



Insurance news analysis

Video transcript

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Abbey Compton
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Welcome to Accenture's Insurance News Analysis. I'm Abbey Compton. Joining me as always is Kenneth Saldanha Accenture's Global Lead for Insurance. Kenneth, welcome.

Kenneth Saldanha
Global Lead—Insurance, Accenture

Abbey, good to see you again.

Abbey

We also have with us Scott Stice, Principal Director in our Insurance North America practice. Scott, welcome to Insurance News Analysis. Great to have you on.

Scott Stice
Principal Director, Insurance—North America, Accenture

Hi, Abbey. Nice to be with you this morning.

Abbey

Great to have you. And I'm really delighted that we have with us too Matt Coughlin, Founder and CEO of Xsell Technologies. Welcome, Matt.

Matt Coughlin
Founder and CEO, Xsell Technologies

Hi, Abbey. It's great to be here with you.

Abbey

So let's get into our first story. In the healthcare space, we're seeing more collaborative robots or "co-bots" in patient monitoring, e-prescriptions, billing, and in insurance claims. Are you seeing this expansion of this technology with the insurance carriers as well? Kenneth, let's start with you.

Kenneth

Abbey, absolutely. And I think the key point that you made there is that it's the co-bot concept, right? It's the human plus AI that we really see playing out in the insurance space. A couple of different reasons for that. One is purely regulatory. We actually have an industry where explainability is a very big deal, where licensed individuals are, in many circumstances, necessary to close out activity. And so, from a regulatory perspective, we do see the blending of human plus AI bots. So that's one key reason, but it's also an industry, an area where certainly we want automation, certainly we want accuracy, but we also want high empathy. We also want that human interaction. So I think in insurance, we really anticipate a blending of human plus AI to get the best of both worlds. And I think it will bring the best of both to play for the industry.

Abbey

That's great. Matt, what are you and your team at Xsell seeing?

Matt

Yeah I mean, Abbey, I think just feeding off of what Kenneth was describing, I think the first thing I would tell you is that we've seen a maturity that's occurring where originally, if you think about what started out, there was a lot of rote tasks, things that representatives were doing that represented an awful lot of activity and busy work. And it really was creating somewhat of an unsustainable environment. I think we've made really great progress in the automation of those rote tasks. But what that's then preserved are more complex interactions; interactions that by definition, probably represent more valuable contact with the customer and the company. And so those represent a great opportunity for what we call augmentation, where the human and the machine work together in concert to create a fundamentally better outcome for the customer. But if I just look at it, the first thing that we're doing is we're learning. What are all of the great things that people are doing across the enterprise that if we could do them uniformly, would represent a breakthrough? And I think in that instance, just the idea that automation of those simple, more rote tasks has now preserved what I'll call complex more valuable interactions, which represent a great opportunity for humans and machines to work together.

Abbey

Scott, you often work with carriers on customer experience and help with digital enablement of insurance agents. What are the scale and skilling challenges you're seeing in the distribution and other customer-facing functions?

Scott

Yeah, I think it's closely related to what both Kenneth and Matt were just talking about. Really, as customer expectations continue to escalate and become ever more prominent in how carriers have to react, we see two key areas. The first is around data, really knowing the data and the information that matters to the customer, and then knowing how to get to that data; so what the sources are. The second area we see is a lot of opportunity to make both the sales and the service experience better, but also happened faster and more efficiently with those intelligence solutions.

Abbey

Another story: new research shows that Millennial and Gen Z workers expect much more from their employers than older generations. 53% say having an unfulfilling job as a major source of stress. And this comes amid a 20-year low across all generations in worker satisfaction. Matt, given what we just talked about, how do you see AI solutions and co-bots helping with these newer workforce challenges?

Matt

Yeah, I mean, Abbey, just full disclosure, I see a very bright outlook for humans and machines, and I think it creates an opportunity for a much more durable work environment. And I even say to myself, if you think about oftentimes what happens in someone's life, they might stop working. They pick up their device, and they're looking at their device, and they might even be playing a game, or they might be doing some other things. And I think, you know, when I look at the future of where we could go, it's this idea that AI can create a much more sustainable, but also an environment where you're going to start to see the ability to bring in different contexts around the work that makes it more enjoyable for people to be able to do. And so I think there's a school of thought that thinks, that goes down a path, where AI completely replaces the workforce. And I actually think there's gonna be a very symbiotic relationship where the humans and machines are working in a way that creates a really great outcome for the company, but it creates a very durable work environment. If I think about one of the bigger challenges that we have, it's just this kind of unsustainable nature where the requirement that we've added to agents' desktop, what they have to do to do well at their job continues to grow. And so for me, there's this opportunity to give them that helping hand, that nudge in the right direction that makes it easier for them to actually do well at their given role.

Abbey

Scott, many young people enter the insurance workforce as agents, yourself included. Do you see these intelligent tools helping younger agents cope with the complexity of the industry and the changes in customer expectations?

Scott

Definitely, Abbey the workforce of today is looking for tools and technologies. They're looking for new ways of working. And these tools that Matt was just referencing can really drive better knowledge management, but also help the carrier scale the impact of their best human talent. Plus, there's the impact on carriers of the ever-increasing employee attrition rate; the Great Resignation, and that ultimately dilutes the customer experience. But it also increases cost for insurance companies as they have to spend tens of thousands of dollars on recruiting and training and then, ultimately, making these new employees proficient, while at the same time demanding ever more of them. So young agents, whether in sales or service, often face questions or situations that you probably never anticipated. Some of them often make those folks feel unprepared or untrained. So an agent may get a very random question that just doesn't come up very often. Other times they may be put in a very awkward situation by a customer making a demeaning comment. And so artificial intelligence can help young agents and young service representatives through these situations, drawing up on the experiences and the reactions of the best talent across the entire organization. And so ultimately, I think all of those things combined not just make the insurance place a more attractive place for young, new entrants to join. But it also makes them have a better, more positive experience once they're there. That in turn helps the customer experience. That in turn helps drive down expenses, really a win-win-win across the entire front.

Abbey

Kenneth, we've talked a lot about the steep competition for talent, especially in technology, analytics, and actuarial roles. How do you see these themes playing out in talent acquisition or broadly?

Kenneth

I think this is an absolutely critical area and a huge upside for AI solutions like what Matt and his team offer. We've heard from, very directly, from college graduates coming into the workforce that they want... really two key things they are looking for: Number one is work with purpose. The second is access or working with tools and technology that is innovative and cutting edge. And as you and I have talked about before, insurance has a brand problem. We do not do well on both these, even though we actually have a lot to offer in those spaces. First off, I can't imagine an industry, and I grant that that I'm deeply biased, I can't imagine an industry that has more purpose than the insurance industry. Whether you're talking about buffering families and individuals from risk, or you're talking about enabling commercial enterprises to operate with a much lower level of capital because they have insurance, you're talking about the fundamental underpinnings of what keeps both personal, families, and individuals going as well as moves the economy. It's a high purpose area. Now, along with that, we've got to talk about what do you do when you actually start to work in insurance? And this is where, Matt, I won't try to explain your product and your team, but this is, to me, a huge opportunity, right? Because we actually are putting into the workflow, into the transactional environment, a set of tools and technologies that are absolutely on the cutting edge.

You're talking about AI, you're talking about machine learning. And one of the big things that I think is very attractive to the incoming workforce is the ability to provide real coaching and development advice that is actually driven by analytics and outcome-based direction as to what you should do next. There's plenty of, I think, new agents who would roll their eyes at being just told by some grey-haired 50-year-old, "Oh, you should do this in the situation." That's a very different situation from an AI mechanism sitting alongside your desktop saying, this line of conversation has typically resolved the issue that you're facing analytically. What we've heard and seen in the work we're doing. So I think it takes us away from insurance being old and stodgy, very driven by a set of people that the new workforce doesn't want to be a part of. It takes it out of being something that... an industry that isn't adding value or purpose to the economy. We have a lot to do to get that message out and clear. And what I'm excited about, working with Matt and his team, is we're actually now putting in tools and technology that are very realistically delivering exactly what we've heard the employee value proposition needs to be.

Matt

Your point there is brilliant. And the fact that today, if you think about the workforce, they're coming into the insurance industry with digital-first instincts that they've built. Just even think about our experiences in university. I know that was a while ago, right? But we used to have to spend much of our time actually finding data, finding information, in the library. Now, they use search as second nature. They've developed and honed these skills in terms of how they accomplish something, where they expect that to be there as part of their ability to succeed. And so I think the responsibility now is really to say, let's not be anchored in, you know, kind of old behaviors or old techniques in terms of helping the workforce be effective. But let's think about what set of capabilities can we avail to the team so that, one, they become better, faster at what we're asking them to do so that they can actually then stay aligned and build the competencies. And I think if you think about one of the expectations that has been created over time is just the idea that people really want the workforce to come in and become better, faster. And if we can build the supporting tools that allow people to flourish early in their experience, they stay longer and build these competencies.

So I think your point, Kenneth, around, you know, the responsibility of availing these tools and bringing them to the workforce first of all, I think it's going to have a dramatic impact, but I also think industry-wide, it represents a frontier of change that will be very beneficial for the company, the customer, and the workforce.

Kenneth

Scott, Matt, just building on the things you were just talking about, I did want to get your take as well on another issue that I think is very closely associated but slightly different, which is how the industry is reacting, particularly at a new hybrid working environment, to the need for apprenticeship, to the need for knowledge management. The industry has always had a rapidly aging workforce. We've struggled with these issues. I think that's now been exacerbated with the remote environment. Scott, maybe your thoughts first on how we can use some of this technology now to really get around and get to a way to support apprenticeship, knowledge management, training with the newer folks coming into the industry?

Scott

Yeah. I couldn't agree more, Kenneth. That's a critical topic if you think about how most knowledge has been transferred in the industry, it's been the water cooler talk happening in a very informal apprenticeship, mentor style. With the hybrid work environment, those opportunities are just eliminated. Also, as you well know, I spent the last 30 years of my life before joining Accenture, managing sales organizations in the insurance industry. And one of the most challenging things was finding the right agent to put in front of other agents. Agents who not only performed well and that you had proof points behind that performance, but also agents who were going to represent well, agents who weren't going to offend or demean half of the audience five seconds into their saying hello. And so I think technology gives us an opportunity to really reset and rethink how we do that. Put data behind it, take the personalities out of it, but still leverage the best performers, whether we're talking service, whether we're talking claims, whether we're talking sales. So you know, what Matt's company does, I think, feeds right into that.

Matt

Yeah. I mean, Scott, you know, just just taking it even one step further, it's been my experience that oftentimes a lot of that mentorship is driven off of anecdotal information or previous relationships. And when you really distill it down, what you're looking for is, "Can I understand with empirical evidence specifically what people are doing that causes the outcome to occur?" And this is an important piece because very few organizations could tell you that they have the collective intelligence or the collective understanding across their business on what specifically leads to the outcome. I think one of the great frontiers that sits right in front of us is this idea that an organization could listen across all of its customer conversations, know based on empirical evidence exactly what is leading to the best. Because even if each of us were handling a conversation, I suspect, Scott, you might be great at something. Kenneth, you might be great at something else. And, Abbey, you'd probably be great at all of them, Abbey, right? But the point being, all of us would be great at different things. What an organization has is the opportunity to capture the collective intelligence, organize it in such a way that now we can make it available to all of our young and developing workforce. And I think what's important about that as you think about how disrupted things have become, where we're asking people to work remote. We're asking them to do things that even the organization was not necessarily prepared for. But given these new sets of tools, now what we can say is, imagine having a real-time coach sitting with you no matter where you're sitting. You can be sitting in your home office. You could be sitting in a remote location, but now you have the availability of "What would the best coach have said given this set of circumstances?" right at your fingertips. And I think that's where you're going to start to see some really positive disruption in the space.

Scott

I think the one thing I would add to that, Matt...100% agree with everything you just said...is the element of consistency. The former apprenticeship model, because it was ad hoc, because it was often anecdotal... while, yes, we were passing along some element of best-practice, some element of best performance, it was inconsistent in terms of how it was delivered across the broad organization. And companies like Xsell can bring not only the knowledge transfer, but do so in a very consistent manner.

Abbey

Alright, thanks so much, Matt. Thanks so much, Scott for joining us as well. And, Kenneth, as always, great to have you on and hear your perspective on the industry.

Kenneth

All right. Thank you, Abbey. Thank you, Matt, Scott.

Matt

Thanks, Kenneth. Thanks, Scott. Thank you, Abbey.