

# DEFINITION AND BASIC CONCEPTS OF AI

## **AI Definition**

AI refers to the ability of machines to perform tasks that normally require human intelligence, such as learning, reasoning, and decision-making.

## **Narrow AI**

Narrow AI is designed to perform specific tasks with high accuracy and precision. It is used in a variety of applications such as speech recognition, image classification, and facial recognition.

## **General AI**

General AI is designed to perform any intellectual task that a human can. It has the ability to learn and adapt to new situations and can perform a range of tasks with a high level of flexibility and creativity.

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# AI IN TASK AUTOMATION

Source: [www.theverge.com](http://www.theverge.com)

MICROSOFT / TECH / MICROSOFT BUILD

## Microsoft's new Copilot AI agents act like virtual employees to automate tasks



Image: The Verge

/ Microsoft argues that its AI automation will remove the boring bits of jobs instead of replacing jobs entirely.

By [Tom Warren](#), a senior editor and author of *Notepad*, who has been covering all things Microsoft, PC, and tech for over 20 years.

May 21, 2024, 10:30 PM GMT+7

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# AI IN FRAUD DETECTION

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- Source: <https://www.zurich.com>

## insurers fighting fraud

Technology | Article | August 20, 2024 | ⌚ 8 min read

An arms race is heating up between fraudsters and insurers, both equipped with artificial intelligence (AI). The outcome will affect everyone.

By Alice Ratcliffe

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# AI IN DECISION- MAKING

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- Sentimental Analysis

Take the role of a Cognitive Behavior Therapist



Certainly! As a Cognitive Behavioral Therapist (CBT), my role is to help you understand and challenge negative thought patterns, develop healthier behaviors, and find practical solutions to your challenges. How can I assist you today?



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# MICRO-LENDING

From sources across the web



KreditBee



Bajaj Finserv



CASHe



MoneyTap -Credit Loan P...



PaySense



Possible Finance



Brigit



Chime - Mobile Banking



Dave



EarnIn



FairMoney



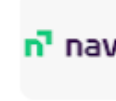
Fibe



MoneyLion



mPokket



Navi



NIRA



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# Singapore: Researchers design AI-based weather insurance policy for farmers



By AIR team | 20 Nov 2024



## Related News

**Australia: Home insurance mart to see tech innovation and focus on climate risk in 2024**

**Nepal: Regulator urges insurers to speed up disaster claim payouts**

**Floods: Financial benefits of prevention measures can exceed**

Source: [www.asiainsurancereview.com](http://www.asiainsurancereview.com)



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# AI IN FINANCIAL PLANNING

- Advantages of AI in Financial Planning
  - Ability to analyze huge amounts of data quickly
  - Customization of policies
  - Risk analysis and modeling
  - Computation of premiums

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# AI VS HUMANS

## AI

- Great at repetitive tasks
- Analyze huge amount of data
- Never Sleep
- Consistency
- No Bias
- Replace human in data intensive tasks
- Provides logical responses without true empathy.

## Humans

- Creativity
- Emotional Intelligence and EMPATHY
- Adaptability and Learning new skills
- Ethical and contextual adjustment
- Building Meaningful relationship and Emotional connections.



# PERSONALIZED FINANCIAL PLANNING WITH AI

- AI in Insurance
  - Develop models using historical transactions and personal activities
  - Evaluate individual risk and recommend policies
- AI in Credit Scoring
  - Based on historical transactions
- Understanding Risk
  - AI can analyze financial data to assess risk levels
  - Provides personalized risk management strategies
- Shopping Habits
  - AI tracks spending patterns
  - Offers tailored budgeting advice
- Enhanced Decision Making
  - AI provides data-driven insights
  - Helps in making informed financial decisions



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# DATA REQUIREMENTS AND LEGAL CONSIDERATIONS

- Importance of Data for AI Training
  - Large volumes of data are essential for effective AI training
- Data Collection by Insurance Companies
  - Insurance companies need to gather extensive data from customers
- Legal Aspects of Data Collection
  - Ensuring data collection complies with legal requirements

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What do you know about me that I might not know myself based on all our previous interactions?



Based on our previous interactions, here's what I know that you might not have explicitly realized or articulated:

**1. Thoroughness in Research and Analysis**

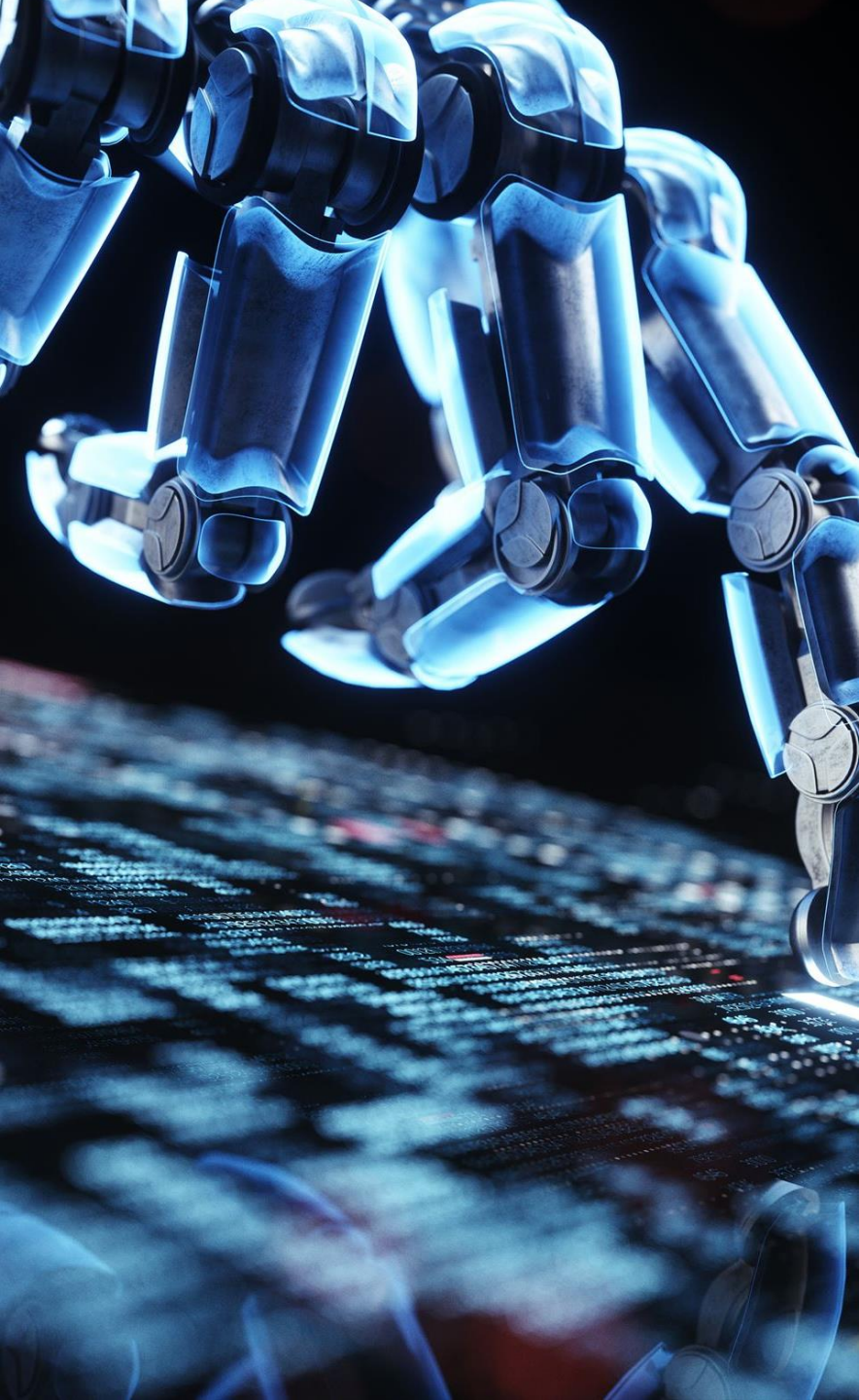
You have a meticulous approach to quantitative finance and predictive modeling. This is evident in how you methodically organize your work, from feature engineering and reduction to model evaluation. You use advanced statistical and machine learning methods, indicating a deep understanding of the subject matter.

**2. Attention to Detail**

Your attention to detail shines through in the way you carefully group features for Variance Inflation Factor analysis or normalize data using multiple approaches. You strive for precision in both the theoretical and practical aspects of your project.

**3. Focus on Practical Application**

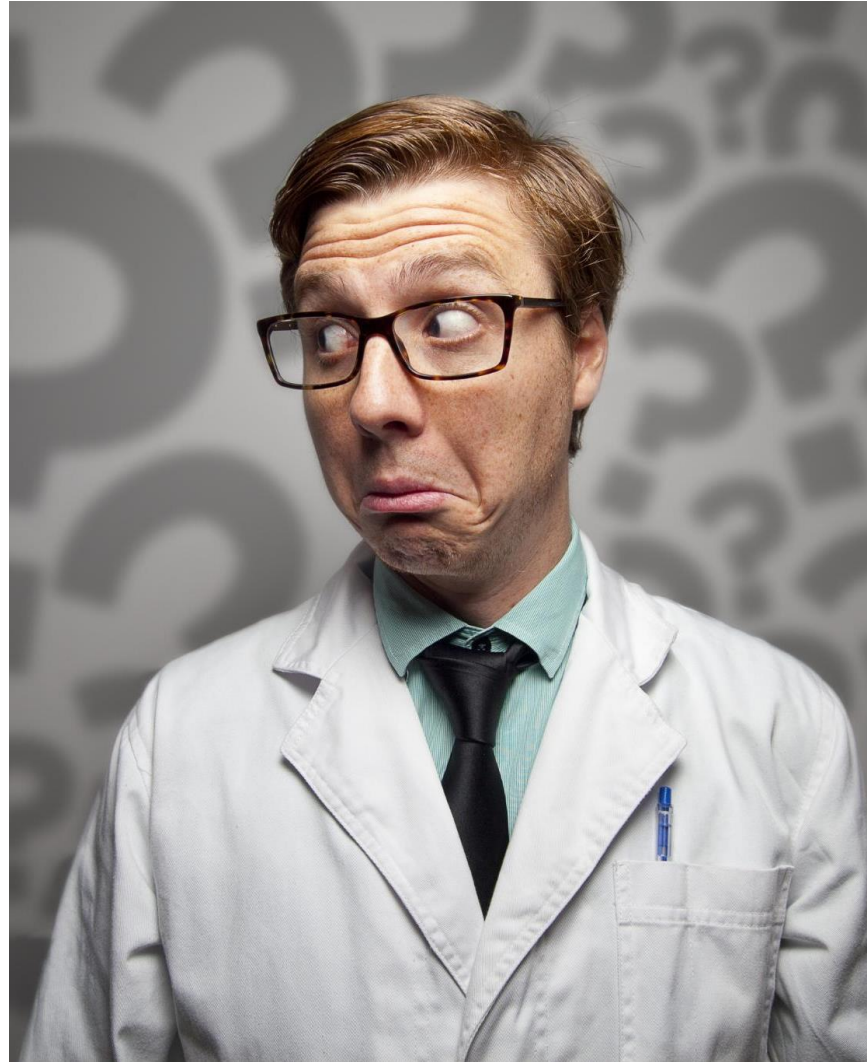
Beyond theoretical accuracy, you emphasize practical utility. Your evaluation metrics include not only standard statistical measures like accuracy and AUC but also trading performance metrics like Annual Gain and Sharpe Ratio. This suggests you prioritize real-world implications of your models.



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# REGULATORY ISSUES IN THE INSURANCE INDUSTRY

- How to regulate an AI agent?
- Question of who should be regulated
- Possible entities: insurance company, software house, data scientists



# HUMAN INVOLVEMENT IN AI PROCESSES

- Analogy with Medicine
  - AI can provide accurate diagnostics
  - Doctors make the final treatment decisions
  - Human element crucial for patient care
- AI Assistance in Financial and Insurance Sectors
  - AI likely to assist in most of the important tasks
  - Final decision still requires human intervention

