



NAVIGATING THE FUTURE OF LIFE INSURANCE:

Challenges and Opportunities
on the Minds of Executives



LIMRA®



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NAVIGATING THE FUTURE OF LIFE INSURANCE:

Challenges and Opportunities on the Minds of Executives

Whether you're looking to understand industry trends, refine your business strategy, or explore investment opportunities, this webinar provided invaluable insights.

Alison Salka, Senior Vice President and Director of Research, LIMRA and LOMA, and Rob Sims, Managing Director and Partner, BCG, unpacked the key findings from the latest LIMRA and BCG joint report titled **"What's on the Minds of Life Insurance Executives 2023: Six Big Opportunities in an Evolving Market."**



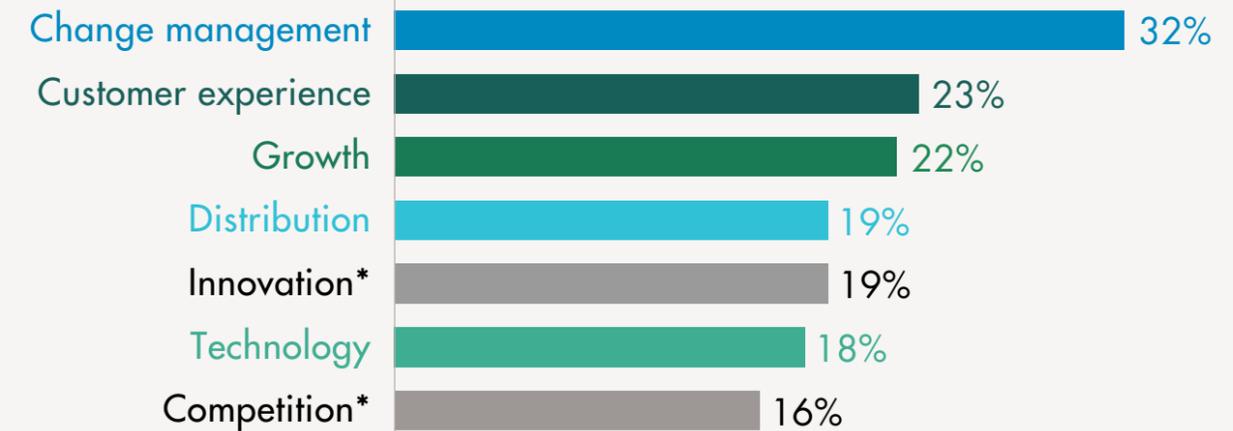


TOP CHALLENGES FOR INDUSTRY EXECUTIVES

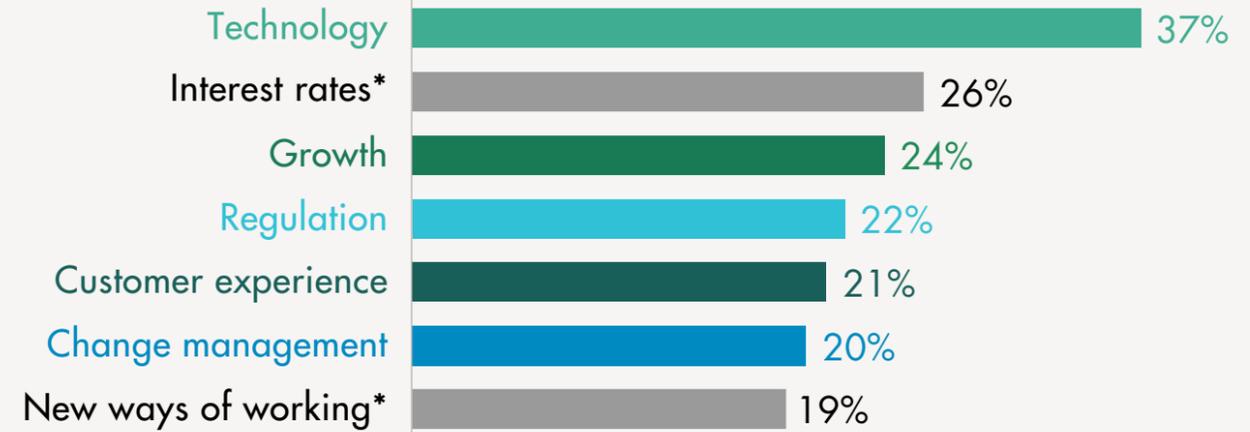
“Growth has emerged as the top challenge for life insurance executives.”

Top challenges by year

2019



2021



2023



Sources: BCG and LIMRA’s 2023 global survey of life insurance executives; BCG analysis.

Note: New ways of working was added as a category in 2021.

*The challenge appears only once among the top challenges since 2019.

FOCUSING THE PORTFOLIO

Where Can I Be a Market Leader?

There is a 51 percent of respondents plan to focus on products with higher profit margins as a top-three strategic priority.



The days of the large, diversified insurer that's participating in many different product lines is moving to be a thing of the past."

Rob Sims
Managing Director and Partner
BCG



I think there will always be a role for a generalist carrier supplying a lot of solutions, but that's going to be limited to cases where they have some proprietary distribution of their own."

Chris Blunt
President and CEO
F&G Annuities & Life



Many companies, especially public companies, have been selling off pieces of the business to better focus on their key product priorities."

Alison Salka, Ph.D.
Senior Vice President and
Director of Research
LIMRA and LOMA



PERSONALIZING THE JOURNEY

THE
RIGHT
ENGAGEMENT
PRODUCT
TIME
CHANNEL

to meet customer needs

Rob Sims



The carriers and the executives that we spoke to believe that active customer engagement will lead to more satisfied, better educated, and more loyal customers over time.”

EXAMPLE

Swiss Re partnered with the independent app developer Sharecare. Sharecare’s product, RealAge, gives people a “fitness and wellness age” that they can compare to their chronological age.

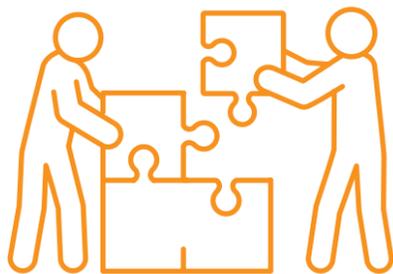


of respondents view data science and data analytics as crucial to success.



HELPING ADVISORS TO HELP CLIENTS

THE ADVISOR EXPERIENCE MATTERS



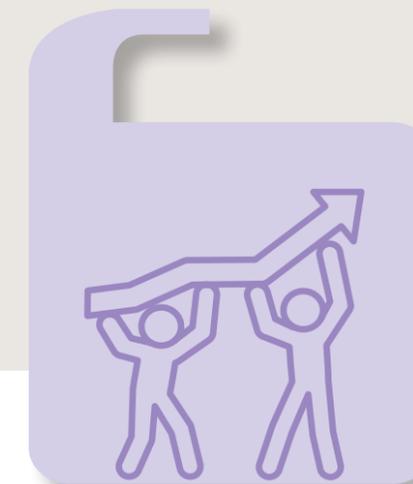
EXAMPLE

Northwestern Mutual launched a tool called **PX** that is designed to help advisors bring together a complete picture across permanent life insurance, investment, and annuities into one financial planning platform to better offer holistic advice.



Based on a recent advisor survey we did, most advisors work with about three carriers on average, and they place the majority of their business, 57 percent, with their top carrier. A little under one third will either add or drop a carrier each year. Almost 1 in 5 will drop a carrier because of the support they get around the sale or post sale.”¹

Alison Salka



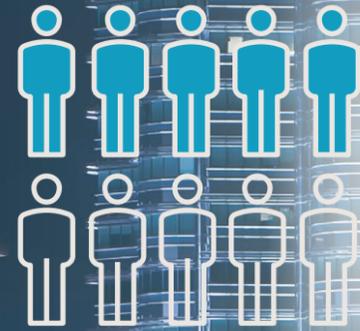
¹ Reimagining Growth: LIMRA-EY Experienced Financial Professional Study, LIMRA-EY, 2023.



The carriers that are able to make it easy for the advisors, we predict will ultimately be the winners here.”

Rob Sims





Approximately **50%**
of respondents rank consolidation
as a top distribution challenge.

CONSOLIDATION OF IMO_s AND BGA_s IS AN EXPANDING THREAT TO CARRIERS

Carriers are making several
strategic moves including:

Investing in
affiliate
agencies

Partnering with
IMO_s and BGA_s
for product
development

Acquiring
distribution

Executing
hybrid
distribution
strategies



TECHNOLOGY MODERNIZATION



IS TABLE STAKES FOR LONG-TERM SUCCESS



Keeping up with new age technology has been a persistent challenge every year this survey has been conducted.



There are three principles that I've seen organizations apply that have worked.

1

Move away from legacy systems

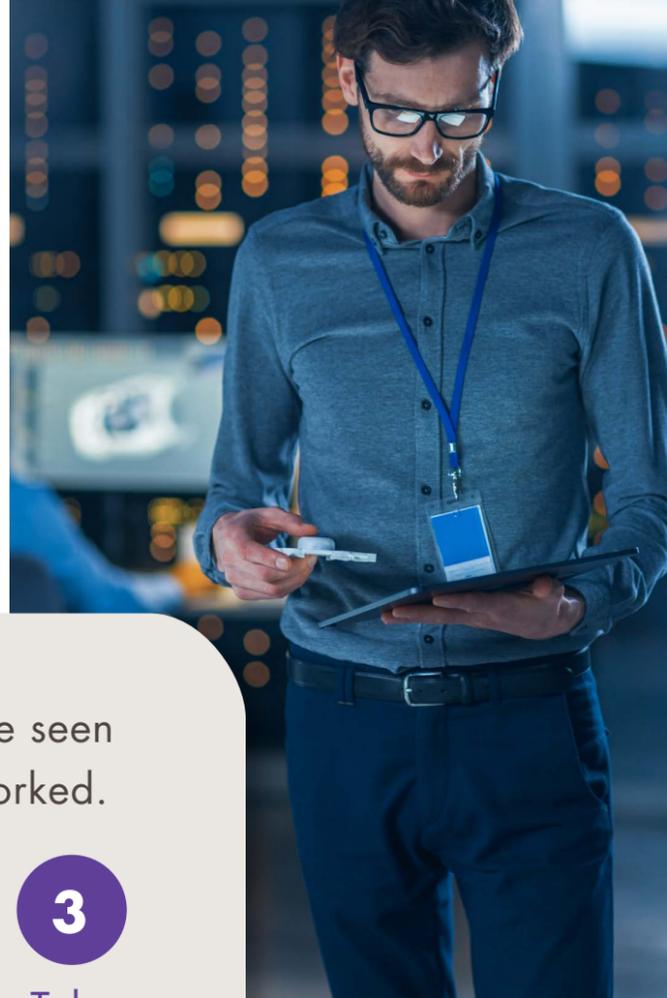
2

Building functionality slice by slice

3

Take advantage of disruption

Rob Simms



Only **27%**



of respondents consider their companies prepared for the challenge.



The future is digital automation and data science and analytics, as well as customer service technologies.

PARTNERSHIPS TO ACCELERATE INNOVATION



Insurers are partnering far more than they used to with insurtech not only to modernize, but also to do a number of things in the market that partners can help them do faster, cheaper, and with higher ROI than they were otherwise doing.”

Rob Sims

Why Are Carriers Leveraging Partnerships?

TURN
ON AND
UNLOCK:

Customer
engagement

Digital
experiences

Distribution
empowerment

TALENT MANAGEMENT IS A LEADING CHALLENGE



of carrier employees were hired since the pandemic.²



There's a shortage of skilled employees ... we have put a lot of time and effort into our onboarding process so they can be productive right away. ... We've been doing something called "Connection Week" where we bring everyone into the office no matter where they live. ... Folks appreciate working from home but also want to meet their colleagues and feel connected to the business

Chris Blunt



² Attracting and Retaining Talent in the Financial Services Industry.



New employees are looking for new professional development opportunities that the industry can provide them:



Download

What's on the Minds of Life Insurance Executives 2023: Six Big Opportunities in an Evolving Market, LIMRA and BCG, 2023.

Watch the Webinar

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