

# AI-Enabled Prediction of Inflation & Portfolio Performance helps make better investment decisions for the Insurance Behemoth

## A SUCCESS STORY

A ~USD\$60b insurance and financial services company is heavily influenced by and continuously monitors external factors such as US inflation. Also as a business whose continued fiscal strength is based upon investments in portfolio companies they are continuously seeking new methods and approaches to forecasting the financial performance of companies in their investment portfolio.

A strong hypothesis existed that both inflation prediction and portfolio company financial performance prediction could be significantly enhanced through the application of AI techniques including machine learning from historic data, ongoing self-learning, external signal sensing and generation of confidence scores.

Two **AI driven** projects were commissioned to validate this hypothesis delivering significant results:

### Inflation Prediction

**Prediction Accuracy:** Demonstrated that a prediction matched or exceeded the human inflation prediction accuracy with confidence that ongoing self-learning and model sophistication would quickly & consistently exceed human predictive accuracy

**Operational Efficiency:** Enabled more strategic fleet deployment, reducing the reliance on manual decision-making processes and improving resource allocation.

### Portfolio Company Performance Prediction

**Prediction Effectiveness:** Proof of the accuracy of financial performance prediction based on a limited data set and market sensing, delivered a high confidence level that greater data exposure and more external sensors would allow the AI predictive models to exceed other sources including human teams over time

**Future Optimizations:** The company is now integrating the solution into their daily operations, allowing for continuous learning and exploring broader applications, such as customer experience optimization and supply chain management.

