



**The future of
work in insurance:
skilled people,
lean teams and
enabling technology**



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Building a better
working world

A radical shift in the work of insurance

The work performed by insurance companies is undergoing a radical shift. The convergence of human, technological and market forces will reshape roles and processes from product design and sales, to underwriting and claims, to the back-office functions of finance, actuarial and IT. Robots will become more than a third of the workforce. Full-time employees will be supplemented by workers from a variety of sources. The Internet of Things (IoT) will fundamentally change product offerings.

Talent will be more important than ever in this new world. In fact, it will be a top priority for senior executives and boards because the ability to attract, lead and retain the best people will determine who survives.

With many strategic choices ahead of them, insurance leaders must ask, "Am I preparing the organization fast enough and in the right way?"

The first question is, "Who will do what?"

- ▶ Robots and software will assume responsibility for the vast majority of transaction processing and number-crunching in underwriting, claims, finance and other areas.
- ▶ Chatbots enabled by artificial intelligence will handle basic inquiries regarding application or claims status, policy renewal and claims settlements.
- ▶ Sensors connected to the IoT will gather real-time data about environmental conditions, water flows, driving habits and patterns, human activity and heart rates, and other data.
- ▶ Drones and satellites will inspect properties and communities - either to assess risk before policies are issued or to evaluate damage after weather events.

As for the human workforce, it will be increasingly focused on maximizing and enhancing the customer experience because there will be fewer human touchpoints overall. Reorienting processes, practices, skills and technology for newly emerging products and customer propositions will be another key priority.

Roles and reporting lines will shift as dynamic and self-managed cross-functional teams become more prevalent. Individual responsibilities will expand, with people flowing across functional lines, and roles will be increasingly filled by contingent, remote and outsourced workers.

Tomorrow's workforces will be notably multi-generational and much more digitally oriented. New workers will be driven by the purpose of their work. They will be drawn to those insurance carriers that:

- ▶ Demonstrate their contributions to society
- ▶ Team effectively
- ▶ Reward performance
- ▶ Enhance the work experience
- ▶ Provide tools, technology, policies and work spaces that mirror other facets of their lives

Because of changing worker expectations and capability requirements, upper management will emphasize the employee experience and talent programs. Championing the company purpose and driving organizational capacity for change will be necessary to accelerate innovation.

So where to start effecting the shift in work? Many companies have established innovation units and alliances with InsurTechs to get ahead of the curve. These are worthwhile steps but are not sufficient by themselves to prepare for the future.



How to get ahead of the curve

Those insurers that survive and thrive will have four common traits.

1 A clear vision of how future work will be performed

Automation will be a top priority. Initial investments must be accelerated and expanded, with human resources focusing on higher-value tasks related to new product design, analysis of customer behavior, upsell and cross-sell opportunities, and anomalous or high-risk claims.

2 A framework for making strategic choices

The most important step is to prioritize investments based on their ability to activate the company's purpose, deliver immediate returns and promote sustainable growth. Senior leaders must have the tools and data to make the right choices because they can't invest in everything at once.

3 Deep capabilities in talent development

Recruiting and retention of high-potential staff, more effective training, and human capital management should be high-priority investments as people are a key source of competitive advantage. Though there will be fewer workers, the remaining high-capacity/high-capability employees will be in high demand, and employee experience will become a key part of operational strategy.

4 A culture that inspires and enables innovation

Significant organizational change will be required to instill a "disrupter" culture capable of adapting to constant change. Senior leaders will be expected to inspire more creativity, raise comfort levels with risk-taking and cultivate a "first-mover" mindset among their teams.

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Steps to a better future

Talking about the future of anything in insurance is somewhat misleading because it's already here - based on our observation of the significant change underway.

Insurers are faced with an inevitable "disrupt or be disrupted" choice. There is a great urgency to act. Wait-and-see approaches may leave insurers with limited options to create their own future. In other words, the "future of work" should be a present-tense conversation.

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