

Gallagher's Vision



At Gallagher Bassett, we
believe in the transformative
power of AI.

Transforming Claims with People-Centric AI at Gallagher Bassett



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Gallagher Bassett (GB) is a claims and risk management company that strategically invests in technology. GB has been developing and deploying AI initiatives aimed at enhancing the client experience and improving the ability of its claims professionals to deliver exceptional service. Joe Powell joined GB in 2014. He serves as Chief Digital Officer, overseeing Data, Analytics and Product Innovation functions.

Much ink has been spilled over the potential for artificial intelligence (AI) to replace the human workforce, especially those in white-collar service industries. McKinsey, a consultancy, estimates that 30% of white-collar work could be automated by 2030,¹ and an analysis specific to insurance claims by Bain & Company estimated this technology could create USD100 billion of economic benefit to insurers and customers.² But between now and then, how will AI be used in claims? And how will it retain the expertise of the claims professionals who currently drive results?

At Gallagher Bassett, we believe in the transformative power of AI. Furthermore, we believe that the leaders of this transformation will not look at AI merely as a cost reduction exercise, but rather as an opportunity to empower our people to be more effective than ever.

¹Generative AI and the Future of Work in America, McKinsey Global Institute, 26 July 2023

²The \$100 Billion Opportunity for Generative AI in P&C Claims Handling, Bain & Company, 31 October 2024

What is people-centric AI?

People-centric AI differs from alternative approaches in that it focuses primarily on improving claim outcomes and client service by better supporting our clients, claimants, and adjusters, whom we call Resolution Managers (RMs). Specifically, people-centric AI:

- Gives RMs the time, headspace, and guidance to **focus on what matters** in a claim by using automation to remove low-value tasks from desks
- Uses AI's linguistic powers to **improve communication** with all parties involved in a claim
- Provides **guidance and decision support** when it comes to the most important decisions made on a claim.

GB has developed a people-centric AI roadmap and has started implementing AI use cases that we believe will ultimately drive improvements in claim outcomes, client service, and employee experience — while still allowing for gradual cost reduction as a byproduct of our increased use of AI and automation.

How does people-centric AI work?

Selecting AI use cases

Let's start with perhaps the hardest part: selecting the best ideas to include in an AI roadmap. With the seemingly boundless potential of AI, even well-resourced AI teams will soon find themselves awash with great ideas for how to use AI to improve the company. The key here is to identify inflection points in the claim life cycle and the associated activities that ultimately drive claim outcomes and client service results.

As an example, one of GB's first generative AI use cases, Claim Summarizer, targets the critical point when an RM takes over a new claim. The RM can be faced with hundreds of pages of content that they must sift through to obtain the relevant claim facts before making an informed decision. By targeting this inflection point, we can ensure that our claims professionals get up to speed quickly and without delay, improving the focus of our teams and the outcomes of claims (see more on Claim Summarizer on the next page).

Similarly, our Waypoint suite of decision-support tools integrates AI support and data analysis to enhance decision-making. From selecting the best possible medical provider to forecasting a claim's probable ultimate financial outcome to identifying subrogation opportunities, the Waypoint suite has been built to drive the outcomes that our clients care most about.

Design and development

Once an AI concept has been prioritized, the next key step in people-centric AI is getting the right people involved. To support this, **GB has built a team of AI specialists who were formerly claims adjusters**, ensuring that our claims experts are involved and that their needs are considered early in the design process. This team is critical to assessing an AI's capabilities and determining if the instruction set used by the AI is optimized to provide accurate output.

Before launching an AI solution, it is also critical to engage the right experts in the testing stage. At GB, we have established a high bar — our AI must meet or exceed the quality and accuracy of our human experts in a rigorous, head-to-head test environment. We ask our human experts and AI Agents to complete the same task and then have independent human reviewers gauge the accuracy of each without knowing which was AI-driven. For example, when evaluating an AI developed to flag urgent emails, we found that our human experts agreed with the AI more than the humans agreed with one another!

Confirming business impact

Finally, a fully tested AI use case must be measured for its value in the claims process, determining if it meets the expectations and goals established pre-implementation. For example, with GB's Waypoint tools, the decisions made as a result of Waypoint's guidance as well as the corresponding impact are rigorously tracked across a large population of claims. The aim is to ensure that the results are being utilized appropriately and driving the expected outcomes. We found that after launching Waypoint Litigation Avoidance, the AI's recommendations showed an 8% reduction in attorney involvement and a 16% reduction in total costs incurred for impacted claims.

A sampling of people-centric AI in action

Focusing on what matters

AI tools that help our people focus on what matters most in the claims process.

Claim Summarizer: RMs who are new to a given claim or claims desk face the daunting task of reviewing dozens or perhaps hundreds of pages of information associated with that claim to get up to speed and start making decisions. Claim Summarizer helps with the fact-finding, providing a concise summary of the claim, including the accident itself, medical and litigation activity, the claim's current status, and documented next steps. Users can drill down to find more detail in each area as needed, helping to inform RMs on whatever topic they are currently focused on.

Gallagher's AI tool: The GB team has access to a private, secure AI chatbot to help automate tasks that previously would have been cumbersome and time-consuming. In the past, RMs needed to manually peruse lengthy IME reports and demand packages to find the answers critical to the claims process. Now, RMs can simply input the document into the chatbot, ask their question, and receive both an immediate response and a citation from the exact page where that response was found in the document.

Enhancing communication

AI tools that help us improve communication among all stakeholders on a claim.

AI for phone calls: In claims, many of the most important interactions occur via phone. With this in mind, GB has deployed an AI to support our phone calls, helping us A) adhere to our own best practices, such as asking the right questions, B) monitor claimant sentiment throughout the conversation, and C) use this information in management processes, allowing for continual improvement.

Email Sentry: Email Sentry is an AI tool built to flag time-sensitive emails, acting as a second set of eyes to monitor the inboxes of our RMs. For example, if a demand letter comes through while an RM is out of the office, Email Sentry can quickly alert the appropriate backup individuals of the tasks that need attention.

Making better decisions

Waypoint suite of decision-support tools: Waypoint was built to support consistently good decision-making when it matters most for the outcome of a claim. GB's AI and machine-learning tools currently include:

- Reserving and financial guidance
- Medical provider selection
- Clinical intervention
- Litigation avoidance
- Legal provider selection and management
- Subrogation opportunity identification
- Return-to-work guidance.



AI in Claims: Today vs. The Future

Claim Phase	Possible today	Anticipated in the future
Prevention	Real-time alerts of safety issues by having AI monitor existing CCTV feeds	AI assists in evaluating the cost of risk for proposed new processes or other business model changes/expansions
Claim Intake/FNOL	Text- and voice-based "concierge" triage services supported by generative AI	A team of AI Agents work together to gather information and perform routine investigations, freeing RMs to focus on conversations that matter
Medical Provider Selection (WC)	Selection of best provider based on both outcomes and medical treatment quality	Automated scheduling of appointments with top providers; an AI Agent tracks the course of treatment with any problematic deviation from best practices escalated
Claim Assignment	Assignment of a claim to an RM best equipped to handle it	An optimization agent looks at current and future workloads to assign claims, including lowest complexity claims through a fully automated process
Investigation and Fraud	AI-based scanning of claims potentially in need of investigative services	Agentic fraud reduction that weaves together automated online investigation, external data sources, machine learning, and human experts
Litigation Management	Avoid litigation whenever possible and select the best counsel when it occurs	A fully capable AI Legal Assistant supports attorneys in accelerating the defense pace and case resolution
Subrogation	AI alert system flags claims with subrogation potential	Subrogation Recovery AI Agents coordinate subrogation processes, maximizing recovery opportunities
Return to Work (WC)	Decision support flags claims with likely return-to-work challenges and suggests a path forward	An AI Agent with access to work restrictions, job books, and current rosters suggests modified duty roles. The AI Agent engages with the injured worker to ensure a smooth transition into a partial duty role or escalate if needed
Claim Settlement	AI identifies claim outcomes on similar claims for context in making reserve and settlement decisions	AI equips claims and defense staff with a distillation of all information required to decide on an appropriate settlement amount and negotiate on the client's behalf

What's Next in AI: The AI "Dream Team"

Large AI players, from Microsoft to OpenAI to Google, are investing in a new AI approach called "Multi-Agency," which will revolutionize how generative AI works. Traditionally, AI models have acted as spokes that feed information to a human hub, with each AI interaction coming back to the human to decide the next step. As AI becomes more sophisticated, AI tools are interacting with one another more frequently, opening new worlds of possibilities.

Imagine that a whole "team" of AI Agents has been created to support a claim, with each AI Agent trained to communicate and coordinate with other AI Agents. As soon as a claim is filed, an AI intake agent gathers the initial information and passes it to specialized AI teammates. An AI clinical oversight agent identifies psychosocial risks and recommends interventions, while an AI claim auditor agent checks for inconsistencies and alerts an AI fraud agent if needed. An AI with legal expertise ensures compliance with laws, and a claim assignment agent determines the best RM for the claim. An AI writing assistant compiles all findings for the RM to review. By the time the RM logs in, a comprehensive plan is ready, with the AI team providing support throughout the claim's life cycle.

This shift from isolated AI solutions to holistic AI teams could transform claims management, blending AI efficiency with human expertise. The technology is here, but it requires a new approach—one where AI Agents collaborate effectively to deliver superior claim outcomes.

Adopting a people-centric approach to AI in claims

There are multiple ways to capitalize on a people-centric approach to AI in claims. One option is to build a custom suite of AI solutions. This option maximizes an organization's ability to tailor solutions to its specific needs and priorities. However, this is a costly approach. Given the large investment required, this path will only make sense for large, ambitious claim-handling organizations with the financial "dry powder" needed to invest.

A second option is to license point solutions from AI vendors and start-ups, integrating each solution into existing claims processes. By adopting already-developed solutions, this path often leads to noticeable value fastest. However, the cost of integrating with multiple vendors can add up quickly, and a multi-vendor approach could hamper the ability of AI Agents to work together in the future. This approach also carries cyber risks, which must be considered when partnering with smaller, less mature firms.

The third option suits organizations looking to harness a people-centric approach to AI without the extensive financial investment. This approach involves evaluating and partnering with a risk management or AI solution provider that offers an end-to-end vision for people-centric AI. Here, it is crucial to focus on value alignment—that is, making sure your partner's AI vision aligns with yours in terms of the results intended (claim outcome improvement versus administrative expense reduction) and the long-term capabilities (laying the groundwork for the next wave of AI, including Multi-Agency).

With innovation as one of our driving principles, GB invests in the technology that is shaping the future. The implementation of AI across our claims and risk management solutions creates opportunities for new ways of working, aimed at empowering our people, prioritizing our clients' goals, and supporting the claimants and injured workers we serve every day.

Learn how GB and our AI roadmap can elevate future claim operations and strategies: [Technology Solutions | Gallagher Bassett](#).