



HL INFLUENCERS: DIGITAL TRANSFORMATION TRANSCRIPT

JAMES LORD
GOOGLE CLOUD

Karishma Paroha	Hello everybody, and welcome to another edition of <i>The Influencers</i> . I'm Karishma Paroha, a senior lawyer working in the Product and Insurance Sector at Hogan Lovells and the Acting Chair of the IUA's Developing Technology Monitoring Group, founded by my co-host Tom Hughes.
Tom Hughes	The Developing Technology Monitoring Group is one of many groups exploring innovation and risk that we run as IUA [International Underwriting Association]. As an association, we represent many of the largest international insurance and reinsurance companies based in the historic London market. That means day-to-day, I get to work with risk specialists, with innovators and regulators on everything from marine and aviation to environmental and casualty insurance.
Karishma Paroha	Tom and I are hosting a special three-part series where we delve into exciting technology from an insurance perspective and consider risks and benefits of this cutting-edge world.
Tom Hughes	And as the insurance voice here, I can't miss the opportunity to say that insurance has a vital role to play in supporting innovation and helping drive positive change. Hopefully we get the chance to talk a little bit about that during the series.
Karishma Paroha	<p>In this episode, we're unpacking the invisible engine behind our favourite app ... The Cloud.</p> <p>Not just the buzzword, but the technology shaping the way we live, work, and build our guest today to help us in this illuminating journey through the cloud is James. James Lord is the head of insurance, legal and financial services at Google Cloud UK and Ireland, supporting numerous clients in insurance, legal and financial sectors. He is also the international engagement lead for Google Risk Protection Cyber insurance program and spearheads the international aspects of Google Cyber Insurance initiative.</p>
Tom Hughes	And James's nearly six year tenure at Google Cloud began as a client partner in commercial specialty, followed by work with strategic clients in health insurance and personal lines. He has over 20 years' experience across the tech community.

Karishma Paroha	So to kick off, James, can you tell us a bit about your background and how you came to specialize in cloud data and cloud technology and what it is about this technology that makes you so passionate?
James Lord	Thank you for inviting me on your podcast. Great to be here. Well, I think you give a little bit about my background, so I'll talk about my passion. For technology, which really lies in how do we help our customers be better and how do they help so their customers better, how do they help their workforce better. So I work with leading insurance companies and law firms to basically look at how we can help them improve how they serve their clients. I guess what excites me is being able to unlock the value in their data and create truly customer-centric experiences. But as I say, also creating better workforce experiences too. So for insurers using AI machine learning, understand how the individual needs are better off through hyper personalization, how we can process claims faster, and how we can deliver better empathy and speed legal firms. It's about leveraging secure intelligent tools, managing the huge amounts of data they have, and how they collaborate across all the various stakeholders. So yeah, really exciting space to be in.
Tom Hughes	Thanks, James. And it's a really good opportunity actually for me to pick up on something that we've thought about or at least heard about for a little while, and it's this fear that actually using the cloud could potentially make us less secure rather than more secure, and that's down to our personal and business data that of course we're inputting into the cloud on a day-to-day basis. This, and there's a worry that it presents us with potentially a single point of failure, and I know you'll have a view on that. It's just worth looking back on a Lloyds of London report that was published in 2018 of the cloud on the impact on the US economy and that discussed an event with estimated losses \$53 billion. How safe are we in the cloud, in your opinion?
James Lord	Well, thanks for raising that concern. This is what we hear from time to time, especially the potential for widespread impacts like those discussed in this hypothetical report. It's understandable across all clients, all sectors, but especially around those with the sensitive nature of data and operations such as insurance and law firms. So from a Google cloud perspective, we see a secure, well-managed cloud as enhancing resilience and security rather than creating a single point of failure. We focus intensely on the number of pillars, so let me just quickly run through those. Data security and privacy. OK, that's a non negotiable, especially with when you've got sensitive data. So Google Cloud, we provide a secure compliant infrastructure with state-of-the-art security, robust data governance. The next pillar is reliability and resilience. We engineer resilient cloud infrastructure. We've got redundancy and disaster recovery capabilities. OK, so we're providing a level of business continuity that would be very difficult for an individual firm to replicate on their own. The third proactive security posture, using advanced tools, using monitoring, using AI, to help businesses identify and mitigate threats and manage compliance. And then that leads on to the fourth one, which is cyber insurance, which I've mentioned is part of my role. So through providing that telematics or cyber,

	if you like, we also provide our clients a pathway to help them potentially obtain cyber insurance capacity as part of their risk mitigation strategy.
Karishma Paroha	Reassuring to hear this, James. There is of course a saying, every cloud has a silver lining but the secure cloud data therefore appears to be a silver cloud, bringing certainty, resilience and clarity to modern businesses.
James Lord	Yeah. I mean, a secure cloud is a silver cloud, right? So bringing both resilience through redundant infrastructure, disaster recovery, and then clarity through tools like data analytics and AI. Ultimately, our aim is to provide a platform that offers a significantly enhanced level of resilience and security compared to traditional systems, and then allows all of our clients, no matter what vertical, to thrive and focus on serving their customers as best they can.
Karishma Paroha	Moving on, James. On the other side, with the rise of AI and increasing amounts of sensitive data stored in the cloud, what new legal and/or ethical challenges do you foresee emerging?
James Lord	So the first thing to say is, I'm not the deep level expert on this, but I can give you kind of the headlines, as AI becomes more deeply integrated and more sensitive data moves to the cloud. We need to secure that in a rigorous fashion, and we need to make sure that we are meeting the several key legal and ethical challenges that are at the forefront of this. So again, from a Google cloud perspective, let's put these into different pillars. First of all, AI explains ability and transparency, right, this is critical for trust and accountability in sectors like insurance. So when you're making underlying decisions in law and there's increasing regulatory scrutiny and it's essential to be able to understand how an AI model arrives at a particular outcome. The next pillar is AI bias. So, bias can originate from the training data and it can lead to unfair or discriminatory outcomes. This means you need careful design, continuous monitoring, and mitigation strategies to ensure fairness, particularly when AI is used in areas like claims processing or legal analysis that impacts individuals. [The] next pillar is about verifying the data origin and the reliability of the data. So AI models depend heavily on data, they don't exist without the data. So verifying the origin and ensuring the reliability of that data is essential for accurate outcomes. Whether that's legal analysis again, or risk assessments, or just overall trusting the outcome. And then finally, in terms of navigating the complex and evolving regulatory landscape in this area, the pace of development is rapid, and the regulations around it that use data privacy, ethical considerations, they're always evolving. So staying compliant, understanding the legal implications of AI deployment is a key challenge for businesses. So at Google Cloud, we're committed to responsible AI development, providing our clients with the tools and frameworks necessary to navigate these challenges confidently and ethically. This includes support for robust data governance, bias detection, model explainability and strong security measures.

Tom Hughes	<p>James, as you were talking, I was busy scribbling down the key pillars and it will be music to the ears of members of our developing tech group because lots of those pillars have been forefront to our discussions. So appreciate you sharing and it's probably fair to say that both the insurance and legal communities that Karishma and I are part of, there's plenty of long standing traditions and processes, but obviously as part of this podcast, we're trying to highlight examples where law and insurance are both users and enablers, are very exciting advanced tech. So far in the miniseries, we've spoken to a tech specialist and an insurance expert and it's fair to say that the perspective you bring is a very unique one that spans tech, insurance, legal and business communities. Given that perspective you have, what can you tell us about how the legal and insurance communities are integrating some of this advanced cloud based tech into their day-to-day processes? Do you think we're doing a good job?</p>
James Lord	<p>I do and it's a journey though, right? So, I mean, there's an excellent point you raise about those long standing traditions, processes, in both insurance and legal sectors. And that's in my thinking, why align the two as kind of adjacent to each other? So if you think about both communities, they're built on foundations of trust, precedent, established practices and so we need to deeply respect that. But then, as part of our conversation, we're highlighting, we're embracing technology. So if I think about from a Google cloud perspective, the journey around cloud based technology and how that's underway in in those industries but that journey is important. It's a marathon, not a sprint. And so different firms, different institutions, different sub-sectors are moving at different paces.</p> <p>So let's just have a look at both of those. Look at insurers, first of all. Insurers are rapidly adopting cloud for lots of reasons. Core system modernisation, things like policy admin systems, how do they leverage cloud capabilities for data analytics? How can they improve their customer experience? What cloud gives them is the ability for greater agility, better utilization of various data types like telematics, IoT, AI and then also think about that multi digital channel in the way that you're interfacing your customers and the requirement for things like contact centre AI, we call it, or document AI, where you're taking unstructured documents, processing those. So there's lots of great stuff happening within the insurance industry.</p> <p>The legal industry is slightly different, maybe a little bit more niche but it is massively adopting digital transformation. And again, driven by the need for enhanced efficiency, use of automation, AI for E-discovery. Using cloud then to create secure collaboration across networks, so whether that be a lawyer or legal firm that's working with Google Cloud or other parties, you know, making sure that there's a secure environment when they can operate and meet everyone's expectations and requirements. And then more in the last year or so using cloud based tools for practice management, document management and then secure portals. So again, both well underway into their adoption, maybe moving at different speeds, but not thinking about cloud as can it still be money, it's about what value can it deliver, how is it a</p>

	<p>strategic enabler for my business, innovation, can I serve my clients better? So yeah, lots of great stories.</p>
Tom Hughes	<p>And one of the most interesting areas for me is probably the impact that more and more data and autonomy can have in insurance processes, and actually the impact that that will have on the structure of insurance and how we go about providing it. Agility was the word you used here, which I think is really powerful. So historically, insurance has been a 12 month business, you speak to an insurer once a year and all been well, you don't have a claim. You speak to them again in in about a year's time. But inherently, if you own a yacht and you only sail for three days a year, having a liability policy for 365 doesn't feel very sensible. And actually, within our groups we've been discussing the possibility of insurance of the future, essentially following you as you go about your daily life. So you leave the house in the morning and your real time property premium will adjust the moment you leave the front door to reflect the fact that the home is unoccupied. And then you hop in your connect, an automated vehicle depending on whether you choose the motorway or the country road route, your premium adjusts accordingly. And if you're lucky enough to have one, and I'm definitely not, that you hop on the ski lift just down the road and then you are automatically covered. And obviously that's all a bit forward thinking but the market is changing quite a bit now, and actually, you've had quite an important role to play in some of that change and it's worth touching on your involvement in the first fully digital and algorithmically powered syndicate in Lloyds, Historic Lloyds of London market. Importantly, how did you go about driving that kind of dramatic change and what were the big learnings that perhaps we can apply across new tech and different sectors?</p>
James Lord	<p>Well, first of all, I love your forward looking view, Tom. That's the way we want people to think. What's the art, the possible, what's the future, what's the moon shot. And the key is really around rethinking how or why things have been done. So if you take the concept that 80% of everything that was done within the London market, is human based, paper based and 20% digitized. What if you flipped it and made it 20% human and paper and 80% digitized. What would that look like? And actually, through a number of different workshop sessions over, not a long period of time but intense period of time, Key was born. It was about creating that end to end, fully automated digital syndicate, to follow not for lead. That wasn't something we could do four and a half years ago. That's exciting because that's really changed the way that the London market thinks about some of those processes and the key businesses sort of bounced on and on in terms of its capacity and what it's doing now with its players. But I think coming back to your question, I think about this a lot, about why, and I talked to a lot of people across different industries a lot of people who talk about wanting to make changes. And I come down to a pneumonic, that I made-up but I think it describes what needs to happen for the magic to happen or what it takes for the magic to happen, I should say so.</p>

	<p>The pneumatic is CAARMA but not quite felt the same way. So C is for change agents. So have you got a change agent within the industry, within the business that says, I really see, I have that view about modern future, that better future that you described there, Tom. And then it's about, what is the Appetite, what's the Ambition of the people or the stakeholders of the organization or whatever sector they're in. And do they understand that there is some risk and you need to have some level of risk and accept it in order to get the greater reward? Things aren't going to go perfectly. So, M is for mindset...growth mindset. And as long as you've always got the view that you learn from your failures, you're building on those to actually improve. And then A is for bias for action. So it's CAARMA, right. So it's not quite spelt the same but I call it CAARMA. And really, that's where we see the transformations. But where we see those is because all of those key things that I've talked about, that came into play and that is really important about where people are successful and how quickly they achieved that success.</p>
Karishma Paroha	<p>Well, I'm a big believer in karma, so I've got two karmas to believe in now. So thank you, James. We really have learned a lot today but one last question from me that I've absolutely been itching to ask you. If the cloud had a personality, what kind of character would it be? Would it be, for example, a wise librarian, guarding all of our precious data or a super Avenger flying around protecting our data from dark forces or something else entirely?</p>
James Lord	<p>I mean, I feel like I should go back and sit down with my kids and watch, you know, Avengers now and analyse the different superheroes and their traits and characters now. But I think that's a fun question and thank you for asking it. I can only speak for Google Cloud not for cloud in general because I'm not going to say all clouds are the same. But I think if Google Cloud had the personality, I'd envision it to be a sophisticated blend of...it would definitely be wise. It would be incredibly capable but then deeply committed partner, if you like, focused on empowering its users while ensuring their digital assets are protected. So I'm going to think of a name for it now. But yeah, I think so. That's how I would sum it up.</p>
Tom Hughes	<p>Nicely done, James. And I'll take the opportunity to wrap up now some of the key learnings. It's fair to say that cloud is already part of our day-to-day lives, whether it's storing our own photos or it's managing global data sets from across multinational corporations. Insurers and law firms are looking forward and they're starting to embrace advanced technologies to improve their operations and of course, ultimately benefit their customers. And finally, if Cloud was a personality, it sounds as if it would be somewhere between a wise librarian and a super Avenger. Thanks so much, James, for joining us.</p>
James Lord	<p>Thank you.</p>

Karishma Paroha	Yes, many thanks, James. You know, we used to say don't cloud your judgment but now judgement lives in the cloud. And it is in the cloud where tomorrow is being built. Thank you all for tuning in. and please do join us again soon. For now, take care and goodbye.
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