



# The Skills of the Future: The Impact of Artificial Intelligence

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The ways that insurance companies are conducting business are changing. With the advancement in technology, the importance of the skills needed for employees for the future are also changing.



# What is Artificial Intelligence?

Automation in the work force is not a new concept. Throughout history, there have been advancements in the way jobs were done that have changed the landscape of society. Machines such as telephones, computers, and the internet changed the way that work was performed. Artificial Intelligence (AI) incorporates the use of data and algorithms to capitalize on what computers can do for businesses. The computers can now learn from experience and can perform human like tasks.

Robotic process automation and AI are being used more and more in the insurance industry. Although the practice is still fairly new, there are a lot of impacts that AI can have with the day to day operations in the industry. Technological advances are happening at a very fast pace so it is advantageous to look at AI a little deeper.

## Strengths of Artificial Intelligence

Artificial Intelligence is increasingly proficient at performing tasks historically difficult for computers to execute, including recognizing images, identifying spoken words and using unstructured data. The acceleration in AI is being driven by exceptional technological advances along with a major shift in customer expectations. Higher computer power, memory capacity, cloud computing, big data technologies, and global connectivity of both people and machines have enabled machines to run complex algorithms faster than humans and handle more input data than a human could.<sup>1</sup>

## The impact for insurance companies

Accenture Research surveyed 100 CEOs and top executives and almost 1,000 insurance employees as part of their Future Workforce Survey. The study found that 75 percent of insurers plan to use AI tasks to a large or very large scale in the next three years. Two out of three believe AI will improve workforce productivity, with 98 percent saying they intend to use it to enhance worker capabilities.<sup>3</sup>

63%

of the senior insurance executives interviewed for Future Workforce Survey believe the industry will be completely transformed by intelligent technologies<sup>3</sup>

67%

say AI will be critical to their organization's ability to differentiate itself in the market.<sup>3</sup>

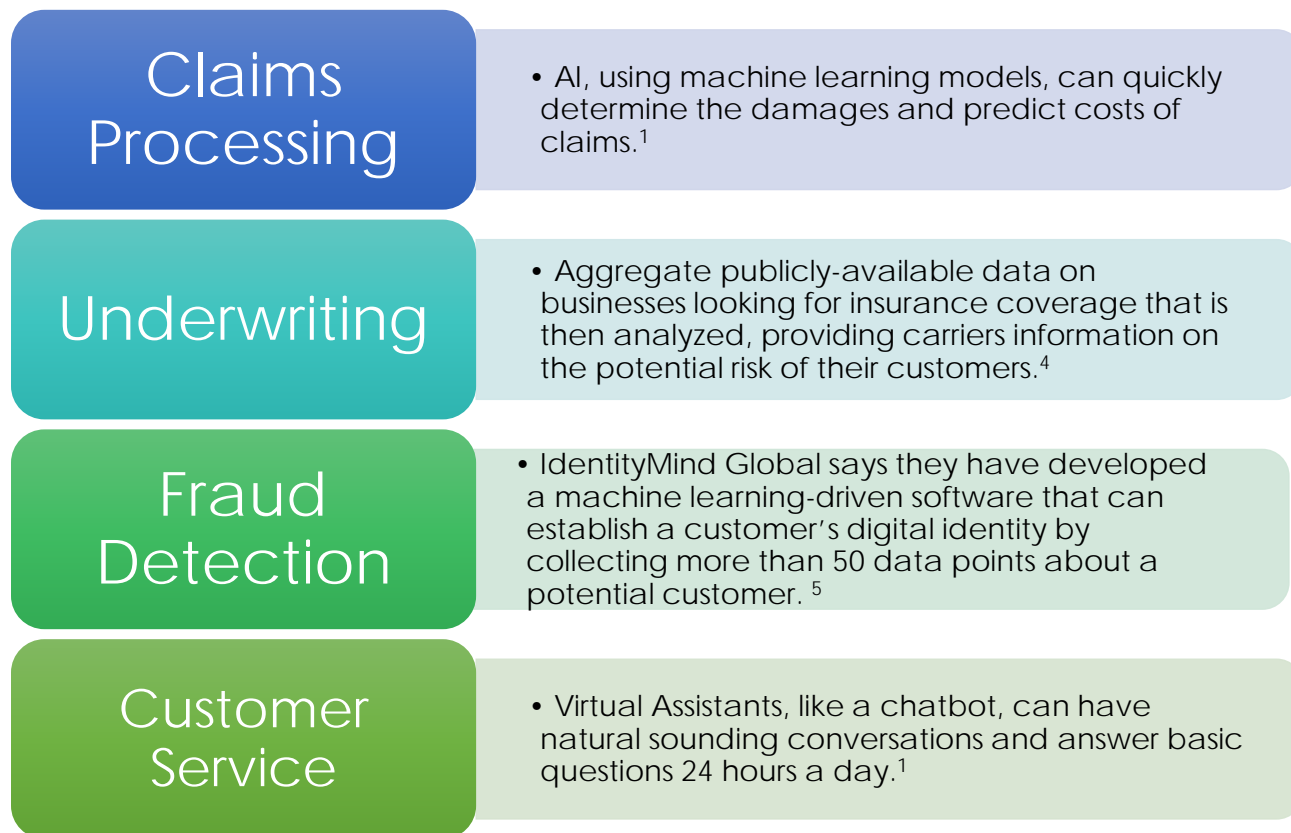
## Future Effects of Automation

- Almost no occupation will be unaffected by the adoption of currently available technologies.
- Approximately 25 percent of U.S. employment will face high exposure to automation in the coming decades .
- At the same time, some 36 percent of U.S. employment will experience medium exposure to automation by 2030, while another 39 percent will experience low exposure.

Source: Brookings Metro

## Current and Future Applications in Insurance Companies

The most common areas that are seeing a lot of advancements in technology:



## How Can Insurance Companies Prepare for the Future?

With the increased use of AI, many employees fear that their jobs will be eliminated. However, based on the Accenture Future Workforce Survey, 52% percent of insurers believe human-machine collaboration is important to achieve their strategic priorities. This is already well under way – 30 percent of the employees surveyed reported that they work with intelligent technologies for more than 50 percent of their time. The human component will still be needed to work with the computers.

### Skills of the Future

As jobs are evolving with the technological advances, it will be important for companies to determine the skills that will be need in the jobs of the future. Companies can do a skill gap analysis to map the current skills needed and determine additional skills that will be beneficial in those

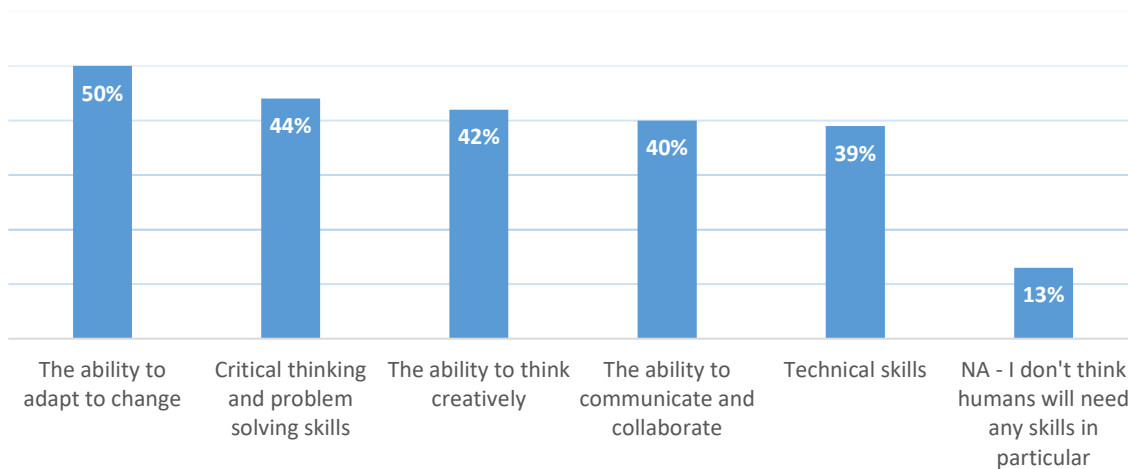
roles. The gaps can then be addressed by using selection tools for those skill areas for new employees and implementing training programs for the current employees.

LinkedIn Learning surveyed over 3,300 talent developers and workplace learners to create the 2019 Workplace Learning Report found that Skills Gaps are the number one focus for Talent Developers. As some technical skills are becoming obsolete, talent developers have been tasked to identify, assess, and close critical skills gaps.<sup>7</sup>

## What skills will people need to succeed?

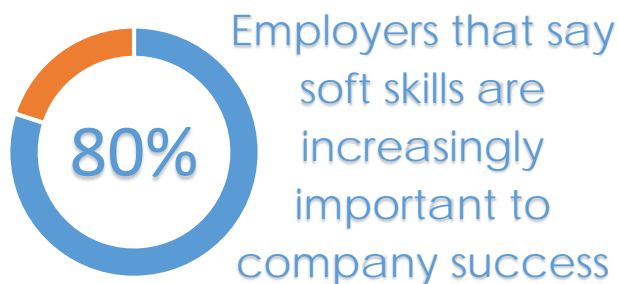
Genpact conducted a study of more than 5,000 people in the US, UK, and Australia asking about the role of AI and the workforce. They found that skills such as ability to adapt to change, critical thinking, problem solving, and creativity were outweighing technical skills.

### What skills will people need to succeed professionally?



Source: Genpact


Furthermore, LinkedIn Talent Solutions surveyed 5,164 Human Resources professional and found that soft skills are increasingly important in jobs today. With the rise of AI, hard/technical skills alone are not enough for successful job performance. As the jobs are changing, technical skills can become obsolete whereas soft skills, such as creativity, adaptability, and collaboration will always be needed.



#### Soft Skills in High Demand:<sup>6</sup>

1. Creativity
2. Persuasion
3. Collaboration
4. Adaptability
5. Time Management

According to the LinkedIn behavioral data, **creativity** is the skill that is most in demand. Creativity involves more than just the arts, it is solving problems in original ways that computers cannot easily replicate.



“WE NEED PEOPLE THAT ARE ADAPTABLE, BECAUSE WORK IS CHANGING AND IT’S CHANGING RAPIDLY. WE’RE MUCH MORE LIKELY TO HIRE YOU ON THE BASIS OF YOUR MINDSET AND YOUR ABILITY TO ADAPT THAN WE ARE ON YOUR SPECIFIC AND DEEP SUBJECT MATTER KNOWLEDGE, BECAUSE THAT MIGHT NOT ACTUALLY BE THAT RELEVANT IN A YEAR’S TIME.-- NICK REED, GROUP GENERAL MANAGER

RISK, ANZ BANK

Source: Accenture Future Workforce Survey

## Summary

The future is arriving very fast in terms of the use of AI in the insurance industry. Companies need to prepare for the evolving workforce by evaluating the skills that will be needed going forward. A skill gap analysis is a great way to determine the skills that needed for the worker for the future. Once the skills are identified, assessments that concentrate on soft skills can be used to assist in hiring employees that excel in the organization.

LOMA is now working with companies to conduct skill gap analyses by determining the competencies required for successful job performance. Job experts can establish a benchmark which represents the level of competency needed for successful job performance. Then, the competency level of individual employees are evaluated against that benchmark.

Once the important competencies for successful job performance are identified, LOMA can help you determine the assessment needs for those jobs and look at areas that will be needed in the future with AI. LOMA offers assessments for entry-level jobs, contact center and service representatives, and front-line managers. Contact us today for information on the competencies and skills that can be assessed.

## About LOMA

Established in 1924, with 1,200 plus member companies in over 80 countries, LOMA is committed to a business partnership with its world-wide members in the insurance and financial services industry to improve their management and operations through quality employee development, research, information sharing and related products and services. To find out more about LOMA and the learning opportunities it offers, visit [www.loma.org](http://www.loma.org).

## How Can LOMA Help?

For information about LOMA pre-employment assessment products and services, ideas for future whitepapers, or general questions or comments, please contact the Assessment and Development Solutions division at [empselect@loma.org](mailto:empselect@loma.org) or by phone at 770-984-6450. LOMA member companies can also request full versions of LOMA and LIMRA research studies cited here, including the Information Center’s 2018 Brief, “Insurers Offer Millennial-Friendly Benefits,” for more details on what other insurance and financial service companies are doing to make their benefits more attractive to Millennial workers.

## Sources

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