

Norn Consulting & EITX AI

A revolution in providing actionable insight from data – in the Insurance domain





Presentation Outline



The EITX/Norn Story



What are the key
value drivers in
Insurance



The EITX and Norn
win themes



Moving from theory
to actuality – the
Proof of Concept trial



Norn Consulting



- Norn is a revolutionary new consultancy that is built around the latest developments in **real time AI**
- Most AI is not strictly AI. In that the software uses rules based algorithms to detect patterns. But other software does not use probability theory or neural networks and therefore does not learn or improve over time
- Also most tools sold as AI cannot analyse data in any digital form in **real time**
- To create transformational business impact requires an AI solution that also works using a transparent neural net. One that is a 'white box' and shows the logic underpinning its risk scores

Norn & e{itx}



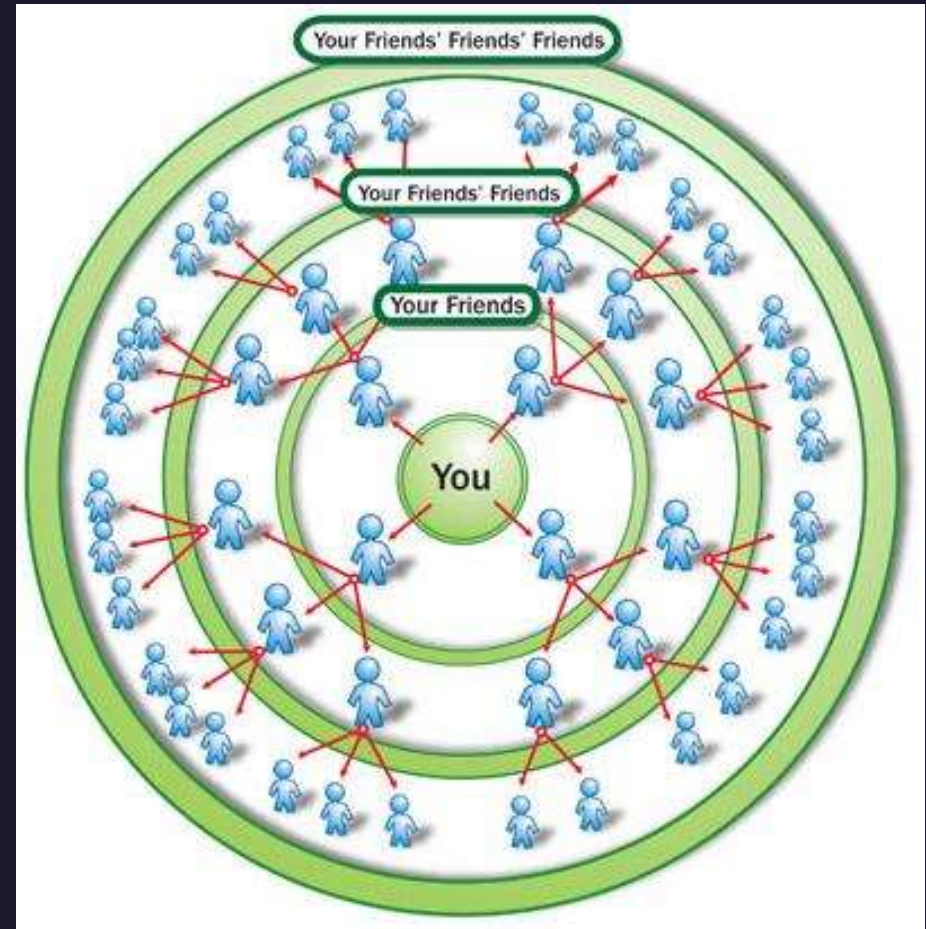
- EITX have created a Real Time AI engine called AIRE
- It is built around the maths of probability graph theory
- It can analyse data in any form without any need for cleansing and normalizing
- It creates transparent neural networks on the fly
- It has 2 key anchor clients in the Insurance domain – I
- It has shown that it has delivered 3xROI against the current industry leaders (IBM, SAS and BAE Net Reveal)
- Norn is EITX's preferred consulting partner given its transformation and implementation expertise



How can Norn/EITX combat fraud and claims leakage in Insurance?



- Detecting fraud relies on understanding networks of players/objects in a claim. Who has interacted with whom; and measuring that probability in real time, also showing learning.
 - EITX uses probabilistic graphs to resolve network entities in real time on the fly
 - Networks can be unlimited in depth and complexity over time
 - Networks are rebuilt each time new data sets are added – again on the fly
 - Evidence has shown that the AIRE AI platform has displayed increased learning over Net Reveal – without human supervision.
 - Now 3x better than Net Reveal at detecting unsafe insurance claims inside first key anchor client
 - AIRE paid for its development within 20 mins of switching it on



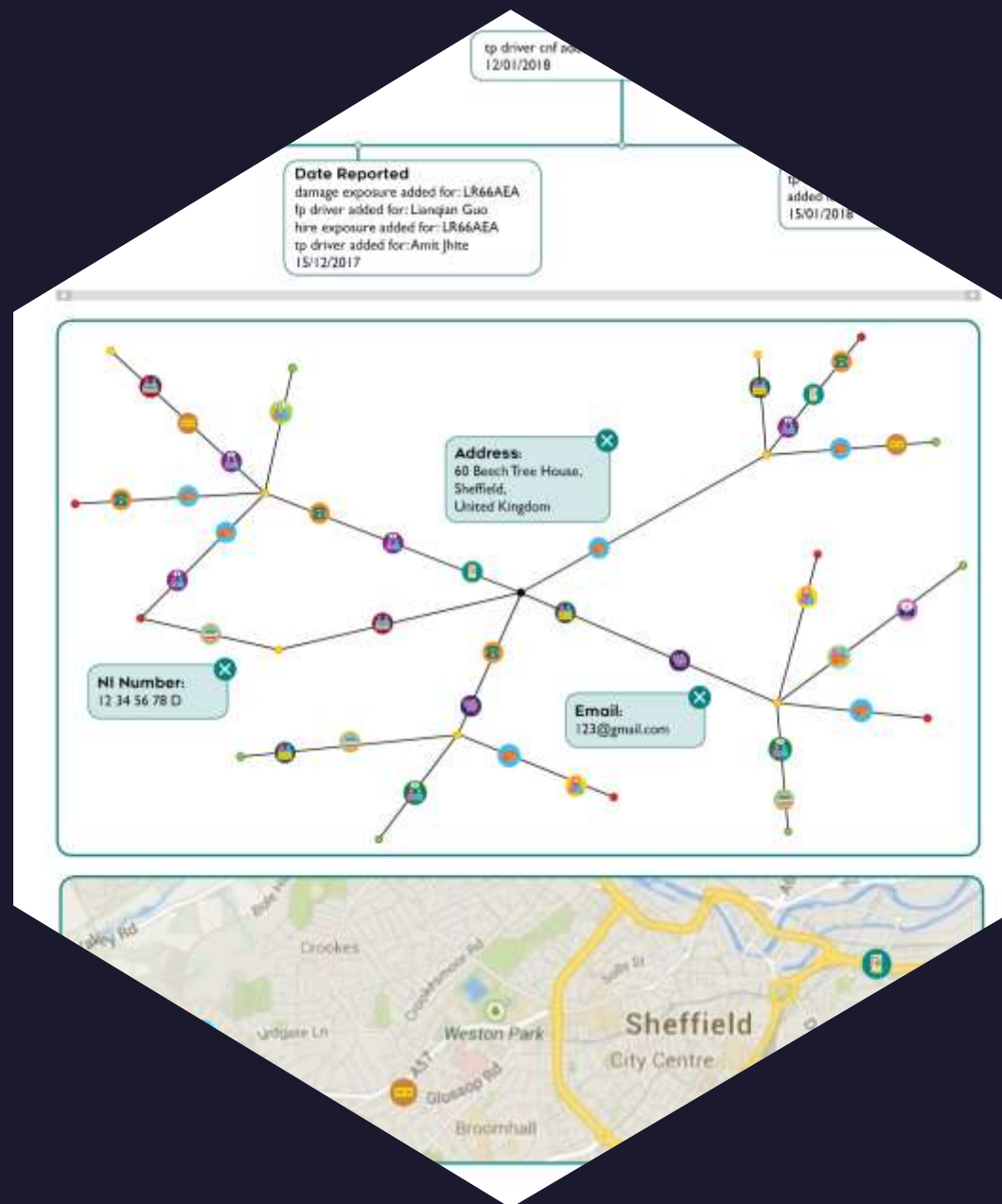
Detecting Fraud in Insurance – other critical factors



- New data sources must be capable of inclusion into the AI model when they become available and only used for analysis once it is clear that such sources improve the scoring of the risk
- AIRE is the only model that can absorb legacy data in any format in real time with no need for cleansing or normalizing. This saves clients huge expenditure on consultancy and service management
- AIRE optimises processing and storage, such that it minimizes the computer resource compared to the other industry leaders

Detecting Fraud in Insurance – other critical factors

- Human analysts must be involved in the final decision to pay or review claims.
- Because AIRE is a ‘white box’ it shows the logic behind its referral decisions
- This output has caused a step change in the efficiency of the analysts and improved data supervision leading to rapid improvement in fraud detection
- At key client AIRE is responsible for c£300K of fraud detection on claims, per day





Cost of Ownership (COO)

- EITX AIRE does not require large amounts of data storage as it connects into legacy data sources and only analyses data that contribute to relevant entity networks
- It also learns and has become nearly 50% more effective at fraud detection over 2 years operation without any need for humans to re-calibrate the system
- It is therefore 60% cheaper than other leading platforms in total COO



Future Uses



- AIRE is a real time risk engine so current anchor clients are looking at how it can be used to price insurance policies
- The insurance use case in terms of analysing networks is very similar to that required for financial compliance (KYC and AML)
- It could be used to understand risk in medical insurance and price it more effectively
- It has a unique Natural Language Model which uses maths to understand language patterns. It was the only package the Israeli client shortlisted that could understand Hebrew.



Customer Engagement through POC



- Duration 6 weeks
- Solution can be delivered On Premises or in a private cloud
- Need to connect to multiple data sources that are of a size that humans could not cost effectively analyse
- Need to understand the single statement of user need and what “good looks like”

