that bot could quickly communicate the information to an underwriter who ultimately makes the recommendation on whether or not to insure.

The potential for chatbots to fulfill many customer needs is significant. As our industry seeks to transform the customer experience, building various web portals and mobile apps for customer use, it should investigate the possibilities of chatbots as well. Learn about other emerging technologies that are relevant to the broker channel by visiting CSIO.com. ■

Grant may be contacted at (416) 360-1773 ext. 2324 or via email at, [gpatten@csio.com](mailto:gpatten@csio.com).

