

AI + Humans: The Future of Insurance

10 stories of insurers and insurtech companies using advanced automation and artificial intelligence for underwriting, data-driven decisioning, sales optimization, and claims processing



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Who this ebook is for

This ebook is for insurance and insurtech leaders heeding the call to digitize, modernize, innovate, and save money.

It's for you if you're a data leader looking to **bring new solutions to market faster** than the competition, or to use big data, analytics, AI, and machine learning (ML) to **improve business outcomes**.

This ebook is also for you if you're an operations leader looking to **reduce operations costs, standardize applications, delight customers, and reduce churn**.

Most of all, if you care about **the future of insurance**, this ebook is for you.



Tired of paying too much for pool insurance?

Insurance meets automation and artificial intelligence

“AI and its related technologies will have a seismic impact on all aspects of the insurance industry, from distribution to underwriting and pricing to claims.”¹

Imagine you're a homeowner. You just received a postcard. On the front is a picture of a swimming pool and a single question: “Tired of paying too much for pool insurance?”

You happen to have a swimming pool. And because you're always interested in saving money, you decide to shop prices—precisely what the sender hoped for.

The insurer sent the postcard to you because:

1. Drone or satellite imagery revealed that you have a pool.
2. The sender's database revealed that you're not a current customer.

The card was part of a highly targeted campaign designed to get pool-owning homeowners in your area to switch insurance companies.

That scenario is one of many playing out in today's insurance industry, which has been thrust into change by technological advances.

It's all good change.

¹Balasubramanian, Ramnath, Ari Libarikian, and Doug McElhaney. “Insurance 2030—The Impact of AI on the Future of Insurance.” McKinsey & Company. Last modified March 12, 2021. <https://www.mckinsey.com/industries/financial-services/our-insights/insurance-2030-the-impact-of-ai-on-the-future-of-insurance>.



+ Changes in underwriting

Some underwriters are taking advantage of advanced automation and human-in-the-loop (HITL) workforces to pre-process insurance applications so they can **provide quotes quickly** and **win more business**. Others are using alternative and emerging data sources and machine learning models to **get insights into real-time risks**.

+ Changes in selling

Some insurance sales teams are using natural language processing (NLP) and call audits to **improve the performance of business development reps** and, ultimately, to **sell more policies**. Some companies are even using aerial and satellite data to identify homes with specific characteristics, for instance, swimming pools and trampolines, so they can **personalize offers and win over customers from the competition**.

+ Changes in decision-making

Some carriers are partnering with insurtech companies to get property insights and predictive analytics from aerial data that helps people **make more informed decisions throughout the policy lifecycle**. Others are **digitizing risk** using accurately cleansed, geocoded, and mapped data.

+ Changes in claims processing

AI in claims processing is happening now. Some insurers are creating AI-based platforms to analyze 3-D images of vehicle damage in real time to **speed claims processing**. Others are developing chatbots to **guide customers to submit claims**, including uploading photos and videos from the scene. Some insurers are also using NLP to **reduce fraudulent claims**.

These visionary insurers and insurtech companies are paving the way for the future by investing in initiatives that unlock the value of vast data stores—past and present, internal and external.

Tapping into the power of data plays a significant role in mitigating risk and increasing efficiency and opens the door to using data predictively. More quality data leads to more intelligent algorithms and more accurate risk assessments and policies.

Hungry for change in your company? It all hinges on data.

All this technology and opportunity revolve around data. Big data. Insurers are sitting on a profusion of it and collecting more every day.

There's **fitness data** from wearables, **household data** from internet of things (IoT) devices, **weather data** from satellites, and **spatial data** from drones.

There's **open-source data**, too. The website data.world, which bills itself as the enterprise data catalog for the modern data stack, offers more than 50 open-source datasets for the insurance industry.²

In their report on the “Future of Insurance Data,” Precisely and Corinium say there's an **urgent need** to invest in initiatives to manage disparate datasets from multiple sources, validate them, and ensure overall data quality.³

² "Data.world." Data.world | The Cloud-Native Data Catalog. Accessed August 9, 2022. <https://data.world/datasets/insurance>.

³ Solomon, Radley, ed., “Future of Insurance Data is with AI Technology Automation.” Precisely. Last modified December 2, 2021. <https://www.precisely.com/resource-center/analystreports/future-of-insurance-data-ai-insurance-industry>.



Why the urgent need? Because high-quality data brings you two types of opportunities, both of which require a combination of technology and humans:

1. Automation opportunities
2. AI opportunities

The challenge with automation opportunities is that most data is structured but exists in different forms and locations. For it to be valuable, humans and machines must gather, process, transcribe, cleanse, verify, and enrich it.

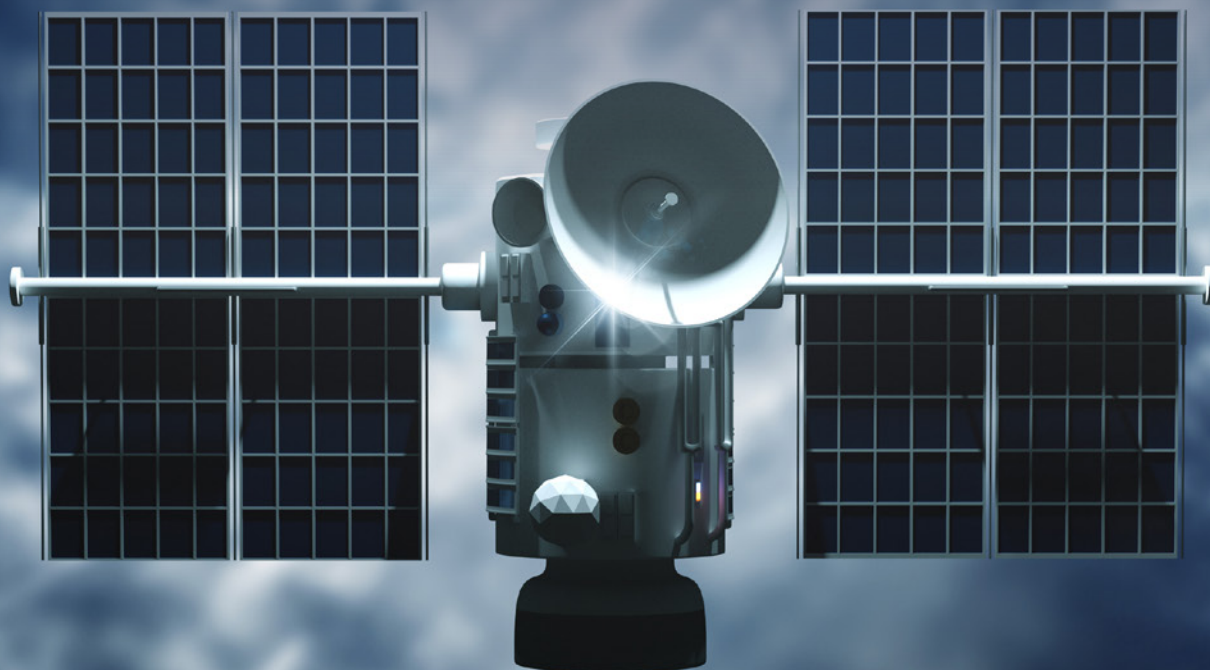
AI opportunities involve structured computer vision data. Humans and machines need to label it, feed it into machine learning models, QA it, and continually refresh it as the model evolves.

Read on to learn what's happening with automation and AI as it applies to insurance. Also, discover how CloudFactory's clients in the insurance space are working with data and using automation and AI/ML across four use cases:

- Underwriting
- Data-driven decisioning
- Sales optimization
- Claims processing

Our hope is to inspire you and provide the guidance you need to step into the future of insurance, whatever that may look like for your business.

Ready? Let's dig in.



Underwriting

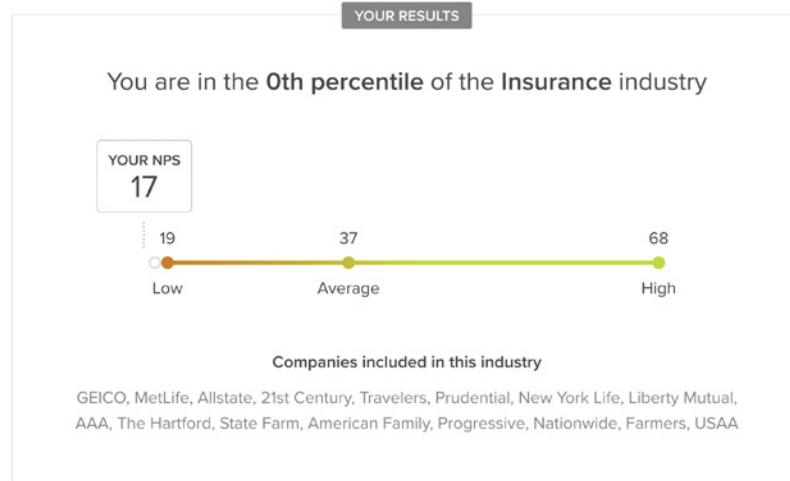
“The underwriter of the future is a decision scientist, a customer advocate, an innovator, a sales executive.”⁴

Thought starters

Only 35% of insurers have adopted advanced data analysis tools such as ML-based pricing and risk models. These tools are critical to unlocking new data potential and enabling more accurate risk assessments.⁵

*“This is exciting stuff! Chubb expects to **increase revenues by 5% in the first year just by pre-filling the data.**”* Alan Luu, AVP of Advanced Data Analytics at Chubb, as quoted.⁶

In 2020, insurance brokers in the U.S. and Canada had a Net Promoter Score (NPS) of 17.⁷ In the insurance industry, an NPS of 17 puts these brokers in the **0th percentile**, driving the need for insurance executives to seek dramatic changes and improvements.⁸



Applications

- Implement paperless application processes.
- Assess risks associated with applicants.
- Digitize the customer experience.

Benefits

- Increase profitability.
- Reduce the cost of manual underwriting.
- Increase productivity and efficiency.
- Eliminate tedious manual processing.
- Speed the underwriting process.
- Deliver quotes faster.
- Reduce churn.
- Win new business.



The technologies that help underwriting include **optical character recognition, intelligent character recognition, robotic process automation (RPA), and smart automation processing.**

⁴“Underwriting Transformation.” EY US - Building a Better Working World. Accessed July 27, 2022. https://www.ey.com/en_us/insurance/underwriting-transformation.

⁵“The World Property & Casualty Insurance Report 2022.” Capgemini Research Institute. Accessed July 27, 2022. <https://worldinsurancereport.com/propertyandcasualty>.

⁶Solomon, ed., “Future of Insurance Data.”

⁷“60 Insurance Statistics You Must Read: 2022 Market Share Analysis & Data.” Financesonline.com. Last modified January 14, 2022. <https://financesonline.com/insurance-statistics>.

⁸“NPS Benchmarks: Compare Net Promoter Scores by Industry – Delighted.” Delighted. Last modified September 17, 2021. <https://delighted.com/nps-benchmarks>.

INSURANCE DATA PROCESSING

Pre-processing documents to streamline quote generation

[This U.S.-based insurance company](#) struggled with growth. Daily, dozens of non-standard requests for specialty catastrophe quotes came in through email. The underwriting team needed to organize those requests quickly and prepare quotes faster.

What to do to give time back to the underwriting team and gain the extra capacity to process even more requests for quotes? The company called on CloudFactory to **pre-process their insurance applications**. We went into production mode after a quick, two-week onboarding session.

That was more than five years ago. Today, our data analysts **extract data from emails, images, PDFs, and other documents** and enter it into the client's proprietary platform to **pre-process and standardize each incoming insurance request**. And they do so with the utmost respect for data privacy.

The analysts work through the insurer's application queue during the night, U.S. time. When underwriters arrive at their desks the following day, they get to work immediately, pricing risk and providing quotes quickly.



MACHINE LEARNING IN INSURANCE

Validating risk characteristics to feed machine learning models



This insurtech company arms underwriters with continuous monitoring and predictive scoring to provide profound insight into real-time risks.

Their solution relies on alternative and emerging data sources and publicly available information on the internet. Using those data sources, the company assigns risk characteristics based on specific data, such as whether a business has amenities like fireplaces and pools on site.

Capturing that data is tedious and time-consuming, so the team turned to CloudFactory. Using the client's database as a starting point, our data analysts **validate data from public sites** like Yelp and Google to **verify business risk characteristics** for a given set of businesses.

Accuracy is critical because the company uses the outputs of our work to train its models. Their target accuracy rate is 90%. Our data analyst teams regularly achieve more than 97% accuracy.

MACHINE LEARNING IN INSURANCE

Offloading data work to strengthen machine learning models

This CloudFactory client is on a mission to help employees access insurance products. They do so with a platform that makes it possible for brokers and carriers to have meaningful, productive collaboration through a single, shared system that manages the entire placement process.

The labor-intensive data processing required by the platform drowned out the company's ability to innovate. To give back the freedom to dream and ideate, the manager of underwriting operations partnered with us, and our experienced data analysts took on the tedium.

Today, our analysts are helping improve the company's machine learning models. They **search for and validate values** using insurance policy documents extracted by machine learning. Next, they **annotate correlating text** and **normalize values**, which involves choosing options in a dropdown menu or writing new values based on the policy document.



The three underwriting initiatives you just read about created meaningful digital-age work for **24 data analysts** in Kenya and Nepal. In the CloudFactory way, those analysts are earning, learning, and serving their way to becoming leaders worth following.

Data-driven decisioning



Use predictive data to gain foresight instead of historical data to make decisions based on hindsight.

Thought starters

Over two-thirds [of surveyed insurers] report that **predictive analytics** have helped **reduce issues and underwriting expenses**, while 60% credit the additional insights for **increases in sales and profitability**.⁹

*“When people talk about data, they often mean things that are searchable via public search engines. But that’s only 20% of the data in the world. What we’re trying to unlock is the 80% that’s behind everyone’s firewalls because that’s where the value is. Everybody has tons of data; they just can’t make use of it. Our belief is that **you’ll make better decisions if you can unlock that data** and that there’s a \$2 trillion market around better decision-making.”¹⁰*

As no single tool can replace humans, hyper-automation today involves a combination of tools, including robotic process automation, intelligent business management software, and AI, with a goal of **increasingly AI-driven decision-making**.¹¹

The next phase of automation should focus on **automating end-to-end operational decision-making using machine learning**. Our definition of AI transformation accurately describes the gist of hyper-automation. Repetitive processes relying on rules-based decision-making are already automated at leading-edge companies. With advances in AI, [companies can automate] more complex operational decision-making....¹²

Applications

- Assess applicant risk.
- Create targeted policies.
- Conduct lifetime value analyses.
- Identify potential churn.
- Turn vast data into better practices and products.
- Detect fraud.

Benefits

- Differentiate from your competitors.
- Gain geographic market advantages.
- Speed decision-making in all parts of the business.
- Tap predictive analytics for glimpses of the future.
- Filter key metrics from raw data.



The technologies that help insurers develop foresight and better decisions include robotic process automation, intelligent business management software, and computer vision AI.

⁹ “The Financial Rationale for Predictive Analytics.” Willis Towers Watson. Accessed July 29, 2022. <https://www.wtwco.com/en-US/Insights/2019/07/the-financial-rationale-for-predictive-analytics>.

¹⁰ “Ginni Rometty: ‘Don’t Try to Protect the Past.’” Harvard Business Review. Last modified July 1, 2017. <https://hbr.org/2017/07/dont-try-to-protect-the-past>.

¹¹ “Gartner Top 10 Strategic Technology Trends For 2020.” Gartner. Accessed July 27, 2022. <https://www.gartner.com/smarterwithgartner/gartner-top-10-strategic-technology-trends-for-2020>.

¹² “AI Transformation in 2022: In-Depth Guide for Executives.” AIMultiple. Last modified June 14, 2022. <https://research.aimultiple.com/ai-transformation>.

INSURANCE DATA PROCESSING

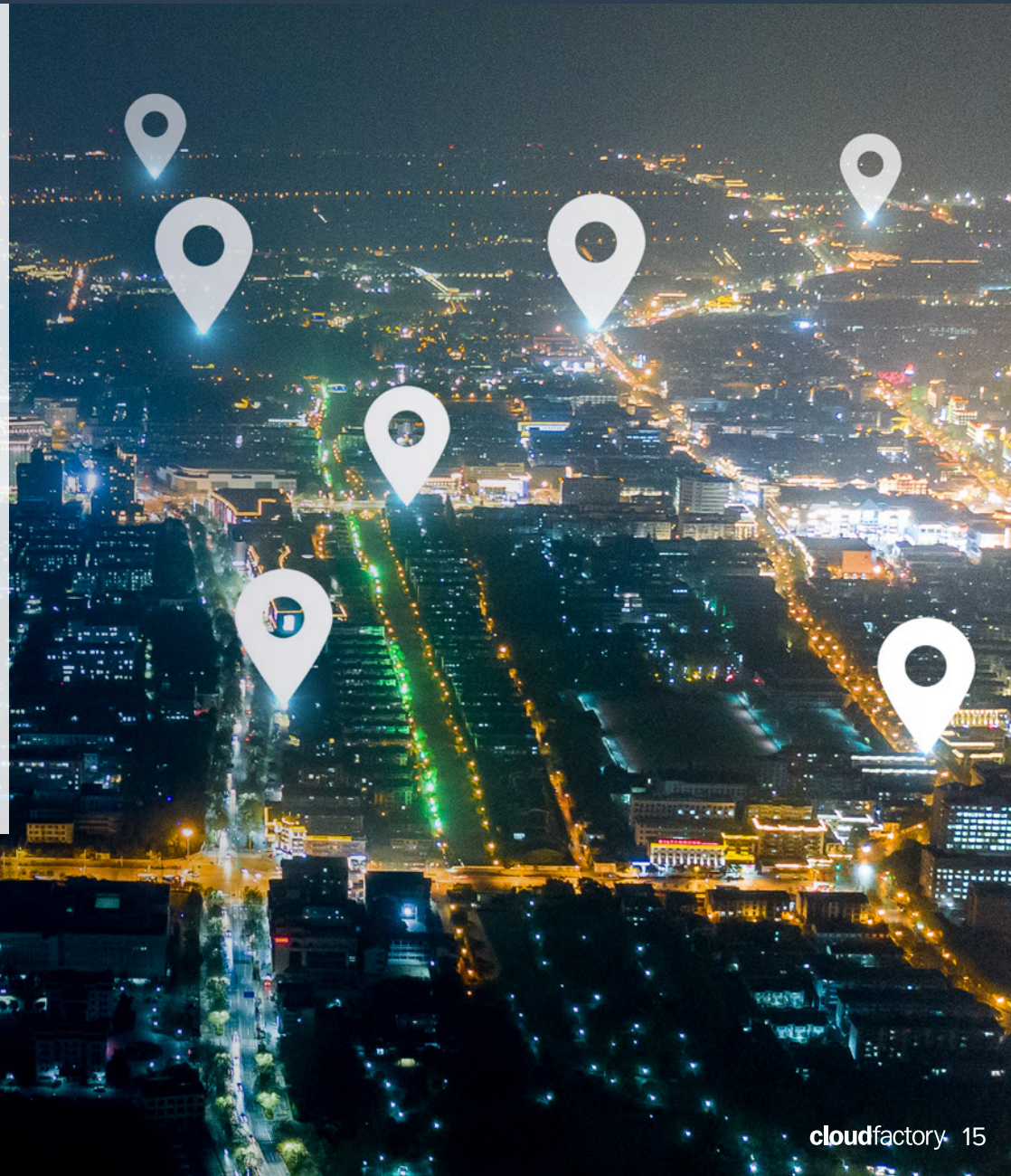
Using AI to digitize risk for improved insurance outcomes

This company created a business intelligence platform that uses AI to digitize risk for commercial property owners. When their team could not scale processes internally, they turned to CloudFactory.

Our workforce processed thousands of documents each quarter by completing three tasks:

- **Pre-cleansing**, which involved identifying incomplete, incorrect, and inaccurate data and modifying it when necessary.
- **Geocoding**, or confirming that auto-generated map locations in the platform matched the locations in Google Maps and, if not, pinning correct locations on a digital map.
- **Column mapping**, or connecting property attributes to defined attribute categories.

During the partnership, our data analysts delivered 8,000+ hours each month.



MACHINE LEARNING IN INSURANCE

Labeling computer vision images for predictive analytics



This insurtech client is unlocking the power of aerial imagery to empower insurance carriers with property insights and predictive analytics. The company's AI models help insurance carriers make better decisions throughout the policy lifecycle, from the property to the portfolio.

Their team, like many others, struggled with scale. They'd been working with different partners, but labeling projects were either unstructured or challenging to ramp up and down. They didn't know who was doing the work or how many people their partners had deployed.

It was time for a change.

CloudFactory was that change.

Today, with a tight quality feedback loop developed during training and ramping, our data analysts accurately **label computer vision images** of roofs, trees, and solar panels and **identify roof types and materials** to help the company build a dataset of roofing materials.

This work gives the team an accurate data labeling pipeline to develop their models.

INSURANCE DATA PROCESSING

Meeting digital risk head-on with machine learning

This client, a cybersecurity insurance company, helps businesses deal with digital risk. By combining world-class technology with industry-leading insurance expertise, the company offers clarity and confidence to businesses in the digital age.

To make it happen, they're building a model that automatically identifies the industry a company belongs to from its website—work that requires close communication and collaboration and labor-intensive, high-quality data collection and tagging for a large amount of data.

The team tried using API solutions to gather the data, but the work took too long, and the results were unreliable. They needed to scale a dedicated team able to meet the complex demands of the use case so they could get back to focusing on business.

In stepped CloudFactory.

Our data analysts **scrape the web** to **collect, enrich, and categorize key data points** for thousands of domains in different NAICS classes.

The result of this work feeds the automated machine learning detection of a company's industry type, which drives accuracy within the client's proactive risk monitoring and insurance processes.



The three data-driven decisioning initiatives you just read about created meaningful digital-age work for **39 data analysts** in Kenya and Nepal. In the CloudFactory way, those analysts are earning, learning, and serving their way to becoming leaders worth following.

Sales optimization



The first sales teams to adopt AI and pioneer how to use it will have a massive advantage in the near future.¹³

Thought starters

Nearly 90% of chief sales officers have already invested in or are considering investing in AI analytics tools and technologies.¹⁴

Gartner predicts that 75% of B2B sales organizations will augment traditional sales playbooks with AI-guided selling solutions by 2025.¹⁵

PwC's AI Predictions survey revealed that 65% of insurance executives believe their AI investments paid off in the form of better customer experiences.¹⁶

Companies that pioneered the use of AI in sales rave about the impact, which includes an increase in leads and appointments of more than 50%, cost reductions of 40%–60%, and call time reductions of 60%–70%. Add to that the value created by having human reps spend more of their time closing deals, and the appeal of AI grows even more.¹⁷



Applications

- Provide targeted sales coaching.
- Identify potential customer leads.
- Create customized products and services.
- Offer better pricing features.

Benefits

- Find untapped market potential.
- Engage with customers intelligently.
- Optimize cross- and up-selling.
- Optimize territories and lead allocation.
- Personalize sales content.
- Get a pricing advantage.



The technologies that help sales include computer vision, NLP, diagnostic and predictive analytics, optimization and prescriptive analytics, and smart automation processing.

¹³ McBeth, Greg. "The Future of AI for Sales (And How to Prepare for It)." Sales Hacker. Last modified August 31, 2021. <https://www.saleshacker.com/ai-for-sales>.

¹⁴ "Introduction to AI for Sales." Gartner. Accessed August 2, 2022. <https://www.gartner.com/en/articles/your-primer-on-ai-for-sales>.

¹⁵ "Gartner Predicts 75% of B2B Sales Organizations Will Augment Traditional Sales Playbooks with AI-Guided Selling Solutions By 2025." Gartner. Accessed August 2, 2022. <https://www.gartner.com/en/newsroom/press-releases/gartner-predicts-75-of-b2b-sales-organizations-will-augment-traditional-sales-playbooks-with-ai-guided-selling-solutions-by-2025>.

¹⁶ PricewaterhouseCoopers. "AI for Insurance Companies." PwC. Accessed August 2, 2022. <https://www.pwc.com/us/en/tech-effect/ai-analytics/ai-predictions/insurance.html>.

¹⁷ "Why Salespeople Need to Develop 'Machine Intelligence'." Harvard Business Review. Accessed August 2, 2022. <https://hbr.org/2016/06/why-salespeople-need-to-develop-machine-intelligence>.

INSURANCE DATA PROCESSING

Annotating calls to sell more and improve agent performance

This national insurer helps people protect their valuable assets and financial well-being by finding the best insurance at the best price in minutes. The company sells insurance products such as term life, auto, home, and Medicare supplements in a direct-to-consumer model through its website and phone-based agents.

Regulations require that the insurer audit a portion of recorded calls for compliance purposes, but managing in-house staff to do such work is expensive. And handling personnel in a business subject to seasonal volume fluctuations is challenging.

The team tried outsourcing QA, but the results were below enterprise-grade in people management, audit quality, and reliability. They knew that if they could handle call QA efficiently and effectively, they'd meet regulatory requirements and have the freedom to focus on their core business.

Enter CloudFactory. Our managed workforce **provides quantitative and qualitative feedback** to help sales, enrollment, and customer service agents stay within regulatory compliance and follow best practices.

Data analysts log in to the client's proprietary system to **monitor and annotate calls**, scoring agents based on established guidelines.

We consistently deliver at more than 95% accuracy and give the insurer the ability to scale up and down to accommodate their busy post-AEP (annual enrollment period) and post-OEP (open enrollment period) seasons.



MACHINE LEARNING IN INSURANCE

Labeling aerial and satellite images to boost revenue

This client, one of the world's largest property and casualty insurers, is pushing the envelope on all things AI. They're experimenting with blockchain, robotics, the metaverse, and augmented and virtual reality.

They're also using machine learning models to help underwriters and sales teams generate new revenue—in this case, by using satellite images to identify residential swimming pools and trampolines.

The group charged with the sales optimization project was poised to go, but they lacked the resources to complete the project in-house.

In stepped CloudFactory.

CloudFactory provides secure access to tooling and a consistent workforce. Our data analysts **annotate aerial and satellite images** to train the machine learning model. They then use the AI's predictions and classifications as a baseline for **quality assurance** to improve the model.

Today, the company's underwriting organization uses model outputs to adjust the policies of current customers. Sales uses the outputs to identify higher liability prospects and offer swimming pool insurance to homeowners who aren't yet customers.



The two sales optimization initiatives you just read about created meaningful digital-age work for **130 data analysts** in Kenya and Nepal. In the CloudFactory way, those analysts are earning, learning, and serving their way to becoming leaders worth following.

Claims processing

“ The claims experience influences the decision to stay or go for 87% of policyholders.¹⁸

Thought starters

Blockchain [a branch of AI] has its uses in handling claims.... For example, carriers could cryptographically secure and share medical records between health providers to eliminate duplication and inefficiency. Insurers also could...reduce fraud through [the] inter-insurer sharing of live claims info on ledgers more accurately than current CLUE or ISO processes.¹⁹

Insurers are embracing AI solutions for claims processing in growing numbers. CCC Intelligent Solutions, a leading SaaS platform powering the P&C insurance economy, reports processing more than 9 million unique claims using its deep learning AI solution—a growth of more than 80% over the previous year.²⁰

Insurers say that the most significant barriers to AI adoption are cost to implement (73%), lack of workforce skill (65%), and time to market (53%).²¹

Figure 35 / Auto Insurers Embrace AI at Scale in 2021

SOURCE: CCC INTELLIGENT SOLUTIONS INC. 2021 INSURER AI ADOPTION REPORT



50%

increase CY2021 vs CY2020 in application of advanced AI for claims processing



9M+

unique claims processed using a CCC deep learning solution — a number which grew more than 80% in 2021



6X

increase in the number of claims using 4 or more AI applications



95

auto insurers actively using CCC's AI-powered capabilities



30%

increase in the number of insurers using at least one of CCC's AI-powered solutions

Applications

- Pre-assess claims.
- Automate damage evaluation.
- Detect claims fraud.
- Predict claim volume patterns.
- Mine and explore cognitive content.

Benefits

- Reduce average time to settle.
- Slash operations costs.
- Expedite FNOL.
- Lift customer satisfaction.



The technologies that help claims processing include NLP, computer vision, telematics, predictive analytics, and prescriptive analytics.

¹⁸ Claims in the Digital Age: How Insurers Can Get Started.” McKinsey & Company. Accessed August 27, 2022. <https://www.mckinsey.com/industries/financial-services/our-insights/claims-in-the-digital-age>.

¹⁹ Arguello, Damian J. “Insurtech in Underwriting and Claims Processing.” The Brief 50, no. 2 (Winter, 2021): 60-65. <http://nclive.org/cgi-bin/nclsm>.

²⁰ “P&C Insurance Economy Trends – CCC Crash Course Report.” CCC Intelligent Solutions. Last modified March 15, 2022. <https://cccis.com/crash-course-2022>.

²¹ Solera Innovation Index.

ARTIFICIAL INTELLIGENCE IN CLAIMS PROCESSING

Analyzing 3-D images to refine machine learning models

This visual intelligence innovator in the automotive industry developed an AI-based platform that analyzes 3-D images in real time. Their platform-powered product suite combines software, imaging technology, sensors, and services to unlock the intelligence within visual data.

The team, bogged down by manual, complex data labeling work, turned to CloudFactory to free up valuable time. But it wasn't a simple computer vision task with bounding boxes, something they could throw over the wall to crowdsourcers. Annotators had to label exterior vehicle damage, sometimes less than an inch wide. The task was subjective, as annotators also had to apply a severity rating to the damage and differentiate between other elements on the vehicle, such as chipped and peeling paint and rust and scratches.

Although experienced in labeling for computer vision projects, our data analysts required additional training before the work could begin. We quickly created and conducted that training, and then our analysts went to work.

Platform users uploaded images of damage, and our human-in-the-loop workforce **reviewed AI-generated condition reports**. Our analysts compared the AI-generated report to the actual images and video. As needed, they **added new, undetected damage, erased false positives, edited incorrect damage information**, and **generated human condition reports**, all to train and refine the company's machine learning models.



ARTIFICIAL INTELLIGENCE IN CLAIMS PROCESSING

Speeding claims with natural language processing chatbots



This global insurance innovator operating in almost 30 countries is improving capabilities across the insurance value chain—including in claims processing, which they consider the next frontier for artificial intelligence.

One claims initiative underway is to use chatbots to reduce operating costs, delight customers, and significantly improve the operational efficiency of the claims program. But work was moving too slowly for the AI and chat assistance group handling the project. Processes were slow and inefficient. And the burden of managing the work was heavy.

Wanting to more quickly and efficiently scale its customer chat and phone services through AI, the team began looking for a partner to provide a trained, managed workforce for NLP chat annotation work and help develop a process for identifying edge cases.

CloudFactory is that partner. Our data analysts annotate text, photos, and videos that train the machine learning model. Leaning on the model, the NLP-driven chatbots guide claimants to take photos or videos of the damage, which are then instantly converted into a first notice of loss.

The company is also exploring using NLP to reduce fraudulent claims by detecting applications with similar characteristics. Not only will this work cut down on phony claims; it will also provide investigators the opportunity to capture, categorize, and compare large volumes of data if the model detects fraud.



The two claims processing initiatives you just read about created meaningful digital-age work for **82 data analysts** in Kenya and Nepal. In the CloudFactory way, those analysts are earning, learning, and serving their way to becoming leaders worth following.

How to manage your data processing and data annotation work

If you're a **data leader** you may be working on process optimizations using new technologies and wondering how you'll implement them at scale.

If you're an **operations leader** you may need help processing data and semi-automated requests or handling edge cases and exceptions to keep your service running.

You need help, but you:

- Can't hire fast enough to meet volume demands.
- Don't have the money or time to hire and manage internal teams.
- Don't want to outsource unless you have assurances about data privacy and security.
- Won't compromise on accuracy for data work—no matter who processes it.

That's where an experienced managed workforce comes in—a workforce that ramps quickly, scales up and down, and focuses hard on security and accuracy. The data processing and annotation professionals who compose such a workforce bring a balanced blend of throughput, quality, and attention to the job, carefully and accurately processing and annotating each piece of data because they know their work contributes to your efficiency and innovation.



The crux of the matter is that you don't have to do the work yourself—and you lose time, money, and competitive edge when you try. The right managed workforce will optimize your workflow by strategically joining people, process, and technology to handle your insurance data for you.

CONSIDER PEOPLE

People are critical when using a managed workforce to annotate insurance data

Quality starts with the people who do your work. Hiring a partner that values ongoing learning and workforce development means the people managing your data will flourish in their professional and personal lives.

And people who thrive tend to stay in their jobs, leading to a long-tenured workforce that provides consistency and grows in expertise.

Because this value lies at the heart of a HITL workforce, keep how your prospective data labeling partner treats its people at the top of your mind.

To be confident that a workforce invests in making its people shine, ask about insurance experience.

? Do your analysts know anything about the insurance industry so they can process and annotate our data accurately?

When a managed workforce makes suitable learning investments, its people will be ready to label data in the insurance domain. Analysts will come to you with training and practice labeling nuanced insurance data, such as the slight difference between rust and crash damage that can affect claims payouts and model accuracy.

They'll also have the know-how and processes to handle edge cases efficiently.

To sweeten the partnership even more, ask about continuity.

? Can your analysts quickly and accurately take over work previously done by our in-house or external partner teams?

A workforce with insurance experience can step in at any stage of the data annotation process because analysts know how to label complex data from the web and internal systems, plus NLP data and image data from drones, satellites, and other platforms.

You've hit the sweet spot when you find a workforce that can automate standard annotation operations within a workflow to increase productivity while ensuring high-quality HITL labeling when necessary.



CONSIDER PROCESS

Process is vital when using data to scale insurance operations

Before signing a contract, look for your prospective partner to set forth a solid, agile process for your work. Your partner should help you design your processes from scratch or redesign your existing processes. Ideally, you'll find a partner equipped to do both.

Process is where you'll likely notice the benefit of partnering with a managed workforce over internal resourcing.

An external workforce has parameters built into its approach, helping you save time and money while you scale.

As you explore the option more and more, you'll also want to ask a prospective data processing partner about their agility.

? Do you have the proven agility to scale projects up or down due to seasonality?

Processing and annotating insurance data requires an agile process approach, not rigid rules that don't flex and scale with your project.

Look for a workforce with the flexibility to ramp up and down with different seasons—for instance, the open and annual enrollment periods for Medicare. Such a workforce can scale training and



staffing quickly. They'll also have experience managing seasonal or variable workloads.

When you're convinced that a workforce has what it takes to deal with the seasonality of your business, you'll also want to know about their communication and collaboration practices.

? How will our team communicate and collaborate with your data analysts?

As you shift data processing and annotation away from internal resources, look for a managed workforce that provides visibility into team performance. When shopping around for workforce partners, listen for their ability to give you real-time productivity tracking, collaboration tools, and quality-control checks to maximize your business results.

A partner with dedicated project managers, messaging channels, and collaboration tools will make it easy for you to chat with, send information, and provide feedback to your analyst team.

And because your workforce partner must meet your security requirements, don't forget to ask about data security.

? What steps do you take to secure our data?

Look for a workforce that takes data security seriously. You should know who's working on your data, how work is monitored, and what standard security procedures and operations are in place—including certifications.



? What certifications do you have?

Your workforce partner should give you confidence in their ability to minimize risk, sustain long-term partnerships, and meet your security and compliance requirements. Such confidence might come in the form of:

- ISO 9001 for quality management.
- ISO 27001 for information security.
- SOC 2 for data security.
- HIPAA for protected health information.
- GDPR for personal data privacy.
- OneTrust for security posture status.

CONSIDER TECHNOLOGY

Technology is key when using data to scale insurance and insurtech applications



When adding AI applications to insurance initiatives, there's a lot of data to process. And many tools can get the job done right.

When talking about labeling technology with a potential workforce, ask about tooling.

? Are you able to work with our tool?

The insurers and insurtech teams we work with tend to use internal tools. If that's true for you as well, then look for a workforce willing to work in your tool rather than try to force you to work in an unfamiliar one.

That said, if you don't have a tool, then look for a partner with experience in leading 2-D and 3-D tools, as they'll be able to guide you to the right tool for the job.

Finally, because metrics matter, ask about performance management.

? How do you handle performance management?

A workforce that cares about performance and quality will have a comprehensive management platform that allows you to track performance and overall initiative health.

Look for a partner with workforce management practices and technology to track and act upon performance metrics and KPIs, as well as to give you readouts and updates so you can understand the health of your project.

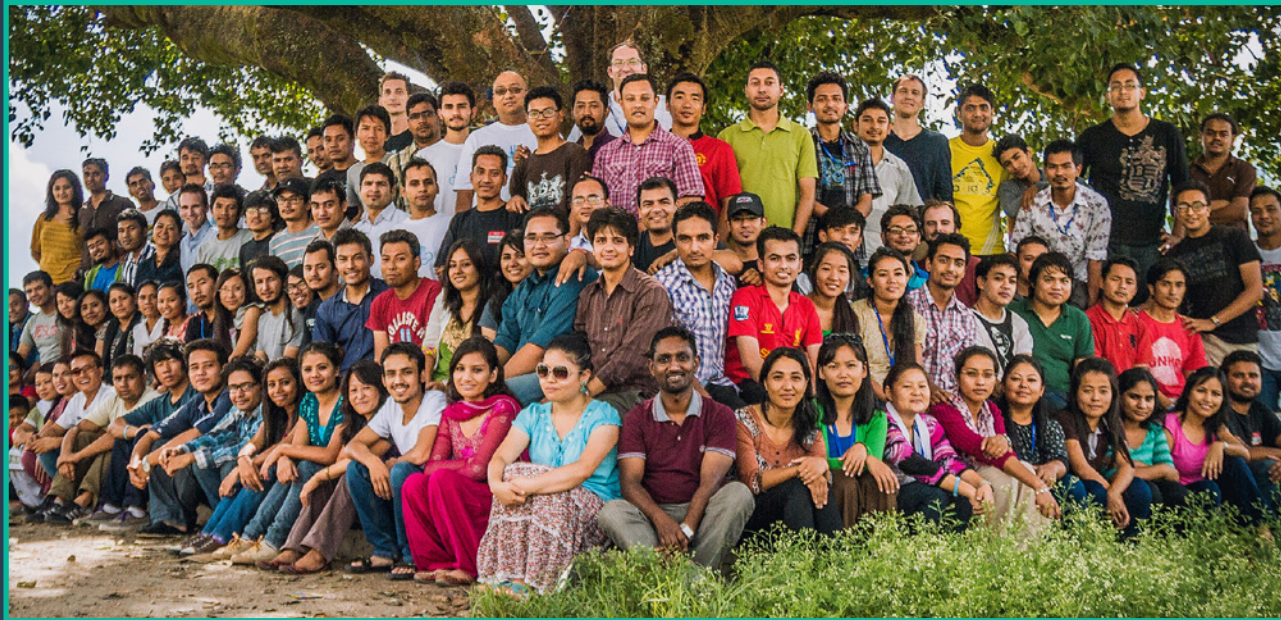
Introducing CloudFactory

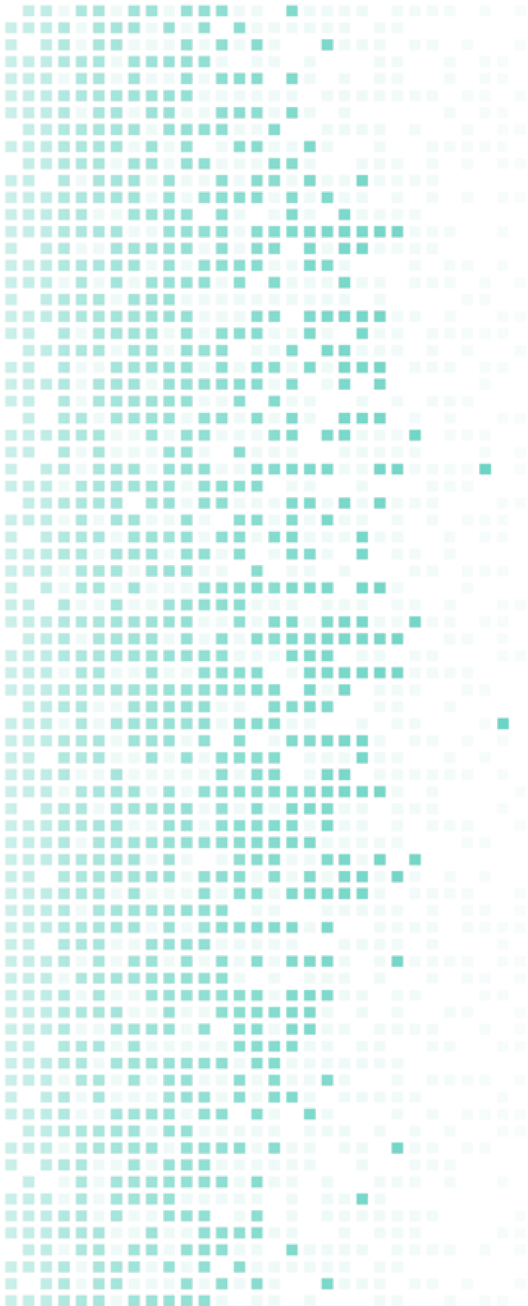
CloudFactory is a global leader in combining people, process, and technology to support the AI development lifecycle from data curation and annotation to quality assurance and model optimization.

Our HITL AI solutions, powered by more than 7,000 expertly trained and managed data analysts, are trusted by AI leaders at 700+ companies globally.

Whether you're perfecting your automated operations or are already on the journey to applying AI, we can help.

Since 2010, and after delivering more than 25 MILLION hours of work, we've mastered the art and science of developing and deploying people, process, and technology.





We care about people.

- **We're selective.** We personally recruit, interview, and hire every data analyst, and only 15% of applicants make it through our process.
- **We invest in our analysts.** We provide professional managers and team leads, plus upwards of 30,000 hours of professional development and training each year.
- **We retain our data analysts.** Our average analyst tenure is 23 months, which provides consistency and develops a workforce of experts.

We're masters of process.

- **We offer a free project analysis.** This process demonstrates our speed and quality, confirms we can meet your KPIs, and gives you confidence in our proposal.
- **Lean on our structured onboarding.** Having done this work thousands of times, we created a product launch methodology that gives you a faster time to value.
- **We know context matters.** We work closely with you to understand your business and the unique requirements of your project. We want to clearly understand—and exceed—your expectations.

We live and breathe technology.

- **We're tooling flexible.** You can focus on outcomes and not worry about tools.
- **We provide digital workforce management.** We use our proprietary technology to manage projects and the people assigned. And we track and monitor performance at a granular level so we can take action, meet expected KPIs, and maximize your results.
- **We give expert advice.** Our experienced solution consultants offer specific technology, QA, and process design recommendations for your industry and use case.



Bottom line? CloudFactory provides a scalable, expertly trained HITL-managed workforce to accelerate AI initiatives and optimize insurance operations. Our approach gives you the flexibility, scale, security, and quality you need to deliver insurance innovations that increase productivity and scale insurance operations.

Questions to ask prospective data partners

For an optimized data processing and annotation experience, ask your prospective partner these questions:

- What's your experience in insurance?
- How do you screen and select your workforce?
- What investments do you make in your workforce?
- Is your workforce distributed globally? What time zones are you in?
- Do you have the proven agility to scale projects up or down due to fluctuations in demand?
- What tools does your workforce use to process and label data?
- How will our team communicate and collaborate with your analysts?
- How do you report on quality metrics?
- Do you offer dedicated project managers?
- Is your team able to label minute, nuanced differences in images and videos?
- Can you quickly and accurately take over work previously done by our internal teams?
- How will you keep our data safe?
- What security certifications do you have?



cloudfactory

**Ready to use the power of data to
increase efficiency or scale your
insurance initiatives?
So are we.**

Let's talk.

