

Insuring the Future: How AI-Driven Mobility Insurance transforms the Industry

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As we've already explored in a previous article*, insurance represents an important component in our overall service offering for our customers, which must therefore be developed and innovated in parallel. In this article, we invite you to discover the exciting advancements in the automotive insurance industry that you may not yet be familiar with, as it becomes smarter and more captivating than ever before.

The entire field is undergoing a significant transformation due to the rise of artificial intelligence (AI), which is having a notable impact on claims management, fraud prevention, and insurance underwriting. Corporate fleet managers stand to benefit greatly from this development and can look forward to both reduced costs and improved accuracy when it comes to claims handling. What's more, AI can detect and prevent fraudulent claims, and offer personalised pricing models that consider actual vehicle usage and other relevant factors. This article explores specific AI solutions and provides examples to demonstrate the potential impact on fleet management and insurance practices.

Claims management

According to a study conducted by McKinsey**, the use of artificial intelligence (AI) has the potential to decrease claims handling costs by up to 30% through process automation. This could have a significant impact on the insurance industry and on fleets!

In fact, AI is proving to be a game-changer in claims handling. With onboard sensors and/or connected vehicles, accidents can be remotely detected and relevant parties (such as the leasing company and insurer) can be informed. This allows for quick and accurate analysis of accident circumstances, damage assessment, and claims processing. Additionally, AI-powered solutions like Tractable, Ravin, and Click Ins use computer vision algorithms to analyze images of damaged vehicles and estimate repair costs, reducing assessment times. Integrating chatbots and virtual assistants can also facilitate communication between parties, providing quick answers to questions and guiding customers through the claims process.

Fraud prevention

Insurance fraud is a significant problem in Europe, with tens of billions of euros in estimated fraudulent claims. However, the use of artificial intelligence (AI) is providing a way to reduce these costs by detecting and preventing dishonest claims.

One way AI is helping to combat insurance fraud is through behaviour analysis. By leveraging AI to analyse driving data, suspicious behaviours can be identified, helping insurers to detect fraudulent claims. Additionally, anomaly detection with AI can identify unusual changes in maintenance history or discrepancies between GPS and odometer data. These too can be an indication of fraudulent activity, allowing companies and insurers to take action to protect their assets.

Policy pricing

The use of artificial intelligence (AI) is revolutionizing the way insurers develop pricing models, allowing for more sophisticated and customized options, based on personalized driver data. Long-distance reps, for example, may inhabit an entirely different driving world from that of last-mile delivery vans.

One way AI is making this possible is through usage-based pricing. With some AI solutions, drivers pay insurance premiums based on their actual mileage and driving behaviour. This provides a more accurate reflection of risk, resulting in more fair and appropriate pricing. AI-based predictive models are also helping insurers anticipate future risks associated with a driver or vehicle. By automating much of the pricing process, AI is also helping insurers reduce costs and improve the accuracy of proposed rates. This has the potential to benefit both insurers and customers.

The times they are a-changing

Artificial intelligence is driving a major shift in the automotive and insurance industries, paving the way for more efficient and personalized services. Whether it's in the realms we have visited of automating claims processing, preventing fraud, or offering usage-based insurance policies, AI is delivering significant benefits. As things continue to evolve, we can expect even more exciting and indeed revolutionary developments. At ALD Automotive | Lease Plan, we are using Insurtech to help you and your fleet drive towards a smarter and safer future. Stay tuned for more...

* [How partnering with Insurtech can change the pace of Mobility \(aldautomotive.com\)](https://aldautomotive.com)

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