AUGMENTED AND AUTOMATED UNDERWRITING USING MACHINE LEARNING

By

DEPARTMENT OF NETWORKS

SCHOOL OF COMPUTING AND INFORMATICS TECHNOLOGY

A Concept Paper submitted to the School of Computing and Informatics Technology

For the Study Leading to a Project Proposal in Partial Fulfillment of the

Requirements for the Award of the Degree of Bachelor of

Software Engineering Of Makerere University.

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1.0 Introduction

To many consumers, buying insurance can be painful. Despite insurance companies’ substantial investments over the past several years in digitizing customer onboarding and policy binding, progress has been slow and incremental and for that, many companies have failed to meaningfully scale their efforts to modernize underwriting.

2.0 Background to the Problem

With the rise in data, 80% of the data that is received by underwriters is unstructured, residing in the form of emails, PDFs, forms, and images. Extracting meaningful information from these data sources and documents proves to be a herculean task. It dials down the efficiency of the underwriting team while increasing the processing time and potentially weakening risk assessment. Most insurance companies face considerable gaps between current capabilities and requirements. Underwriters are plagued with multiple challenges, creating the need for advanced digital technologies.

3.0 Problem Statement

With the unstructured data that is associated with underwriting, identifying, analyzing, quantifying and the ability to spot patterns and connections is frankly either invisible to the human eye or take normal, human-assisted processes unfeasible amounts of time and resources to identify.

The problem this project will address is minimizing the amount of time and errors made during the process of underwriting.

4.0 Objectives

1. **Main Objective**

Enhancing Efficiency in underwriting through augmented and automated underwriting by use of AI and Machine Learning.

5.0 Methodology

6.0 Outcomes

7.0 References

1. *Destination AI - Augmented automated underwriting and the evolution of the life insurance market*. (n.d.). Retrieved from Munich Re Automation Solutions Ltd: https://www.munichre.com/automation-solutions/en/company/newsroom/2019/destination\_ai\_aau.html
2. Quantiphi. (n.d.). *Breaking through the challenges of underwriting with AI*. Retrieved from Quantinphi Inc: https://quantiphi.com/breaking-through-the-challenges-of-underwriting-with-ai/