

Press release: Artificial intelligence to tackle insurance fraud and assess flood damage

- Businesses and customers to benefit from 40 new artificial intelligence and data analytics projects to increase productivity and improve customer service in professional services sector
- Projects include an online “bot” for quick legal advice, voice recognition technology to detect fraudulent insurance claims, and artificial intelligence to review business expenditure
- Part of the Industrial Strategy ‘Next Generation’ Challenge Fund to ensure UK professional services remain world-leading

A project to develop breakthrough artificial intelligence technology for the anti-fraud sector is one of a number of new projects set to receive funding to enable the UK accountancy, insurance and legal services industries to transform how they operate.

The artificial intelligence software, being developed by Intelligent Voice Ltd, Strenuus Ltd. and the University of East London will combine AI and voice recognition technology to detect and interpret emotion and linguistics to assess the credibility of insurance claims. Insurance fraud cost the UK £3 billion in 2017, equating to £10,400 per fraudulent claim, and costing consumers an extra £50 per policy.

The project is one of 40 backed by £13 million in Government investment to support collaborative industry and research projects to develop the next-generation of professional services.

Other examples include:

- an online “bot” which will use artificial intelligence to provide quick answers to legal questions online
- an analysis tool which looks at images collected by drones to assess flood-damaged areas, using a 3D image recognition system to evaluate flood extent and depth alongside impacts on buildings and infrastructure to help with insurance claim assessments
- artificial intelligence software that will analyse accounting data and suggest ways for businesses to cut expenditure, suggesting new deals on gas, water and electricity bills

Business Secretary Greg Clark said:

Artificial intelligence and data are transforming industries across the world. We are combining our unique heritage in AI with our world beating professional services to put the UK at the forefront of these cutting-edge technologies and their application.

We want to ensure businesses and consumers benefit from the application of AI – from providing quicker access to legal advice for customers, to tackling fraudulent insurance claims, these projects illustrate our modern Industrial Strategy in action. We're investing record levels in research and development so that every part of the UK can benefit from the industries and high-skilled jobs of the future.

The projects announced today back innovation in the accountancy, insurance and legal services and are part of the [Next Generation Services](#) Industrial Strategy Challenge Fund. This is a £20 million fund, administered by UK Research and Innovation (UKRI), to support the development and adoption of AI and Data technologies that will transform the UK's services industries.

UK Research and Innovation Chief Executive, Professor Sir Mark Walport, said:

The service industry around the world is being transformed by information technology. The Next Generation Services Challenge offers important opportunities for transformation of the legal, insurance and accountancy sectors across the UK.

Through the Industrial Strategy Challenge Fund we are building on UK expertise in artificial intelligence and data science to deliver benefits that will be felt in the services sector and beyond.

The Government's modern Industrial Strategy commits to placing the UK at the forefront of the sectors and technologies of the future. The research and development projects will begin work from this month and could see initiatives rolled out in the industries by 2020/21.

Awards were made across 2 competitions:

- £6 million is awarded across four large collaborative projects addressing sector-wide challenges across supply chains or regulators
- £7 million is awarded across 36 smaller projects looking specifically at applying AI and data techniques

UK Research and Innovation

UK Research and Innovation is a new body which works in partnership with universities, research organisations, businesses, charities, and government to create the best possible environment for research and innovation to flourish. We aim to maximise the contribution of each of our component parts, working individually and collectively. We work with our many partners to benefit everyone through knowledge, talent and ideas.

Operating across the whole of the UK with a combined budget of more than £7 billion, UK Research and Innovation brings together the Arts and Humanities Research Council; Biotechnology and Biological Sciences Research Council; Engineering and Physical Sciences Research Council; Economic and Social

Research Council; Innovate UK; Medical Research Council; Natural Environment Research Council; Research England; and Science and Technology Facilities Council.

The AI and Data Grand Challenge

The Industrial Strategy sets out Grand Challenges to put the UK at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people's lives and the country's productivity. Artificial intelligence and data is one of the four Grand Challenges which will see AI used across a variety of industries and put the UK at the forefront of the AI and data revolution.

- this announcement builds on reviews that BEIS has undertaken with the InsurTech (insurance technology) and LawTech (legal technology) emerging sectors, in partnership with Treasury and the Ministry of Justice.
- BEIS has worked closely with innovative businesses to understand their barriers to growth. This has led to government supporting Tech Nation to set up and establish the InsurTech Board, which convenes leading start-ups, market bodies and established insurers to devise industry-led initiatives that reinforce the UK's position as the world leading insurance and reinsurance market.
- the Lord Chancellor announced the new LawTech Delivery Panel chaired by Law Society President Christina Blacklaws, which will provide direction to the legal sector and help foster an environment in which new technology can thrive. The Government recognises the importance of embracing cutting-edge initiatives to ensure the UK's £24billion legal services sector continues to grow and retain its world-leading reputation.
- in 2017, HMT established the Fintech Delivery Panel, an industry forum tasked with driving forward industry-led initiatives, and actively supports other groups championing the cause of UK Fintech.