From generative to Agentic AI: Majesco sets new benchmark for insurance tech

Artificial intelligence (AI) is not a new phenomenon. Many businesses have been tinkering with it for years, but recent advancements, notably generative AI, have helped catapult it into the mainstream.

At first, when most saw generative AI as a great way to create recipes or answer simple questions, Majesco could see a gamechanger for insurance. It could be revolutionary for customer experiences, productivity and automating complex tasks with advanced reasoning. This could only happen if intelligence from AI is seamlessly blended to applications that users are interacting with daily.

Manish Shah, president, chief product officer at Majesco, said, "We believe generative AI makes sense, but only if we can get it in the hands of the end users, quickly. So instead of thinking of it yet another technology, we thought of it as an intelligence, and we asked ourselves how we could make our existing systems more intelligent so our end users can get quick and impactful benefits through ease of use and automation."

Taking a case-by-case approach, the team assessed its P&C and L&AH solutions to see where generative AI could make the quickest and most impactful changes. They found that generative AI could handle many of the simple and repetitive tasks present across insurance.

Shah explained, "If a task takes 30 seconds and we cut it down into 3 seconds, it's not like you're moving any needles by saving 27 seconds. But if you're doing the task 10,000 times a day across the entire workforce, well, now that makes a difference. That means you can handle more customer service requests. You can grow without increasing the cost." Its research into generative AI culminated in the creation of Majesco Copilot.

Majesco Copilot was launched in 2023 and remains the insurance industry's first and only GenAI assistant, developed in collaboration with Microsoft. Boasting embedded intelligence, the platform serves as a dynamic assistant within Majesco's products. It can decipher complex policy details, address insurance inquiries, generate correspondence, offer loss control guidance, propose claims injury categorisation and much more.

An important aspect of the tool is its ability to be used across the entire value chain, allowing clients to use it anywhere they need support. Copilot boasts 23% expected time savings, 84% of users leverage the tool daily, and 70% of managers say it allows them to focus on business priorities.

The evolution towards Agentic AI

While generative AI has many powerful capabilities, Majesco is already working towards the next major revolution - Agentic AI. Compared to generative AI services, which rely on a chat box and a user driving the process, an Agentic AI is an autonomous agent that can make its own decisions based on set goal without any hard coded rules and algorithms. These agents are goal-oriented within their defined environments, able to complete their tasks using advanced reasoning models and reach out to the human when they need help, rather than the other way around, Shah explained.

One of the fears this autonomy often creates is the loss of jobs. Shah said, "We want to improve the quality of the work and the consistency of it. Humans will still always be in the loop because there is no way AI can yet substitute human judgements. We have self-driving cars, but we still don't have a car that doesn't have a steering wheel."

These AI agents will be able to read an inbox and process requests, and the human will be able to monitor and guide them if they go off the rails. This changes them from a creator role to a supervisory role. This allows an insurer to

transform the operating model to become more efficient, driving improved profitability and market competitiveness. For instance, if an insurance quote request is submitted in the early hours of the morning, the AI agent could start working on curating a policy that meets the firm's designated parameters. When the human agent comes into work, they now only need to review what the AI has created, rather than needing to do all the grunt work. This allows the insurer to optimise their human expertise to benefit customers and employees.

Majesco has already started testing these capabilities with a quasi-Agentic AI solution that is capable of handling four use cases. These include handling insurance quotes and vendor invoices related to claims. Once Majesco is satisfied with the accuracy and quality of how these use cases are processed, it will remove the human-led guardrails and give it full autonomy to AI agent albeit with human supervision and control. But this is just the beginning, with Shah noting, "What we see in the future is there is going to be a library of specialized AI agents." These agents will be spread across an organisation much like a human workforce.

Boosting profitability with Agentic AI

Shah believes the current state of insurance makes it the perfect time to adopt AI. He said, "AI is a godsend, so to speak. It has come at the right time for insurance industry and for many industries, dealing with geopolitical and macroeconomics uncertainties, intensified severity of weather patterns, sky-rocketing social inflation and hyper-competitive business environment, just to name a few big challenges of modern times."

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"In the current state of insurance, they've been pressed from all fronts. The cost of insurance has gone up, the frequency and severity of the claims because of weather related issues has gone up, and everything in terms of wages and expense ratios has gone up."

By implementing Agentic AI, firms can regain more control.

Shah outlined the significant business value that can be derived from Agentic AI. As an example, Shah pointed to expense ratios. Agentic AI can help a firm complete service or quoting requests at a quicker rate, allowing them to get more done without needing to hire more staff. Insurers are

getting swamped with more requests and cannot cope, but agentic AI will enable them to not only meet the demand but also prioritise the submissions that can provide them the most profitability.

"To me the expense ratio is a big deal, and I think there's a huge opportunity for insurance industries to bring those expense ratio points down. That is going to come in handy in situations where macroeconomics factors are not necessarily helping the insurance industry today."

AI can also help them underwrite better and detect fraud that would otherwise go unnoticed. It could even help to predict the litigation risk about claims at an early stage, allowing more experienced claims adjusters to be put on the case to avoid litigation. This could all improve the pricing for products, allowing them to potentially reduce prices at a time when many have been forced to raise prices due to increased risk and market conditions.

Another benefit of the agentic AI comes through employee onboarding and retention. Industry experts expect the insurance industry to lose about 50% of industry experts by 2030. This will drive a need for mass onboarding and training to fill the gaps. Agentic AI helps to accelerate this process by providing new joiners with a powerful assistant that can support them.

The path of continuous innovation

One of Majesco's core principles is the idea of continuous innovation. This stems from the acknowledgment that the world is constantly changing and failing to move with it risks a firm to fall behind into irrelevancy, Shah explained. Market parameters always change, whether it is a change in products, pricing, greater competition or even wage rises, sticking to the same processes won't allow the firm to ensure profitability continues to be stable.

"Innovation is not something that should be done out of the cycle from day-to-day routine. I think innovation must be blended in our thinking; it is simply a mindset that how can we improve everything we do every single day, no matter how big or small it is." This mentality is part of Majesco's culture, where innovation is the responsibility of everyone in the team and not just limited to bi-annual product launches. This ensures Majesco is always looking at how it can improve its services for clients. As part of this, Majesco is going all-in on Agentic AI, with plans to automate the many manual workloads that still plague insurance.

Shah concluded, "We want to make sure that our customers build that sustainable competitive advantage through operational excellence and differentiated products that they can bring to the market quickly." ●