

ATENTO

Smart Insurance: How AI Drives Personalization in the Insurance Industry

WHITEPAPER

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INTRODUCTION

The insurance industry is in a phase of significant transformation, driven by technological advances and changing customer expectations. Digitalization and the adoption of emerging technologies, such as artificial intelligence and data analytics, are redefining the way insurers interact with their customers and manage their operations.

According to a study by Ernst & Young, insurers with advanced technological capabilities show up to five times higher revenue growth than their competitors, demonstrating the critical importance of investing in technology to improve the customer experience.

Artificial intelligence and machine learning are transforming the industry, enabling insurers to offer more personalized and efficient services. Insurers that adopt AI can increase customer retention by 15% and reduce operational costs by 20%, McKinsey states in its Global Insurance Report.¹

In this document, we take a brief look at the insurance industry to learn about its challenges, trends, and how advanced technologies, such as AI and personalization strategies, have come to optimize operational efficiency and increase customer satisfaction in the industry.



1

Current Challenges in the Insurance

The insurance industry is undergoing a significant transformation, driven by technological advancements and shifts in customer expectations. Among the most prominent factors we have the following:



Growing competition

Insurtechs (technologies applied to the insurance sector) are gaining ground with disruptive digital models. Startups use *blockchain*, *big data*, and cloud computing to deliver innovative products.



Changing expectations

Customers demand faster, more personalized experiences. The implementation of AI has been shown to improve loss ratios by 9% and increase premiums by 53%, compared to the market average of 18%. ²



Increased regulation

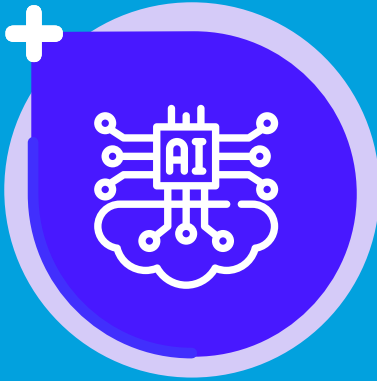
Compliance with regulations such as the *General Data Protection Regulation* (GDPR) and local data protection laws is key.

Artificial intelligence emerges as a solution to address these challenges, enabling insurers to offer hyper-personalized services, improve operational efficiency, and strengthen data security.

2

The power of AI in personalization

Thanks to its ability to analyze large volumes of data, artificial intelligence (AI) is transforming the way insurers interact with their customers, offering highly personalized experiences that were previously unthinkable.



80% of consumers prefer companies that offer them personalized experiences³.

In the insurance industry, this translates into tailor-made products, recommendations based on user behavior, and more streamlined and efficient claims processes.

Key technologies in personalization



Machine Learning (Aprendizaje Automático)

It allows you to analyze customer behavior patterns and predict their future needs. This helps adjust prices, identify risks, and recommend personalized coverages.



Natural Language Processing

Improve customer engagement through intelligent chatbots and virtual assistants. These systems can answer questions, guide users in purchasing policies, and assist in the claims process.



Predictive Analytics

It uses historical data to predict risks, assess the likelihood of claims, and recommend appropriate coverage. For example, some insurers have implemented AI models that adjust policy prices in real time based on the customer's profile.

3

Benefits for insurers and customers

In the insurance industry, personalization is key to adapting to customer expectations. Insurers seek to offer more agile experiences, tailored products and accessible service, strengthening loyalty and competitiveness in a digitized market



Main benefits that personalization brings to both insurers and their customers.

Real-time policy customization

Insurers can adjust coverage based on customer behavior and habits, some companies already use AI to create hyper-personalized policies in seconds.

Enhanced omnichannel experiences

Customers can interact with their insurer across multiple platforms (WhatsApp, apps, chatbots, calls), receiving instant and consistent attention across all channels.

63% of consumers abandon their insurer if they experience inconsistent interactions across different channels⁴, reinforcing the importance of AI-powered omnichannel to improve customer loyalty.

Reduced fraud and better risk assessment

81% of companies in Latin America consider AI-powered cyberattacks to represent a serious threat⁵, which shows the need for advanced protection and monitoring systems in the sector to prevent fraud, reduce losses and optimize risk management.

An example of success is that of an Italian insurer, in which an anti-fraud reengineering system was implemented, managing to increase its detection by 30% and optimizing the management of real-time reports by 40%.⁶

El 33.82% de las aseguradoras consideran que mantenerse al día con los métodos modernos de fraude es uno de sus mayores desafíos⁷.

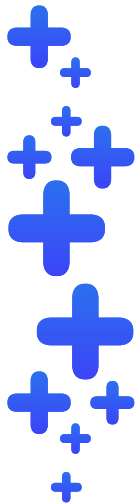
⁴ Kaspersky:

⁵ Friss: La inteligencia artificial generativa transforma el fraude en el sector de Riesgos y Seguros

Increased customer retention and satisfaction

Insurers that have integrated generative AI into their processes have been able to increase customer retention and improve the user experience, thanks to more agile and personalized services, **McKinsey highlights**⁶.

This can also increase revenues by up to 20% and reduce costs by 15%, improving insurers' ability to offer better products and more competitive prices⁹.



AI is transforming insurers' operational efficiency by delivering personalized products and services in real-time, enabling hyper-personalized experiences that differentiate market-leading companies.

⁶ McKinsey:

⁷ Infonegociosgalicia:

4

Implementing Large-Scale Personalization

Large-scale personalization in the insurance industry not only involves applying AI to improve products and services, but also transforming the operational infrastructure and organizational culture. For insurers to implement effective personalization strategies, it is necessary to consider several key factors, from data management to automation and omnichannel.



Key Strategies

Data ecosystem

80% of insurance companies that implement data-driven strategies have reported improvements in customer retention, which shows the positive impact of the use of AI and advanced analytics in the insurance industry.

Effective personalization requires a robust database, with up-to-date and accurate customer information. Insurers must consolidate data from multiple sources, such as claims histories, consumption habits, and digital behavior.

Smart segmentation models

Insurers are adopting these models using machine learning and predictive analytics to identify behavioral patterns and group customers according to their needs.

For example, predictive analytics helps insurers classify customers into different risk categories, allowing them to set more accurate premiums and personalize their offerings. In addition, the integration of machine learning algorithms into CRM systems allows insurers to anticipate customer needs and offer proactive solutions, improving the user experience¹¹

Omnichannel automation

Customers interact with their insurers through a variety of channels, including mobile apps, chatbots, email, and call centers. Implementing an AI-based omnichannel approach allows you to offer a unified and efficient experience.

According to a study by Forrester Consulting, 77% of customers say that the most important thing a company can do to provide them with a good service is to value their time, implementing omnichannel strategies provides integrated and consistent experiences, reducing customer frustration and decreasing the likelihood of abandonment.

⁸ Pwc

⁹ Anuariolatamseguros

¹⁰ Genesys

Challenges and considerations

Despite the multiple benefits that artificial intelligence offers in the insurance industry, its adoption presents several challenges that need to be addressed strategically. Regulation, compatibility with legacy systems, and algorithm ethics are critical aspects to ensure effective and responsible implementation.



Regulatory compliance and data protection

The insurance industry handles large volumes of sensitive customer information, so it must comply with strict data protection regulations.



Integration with legacy systems

Many insurers operate with platforms developed decades ago (legacy systems), which makes it difficult to implement new technologies due to their lack of interoperability with modern AI tools and the high costs of data migration. However, modernizing these systems is key to taking advantage of digital transformation.

74% of companies that have invested in generative AI have managed to meet or exceed their ROI expectations. Insurers that adopt hybrid strategies, combining AI with traditional systems, will be able to optimize their operations without a total disruption of their infrastructure.



Ethics and algorithmic biases

McKinsey¹⁴ notes that AI models can inadvertently discriminate against protected groups by combining data such as zip codes and income to craft personalized proposals.

¹¹ **Venturebeat:** Deloitte: 74% of enterprises have already met or exceeded gen AI initiatives (but challenges remain)

¹² **McKinsey:**

These biases can manifest themselves in:



- **Price discrimination and insurance coverage:** AI models trained on biased historical data can assign higher premiums or limit coverage for certain demographic profiles, perpetuating existing inequities.
- **Lack of transparency in AI algorithms:** The opacity in the operation of these models makes it difficult to understand how decisions are made, which can lead to distrust among customers.
- **Lack of clarity in automated decisions:** Customers may not receive clear explanations about decisions derived from automated systems, affecting their perception of fairness and fairness.

As artificial intelligence becomes a key tool in the insurance industry, companies must address regulatory, technical, and ethical challenges to ensure its successful implementation.

Some solutions to overcome these obstacles



- **Implementation of hybrid architectures** that allow the coexistence of old systems with AI solutions in the cloud.
- **Use of *middleware* to connect modern technologies** without the need to completely replace existing systems.
- **Training internal teams** to accelerate the adoption of new tools.
- **Invest in data protection tools** and ensure adherence to global and local regulations.
- **Monitor algorithmic biases** and establish responsible practices in the use of AI.

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Use Cases

The implementation of artificial intelligence in the insurance industry has made it possible to develop innovative solutions that improve the customer experience, optimize risk management, and increase operational efficiency. Below are some use cases that have demonstrated impact on the industry.



1

Real-time premium personalization

Insurers use **predictive analytics** and **machine learning** to adjust policy prices based on each customer's profile and behavior.

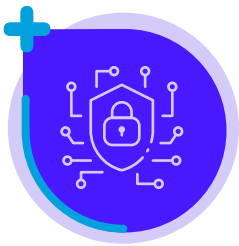


- **Example:** Allstate and Progressive have implemented "behavior-based usage" systems through telematics devices, allowing fares to be adjusted based on driving history.
- **Benefit:** Greater fairness in pricing, rewarding drivers with safe habits and reducing costs for low-risk customers.
- **Impact:** This type of personalization has improved customer retention by 20% and reduced claims by 15% ¹⁵



2 Fraud detection with Artificial Intelligence

Fraud in the insurance industry is a significant challenge, with losses estimated at more than \$40 billion annually in the United States, excluding the healthcare sector, according to the FBI. These losses impact both insurers and consumers, raising the cost of premiums by \$400 to \$700 per year for American families.



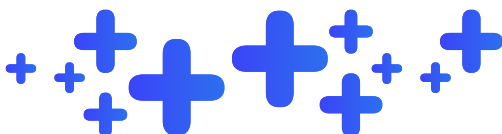
- **Example:** Zurich Insurance¹⁷ has implemented an AI system to analyze patterns in suspicious claims, reducing fraud by 30%.
- **Benefit:** AI makes it possible to detect inconsistencies in real time, reducing costs associated with fraudulent claims and speeding up legitimate payments.
- **Impact:** Insurers that have adopted AI have improved fraud detection accuracy

3 Virtual assistants and chatbots for customer service

The use of **natural language processing (NLP)** has made it possible to automate customer service, offering immediate responses and reducing the burden on human agents.



- **Example:** AXA¹⁸ launched its virtual assistant "Emma" to provide personalized advice to customers in quotation and claims processes.
- **Benefit:** reduced response times and increased availability for customers.
- **Impact:** A Juniper Research report¹⁹ estimates that chatbots in insurance will save more than \$1.3 billion in service costs by 2025.



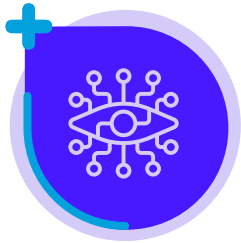
¹⁴ **Linkurious:** Zurich Insurance reduces fraud case triage time an average of 30% with Linkurious Enterprise

¹⁵ **Nice:** Generative AI for Customer Interaction in 2025: Transforming CX with Automation and Personalization

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Risk assessment and claims processing

AI has enabled insurers to improve accuracy in risk assessment, speeding up decision-making and streamlining claims management.

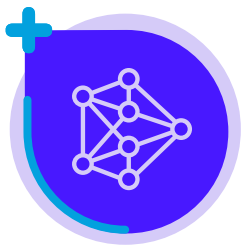


- **Example:** Lemonade²⁰, a digital insurer, has set a record by processing and approving a claim in as little as 3 seconds. Its AI system, known as "A.I. Jim," analyzes applications, verifies policies, and runs anti-fraud algorithms to authorize payments almost instantaneously.
- **Benefit:** Implementing AI in claims processing significantly reduces handling time, increasing customer satisfaction and optimizing operational resources.
- **Impact:** Companies that adopt AI in their processes can increase their operational efficiency by 20% and improve their profit margins by 5-10%.²¹

5

Omnichannel customer experience

AI integration has transformed the customer experience in the insurance industry, enabling omnichannel integration that delivers more seamless and personalized services.



- **Example:** MetLife has implemented AI solutions, such as the "MetLife Wall," which provides a 360-degree view of customers' policies, consolidating information across different lines of business and simplifying interaction with policyholders.²²
- **Benefit:** This integration improves customer satisfaction by offering more consistent and personalized interactions, reducing friction in communication with the insurer.
- **Impact:** 73% of consumers are overwhelmed by the number of options available and are looking for more personalized experiences that make their decision process easier²³

These cases demonstrate that implementing AI in insurance not only optimizes operational efficiency, but also significantly improves the customer experience: from fraud detection to pricing customization and claims automation.

¹⁶ Lemonade

¹⁷ Smart-360-feedback

¹⁸ The-digital-insurer

¹⁹ Accenture

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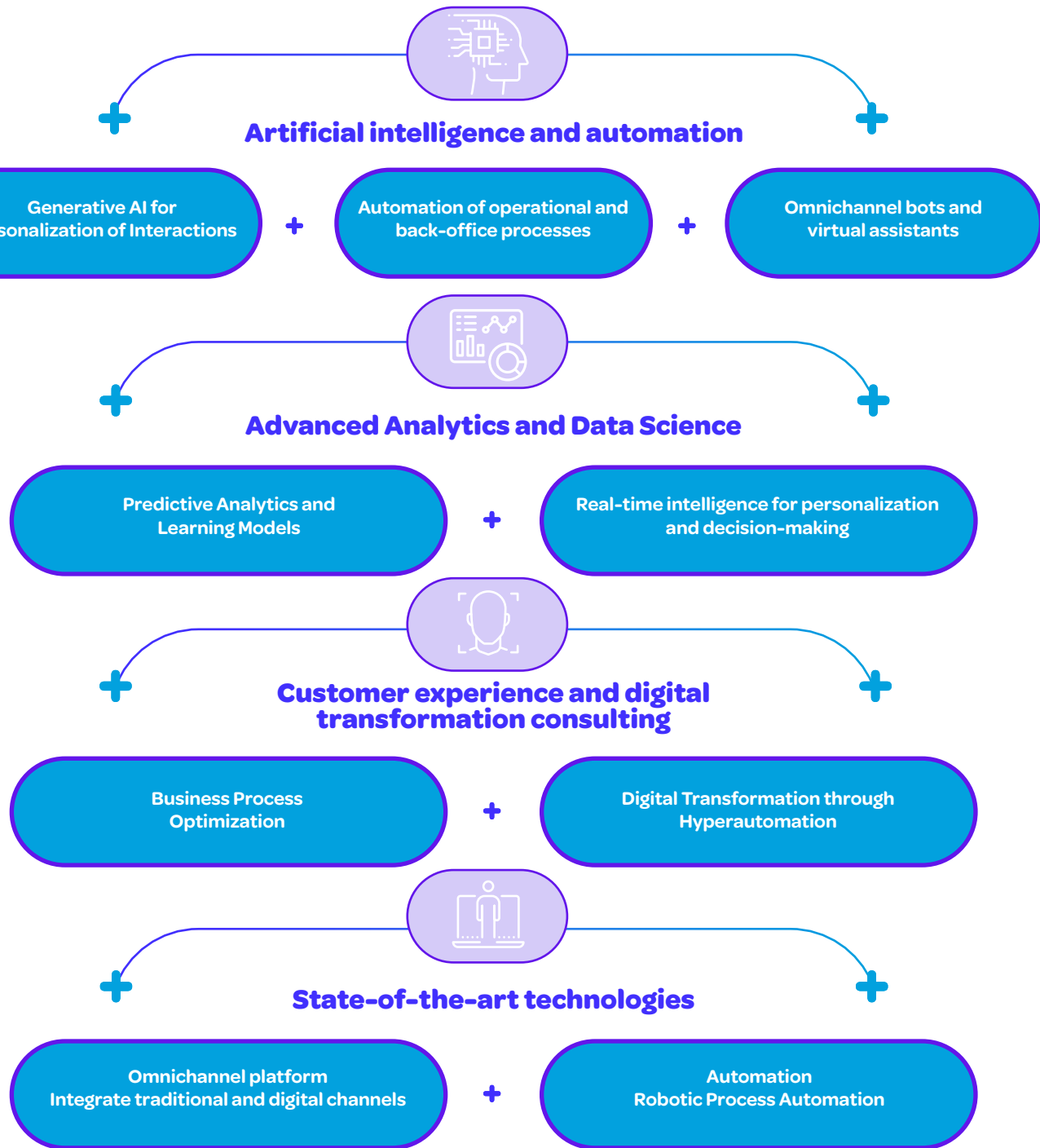
Atento: comprehensive solutions for insurers

As a strategic partner, **Atento** offers comprehensive solutions that respond to the current challenges of the industry and accelerate its digital transformation.

Through its **Business Transformation Outsourcing (BTO) model**, it provides services that integrate **customer experience consulting, artificial intelligence and process automation**, adapting to the specific needs of each insurer and providing value at each stage of the customer cycle.



Atento: technology for the insurance sector



Atento uses advanced technology and customized solutions²⁴ to transform traditional insurance processes, aligning them with the digital expectations of modern customers. The implementation of these solutions has generated significant results in various insurance companies.

8

Some success stories...

CASE ONE

Boosting sales with artificial intelligence



CHALLENGE



One of the largest banks in Brazil and Latin America faced difficulties in achieving an effective sales argument adapted to the different profiles of its customers.

The absence of adequate detection of needs and objections during the telephone service reduced the conversion rate and generated lost sales opportunities.

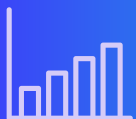
SOLUTION



Through **Atento's AI Studio**, a data analysis model was developed focused on the creation of **personas** (customer typologies) and personalized content.

These people were integrated into the operation with the support of the **Qualistore** platform, allowing specialists to adjust their language and arguments during the calls in real time.

RESULTS



- **25 percentage point decrease** in sales opportunities managed by automated systems.
- **18% increase in monthly sales***
- Projection of **3,181 monthly sales**, with a growth in the conversion rate of 2.5% to 3.0%.
- Strengthening agents' skills through targeted training based on real customer profiles.

**The reported increase was R\$ 49,000 (Brazilian reais) per month. At the approximate exchange rate of 5.2 reais per dollar, this is equivalent to \$9,500 USD.*





CASE TWO

AI Transcription Automation

CHALLENGE



A leading company in the Colombian insurance sector, it required the monthly transcription of more than 300 calls for analysis and quality monitoring.

This process was manual, required 3 agents dedicated exclusively to this task and represented a significant operational burden.

SOLUTION



A processing model implemented to:

1. Perform **automatic call transcription**
2. Identify the interlocutor
3. Perform **sentiment analysis**
4. Deliver **automated summaries**

This allowed the process to be completely digitized and optimized.

RESULTS



- **+712 hours saved monthly**, thanks to the elimination of manual processes.
- **\$24,100 in annual savings**, optimizing operating costs.
- Increased operational efficiency and traceability of customer interactions.
- Strengthening the customer experience strategy through **automated insights** from sentiment analysis.



CHALLENGE 	<p>A prominent health insurance company was facing challenges in operational efficiency due to reliance on repetitive and administrative tasks performed manually. This resulted in slow processes, higher operating costs, and a suboptimal customer experience.</p>
SOLUTION 	<p>Robotic Process Automation (RPA) was implemented, designed to automate administrative and repetitive tasks. This solution made it possible to:</p> <ul style="list-style-type: none"> • Automate routine tasks, reducing manual intervention. • Improve operational efficiency by streamlining internal processes. • Decrease operating costs by optimizing resources. ²⁵ • Freeing up staff to focus on higher value-added activities, improving the customer experience.
RESULTS 	<ul style="list-style-type: none"> • 8.6% increase in productivity, thanks to the automation of key processes. • Significant reduction of errors, improving accuracy in operations. • Improved customer satisfaction by providing faster and more accurate responses.

Artificial intelligence is no longer a promise but a reality that is transforming the insurance industry. Their ability to personalize experiences, streamline processes, and strengthen customer relationships is redefining the way insurance companies operate. From risk assessment to fraud detection and interaction automation, AI enables insurers to deliver services that are more efficient, agile, and aligned with modern consumer expectations.

However, this transformation is not without its challenges. Integration with legacy systems, ever-evolving regulation, and the need to mitigate algorithmic biases are all aspects that need to be addressed with robust strategies and ethical approaches. AI adoption is not just a technological issue, but a cultural evolution within organizations that must be centered around trust and transparency.

In this changing landscape, **Atento** is positioned as a key strategic ally for insurers, providing automation solutions, advanced data analytics and omnichannel strategies that optimize the customer experience and improve operational efficiency. With its expertise in artificial intelligence and technology applied to service, Atento enables insurers to successfully navigate this new digital era.

Companies that adopt and adapt AI with a strategic vision today will be the ones that lead tomorrow's market. Innovation is not just a competitive advantage – it's the path to a more efficient, accessible and customer-centric insurance industry.

If you're ready to transform your customer experience and improve your processes, count on Atento.

Lead the future of the insurance industry.

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