



**THE INFLUENCERS:  
DIGITAL TRANSFORMATION**

**TRANSCRIPT  
AUDREY TARANTO**

Leo Von Gerlach	<p>Hello everybody and welcome to another edition of <i>The Influencers</i>, our podcast conversations on digital transformation and law. I am Leo Von Gerlach and with me today is Audrey Taranto. Audrey is General Counsel of the Enstar Group, a provider of very innovative capital release solutions through its network of group companies in the U.S., Europe, Australia, Bermuda and many other international locations. A market leader in completing legacy transactions, Enstar has acquired more than 117 companies and portfolios since its formation in 2001.</p> <p>Hi Audrey, good to have you.</p>
Audrey Taranto	<p>Its great to be here, thank you.</p>
Leo Von Gerlach	<p>Before we speak about Enstar and their business, let us just dive in to what you and yourself and your group is doing and your role as a General Counsel with Enstar. Tell us a little bit about you and your team.</p>
Audrey Taranto	<p>I have the privilege of leading the Enstar legal department as General Counsel, and much like I'd imagine other multi-national insurance groups are set up, our department focuses on supporting the business, mitigating risk and promoting compliance. So we support the business that looks like corporate matters, we have corporate attorneys that work on our transactions, corporate governance programs, regulatory and compliance people that address matters like U.S. federal security laws, all the insurance regulatory laws and then we have litigation and coverage attorneys for the business and claims that we administer, which is in the hundreds of thousands of cases and claims. We also have a legal operations tower and that team is focused on sustainability, innovation and efficiencies for the legal team.</p>
Leo Von Gerlach	<p>Wow, this is a very, very broad array of areas that you have to cover. That just lends itself to the question about technology for your team and your legal and regulatory purposes. Can you shed some light on what you are doing in this area?</p>
Audrey Taranto	<p>So, I think there has been a lot of focus on technology recently, but it is something that has been core to our team and our strategy since I</p>

	<p>began in this role in 2017. I think personally we will have standard legal tech, which is really table safe solutions that most legal teams would have, we are talking about billing platform, knowledge management through the tools and applications available in our company's productivity platform. We have entity management software, e-signature platforms and then we do leverage PowerBI for our data analysis. Most legal departments are probably using these technologies, so you ask what works well, I think one thing that works really well is taking the time to understand the company's existing IT because what we found are that there are a lot of things that the company already has that have capabilities or features that are quite powerful and built into systems available at no added cost. And so looking into that, tapping into that and trying to leverage it across the legal team has really had a big impact, without substantial investment. And from there I think that with all the noise on digital transformation, we really are looking at a question of, should we build or should we buy. Is there an idea we want to invest time in to customize or is there something on the market that already meets the need? And so, the challenge with how fast everything is moving is that you don't want to invest resources in building something or buying something that can be pretty quickly surpassed.</p>
<p>Leo Von Gerlach</p>	<p>Totally good to understand. Just perhaps driving this a little bit further, Enstar is an insurer and deals with insurable risks, does that have any effect on your own legal and regulatory work in a sense that you also use technology solutions when it comes to assess and deal with legal risks, compliance risks, regulatory risks?</p>
<p>Audrey Taranto</p>	<p>Yes, with regulatory risks in particular, this has really been top of mind for us. We operate, like many others, in a number of jurisdictions and different U.S. States and they are subject to significant multi-national regulation. That regulation is constantly changing and evolving, and so evaluating and managing the legal and regulatory risks or, as we say 'horizon scanning', has become just a major point of focus. You know, it's something we have always done, but before a lot of the reg tech or regulatory tech came out, was very traditional and manual. Your compliance checks, regular audits, stakeholder consultations and reliance on secondary sources, is really how we had to do it. And so the reg tech that's available to help with horizon scanning for companies like us that have to grapple with all these different regulations in different places is really a game changer. We are seeing a big uptick in the value proposition for the programs that can do more real time monitoring. They will give you instant notifications, they can provide an impact analysis and all of that can help us manage regulatory compliance and change.</p>
<p>Leo Von Gerlach</p>	<p>That aspect on reg tech is clearly very interesting and you see there, I think, the advantages that technology can bring. How does that tie into the wider Enstar world, their risk assessment approaches, the use</p>

	of technology, and how you approach the technology risk equation from a more holistic perspective?
Audrey Taranto	<p>So we try to be really aligned with the company's approach. We look to technology where it enhances our ability to achieve our business objectives. That is something we have always done. Then we are always going to examine the value proposition. Never just technology for technology's sake, but with the rapid pace of the digital transformation and, in particular, the explosion of artificial intelligence, it has been really exciting and our company sees extensive opportunities for deployment, really across a range of activities, so for us we have to remain an insurance industry but we are primarily a legacy player. We are very focused on claims management and we see that the new technology can help us identify high risk claims, summarize voluminous elements of a claims file. Even the more mature forms of AI, such as machine learning, can be relevant to capital modelling and actuary analysis. So we are aligned from a legal perspective and it's something that we think can have a big impact in our business because insurance in general lends itself to significant benefits from data analytics. We just have a lot of data and the data is so important, and that is something the new technology is really good at helping with.</p>
Leo Von Gerlach	<p>And is there something where Insurtech, how that has now come to be called, plays a role, kind of the twin sister of Fintech and other industry specific technologies.</p>
Audrey Taranto	<p>Yeah, so I think of Insurtech kind of in two ways. So most broadly speaking, when I hear that term, I think of it, as you said, more like Fintech in the innovative use of technology, you know optimizing, transforming the industry, which can mean anything from digital platforms that can sell insurance policies or advanced analytics for underwriting and claims processing, all with the goal of just making the services themselves, insurance services more efficient, more customer friendly and more data-driven. I think through AI, through the big data analytics, and machine learning, that's really been able to improve and automate the traditional insurance industry in many ways. I mean still continuing to, but it's already had a big impact. I think sometimes the word Insurtech also can refer to sort of a smaller set of companies that are focused on automating the underwriting, often retail focused or writing on algorithms, for example. Although the companies have been around since the earlier days of the internet, or at least some of them have, I think they're much more advanced now because the technology has gotten better and so that's not exactly what we do. We're not writing retail insurance policies, but what we do see on the legacy side is that, just like traditional insurance underwriting, certain things can go very well or they can go not so well or there can be other reasons like capital needs and whatnot that can change that can lead Insurtech, just like other insurance companies, to seek a legacy solution and so that's where we can really be helpful.</p>

Leo Von Gerlach	That's interesting. You mentioned, among so many other things, that data analytics plays a very significant role and now just opening the lens a little bit from what Enstar do to the broader insurance industry, would you say that data analytics is something that is very area specific, whether there are more general solution or perhaps put the question more even more general, what is the value proposition for technology solutions for the insurance industry? Where can it make the biggest difference and would that be area specific and or could that be even something very generalizing?
Audrey Taranto	You kind of started the podcast with it when you talked about managing risks because at the end of the day that's what it is all about. So how can we use it to be better at risk management to underwrite risks. I think in insurance it cuts across a lot of different key elements. On the actuarial side our Chief Actuary told me that insurance was actually one of the earliest adopters of predictive models and using technology for predictive models, and with the power of AI and machine learning, these models have become even more robust from an actuarial standpoint. Insurance companies are able to use technology to really make a difference there, and I think the advancements are impacting all areas of the insurance value chain. You know difficult claims can be triaged to more senior claims adjusters and simpler ones can be sort of automatically reviewed or proofed for payment. AI can obviously interact with customers who are looking for a quote. The cool thing about these technologies is they can even help the insurance companies implement themselves, so some generated AI's can even take instructions in layman's terms to write code for a new predictive model, for example. I think it has impacted the industry -- and you mentioned data analytics, and that's really the heart of so many aspects of insurance and risk management -- and so, I think the ability of the emerging technology to help with data analytics, data digestion is really critical.
Leo Von Gerlach	Let's stay with that very interesting topic for another moment. So when you speak about offerings and technology improving that through the whole value chain, would you say that there are very standardized solutions out there or on the horizon, or that there is more a need for tailor made custom made solution or will it be a mix of the two? Where are the bigger trends in terms of technology standardization?
Audrey Taranto	I think this is the big question. The trend is that no one wants to be left behind and companies are looking at it and adopting it and like everything, it's all moving so fast. So we tend to think of it as you can procure something off the shelf, you could co-develop with a strategic partner or you could develop a bespoke technological solution on your own. I think the challenge is that everyone wants to do this to get to a competitive advantage, no one wants to be left behind. But with the unprecedented speed of change, it means new large language models are being released every week, so basically you risk as a company spending months developing a solution that by the time you launch it there's already an off the shelf or, a version that's readily available to

	<p>the masses. And so there's a trend right now to evaluate use cases and where it makes sense to implement. I think that's happening, but the more bespoke solutions I think are a challenge for companies because you want to try to get that competitive advantage, but the technology is changing so fast you also want to make sure that from a resource perspective, it makes sense to invest the resources in pursuing that.</p>
<p>Leo Von Gerlach</p>	<p>That's very interesting. So we have not yet even spoken about regulation and the regulator, but perhaps briefly -- regulation plays obviously a critical role in your business, but also on the technology side of your business. There is much debate on what good or bad regulation can deliver, and surely you will have some thoughts on what you wish for from the regulator, on the technology side of the insurance business, if anything.</p>
<p>Audrey Taranto</p>	<p>Yes, and I don't envy the regulators, I will say, because it's a it's a challenging but important issue. I think that what we would wish for is harmonization to some degree, particularly for companies that work across many different jurisdictions, as I mentioned before, so some degree of harmonization would be great, that might be too much to ask for, but I'll say we'd also appreciate maybe a risk based approach and I think most multinational insurance companies would be aligned on that. We want to focus on the greater risk and regulate from there to the extent possible, but I think we also understand that, I think the old saying was, 'with great power comes great responsibility,' so we know there's a need for regulation, there's a race to regulate that is ensuing and so, particularly for legal and compliance teams, we understand. But, it can be stressful trying to read where it's all going, and I think one of the things that we're trying to do in that regard is really trying to pay attention to what direction is it going, what are we hearing from regulators so that when we work with our teams and our business partners to develop and refine our technology policies and practices, we can kind of anticipate where that might be in respect of regulatory requirements or future regulatory reporting. So you have to think about regulation at the same time as you think about implementation. You would agree and it's going to be a busy time.</p>
<p>Leo Von Gerlach</p>	<p>Audrey, thank you so much. That has been so exciting. Just listening to you, fascinating. Now just listening to people like you, I can easily see why Enstar is so successful. So thank you once again and thank you everybody for joining in. I hope you tune in again when we have our next podcast, which will be coming up soon, so stay tuned and take care. Goodbye everybody.</p>