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# Are the Robots Coming for Your Job?

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AKA: Who's this new closer Halnine Townsend that I'm hearing about?

October 29, 2018

Jeremy Yohe

# Speakers

**DAVID FLOYD** | Chief Data Officer, NextAce

**MARVIN STONE** | SVP, Business Integration, Stewart Title Guaranty Co.



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# Today's Topics

- I. Defining Automation and Artificial Intelligence
- II. Where Automation and AI are (or Can be) Applied in Title Insurance Today
- III. The Future of AI in Title Insurance



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# Automation vs. Artificial Intelligence

- Automation - Completes a specific task through the use of technology. (generally repetitive and monotonous)
- Artificial Intelligence - The effort to mimic human thinking and reasoning using programs that write themselves via machine learning
  - Machine Learning - Programs that update algorithms without additional human intervention based upon the analysis of large data sets to identify patterns of behavior, actions and results.



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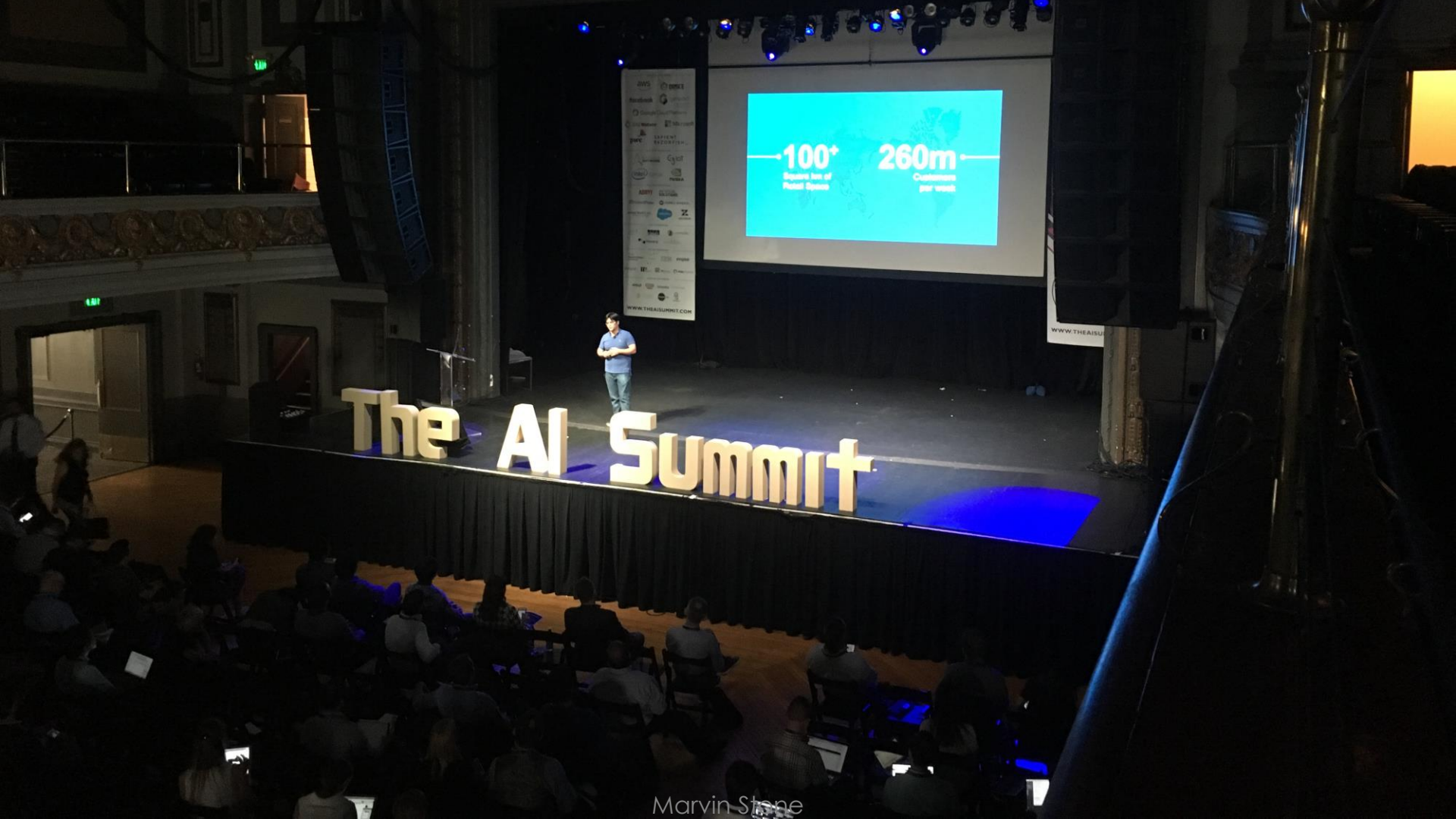
## Automation vs. Artificial Intelligence...cont'd

- The revolution is being driven by the combination of advances in computer technology with Big Data
- As the Title insurance industry more effectively collects, standardizes, digitizes and compiles data, it will allow for the enhanced application of AI and dramatic opportunities for automation.
- Artificial intelligence is being called the 4th Industrial Revolution



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# The AI Summit

# How does “Big Tech” fit in?





# Facial Recognition uses AI to go mainstream







INNOVATION

## **Why AI Is Tipping the Scales in the Development of Self-driving Cars**

# How Amazon has Reorganized Around AI





## Artificial Intelligence in Insurance – Three Trends That Matter

Last updated on September 16, 2018 by Edmund Zagorin



**Change is here, more is coming.** The insurance market is dominated by massive national brands and legacy product lines that haven't substantially evolved in

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1. Pricing
2. Underwriting
3. Claims

# So which is better? Automation or AI?

Traditional automation approach is not sufficient



Programmers



Systems

= 20%



Everyone Else



Every system  
in the world

= 80%



# Don't Be Afraid of Automation

## Think This!



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# Don't Be Afraid of Automation



Not  
This!



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# Automation - Why Automate?

- ❑ **Reduce Costs / Improve Efficiency –**
  - Cost of running a title agency 10X what it was 15 yrs ago\*
- ❑ **Improve Speed and Accuracy**
  - Demand for quicker turn times driven by technology advance
  - Aging workforce and Knowledge loss
- ❑ **Bottom Line – Improve your customer experience through efficiency, quality and ease of use.**



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\* Forbes, April, 24, 2018



# Automation – Where is the industry applying it today?

1. Task and Process tracking via production software (order through closing)
2. Automated Reconciliation
3. Workflow Management
4. Communications (automated emails, reminders, confirmations, notifications)
5. Title Production Automation
  - a. Commitment Preparation
  - b. Search and Examination



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# Automation – Implementing Title Automation

- ❑ **BOTS and RPA (Robotic Process Automation)**–Almost every repeatable computer task is open to use RPA technology
  - RPA automates repetitive computer related tasks
  - Largely replaces already outsourced labor.
- ❑ **Ongoing management costs driven by control of source data and Procedures.**
  - Cost of monitoring and programming for changes in procedures or source data vs labor to perform the task (economies of scale)
  - Frequent source data / procedure changes = Higher management cost.
- ❑ **Benefits:**
  - **quicker turn around,**
  - **reduced labor management**
  - **consistencies in procedures and quality.**



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# AI - Where is the Industry Applying AI?

1. Valuation Models
2. Risk Assessments
3. Workflow Management
4. Fraud Detection
5. Customer Experience



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# AI – Application in the Title Industry

## ❑ Advances in Machine learning lead to more rigorous rule sets and risk assessments

- Increased understanding of the contents of documents
- Examination of more complex transactions
- Blockchain / Smartcontracts
- Better Fraud Detection
- Enhanced Customer Experience (chatbots, predictive analytics)
- Underwriting? Closing?



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# AI – Needs Data, Data Data

- Digital Documents
- Public Records
- Assessor
- eRecording
- Starter Files
- Customer Demographic data
- Consumer Profiles
- Credit Histories
- Economic Data
- Transaction Histories
- Customer interaction histories



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# Evolution of AI

- Requires massive data sets to properly develop
  - Years away from necessary data depths in many regions
- How to enhance value without being creepy and intrusive?
- Unintended introduction of Bias
  - Bad Data
  - Biases in Algorithm development
  - Machine Learning can quickly and deeply entrench bias
    - Loss of control or understanding of how networks develop predictions or decisions.



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# Roadmap to Automation

## Inventory Tasks

**Prioritize**

**Educate**

**Partner**

**Experiment**

**Execute**

Review tasks you do every day

Don't do everything at once

Develop internal subject matter expertise

Put their expertise to work for you

Proof of concept / Pilot with customers

Plan then execute



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***“What’s a title agent to do?”***



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# QUESTIONS?



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1800 M Street, NW, Suite 300S, Washington, D.C. 20036-5828

P. 202.296.3671

F. 202.223.5843

# CONTACT INFO

**DAVID FLOYD** | [david.floyd@nextace.com](mailto:david.floyd@nextace.com)

**MARVIN STONE** | [marvin.stone@stewart.com](mailto:marvin.stone@stewart.com)



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F. 202.223.5843