# AI's transformative potential in insurance: insights from HSBC's CEO



During a recent panel at Insurtech Insights Asia held in Hong Kong, Edward Moncreiffe, CEO of Global Insurance at HSBC, discussed the transformative potential of artificial intelligence (AI) in the insurance sector, as well as the industry's ongoing challenges in adapting to digital trends. Joined on stage by Hung Wai Wong, President of Insurtech Insights Asia, Moncreiffe articulated his perspectives on the delicate balance between technology and human interaction in building customer relationships.

Moncreiffe asserted that while AI holds significant promise for enhancing productivity, it would not replace the trust established between customers and their representatives. “AI will never replace the trust that a customer has with an intermediary or with an institution in my lifetime,” he noted. Instead, he sees AI as a tool to increase agents' efficiency and mitigate risks associated with high-stakes areas of insurance distribution, such as training, product selection, and customer engagement. By embedding AI into their operations, companies can standardise processes and empower agents and intermediaries, allowing them to dedicate more time to serving complex customer needs.

He provided several examples of how AI can be applied to the insurance industry. The technology can automate routine tasks, freeing up agents to focus on personalised service. Furthermore, AI's ability to analyse large datasets allows firms to identify and reduce risks related to training and potential fraud.

The conversation also touched upon the impacts of cryptocurrency on the insurance landscape. Moncreiffe highlighted that specialty insurance providers are beginning to explore the nuances of insuring unregulated digital assets. “If you were to go to Lloyd’s of London right now, or Bermuda, you’d see quite large capital pools being allocated to effectively cyber risks and asset risk carriers trying to solve for this exact question,” he explained. He underscored the rising necessity for robust insurance solutions as the value of cryptocurrencies escalates and its regulatory environment evolves.

As the industry undergoes a digital transformation, Moncreiffe noted the growing challenge of attracting a younger workforce. He expressed concern that many graduates view insurance as an unexciting or stagnant career option compared to more glamorous sectors of finance or commerce. “Without stereotyping, insurance is normally not the first choice,” he stated, citing a demographic challenge within the sector.

Moncreiffe highlighted the urgency for the insurance industry to improve its image and attract new talent. He posited that emphasising advanced technologies, such as AI and data analytics, could make careers in insurance more appealing to prospective employees. He suggested that structured programmes and mentorship opportunities might cultivate the next generation of insurance leaders by demonstrating the innovative potential within the field.

Concluding his remarks, Moncreiffe advocated for the embrace of AI as a collaborative tool and signalled the vitality of investing in technological advancements and young talent to secure a prosperous future for the insurance sector. By adopting these strategies, the industry can position itself to thrive amidst an ever-evolving business landscape marked by digital innovation.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.scmp.com/business/companies/article/3220506/hsbc-lifes-us20-million-ai-investment-helps-shorten-insurance-claims-payment-time-5-minutes> - This article supports the claim that HSBC Life has invested in AI to enhance productivity and reduce the time for reimbursing online medical insurance claims from five days to five minutes.
2. <https://www.insurancebusinessmag.com/asia/news/life-insurance/hsbc-life-makes-20-million-ai-investment-445954.aspx> - This article corroborates the AI investment by HSBC Life and its impact on streamlining the claims payment process, as well as introducing new medical insurance services.
3. <https://www.sia-partners.com/en/insights/publications/interview-with-edward-moncreiffe-hsbc-insurance-asia-limited> - This interview with Edward Moncreiffe discusses the role of AI in HSBC's insurance operations, including enhancing customer service and the importance of balancing technology with human interaction.
4. <https://www.scmp.com/business/companies/article/3220506/hsbc-lifes-us20-million-ai-investment-helps-shorten-insurance-claims-payment-time-5-minutes> - This article mentions the introduction of Care+, a network of doctors and clinics, which aligns with Moncreiffe's discussion on enhancing customer services through technology.
5. <https://www.insurancebusinessmag.com/asia/news/life-insurance/hsbc-life-makes-20-million-ai-investment-445954.aspx> - This article highlights the demographic and market drivers behind HSBC Life's AI investment, including the ageing population and the preference for Hong Kong's medical services.
6. <https://www.sia-partners.com/en/insights/publications/interview-with-edward-moncreiffe-hsbc-insurance-asia-limited> - Moncreiffe's views on the importance of multi-channel capabilities and the role of AI in understanding customer habits are discussed in this interview.
7. <https://www.scmp.com/business/companies/article/3220506/hsbc-lifes-us20-million-ai-investment-helps-shorten-insurance-claims-payment-time-5-minutes> - This article supports the claim that AI can automate routine tasks and enhance agents' efficiency, allowing them to focus on more complex customer needs.
8. <https://www.insurancebusinessmag.com/asia/news/life-insurance/hsbc-life-makes-20-million-ai-investment-445954.aspx> - The article mentions the expansion of health insurance capabilities and the focus on delivering better health insurance services, which aligns with Moncreiffe's discussion on industry challenges and adaptations.
9. <https://www.sia-partners.com/en/insights/publications/interview-with-edward-moncreiffe-hsbc-insurance-asia-limited> - Moncreiffe's perspective on the need for a balanced approach between technology and human interaction in customer relationships is detailed in this interview.
10. <https://www.scmp.com/business/companies/article/3220506/hsbc-lifes-us20-million-ai-investment-helps-shorten-insurance-claims-payment-time-5-minutes> - The article discusses the market context, including the preference of Greater Bay Area residents for buying medical insurance in Hong Kong, which is relevant to the industry's broader challenges and opportunities.
11. <https://www.insurtechinsights.com/the-future-of-insurance-involves-humans-ai-and-attracting-new-talent-says-hsbc-leader/> - Please view link - unable to able to access data