

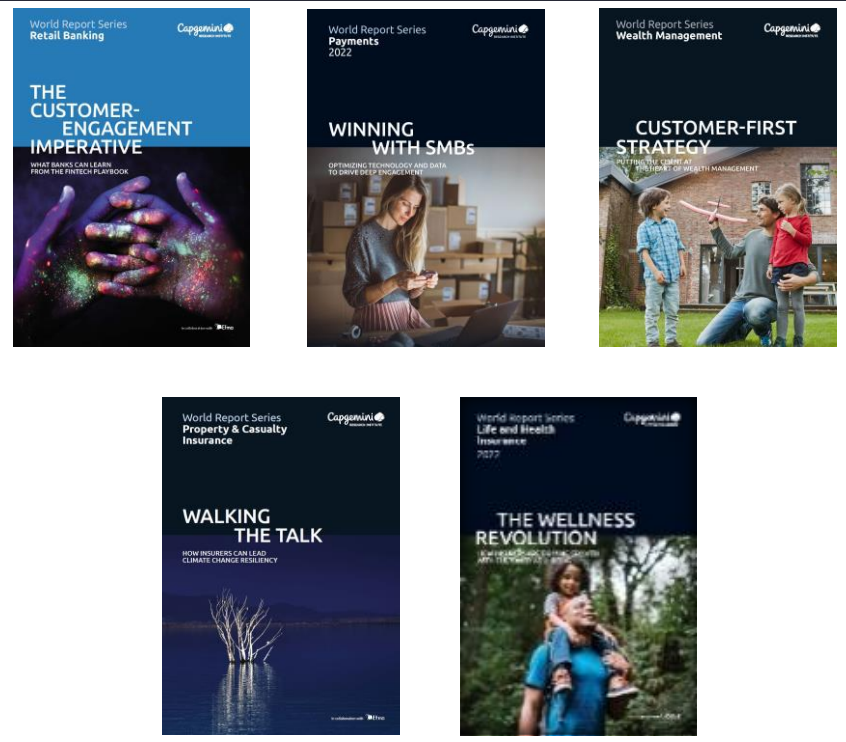
LIFE INSURANCE TOP TRENDS 2023



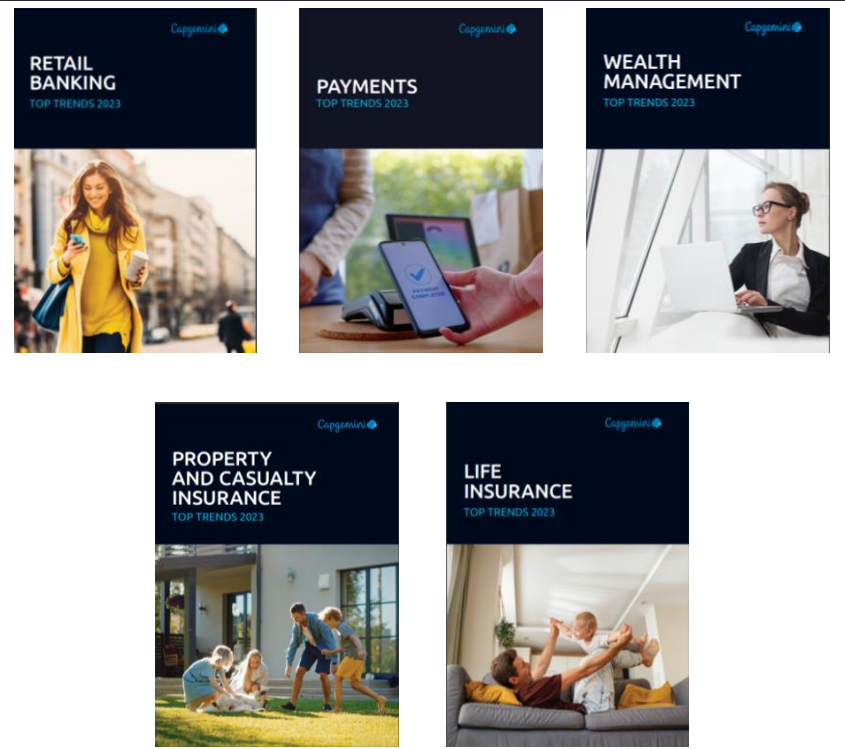


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TREND 10 TRENDS IN INSURANCE BY SUB-DOMAINS



Customer First

Intelligent Industry

Enterprise Management

PROPERTY & CASUALTY TRENDS

-  Embedded insurance is enabling protection at the right time and through the right channels
-  Bespoke coverage solutions are closing the protection gap for micro-mobility users, gig workers
-  Tailored value-added services are boosting customer engagement and differentiation
-  Technology and behavioral nudges are transforming insurers from payers to preventers
-  Commercial Insurers are creating new revenue streams with risk engineering services
-  Drones, robotic imaging, and video technologies are modernizing loss inspection processes
-  Data mastery and advanced technology is boosting underwriters' pricing accuracy
-  Insurers are prioritizing sustainability within corporate strategy
-  Carriers are preventing cyber attacks by fortifying customer data security
-  Trailblazing insurers are entering the metaverse frontier

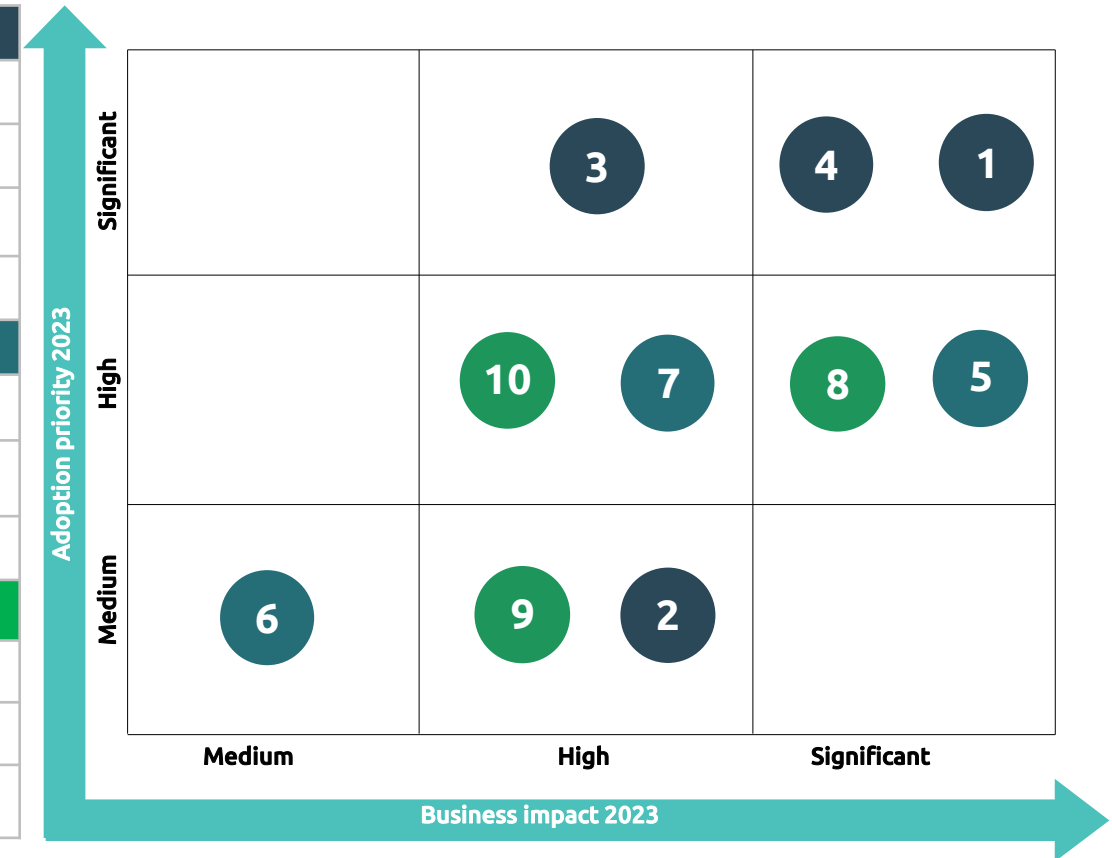
LIFE TRENDS

-  Agents empowered with advanced digital capabilities increase productivity and customer engagement
-  Ecosystem partnerships offer a path to innovative financial value propositions
-  Embedded life insurance offers convenient right-time, right-channel accessibility
-  Wellness-as-a-service initiatives deepen customer engagement
-  Insurers move to cloud-based operations to drive innovation, operational excellence
-  Life insurers are targeting younger populations with relevant products and digital customer experience
-  Real-time use of alternate data helps automate and streamline underwriting
-  Insurers make sustainability a strategic corporate priority
-  Microservices unlock new insurance ecosystems and improve the customer journey
-  Core system modernization powers up life insurance innovation

CAPGEMINI TOP LIFE INSURANCE TRENDS 2023 - PRIORITY MATRIX



Customer first	
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Source: Capgemini Research Institute for Financial Services Analysis, 2022

- The matrix above presents Capgemini’s view of 2023 trend prioritization in an operating environment that includes:
 - Rising inflation and interest rates coupled with stagflation trends
 - Operational disruption due to geopolitical instability
 - Dynamic regulatory activity
 - Intense competition and increased focus on customer centricity due to the entry of new-age players
 - Operational cost overruns and high capital lock-in
- **Adoption Priority** refers to the urgency of adopting a 2023 trend to maximize value creation because of its sector importance
- **Business impact** represents the influence of a trend on the Life sector’s 2023 business as it relates to customer experience, operational excellence, regulatory compliance, or profitability

Circumstances will vary for each firm depending on business priorities, geographic location, and other factors. For more information, don’t hesitate to contact us at insurance@capgemini.com

WHAT HAS CHANGED AND WHAT HAS NOT?



TRENDS 2023		TRENDS 2022	
1	Agents empowered with advanced digital capabilities increase productivity and customer engagement	1	Life insurers are digitalizing distribution channels to provide enhanced convenience, advice, and reach (CARE)
2	Ecosystem partnerships offer a path to innovative financial value propositions	2	Insurers are revisiting their product strategy to target under-protected segments
3	Embedded life insurance offers convenient right-time, right-channel accessibility	3	Promoting health and wellbeing is becoming mainstream
4	Wellness-as-a-service initiatives deepen customer engagement	4	Novel insurance business models are enabling more efficient go-to-market strategies
5	Insurers move to cloud-based operations to drive innovation, operational excellence	5	Shortening application development cycles becomes a priority to achieve go-to-market strategies
6	Life insurers are targeting younger populations with relevant products and digital CX	6	Insurers are leveraging alternate data sources and AI technologies to generate actionable customer insights
7	Real-time use of alternate data helps automate and streamline underwriting	7	More life insurers will adopt cloud platforms to gain operational agility
8	Insurers make sustainability a strategic corporate priority	8	Insurers are embedding sustainability and ESG (environmental, social and governance) goals in their strategy
9	Microservices unlock new insurance ecosystems and improve the customer journey	9	Insurers are experimenting with embedded insurance to extend the reach
10	Core system modernization powers up life insurance innovation	10	Insurers are offering value-added services via close collaboration with ecosystem partners

New trends

Pushed by current geopolitical and financial challenges, we expect life insurers to remain hyper-focused on:

- System modernization and microservices to unlock new ecosystems and improve the customer journey
- Targeting the younger population with relevant products and end-to-end digital CX

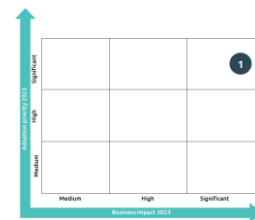
Trends evolution

- Embedded offers, wellness, and ecosystem partnerships boosting growth
- Digitally empowered agents, cloud, and real-time use of alternate data streamline and simplify processes
- Future-focused insurers are weaving ESG resiliency into their corporate sustainability strategy with clear actions assigned to C-suite executives

Deprioritized trends

- Most insurers already started to revisit product strategy and shorten their application development cycles, and are continuing with them. New initiatives were less frequent
- Developing new business models may not be among top priorities of insurers as they navigate an increasingly ambiguous economic environment

AGENTS EMPOWERED WITH ADVANCED DIGITAL CAPABILITIES INCREASE PRODUCTIVITY AND CUSTOMER ENGAGEMENT



Digitally-equipped agents are more fruitful and efficient

010
10110
1110

Real-time customer
data for a superior CX



Better customer
relationship management



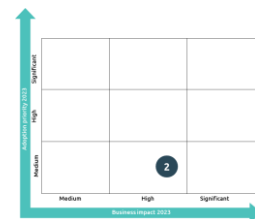
Effective sales and
engagement monitoring



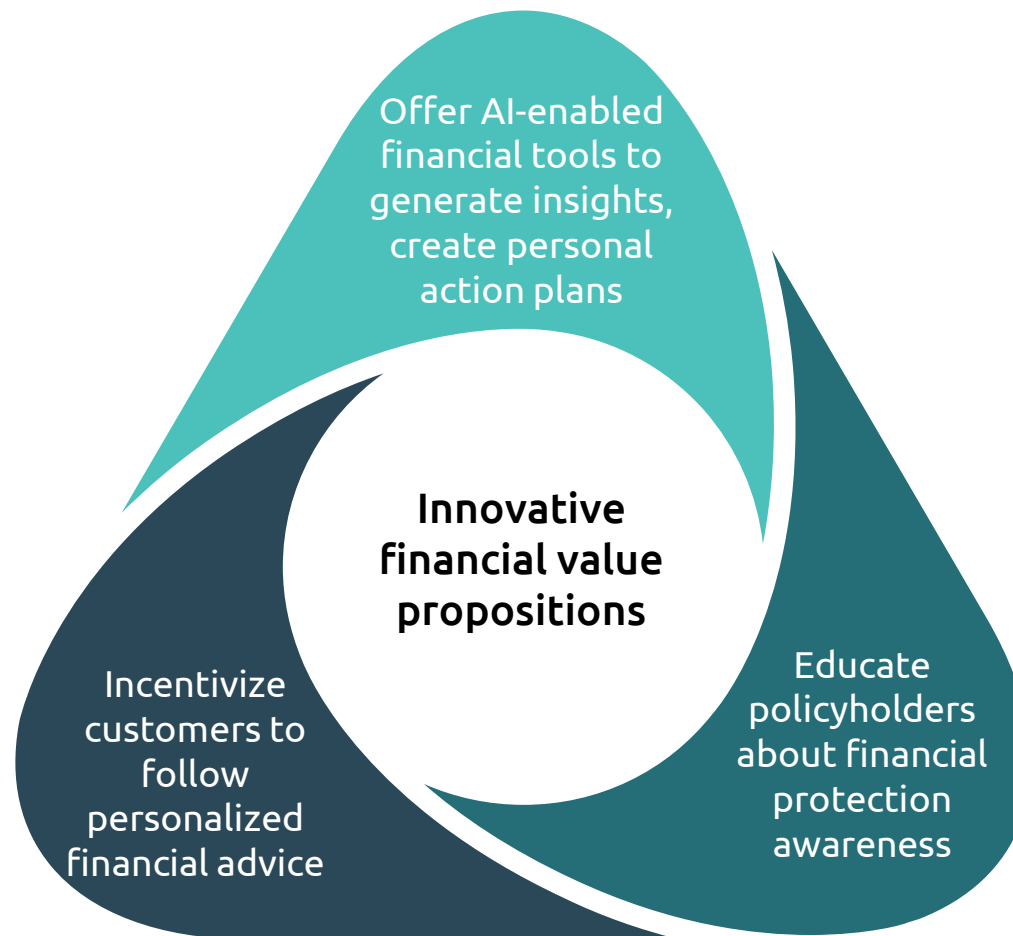
Better cross-selling
and upselling

Agents with digital tools can help insurers quickly and efficiently handle customer requirements.

ECOSYSTEM PARTNERSHIPS OFFER A PATH TO INNOVATIVE FINANCIAL VALUE PROPOSITIONS

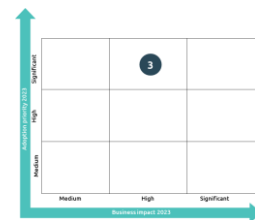


Ecosystem collaboration can help life insurers create positive financial outcomes for policyholders



Insurers will collaborate with ecosystem partners to offer personalized experiences to help policyholders achieve long-term financial goals.

EMBEDDED LIFE INSURANCE OFFERS CONVENIENT RIGHT-TIME, RIGHT-CHANNEL ACCESSIBILITY



Embedded insurance as a strategic game changer that boosts CX

What's so attractive about embedded insurance?

FOR LIFE INSURERS

Accessing new markets and an expanded customer base

Reaching customers at the right time and place

Opportunity to cross-sell through bundling

FOR CUSTOMERS

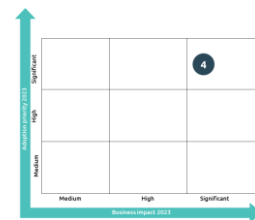
Personalized offerings

Quick and hassle free insurance purchases

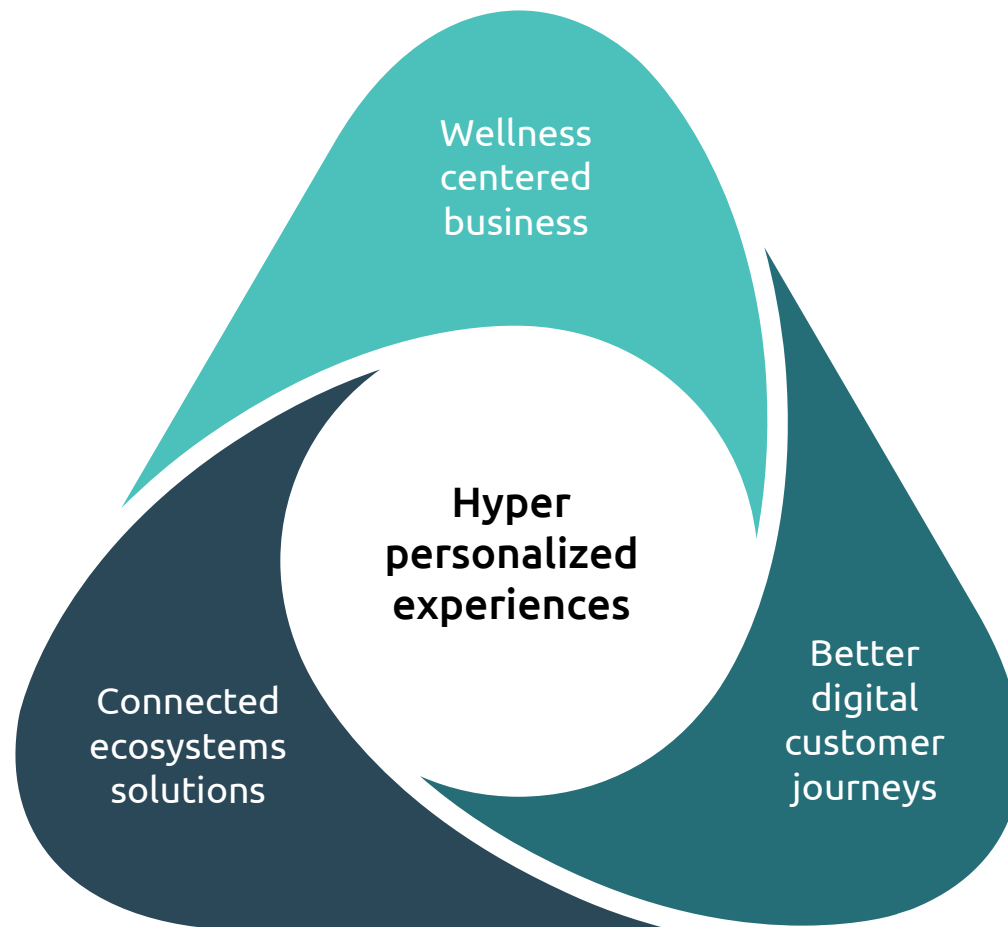
Comprehensive coverage and convenient CX

Embedded insurance creates seamless customer experiences that boost growth among underserved customer segments.

WELLNESS-AS-A-SERVICE INITIATIVES DEEPEN CUSTOMER ENGAGEMENT

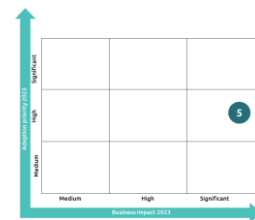


Wellness-as-a-service enables a win-win proposition for life insurers and policyholders

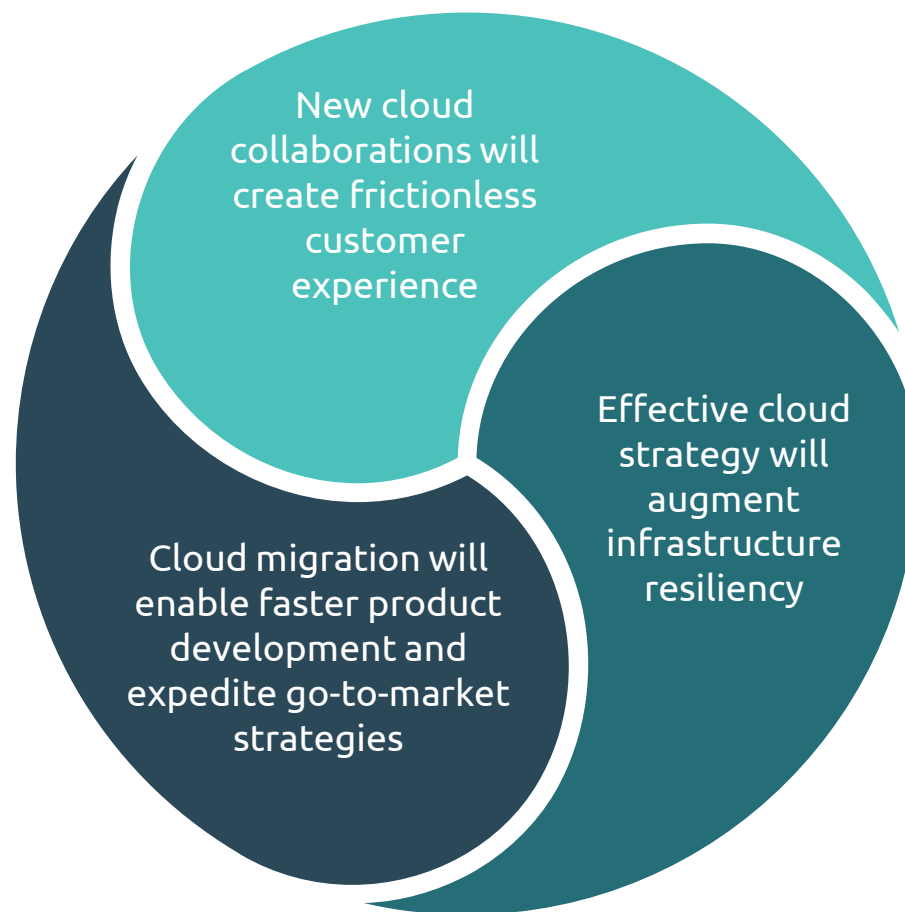


Future-focused life insurers are re-evaluating longstanding value propositions and adding wellness as a customer engagement pillar.

INSURERS MOVE TO CLOUD-BASED OPERATIONS TO DRIVE INNOVATION, OPERATIONAL EXCELLENCE

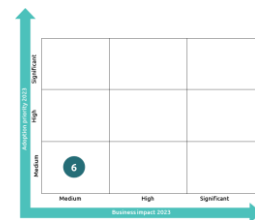


Cloud-based operations can create a future-ready digital infrastructure

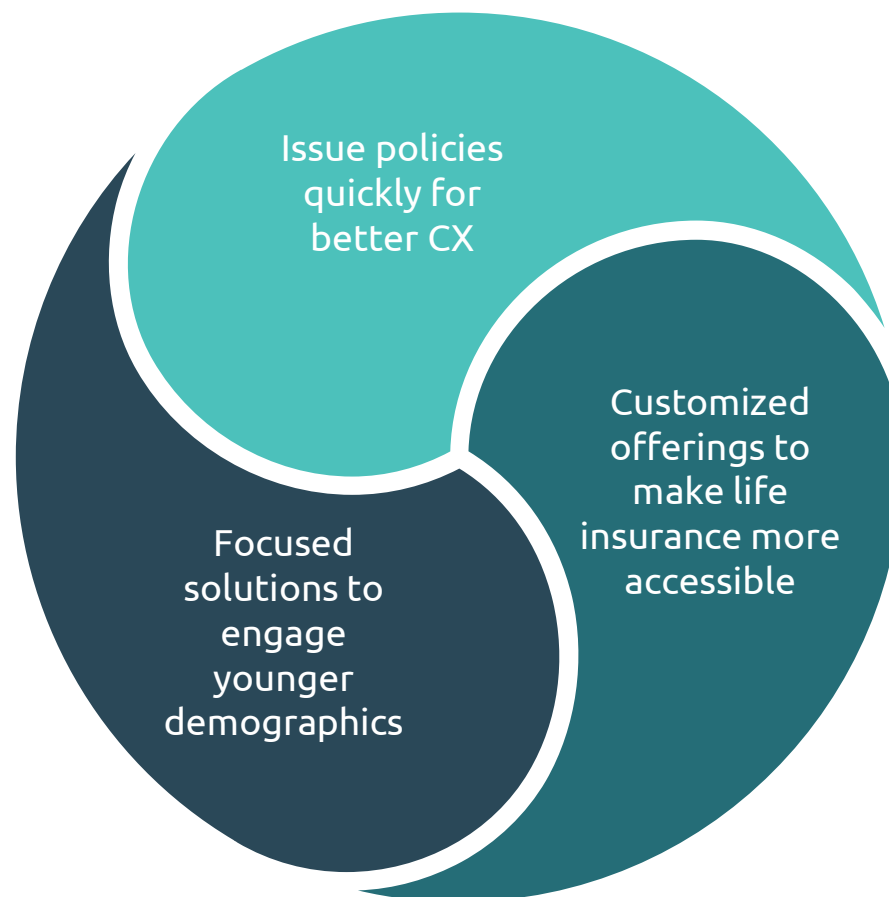


Cloud solutions enable carriers to improve customer experience and fuel operational excellence.

LIFE INSURERS ARE TARGETING YOUNGER POPULATIONS WITH RELEVANT PRODUCTS AND DIGITAL CUSTOMER EXPERIENCE

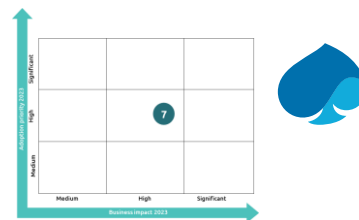


A comprehensive digital experience creates deeper connections, brand loyalty, and retention

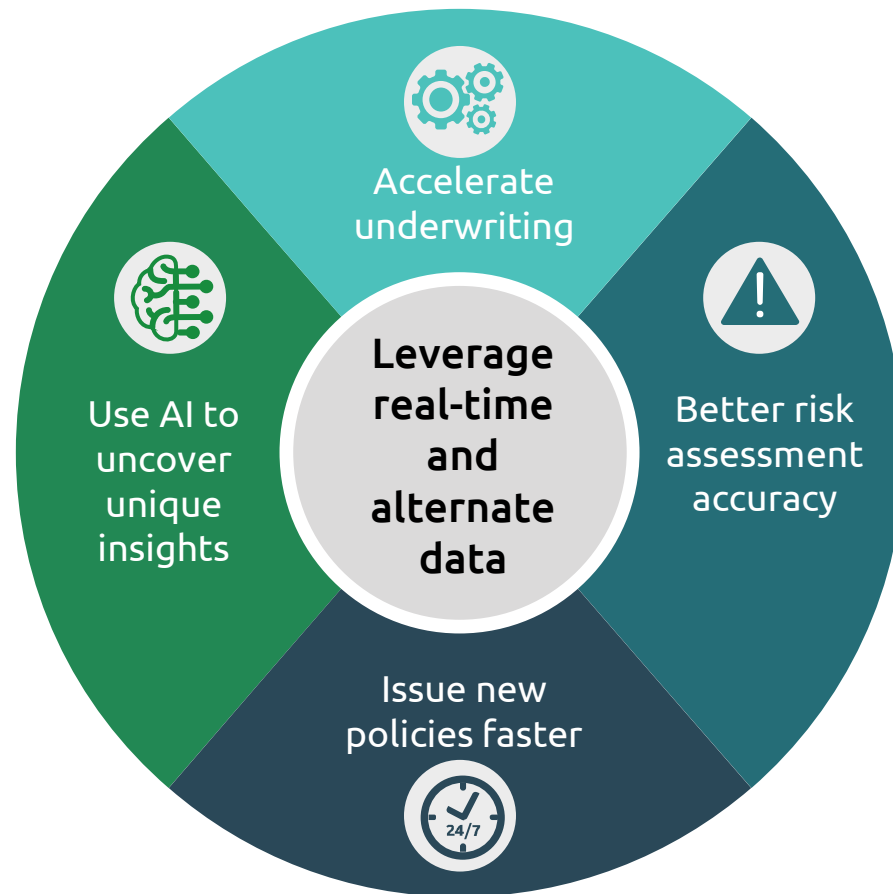


A simplified application process and a welcoming, not daunting, customer experience help carriers attract busy millennials.

REAL-TIME USE OF ALTERNATE DATA HELPS AUTOMATE AND STREAMLINE UNDERWRITING

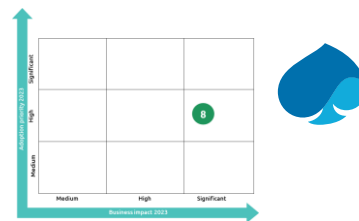


Integrating real-time alternate data from third-party sources can transform underwriting

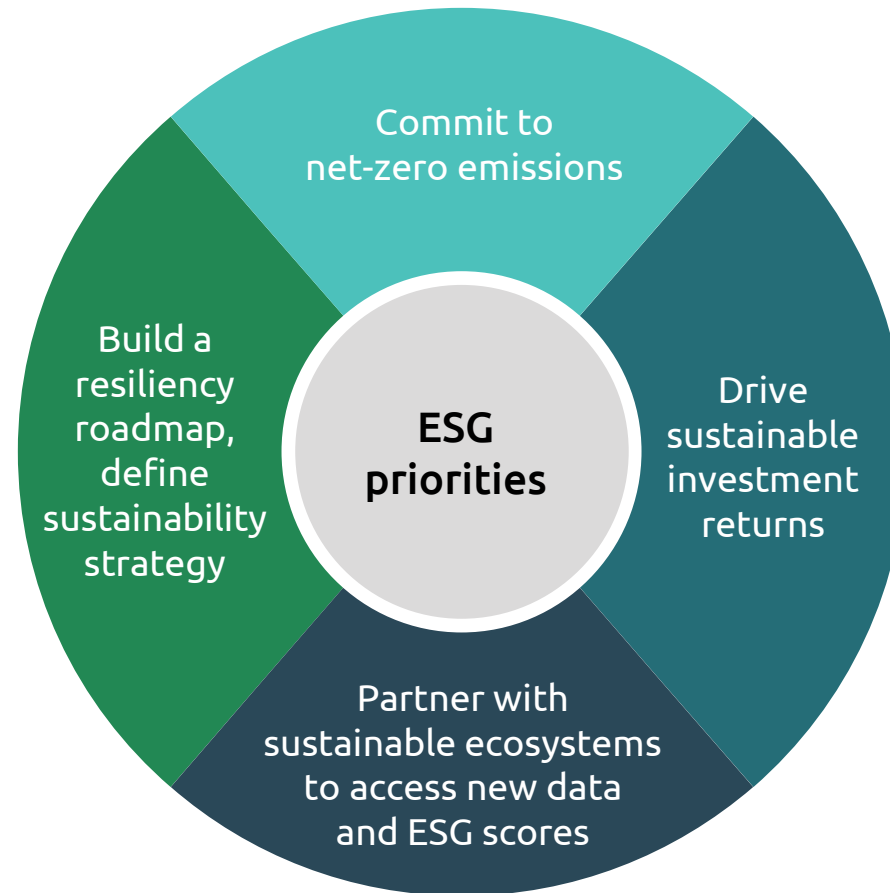


By integrating real-time data from third-party information sources, life insurers have a unique opportunity to transform the underwriting process.

INSURERS MAKE SUSTAINABILITY A STRATEGIC CORPORATE PRIORITY

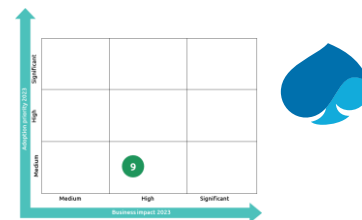


Embed ESG resiliency into corporate sustainability strategy

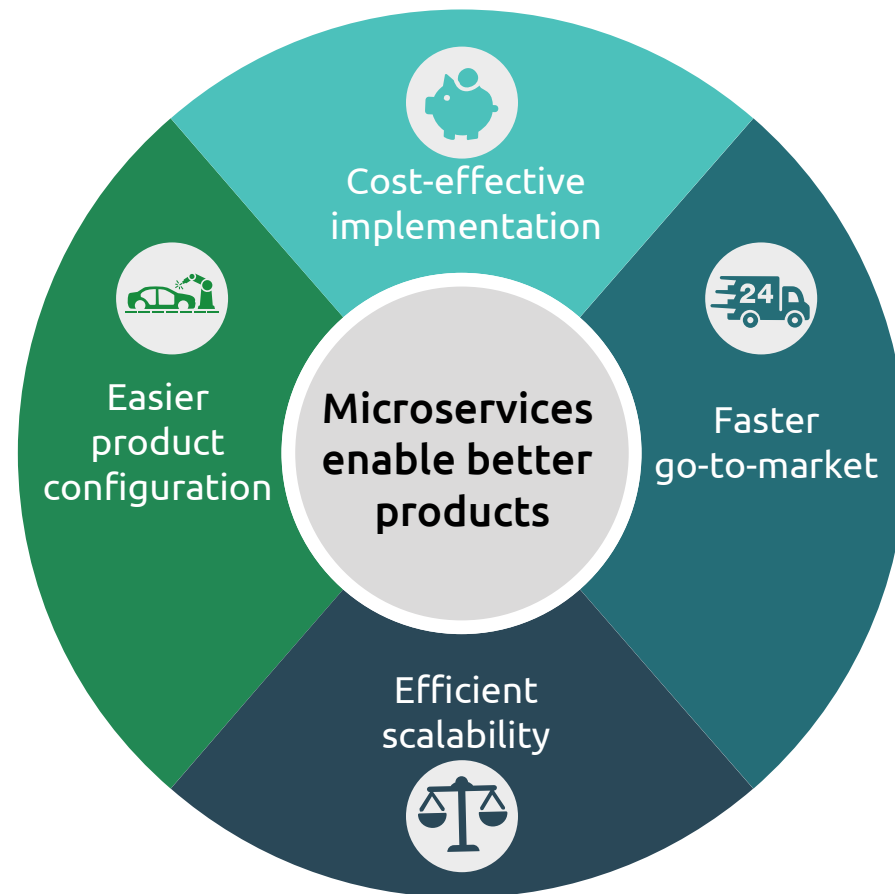


Life insurers are taking on an increasing number of ESG (environmental, social, and governance) issues and committing to protect the environment and prevent future risks.

MICROSERVICES UNLOCK NEW INSURANCE ECOSYSTEMS AND IMPROVE THE CUSTOMER JOURNEY

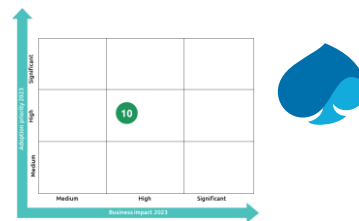


Adopting microservices architecture has several benefits



As more consumers embrace digital engagement, insurers are keen to adopt microservices architecture to optimize business performance and boost customer experience.

CORE SYSTEM MODERNIZATION POWERS UP LIFE INSURANCE INNOVATION



Take a step-by-step approach to core system modernization

01

Define desired business outcomes

02

Identify functional requirements

03

Ensure consistent alignment at the top

04

Involve employees in the transformation from the outset

05

Choose the right technology partner

06

Ensure a strong network of implementation, integration, and advisory partners

07

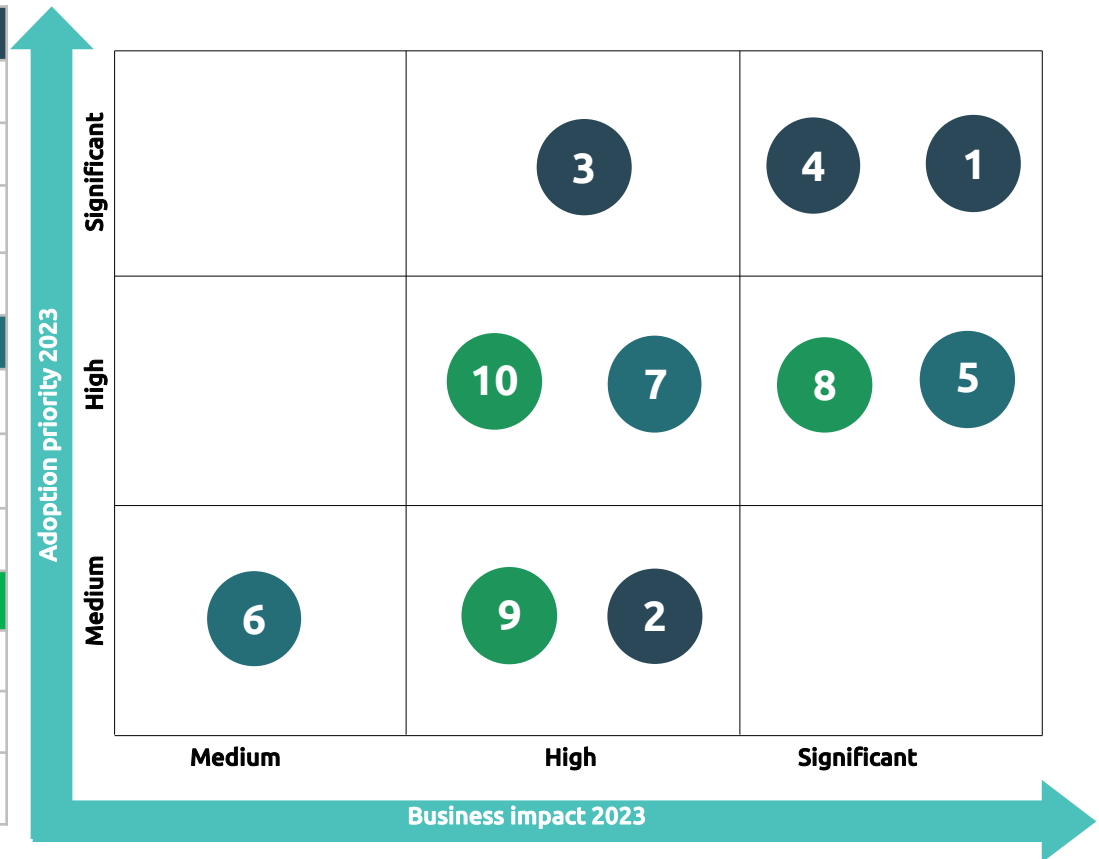
Implement in stages

Unlike P&C carriers, many life insurers have just begun to modernize their core systems. Rationalizing, simplifying, and modernizing applications and infrastructure is now a top priority.

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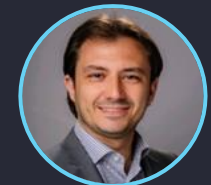
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