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# A Conversation With Stephanie Shields

## *AI Partnership*

by P.E. Kelley



*The emergence of AI has been notable first in its potential to disrupt, and in some doomsday scenarios, usurp our entire corporate identity. But throughout the marketplace, companies of all sizes have already begun the process of incorporating AI into their cultures and systems, embracing a promise of new efficiencies. It seems the so called ‘ghosts in the machine’ that many feared AI might become have actually turned out to be quite friendly.*

*Stephanie Shields is head of the Employee Benefits business at Equitable, responsible for oversight and growth for this division, which only launched in 2015. Over the course of her young tenure here -- she joined the company in 2021-- Equitable realized a 113% increase of in-force premium. In 2022, the company incorporated new AI solutions into the division, realizing its potential to better manage its high-volume environment, one that processes ‘massive amounts of unstructured data’. We spoke with Shields about her vision for AI’s potential to generate more competitive speed and accuracy to market as well as advance a new model for customer-experience...for brokers and clients alike.*

***PEK: Let’s begin with the fact that Equitable is a very young player in the EB space — less than 10 years — which you’ve asserted ‘unburdens’ the company from legacy-technologies that might restrain the incorporation of AI initiatives into the company culture. How has your youth served you in this instance?***

**SS:** We began our journey as an employee benefits carrier in 2015 -- we literally started from scratch – and because of this we were able to build our tech stack from the ground up. Almost 10 years later, we still have a very agile, start-up mentality because in essence we were birthed as start-up in the sense that we did not have to deal with dozens of antiquated admin systems that housed all of our data, like most carriers that have been in the industry longer than we have. But what's very unique here is that although we were a start-up, we have the privilege of being an emerging business within a Fortune 500 company (Equitable) that's been around for over 160 years. So yes, our youth has enabled Equitable's Employee Benefits business to be able to adopt AI much faster than other carriers and placed us in a position where we can easily pivot to best adapt to real-time feedback we get from our broker partners, employer clients and their employees, as well as our internal users to create a better customer experience.

**PEK:** *As an historically labor-intensive process, the business of EB underwriting contains a lot of 'manual' processes — you've called it 'unstructured data' — that can be cumbersome to automate. How will AI alter the way you now handle such large-volume transactions?*

**SS:** Today we are continuing our AI journey, which first began in 2022 when we leveraged AI to fully automate our RFP process. This has enabled us to quote cases for group insurance business within an hour. Traditionally in our industry this process can take several days.

The RFP process, like most parts of the employee benefits experience involves a large volume of data. We're talking about tens of thousands of emails annually with many attachments and unstructured data. Before leveraging AI, our process was heavily manual, meaning it required a team of underwriters to pull information from emails and input cases into the quoting system.

Implementing AI enabled us to take the large volume and variety of inputs to read massive amounts of unstructured data to set up cases rapidly, efficiently, and accurately, in order to quickly respond to RFPs with a quote. We really could have started using AI during any part of the group benefits administration process, but we zeroed in on the RFP process because it's the very first step in the customer experience journey – it's where we make our first impression with our valued broker distribution partners. It also has helped us internally as we've been able to free up our underwriters to focus more on assessing risk, rather than on the manual touch points that were required before we implemented AI.

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Moving forward our Employee Benefits business at Equitable is going to start looking at other areas in the employee benefits ecosystem where we can apply AI, like the claims process. The employee benefits industry is really a human business and is centered on trust between employees and their employer. Can employees rely on the benefits they've signed up for when they need them and is the process for accessing them as intuitive and frictionless as possible? When an individual files a disability, critical illness or a group life insurance claim, that customer

is dealing with a very personal matter and it can be a trying time. The last thing that customer needs is to go back and forth with a carrier or their employer or experience delays with getting their payment. So if AI can help automate more things on the back end of this process, it can really can help free up time for our benefits professionals to focus more on the areas of their job that require human touch and empathy.

***PEK: What might be the new equation for AI, considering the industry's legacy variables of time, volume and efficiency?***

***SS:*** AI has certainly taken off in the insurance industry, but there is ample room to grow in terms of the areas where it can provide additional value. Fifty-nine percent of organizations have already implemented generative AI in insurance, with most organizations focusing on marketing, claims, underwriting, administration, and onboarding. I think some new use cases that might not be as prevalent in the industry yet are in fraud detection, predictive analytics, and employee benefit optimization. AI can detect patterns that indicate fraudulent claims, which can help reduce fraud and save costs. As for predictive analytics, AI can predict future trends in claims, customer behavior and market changes, allowing carriers to proactively adjust strategies, develop new products, and improve customer retention. And lastly AI has the potential to enhance employee benefit optimization by analyzing employee data to recommend the most suitable and cost-effective benefit packages for different groups within a company, ensuring better alignment with employee needs and preferences.

***PEK: What are your business objectives for AI and how does that relate to your value proposition?***

***SS:*** At this point in time, most businesses, regardless of size, are assessing how they can incorporate AI into their organizations. The use cases are seemingly endless and yet somehow growing by the day. When I think about the trajectory of the Employee Benefits business at Equitable, we are looking to double our in-force premium growth over the next few years. To support that growth, we are looking to scale the business, meaning that we are looking to grow and expand in a sustainable manner that involves increasing our capabilities and capacity to handle a larger volume of customers, sales, and operational needs. Simultaneously we are looking to lean into our mission of being a Powerfully Simple insurance carrier that seeks to remove the friction that has historically accompanied doing business in this industry. The only way that we can be a Powerfully Simple carrier is to explore and invest in emerging technology, like AI.

***PEK: Can you talk a little about your new InsurTech partner, Ushur, and what is the promise of smaller, nimble tech companies offer?***

***SS:*** I had experience with Ushur from a previous role that I held, and I thought very highly of their work and their people. When we were searching for a tech partner, we were looking for an InsurTech company that was willing to co-develop with us. We weren't looking for an off-the-shelf solution. We had the basis of an idea and we wanted a partner that was willing to build off of that. As a whole, I think our teams and philosophies work well together. We are both agile organizations that are used to working in short sprints and understand the iterative nature of AI.

With smaller organizations you often find that there is less bureaucracy to navigate and so the work is the focus and meaningful outcomes come quickly.

***PEK: How will AI change the value proposition in the benefits channel for brokers looking to grow their own businesses?***

**SS:** The value proposition is broad. AI has the potential to automate repetitive and time-consuming tasks, allowing companies and individuals, including brokers, to focus on more strategy and value-added activities. AI can improve the customer experience in a myriad of ways from providing instant customer support, curating more targeted content, providing individualized product recommendations, and it can do these things almost instantly. Another thing that AI has the power to do is to analyze large volumes of data and produce valuable insights. So there is so much potential to better understand customer behavior, market trends, and to use that information to make data informed decisions about where and how to focus your business efforts. And for any business that is looking to grow, the financials are key. Harnessed in the right way, AI can lead to significant cost savings by automating tasks, reducing error, and minimizing operational expenses. As with anything however, execution is key. While the benefits of AI can be numerous, the impact of any effort or application will ultimately hinge on careful planning, diligent implementation, continued investment, and a specified continuous improvement plan.

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