Global Insurance Market Pulse

Orchestrating the Future of Insurance: Scaling AI Through Human-Centered Transformation

WAVESTONE

Content

Foreword

To Insurance Industry Leaders,

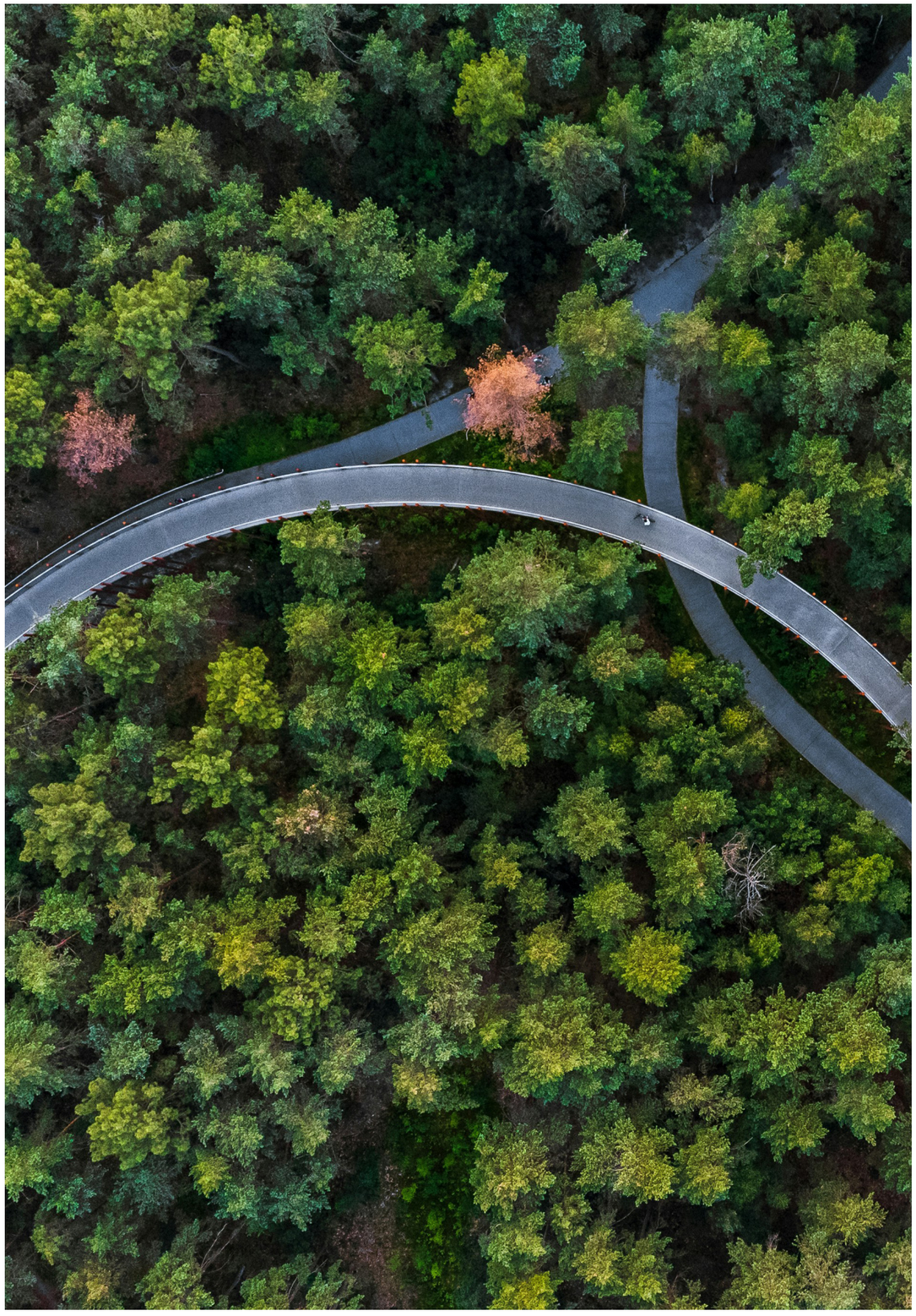
Artificial intelligence is becoming embedded across the insurance sector. Yet despite widespread adoption, many insurers are still struggling to move from promising pilots to enterprise-wide impact. The gap between ambition and realized value continues to grow.

In our global work with insurers, we see that technology is not the primary obstacle. The greater challenge lies in aligning AI initiatives with the way people work, make decisions, and deliver value. Too often, AI is implemented as a system upgrade, rather than as a catalyst for organizational transformation.

This report introduces a different path forward. It outlines how insurers can scale AI by orchestrating a close partnership between employees and technology. We present a practical framework to help leaders embed AI across the insurance value chain, while equipping their people to thrive in a transformed environment. We also provide actionable steps that organizations can begin implementing immediately.

Insurance has always relied on expertise, trust, and sound judgment. AI will change many aspects of how insurers operate, but those qualities remain essential. Companies that succeed in the next era will be those that bring together the best of human capability and advanced technology. Not in parallel, but in concert.

Sincerely,
Eduardo D'Alma
Partner, Lead Insurance International



Executive Summary

The insurance industry sits at a crossroads in its AI journey. On the one hand, the adaption of AI is omnipresent, more than 2/3 of our insurance customers report implementing at least one AI solution. On the other hand, the large majority have not achieved any AI integration at scale across the enterprise.

This paradox of significant investment without commensurate impact signals that something fundamental is still amiss. The usual culprits (data and technology) are only part of the story: while data abounds, the average insurer is far from utilizing even a fraction of its data for AI models, and despite citing data as their "greatest asset", much of it lies untapped. Moreover, a large portion of insurance executives repot critical AI talent shortages even as their AI programs grow by double digits annually.

What is this missing piece in their approach to AI transformation? Thus far, many insurers have treated AI as a technology and more importantly, in leu of an automation challenge, when it in fact, primarily is an employee challenge. True scaling of AI will not come from algorithms alone. It will come from orchestrating a powerful partnership between employee expertise and artificial intelligence. This issue of our Global Insurance Market Pulse lays out a roadmap for insurance CEOs and senior executives to reimagine their organization's AI strategies, blending employee expertise and intuition with speed and analytical prowess of AI. We take a global view and draw on fresh insights from our leading clients to illustrate how a strategic approach to AI scaling within your organizations can drive both operational efficiency and new sources of value.

We begin by examining the current industry paradox: widespread AI adoption with limited value capture. We then explore the importance of fostering an employee-AI partnership, identifying key employee factors that make-or-break AI initiatives. Next, we introduce a "Unified AI Orchestration Framework", a layered approach to scaling AI that links technological capabilities with employee enablers at each level. We outline the transformation across three horizons, from integration and trust-building in the near term to a re-imagined, AI-native insurance model in the long term, and describe the new roles and skills emerging as work is redesigned. We also paint a picture of future archetypes of insurance companies, highlighting why those who orchestrate AI and human potential ("the Orchestrators") will outpace those who merely automate or stagnate. Finally, we provide actionable recommendations including five concrete steps leaders can take "on Monday morning" to kick-start an employee-centered AI transformation.

Our message is simple, by orchestrating employees and AI in concert, insurers can unlock unprecedented efficiency, deliver deeply personalized customer experiences, and empower their workforce for the future. In short, these are the very promises being delivered today by leading CEOs to their stakeholders. This employee-centered approach to AI is rapidly becoming the defining trait of the industry's future leaders.

How to Navigate and Apply the Framework Tables

The diagnostic tables presented in this report help translate strategy into action for insurance executives orchestrating AI transformation. These tables function as practical tools that move beyond theory to provide concrete guidance for your transformation journey.

The Diagnostic Framework

Each table serves dual purposes: reflecting your organization's current state and guiding your next moves. The Employee Factor Analysis Table opens by diagnosing the four critical people challenges that commonly derail AI initiatives, pairing each problem with its specific solution. This diagnostic approach reveals why technology investments often fail to deliver expected returns.

The Heatmap Readiness Dashboard in the Unified AI Orchestration Framework uses simple color-coding to assess both technological maturity and people readiness across all four layers. This visual snapshot immediately shows where investment and attention are most needed, often exposing patterns like strong technical capabilities paired with weak people readiness.

The Horizon Snapshot Table links your transformation timeline with concrete outcomes, showing how technological focus areas must advance alongside people initiatives. The Emerging Roles Table translates workforce evolution into actionable categories, helping HR and leadership understand what new capabilities to build or hire.

From Assessment to Action

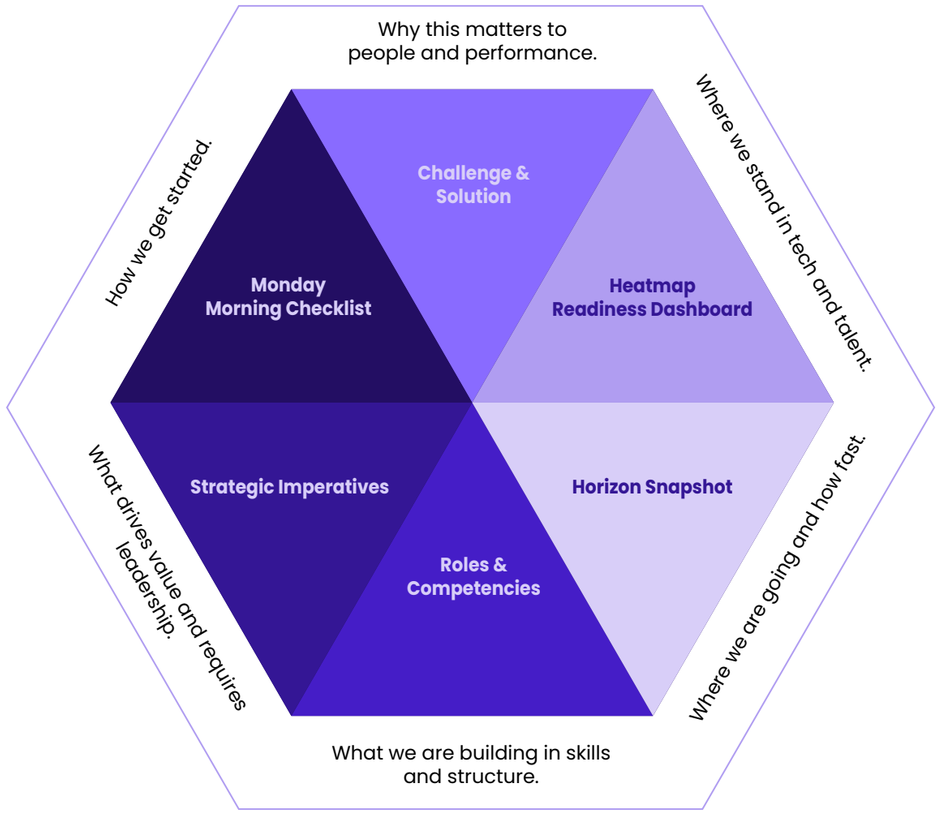
The Strategic Imperative Table provides immediate CEO checkpoints based on your company archetype: "Have we launched a new AI-powered offering this quarter?" Such questions strip away complexity and steer leadership focus toward the metrics that are most critical for your transformation phase.

Finally, the Monday Morning Checklist transforms all strategic concepts into weekly action items that executives can implement with immediate effect and reassurance of complete expected outcomes for accountability

Practical Application

Treat these tables as living documents for quarterly reviews. Use them to foster structured conversations. Share diagnostic results with your leadership team, discuss workforce planning with HR, and track progress against concrete milestones. The tables provide shared vocabulary for complex strategic discussions, encoding success and failure patterns from hundreds of insurance transformation initiatives.

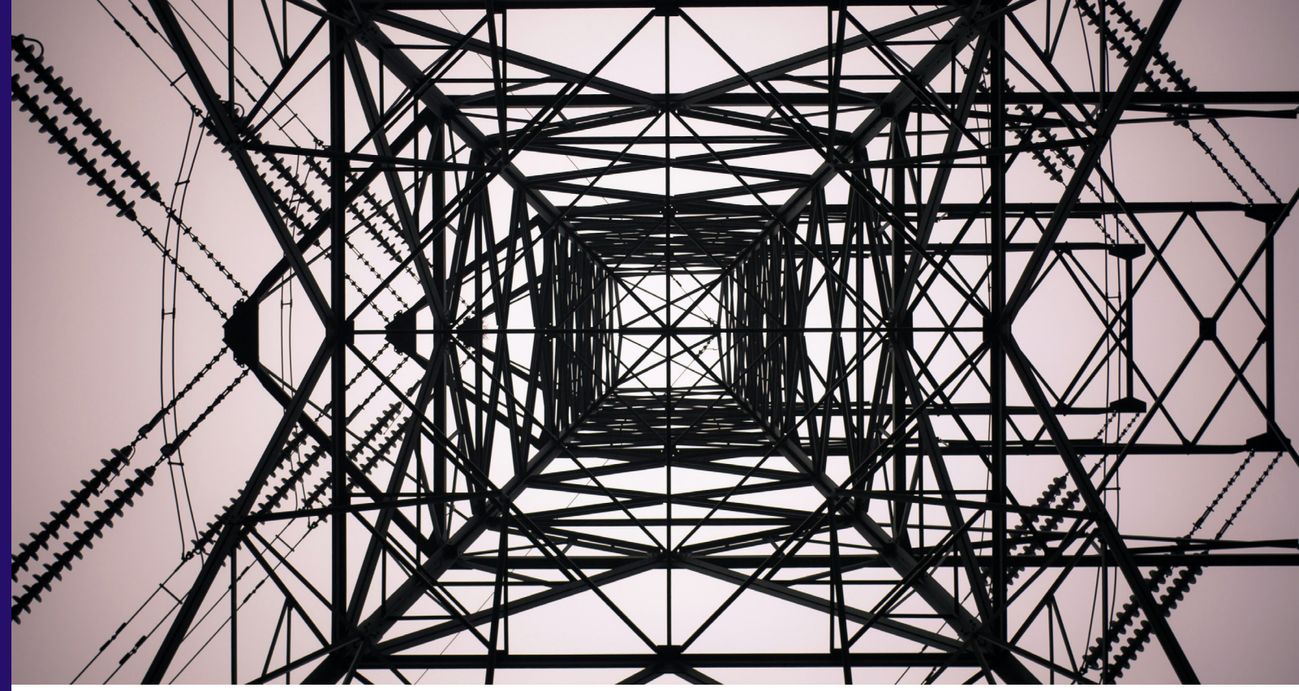
Wavestone AI Scaling Strategy Hexagon



1.

The Industry AI Paradox: High Adoption, Low Impact

Insurance CEOs face a puzzling reality and its contradiction: AI is everywhere, yet true AI-driven transformation is rare. As noted, nearly all insurers have piloted AI tools, budgeted ridiculous sums of money for AI projects, but few have realized enterprise-wide impact. Many initiatives remain stuck in "pilot purgatory," isolated in silos or specific functions, or the most intriguing of all, unused by their employees. In fact, the current industry approach is best described as a vertical AI attack on the horizontal insurer value-chain, hoping to see what sticks. The result is that massive investments are yielding only incremental gains. Likewise, even as carriers invested billions in analytics and AI last year, a majority report these projects have underperformed on ROI expectations, if there were any. Several aspects underscore the magnitude of this paradox.



Limited Value from Data

Insurers sit on treasure troves of data (years of customer records, claims, risk insights), yet most models utilize a small fraction, leaving a large portion of potentially valuable data untouched. This gap persists despite the vast majority of insurers call data their greatest asset, culminating in a clear disconnect between aspiration and reality in data utilization.

Talent and Skill Gaps

The push to implement AI has outpaced the development of internal capabilities. Recent industry surveys revealed that a significant majority of insurance executives noted critical AI skill shortages in their teams. Despite this, AI initiatives at these insurers are increasing by more than a third each year, indicating that the talent gap is widening as demand for AI work grows. Insurers often struggle to hire and retain data scientists, AI engineers, and more importantly, to upskill their existing workforce to work effectively with AI.

Operational Friction

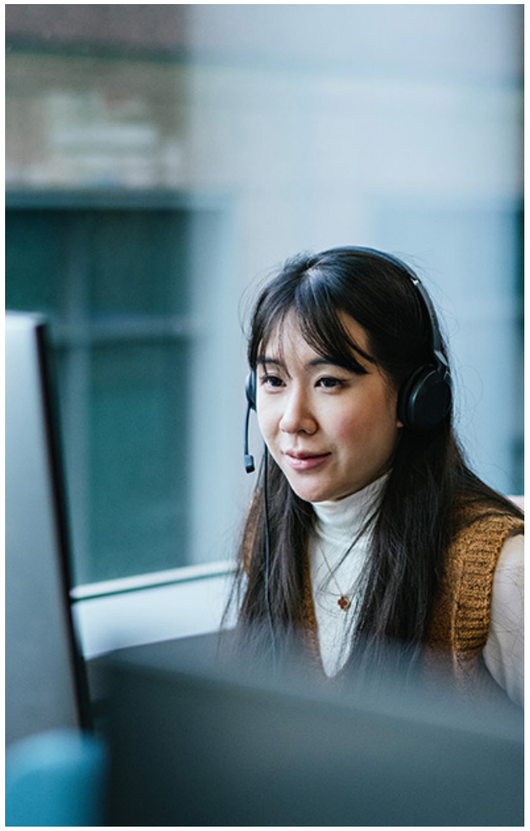
Legacy processes and siloed systems make scaling AI difficult. Many insurers have a patchwork of tools for claims, underwriting, finance, etc., with limited integration. AI solutions bolted onto these legacy processes often face internal resistance or simply don't mesh with how employees work day-to-day, limiting their impact. Moreover, strict regulatory requirements and the need for explainability in insurance can slow down AI deployment beyond small use-cases.

The paradox is evident. Insurance has enthusiastically bought into AI technology, but not yet into the deeper "transformation" that AI enables. To understand why, we must look beyond technology and examine employee and organizational factors. In short, the industry's AI problem is less about algorithms and more about people.

2.

Embracing the Employee-AI Partnership

Insurance is a people business, built on relationships, trust, and expert judgment developed over years. It should come as no surprise, then, that the toughest barriers to scaling AI are employee and organizational based, not technical. Many transformation projects fail to yield success due to their treatment of AI integration reflecting the nature of IT projects and consequently ignoring the employee element. In reality, achieving ROI from AI requires addressing cultural fears, reskilling staff, redesigning workflows, and aligning leadership vision, essentially, designing the AI transformation with employees at the center. Insurers that will thrive in the upcoming transformation will be those that foster a true partnership between employee talent and AI, rather than those that view AI as a mere tool or, worse, an employee replacement.



Wavestone research and industry leadership have distilled four critical employee factors that commonly undermine AI initiatives in the insurance industry:

1. Workforce Fear and Resistance

Change management is a perennial challenge, and with AI it is amplified by job insecurity. Consequently, a significant portion of employees within insurance organizations may be resisting AI implementation by delaying the start of projects, distrusting AI outputs, or becoming disengaged. Such resistance can doom even the best technologies. If employees perceive AI as the enemy, they will find ways (subtle or overt) to avoid integrating it into their daily work.

2. Change Fatigue and Initiative Overload

In many insurers, employees are drowning in a flood of new tools and processes. In an industry undergoing constant transformation, the average insurance employee is asked to adapt to multiple new technology initiatives per year. This constant churn creates fatigue and lowers morale. When another "shiny new AI project" comes along, front-line staff may be skeptical or too worn out to give it full attention. In short, rapid change in a constrained time frame impedes adoption. Insurers must be mindful to prioritize and sequence initiatives and provide support, so employees don't feel overwhelmed.

3. Misframing AI as a Replacement, Not an Augmentation

How leadership communicates about AI fundamentally shapes employee attitudes. Too often, AI has been framed (implicitly or explicitly) as a way to automate tasks and reduce headcount, casting a shadow that AI is a "job killer." This is a missed opportunity. If instead AI is positioned as an amplifier of employee potential, taking over drudgery and freeing people for higher-value work, employees are far more likely to embrace it. Unfortunately, many insurers "missed the partnership opportunity" by introducing AI as a cost-cutting automation tool rather than a collaborative colleague. This framing sets up a confrontational dynamic (people vs. machine) instead of a cooperative one.

4. Leadership Focus on Tech over Culture

Many insurance executives have approached AI as a technology deployment to manage, rather than a cultural transformation to lead. The result is that hard technical problems got resources (data integration, model development), but the "soft" work of culture, communicating vision, retraining staff, redesigning roles, shifting incentives, was neglected. This leadership gap causes organizations to address the wrong problems: they deploy AI systems but miss true transformation because people and processes are overlooked.

In short, technology is the easy part, it's the people part we've been getting wrong. The encouraging news is that each challenge has a clear antidote: fear is overcome by communication, involvement, and upskilling; change fatigue is managed by better

governance and employee-centric design of transformations; the replacement narrative is flipped by highlighting success stories of augmentation; cultural change is driven by leaders who champion a new vision.

Building this new partnership requires reimagining workflows so that employee expertise and AI capabilities complement each other. Insurers must foster trust in AI among employees by reengineering their existing workflows and highlighting how AI augments their roles, handling repetitive tasks and allowing more focus on judgment-intensive work.

This model of transformation requires engaging employees in the AI journey from day one, communicating a clear vision that "AI will help you, not replace you", equating investment in people and technology alike.

Challenge and Solution
Securing Trust as the Foundation of Transformation

FACTOR	CHALLENGE	SOLUTION
WORKFORCE FEAR & RESISTANCE	Employees worry that AI will make their jobs obsolete, leading to project delays, distrust of AI outputs, and disengagement.	Proactively communicate goals, involve staff in design, and upskill through targeted training to build confidence.
CHANGE FATIGUE & INITIATIVE OVERLOAD	Constant influx of new tools and processes leaves front-line staff overwhelmed and skeptical of yet another "shiny new AI project."	Implement stronger governance to prioritize sequence initiatives and design transformations with employee input.
MISFRAMING AI AS REPLACEMENT	When presented as a cost-cutting, headcount-reducing tool, AI is seen as a "job killer," creating a confrontational dynamic between people and machines.	Reframe AI as an augmentation partner by sharing success stories where it handles routine tasks and amplifies impact.
LEADERSHIP FOCUS ON TECH OVER CULTURE	Executives allocate resources to technical build-out (data, models) but neglect culture-shifting work (vision-setting, role redesign, incentives), so transformation stalls.	Balance technical investments with culture change: leaders must articulate vision, retrain staff, and realign incentives.

3.

The Unified AI Orchestration Framework

How can insurers systematically design their transformation so that technology and employees advance together? To answer this, we introduce the Unified AI Orchestration Framework, which provides a structured way to scale AI through employee-centered orchestration. The framework consists of four layers: Foundation, Intelligence, Orchestration, and Transformation, each of which requires progress on both the tech and people fronts to fully unlock value.

Foundation Layer, Data & Collaboration

At the base, success with AI depends on robust data infrastructure and a culture of data sharing. Which remain an elusive myth in the majority of insurers. Technologically, insurers need a unified data architecture (e.g., cloud-based data lakes, real-time data pipelines, API integrations) that breaks down silos and provides a single source of truth. The prevailing trend detected by Wavestone indicates that industry participants are heavily interested and investing in federated data platforms, in which, despite a commendable effort, dangers of vendor lock-in are especially high. Insurers need to approach this problem strategically and not rush decisions that will have substantial and lasting future impact. Equally important on the employee side is fostering cross-functional "data communities." This means breaking down organizational walls so that actuaries, underwriters, IT teams, and claims managers actively collaborate around data. In practice, building the foundation layer might involve establishing data governance councils, incentivizing business units to contribute data to enterprise repositories, and training staff in data literacy. The goal is a strong data backbone and an organizational mindset that treats data as a shared asset.

Intelligence Layer, AI Models & Trainers

The next layer focuses on developing actual AI capabilities and the employee expertise to guide them. On the tech side, this means deployment of the next generation of AI across core processes. On the employee side, this means standing up centers of excellence for AI, from where insurers can orchestrate and guide the transfer of know-how of the next generation of AI across the organization and subject matter experts. A significant observation in the context of AI scaling is the limited understanding of "general AI" within the insurance industry. Employees and sometimes entire organizations lack awareness of the potential applications and benefits of the next generation of AI technologies. Next, "AI trainers" and overseers are critical at this layer. These are aforementioned subject matter experts, exited from the center of excellence who are now in a position to teach AI systems to handle nuance, edge cases, and ethical considerations. For example, an underwriting AI might flag certain cases as ambiguous; human underwriters then step in not only to decide those cases but to feed the rationale back to the AI so it learns. Roles like Model Behavior Analyst or Edge Case Trainer are emerging to continually refine AI decision-making. One practical approach is instituting an AI review board where experienced staff regularly review AI outputs for quality and bias and update model training data accordingly. The key principle is human-in-the-loop: AI handles volume and routine decisions; humans handle exceptions and improvements. By pairing self-improving AI models with AI trainers and risk managers, insurers ensure their Intelligence Layer is both cutting-edge and responsible.

Orchestration Layer, Integrated Processes & Workflow Designers

As AI capabilities proliferate in different parts of the business, the next challenge is to orchestrate these disparate AI implementations into end-to-end workflows. This entails linking AI systems across the value chain so they can work in concert. For example, an automated underwriting engine might connect with a claims agentic AI to dynamically adjust risk pricing based on emerging claims patterns, or a customer service chatbot might trigger an agentic AI fraud check if certain red flags appear. Insurers need an architecture where multiple AI agents (for risk, claims, service, finance, etc.) can seamlessly hand off tasks to each other, much like an orchestra of machines performing in harmony. Equally if not more important are the human designers who choreograph this employee+AI workflow. Workflow architects and process designers must rethink insurance operations from the ground up, determining where employee touchpoints add the most value and where AI can take over. For instance, in the claims process, a workflow designer might decide that AI handles initial claim triage and settlement for straightforward cases, but employees handle complex claims or deliver empathetic communication for sensitive situations. These designers ensure that the entire process is optimized as an employee-AI team, preventing gaps or clashes (e.g., customers getting confusing hand-offs between bots and people). Some insurers have created "augmentation teams," pairing a few experienced employees with developers to map out how AI will fit into daily work, defining clear roles (what the AI does vs. what the human does at each step). The Orchestration layer is about integration: technically integrating systems, and organizationally integrating roles, to enable fluid collaboration between algorithms and employees across departments.

Transformation Layer, Strategy & Innovation:

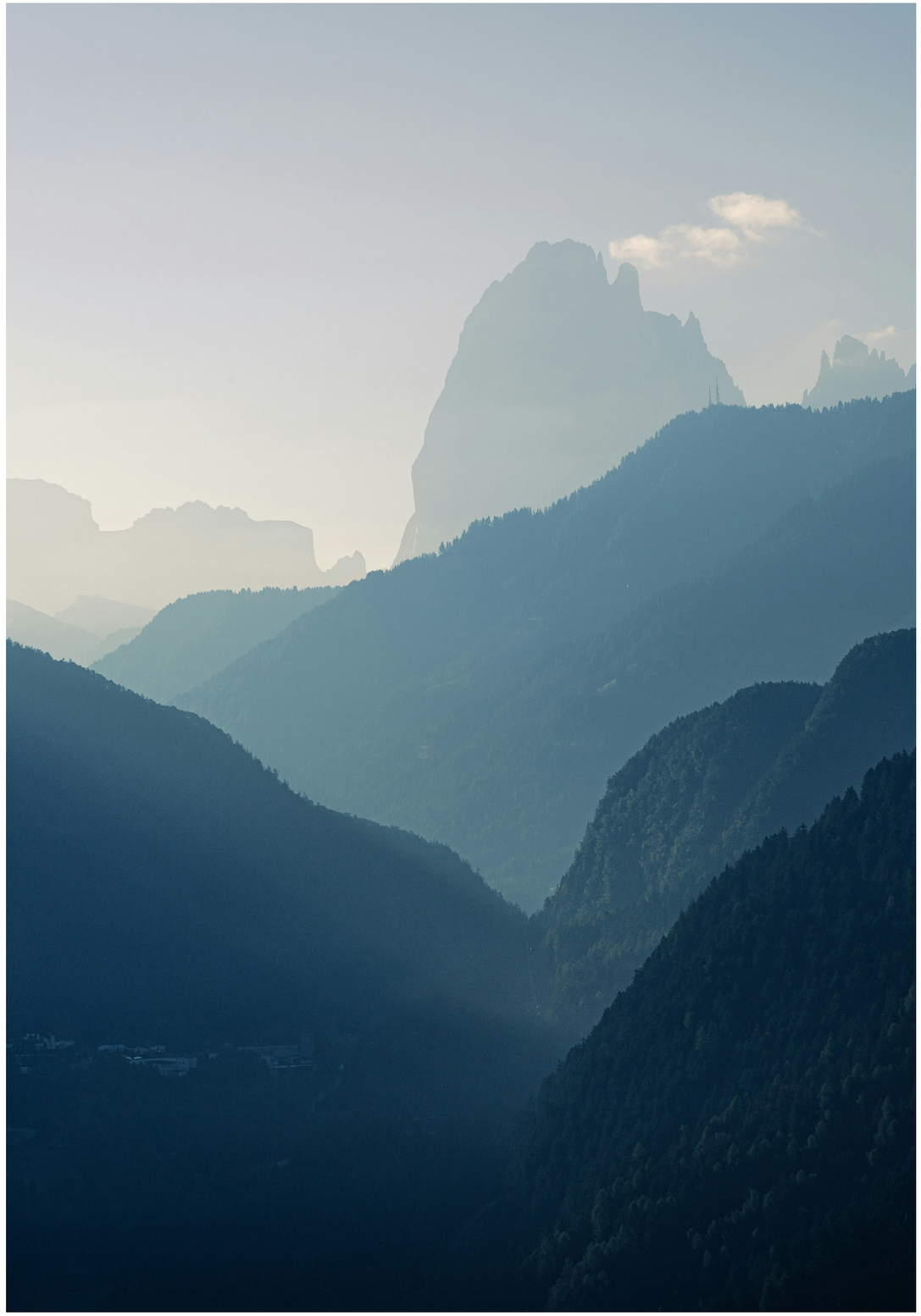
The top layer is the broadest: using AI and employee ingenuity together to drive entirely new business models and sources of value. On the technology front, this means scaling AI across the insurer and enabling "full-value-chain" orchestration, for example, envision a future insurer that can automatically sense emerging risks, prevent losses, settle claims instantly, and continuously adapt products, all via a network of AI agents. Wavestone is currently experimenting with this kind of autonomous insurance platform within its Insurance AI Lab. But technology alone cannot pioneer busness, instead employee strategic imagination is the spark for true transformation. Insurers need innovation teams and leaders who ask bold questions: How can we protect customers in ways never before possible? What new services can we offer if AI handles all the grunt work? This has given rise to roles like Business Reinventors, people who blend deep insurance knowledge with futuristic thinking to design new value propositions enabled by AI. Examples could include Preventive Insurance Developers (who create offerings focused on loss prevention rather than loss recovery) and Risk Ecosystem Architects (who partner with customers and other industries to manage risk in real-time. At this transformation layer, human creativity, ethics, and vision play a guiding role: AI provides the capabilities (speed, data insights, automation at scale), but employees decide where to steer those capabilities for competitive advantage. The Transformation layer ensures the company is not just doing the same insurance business more efficiently but redefining the business itself for the future.

It's crucial to note that progress must happen in all four layers in parallel. If any layer lags, the overall transformation can stall. For example, an insurer might build excellent AI models (Intelligence layer) but fail to integrate them into workflows (Orchestration Layer), resulting in cool tech that nobody uses effectively, which we have observed quit often with Wavestone clients. Or an insurer might invest heavily in data systems (Foundation Layer) but neglect culture, resulting in a beautiful data lake that few employees tap into. The Unified AI Orchestration Framework therefore serves as a reminder to CEOs: balance your efforts across technology and employee enablers. Every AI initiative should be accompanied by a people strategy (training, change management, role design), and every organizational initiative should consider how technology can assist.

Heatmap Readiness Dashboard
Clarifying Readiness Across Technology and People

> color in green for high maturity, yellow for medium maturity, and red for low maturity, to achieve a view of "how far along" the organization is on technology and people in each layer.

LAYER	TECH MATURITY	PEOPLE READINESS	NEXT STEPS
FOUNDATION	H/ M/ L	H/ M/ L	Scale federated data; launch "data literacy" roadshows
INTELLIGENCE	H/ M/ L	H/ M/ L	Stand up AI Center of Excellence; recruit/ train a team of model-behavior analysts
ORCHESTRATION	H/ M/ L	H/ M/ L	Map key end-to-end processes; embed workflow architects
TRANSFORMATION	H/ M/ L	H/ M/ L	Define innovation sprints; appoint business reinventors



Global Insurance Market Pulse

4.

The Three Horizons of Transformation

The transition to a fully AI-integrated, self-regulating insurer is a systematic and continuous process. This can be conceptualized in three horizons, each with specific focuses and milestones related to technological advancements and employee development. The outline of the three horizons of AI transformation in insurance is as follows:

Horizon 1

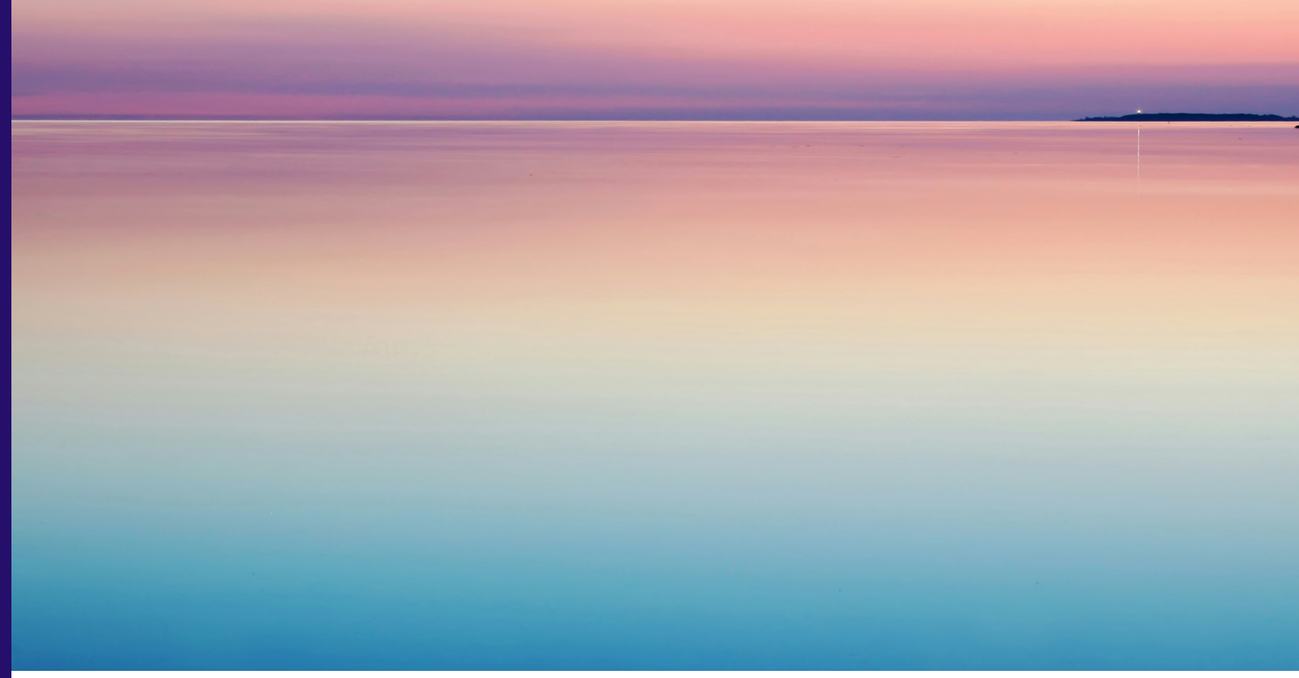
Integration and Trust Building

Horizon 2

Amplification and Partnership

Horizon 3

Transformation and New Value



Horizon 1: Integration and Trust Building

In the first horizon, the goal is to set the foundation and build trust in the technology and among the employees. Technologically, this means connecting and integrating initial AI solutions into the existing operations. Many insurers have started with a few pilot AI applications (e.g., a claims triage model or a chatbot for customer service). In Horizon 1, the insurer focuses on knitting these isolated pilots into the workflow so they start delivering everyday value. For example, an insurer might integrate a machine learning fraud detection model directly into the claims management system so adjusters see AI fraud scores as part of their normal claims process (rather than in a separate tool). Data integration is also key in this phase: consolidating data sources and ensuring data quality to fuel AI models. On the employee side, it is crucial to establishing trust and clarity in employee-AI collaboration. A powerful practice in Horizon 1 is to create "augmentation teams," pairing experienced underwriters or claim handlers with data scientists to collaboratively define how decisions would be made with AI assistance. These teams act as pathfinders, discovering what the AI is good at, where it struggles, and agreeing on clear hand-offs. Early wins are critical: for instance, choosing a pilot where AI can quickly eliminate a pain point (such as automating a tedious data entry task) helps convince skeptics. Horizon 1 is also about communication. Explaining to employees the "why" behind the AI initiatives and how it will make their work better. Trust building goes both ways: employees need to trust the AI (which comes from seeing it work well and understanding its outputs), and management needs to trust the employees to adapt and provide feedback. By the end of Horizon 1, ideally, the organization has a few integrated AI use cases running smoothly and a core of employees who have positive experiences working with AI. Success might be measured in adoption rates (e.g., X% of frontline staff regularly using AI tools) and initial efficiency gains. Culturally, you want a growing confidence that "hey, this AI stuff actually helps us," turning skeptics into cautious champions.

Horizon 2: Amplification and Partnership

In the second horizon, the transformation shifts up a gear. Technologically, having proven out initial cases, insurers deploy next-generation AI systems that take on more autonomy, always with human oversight. This is the phase of scaling up: rolling out AI from pilots to multiple lines of business or geographies and introducing more agentic capabilities. For example, a customer service AI might move from just answering FAQs to actually executing simple changes (like address updates or policy cancellations) on behalf of customers, under employee monitoring. Or an underwriting AI might not only recommend a price but auto-approve certain low-risk policies, with employees reviewing a sample for quality. The idea is AI begins to "amplify" employee's productivity in a noticeable way. On the employee side, Horizon 2 is where roles begin to evolve significantly. As AI takes over routine tasks, employees transition from being operators to trainers, coaches, and strategists. Training programs become crucial: many insurers in this stage need to set up formal programs to upskill staff on working effectively with AI. For instance, instituting an "AI coach certification" for claim managers to learn how to supervise AI decisions and handle exceptions. A key marker of Horizon 2 is a shift in employee mindset, from fear to seeing AI as career-enhancing. In successful transformations, we often see that by Horizon 2, a majority of employees recognize that AI is not here to replace them but to make their jobs better. Management's role in this phase is to reinforce the partnership message and reward those who leverage AI to drive results. By the end of Horizon 2, AI might be involved in, say, 30-50% of all transactions in key processes, and the organization should be noticeably more efficient and responsive. Importantly, employees should feel firmly in control of the AI, as partners who set direction and handle exceptions, which sets the stage for the final horizon.

Horizon 3: Transformation and New Value

The third horizon is where the insurance organization truly reinvents itself, potentially even its business model. Technologically, this is the phase of full orchestration across the value chain. Multiple AI agents across underwriting, claims, customer engagement, finance, etc., interconnect to deliver outcomes with minimal human intervention. The company can achieve things previously impossible: for example, imagine real-time insurance pricing that adjusts for each customer continuously based on live data, or an autonomous claims ecosystem that detects an incident, verifies coverage, and issues payment before the customer even files a claim. Early glimmers of this future exist. In Horizon 3, those kinds of capabilities move from experimental to operational for leading firms. For the workforce, Horizon 3 means completely new roles and ways of working. As routine work is highly automated, employees focus almost exclusively on tasks that AI cannot do well: setting strategy, building relationships, handling novel situations, and injecting creativity. Traditional job descriptions are rewritten. In fact, by this stage, an estimated majority of insurance job postings could be for roles that did not exist a few years prior. We see the rise of what we described earlier as new job families: AI ethics officers, composite risk advisors, AI-augmented product innovators, etc. Insurers in Horizon 3 will require more agile structures, with multidisciplinary teams that combine AI systems and employee experts fluidly. The culture becomes one of continuous learning; employees routinely update their skills as AI evolves (lifelong learning is the norm). Leadership in this horizon is focused on innovation and purpose asking how the company can use its advanced capabilities to enter new markets, better serve customers, and maybe tackle societal challenges (like using AI to improve climate resilience or financial inclusion). In essence, the insurer becomes a technology-driven organization, but with a strong employee heartbeat in terms of creativity, trust, and judgment. Quantitatively, Horizon 3 firms might achieve dramatically lower expense ratios, much faster product development cycles, and create revenue from services that didn't exist. It's worth noting that not every insurer will reach this horizon at the same pace. It's an aspirational target state. But those that do will define the frontier of the industry.

Across all three horizons, a critical lesson is that both tech and employee progress must advance together. One cannot rush to Horizon 3 technology without bringing your people along (that would lead to a change backlash or ethical lapses), nor can you transform people's roles without adequate technology (that would leave people frustrated with primitive tools). Each horizon builds on the last: trust and integration (H1) enable wider deployment and new roles (H2), which in turn set the stage for transformative innovation (H3). As a CEO, mapping your initiatives to these horizons helps in setting realistic expectations. Capturing some quick wins early, but planning for deeper changes in org structure and business model over a few years. It also aids in communicating progress: celebrating the milestone of cutting claim times in half in year 1, for instance, while painting the vision of an AI-powered preventive insurance platform by year 3.

Many insurers today are somewhere between Horizon 1 and 2. They have pilots and perhaps some scaled use cases, and they are actively working on employee buy-in. A handful of frontrunners may be entering Horizon 3, reaping benefits and grappling with advanced questions of AI governance and innovation. Wherever your organization is, the key is to plot the course forward.

Next, let's delve into one particularly important aspect of that journey: the emerging roles and skills that insurance companies will need to cultivate to thrive in an AI-driven future.

Horizon Snapshot Table
Defining the Path from Pilot to Scaled Impact

HORIZON	TECH FOCUS	PEOPLE FOCUS	KEY OUTCOME
H1	Pilot integrations (fraud models, chatbots); data consolidation	Augmentation teams; trust-building workshops	X% frontline using AI; early efficiency gains
H2	Next-gen agentic bots; scaled roll-out across Lines of Businesses	AI-coach certification; role evolution to trainers & strategists	30–50% of transactions AI-assisted; mindset shift
H3	Fully orchestrated AI agents across underwriting, claims, service, finance	New job families (Ethics Officers, Risk Advisors); continuous upskilling	Real-time pricing; autonomous claims; new revenue

5.

Emerging Roles and Skills in the Age of AI

As AI reshapes insurance workflows and capabilities, the workforce itself is undergoing a profound evolution. New roles are emerging, traditional roles are being redefined, and entirely new skill sets are and will be in demand. It's not an exaggeration to say that the insurance careers of tomorrow will look very different from today's, with a stronger focus on digital, analytical, and interdisciplinary skills. We highlight key new roles and skills emerging from employee AI collaboration, grouped into four broad categories. These categories mirror the needs we identified in the orchestration framework and transformation horizons, and many forward-thinking insurers are already hiring or training people for such roles.

AI Trainers

Just as you hire and train human employees, AI systems need to be "trained" and kept in check that's where this family of roles comes in. These professionals ensure that AI models are making fair, accurate, and responsible decisions. Example roles include Model Behavior Analysts, who monitor AI outcomes for biases or errors and fine-tune algorithms to correct them, and AI Ethics Officers, who establish guidelines or ethical AI use (ensuring compliance with regulations and fairness in algorithms). Another role is Edge Case Trainer, someone with deep domain expertise (say, a 30-year veteran underwriter or claims expert) whose job is to feed rare scenarios and expert knowledge into the AI so it can handle uncommon situations. These roles require a mix of technical understanding (to grasp how the AI works) and domain expertise, plus a strong sense of ethics and responsibility. In the future, an AI Trainer might be as commonplace as an underwriter, an integral part of the insurance team that continuously teaches the AI and audits its decisions.

Exception Specialists (Human in the Loop Experts)

No matter how advanced AI becomes, there will always be complex or sensitive cases that require uniquely employee judgment. Exception specialists are those who handle the cases that the AI recognizes as exceeding its scope of confidence or that inherently require an employee intervention. For example, a Complex Risk Advisor might handle custom insurance policies for non-standard risks that AI can't underwrite on its own (imagine insuring a one-of-a-kind art collection or a space tourism venture, situations with little historical data). Similarly, Claims Exception Managers or Customer Empathy Specialists deal with claims that involve extreme circumstances (like a family dealing with a house fire or a contentious liability case) where compassion, negotiation, and nuanced judgment are key. These specialists work closely with AI. They might use AI analytics to gather insights on the case, but they are the decision-makers for these outliers. Another emerging title is AI assisted Fraud Investigator, indicating a role where the investigator leverages AI fraud signals but then conducts in-depth investigation on the suspicious cases the AI can't confirm. Exception specialists generally require deep insurance knowledge and soft skills; they are often experienced employees elevated into these more consultative positions as AI takes over simpler tasks. They ensure that no customer is left behind by automation, that those who fall outside the "AI norm" still get excellent,
personalized service.

Experience Designers and Process Orchestrators

As insurers blend AI and employee workflows, there is a premium on designing interactions that are smooth and intuitive for both customers and employees. This has given rise to roles focusing on user experience (UX) and process design in an AI rich environment. One example is the AI Employee Workflow Architect, a role responsible for mapping out end-to-end processes that involve both AI systems and people, determining at each step who (or what) should do what. They essentially operationalize the Orchestration Layer of the framework. Another role is Customer Journey Designer for an AI enabled service: these individuals craft how a customer moves through an insurance experience that might involve chatbots, mobile apps, and human agents, ensuring the transitions are seamless (for instance, if a bot hands

off to a human agent, the agent has all the context, and the customer doesn't have to repeat themselves). With more insurers deploying chatbots and voice assistants, Conversation Designers are now in demand, people who script and optimize the dialogues that AI agents have with customers so that they feel natural and on brand. These roles sit at the intersection of technology, psychology, and design. They require understanding customer behavior, having empathy for user needs, and competence about what AI can and cannot do. By focusing on experience, these professionals help avoid common pitfalls of digital transformations, like processes that technically work but frustrate users. They ensure that the employee AI partnership is delivering a superior experience rather than just internal efficiency.

Business Reinventors and Innovators

Finally, we have the roles aimed at pushing the boundaries and imagining the insurance of the future. These are often hybrid roles that combine business strategy with technology fluency. For instance, a Product Innovation Lead might explore entirely new insurance offerings enabled by AI, such as micro duration insurance (policies that last only minutes or days, priced and administered by AI in real time). A particularly interesting concept is Preventive Insurance Developer, someone who crafts services that use AI to prevent losses. These individuals look at how AI can create value beyond the traditional insure and pay model. Then there are Risk Ecosystem Managers or Partnership Leads, who build coalitions with tech firms, automakers, smart home companies, healthcare providers, etc., to create an ecosystem where the insurer's AI can plug in and extend its protective value. The people in these roles are often divergent thinkers, comfortable with ambiguity, and capable of bridging C-Suite vision with on the ground implementation. Crucially, they keep the insurer focused on "What's next?", ensuring that as AI frees capacity and provides new capabilities, the organization channels that into strategic innovation, not just cost cutting.

What's notable across all these emerging roles is that they emphasize uniquely employee strengths: oversight, empathy, creativity, holistic thinking in tandem with AI. The more we can offload mechanistic tasks to machines, the more employees can concentrate on the aspects of insurance that require compassion, ethics, ingenuity, and relationship building. Things algorithms will not replicate well. We are already seeing insurers modify job descriptions: a claims adjuster today might be hired not just for knowledge of policy terms, but also for their ability to work with AI tools and to handle complex customer interactions that AI flags for employee follow up. Similarly, underwriters are being recruited for their analytical mindset and decision making skills, since the actual number crunching may be largely automated.

For insurance executives, this shift means workforce planning and talent development need a refresh. HR will need to identify candidates (internally or externally) who can fill these new roles, which may involve competition with tech firms for talent like data scientists or UX designers. It also means reskilling and upskilling existing employees so they can transition into roles of higher value. For example, many insurers are investing in training programs to turn some of their claims staff or veteran underwriters into AI enabled employees. Encouraging cross functional exposure is also valuable, tomorrow's insurance leaders might be those who understand both insurance and AI, so rotational programs that provide potent experience in the data science team and the business side can be helpful.

The bottom line is that human capital strategy must evolve hand in hand with AI strategy. Insurers that simply eliminate jobs without reimagining new ones will find themselves with capability gaps. Those that thoughtfully craft new roles and empower their people to fill them will not only have a smoother transformation, but also a more engaged and future ready workforce. As AI frees employees from the tedium, it's up to leadership to elevate employees to the tasks that truly matter.

Roles and Competencies
Equipping the Organization for Human-AI Collaboration

CATEGORY	EXAMPLE ROLES	CORE RESPONSIBILITIES	KEY SKILLS
AI TRAINERS	Model Behavior Analyst, AI Ethics Officer, Edge Case Trainer	Monitor bias/errors; fine-tune models; feed rare scenarios	ML literacy, domain expertise, ethics
EXCEPTION SPECIALISTS	Complex Risk Advisor, Claims Exception Manager, AI-Fraud Investigator	Handle outliers flagged by AI; use AI analytics to inform judgment	Deep insurance knowledge, negotiation, empathy
EXPERIENCE DESIGNERS	AI-Employee Workflow Architect, Conversation Designer	Map employee+ AI processes; script chatbot dialogues; optimize hand-offs	UX design, process mapping, technical savviness
BUSINESS INNOVATORS	Product Innovation Lead, Preventive Insurance Developer	Ideate new AI-enabled offerings; forge ecosystem partnerships	Strategic vision, cross-functional agility

Let us now consider what all these changes mean for the shape of insurance companies in the future. Different organizations are making different bets, some are cautiously modernizing; others are boldly reinventing. We will outline a few future archetypes of insurers in the AI era, to illustrate who is likely to lead the industry and who risks falling behind.

6.

Future Archetypes of Insurance Companies

It's becoming clear that not all insurers will navigate the AI revolution equally. We can already see divergence in strategies and mindsets, which will create distinct archetypes of insurance companies in the coming years. Based on our analysis and industry experience, we identify three broad archetypes emerging by how insurers orchestrate (or do not orchestrate) the employee-AI transformation: Traditionalists, Automators, and Orchestrators. Each represents a different response to AI-driven change, and quite likely, a different fate in the future market. Understanding these archetypes can help leaders honestly assess their own organization's trajectory and, if needed, adjust course to avoid being left behind.

The Traditionalists , "AI Minimalists"

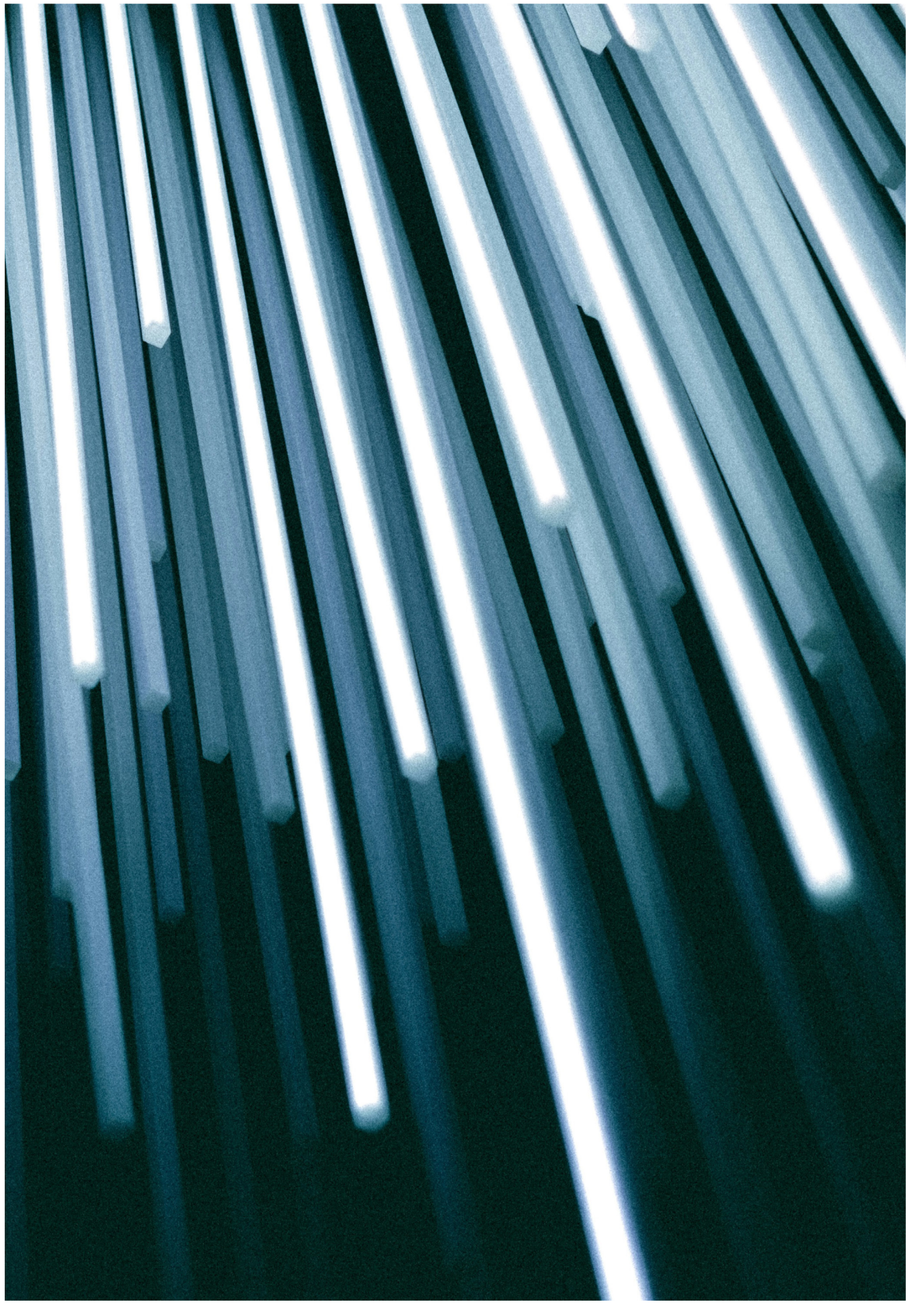
Traditionalists are insurers that see AI as more of a threat or hype than an opportunity. They adopt a defensive posture, implementing AI only sparingly and reluctantly. Perhaps due to a very conservative culture or fear of technology risks, these insurers do the bare minimum, a pilot here, a tool there, largely to check the box or because everyone else is doing it. They tend to preserve existing processes and only insert AI in isolated spots, without changing how people work. A Traditionalist insurer might still heavily rely on manual processes, using AI maybe for one-off tasks like a basic chatbot or a simple fraud flag, but not scaling beyond that. They often lack executive champions for digital change, and any AI projects are siloed in the IT or one of the business departments. The danger for Traditionalists is irrelevance: as the industry evolves, their costs will remain relatively high, and customer experience will fall far behind. Indeed, our projection is that Traditionalists will struggle to survive over the next decade. Their more agile competitors will deliver faster service, lower prices, and innovative products that Traditionalists simply cannot match with their legacy operations. We expect to see Traditionalists losing market share and potentially facing consolidation or exit in the absence of transformation. In effect, choosing not to fully engage with AI is choosing a slow decline, given the competitive dynamics at play.

The Automators , "Efficiency Enthusiasts"

Automators are insurers that embrace AI, but mostly through the lens of incremental improvement and cost efficiency. They invest in automation projects and advanced analytics to streamline current operations, automating underwriting workflows, optimizing pricing, reducing headcount in back-office processing, etc. Automators generally have a positive view of technology and may even have dedicated digital teams, but their focus is on using AI to do the same business better (faster, cheaper). Culturally, they may frame AI as a productivity tool for employees but might not deeply reimagine roles or business models. Many mid-tier and even some leading insurers today could be described as Automators: they have chatbots, they use machine learning for risk models, they might automate 30% of claims, etc., all of which is commendable progress. Automators will likely survive and remain competitive in the near term because they will achieve meaningful cost savings and can pass some of that benefit to customers or reinvest it. However, they may not thrive in the long run if they stop at automation. The risk is that Automators optimize for today and miss the disruptive opportunities of tomorrow. For example, an Automator might use AI to underwrite mortgages more efficiently, while an Orchestrator (next category) might use AI to invent entirely new home risk products that bundle prevention services. Over time, if insurance markets are reshaped by new propositions, Automators could find their perfectly efficient traditional product is no longer what customers want. In essence, Automators are playing the middle game: better than Traditionalists, but not as visionary as they could be. Many industry experts believe that just automating existing processes is a necessary but not sufficient strategy, it keeps you in the game but may not win it.

The Orchestrators, "Employee-AI Pioneers"

Orchestrators are the insurers who fully embrace the employee+AI paradigm to transform their business. They are not content with small improvements; they aim to fundamentally rearchitect their operations, offerings, and culture around the synergy of employees and AI. These insurers invest heavily in the orchestration framework layers, they modernize their data infrastructure, implement AI across the value chain, retrain their workforce, and re-engineer processes to incorporate AI at every step. But beyond just tech deployment, they strive for innovation: creating new customer experiences (like proactive risk mitigation), new insurance models (like on-demand personal insurance), and new revenue streams. Crucially, Orchestrators focus on building a



fluid partnership between employees and AI at all levels, their frontline staff are comfortable working with AI copilots, their managers use AI insights for decisions, and their executives understand AI enough to drive strategy with it. We call them "Orchestrators" because they orchestrate all the moving parts, technology, data, people, partners, to deliver value in a coordinated way. These insurers likely have cross-functional agile teams, a culture of continuous learning, and a bold vision set from the top that "AI + employee is our future." The pay-off for Orchestrators is substantial: they are poised to define the future of the insurance industry and outpace competitors. With significantly lower costs, they can undercut others on price or enjoy better margins. With superior customer experience (think near-instant service, personalized offerings), they can capture more customers and increase retention. And with adaptive, innovative products, they can enter new markets or create new demand for insurance products.

For insurance CEOs, the pressing question is: which future will you create for your organization? To put it bluntly, the decisions made in the next 12 to 24 months will largely determine which category an insurer ends up in. The window for being a fast follower is shrinking, if you wait too long to orchestrate, you may find the leaders have already locked in network effects, knowledgeable workforce, and cost advantages that are hard to catch up to. Conversely, committing to the Orchestrator path requires conviction and significant change management, but the reward is positioning your company among the winners of tomorrow.

It's important to reiterate that becoming an Orchestrator is not about sheer technology spending, it's about direction and integration. Some insurers might spend a lot on AI but in an Automator mindset and not get full value. Others might spend smartly with an orchestrator strategy and leapfrog ahead. Leadership vision, skilled employees, organizational alignment, and execution discipline are what make the difference.

Strategic Imperative Table
Prioritizing Strategic Levers for Competitive Advantage

ARCHETYPE	IMMEDIATE IMPERATIVE	CEO CHECKPOINT
TRADITIONALISTS	Secure exec buy-in; fund a high-impact pilot	"Do we have a senior AI champion on the leadership team?"
AUTOMATORS	Cross-pollinate best practices; broaden use cases	"Are we measuring efficiency and spotting new use scenarios?"
ORCHESTRATORS	Embed AI into every core process; reinvent products	"Have we launched a new AI-powered offering this quarter?"

7.

Your Agenda for Monday Morning

Turning vision into reality requires concrete action. What does then Monday morning look like? What recommendations can we formulate now for insurance CEOs and senior executives to drive employee-centered AI transformation in their organizations. We call the following the "Monday morning agenda", an outline of clear moves that blend strategy with pragmatism and set your organization on the orchestrator path. These actions address technology, people, and process in tandem, aligning with the themes discussed throughout this brief.

Map Your Employee-AI Ecosystem

The starting point is a visualization of the status quo of how AI and employee currently interact in your organization. In essence, create a map of processes and decisions, highlighting where AI or algorithms are already involved and where employees are central. Identify any existing AI tools (however small) and see how they connect (or not) to employee workflows. Also map data flows, where data is created, where it goes, who uses it. This exercise provides a baseline, and it can be an eye-opener, for instance, that underwriters are manually re-keying outputs from an AI pricing model into another system (a point of friction), or that customer-facing teams aren't leveraging some analytics your data science team produces. By mapping the ecosystem, aim is to identify the areas of friction and opportunity. The questions to ask are: Where are hand-offs between AI and employees working well, and where do they break down? Are there processes with zero AI involvement that could benefit from some automation or insight? This map will serve as a guide for where to focus integration efforts first. It is also a great communication tool , share it widely to help employees see the big picture and understand that the goal is to make these interactions smoother.

Engage in Communication with Employees

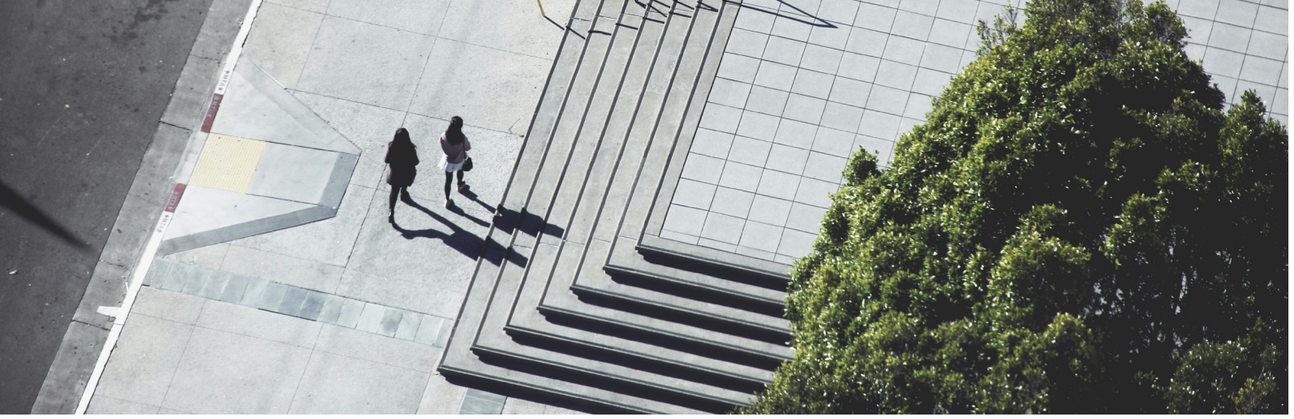
Prioritize interaction with employees, particularly those on the business side and not only operational side (claims adjusters, call center representatives, underwriters, agents), regarding the AI journey. Set up listening sessions or roundtables where employees can voice their concerns, ask questions, and also share suggestions. Many of these employees may fear job loss or feel uneasy about new tech. Encourage open dialogue and make it safe for people to be honest. Equally important, frontline employees often have the best ideas for where AI could help because they deal with the pain points daily. Engaging employees in this way serves two purposes: it builds trust (people feel heard and involved), and it generates practical ideas that organization can act on. As a leader, ensure you close the loop, come back to those employees with what you plan to do (or have done) based on their input. This will show you're serious about an employee-centered approach.

Launch of a "Employee-AI Partnership" Pilot

The idea here is to identify one high-impact area of the business and design a pilot project explicitly around an employee-AI collaboration model. The key is not to simply automate an existing process, but to reimagine the process with employees and AI working hand-in-hand. For example, pick a region or product line for "augmented underwriting" pilot: deploy an AI tool (say, to gather and analyze submission data) and pair a team of underwriters with it, redefining their workflow such that the AI does X and the underwriters do Y in a continuous loop. Or in claims, create a small "fast track" team where an AI triage system assigns straightforward claims to auto-resolution and feeds more complex ones to a human adjuster, who then uses AI insights to settle the claim faster. Define success metrics for the pilot on both dimensions, e.g. reduced cycle time (tech outcome) and crucially increased employee satisfaction or capacity (human outcome). Keep the scope focused (perhaps one process in one department) so it's manageable but make it a real end-to-end test of the partnership concept. The learnings from a well-run pilot are immensely valuable before scaling wider. You'll uncover what workflows need tweaking, what training employees need, where the AI might need refinement, etc. Importantly, involve the participants in co-designing the solution, let the underwriters or adjusters have a say in how the new process should flow. This increases buy-in and typically results in a better design. After a few months, evaluate the pilot: If it's successful, publicize the win and start plotting how to extend it to other teams. If there were issues, treat them as lessons, adjust, and perhaps pilot again. Early "partnership pilots" like this become lighthouse examples in your organization.

Assess and Strengthen Orchestration Framework Layers

Use the Unified AI Orchestration Framework as a checklist to audit your organization's readiness across the four layers (Foundation, Intelligence, Orchestration, Transformation). Provide a candid assessment of the strengths and weaknesses of each layer. Perhaps the organization has invested heavily in data infrastructure (Foundation tech is strong) but doesn't yet have a culture of data sharing or good data governance (Foundation employee side is weak). Our organization has a few great AI models built (Intelligence tech strong) but lack processes for employees to continuously train and oversee them (Intelligence employee side weak). It could be that organization has automated many tasks (Orchestration tech



medium) but haven't redesigned jobs or workflows to integrate that automation (Orchestration employee side lagging). By diagnosing these gaps, the aim is to prioritize interventions. For instance, if data quality and silos are an issue, the organization needs to create that cross-functional data teams or invest in data catalog tools. If the employees lacks AI literacy, organization should act quickly to institute training workshops and hire experts to upscale the teams. If workflow integration is lacking, organization should start process reengineering efforts in key areas. And if innovation (Transformation Layer) is lacking, a small incubator team or innovation lab focused on AI-driven products should be setup. The idea is to balance the transformation portfolio by allocating resources not just to the shiny AI apps, but also to the underlying data, the employee capabilities, and the strategic innovation activities. Over time, every organization should regularly revisit this framework assessment. It will help ensure that as insurer progress, not one critical enabler is left behind. Wavestone has found that within many insurers the soft spots are indeed on the employee side, so this step often redirects attention to culture change, training, or hiring that may have been underappreciated so far.

Define Success Metrics for Both Technology and Employee Outcomes

Finally, it's essential to measure what matters. Too often, we have observed that AI projects are measured purely on technical KPIs or cost savings (e.g. model accuracy, number of tasks automated, reduction in FTEs). To drive an employee-centered transformation, insurers must expand KPI dashboard to include employee metrics. For instance, track employee adoption rates of new AI tools ("What percentage of eligible users are actually using the tool?" A low number might indicate usability issues or resistance to address). Monitor employee skill development: how many staff have been trained in data/AI skills, or earned certifications in new competencies? Consider conducting periodic employee sentiment surveys about AI, is fear decreasing? Is trust in AI outputs increasing? Also look at customer experience metrics, are Net Promoter Scores or Customer Satisfaction Scores improving as you roll out AI-driven improvements (since a human-centered approach ultimately benefits customers too)? On the tech side, of course, continue to measure efficiency, speed, accuracy, loss ratios, etc., that AI impacts. But by pairing those with employee metrics, organization reinforce the message that success is defined by technology working in service of employees and the business, not technology for its own sake. For example, instead of just celebrating that an AI model achieved 90% accuracy in identifying fraud, also celebrate that it reduced the workload of investigators by 30% and those investigators report higher job satisfaction because they focus on more meaningful cases. Regular review of these metrics in executive meetings alongside financial metrics is essential. This will keep the organization accountable to the full scope of transformation, as previously described. Interestingly, improving employee metrics often correlates with better tech adoption and therefore better financial outcomes.

By taking these five steps, insurance leaders can initiate a virtuous cycle of transformation. You start with understanding and inclusion (mapping ecosystems, listening to people), you experiment and learn (pilots), you ensure all foundational pieces are in place (strengthening framework layers), and you rigorously monitor progress (metrics). These actions are concrete enough to execute in the coming weeks and months, yet strategic enough to shape the long-term trajectory.

At the end, it's worth emphasizing the role of leadership throughout this journey. Change in insurance (a traditionally risk-averse industry) as all industry insiders know, can be slow, drown out process, but strong leadership alignment can accelerate it. As a CEO or senior leader of an insurance company, the charge is clear. It's time to reimagine not just what AI can do, but what your organization, employees and AI together, can achieve. Employees are the core of this transformation, equip them with tools and skills, and inspire them with a vision of what's possible. Challenge your team to move beyond efficiency and ask how AI can help you truly differentiate and innovate. And perhaps most importantly, lead with purpose and empathy: insurance, at its heart, is about protecting people and businesses in moments of need. AI, applied wisely, is a means to amplify that purpose, to be there for customers in ways we never could before, and to do so at scale.

The coming years will likely see the insurance landscape reshaped. New winners will emerge , likely those orchestrators that embraced change early and orchestrated it effectively. Others may fade if they cling to old models. The choices made today and tomorrow will set that course. The future belongs to the orchestrators, those who create a harmonious partnership of employees and artificial intelligence, unlocking performance that neither could achieve alone. By following the strategies and steps outlined in this brief, you position your organization to be among those winners. The journey is not easy, but it is achievable , and the prize is a resilient, innovative, and customer-centric insurance franchise built for the 21st century.

Scaling AI in insurance is not about raging against machines; it's about running forward with machines, and doing so in a way that uplifts the employees within our companies and the customers we as an industry serve.

Your Monday Morning Checklist
Driving Consistent Delivery Through Actionable Steps

	ACTION	WHY	OUTCOME
☑	Map Your Employee-AI Ecosystem Diagram every AI tool, data flow, and hand-off with employees	Baseline the current state; spot hidden friction points	Scale federated data; launch "data literacy" roadshows
☑	Engage in Communication with Employees Host listening sessions, roundtables and feedback loops with underwriters, claims reps, agents	Build trust; surface frontline ideas	Employee buy-in; concrete list of practical improvement ideas
☑	Launch an "Employee-AI Partnership" Pilot Pick one high-impact process (e.g., augmented underwriting or AI-triage claims), co-design the workflow, define tech+human success metrics	Validate the collaboration model; reveal workflow tweaks	Pilot report with both tech KPIs (cycle time, accuracy) and human KPIs (satisfaction, capacity
☑	Audit & Strengthen Orchestration Framework Layers Score Foundation, Intelligence, Orchestration & Transformation on both tech and people dimensions	Diagnose gaps across all four layers	Layer-by-layer gap analysis; prioritized interventions
☑	Define Dual-Track Success Metrics Set tech KPIs (accuracy, speed, cost) alongside human KPIs (adoption rate, skill levels, sentiment)	Ensure technology serves people, not the other way around	Balanced scorecard ready for execetive review

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