

# Life and Annuities Insurance Digital Services 2024-2025 Market Insights™ Excerpt

Turbocharging L&A insurance with  
cutting-edge technologies

December 2024



# Table of contents

## About the report (Page 3)

## Executive summary (Pages 4-7)

- Defining L&A insurance digital services scope
- Key drivers and enterprise response
- Avasant recognizes 25 top-tier service providers supporting the life and annuities insurance industry in digital transformation

## Demand-side trends (Pages 8-13)

- L&A insurers are crafting an era of precision and personalization with cutting-edge Gen AI, analytics, and cloud capabilities
- Gen AI is the engine powering unprecedented efficiency and customer-centric innovation for life and annuity insurers
- L&A insurers are revolutionizing underwriting into a seamless, digital technology-powered machine of speed and accuracy
- L&A insurers are championing healthier lives with digital technology-driven well-being programs
- Amid rising cyberattacks, L&A insurers are reshaping the cyber landscape with intelligent defense frameworks and agile, real-time threat mitigation strategies

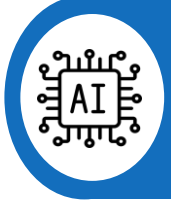
## Key contacts (Page 14)

# Executive summary

## Key drivers



Capitalizing on higher interest rates and strong annuity sales



Leveraging Gen AI to achieve competitive advantage in the L&A insurance sector



Requirement of real-time underwriting and better decision-making



Elevated focus on healthy lifestyle and well-being of policyholders



Rise in cyberattacks in the life insurance sector and the need to secure customer data

## Enterprise response

Elevated interest rates have driven increased sales in the L&A insurance industry. US annuity sales increased 23% to \$385B in 2023 and saw a 20% YOY rise to \$216.6B in H1 2024. As a result, insurers are focusing on enhancing customer experience to capitalize on market opportunities, ultimately enabling sustained growth and customer retention. They are using digital technologies to drive improved customer experience across the value chain.

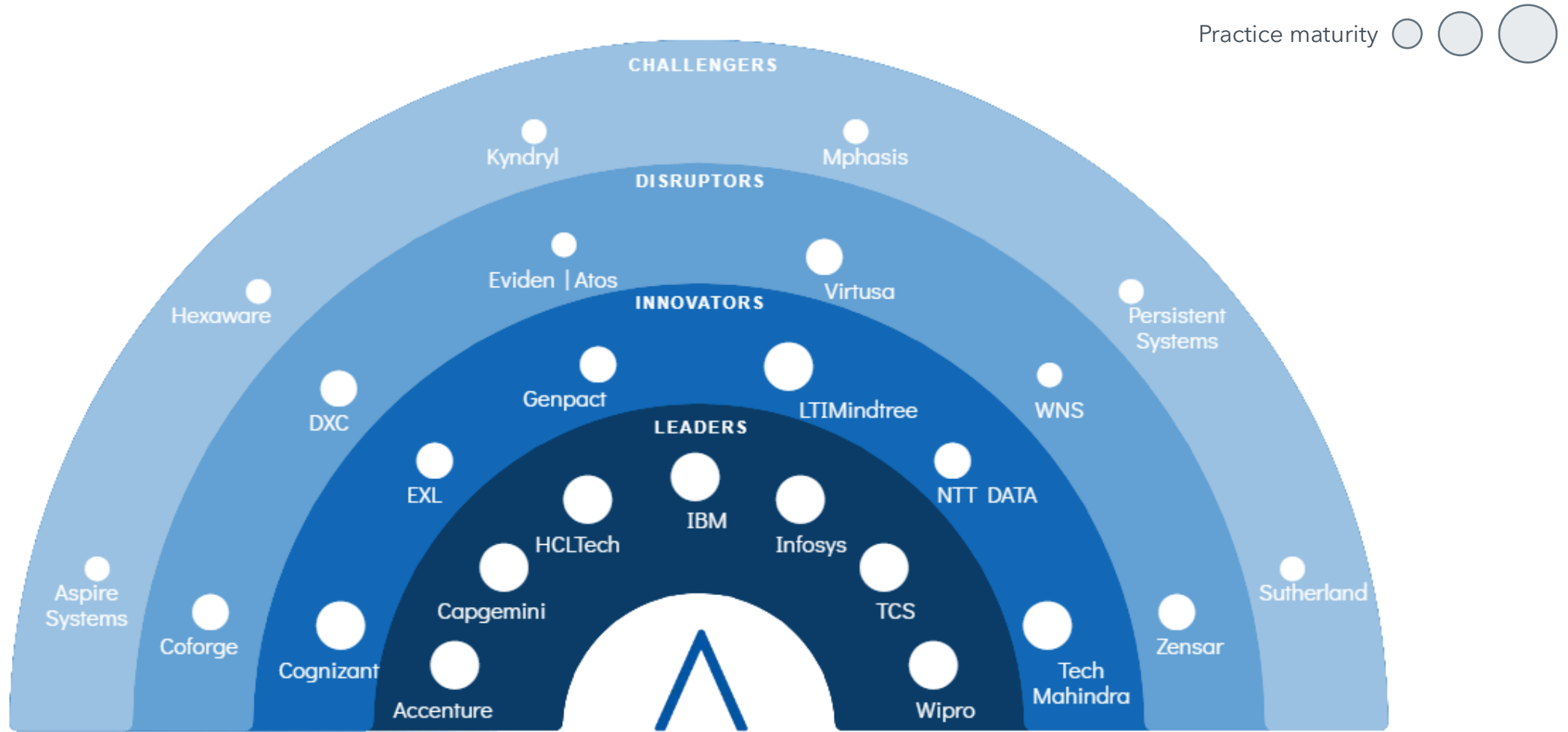
L&A insurance carriers are stepping up from the POC stage, as 17% and 14% of their Gen AI projects with service providers are in the pilot and production stages, respectively. They are deploying AI-powered chatbots to deliver personalized customer interactions, identifying patterns in claims data to detect fraud, and partnering with hyperscalers for frictionless claims and startups for investment solutions.

L&A insurers are shifting toward digital technologies to fine-tune underwriting decisions. They are streamlining underwriting processes by collaborating with universities to develop AI models, partnering with technology providers for automated underwriting, and expanding their solutions to emerging markets. They are also launching Gen AI/analytics solutions for automating document summarization and real-time risk assessment.

The life and annuity insurance sector is witnessing the proliferation of wellness programs and wearable technology-based insurance policies. Insurers are leveraging digital technologies such as cloud, IoT, and AI, enabling healthy habit tracking and incentivizing healthier lifestyles through premium discounts and wellness rewards. They are also introducing specialized well-being teams and offering personalized access to wellness resources.

Life insurance carriers are addressing the growing risk of cybersecurity breaches, which jeopardize customer and employee data. They are leveraging AI-driven solutions and data loss prevention tools, enforcing mandatory cybersecurity and privacy training for employees, and mitigating risk through closed-loop mechanisms that issue vulnerability alerts and ensure swift responses to threats.

# Avasant recognizes 25 top-tier service providers supporting the life and annuities insurance industry in digital transformation



# Gen AI is the engine powering unprecedented efficiency and customer-centric innovation for life and annuity insurers

Collaborating with service providers, L&A insurance carriers are advancing their Gen AI projects beyond the POC stage, with 17% of projects in the pilot and 14% in the production stages. Insurers are also partnering with hyperscalers and startups to launch Gen AI-driven investment solutions while integrating Gen AI across the value chain to optimize insurance processes.



## Illustrative enterprise examples



In October 2024, Prudential partnered with Google Cloud to leverage Gen AI for faster, more accurate claims processing in Singapore and Malaysia, enhancing efficiency and customer experience.

In October 2024, New York Life highlighted that it leverages Gen AI to enhance knowledge management, streamline claims processing, and elevate customer experiences with human oversight.

In September 2024, Star Union Dai-ichi Life partnered with QuantumStreet AI and IBM watsonx to launch a responsible Gen AI-powered investment solution targeting India's large-cap market.

In July 2024, Allianz highlighted that it is integrating Gen AI across its value chain, enhancing underwriting, claims processing, and customer service while ensuring ethical and responsible AI use.

In January 2024, Sun Life invested in Gen AI to enhance client and employee efficiency, launching projects in India through its global capability center focusing on innovation and risk management.

# L&A insurers are championing healthier lives with digital technology-driven well-being programs

They are launching AI-driven health applications and cloud-based financial wellness solutions, integrating IoT data-driven capabilities with wellness rewards programs, and introducing specialized well-being teams to promote a healthy lifestyle.



In October 2024, Guardian Life launched GuardianWell™, a cloud-based well-being hub that provides Group Benefits members with personalized access to mental and financial wellness resources.



In September 2024, Sun Life launched the Sun Life Health 360 app to help end users with healthy habit tracking, mental health resources, and wellness content by connecting with Clinical 360+ health programs.



In August 2024, AIA Australia reorganized its Shared Value Partnerships team and introduced a specialized well-being team to enhance the health and well-being of Australians with life and health insurance support.



In October 2023, MassMutual launched its Health and Wellness Program for policyholders, integrating IoT technology, data, genetic screening, and wellness rewards to promote healthier lives.



In August 2023, MLC Life Insurance, in partnership with Swiss Re, launched Wysa Assure, an AI-driven mental health application offering proactive support, wellbeing monitoring, and crisis escalation pathways.

---

# AVASANT

EMPOWERING BEYOND

GET CONNECTED



[www.Avasant.com](http://www.Avasant.com)