



New Roles for New Connective Layers in the Re/Insurance Business

Connective Layer in Business

The *Connective Layer in Business* concept and approach, as described in this document, was created by a leader/strategist in the mid-1980s. There are several articles published by SoundStep Consulting Services that explain the *Connective Layer in Business Concept* in more detail, as well as articles that include examples of how it was used, and being used today.

What is a Connective Layer in Business?

Figure 1 shows how the person who created the concept and used it as a strategic planning approach defined *Connective Layer in Business*.

Figure 1: Key Definition

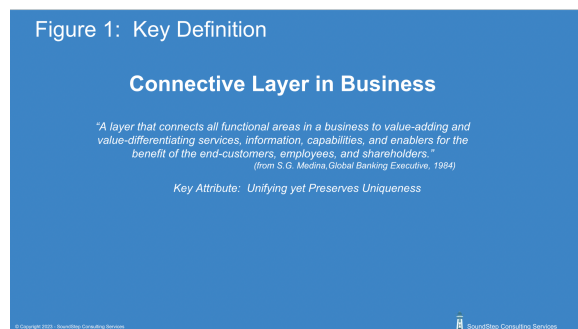


Figure 2 summarizes the main attributes of a Connective Layer in Business as it was originally formulated and as it has been

refined since the mid-80s to the present time.

Figure 2: Attributes of a Connective Layer



Three Examples for Multi-Line Insurers and Reinsurers

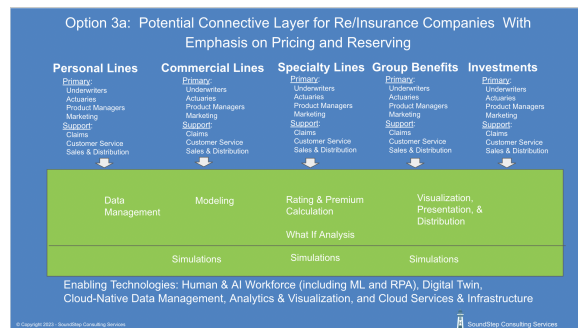
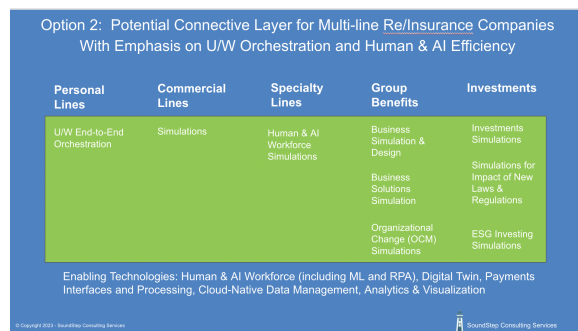
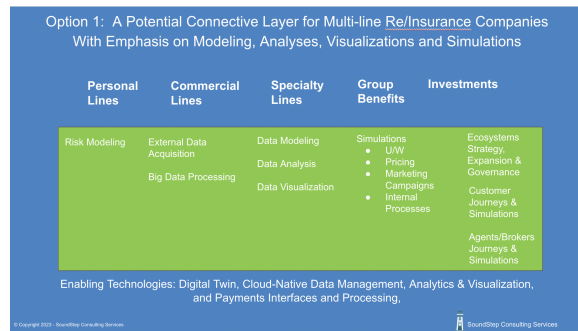
SoundStep Consulting Services published three articles, each presenting an option for a connective layer that multi-line insurers and reinsurers should consider. All three options will provide significant near-term benefits as well as position the businesses for the Digital era which is rapidly evolving into the Digital/AI era.

The three options are as follows:

- A *Data Modeling and Visualization Connective Layer*
- An *Underwriting Orchestration - Focused Connective Layer*
- A *Pricing and Reserving - Focused Connective Layer*



The three options are depicted in the diagrams below.



The details of the Pricing and Reserving Connective Layer is summarized in the diagram below.



Human Beings Are the Most Important Connective Layer

Although each of the aforementioned three options and the activities detailed in Option 3b can be transformed by digital technologies and AI, people remain the most important connective layer in any business. And with respect to the connective layers discussed in this article for the insurance and reinsurance business, people need to create the vision, the strategy, and the plans, and to implement any connective layer.

New Roles for New Connective Layers

The new era requires new connective layers in business, as well as, new roles in the insurance or reinsurance people organization.

The new roles required specifically for the three connective layer options are:

- Data Scientists
- Data Architects
- Data Engineers
- Data Analysts
- Data Modelers
- Data Visualization Engineers/Experts
- Machine Learning Engineers/Experts
- Robotics Process Automation Engineers/Experts
- Artificial Intelligence Engineers/Experts
- Simulations and Digital Twins Engineers/Experts
- Cloud and Cloud Services Engineers/Experts
- Several other Data and AI new roles



Paucity in Digital Technology, AI, and Re/Insurance Talent and Skills

Over the next five years the most difficult challenge insurers and reinsurers will face is NOT lack of transformation vision, rather the paucity of the critical talent, skills, and competencies that need to be assembled, inspired, and motivated to create transformative changes in the insurance industry. Note well that training insurance and reinsurance professionals on digital technologies and AI is as important as training the people in the aforementioned 'New Roles' on the insurance and reinsurance businesses.

Business Value Chain & Organization Change Management & New Connective Layer - Oh, My!

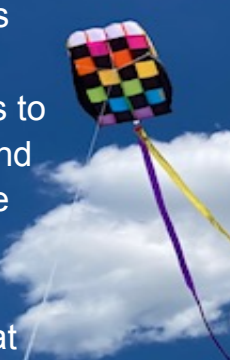
The historical and existing insurance and reinsurance business value chain is the same as those of factories and manufacturing companies in the advent of the industrial era. The factory-model value chain starts with product creation/management and ends with the customers.

In today's Digital/AI era, the business value chain required is one that starts and ends with the customers!

Excellence in organization change management (OCM) is crucial to implementing truly transformative changes. And the OCM required today must include the acquisition, incorporation, and sustenance of the new digital, data science, and AI roles.

Any and all of the connective layers require a company-wide vision & strategy and an executive leader who's willing to sponsor and champion the implementation.

A Sound Step...



that re/insurance leaders and their business strategists should take is to define a holistic vision and strategy for acquiring the digital/data/AI talent and skills, defining a new business value chain that starts and ends with customers, creating an organization where the workforce is skilled in the new technologies and in the business of insurance and reinsurance, and defining the new connective layer(s) they will need to position their business for success.

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