



Financial services and insurance leaders confront AI growing pains as focus shifts to large-scale integration

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While 91% have launched AI proofs of concept, only 36% are using widely across business functions

NEW YORK, Jan. 25, 2024 (GLOBE NEWSWIRE) -- The largest financial services firms and insurance carriers are all-in on artificial intelligence (AI), with the vast majority (91%) launching point solutions and proofs of concept over the last year. However, according to new research conducted by EXL [NASDAQ: EXLS], a leading data analytics and digital operations and solutions company, challenges with accessing siloed data and concerns about risks associated with the technology are preventing large-scale, enterprise-wide integration.

The research, published in a report entitled [2024 EXL Enterprise AI Study: Bridging Strategy and Operations](#) is based on a survey of 158 C-suite and other senior decision makers engaged in strategy, technology and business process at the top 20 non-bank lenders, top 100 insurance carriers and tier 1, 2, and 3 financial institutions. Its findings shine a spotlight on key focal points for AI and generative AI (GenAI) development as well as the challenges and obstacles they are facing as they implement these solutions throughout their businesses.

Following are some of the report's key findings:

- **AI Pilot Projects Abound, But Most Remain Narrowly Focused:** Amid a flurry of AI experimentation, just over one-third (36%) of financial services and insurance firms have implemented company-wide AI initiatives, while the majority (55%) have implemented AI for limited functions within their organizations.
- **Business Development, Risk Management and Internal Operations Top Use Cases:** Among firms that have integrated AI more widely into core business functions, the key areas of focus have been marketing and business development (47%), risk management/fraud detection (43%) and internal operations, such as claims management (42%) and back-office billing and payments processing (37%).
- **Data Silos Hinder Company-Wide AI Integration Efforts:** Among firms that have implemented AI for limited functions, 74% say data silos have been a barrier to enterprise-wide implementation. Among that group, 33% say data is siloed within each business function and 41% say data is siloed in some business functions but shared among others.
- **Trust Remains a Challenge for Large-Scale GenAI Projects:** A total of 54% of total study respondents have implemented GenAI projects, with 27% having implemented them narrowly and 27% implementing more widely across business functions. Respondents' biggest concerns regarding the use of GenAI are algorithms operating outside of intended parameters (44%), potential for new regulation to emerge (43%) protecting customer data (42%) and risk of biased decision making (42%).
- **Top GenAI Use Cases Focused on Product Development, Customer Experience and Risk:** Among firms that are already using GenAI, the top business functions being targeted are product development (93%), customer care/experience (82%), human resources (82%) and corporate strategy (75%). Among firms that plan to incorporate GenAI over the next 24 months, the top areas where they will be focusing the technology are regulatory compliance (52%), risk management (52%) and corporate strategy (52%).

"The findings of this report are very much aligned with what we're seeing in our interactions with clients. Virtually every business leader recognizes the enormous potential in AI, particularly GenAI, and they are committing significant resources to build new solutions," said Vivek Jetley, executive vice president and head of EXL analytics. "However, the number one obstacle preventing these projects from getting from concept to fully integrated, enterprise solution is data. Data is still too siloed and often locked in legacy systems, so businesses need help integrating that data so they can unlock the full power of AI."

The full report, *2024 EXL Enterprise AI Study: Bridging Strategy and Operations*, can be accessed [here](#).

About EXL

EXL (NASDAQ: EXLS) is a leading data analytics and digital operations and solutions company that partners with clients to improve business outcomes and unlock growth. By bringing together deep domain expertise with robust data, powerful analytics, cloud, artificial intelligence and machine learning, we create agile, scalable solutions and execute complex operations for the world's leading corporations in industries including insurance, healthcare, banking and financial services, media, and retail, among others. Focused on driving faster decision-making and transforming operating models, EXL was founded on the core values of innovation, collaboration, excellence, integrity and respect. Headquartered in New York, our team is over 50,000 strong, with more than 50 offices spanning six continents. For more information, visit www.exlservice.com.

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