How a motorcycle accident led to the creation of insurtech startup Sprout.ai

When Niels Thone was in a road accident, never could he have imagined that the painful insurance claims process that followed would lead him to cofound an AI-powered solution that would address that very issue.

What is Sprout.ai?

Sprout.ai is a fast-growth technology company, reimagining the claims process for the customers of major insurance companies across the world, including Zurich. We have developed proprietary computer vision and natural language processing (NLP) technology built for the insurance industry. Sprout.ai delivers a frictionless, end-to-end automated solution, from the moment a claim is received to the final settlement. This might sound a little dry, but the claims process is unnecessarily long and painful for the end customer, and we wanted to change this. An average _insurance customer_ has to wait an average of 30 days for a decision to be reached on their claim.

I had the idea for Sprout.ai following a motorcycle accident. When it came to making the claim with my insurer, the process was very long and protracted. It was a terrible experience overall. I realised that despite the convenience and

speed we've become accustomed to in other areas of our lives, the claims process is still extremely tedious and long.

How does Sprout.ai answer an unmet need?

Many unexpected and significant events in the average person's life involve insurance. You might have been involved in a car accident, had a health emergency abroad, or had an appliance break down at home. In each of these scenarios, you will have to deal with your insurance provider to cover the costs.

Technology can help alleviate the stress of dealing with these situations, however most major insurers have historically been slow to innovate. A few years ago technology wasn't mature enough for a solution like Sprout's, but as AI becomes more advanced, the potential is huge. Today, insurers need to adopt new technologies to become more efficient, and deliver a better, faster service to customers.

How has Sprout.ai built its team?

When we started there were only three of us. Now there are 40 of us! We're a software company, but our people are still the main priority and we only want the best and most talented people. This doesn't mean we only hire Oxford, Cambridge and Imperial College graduates – we look much further than that. We look at the companies that are known for producing top talent and identify individuals we want to join our team.

Competitions like Kaggle – where the best data scientists in the world compete against each other – are a great place to find talent. Our CTO Niklas Stoltenberg was top of the charts on Kaggle for many years, and he has built out his team through the Kaggle network.

We are now at the point, both in terms of size and status, that people are referred to us from contacts in the industry, which is great. We are fully funded by venture capital – our investors are Playfair Capital, Octopus Ventures and Amadeus Capital Partners.

How are you collaborating with Zurich?

Working with Zurich has been an enlightening experience. Insurance companies have a bad reputation, but we have only ever been impressed by

the team at Zurich. They are extremely knowledgeable and genuinely care about their customers.

The organisation itself is hindered by legacy IT that is hard to renew. It's like a transatlantic ship with a stellar crew – it takes a long time to turn a big ship around! The Zurich leadership team has an innovative mindset, which has made them a brilliant partner.

How can the government best support the emergence of AI-powered companies?

The government is already doing a good job with R&D tax credits and tax schemes like SEIS and EIS. Tax benefits are always a good idea to incentivise businesses. The government could give additional benefits to UK organisations that hire services from UK AI vendors to incentivise UK-based talent.

The problem we have nowadays is that the term "artificial intelligence" is slapped on to everything, and not everything that claims to be AI is actually using AI. The government could roll out AI certificates to show which companies are the real deal when it comes to AI.

What do you believe is the role of automation in improving patient outcomes?

We are going towards a hybrid future, and many aspects of our lives will become automated for efficiency.

Most people are not good at repetitive detail-oriented tasks, but are good at engaging with new information, where intuition mixed with knowledge helps you get ahead. A good example is doctors and healthcare professionals. Human error usually occurs when tasks are repetitive and monotonous, so if we remove the repetitive administrative tasks and let doctors focus on what they are good at (helping their patients), the outcomes will inevitably be better.

Automation can provide insurers with a truly dynamic and holistic view on the best approach to each patient's medical needs. Insurers collect vast amounts of information around their patients' characteristics – such as gender, age and preexisting health conditions – medical emergencies and illnesses, as well as treatments and what their outcome was. All this data combined can show

which treatments are more likely to be effective on a patient with certain characteristics. There is no need to look at the people behind the numbers, so patients are treated like a black box and insurers can focus on information on treatments and success rates to see which can provide the best outcomes.

With this information, insurers can put pressure on the medical companies treating their patient to use the treatments that the data shows is most successful for this patient's medical need. This is particularly important in countries like the US, where private medical insurance is the main source of healthcare for most citizens. Insurance companies are the ones in contact with healthcare providers, and those who pay. Insurers "hold the wallet" and can therefore have a real impact on the decisions medical companies take, for the better.

What does 2022 hold for Sprout.ai?

Our main objective for 2022 is keeping our existing customers happy and continuing to build the company to help more people. We are already two years ahead of our competitors in terms of technology, and we want to keep it that way! Our goal is to be known as the global leader in claims automation.

We are planning to raise a significant Series B next year to expand into new territories and other lines of insurance. We want to build the best distribution network and expand globally.

Niels Thone is cofounder and CEO at _Sprout.ai_.

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