



# Westfield Insurance: Investments in AI to anticipate customer needs

By definition, insurance providers react to unforeseen circumstances. Westfield Insurance wants to shift the narrative by using innovation to anticipate what might go wrong. The Ohio-based business insurer is pursuing this goal through a mix of investments in artificial intelligence (AI), technology incubators, and enhanced governance of its data security procedures.

“Big data and analytics feed everything that is happening with technology in the insurance industry,” says Joe Kohmann, Westfield’s chief financial officer and treasurer. “Our goal is to anticipate needs and use data to make smart decisions, paying attention to changes in the world around us, and being ready for the future.”

Westfield is making those preparations through a combination of external partnerships and internal coordination, Kohmann says. For instance, Westfield has participated in Plug and Play’s tech accelerator program, working with AI-based start-ups to improve customer retention, as well as insurance industry-specific concerns such as underwriting accuracy, fraud detection, and claims processing. The company also recently launched an innovation subsidiary called 1848 Ventures—a reference to the firm’s nineteenth century origins. The innovation group’s objective is developing product offerings beyond conventional property and casualty insurance.

Kohmann says the company is also actively looking at innovation as it pertains to its core business. As an example, Kohmann cites the company’s collaboration with IBM Watson to create the Westfield Safety Helper mobile app—a tool that uses AI to research customers’ primary risks for losses. “The benefits of using this app are increased customer engagement, and helping customers make small safety improvements that will add up to big savings in the future,” he says.

Along with these innovations, the insurance business must also contend with the reality of cyber threats, such as the loss of consumer data, Kohmann says. He points to the role of governance in mitigating such risks.

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Joe Kohmann  
CFO and treasurer, Westfield Insurance

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“Information security is achieved by implementing a suitable set of controls including policies, standards, procedures, guidelines, and organizational structures to mitigate internal and external threats,” Kohmann says. “Effective security is a team effort involving the participation and support of all employees and other persons authorized to access information systems.” Kohmann says the insurance industry offers a clear example of the promise of automation. “Consumers have become accustomed to conducting business at an incredibly fast pace, and selecting insurance is no exception,” he says. “Automation allows insurance companies to provide a seamless buying experience and allows users to customize coverage.”

Keeping pace with this new reality is an ongoing challenge that will require companies to continue to invest in their teams for the benefit of their customers, Kohmann says.

“As the tasks that can be achieved through automation are identified, capacity and opportunities to reskill our workforce become clear,” Kohmann says. “We’re viewing these disruptive technologies as opportunities, and customers are going to experience a more efficient, flexible, and transparent process.”