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# Artificial Intelligence and Insurance Industry

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## Introduction:

Artificial Intelligence is the process of designing machines that have the ability to think on their own and do not require the human command to work. It is the intelligence of machine of machines. The debate about the importance about the artificial intelligence in our life has gained momentum manifold times in recent years. And the ongoing debate is whether it is a boon or a bane to future human existence.

The question that arise with the rise in automation technology relate to the significance of law in keeping technology within the bounds of human governance and control. From over 200 years ago when Dr. Frankenstein crated his brainchild, a monster the issue of human co troll and governance have been arising.(1)  On the other hand lie questions of morality that even if we develop a legal regime of governance, should we be providing machines with the same intelligence as humans? Can we let a machine have a mind of its own? Can we subordinate ourselves to the 21$^{st}$ Century Frankenstein? If yes, then to what extent can these machines be held responsible for their acts?

Artificial Intelligence is one of the current megatrends that is emerging from the broader digitization of society and the economy. So far, these "smart" Artificial Intelligence or AI technologies have mainly attracted attention in the e-business, automotive and consumer goods sectors. Siri, the automated voice on Apple's iphone, or Alexa, Amazon's electronic shopping assistant, are two examples shaping public perception. Automated image recognition systems ad self-driving cars are making a mark as well. The private sector has long recognized the potential inherent in the new technologies. AI applications can help companies optimize services and lower costs, accelerate processes, and make better decisions.

## Artificial Intelligence in Health Insurance

A similar development is taking place in the healthcare, although exploration of the possibilities that artificial intelligence offers in the field of medical care and management us u buts early stages. AI is increasingly being used for early detection of any ailments that is present in the patient or may develop at a larger stages. These systems are supported  by algorithms or in certain cases automated recognition of patterns in patient data. The most beneficial use for AI in health insurance sector is the supported systems that enhance care – for instance, in the development of customized offers for patients suffering from chronic diseases or for identifying clinical pathways that fail to adhere to guidelines.

Yet artificial intelligence is capable of more. With the help of these systems AI can help managers to efficiently screen cases, evaluate them with greater precision and accuracy, and can make informed decisions. Hospital claim management another area that stands to benefit. A look at any situation in any hospital will illustrates the extent of the possible gains. The cost of inpatient treatment amounts to millions and billions of rupees worldwide, but on average, however a certain percentage of all claims received are incorrect. Reliably identifying and correcting these incorrect claims would save a lot of time, money, and efforts of all stakeholders , health insurers can achieve this objective . The conventional approach to claims management which is based on an inflexible rule book has been made absolutely by Artificial Intelligence which issues intelligent algorithms that learn from previous cases and continuously evolve. Such a system can systematically identify and correct these errors all the while avoiding unnecessary or ineffective interventions.

There is another way in which machine learning can help here. It's clearly in the insurers interest to have their healthier members satisfied with their coverage and take advantage of their preventative benefits. Intelligence in the health care system can trigger outreach that explains the parameter of the provider network, or have a (human) healthcare assistant do likewise, by phone. This can help establish trust and a rapport that leads members to be more comfortable taking advantage of their coverage and be proactive in their own care.

AI can be used yet in another way to benefit both the insurer and the insured. This can be done by the cost minimization . AI can do continuous assessment/evaluation of the health records if the insured . By way of scientific analysis AI can ascertain the amount of insurance which the insured should take, this

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would not be reduced the amount of premium payable but will also reduce the  medical costs when actual need arises. This would be beneficial for the customers and this have  a direct bearing to the company's activity. The whole calculus of analyzing engagement data, medical history, conditions and "Life Context " and then engaging, has something lingo that it goes along with it: determining next best action.

    There are may ways that virtual assistance with the use of artificial intelligence have began transforming consumer interactions within health insurance sector. Some of the major benefits are :

1.Helping customer choose the right plan.

2.Managing chronic conditions more effectively.

3.Proactive engagement boosts Medicare star rating .

**Conclusion:**

**Artificial Intelligence in the process of designing machines that have the ability to think on their own and do not require human command to work.**


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