



Applied Artificial Intelligence (AI) for Insurance Industry in Cambodia

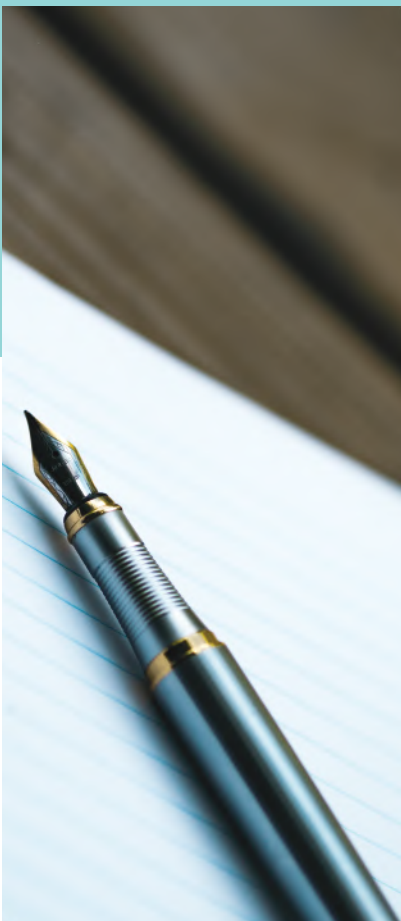
Excerpts of virtual round table discussions held in Aug 21

Artificial Intelligence (AI) is the new buzzword in town. There are many sub-branches of AI such as Robotics, Machine Learning, Big Data, Pattern Recognition, Natural Language Processing, IoT, facial image processing, and so on.

Acceltree held a virtual round table conference.

The conference was organized with an aim to uncover the importance of AI in the Insurance Industry and make practical sense of various AI applications in Cambodian Insurance industry.

The conference resulted in a spirited and valuable discussion where senior Insurance industry executives discussed not only the relevance of AI for Cambodia in its current scenario, but also how the future would unfold.



Some of the key points discussed are:

| Regulators and AI

Is AI a core part of the software architecture for Insurance? Is it time to explore the use of AI in Insurance processes, to give more benefit to customers?

Regulators across the globe play a major role in ensuring solvency, sustainability, capital adequacy and customer service. Many countries in the world have data privacy laws to protect customer information.

In Cambodia, many advances have been made in the Insurance domain. Regulators have started enforcing “PRAKASH” for the bancassurance channel. The focus of the regulators is to enforce data security and to increase the penetration of the Insurance industry. Can AI help in this?

Being a young industry, there is a lot of scope for the insurance industry to grow and that is the reason the recent initiatives by the government encourage the insurance companies to put in various systems to sell policies online.

Mr. Andrew Ong, an Insurance Veteran & ex-CEO of Phillip Life Assurance, also mentioned Cambodia's life insurance industry is young and insurance companies are currently working on implementing Core systems.

| Role of AI in Insurance

Cambodia has around 10 life insurance companies and the majority of them are as young as 2-3 years old.

Due to the pandemic the regulators are encouraging companies to go digital and this is being seen as the foundation stone for digital transformation.

Mr. Lyhoun, Chief Operating Officer- Forte Life Insurance, said that since the Cambodia Insurance industry is very young, it may be easy for the market to adapt to new technologies.

Additionally, workshops are being organized by the Ministry of Telecommunication where long term strategy frameworks related to the digital economy are being discussed giving the insurance companies an idea of the frameworks on which they can implement better systems.

From a company perspective, the stakeholders also need to understand how AI can be used to bring in new business and allow the organization to excel in terms of growth.

The technology providers can help to provide various use cases and technology which is scalable. Providing solutions which grow over a period of time along with the growth of the Insurance company, with the right cost structure, can encourage insurance companies to make investments in AI within their organizations.

| Possible AI Use Cases for Insurance

There were various discussions on the possible use cases of AI in insurance and how it can be used to change the way insurance is sold or bought.

Mr. Vann, Head of IT -Dai-ichi Life Insurance said that AI can be used in customer interaction and enhancement in customer engagement. Mr. Vann also mentioned that they are focusing on helping the salespeople by supporting them with technology to enhance selling insurance to the customer. Their main focus is on business and operational process enhancement.

Mr. Netr Pho, Chief Agency Officer-Dai-ichi Life Insurance, mentioned that AI can be used in sales acceleration and automation of underwriting. He also mentioned that since COVID-19 had struck and training is being done online, training is also an area where AI can be implemented.

Mr. Vichetr, Vice President, Head of Sales Vice President, Head of Sales Bancassurance, Sovannaphum Life Assurance, also highlighted that AI solutions can be implemented in the non-life insurance sector especially in Motor Insurance, Claims processing and other customer-facing applications can be enhanced using AI.

| Challenges faced in AI implementation

A hand holding a pen pointing at a target. The background is a light gray gradient with a faint image of a hand holding a pen pointing at a target.

Many life insurance companies have already successfully moved to a digital business mode. The lessons learnt from digital transformation initiatives, like service re-design, re-alignment of work force, acquisition of new talent, holding on to this talent, are some of the things that need to be considered when embarking on an AI initiative.

It was concluded in the words of **Mr. Andrew Ong**, that Insurance companies in Cambodia are relatively young and the main challenge for the company is getting people who possess a combination of technology and domain knowledge of the Insurance space. **Mr. Andrew Ong** also brought out an important point that we need to look at benchmarks from more advanced countries and adopt the framework that they are building, and maybe even build a more robust platform.

Mr. Lyhoung highlighted that Talent acquisition is also a big challenge for companies. This can be overcome by educating or training local people.

| Some takeaways from the Session

Mr. Raj, Senior Consultant, Business Advisor and Executive Coach, summarized it aptly. He said, AI is a science and customer centricity, and customer engagement is an Art. How do we combine the power of AI with customer engagement as the focus for driving business correctly?

AI is around for some time but it is feasible to implement the same at normal business level due to contemporary advancements in system architectures, improvements in Storage capability and improvements in computing capability.

There were four main AI implementation prerequisites that were discussed:

- 1** To have a successful AI strategy, continuous executive and senior management support is needed as it changes the way companies work.
- 2** Identifying the business strategy for AI: is it growth, is it expansion, is it reduced claim ratio, is it reduced fraud? Or is it all the four.
- 3** We need to constantly do small experiments, gain small wins that will enable us to build the confidence to go after bigger wins.
- 4** How do you find advocates and champions in each of our companies who will find sponsors for the projects.



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