THE AI-READY BOARD

by
Rene Schmidli

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Rene Schmidli, a financial expert with over 30 years of investment experience, covered the technology sector as a financial analyst as early as 1993 and accompanied a tech IPO in Switzerland in 2000. Today he works independently in various board and advisory roles. In December 2024, motivated by the rapid development in AI, he wrote his CAS thesis on Generative AI under Mateusz Dolata at the University of Zurich to provide a practice-oriented examination of AI strategy and governance issues in boards of directors.

"Agentic AI moves us beyond insight to impact."

Ericson Chan

Ericson Chan brings over 20 years of global technology leadership across financial services, digital ecosystems, and health tech. At Zurich Insurance, he is spearheading a company-wide digital transformation and embedding artificial intelligence into core operations, across the insurance value chain. Previously, as CEO of Ping An Technology, he reshaped Ping An Group's business model and online ecosystems through fintech and digital platforms. He also held senior technology and operations roles at Standard Chartered Bank.

Success with Agentic AI depends on strong data foundations, open integrations, change mindset and people-readiness to ensure innovation is tightly linked to business value. – Ericson Chan, Chief Information and Digital Officer, Zurich Insurance Group

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Rene Schmidli: Dear Ericson, Zurich Insurance Group recently launched the Zurich Agentic AI Hyper Challenge. Could you briefly tell me what it's about?

Ericson Chan: We've always worked closely with all kinds of startups, that is not new. However, hackathon is a new hands-on approach, we worked with startups, internal and external engineers to explore together and figure out how far we can take this technology and develop innovative agentic AI prototypes that solve real-world challenges in insurance.

Rene Schmidli: Before we delve deeper into this: could you briefly describe what you understand by the buzzword "Agentic AI"?

Ericson Chan: Agentic AI is also not a new concept, but rather a concept finally brought to life at scale now with the powerful language model (LLM) and their reasoning capabilities. It can help us achieve tasks dynamically, not just follow scripts, so it can operate almost like autonomous micro-services.

Rene Schmidli: That's interesting. Could you say something about the scale of the initiative, because it appears to be quite substantial?

Ericson Chan: We brought together over 1,000 participants from more than 40 countries, which is the largest event of its kind in financial services. In just four weeks, teams developed more than 200 functional agentic AI prototypes, and 40 of the most promising solutions made it to the finals. But it wasn't just about scale. More importantly it covered many different areas of our business, giving us a much deeper understanding of where agentic AI can create real impact for insurance.

Rene Schmidli: And what did the hackathon's "rules of the game" look like?

Ericson Chan: The program was open to startups, engineers, and entrepreneurs from around the world. Selected participants could work with both open-source and proprietary technologies. We provided access to Zurich anonymized datasets, process maps, and a private sandbox environment. They also got support from mentors such as data scientists and innovation coaches. Teams collaborated closely with Zurich experts to address key focus areas and show the feasibility and impact of their prototypes.

Rene Schmidli: As we know, developments around AI are very dynamic or, to put it more pointedly, progress on various levels in relation to AI is virtually exponential. Is hosting this hackathon an expression of how innovation must be newly embraced and pursued in such an environment to avoid "missing the train," or what was the intention behind it?

Ericson Chan: AI is now evolving at an incredible pace, after the AI winter in the 90s and 2000s. Hosting this hyper challenge was about creating a fast, dynamic way to explore what's possible right now, but it's not the only way. This 'flash' event let us explore possibilities quickly and gave us the opportunity to work with fresh young talent and passionate people, both inside and outside the company, to see how they are working with agentic AI and out-of-the-box thinking.

Rene Schmidli: What criteria play a role in selecting the hackathon finalists, and do these differ significantly from previous innovation and technology projects in the insurance sector?

Ericson Chan: We shortlisted teams whose ideas ticked several boxes like degree of innovation, technical feasibility, business impact, cost efficiency, and if it fit with Zurich's operating model. Sure, technologies like LLMs and GenAI are exciting, but the basics of good innovation don't change and solutions need to deliver real value for customers or the business. AI can do a lot, but staying focused on that goal is what improves the bottom line and unlocks new revenue or better experiences. The key is ROAI, Returns on Artificial Intelligence.

Rene Schmidli: Which sector-specific segments (verticals) did the hackathon call for proposals focus on, and why?

Ericson Chan: We wanted to focus on four key areas in insurance where Agentic AI could deliver big impact: underwriting for real-time risk assessment and accelerating decision making, claims for faster triage and settlement, marketing and sales to boost customer engagement, and financial and actuarial analysis for smarter forecasting. These areas were chosen because they combine high complexity with high potential for efficiency and customer value, making them ideal for demonstrating AI's transformative power.

Rene Schmidli: The five winners were announced on October 17 and relate to the following use cases:

- AgentricAI's 'Clara' leverages a coordinated system of AI agents to automate travel claims processing. The solution significantly reduces manual effort while keeping human experts in control of key decisions.
- Interloom's AI platform intelligently captures and structures organizational knowledge from day-to-day work interactions. This enables Zurich teams and AI agents to collaborate with greater consistency and confidence, leading to more transparent and efficient workflows.

- Wangari Global's Etio solution employs modular AI agents to automate financial reporting (e.g., IFRS 17). With root cause analysis the platform delivers our finance teams deeper insights for smarter, faster decision-making.
- WordLift's AI-powered Search Engine Optimization platform analyses Zurich's websites to boosts AI search visibility and enhances user experience for visitors.
- ZuriFault, developed by a cross functional Zurich team, is an Agentic AI solution which speeds up and enhance our motor liability decisions.

Having a look at the winners, I have two follow on questions: How do these winning prototypes exemplify the balance between technological innovation and practical business value that you mentioned earlier in the selection criteria? And, with tools like Microsoft Copilot already available for knowledge management, what unique advantages do internal or partnered solutions like Interloom offer for Zurich's workflows?

Ericson Chan: These winning prototypes show how innovation becomes meaningful when it solves real problems. Clara, Etio, Interloom, WordLift, and ZuriFault aren't just about showcasing technology, they demonstrate how agentic AI can transform the way we work, serve customers, and make decisions. Multiple AI agents working with each other to process claims and provide smarter reporting and give better digital experiences for our customers.

On your second question, specialized solutions take us further. They go beyond individual productivity by embedding business logic and operational context into AI workflows. That means faster decisions, fewer errors, and better outcomes.

Rene Schmidli: Could you explain Zurich's latest AI initiative, the AI Lab launched in October in collaboration with the University of St. Gallen and ETH Zurich's Agentic Systems Lab, and how this new initiative fits into Zurich's broader artificial intelligence strategy and your latest hirings in this field, namely Terry Powell (ex Anz Bank) as Group Chief Technology Officer and Cristina Ghetti (i.e. Nestlé) as Group Head of Digital Employee with direct reporting line to you ?

Ericson Chan: The AI Lab will focus on developing end-to-end AI-native solutions that rethink today's traditional business models, but it is only one part of our AI strategy. This goes beyond using AI to automate our processes but to reimagine the business models. We are focused on putting AI in the hands of everyone across the organization. At the same time, we are strengthening our leadership team across all areas. Seasoned technology leaders like Terry Powell and Cristina Ghetti will help drive large scale adoption, upskilling, and transformation across the core business. I am very glad to have them to join Zurich to accelerate our digital transformation.

Rene Schmidli: Various organizations are either unaware of the potential of Agentic AI, have limited knowledge, lack infrastructure and sufficient data, or simply have reservations about the subject matter. Where do we actually stand regarding the development and deployment of Agentic AI, and where do the risks lie?

Ericson Chan: You need to start with the business and customer needs. There are four key factors to make agentic AI or Gen AI solutions in general possible.

1. AI solutions itself
2. IT foundation including data, infrastructure and connectivity
3. Business ownership
4. Change Mindset.

Technology and IT foundation readiness is no longer a major barrier. It's the other two pieces of the puzzle where organizations have the opportunity to step up and make a difference. The key risk is that you don't try and therefore you don't move ahead.

Rene Schmidli: Speaking of governance and AI: how does the Zurich Group handle this challenge, or rather, how is it structured, and what role does the board of directors play in this?

Ericson Chan: We take a layered approach to responsible AI. Since 2020, and reaffirmed in 2024, we've been open about how we use customer data with our Data and Responsible AI Commitment that is built on five promises: keeping data safe, never selling personal data, being transparent, using data for better customer outcomes, and using AI responsibly. For the last one, our STAR (Safety, Transparency, Accountability and Reliability) principles guide every model review, and we run AI on secure, private infrastructure with automated data lineage to track how data is used. Our Board's role continues to ensure that emerging technologies and data practices align with Zurich's values, risk standards, and regulatory expectations.

Rene Schmidli: You're not only on the executive committee at Zurich, but have been or are active as an investor, CEO, board member, or consultant at many different technology-focused organizations. What advice would you like to give, in closing, to a board of directors from the services sector on how to bring innovation, including governance, into the organization, particularly regarding AI, and for whom is such a "hackathon approach" suitable, or rather, what are the prerequisites for it?

Ericson Chan: Directors do need to understand the technology, particularly on its opportunities and risks, and the speed at which it's evolving. Just as important is making sure the foundations are in place like a strong tech infrastructure, a solid data foundation, and the people with the right skills and clear, outcome-based objectives to make it succeed.