

EBOOK

Making bordereaux better

with expert-driven,
human-powered AI



Amarillo | Go beyond
bordereaux





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Machine Learning vs AI and why it matters

The influence of Artificial Intelligence (AI) and Machine Learning (ML) automation on working practices continues to grow across sectors. The insurance industry, traditionally cautious in its approach to technological modernisation, is an enthusiastic adopter.

Research from the Bank of England¹ on the role of AI in the UK financial services, showed 95% of responding insurance firms were using elements of either AI or ML in their processes, more than many other financial services. Whilst this may surprise some, it's a welcome sign of the insurance industry's increased desire to modernise operations for themselves and their customers' benefit.

AI and ML are frequently mentioned in tenders, tool demos and investor decks. However, whilst customers are often keen to ask about these capabilities, the reality is that they are a technology that is frequently misunderstood and, in some cases, feared.

Data suggests that nearly 75% of AI users use it to optimise internal processes.² It's widely acknowledged that DA suffers from poor quality, messy data and that this contributes towards a situation where effective oversight is a frustrating challenge, so this enthusiasm for process optimisation makes sense. If AI can alleviate some of these problems and companies can experience the efficiency benefits, then this would be fantastic for the industry.

But where should companies start when deciding if AI or ML is the right solution for their use case? What is the difference between AI and Machine Learning?

AI and ML adoption by sector (2024)¹

Insurance 95%

Banks 94%

Other financial services institutions 75%

“There’s no doubt that the prospect and perceived benefits of AI appeal to many. In more and more of the demos we do for potential customers, AI functionality is brought up and vendors need to be prepared to have this conversation with potential customers.”

Steve Stacy, Chief Product Officer





Where are we now?

AI v ML

Industry-wide understanding of AI systems is patchy¹ and AI and ML are terms often used interchangeably. They are not the same thing, however, and it is better to understand Machine Learning as a subset of AI.

Machine Learning is, essentially, automation. It is based on repeatability, learning from structured data and therefore able to automate consistent, repeatable tasks.

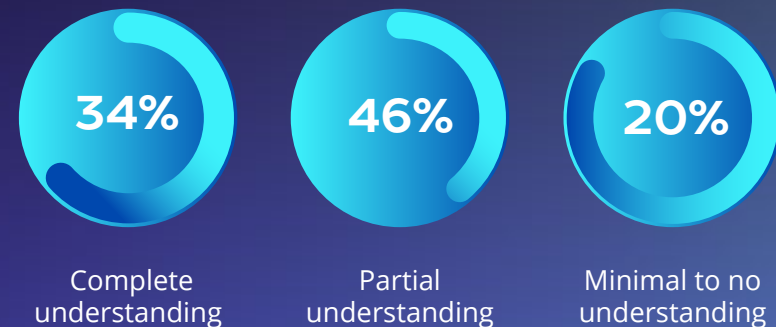
Its applications vary across industries with financial services frequently using it to streamline and automate payments whilst many B2C businesses find it useful for customer service chatbots that answer common questions.

True AI comes in many forms. The key way it differs from Machine Learning is its ability to predict or generate content based on context that hasn't explicitly been provided but is rooted in how the model has been trained.

Future AI models will take this a step further with agentic AI models able to work completely independently, making decisions and performing actions with minimal human interactions.

It is essential for those choosing between these tools to understand this distinction and, whilst there are benefits and drawbacks to both systems, ultimately the choice between them must be rooted in the problems the user is trying to solve.

Understanding of AI systems¹





AI and automation solutions within the insurance industry

Much AI use in the insurance industry is focussed on internal process optimisation², 'housekeeping' tasks such as moving claims or premiums data between locations, for example (a good example of a repeatable ML suited task).

Beyond such process automation, these tools are also valuable for risk and environmental forecasts and predictions for underwriters and also text-based ChatGPT-style bots to help customers navigate their account or give operators powerful and fast ways to interact with performance data.

With so many options available for prospective purchasers, thorough research and due diligence is vital to ensure that the chosen model can perform the task required of it. In this context, it's also sensible to speak to consultants in this field to ensure the tool really fits the needs.

Technology always seems to outpace regulation and industry bodies can be more cautious when it comes to embracing new tech and putting in place the checks and balances that ensure fair, ethical and effective implementation.

Lloyds, the industry market-place, hasn't yet taken an explicit, firm stance on the role of AI - leaving that to the market to decide - but one thing is clear. Their welcome focus on harmonised, consistent data standards across every insurance sector, including DA, is vital to ensure the successful implementation of AI and ML in the industry.

Their continued work with Velonetic to set in place definitive data standards, in support of the GRLC ACORD standard, will provide the future backbone and support for wider industry AI use.

Data standards are an invisible but essential tool to unlock a better future. If data is held in a single format, complex and expensive projects to make systems work together become unnecessary and the entire market can work together more efficiently. This means improved service for customers and increased value for insurers and their partners.

That means we can all do our jobs better, work faster and deliver massive benefits to clients.

Why are people interested in GenAI in DA?²



Process automation

72%



Uncovering data trends

21%



Developing new models

7%

“ The question for those working within Delegated Authority isn't whether or not to adopt AI, it's how to prepare for it. This first means getting bordereaux data in order; defining its use cases and success criteria, and seeking expert advice. ”

Steve Stacy, Chief Product Officer



What are the risks of businesses adopting uncontrolled AI in insurance and DA?





The threat of poor data

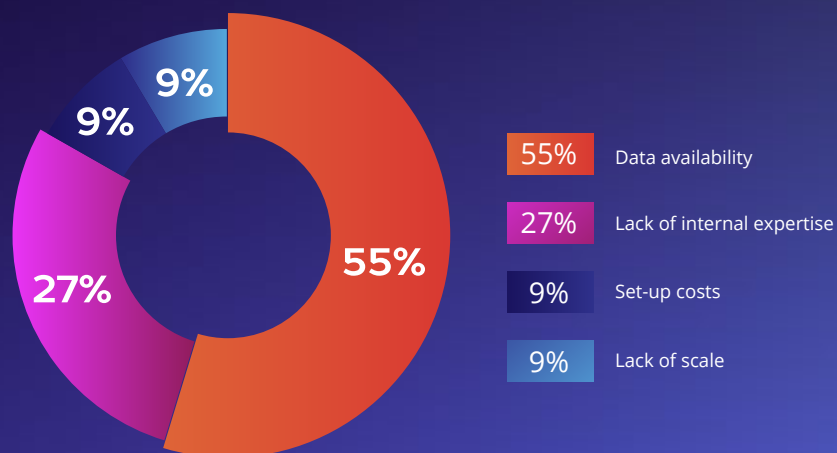
ML AI models are only as effective as the data they are trained on and fed. Traditionally, DA bordereaux data is messy, needs time-consuming and costly cleansing. It poses a significant barrier to efficient operations and acts as a brake on profitability and growth.

It stands to reason then that AI models working with this data are going to be limited in their effectiveness, just as any human operator would be.

Whilst some may consider leveraging AI to help 'clean' the data and save significant amounts of time, this approach is fraught with risk.

Errors or oversights in the area, whether from a human operator or an AI tool, pose a significant threat to profitable operations and draw the attention of regulators and subsequent financial and reputational penalties. It's likely that concerns about data quality are placing a drag on AI adoption rates.

Barriers to AI adoption in DA²



Miscalculated risk

Beyond potential compliance breaches, the combination of AI and poor data also prevents insurers' effective business forecasting.

True understanding of risk saturation can only be achieved with a rich catalogue of past, accurate data, allowing decision makers and underwriters to plot the most profitable cause of action, and limit a business's risk exposure.

It's important to note that simply involving AI or ML in the process does not create a greater risk of compliance breaches in principle, as long as processes are clear and carefully mapped in the first place.

The true risk comes from the poor, inaccurate bordereaux data in the first place. Because of the multi-stage and participant nature of DA data, one error somewhere in the chain can easily be compounded and made worse elsewhere. Working with good quality data and a clear, defined context window for the AI tool poses no greater risk than without the tool.

“I think that from a purely data focused approach for DA and insurance, the move to allow something to create data for you that isn't the person that's written the business is really risky because it's making something up. It's putting words in somebody else's mouth.”

Steve Stacy, Chief Product Officer



Deskilling

One area often overlooked in the rush to implement AI is the risk it poses to the industry's skills base. Whilst there is no doubt that it makes people's lives easier and operations more efficient, it's fair to consider how this might impact the skills, knowledge and processes built up over the past 350 or so years of the insurance industry's rich history.

There will be little industry pushback for slashing the amount of person-hours required for manual, laborious tasks but there are valid concerns around some higher-level tasks.

AI makes people's lives easier in many ways, but it will remove a set of skills that people need to make these decisions themselves. Whilst this might seem far-fetched at the moment, this is a pattern in wider society and the concern amongst some is that, without careful management of these tools, insurance workers will be stuck – unable to do these tasks themselves because the view is "oh, well, I push the button and the machine tells me to do it!"

These are valid concerns. However if used correctly, these tools are empowering and liberating rather than deskilling as they free workers to focus on high value, high tariff operations and leave more time for professional development.

It's widely accepted that graduates are less attracted to insurance as a career path, especially when compared to other financial services.

Within insurance, Delegated Authority could lose out to other business areas that have greater appeal to the strongest candidates.

There is a need for the industry and DA in particular to embrace new technologies that are ingrained in graduates and upcoming talent, in order to attract the brightest candidates and ensure the health and vibrancy of the insurance labour market.

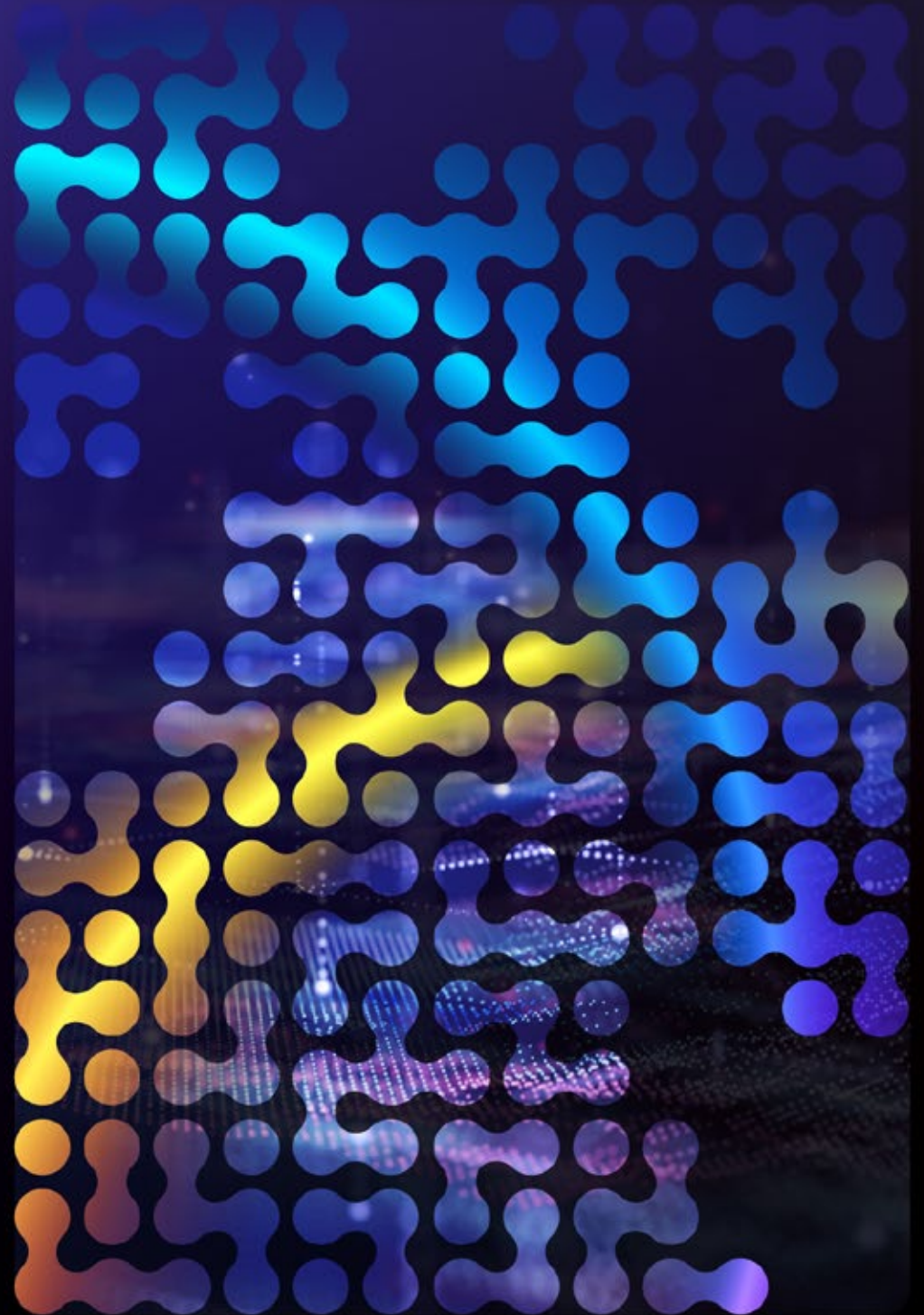
“It's really important to support teams in becoming AI-curious at the very least or, ideally, AI-competent as the industry continues to integrate these systems.

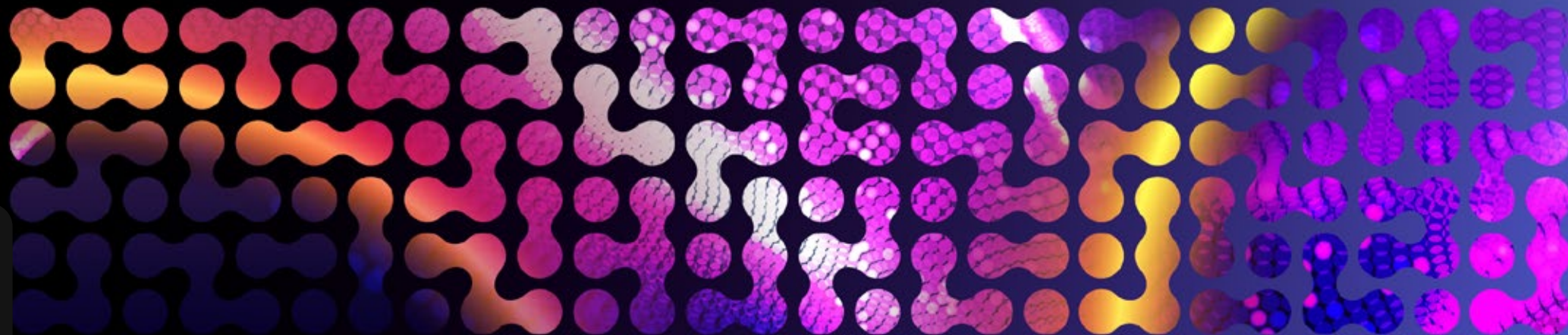
If we, the DA community, don't increase our appeal to new talent then all the exciting progress we've made and the new opportunities that are out there will remain unfulfilled. Effective implementation of AI can be an attractive part of this offering.”

Zoe Steele, Managing Director



What is the
importance of
responsible AI?





What is the importance of responsible AI?

In DA, where compliance is critical and data is often incomplete or inconsistent, using AI responsibly goes beyond following guidelines or securing a stamp of approval.

There is widespread acknowledgement of this across the industry and even the industry body, the ABI's advice to members states that:

“Not every problem can be solved with a model or algorithm, and sometimes the fairest approaches avoid the uses of predictive analytics and AI entirely.”

As Steve Stacy, Chief Product Officer, puts it: **"Responsible AI in DA means understanding the implications of what you want it to do and having total clarity on the task's scope and purpose. Most importantly, it's ensuring that it is not used as a 'fix-all' or a 'coverall' for poor data."**

Using AI to make decisions on poor-quality data is irresponsible and is, in essence, automating the wrong problem. There's nothing innovative about bad practice, it is merely a shortcut to risk. Real responsibility starts at the foundations: clean data, mapped processes and clarity of intent.

"If you're trying to use AI to fix a problem that exists because the data's broken, you're just making numbers out of letters. Sort the input, and you'll get better results whether with AI or not," says Chief Product Officer, Steve Stacy.

Context windows

AI should never be given complete access and control over everything. In DA operations, that means setting a clear context window by defining very clearly what the model is and isn't allowed to do; what decisions must always stay human and what data is off limits, and what checks and balances are in place to ensure good governance.

Whilst Large Language Models (LLMs) work well within tight parameters, if they are given too much room or too little oversight, they will improvise. These hallucinations are not a strength in such a regulated environment – they are a risk.

Chief Product Officer, Steve Stacy says, “Responsible AI isn't just about regulation. It's about asking why you're using the tool in the first place – and whether it's actually needed.”

Human oversight – don't delegate judgment

Human oversight isn't a safety net, it's a requirement. A responsible AI system needs human intervention baked in, from training the model to validating the output to reviewing what's been done before decisions are acted on. Having these responsible checks in place helps build the key crucial commodity: trust. Trust internally with partners, with customers, with other members of the DA chain and with regulators.

Human oversight works as an important check and balance for both the customer's experience and for data quality and this is recognised by the ABI. In its recommendations for the use of AI point out that: **“Appropriate human oversight and monitoring mechanisms should be in place, and we recommend that all models are subject to independent challenge from technical experts. Technical experts should act as the independent voices of the customer.”**³

“ You've got to treat AI like another person on the team. If you wouldn't let a new hire make the decision on their own, don't let the model do it either. ”

Steve Stacy, Chief Product Officer



How can responsible AI and Amarillo solve bordereaux woes?

Using responsible AI to make DA fit for the future





At Amarillo, we understand the root cause of problems in DA is data quality. We're laser-focussed on improving data quality and providing a strong platform for effective, responsible ML implementation that frees up resource, optimises time and boosts growth.

The right tool for the job

In its report on the role of AI within Insurance, the ABI makes clear that "Not every problem can be solved with a model or algorithm, and sometimes the fairest approaches avoid the uses of predictive analytics and AI entirely"³.

For our experts, one of the key criteria for 'responsible'³ AI is ensuring it is the right tool for the job. By using AI within a clearly defined and rule-driven context window, we understand exactly when and how such tools can improve the customers' experiences and help solve their bordereaux problems. In many cases, simpler technology solutions exist that can do the task the same or more effectively and sometimes at a lower cost.

"If you are trying to implement AI in your bordereaux management process without sorting your data first, you're making numbers out of letters. Get your data sorted first to have a better chance of achieving your goal." Steve Stacy, Chief Product Officer.

'Expert-driven' AI

Our ML tools bring incredible value to operators across the DA chain – we're proud of our solutions and how, alongside our consultancy, they make bordereaux better.

When it comes to solving the customer's problem, we're not afraid to say no, and that AI might not be the right solution for a particular issue. We know how to address the data challenges you face as DA operators, and AI is only part of this mix.

We believe passionately that the key to making bordereaux better is solving problems at source rather than fixing them later.

How do we make this happen? Through true customer collaboration and a laser-focus on addressing the problems at source. The first step is to speak to our consultancy team who will work to understand the nature of the problem and how the solutions (that can include ML) need to be tailored to your needs and use case.

"Whenever I do a demo now I'm asked about AI and ML. I'm a huge fan of advanced technology and at Amarillo we embrace new technological solutions to solve long-standing problems. We absolutely love Machine Learning and our bordereaux management solution suite includes amazing tools that will make operations easier and lives better."

But I do think it's important to be clear with clients about the role that AI or ML plays in helping them with their data issues and whether it is the right tool for their job."

When we onboard a new customer and discuss the potential role of AI, what we do early on is understand exactly what problem it is they are trying to solve, and how much oversight they want.

If you are looking for a magic button that will sort everything out when pressed, this requires a 'black box' AI model. The problem with this is that there is little to no transparency and ability to interrogate decisions. Accountability and liability become significant concerns.

"At Amarillo, we've always tried to collaborate and help the people in the chain work together to collate and collect the best possible data."

Steve Stacy, Chief Product Officer



Who are Amarillo?

Amarillo's mission is to lead Delegated Authority operations to a brighter future. We know the impact that poor quality bordereaux data has on efficient operations and the handbrake it applies to profitable business.

That's why our team's solutions enable systems to work better together, unite the value chain and change the way that participants record, view and understand data.

Spending time understanding the real nature of your problem is a critical part of our methodology. Whilst we do have a suite of tools that assist in the improvement of processes, it's our consultants' expertise that helps determine exactly where the root of your data challenges is and what you need (or don't) in order to solve it.

We don't want to use AI to 'fix' data problems because they shouldn't need 'fixing' in the first place. At Amarillo, we focus on producing tools that help get data right at source, cancelling out the need for it to be 'fixed' and then using the other tools, including Machine Learning, to apply further efficiencies later.





Introducing Fusion

Our bordereaux connection and management tool, Fusion, helps customers achieve the goal of high-quality data and makes lives easier and more profitable. How?

Fusion enhances collaboration across the entire Delegated Authority chain by seamlessly connecting systems via API. It supports all parties in understanding and adopting the required data standards, promoting a 'right-first-time' approach that simplifies regulatory compliance and drives greater productivity, customer satisfaction, and profitability. By implementing Fusion, customers can clearly demonstrate the profitability, timeliness, and accuracy of their binder operations, strengthening their reputation with existing partners and attracting potential new clients.

Implementing Fusion, ensures a high-quality data stream with efficient, correct and timely data. This enables all parties to make better informed decisions that act as the secure data bedrock for any future AI implementation.



Complete data integrity



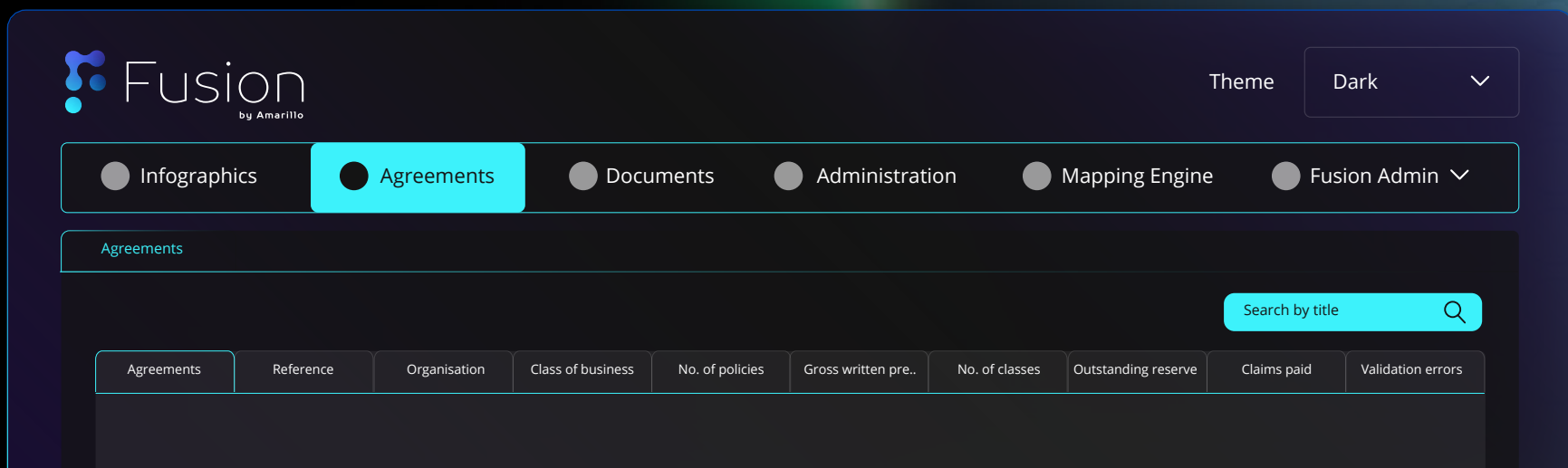
Early validation



Write the right business



Flexible integration





Introducing Dash

With Fusion driving data change, the next step for any user is to access and view this data in meaningful ways. Dash, the new reporting Dashboard software from Amarillo, delivers next-level reporting and helps make bordereaux brighter.

‘Brighter’ means insight and insight leads to powerful action. Dash helps power your profitable business decisions and give you the evidence to show the value and profitability you bring to partners, enhancing your attractiveness to new partners and customers.

With an endless combination of reporting options covering both operations and written business, you’ll be able to see with clarity business performance in any or all jurisdictions and business lines, spotting patterns and identifying areas of concern, territorial differences and spot areas of opportunity. This enables you to get new business lines to market faster, ahead of the competition.

Oversight of overall or division performance has never been easier for those at corporate level needing fast, reliable information.

No more distractions, no spreadsheets, just clarity and quality performance information, presented how you need it.





Introducing AIDAr: putting the 'responsible' into AI

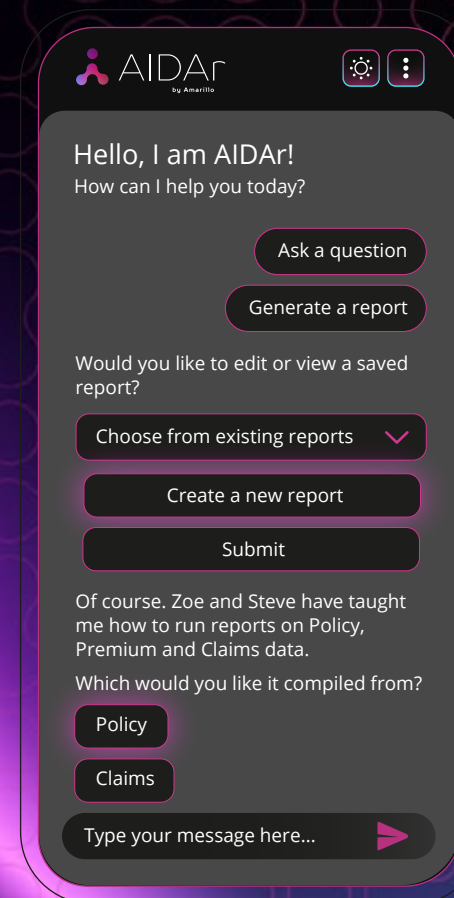
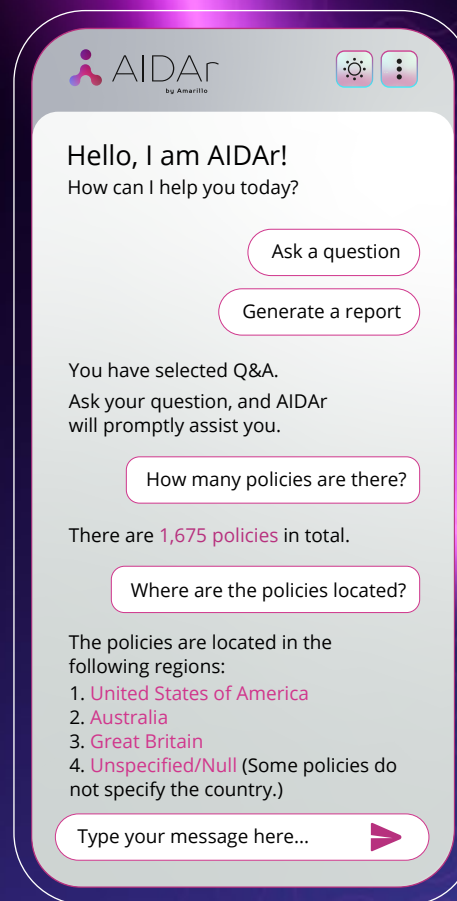
AIDAr is the moment that Amarillo's solutions and Machine Learning combine.

Built around the pain points felt across Delegated Authority teams, it has been designed to join the operations, underwriting and reporting teams, enabling anyone across the organisation to access the high quality data in Fusion and the clarity of the reporting in Dash, easier than ever before.

Programmed and trained by the team to work within the specific context windows and with clearly defined, repeatable operations, our AI based data assistant is the portal through which users are able to access and engage with their performance and underwriting data and important information.

No more need for vast data teams to produce reports - anyone can be part of the data team with the help of AIDAr. Simply ask it for what you need and AIDAr will do the rest for you.

AIDAr complements your team, not replaces them. By taking care of the laborious tasks, AIDAr frees staff up to focus on interesting, rewarding jobs that bring value and satisfaction.





How Amarillo is leading DA to a brighter future

Believe in the right kind
of transformation



How **Amarillo** is leading DA to a brighter future

Anyone working within Delegated Authority operations would recognise that, as a sector, it has been left behind or neglected by wider digital transformation.

Despite accounting for between 30-40% of all insurance business, it has traditionally lacked the innovation and attention of some other parts of the insurance sector.

There's no doubt that one of the greatest barriers to growth and increased profitability in this area comes from poor quality data. This means data that's either incorrect, poorly administered or missing. Delays, re-work and errors caused by poor data cost the industry greatly. We hear it time and again from our customers.

At Amarillo, we've developed tools that fix the problems with bordereaux data by improving data at source. Fusion, the bordereaux management connection tool, ensures that all parties in the Delegated Authority value chain are able to seamlessly share data that has been cleansed, checked and validated, ensuring that incorrect data never gets passed up or down the value chain causing issues of cover liability, or negatively affects business performance.

Correct data at source boosts efficiency, eliminates the need for manual checking and re-work and makes compliance reporting easier.

Delegated Authority operations will continue to grow in scale and significance and there is much to be excited about. There are many opportunities just waiting to be taken but to grasp them requires change. But change is not the same for everyone and, there is no such thing as a one-size-fits-all approach.

We know that focussing on data quality, education, and on using tools to improve processes will mean more efficient and profitable operations for all.

With Dash, our reporting dashboard software, we've focussed on how to share this clean, reliable data, giving anyone within the organisation the power to easily report on business areas, delivering unparalleled oversight and understanding to inform business decisions. And with AIDAr, our Machine Learning chatbot, you will be able to interact with your data whenever, wherever and faster than ever before, offering ultimate flexibility and accessibility to your business' vital signs.

By embracing a change-positive mentality, with a laser focus on data-quality, DA operations can look forward to a brighter, more profitable future.





Amarillo

Leading Delegated Authority to a brighter future

Amarillo exists to transform bordereaux management for the Delegated Authority market, enabling businesses to rapidly make smarter decisions that unlock brighter, more profitable futures.



Fusion by Amarillo:

A bordereaux management connection tool that improves focus on value-add work by efficiently delivering high quality, clean, trusted data.



Dash by Amarillo:

Flexible, powerful reporting on operations and written business, delivering oversight and insight like never before.



AIDAr by Amarillo:

Our responsible AI based data assistant gives access to data and insights whenever you need and however you like, allowing you to focus on profitable operations.


[Book a demo](#)

Sources

¹ <https://www.bankofengland.co.uk/report/2024/artificial-intelligence-in-uk-financial-services-2024>

² <https://www.eamespartnership.com/blog/the-future-of-data-and-ai-in-delegated-authority/>

³ <https://www.abi.org.uk/globalassets/files/subject/public/ai/ai-guide.pdf>

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