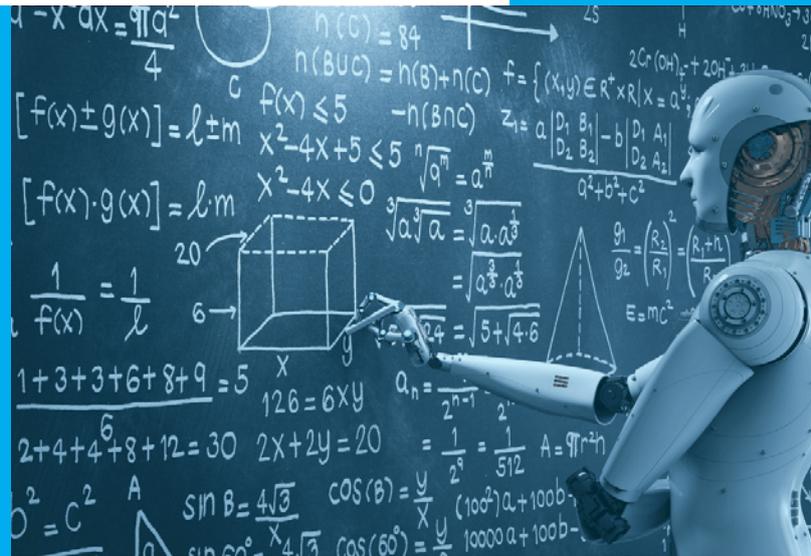


Learning About Machine Learning



It's a New Generation

Insurance companies are facing a new generation of customers who have grown up in a world dominated by Facebook, Netflix and Amazon. They are used to instant, digital service and personalized offers, and they expect the same kind of unique experience from their insurance companies as they get from Google. In fact, almost a fifth of millennials say they would buy insurance from Google.¹

Insurance companies, some of whom are still relying on antiquated legacy systems, are seeking to satisfy their customers' high expectations by using new technologies to improve performance, while also constantly looking for new ways to lower costs and remain competitive.

Machine learning and cognitive computing are increasingly becoming attractive options for achieving these goals.

Quick Definitions

The main aim of **machine learning** is to enable computers to automatically learn without human intervention and without being explicitly programmed. To adjust actions, by learning and improving from experience.

Machine learning is an application of AI, based on the idea that we should be able to provide machines access to data and let them "learn" for themselves. For example, Amazon uses machine learning algorithms to learn about its customers' behavior patterns on the site and then offer suggestions about other products they may want to buy.

Cognitive computing uses machine learning algorithms to make computers more user-friendly, with interfaces that are more focused on what users want. It uses self-learning systems that utilize data mining, pattern recognition and natural language processing to mimic the way the human brain works. Cognitive computing aims to create automated IT systems that can solve problems without human assistance.

Business Benefits for Insurance Companies

Better Customer Care and Efficiency

Powered by machine learning, chatbots automate tasks normally performed by humans, more efficiently and accurately. Chatbots can perform tasks such as connecting a customer to a policy, changing a password or checking an account balance, freeing up agents to focus on areas of customer care best performed by humans (such as high touch, complicated decision-making that's not as easily handled by a machine). Machine learning and cognitive computing also empower the chatbot to know what it can and cannot do, and to pass interactions on to human agents when it has a low level of confidence in providing the correct solution.² The lowered wait times increase customer satisfaction.

Predictive and Preventative Insurance

With the proliferation of Internet of Things (IoT) technologies, such as Fitbit devices, insurers can move beyond simply offering after-the-fact insurance options and instead provide preventative offerings based on customer behavior and desires. Using machine learning, insurance companies can identify potential health issues and offer recommendations, such as "Get a medical checkup now," or "Increase your exercise frequency." Predictive and preventative technologies can be used to limit house fires and flooding based on available weather pattern data, for example, and provide greater security against criminal activity and loss of possessions.³

Learn More and Contact Sapiens

To learn about an additional four business benefits, as well as challenges and necessary infrastructure, please check out our [white paper](#). If you are interested in learning more about machine learning/cognitive computing and how it can benefit your business, please [contact us](#).

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¹ "Capturing Hearts, Minds and Market Share: How Connected Insurers are Improving Customer retention," [IBM](#), 2015.

² "What is Machine Learning – And Why Is It Important?" [Interactions](#), July 7, 2016.

³ "Anything You Can Do, AI Can Do Better: Machine Learning and Artificial Intelligence in Insurance," [Insurance Nexus](#).