AI

Lebanon: Impetus for insurance workforce to reskill for AI

AI adoption can succeed in the insurance industry as long as there is a clear organisational path for skills transformation, according to experts *Middle East Insurance Review* spoke with. Change management must start in the boardroom, and then be used to turn employee fears into motivation for AI training and development.

By Sarah Si

AI and data analytics have had a "limited impact on the Lebanese insurance sector so far", as these technologies have not yet been fully integrated, said LIA Assurex CEO Labib Nasr, but the industry recognises the transformative potential of AI and data analytics.

Mr Labib Nasr

"Regardless of the level of AI integration at the workplace, employees should be trained to master this new technology," Mr Nasr said.

Chedid Capital CTO Imad Jabbour agreed, saying that the "adoption of AI, machine learning (ML), big data and predictive analytics is rather nascent in the regional (re)insurance industry" in Lebanon.

Mr Imad Jabbour

Recent usage of AI and ML

(Re)insurers and brokers in the region have deployed AI and data analytics to solve specific problems, personalise products, improve operational efficiency and customer service, according to Mr Jabbour.

"One example is the integration of AI into fraud detection algorithms for faster, more accurate, or even automated claims handling, particularly in the motor segment – for instance, through automated damage assessment," he said.

ML and AI have also been used to "improve underwriting and offer more personalised products and pricing for clients", he said. Another area where AI has been integrated, Mr Jabbour said, is wearable devices to personalise products and deliver data-informed health insurance plans.

He believes that while the developments were exciting, there is a lot of ground to cover, such as centralising data and upgrading tech infrastructure.

Concerns from employees

What concerns do employees in Lebanon's (re)insurance industry have concerning AI implementation and job replacement?

According to Mr Nasr, "AI cannot replace employees, as it has not yet been integrated in the local insurance market.

"In addition, the implementation of AI will be complementary to existing jobs rather than [replacing] them", he said.

Acknowledging the fears of employees, Mr Nasr said he believes that AI will primarily step in to perform repetitive tasks, freeing up employees to focus on more complex responsibilities. Through process automation, AI can improve productivity and enhance job satisfaction rather than threatening human capital.

"But as media headlines tone down and the industry gets down to business, we have a clearer, more grounded set of concerns and priorities. In the boardroom, it is a matter of change management; we need to reframe corporate strategy and value chains towards an AI-centric future and strike a balance between technology and human capital investments.

"This task list is critical to charting an 'AI-powered talent' vision that can answer employees' job security concerns. Discerning skills and processes that should still rely on human input from those that can and should be automated is a challenge. Another is identifying skills gaps and needs at both an organisational and individual level," he said.

Change management

Mr Jabbour said that AI can empower human creativity and decision making, "provided there is a clear organisational path for skills transformation".

"Change management starts with the boardroom, and it goes double for employees who will need to use AI and data analytics in their day-to-day work," he said.

For instance, Chedid Capital has focused on turning employees' fears and scepticism about tech disruption into motivation, according to Mr Jabbour. "We invested in several courses tackling employee adaptability and leadership through

AI

uncertainty, particularly relevant for volatile markets like Lebanon," he said.

He also said another priority was "getting the buy-in of employees, who will need to embrace AI, commit their time for learning and relearning, and in some cases, change the way they do their work".

Upskilling

Employees need technical knowledge of AI to "optimise workflows and collaborate effectively with AI-driven systems," according to Mr Nasr.

"As processes become automated, employees will gain time to focus on more strategic tasks while upskilling in areas such as soft skills, critical thinking and advanced problem-solving," he said.

A blanket approach won't work, said Mr Jabbour.

"Not every employee will or should be upskilled in every area. Going forward, we are looking at building personalised learning and development paths for each employee based on their role's natural evolution. Some will need to be generalists and others, specialists," he said.

Identifying who to upskill and in which areas will be critical, said Mr Jabbour.

Challenges to upskilling

According to Mr Nasr, the success of upskilling efforts will rest on the attitude to change, as "adaptability and flexibility are crucial to overcome any barrier".

The company culture in LIA Assurex "actively supports continuous learning and development, reducing resistance to change and fostering enthusiasm for upskilling," he said. Mr Nasr noted that his organisation has a budget dedicated to training and development.

Mr Jabbour agreed that an "organisational culture of agility and adaptability" has to be instilled.

"Investments that both organisations and talent make into an AI-powered transformation hinge on our success in change management," he said.

He believes that the cost of technology and talent investments could be optimised in a way that one does not come at the expense of the other as well. At the same time, employee concerns over job security in the short-to-medium term would have to be addressed, while also making time for their learning curve in the longer term, he said.

"[Another] consideration boils down to people's time constraints and limited awareness of upskilling opportunities. The pressure of everyday operations can overwhelm employees and lead them to deprioritise learning new skills.

"At the same time, there may be a lack of clarity about the long-term benefits of acquiring these skills – particularly for employees whose roles are not directly tied to areas such as AI and data analytics," Mr Jabbour said.

Approaches to upskilling employees

"Following Lebanon's multiple crises, understandably a resistance to change has settled in. AI can be perceived as a threat to many as it is progressively capable of completing more complex tasks," Mr Nasr said.

He also noted that it is in every company's best interest to demonstrate that employees will have opportunities for growth through the training and continual learning. What will also help is the effective and balanced implementation of AI to counter any apprehensions.

"No one will object to technology that makes their work and life easier when they have the results to show for it," he said.

Mr Jabbour also said that Lebanon's market conditions include "the added complexities of economic instability and technology brain drain".

Future trends

Mr Nasr expects AI and data analytics to enhance operations, create accurate data insights and give insurers a competitive edge through customised offering.

All this is predicated on effective employee training and development being translated into successful learning.

Steering clear of merely paying lip service to AI deployment, Mr Jabbour said that real test for the technology would be in areas such as governance, risk and compliance, cyber security, data privacy and climate action.

For instance, he said, with more intense and frequent extreme weather events such as sandstorms and flash floods, insurers are using "advanced analytical models and AI to better predict and assess such climate-related events".

He also said, "In markets like Lebanon, there is opportunity to use AI and predictive analytics for political violence (re)insurance". Ⓜ