

Life Insurance x AI

Key Trends, AI-Powered Solutions and the Talent Leading the Way

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Eliot Partnership is the leading global insurance sector specialist executive search firm. We know the importance of having the right leaders in an organisation, and we enable our clients to build world-class businesses and leadership teams.

We lead domestic and international assignments from our eight offices in Bermuda, Chicago, New York, London, Singapore, Sydney, Cologne and Zurich.

It takes extraordinary people to manage risk – we find them.



Snowflake is a leading cross-cloud data platform that enables organisations to execute their enterprise AI strategy by eliminating data silos and simplifying their architectures, allowing organisations to get the most value from the data.

Snowflake delivers the AI Data Cloud – a global network where thousands of organisations mobilise data with near-unlimited scale, concurrency, and performance. Inside the AI Data Cloud, organisations unite their siloed data, easily discover and securely share governed data, and execute diverse analytic workloads.

We live in excitingly challenging times

The Life insurance industry has been relatively stable and predictable for decades; some might even refer to it as uneventful. The industry's long-term nature has acted as a disruption wave breaker and shielded us from the past brutal waves of technology that successively disrupted industries from publishing, retail, and music to entertainment and automotive.

Today, the pace of change is accelerating, upending long-standing actuarial models by affecting many aspects of longevity and health span and bringing additional unknowns to investment returns. At the same time, rapid development in Artificial Intelligence (AI) is introducing a completely new set of tools that are driving solutions to existing and emerging problems across the whole insurance value chain.

At Eliot Partnership, we live and breathe insurance and talent worldwide. Whether it's helping a leading global insurer in New York find their next CEO, assisting a pan-European life insurer in hiring an exceptional Chief AI Officer, or supporting a Singapore-based reinsurer in appointing a Head of Data Science and a Chief Technology Officer in Sydney, we are there. We work closely with insurance leaders and talent acquisition teams to meet their immediate and future talent needs.

For this report, we collaborated with an exciting AI leader, Snowflake, to combine unique insights from technology and insurance and determine what this ultimately means for our industry and future talent.

Nobody knows for sure how long it will take for this fundamental change to propagate through the industry. Still, positioning for such change now, including considering future talent needs, will be a key business imperative.

We hope you will find this report impactful and we invite you to reach out to our teams discuss this report and how we can help you find the right talent to navigate the future.



Life insurance is an industry built on long-term assumptions that provide a stable foundation



Actuarial models can be trusted, change is infrequent, and increasing sales requires recruiting more agents and making them more active and productive.

As we wrap up 2024, the waves of change are rapidly building up, and some fundamental assumptions are being tested. At the same time, we are in the early days of the AI super-cycle, and there are many unanswered questions.

For the first time in a generation, the fast-evolving risk landscape is upending long-standing actuarial models. This includes the lingering, unpredictable mortality impact of COVID-19, the global climate crisis, and increasing heat and environmental stress, affecting many aspects of longevity and health span. A less stable geopolitical environment also introduces additional unknowns on investment returns.

AI is bringing a new dimension and rewriting the rules that have long been taken for granted. For example, a social media influencer, assisted by AI algorithms and AI co-piloted insurance

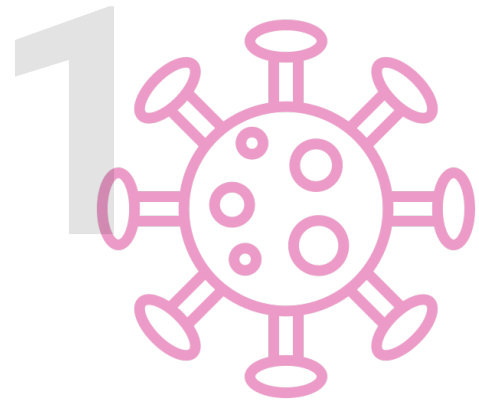
team members, is equivalent to a small army of agents and insurance staff, multiplying their productivity.

The reality is that when it comes to a fundamental change, it's typically not a single trend or technology that spells its arrival but a convergence of several powerful forces that all come together. The non-linear nature of these converging forces makes it much harder to spot the change, especially if you are stuck in the industry's day-to-day operations or sales grind.

As our world evolves, AI is no longer a futuristic concept, and we need to gear up quickly for it as leaders, teams, and organisations; it is reshaping the life insurance industry. AI applications drive unprecedented changes from data-driven agent profiling to predictive health analytics and advanced fraud detection. Insurers who embrace these technologies are poised to lead the market, offering their customers more personalised and efficient services.

Mega Trends

Based on numerous conversations with insurance and reinsurance leaders and board directors over the last 12 months and the latest research on emerging topics, we have selected five trends significantly impacting the Life insurance industry globally. Those are the topics that are currently keeping many CEOs up at night as they have a direct impact on their business results and share price.



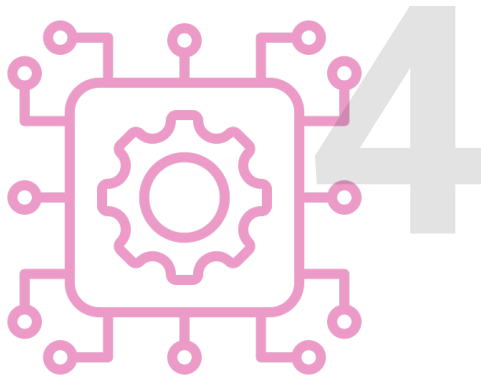
Post-Pandemic Longevity and Morbidity Impacts

The COVID-19 pandemic has reshaped assumptions around longevity and morbidity, with ongoing impacts such as long-COVID and shifting healthcare demands leading to more unpredictable mortality trends. Insurers face significant challenges in dynamically recalibrating long-term risk models and addressing the financial impacts, particularly on their longevity portfolios and asset/liability matching.



The Impact of Climate Change on Health and Mortality

Climate change is leading to significant health challenges, including increased heat stress, pollution-related respiratory issues, and spreading diseases due to the changing environment. This introduces new risks that traditional actuarial models struggle to assess and price, posing challenges for insurers in adjusting their risk frameworks.



The Rapid Development of all Things Artificial Intelligence

The large language models have been all the rage in the last two years, with their growing ability to analyse unstructured information and provide increasingly cohesive multi-modal insights across text, images, audio, and video.

Actuaries were the “original” data scientists and have been building foundational models using tools like regressions, which are key components of AI. Life Insurers began investing in AI over the last 15 years. However, recent developments have brought powerful new capabilities, and we are seeing leading insurers utilise these new capabilities in conjunction with megatrends.

AI appears to be an enabler rather than a disruptor. However, insurers’ AI posture includes defensive and offensive capabilities.



The Rapidly Rising Chronic Disease Prevalence

Chronic diseases such as diabetes, obesity, cardiovascular disease, and mental health disorders are rising sharply worldwide. This increases claims costs for insurers and challenges traditional underwriting methods, which struggle to accurately predict the long-term risk associated with these conditions.



Economic Instability and Inflation

Economic instability, driven by factors like inflation, interest rate fluctuations, and geopolitical uncertainty, presents a significant challenge. Inflation erodes the real value of long-term policies and increases claims costs, while economic volatility accelerates consumer shifts in buying behaviour and policy lapses.

AI Applications



Climate Risk Modelling:

AI analyses large volumes of cross-domain data, including environmental, demographic, and health data, to accurately predict how climate change will affect mortality and morbidity parameters, enabling insurers to adjust their risk portfolios dynamically.



Post-Pandemic Health Insights:

AI models analyse long-term health patterns related to COVID-19, allowing insurers to refine longevity models and develop more accurate pricing strategies.



Underwriting & Disease Management:

Predictive analytics is helping insurers assess future health outcomes for individuals with chronic conditions, leading to personalised policies and risk-factored pricing.

AI is giving health professionals never-before-existing capabilities to detect disease earlier and diagnose more accurately. This translates to a positive impact on longevity and life insurance carriers' loss experience but will be challenging for those Life Insurers who write annuities and pensions.



Economic Scenario Simulation:

AI enables actuarial teams to model economic scenarios, helping to adjust dynamically to inflationary trends and their impact on policyholder behaviour.

We are seeing rapid experimentation and roll-out of efficiency-oriented AI solutions across operations, contact centres, and claims teams.

AI Maturity

To fully harness AI's potential, insurers must evaluate their current organisational realities and match the talent needs that reflect the current stage and future ambitions. This helps to provide a realistic path forward across the three-stage AI maturity framework that helps insurers figure out how to move from their current capabilities to achieve their strategic ambitions.

Stage One



Stage Two



Stage Three

Foundational

Limited AI adoption with siloed analytics. Insurers must invest in data integration and develop a clear AI strategy.

Emerging

Initial AI solutions are implemented but not fully integrated into core processes. Scaling AI initiatives and fostering cross-functional collaboration are key next steps.

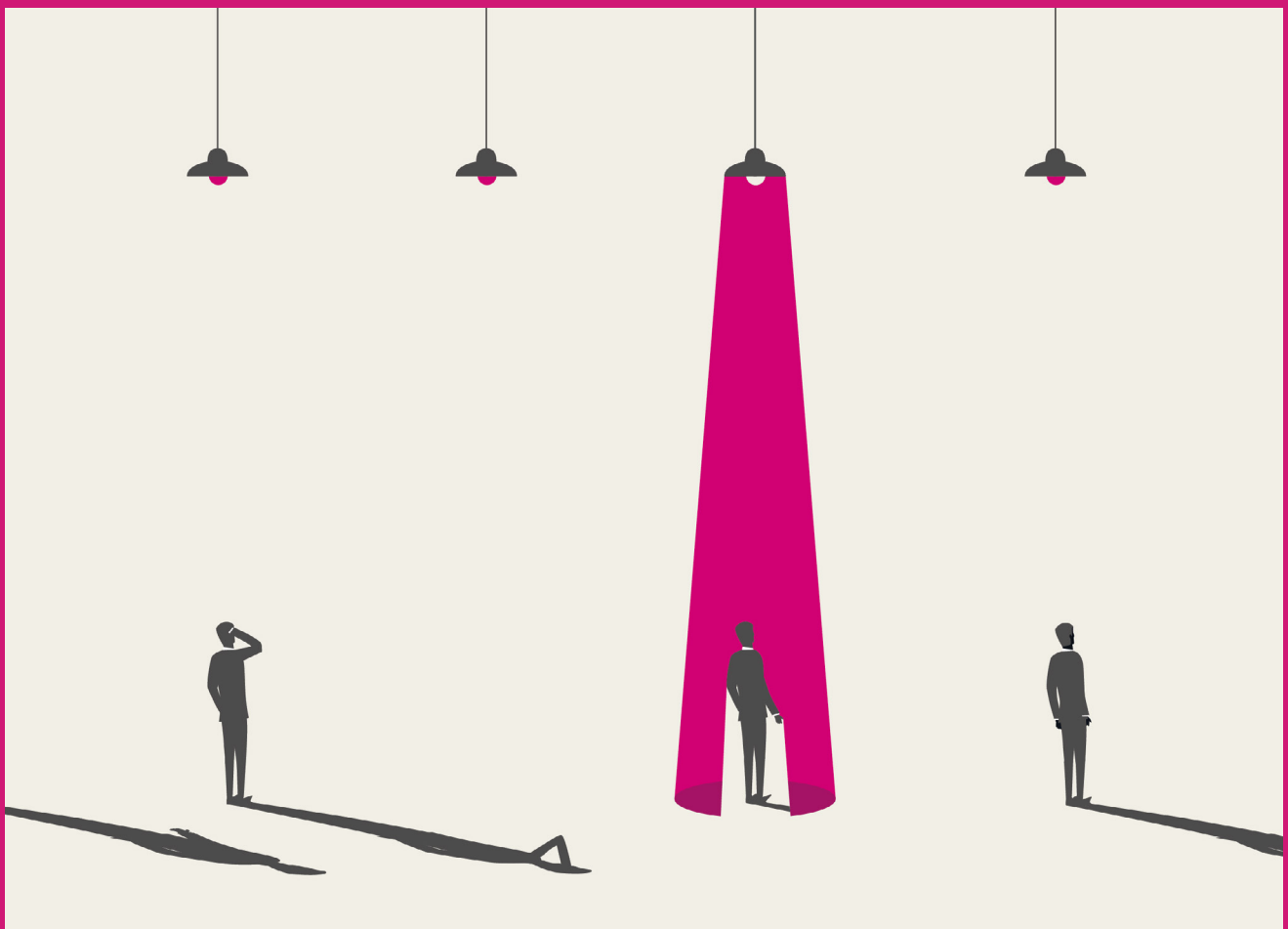
Advanced

AI is embedded in all major functions, enabling real-time decision-making and personalised experiences. Insurers should continue expanding AI use cases and investing in cutting-edge research.

Next-Generation Talent

The life insurance industry is undergoing a profound transformation driven by an unpredictable world and the rapid evolution of intelligent technologies. This shift demands a new breed of leadership - talented individuals who can navigate uncertainty, harness technology to tackle complex challenges and inspire teams to break beyond traditional boundaries.

As life insurers face an increasingly dynamic landscape, quickly assessing emerging technologies and anticipating shifting consumer expectations becomes critical. The rapid pace of AI adoption can disorient even seasoned executives, creating a heightened demand for leaders who excel at managing uncertainty, integrating AI into long-term strategies, and driving innovation across their organisations.

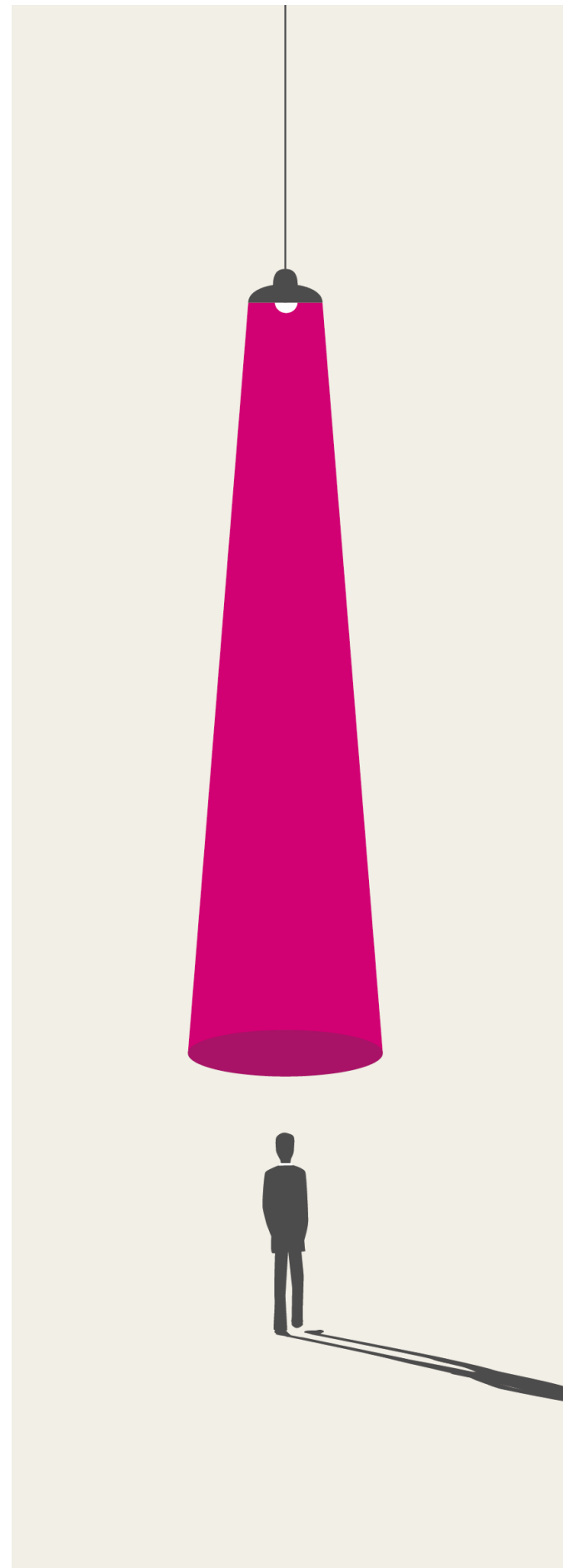


For insurers at earlier stages of AI maturity, bringing in technology leadership from outside the insurance industry may present challenges due to a potential mismatch of expectations. However, external expertise—such as seasoned AI leaders or CTOs—can provide invaluable new perspectives for those further along in their AI journey. These leaders must focus on building scalable AI infrastructures, fostering collaboration between data science and actuarial teams, and maintaining an environment of continuous innovation.

As AI adoption accelerates, insurers must also cultivate a new generation of data-driven leadership. Chief Data Officers (CDOs) and CAIOs will play a pivotal role in combining a deep understanding of insurance with expertise in AI, ensuring that predictive models and newly automated processes meet regulatory standards while unlocking new business value. These leaders will be crucial in developing strong data governance frameworks, applying predictive analytics to underwriting and claims, and ensuring AI systems are transparent, ethical, and explainable.

In addition to senior executive roles, the appointment of Non-Executive Directors (NEDs) from outside the industry, particularly with a tech or data background, is becoming more common. These appointments add valuable external perspectives that can guide organisations in adapting to digital trends and fostering an AI-centric culture. This complements the broader strategy of developing AI-driven solutions that are increasingly central to insurers' client value propositions, particularly among reinsurers leaning more on technology and data-driven insights.

Ultimately, insurers that invest in the right talent today will shape the future as AI and data become central to the next generation of the life insurance industry.



Key Takeaways

Foundations for an AI-Powered Future

The next 24 months are crucial for insurance leaders to leverage AI and secure top talent, laying the foundation for future success amid rapid change.

Assess AI Maturity

Insurers must assess their AI readiness and take proactive steps to integrate AI into their business strategies to stay competitive.

Contact the Eliot Team

Connect with Eliot Partnership to discuss how they can help your organization secure the right talent needed to navigate these critical industry shifts.

AI as a Strategic Differentiator

AI is more than just a tool—it's a crucial factor that will define which insurance companies will lead the industry transformation.

Investing in AI Talent

Firms that invest in AI capabilities and attract the right leadership talent will be well-positioned to steer the future of the insurance industry.



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