

Building on the Past, *Looking to the Future*

A Report from the 2011 ACORD LOMA Insurance Systems Forum.
The Forum featured the co-founder of Twitter and a technology futurist.

By Tammy McInturff Appel



Technology is changing at a rapid pace. At this year's ACORD LOMA Insurance Systems Forum, it was evident that technology is a game changer. Technology is continuing to change the way we do business and the way we live. "We believe that technology is truly one of the game changers for our industry," said Jeff Hasty, FLMI, ACS, Senior Vice President, Assessment, Development and Best Practices at LOMA. "New technologies like social media will have a huge impact on the way we do business in the future."

Get Ready for Change

Can you imagine selling a life insurance policy on a social media site? Today, insurance companies are just starting to explore how social media sites might play a role in their business practices. At the Forum, Hasty showed attendees how technology may change

how we issue insurance policies in the future. The video demonstrated how a policy might be sold in the future by leveraging several different technologies that are here now and some that are in the process of development.

Education is Key

As the trusted source for industry knowledge, LOMA is leveraging technology to deliver education and industry training. "We serve the industry by providing the insurance workforce with a strong foundation of education of the business of insurance," said Hasty. "When you have this strong foundation on operations of the business you work in, it positions you to handle basic operations in a more seamless manner and it gives some precious free time that allows you to innovate to leverage technology and progress in the future."

“As the world becomes flatter, globalist scope in education continues to grow,” he added. “LOMA now provides over 70,000 exams each year around the world in 72 different countries, in nine languages as we build on this foundation and look towards the future.”

“At LOMA we are leveraging technology as well,” Hasty said. “Some of the greatest challenges that we hear from our members or employees in the industry are finding the time and making learning fun and interesting. At LOMA, we are addressing this by now delivering online interactive multimedia formats that are available 24/7 from anywhere in the world.”

“We believe strongly at LOMA that you and your employees are a company’s most important assets. We are proud that 90 percent of the people who take our courses say that it helped them become more confident, more productive and raise their level of performance working at their organizations. We now have a library of over 100 LOMA courses online.”

Social Media Revolution

No one understands the power of social media better than Biz Stone. Stone, an American entrepreneur, author, philanthropist and co-founder of Twitter, has been developing large-scale systems to facilitate the open exchange of information for more than a decade. His insights and stories enlightened and entertained attendees at this year’s forum.

Stone said his personal philosophy was that technology is driven by humanity. “Technology is really all about us,” he said. “We build the tools to get our jobs done; it is really about what we are doing. It is our future; we are in charge of it.”

Mistakes Can Be Opportunities

Stone talked about mistakes, creativity and failure and the importance of empathy in everything that we do. “Empathy,” he said, “will be one of the premium drivers for success in the future.”

“Mistakes can be opportunities in disguise,” said Stone. In fact, he and his colleagues did not initially start out working on Twitter, but instead were working on a podcasting project when they realized they were not passionate about what they were doing. Stone said they decided to break up into teams and work on something that they would like to see in the world, and therefore the prototype of Twitter was built. Today, Twitter has approximately 200 million users and handles a billion tweets each week.

Have you ever wondered why Twitter is limited to 140 characters per tweet? Stone explained, “We basically wanted [Twitter] to work across all five billion mobile phones across the world. We wanted to give you a character count because the limit on text messaging across the whole world is 160. We wanted a little room for the author’s name in front of the tweet so that is how we came up with the 140 and we standardized it to 140 characters per tweet. We wanted it to work seamlessly everywhere. Our vision was simple communication everywhere in the world.”



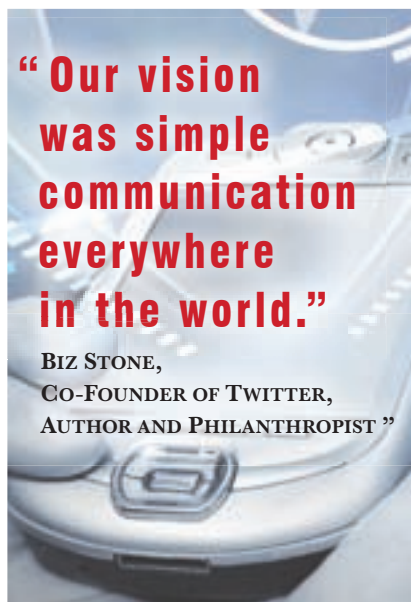
Biz Stone

Turning Vision into Reality

The usage of Twitter has gone beyond its creators’ expectations. Because it is such a quick means of spreading important information it has proven to be a very useful tool in disaster situations like the wildfires in Southern California in 2008 and more recently the earthquake in Japan. “People were tweeting about the earthquake while the ground was still shaking,” Stone said. “It took the Associated Press nine minutes to send out a 157 word release that said there had been an earthquake. In those nine minutes, we had collected some thousands of tweets that roughly estimated equaled 50,000 words of personal accounts of the earthquake, which is equivalent to a book of personal accounts.”

Twitter has also proven useful for disaster relief. “Over the years we have seen people using Twitter during and after disasters to find others; to offer help and to organize charitable campaigns,” Stone said.

But not everyone was initially excited about Twitter; Stone said they were constantly berated in the early days while working on the social media site. “Everyone’s chief complaint about Twitter was that it was not useful,” he said. “However, I was emotionally invested in the product that we were creating and even though all these people were saying that it was useless; I was emotionally attached to it because it made me excited to wake up in the morning and go to work.”





Nick Bilton

Stone used the metaphor of a flock of birds to describe the power of Twitter. “When you see a flock of birds flying around a tree or telephone pole it looks incredibly choreographed and very complicated but the mechanics of flocking are simple,” he said. “It is just rudimentary communication among individuals in real time that allows many to behave as if they are all one organism.” Stone explained that Twitter allowed this to happen with humans. “To my knowledge there was no technology at all that existed that allowed 800 people to in eight minutes easily coordinate to meet at a spot using a tool that they were all carrying in their pockets.”

Triumph of Humanity

While Twitter has played a role in organizing protests across the globe and in communicating during and after disasters, Stone said that, “Twitter is not a triumph of technology; it is a triumph of humanity. It doesn’t matter how many machines you have on a network or how many different ways you have of getting it out; what matters is that people are basically good and if you give them a simple tool that allows them to exhibit that behavior they will prove it to you every day. This is about humanity becoming smarter and more connected and able to do more things that can help other people in the world.”

Manufacturing Opportunity

Through a series of very insightful stories based on Stone’s own experiences, he discussed some of the lessons he has learned over the years. One lesson he said is that, “opportunity can be manufactured.” “You don’t have to wait for a certain set of circumstances to fall into place before you take advantage of them,” he said. “You can actually create the circumstances yourself and then take advantage of them.”

Stone said that through his experiences he has also learned that, “creativity is a totally renewable resource. You are never going to run out of creativity,” he said. “You will always be able to approach a problem with another creative angle. Everyone is creative and everyone has an infinite supply of creativity. So use it as much and as often as you like and that has not only helped me tackle many problems in my career it has made it fun.”

The next bit of advice is some that Stone often tells entrepreneurs, “To succeed spectacularly you have to be willing to fail spectacularly,” he said. “You have to be really willing to just completely embrace failure. Don’t be afraid of failure. If you don’t fail you are never going to get to where you want to be. It is ok to fail you just try again. We are trained to avoid failure but failure is awesome.”

Make Assumptions

According to Stone, it is ok to make assumptions, as long as you make the right ones. He told attendees that he asks new hires to make several assumptions. “Assume that we can change the world, build a business and have fun,” he said. “We need to have fun and feel like we are doing meaningful work with our life. Assume that we don’t always know what is going to happen. We have proved that over and over again. I think the person who says they know what is going to happen has blocked themselves out to the possibilities.

Leave open the idea that you don’t know what is going to happen. You’ve got to leave room for the unexpected.”

“Assume there are more smart people outside your company than there are inside your company,” he added. Stone stressed the importance of networking with people outside of your company. “Ask other people in the industry how they deal with problems. Ask competitors how they approached a problem or situation. There are so many smart people out there make use of them.”

Stone said he also asks his new hires to, “Assume we will win if we always do the right thing by our users. Also, assume that your coworkers are smart and that they have good intentions. It is natural human behavior to when you don’t know someone to be a little afraid of them.”

The Emergence of Hyper-personalization

Nick Bilton, *New York Times* Lead Technology Writer, discussed the future of technology and some of the emerging trends and how they will affect our lives and businesses. One of the trends that Bilton discussed was the rise of “hyper-personalization.”



Bilton explained that the three screens that we interact with daily—our TV, cellphone and computer, will start to communicate with each other in the future to give us content that is specific to our interest and experience. “Imagine a scenario where you are watching the news in the morning on your television and you pick up your phone and head out of your house, both your phone and television know that you’ve left so they communicate so you can continue to watch that same experience out on the subway on your way to work.”

Bilton said as this happens, we will start to see everything we consume become more personalized—books, television shows, music, even advertising. “This will bring a rise to hyper-personalization, where everything is really personalized around each person and what you are doing at that moment in time, which is going to be great for business and great for consumers as we look forward.”

Emerging Technologies

Bilton said we are also going to see a rise in the use of sensors in the future. “We are going to start to see sensors in everything that we touch,” he explained. “Imagine a scenario where two buildings have different types of sensors and one can say ‘hey the sun is really bright over here could you put your blinds down so that I could save energy.’ There will be sensors in your cars, clothes, in pretty much everything that you interact with. Sensors will monitor everything from your health to your consumption of energy and I think this is going to be very relevant to [the insurance] industry because it is going to give us ways to actually monitor analytics on people. The buttons in your shirt will probably have heart monitors in them. Your sneakers will have monitors that will detect how much you have walked. There will be a vast array of things like that. The next version of mobile devices will probably have heart monitors. All of these different devices are going to be able to tell information about us. For your industry it could be amazing for

tracking people in different types of insurance.”

Bilton discussed several technologies that we will see in the future. Some, like 3-D printers, are already in development now. Imagine being able to print out a cup or plate from your home computer instead of having to go to a store and buy one. Bilton said in the future, we will be able to go to an electronics store and buy a 3-D printer for use in our homes.

We all know that e-readers and iPads are changing the way we read books and magazines. Bilton said we are going to start to see more flexible display screens that are fully flexible and fully interactive. These flexible display screens will be the new devices that we use to read newspapers, magazines and books. “You will eventually just have these devices rolled up in your pocket or around your wrist,” he said. “Flexible display screens will also contribute to the rise of hyper-personalization by giving the reader smart content that is customized to your location and your friends and is based on what you have already read that day.”

The Importance of Social Media

Bilton said when you look at the amount of social media that we all consume the numbers are fascinating. “On Facebook there were 360 billion pieces of information that were shared across the network last year. This is just an amazing amount of information and it grows every month by billions and billions,” Bilton said. “There were 25 billion Twitter messages sent on Twitter last year. That number is now a billion a week. The amount of information being shared on YouTube is fascinating. Not only were 730 billion videos watched last year, but every minute 35 hours of video are uploaded.”

The generations that are growing up now with social media have the ability to create content and want to create



content. Bilton said we have to talk to this generation differently from a business standpoint. “This affects every single industry from the newspaper industry to the insurance industry to the cupcake industry it doesn’t matter what you are doing because essentially we all have one of these printing presses in our pocket now,” he said. “We all have the ability to have the same voice to the same audience no matter what. If one of your customers is upset they can tell everyone just as easily as the *New York Times* could in the past. Everyone is becoming a storyteller and has the ability to share and say something that they like or they don’t like.”

According to Bilton the next generation of consumers will likely get their news from social media sites. He said we have to learn how to deal with and interact with this generation in new ways. “I think that the most important thing for this generation is experience, community and conversation. They also want to be able to create and personalize. They want the ability to be a part of every conversation no matter what business it is that they are talking to.”

The Future of Technology

Bilton, who is the author of *I Live in the Future & Here's How It Works*, also discussed some of the research from his book. "My book is really trying to look at the future of technology, society and how everything is changing."

He explained that while technology can be disruptive to our lives and businesses, it is not necessarily 'bad' for us. "We have been told that all of this technology is bad for us and we can't concentrate anymore," he said. He added that he has always had trouble concentrating and is at his best when multi-tasking.

Is multi-tasking really bad for us? While doing research for his book Bilton set out to find the answer. There have been a lot of articles that talk about how negative multitasking can be for our brains and society. Bilton traveled around the country interviewing neuroscientists and asked their opinions on multitasking. "It is not as black and white as we have been lead to believe," he said. "The ability to multitask depends on what we are doing and this research actually goes back to the 1950s with air traffic controllers. What they discovered is that if you are doing two tasks that are similar that your brain is quite fine with it. For example, if I'm watching a sports game on television and tweeting about that game my brain is ok because it balances between the same. It is two different devices but it is the same topic. But if I'm trying to drive a car and then text someone about what I'm having for dinner my brain cannot do that. In reality, our brains are multi-tasking all of the time. Our brains have been designed to multi-task but there are limitations to it."

Learning from the Past

Bilton said the fear of new technologies goes back hundreds of years. As he was doing research for his book he found many articles about other technologies and how people were afraid of the effects the technology would have on people and society.

"When the railway first came out that people were petrified of it," he said. "They thought it was going to ruin towns and society. There was a paper written at the time that said if you were to go on a train over 20 miles an hour you would asphyxiate and die. Another article said if you hit 40 miles an hour on a train your bones would explode. Every time a new technology comes out there has been fear of the negatives on society."

"When the telephone came out there is a front page *New York Times* article discussing this wonderful invention but then it warns that the telephone by entering people's homes will empty concert halls and churches and no one will ever leave their house again," Bilton said. "There really isn't anything to be afraid of because our brains are designed to engage with these technologies and to really adapt. Our brains are adapting all the time. There is a misconception that it is evolution that is happening with our brains but that is not correct. Evolution takes place over hundreds of thousands of years it is not 20 years which is how old the Internet is, or 800 years how old books are, or 5,000 years which is how old the alphabet is."

"What really made me realize that these technologies are not bad for us was the research that I came across by Dr. Maryanne Wolf who is an amazing neuroscientist studying the brain and how we read," Bilton said. "She wrote a book called, *Proust and the Squid* and what she discovered was that we were actually never designed to read. She said what happens is we take these words that we see and use other parts of our brain that we used to use to discover rocks and trees and things like that and we apply them to learn how to read. So when you think about these technologies it is the same example. We are taking parts of our brain that were designed for something else and using it to learn how to use these technologies. So one is not better than the other and one is not worse than the other, they are just ways of consuming, creating and conversation."



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JEFF HASTY, FLMI, ACS,
SENIOR VICE PRESIDENT,
ASSESSMENT, DEVELOPMENT
AND BEST PRACTICES, LOMA.

While technology can help us be more effective and efficient in our business practices, Bilton reminded attendees that, at the end of the day, a positive customer experience is essential no matter what industry you are in. "I think when you start to think about how these technologies affect your business, it is really important to realize that we don't pay for products, we pay for experiences," he said. "We can get any of these things from anyone."

2012 ISF Date

The next ACORD LOMA Insurance Systems Forum will be held May 15-17, 2012 at Rosen Shingle Creek in Orlando, FL. For more information, visit www.acordlomaforum.org. ♦

