

Policyholder expectations pose challenges for life insurers at every stage of the customer journey

- **Best-in-class life insurers – those delivering quantifiably outstanding customer experience – achieve a 38% higher Net Promoter Score (NPS®) than their mainstream counterparts**
- **67% of best-in-class carriers are ready to leverage generative AI to innovate their policyholders' experience and optimize operations**
- **Life insurance industry must shift perception away from simply 'death insurance' to engage new generation of policyholders**

Paris, October 15, 2024 – The [Capgemini](#) Research Institute's [World Life Insurance Report 2025](#), published today, reveals that the life insurance industry is struggling to meet today's customer experience expectations, with legacy technology being a major barrier to driving meaningful change. However, the report identifies a small group of life insurers globally delivering quantifiably outstanding customer experience to achieve 'best-in-class' status. In comparison to mainstream insurers, these innovative companies have been rewarded with a 38% higher Net Promoter Score (NPS®), an 11% lower expense ratio, and a 6% higher revenue growth than the rest of the industry in the last three years.

Faced with high inflation, economic uncertainty, and waning interest, life insurers are at a critical juncture as the industry confronts a 33% fall in penetration in mature markets¹ between 2007 and 2023², with one-in-two policyholders saying their experience is underwhelming. Much of this dissatisfaction permeates through the entire customer journey, particularly across product offerings, onboarding, servicing and claims/surrenders.

Insurers face challenges at every stage of the customer journey

At the onboarding stage, one-in-three (35%) retail policyholders struggle with complex terms and 27% don't like the lengthy application process. After purchasing a policy, one-in-four (25%) retail and group customers express frustration due to long wait times, while 23% are frustrated by the inability to access self-service options for policy changes. The claims process also poses challenges, primarily due to a lack of digitization: one-third (35%) of retail policyholders say they face a complicated claim application process, with 27% noting a lack of empathy during the claims experience.

The research shows that younger policyholders (between 18-40 years) are more frustrated by a challenging experience than older customers (between 41-60 years) throughout their insurance journey. This includes slow and complex onboarding processes, lack of dedicated communication channels, and an inability to self-service policies. They also demand greater claims flexibility, with 42% citing inflexible payouts as a critical concern, versus only 26% of older customers.

¹ Note: Mature markets: North America includes Canada and the United States. Western Europe includes Portugal, Luxembourg, Italy, Netherlands, Germany, Belgium, Austria, France, Greece, Malta, Finland, Spain, Switzerland, Denmark, Sweden, Norway, and Cyprus. APAC includes Australia, New Zealand, Japan, Hong Kong, Singapore, South Korea, and Taiwan.

²[Swiss Re – sigma explorer](#)



Despite a desire to redesign the onboarding, service and claims experience, only 9% of carriers have established ecosystem-wide processes that capture data from multiple sources to create a unique view of customers, and in turn, deliver personalized experiences through policyholders' preferred channels.

"Life insurance is shifting from a must-have to a maybe proposition. Carriers must shake off the perception that life insurance is just 'death insurance'. They can achieve this by focusing on engaging the next generation of policyholders, moving beyond a product-driven approach to put the customer at the center of their strategies," said Samantha Chow, Global Leader for Life Insurance, Annuities and Benefits Sector at Capgemini. *"Many insurers are struggling with legacy technology or investments that have failed to deliver the target returns. The path forward is a customer-centric transformation that draws inspiration from the best-in-class by embedding AI-augmented, human-touch service into core processes."*

Efforts to improve customer experience have stalled for most carriers

Insurers recognize an urgent need to modernize their operations, however, only 41% met or exceeded their latest transformation goals. Past transformation initiatives fell short of delivering the intended results as insurers prioritized multiple goals which hindered their efforts. The challenges were further complicated by unexpected integration complexities (50%), lack of alignment with business objectives (42%) and insufficient skilled resources (42%).

Despite these headwinds, the report finds an elite group of 5% of best-in-class insurers who are delivering a superior customer experience. These best-in-class carriers lean into the latest technologies, like generative AI, to offer exceptional onboarding, self-service, and claims capabilities.

The best-in-class stand out against their counterparts:

- 78% of best-in-class insurers have automated underwriting compared to 15% of mainstream insurers to optimize onboarding efforts
- 78% offer policyholders self-service portals compared to only 13% of mainstream carriers
- 56% provide a seamless and intelligent claims experience through AI assistance for voice and sentiment analysis versus only 3% of mainstream insurers

Generative AI can be a catalyst, although talent gaps remain a hurdle

While the transformative potential of generative AI is undeniable for the life insurance industry, it brings to light a pressing talent challenge. Today, 67% of best-in-class insurers are technically ready to leverage and maximize generative AI's capabilities across their operations, with readiness levels dropping to 25% for mainstream insurers. Generative AI, when augmented with human intelligence, can revolutionize the consumer experience, while simultaneously driving operational efficiencies. However, one-in-three executives (34%) highlight identifying talent as a significant obstacle hindering their ability, with critical gaps in roles such as behavioral scientists, experience designers, and AI prompt engineers.

According to the report, success will hinge not only on the implementation of the technology, but also on insurers' ability to attract, develop, and retain the right talent. Carriers who can effectively blend cutting-edge technology with skilled professionals will be well-positioned to lead the industry into a new era of innovation and customer-centricity.

Report Methodology

The World Life Insurance Report 2025 draws data from two primary sources: the Global Voice of the Customer Survey, administered during May and June 2024, and the Global Insurance Executive Survey, conducted during May and June 2024. This primary research covers insights from 20 markets: Australia, Belgium, Brazil, Canada, Finland, France, Germany, Hong Kong, India, Italy, Japan, Mexico, the Netherlands,



Norway, Portugal, Singapore, Spain, Sweden, the United Kingdom, and the United States. First, our comprehensive Voice of the Customer Survey, administered in collaboration with Phronesis Partners, polled 6,186 life insurance customers in 18 countries. These markets represent all three regions of the globe – the Americas (The United States, Mexico, Canada, and Brazil), Europe (Belgium, France, Germany, Italy, the Netherlands, Portugal, Spain, Sweden, and the United Kingdom), and Asia-Pacific (Australia, Hong Kong, India, Japan, and Singapore). Second, the report also includes insights from interviews with 213 leading life insurance company executives across 16 markets. These markets together represent all three regions of the globe – the Americas (The United States, Canada, and Brazil), Europe (Belgium, Finland, France, Germany, Italy, the Netherlands, Norway, Spain, and the United Kingdom) and Asia-Pacific (Australia, Hong Kong, India, and Singapore).

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