



Creating a more purposeful and profitable future

October 2023

EY

Building a better
working world

NextWave Insurance: Powerful forces shaping the industry's future

The EY NextWave vision represents our global perspective on the most powerful trends and forces shaping the industry's future. Based on collaborative ideation workshops with EY practitioners focused on life, group, health and retirement insurance, we believe these are:

The changing customer context



New realities of work and retirement



Tech and data disruptions



Regulatory shifts



Macroeconomic uncertainty



Purpose, long-term value and ESG



What do these forces mean and how can you navigate them?

- ▶ Reimagine core value propositions and product offerings.
- ▶ Rethink how value is delivered.
- ▶ Retool the tech and data environment for the age of ecosystems.

The changing customer context

Unprecedented market conditions and evolving customer needs are highlighting a growing capability gap insurers need to close

Significant market forces affecting insurers ...

Customer

- ▶ Emerging **disruptive technologies**, shifting lifestyles and societies
- ▶ **Turbulent macroeconomic and geopolitical landscape**
- ▶ Distinct needs of those most financially impacted
- ▶ **Climate change, cyber threats, and social and demographic changes** leading to societal upheaval

Insurer

- ▶ Impact of inflation on **indemnity and expense costs**
- ▶ Increase in **cost of car parts, property and employment**
- ▶ **Regulatory pressures** such as fair pricing and consumer duty
- ▶ Return of **claims frequency**

... to meet **evolving customer needs**

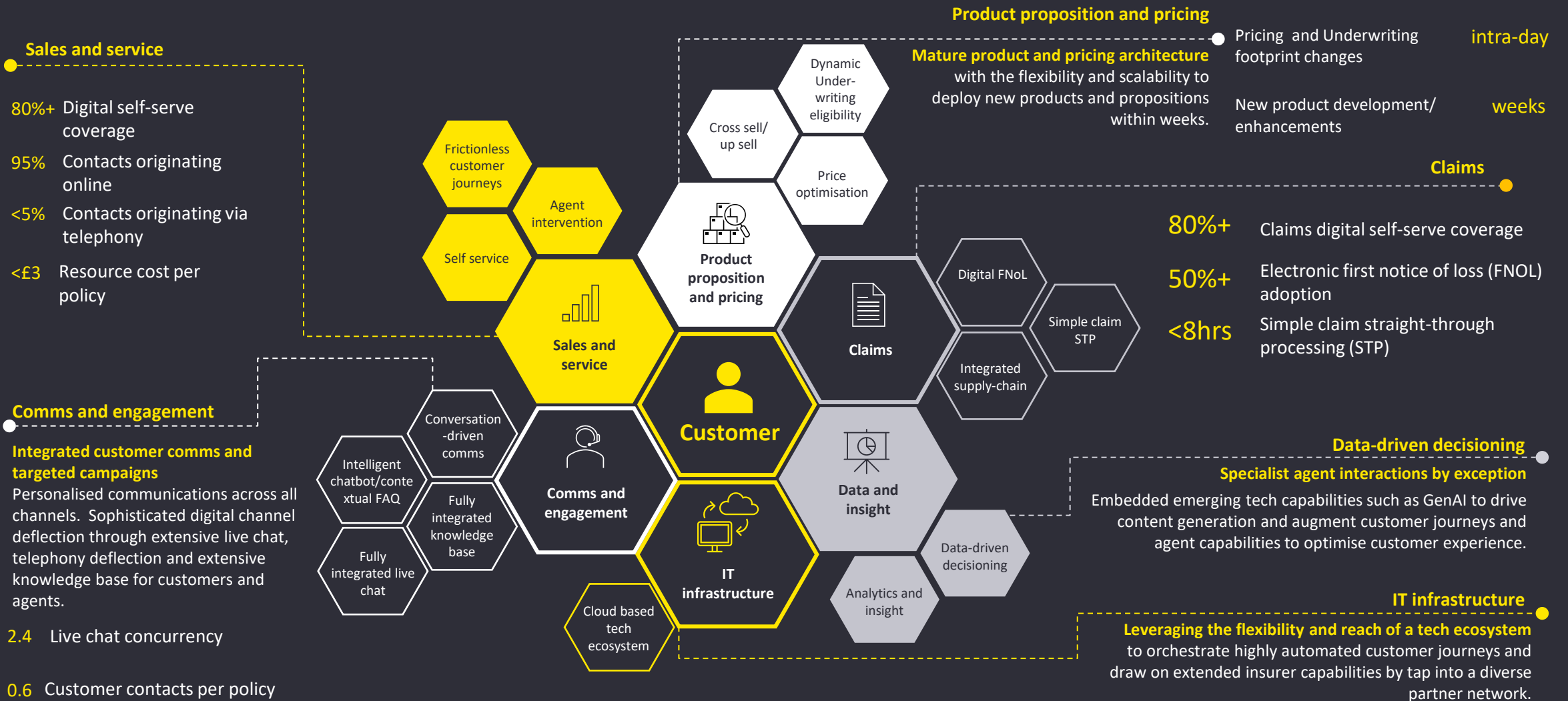
Connected journeys through devices and purchases

Convenience as a design element

Hyper-personalisation and relevance of product offerings

Insurers as knowledge providers, risk managers, and corporate citizens

The digital insurer of the future needs to bring together a diverse set of capabilities in a customer-centric business model and technology ecosystem



Key capabilities for the NextWave

On the road to 2030, winners in the life and health insurance and retirement markets will drive change across every part and at every level of the business — from strategy and leadership to people and talent, from data and technology to core functions and operations. After all, insurers are looking to transform nearly everything — what they offer, why it's valuable to customers, how it's distributed and who sells it, and when and where they engage with the market.

01	02	03	04	05	06	07
Product, service and experience innovation	Distribution model agility	Talent flexibility	Impactful marketing and enhanced service	Upgraded and streamlined IT architecture	Operational excellence across the enterprise	M&A and capital management strategies

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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