

COGNIGY

Guide

AI Agents for Insurance

Your Policy for Seamless Service





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Introduction

In an era where the demands on contact centers have surged to unprecedented levels, dealing with more and more customer inquiries while grappling with a shortage of skilled workers has become a real challenge. As contact center leaders struggle with this challenge, two significant questions arise: How can we handle the pressure, and at the same time, provide exceptional service?

Enter Cognigy's AI agent - a cutting-edge customer service solution powered by Conversational and Generative AI. This AI-powered workforce can handle tens of millions of voice and digital inquiries per year in any language, effortlessly assisting customers with information or transactional requests. Moreover, it can assist your human agents in the background of every customer inquiry they handle. AI Assistants not only proactively suggest responses, search your knowledge base, and monitor conversations but can also transform your After Call Work (ACW) from a painful three-minute experience into just 15 seconds, plus a click or two.

The insurance industry, among others, tackles the scarcity of skilled labor in customer service roles and struggles even more with retaining existing staff. Whilst consumer technology, spurred by giants like Apple and Google, has set lofty service expectations, the majority of the market find it difficult to fill contact center positions, let alone providing innovative experiences. AI Agents are here to address both challenges, one task at a time. Let's explore how.

Conversational AI

Generative AI

AI



What are AI Agents?

An AI Agent is simply a useful metaphor for a cutting-edge AI-based software solution. They are designed to interact with customers and human agents in a natural, human-like manner and ultimately get things done. They consist of two main components:

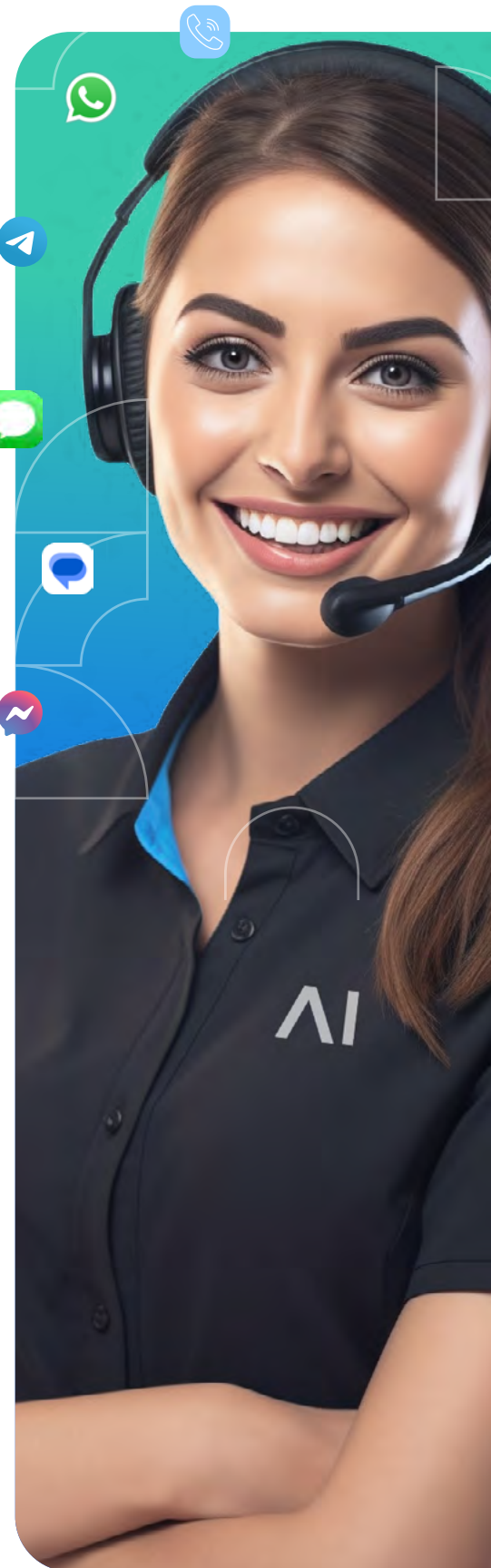
Conversational AI:

This allows the AI Agent to engage in real-time dialogues with users. It understands user inputs, processes them, and responds in a way that mimics human conversation. Conversational AI is adept at understanding context, managing multi-turn conversations, providing service across multiple channels, even within the same conversation, and providing relevant responses. Critically, it is integrated into your backend systems and can actually get things done, i.e. carry out service processes either partially or end-to-end.

Generative AI:

While Conversational AI provides the business logic, structure, and guard rails, Generative AI produces unique, contextually relevant content on the fly. It's not limited to pre-programmed responses but can generate answers, and solutions, or even create content. With Conversational AI being the first and only layer the customer interacts with, it can curate responses and use specific prompt templates to ensure consistent performance and maximize safety from the LLM.

Together, these technologies empower the AI Agent to deliver a seamless, personalized, and efficient user experience. Whether it's answering queries, providing support, or guiding users through complex processes, an AI Agent powered by both Conversational and Generative AI ensures all customer interactions are fluid, relevant, and indistinguishable from their human counterparts.





What AI Agents Do

- Close the gap in qualified staff
- Tackle narrowly scoped tasks
- Perform specific tasks well, over and over with zero attrition
- Increase overall automation rate
- Reduce costs
- Reduce tier 1 and repetitive tasks for human agents

What AI Agents Don't Do

- Replace people, in fact they're needed more than ever, and for tier 2 help
- Replace your customer experience with technology
- Require benefits or expensive training
- Get tired of repetition and experience burnout
- Require technical skills or development from you

What Can AI Agents Do For You?



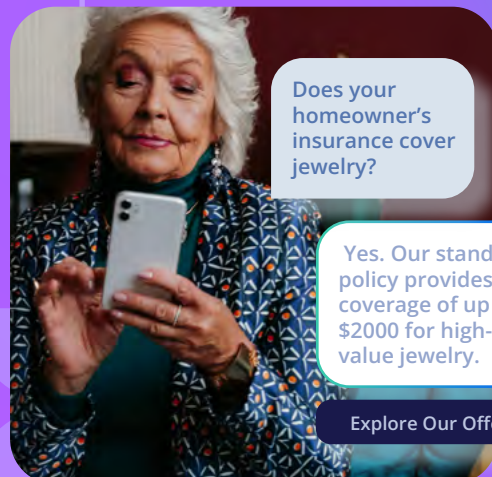
Work along-side Human Agents



Handle Voice & Chat in 100+ Languages



Know your Processes, Products, Services & Customers



General Challenges in Customer Service

"I want a positive experience, not a dull 'heard-that-somewhere-else' bot"



"The bots need to be as good as ChatGPT"



"Calling from abroad is expensive"



"I don't want to wait on hold forever"



"I want to feel acknowledged and heard"

Being a people-focused department, it's no surprise that the current challenges all center around humans (both customer and agent) and not technology. Customer expectations remain a paramount focus for numerous organizations, with customers expressing increased expectations year after year. Moreover, research has consistently shown that exceptional service increases customer trust and loyalty toward a brand.

Additionally, customer experience (CX) leaders are experiencing mounting pressure to enhance operational excellence. As self-service solutions increasingly resolve tier 1 issues, there's a growing need for not only a more adaptable service approach but also a comprehensive reevaluation of the Customer Access Strategy. This involves redefining how, when, and where customers interact with the company to access the service and support they require.

Finally, labor remains an evergreen challenge. Attrition has been a perpetual headache for many contact center managers, and yet even several years post-pandemic, finding qualified staff in the first place has become increasingly difficult. Thus, it's no surprise we've seen a notable shift in priority towards employee satisfaction and engagement from 7% in 2020 to 35% in 2023*. Unhappy, frustrated, and burned-out agents don't deliver good experiences no matter what tools they have at their disposal.

* Source: 2023 MyCustomer "CX Leadership In an Uncertain Economy"

Insurance Industry Challenges

- 01 Privacy, Security & Ethics in AI
- 02 Risk-averse culture, particularly in IT
- 03 Economic pressure (wars, climate, stagflation, etc.)



01 Privacy, Security & Ethics in AI

The sheer volume and seriousness of regulations for insurers almost immediately puts the breaks on any new technology. Interest in Conversational and Generative AI remains high, however, security, privacy, and data processing concerns require deterministic processes, archiving, and logging of interactions. Also required is a higher degree of transparency and deterministic processes that can be understood from the outside. Balancing effective personalization with privacy is possible, but this requires more effort than for other industries.

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02 Risk-averse culture, particularly in IT

A logical consequence of both intense regulatory scrutiny, and the culture within the industry, is that insurers are by nature risk-averse and less inclined to experiment. While no one is calling for an immediate deployment of GPT-4 with no oversight, there's a happy medium that involves limited experimentation, monitoring, and deploying Generative AI in combination with other technologies for narrowly defined use cases.

The mix of legacy on-premises systems and modern ones also creates a challenging IT environment in general, particularly when it comes to adopting cutting-edge and rapidly developing technology like Artificial Intelligence. Integration and automation are an ongoing challenge. As is the refusal to either wholly or partially move to cloud-based solutions, although they can meet most compliance requirements.

03 Economic pressure (wars, climate, stagflation, etc.)

Broader economic challenges stemming from unexpected events such as the war in Ukraine, natural disasters, inflation, and their subsequent ripple effects on areas like energy and food prices, drought, and migration, exert heightened financial pressure. This is especially true for large insurers involved in multiple interconnected sectors.

The rise in both business and consumer customers allowing their policies to lapse due to financial constraints necessitates insurers to offset these costs. This might involve employing fees, introducing

value-added services, exploring cost-saving measures, or a combination of these strategies. Maintaining customer satisfaction and trust is crucial in a fiercely competitive market, especially with households engaged in rate shopping, scaling back coverage, allowing policies to lapse, or even considering cashing out life insurance. Balancing the need for efficiency and cost savings with the seemingly conflicting objective of enhancing the customer experience becomes imperative.

Out-of-the-box AI Agent Use Cases

AI Agents powered by Conversational and Generative AI don't need to be multi-month projects. Cognigy's out-of-the-box solutions cover a wide range of standard processes and can be deployed within weeks, delivering a very fast time-to-value. The graphic below shows a number of common processes that can swiftly be partially or completely automated.

Importantly, AI Agents come pre-built and ready to deploy based on your requirements. There is no coding, conversation design or development necessary on your end. Think of them as new hires, or digital butts in seats. Thus, you could deploy a simple ID&V bot or Conversational IVR bot within weeks and immediately see the benefits

Pretrained Insurance Skills



Location Sharing for Roadside Assistance

A smartphone screen showing a map application with a red location pin. Below the map, the address "143 Grand St, New York" is visible.

License Plate Detection

I had a car accident. My plate number is

B C Five, X four eighty-nine

and it's from Texas.

A close-up image of a Texas license plate with the number BC5 X489.

Automated ID&V

Logos for SAP, Microsoft Dynamics 365, Salesforce, and Zendesk are displayed. Below them is the text "+ many more".

- Customer name
- DOB
- Account number
- License plate number

Example AI-Powered First Notice of Loss Process



Zero Knowledge Bots

Do not require access to personal or sensitive information

Agent Augmentation Bots

Gather identification information and match to CRM

End to End Bots

For integrated, automated full-service customer journeys

Example Use Cases

- Routing/Conversational IVR
- FAQ bot
- ID&V
- Digital ID
- Voice of Customer
- Contact Us
- FNOL
- Get a Quote
- Customer Requests
- Case status
- E-signatures
- Document collection

Benefits & Business Impact of AI Agents



Easy to scale

Can handle millions of calls per year



Assist Agents 24/7

Supports every agent on any channel 24/7



Multilingual

Able to understand and speak 100+ languages



Quickly deployed

Task-specific agents can be implemented and go live within weeks, not months



Personalized & Contextual

Can deliver contextual and personalized service using natural language



Reduce AHT

Agent assistance and even the partial automation of requests consistently reduces AHT at scale



Improve AX

AI Agents shoulder the burden of tier 1 requests which human agents hate, and assist agents in every interaction.



Deliver Knowledge

Use Generative AI and vector search to deliver instant, natural answers on any channel



+30%

CSAT improvement



15%

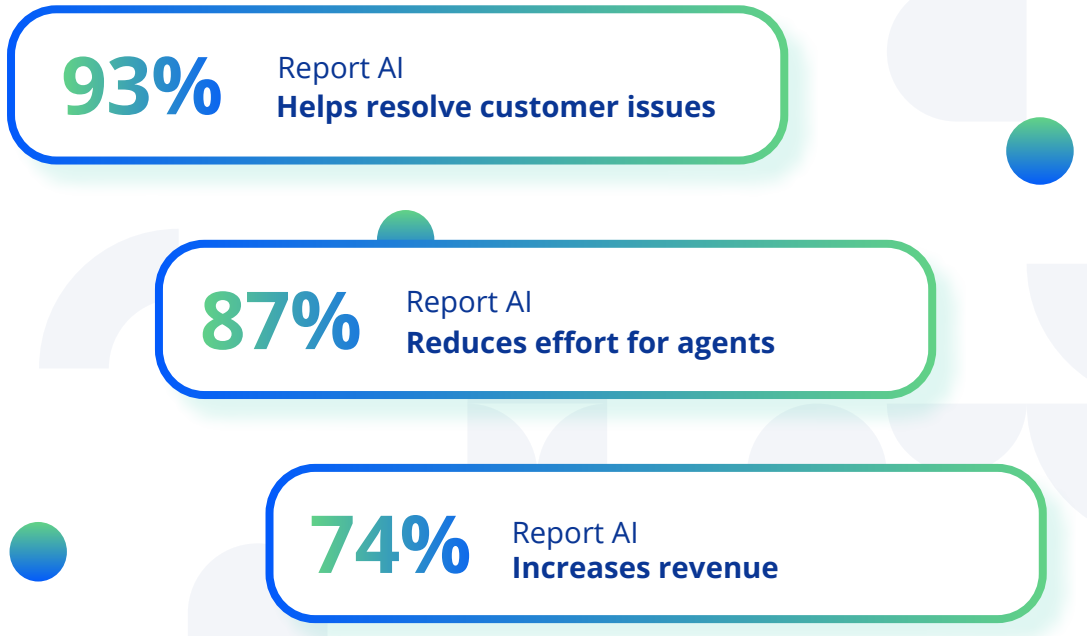
Shorter average handling time (AHT)



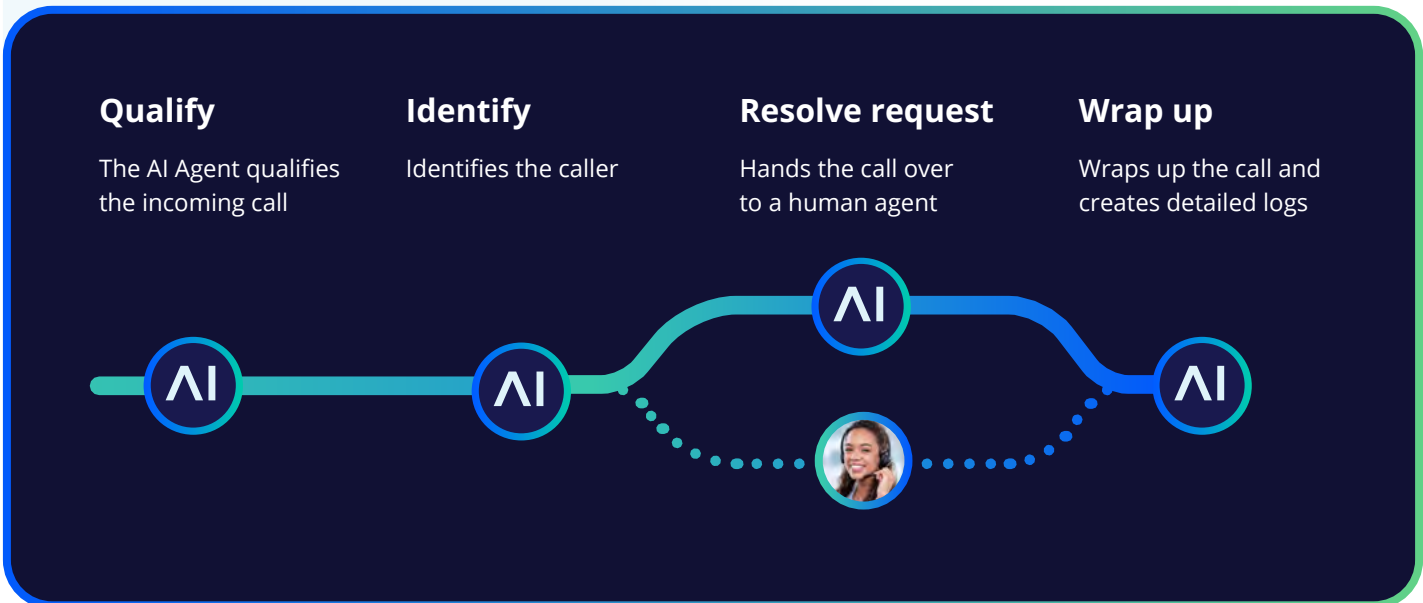
99.5%

faster response time

A recent 2023 report on the impact of Conversational AI in the contact center paints an even clearer picture:*



AI-Powered Customer Service Processes



* Source: 2023 "State of Conversational AI in the Contact Center Report" by 8x8

Customer Story

How 1 Agent Handled 20 Million Calls Per Year



A global Fortune 100 insurer approached Cognigy with tens of millions of calls spanning 70 countries and multiple languages. Managing such a massive volume manually incurred substantial costs, impacting both finances and the customer and agent experience. Recognizing the potential, they pinpointed Conversational AI as the most promising solution to initiate a comprehensive transformation of their entire process.



Instead of adding unnecessary complexity when starting with this large project, they decided on a narrow use case: identification and verification of callers. Previously, human agents required every caller to verify their identity by providing their date of birth and address.

With a single AI Agent, the company was able to automate ID&V on 95% of their 90 million phone calls, leading to tremendous savings of both time and money. And naturally, that AI Agent never took sick or vacation days, and was available 24/7.

Challenge

Phone calls are the primary channel for customers

They receive 90 million phone calls a year in 70+ countries.

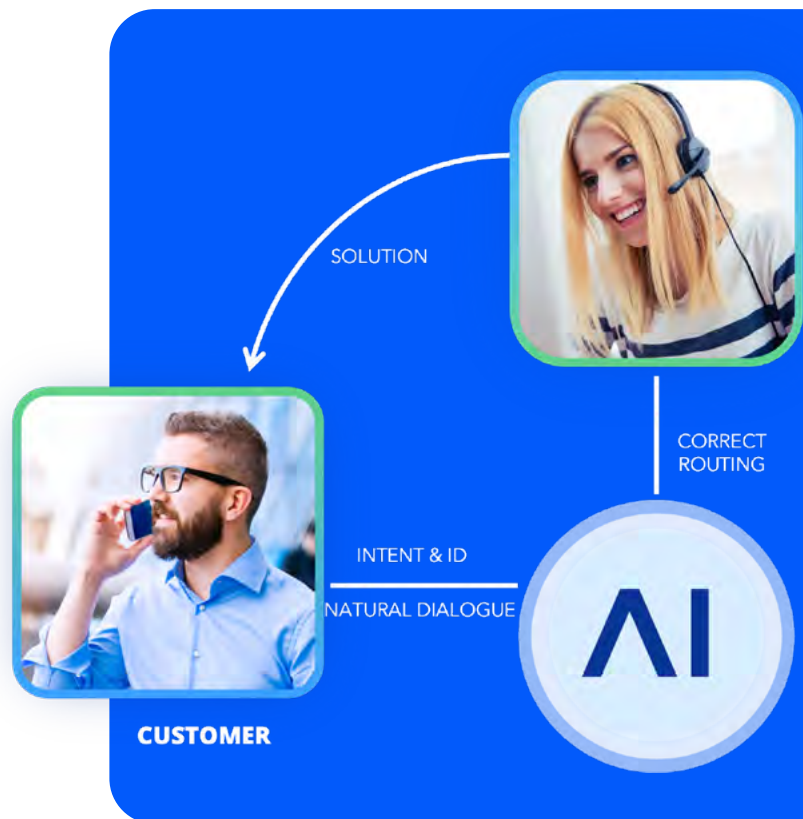
Service agents require every caller to verify their identity by providing their date of birth and address.

Solution

Intelligent routing + ID&V with Cognigy AI Agent

The AI Agent:

- Verifies the caller's identity
- Validates birth date
- Collects account number
- Detects the intent
- Routes to the right human agent
- Transcribes the call



95% automation for ID&V



1.5 minutes saved for every call



99.7% correct intent recognition

Example Use Case from an Insurance Provider



As the leading legal insurer worldwide, ARAG has utilized Chat & Voice AI Agents effectively for several years in Germany and its international subsidiaries.

With high call volumes, long wait times, frequent call transfers, and high abandonment rates, ARAG faced significant challenges in managing customer calls. These issues were further exacerbated by repetitive tasks that led to agent dissatisfaction. ARAG's goal was to improve the customer experience, reduce call handling times, and automate simple, repetitive processes.

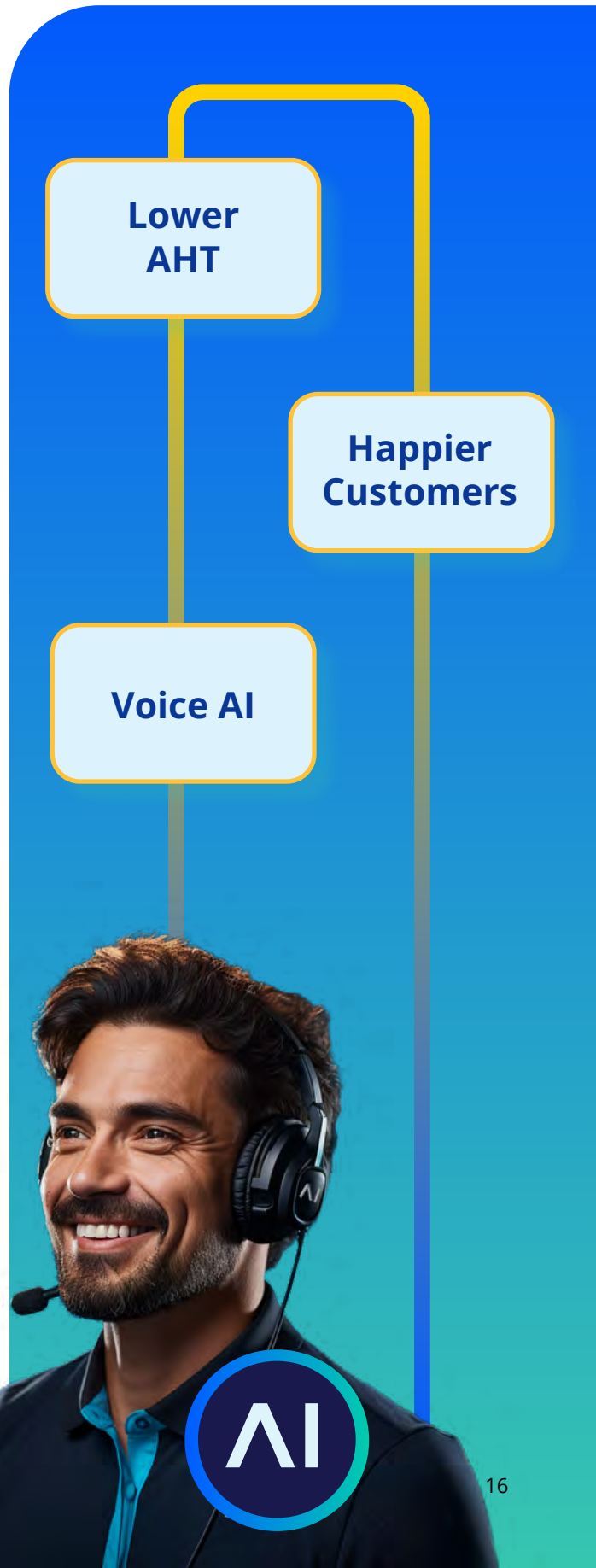
ARAG implemented Cognigy's AI Voice Agents, seamlessly integrating them into their telephony and backend systems. These AI Agents automated key business processes, including customer identification and verification (ID&V) and intelligent call routing based on previous interactions, while offering self-service options to customers waiting in line. The solution reduced the need for human intervention in routine tasks.

With AI Agents now handling thousands of calls daily, the company saved 50-60 seconds per call, freeing up customer service representatives to focus on complex issues. The result was a significant reduction in call handling times and an improvement in customer satisfaction through shorter wait times and faster resolutions.

ARAG plans to continue optimizing the system, enhancing the AI's capabilities to further support agents during calls. The Voice AI solution has been adopted not only in Germany but also in other countries.

Results

- Decreased workload for customer service representatives
- Increased customer satisfaction
- Reduced operational costs



Example Use Case from an Insurance Provider

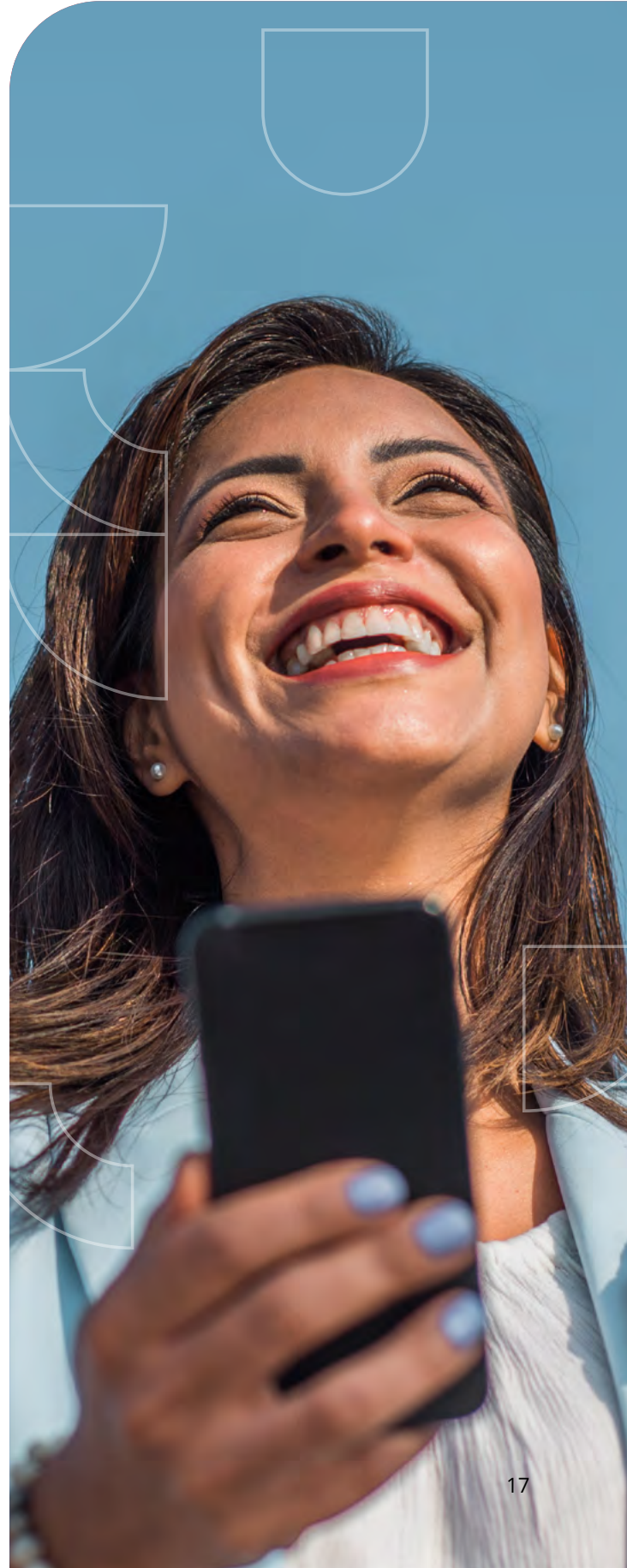
ERGO

ERGO, one of Europe's major insurance groups with a presence in over 25 countries and a total premium income of over 20 billion euros in 2023, is embarking on a transformative AI-driven customer service journey with Cognigy.

ERGO Group accelerates its AI-based Phone and Chatbots in customer service by using the Cognigy platform. Through the groundbreaking combination of Generative and Conversational AI, Cognigy empowers ERGO to develop and implement multiple next-gen AI Agents for customer service across voice and chat channels.

"Our collaboration with Cognigy marks a significant milestone in our Conversational AI journey, enabling us to elevate customer service to unprecedented levels. Cognigy's leading AI technology and market expertise equips us with the tools to enhance customer interactions, ushering in a new era of service excellence."

Nicolas Konnerth,
Head of Voice @ ERGO Group



Conclusion

The value of artificial intelligence isn't in improving existing processes, but in enabling entirely new opportunities. With the pace of customer expectations and competition not far behind the pace of technology, it is imperative to treat AI as a pillar of your customer service strategy.

AI Agents offer enterprises the ability to skip complex projects in favor of ready-to-deploy solutions. This enables businesses to quickly tackle narrowly scoped use cases, see ROI faster and sustainably deliver better customer experiences across every channel. As competition moves away from cost and towards experience, embracing the transformative effect of AI will redefine what's possible, helping to increase brand loyalty and retention, and attracting new customers.

To learn more:

Visit cognigy.com and book a free demo today!



Redefine What's Possible with AI Agents



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