Life Insurance Customer Engagement Strategies: Global Research Report

ENGM 203: Product & Platform Management

TABLE OF CONTENTS

1. Executive Summary

This report analyzes life insurance customer engagement strategies across eight major markets, United States, Singapore, Japan, Hong Kong, China, Australia, United Kingdom, Germany, Switzerland, and broader European markets - synthesizing insights from global consumer surveys (including Bain & Company's 28,765-consumer study across 14 countries), industry performance reports, regional market research, consumer complaint data from major insurers (MetLife, New York Life, Prudential, State Farm), technology adoption studies, ESG demand research, and wellness program case studies.

The research reiterated the critical engagement crisis which is the core concern within our project as well: 85% of insurance companies struggle to meaningfully engage customers, with only 15% of policyholders completely understanding their policies and 46% unable to differentiate between term and permanent life insurance. The root causes of disengagement span five key barriers:

- knowledge gaps (59% incorrectly believe term life builds cash value
- 44% of Millennials overestimate costs by 3x)
- value perception problems (traditional insurance seen as "morbid necessity" providing no lifetime value)
- cost concerns (38% cite affordability as a barrier despite misconceptions)
- complexity challenges (products difficult to understand and manage)
- and touchpoint gaps (limited interaction between purchase and renewal)

However, the business case for solving engagement is compelling: customer experience leaders outperformed peers by 20 percentage points in total shareholder return (2017-2022), with engaged customers staying longer, buying more products, and becoming brand advocates.

Consumer research reveals clear expectations:

- 59% globally want rewards for healthy living
- 80% want ESG initiatives embedded in propositions
- 59.1% will pay more for insurers with strong ethical and environmental commitments,
- nearly half believe their household would face financial difficulties within six months if a breadwinner died

The successful engagement formula combines six elements: ongoing value (benefits during lifetime, not just at death), simplicity (easy digital management), personalization (tailored to life stages and behaviors), education (addressing the 85% who don't fully understand), incentives (tangible rewards for healthy behaviors), and purpose (ESG commitments aligned with consumer values). The life insurance industry faces a crisis of engagement, but the solution is clear and proven across global markets: transform from reactive risk protection to proactive lifetime partnership through wellness integration, digital enablement, living benefits, and continuous value delivery, with markets implementing these strategies showing measurably improved retention, satisfaction, and upsell success.

2. Research on Policyholder Concerns

The life insurance industry faces fundamental challenges in connecting with consumers, driven by deep-seated concerns that span cost, knowledge, service quality, and demographic-specific barriers. Research across multiple markets reveals that these concerns are not isolated issues but interconnected obstacles that prevent both initial purchase and ongoing engagement with policies.

2.1 Cost and Affordability

Cost emerges as the most frequently cited barrier to life insurance purchase and a persistent source of dissatisfaction among existing policyholders. Thirty-eight percent of Americans without life insurance cite cost as the top reason for not buying, followed by having more important financial priorities. However, the cost concern is compounded by severe misconceptions about actual pricing: the majority of people overestimate the true cost of life insurance, healthy adults aged 18 to 30 have been found to overestimate the median cost of life insurance by as much as 10 to 12 times. This gap between perception and reality suggests that the affordability barrier is as much about education and transparency as it is about actual pricing.

Among existing policyholders, premium complaints vary by insurer but remain consistently significant. High premiums affect 19% of MetLife customers, 12% of New York Life customers, 20% of Prudential customers, and 17% of State Farm customers. These complaints indicate ongoing dissatisfaction even after purchase, creating retention and upsell challenges for insurers who fail to demonstrate adequate value relative to cost.

Sources: [1][2][3]

2.2 Knowledge Gaps and Misconceptions

Perhaps the most damaging finding for the industry is the pervasive lack of understanding among policyholders about their own coverage. Only 15% of policyholders surveyed said they completely understand their policy, while nearly half (46%) didn't understand the difference between term life and permanent life insurance—a fundamental distinction that affects both cost and coverage. This knowledge deficit extends beyond product types: 59% of Americans incorrectly believe that with term life insurance you can build cash value that allows you to make withdrawals, save for the future, or take out a loan, confusing term products with permanent insurance features.

The confusion about what to purchase compounds the problem at the point of sale. One quarter of American adults said a major reason they haven't purchased coverage is because they don't know what to buy or how much they need. This decision paralysis prevents initial purchase and likely contributes to underinsurance among those who do buy. The knowledge gap extends to understanding personal risk and coverage adequacy: less than half of consumers are confident they have enough coverage, even though 65% of survey respondents report they have life insurance [21]. Perhaps most concerning, nearly half of Americans believe their household would face financial difficulties within six months if a breadwinner died unexpectedly [21], revealing both the critical need for coverage and the awareness that current protection may be inadequate.

Source: [4][5]

2.3 Service and Product Issues

Beyond cost and knowledge, **policyholders express frustration with the breadth of benefits and digital service quality**. The lack of additional benefits affects 10% of MetLife and New York Life customers, and 8% of Prudential and State Farm customers. In an era where consumers expect comprehensive financial products that deliver multiple forms of value, traditional life insurance products that focus solely on death benefits appear increasingly inadequate.

Digital management difficulties represent another friction point in the customer experience. Ten percent of MetLife customers, 9% of New York Life customers, and 8% of State Farm customers report difficulties managing policies online. As insurance increasingly moves toward digital-first experiences, these pain points become more critical. The inability to easily view policies, make payments, update information, or access documents online creates frustration and missed opportunities for engagement, particularly among younger, digitally-native customers who expect seamless online experiences.

Source: [3]

2.4 Demographic-Specific Concerns

Different demographic segments face distinct barriers that require tailored engagement approaches. White consumers report believing coverage is too expensive, suggesting that both pricing strategies and value communication may need adjustment to address affordability perceptions in this segment. Gen Z consumers demonstrate resistance rooted in psychology rather than economics: they don't like thinking about death, making traditional death benefit messaging particularly ineffective for this cohort. This suggests a need for reframing life insurance around living benefits, financial flexibility, and family protection rather than mortality.

Single mothers face the most acute financial anxiety combined with competing priorities. Fifty-one percent are extremely concerned about leaving dependents in difficult financial situations—nearly double the 29% concern level in the general population. However, they cite balancing other financial priorities as a key barrier to purchase, creating a tension between recognized need and immediate affordability. **This segment requires products and payment structures that acknowledge tight budgets while addressing their heightened protection concerns, potentially through flexible premium options, bundled family coverage, or benefits that provide value during life as well as at death**.

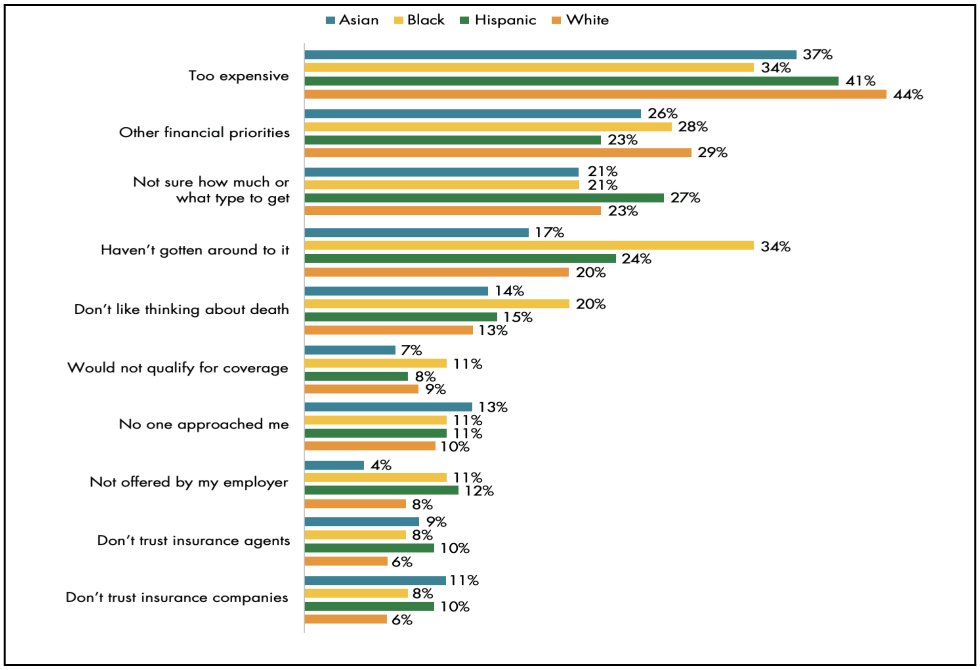

Figure 1: Reasons for Not Having (More) Life Insurance, by Race and Ethnicity

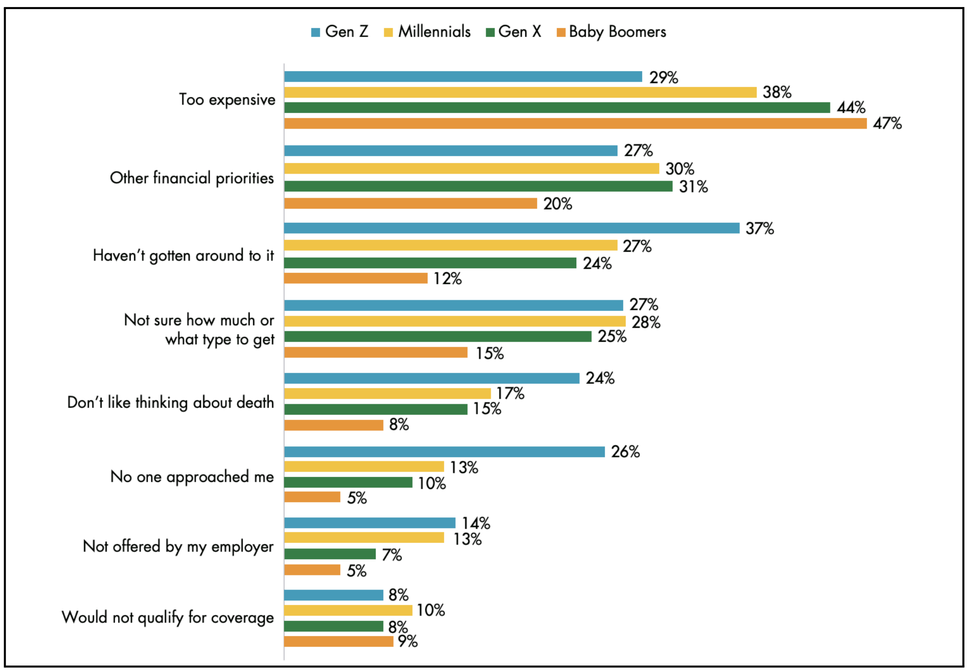

Figure 2: Reasons for Not Having (More) Life Insurance, by Generations

Source:[6]

2.5 Global Consumer Expectations

A major global survey by Bain & Company covering 28,765 consumers in 14 countries reveals that modern insurance consumers seek far more than traditional risk transfer. Eighty percent of respondents want insurers to embed environmental, social, and corporate governance (ESG) initiatives into their proposition, indicating that corporate values and social responsibility have become purchase and retention factors. Fifty-nine percent globally want life insurers to reward them for healthy living, suggesting that wellness integration is not a nice-to-have feature but an expected component of modern life insurance.

The demand for ecosystem services is equally strong: approximately 80% of insurance customers around the world are open to ecosystem services where insurers play a central role in interconnected services. This openness represents **an opportunity to build loyalty through engagement and affiliation beyond the traditional insurance transaction**. Consumers increasingly emphasize higher-order values when evaluating insurance: **ethics matter across all insurance products**, while life insurance specifically should provide hope and serve as an heirloom—emotional and legacy benefits that transcend pure financial protection.

Source: [7][8]

2.6 Summary of Core Concerns

The research paints a picture of an industry struggling to connect with consumers on multiple fronts. **Policyholders don't understand what they own, overestimate what it costs, underestimate what they need, and feel they receive insufficient value beyond death benefits**. They want companies that align with their values, reward healthy behaviors, provide ecosystem services, and offer products simple enough to understand and manage digitally. The 85% of insurers who struggle to meaningfully engage customers face these challenges because traditional approaches fail to address these fundamental concerns. Successful engagement strategies must simultaneously educate, demonstrate ongoing value, simplify complexity, align with consumer values, and create regular positive touchpoints, a comprehensive transformation from passive risk protection to active lifetime partnership.

3. Country by Country Engagement Strategies

UNITED STATES OF AMERICA

Digital Customer Portals: The United States has pioneered comprehensive digital customer portals that serve as single spaces where clients log in once to view policies, make premium payments, and ask questions. These customized branded portals show all client documents, chat threads, and updates in real-time, addressing the digital management difficulties that affect 8-10% of policyholders. By consolidating all policy information and communications in one accessible location, insurers reduce friction in the customer experience and create regular touchpoints for engagement.

Personalized Video Communications: US insurers have adopted interactive personalized video communications built based on the characteristics of individual recipients. These videos are designed to reduce cancellation rates at policy renewal by creating more engaging, relevant communications than traditional text-based correspondence. The personalization extends beyond simply inserting a customer's name to tailoring content based on policy type, life stage, past interactions, and predicted needs.

Living Benefits Focus: Perhaps the most significant US innovation is the emphasis on living benefits, particularly appealing to customers under 40 who seek financial tools that deliver value throughout their lives. Living benefits include financial flexibility around life events (such as accessing funds for major purchases or life transitions), support for wellness programs, and aid during critical illness or disability. This approach transforms life insurance from a product associated solely with death into a comprehensive financial planning tool that provides value and engagement opportunities throughout the policyholder's lifetime.

Hybrid Advisory Models Research demonstrates that for life insurance customers already interacting with agents or advisors, adding digital interactions increases customer satisfaction significantly, from 795 to 821 on a satisfaction scale. This hybrid approach combines the convenience and efficiency of digital tools with the personalized expertise and trust that come from human advisor relationships. The model recognizes that different customer needs and moments call for different interaction modes: routine transactions work well digitally, while complex decisions benefit from human guidance.

Educational Campaigns US insurers have launched educational campaigns specifically designed to address the severe misconceptions about cost, complexity, and approval times that prevent purchase and engagement. Given that 44% of Millennials overestimate term life costs by more than 3x and 25% of adults don't know what to buy or how much they need, these educational efforts are critical to expanding market penetration and improving customer understanding.

Source: [9][10]

SINGAPORE

Worksite Events

Singapore has developed a distinctive engagement strategy through worksite events, where insurers conduct lunchtime talks and seminars at companies, with experts sharing knowledge with employees. These sessions cover financial planning topics like writing wills, retirement planning, estate planning, and insurance basics. By meeting customers in their workplace during convenient times, insurers build trust through education rather than sales pressure, addressing the knowledge gap that affects 85% of the market.

Digital Platform Integration

Singapore insurers have pioneered partnerships with digital-platform players where insurance products are embedded into the customer journey and suited to the context of customer proposition [26]. Rather than requiring customers to seek out insurance separately, products appear at relevant moments within digital platforms customers already use—for example, travel insurance offered during flight booking, or life insurance suggested when setting up investment accounts. This contextual embedding increases relevance and reduces purchase friction.

Bundled Product Offerings

Consumer preference research in Singapore reveals that when given options, only 10% chose pure life products, with the majority indicating desire for bundling with critical illness and hospital cash coverage. This finding has driven insurers to develop comprehensive protection packages that address multiple risks simultaneously. Bundling increases the value proposition for customers while creating more touchpoints and reasons for ongoing engagement as different components of the bundle activate at different life stages or events.

Technology-Enabled Wellness Programs

Singapore research shows that consumers who own wearable devices or adopt new technology solutions for lifestyle management demonstrate higher propensity for recent insurance purchases. This correlation has led insurers to integrate technology and wellness more deeply into their offerings, using fitness trackers, health apps, and digital health platforms both to attract tech-savvy customers and to create ongoing engagement through wellness monitoring and rewards.

Source: [12][13]

HONG KONG & CHINA

Digital Channel Dominance

In developing markets such as mainland China, digital channels are becoming more prominent compared to traditional channels that remain dominant in mature markets [30]. Chinese consumers, particularly younger generations, expect to research, compare, purchase, and manage insurance entirely through digital channels, often via mobile devices. This digital-first approach requires fundamentally different engagement strategies built around social media, digital ecosystems, and mobile-optimized experiences.

Ecosystem Partnerships

Hong Kong and China insurers have moved beyond classic bank-insurance relationships to partnerships with digital-platform players where products are embedded into the customer journey. **Major technology platforms like Ant Financial, Tencent, and JD.com integrate**

insurance into e-commerce, payment, social, and lifestyle services, reaching customers at moments of need within platforms where they already spend significant time.

Source:[14]

AUSTRALIA

Comprehensive Wellness Programs with Premium Discounts

Australia leads globally in wellness program integration with substantial financial incentives. AIA Vitality provides up to 17.5% ongoing discount on premiums for new policies, with discounts remaining active as long as customers continue engaging with the program. TAL Health Sense offers a 5-15% ongoing discount for maintaining an eligible Body Mass Index. MetLife Healthy Lives offers a 10% discount on Life and TPD (Total and Permanent Disability) insurance premiums for meeting specific BMI criteria.

These programs create powerful engagement mechanisms: customers earn points by completing online health assessments, joining partner gyms, buying discounted fitness devices, and tracking activity levels. The ongoing nature of the discounts (rather than one-time bonuses) ensures continuous engagement as customers maintain healthy behaviors to preserve premium savings. This model transforms life insurance from a passive product into an active wellness partnership.

Figure 3: Benefits Associated with AIA Vitality Benefits Program

Holistic Support Services

Beyond premium discounts, Australian insurers like Vivo provide care and support services at no cost to policyholders and their immediate family members. These services include Doctors Online (telehealth consultations), Mental Health Navigator (mental health support and counseling), Expert Medical Opinion (second opinions on diagnoses), Fitness Consult (personalized fitness planning), and Nutrition Consult (dietary guidance). By providing these services, insurers demonstrate ongoing value beyond the insurance contract itself, creating regular positive interactions and positioning themselves as holistic health partners rather than just financial risk bearers.

Activity-Based Rewards

The Australian wellness model typically includes reward mechanisms where customers earn points for healthy activities and can redeem them for gift cards, products, or additional insurance benefits. This gamification of healthy behavior creates regular engagement touchpoints and positive associations with the insurer brand. The rewards also provide data about customer health behaviors that insurers can use to refine risk assessment and develop more personalized engagement strategies.

Source: [15][16]

UNITED KINGDOM

Loyalty Programs

UK insurers have created loyalty programs that establish regular touchpoints between renewals by rewarding behaviors like updating details, renewing early, or engaging with educational content. These programs address the traditional problem of insurance being a "low-touch" product with limited interaction between purchase and claim. Regular engagement through loyalty rewards keeps the insurer top-of-mind and creates opportunities to introduce new products or services.

Digital Wallet Solutions

UK insurers have adopted AI-powered engagement platforms with digital wallets where policyholders can upload, manage, and securely store policies in a single centralized location [35]. These digital wallets aggregate policies from multiple insurers, providing customers with a comprehensive view of their coverage while giving insurers visibility into the customer's broader insurance portfolio and potential gaps or opportunities for additional coverage.

Personalization Impact

Research shows that 81% of customers remain with an insurance company if they offer personalized services. Interestingly, 71% of customers aged 55 and older want to process claims through digital platforms, challenging the assumption that older customers prefer traditional channels. This data has driven UK insurers to invest heavily in personalization engines that tailor communications, product recommendations, and service experiences to individual customer preferences and behaviors.

Source: [17][18]

GERMANY, SWITZERLAND & BROADER EUROPE

Ecosystem Services

About 80% of insurance customers around the world are open to ecosystem services, with European insurers playing a central role in developing interconnected services that attract customers and build loyalty through engagement and affiliation. **Ecosystem services extend beyond insurance to adjacent needs like home maintenance, health and wellness, financial planning, and lifestyle services.** By becoming a hub for multiple related services, insurers increase their relevance in customers' daily lives and create switching costs that improve retention.

Source:[19]

Risk-Prevention Services

One European health insurer launched risk-reduction services for three customer segments, directly partnering with customers to identify, prevent, and mitigate risk events. **Rather than simply paying claims after adverse events occur, these prevention services help customers avoid health problems, accidents, or other insurable losses.** This proactive approach benefits both parties: customers avoid negative outcomes and insurers reduce claims costs while demonstrating ongoing value that justifies premium payments.

Purpose-Driven Brand Promise

European consumers increasingly emphasize higher-order Elements of Value for insurance such as ethics, and for life insurance specifically, the provision of hope and the creation of an heirloom. European insurers have responded by articulating clear purpose-driven brand promises that go beyond financial protection to address social, environmental, and ethical concerns. This approach particularly resonates with younger consumers who consider corporate values when making purchase decisions.

4. ESG Initiatives Consumers Want

4.1 Climate Action & Environmental Commitments

Overall Consumer Expectations

Consumer demand for environmental action from insurers is substantial and growing. Over half (51.3%) of global consumers believe insurance companies have a role to play in tackling climate change, while a further 20.6% are unsure, indicating both strong existing demand and opportunity to educate and engage additional customers. This belief translates into willingness to pay: **59.1% are willing to pay more for an insurance policy if they knew the company had strong ethical, sustainable, and environmentally friendly commitments**.

Source: [20]

The willingness to pay premium prices extends beyond insurance. Nearly 30% of consumers would pay up to 5% more for policies from companies with strong ethical and environmental commitments, while consumers report willingness to spend an average of 9.7% more on sustainably produced or sourced goods generally. This premium tolerance is driven by personal experience: almost 85% report experiencing first-hand the disruptive effects of climate change in their daily lives, making climate action personally relevant rather than abstract.

Source: [21]

4.2 Specific Green Insurance Products

Discounts for Sustainable Behaviors

Consumers want tangible financial incentives for making sustainable choices. Specifically, they seek discounts for energy-efficient homes and vehicles, as well as coverage incentives for using sustainable building materials. These discounts serve dual purposes: they reduce the cost of sustainable choices (addressing the affordability barrier) while creating ongoing engagement as customers maintain their sustainable practices to preserve the discounts.

Source:[22]

4.3 Social & Governance Expectations

Diversity, Equity & Inclusion (DEI)

Consumers increasingly expect insurance companies to promote ethical behavior, exhibit diversity and inclusion in their workforces, and give back to the communities where they do business. DEI commitments matter for both customer-facing operations (ensuring diverse customer populations feel welcome and understood) and internal operations (workforce diversity that brings varied perspectives to product development and customer service).

Community Investment

Beyond their core insurance operations, consumers expect insurers to give back to local communities where they operate through charitable giving, volunteer programs, community development initiatives, and support for local causes. This community engagement builds brand affinity and demonstrates that the insurer is invested in the community's wellbeing, not just extracting premium dollars.

Corporate Responsibility

Evolving consumer expectations for corporate responsibility and equitable services play a crucial role in insurance purchasing decisions. This extends beyond environmental concerns to encompass fair treatment of employees, ethical marketing practices, transparent pricing, equitable claims handling, and responsible use of customer data.

Transparency & Accountability

Rising stakeholder activism and demands for greater accountability and transparency are influencing insurers' strategic agendas. The pandemic has accelerated wealth disparities and erosion of trust in financial services, making transparency more critical. Consumers want clear reporting on ESG metrics, honest acknowledgment of challenges and shortfalls, and accountability mechanisms when commitments aren't met.

Source:[23][24]

4.5 Summary: What Consumers Want from ESG

Consumers want insurers to take meaningful climate action (not just talk about it), offer tangible green products with discounts and incentives for sustainable choices, be transparent about ESG investments and commitments, embed ESG throughout operations (not just as marketing), support the transition to net-zero through investments and underwriting decisions, and demonstrate ethical governance and social responsibility. The key insight: over half (51.3%) of global consumers believed insurers had a role to play in fighting climate change, while a further 20.6% were unsure, showing there's both strong demand and opportunity to educate and engage customers on ESG initiatives.

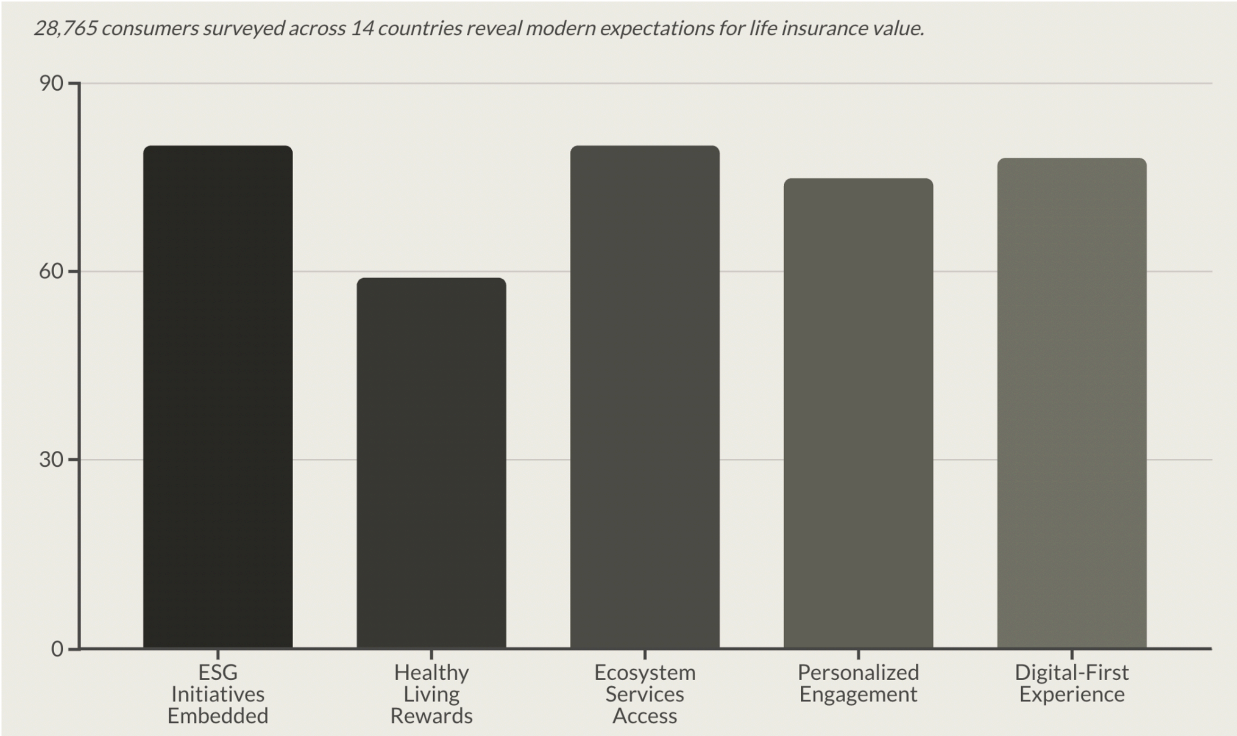

Figure 4: Bain Survey insights for what potential policyowners want

5. Strategic Recommendations

5.1 For Keeping Owners Engaged (Upselling Opportunities)

1. Implement Wellness Programs

Tangible rewards through wellness programs create sustained engagement and natural upsell opportunities. Premium discounts (such as Australia's up to 17.5% ongoing discounts [12]), health services, and lifestyle benefits provide immediate value that demonstrates the insurer's commitment to customer wellbeing beyond claim payments. These programs generate regular touchpoints as customers track activities, complete health assessments, and engage with wellness content, keeping the insurer relationship active rather than dormant between renewals.

2. Create Digital Engagement Platforms

Real-time policy management through single-login portals consolidates all documents, communications, and transactions [24]. These platforms reduce friction in customer interactions, making it easy to update information, make payments, file claims, and access policy details. The reduced friction increases customer satisfaction (the US hybrid model shows a 26-point increase [17]) while providing insurers with data about customer needs and opportunities for personalized engagement and upselling.

3. Use Predictive Analytics

Proactive outreach before problems arise fundamentally changes the customer relationship from reactive to proactive. Predictive analytics enable personalized renewal reminders, identification of customers at risk of lapsing, detection of life events that create new insurance needs, and optimization of communication timing and content. More than 80% of European insurers report positive business impact from predictive analytics [16], demonstrating clear ROI from these investments.

4. Develop Ecosystem Partnerships

Partnerships with gyms, health apps, financial services, and other relevant services embed the insurer into customers' daily lives beyond the insurance transaction. Products embedded in customer journeys (such as Singapore's digital platform integration [26]) reach customers at moments of need rather than requiring them to proactively seek insurance. With 80% of customers globally open to ecosystem services [18], this represents a significant opportunity for differentiation and engagement.

5. Offer Living Benefits

Value during the policyholder's lifetime—through financial flexibility, wellness support, and critical illness aid—transforms life insurance from a morbid necessity into a valued financial planning tool. This is particularly appealing to under-40s who want financial tools providing ongoing value. Living benefits create multiple engagement opportunities throughout the policy lifecycle as customers utilize different benefits at different life stages, naturally leading to conversations about additional coverage needs.

6. Build Loyalty Programs

Regular touchpoints beyond renewals through loyalty programs reward positive behaviors like updating details, renewing early, and engaging with content [34]. These programs address the fundamental challenge that insurance is typically a low-touch product with limited interaction. By creating reasons for ongoing engagement, loyalty programs keep the insurer top-of-mind, build positive brand associations, and create natural moments for introducing new products or services.

5.2 For Designing Engaging New Policies

1. Bundle Protection Products

Comprehensive protection packages combining life, critical illness, and health coverage address multiple concerns simultaneously and appeal to the 90% of consumers who prefer bundles over pure life products [14]. Bundling increases the value proposition, creates more reasons for customer engagement as different components activate at different times, and provides natural expansion opportunities as customers add coverage elements to their bundle over time.

2. Integrate Wellness Components

Premium discounts tied to healthy behaviors (such as Australia's model offering up to 17.5% ongoing discounts [12]) appeal to the 59% who want rewards for healthy living [1]. Wearable device integration provides continuous data streams about customer health, enables personalized wellness recommendations, and creates ongoing engagement through activity tracking and goal achievement. This integration positions insurance as a proactive health partner rather than passive financial protection.

3. Offer Flexible, Modular Solutions

Coverage that adapts to life stages and provides customizable coverage levels addresses the diverse needs of different customer segments and the changing needs of individuals over time. Flexibility reduces the problem of one-size-fits-all products that serve no one well, allows customers to start with basic coverage and add components as needs and budgets change, and creates natural upsell conversations at life transitions when coverage needs evolve.

4. Include Technology Enablement

Seamless integration with wearables, apps, and digital tools meets the expectations of tech-savvy customers and creates engagement through the technology itself. Singapore research shows that consumers with lifestyle tech demonstrate higher insurance purchase propensity [27]. Technology enablement provides insurers with rich behavioral data, enables real-time interventions and recommendations, and positions the insurer as innovative and customer-centric.

5. Simplify Underwriting

Accelerated digital processes reduce friction in the purchase journey, addressing complexity concerns that prevent purchase. Simplified underwriting using data analytics can provide instant decisions for many applicants, dramatically improving the customer experience compared to traditional processes requiring medical exams and weeks of waiting. Reduced friction increases conversion rates while maintaining appropriate risk selection through sophisticated data analysis.

6. Transparent, Educational Communication

Clear explanations of benefits address the critical finding that 85% of policyholders don't fully understand their policies [9]. Transparent communication builds trust, reduces the likelihood of surprises or disappointments during claims, and empowers customers to make informed decisions about coverage. Educational content—whether through worksite seminars (Singapore model [15]), digital content, or advisor interactions—reduces the knowledge gap and builds customer confidence.

7. Immediate, Tangible Value

Beyond death benefits, products that customers can use now fundamentally shift the perception from "morbid necessity" to "lifetime partner." Living benefits that provide financial flexibility, wellness support, critical illness coverage, and other forms of value during the policyholder's lifetime create regular opportunities to demonstrate the policy's worth. This ongoing value justifies premium payments in the customer's mind, increases satisfaction and retention, and creates natural moments for discussing additional coverage as customers experience the benefits of their existing policy.

5.3 ESG Integration Recommendations

Environmental Initiatives

Offer discounts for energy-efficient homes and vehicles to provide financial incentives for sustainable choices while creating engagement through discount maintenance [40]. **Provide green reinstatement options after claims** that allow policyholders to rebuild with sustainable materials, turning negative claim experiences into positive environmental opportunities [42]. **Develop specialized electric vehicle insurance products** to serve the rapidly growing EV market with tailored coverage addressing unique risks [43]. **Be transparent about sustainable investment strategies**, communicating clearly about ESG investment criteria, fossil fuel exposure, and trade-offs between returns and sustainability to build trust with values-driven customers [44].

Social Initiatives

Demonstrate commitment to DEI in workforce and operations, ensuring diverse customer populations feel welcome and that varied perspectives inform product development [46]. **Invest in community development** through charitable giving, volunteer programs, and support for local causes to demonstrate investment in community wellbeing beyond premium extraction [46]. **Partner with customers on risk prevention** through proactive services that help avoid health problems, accidents, or other insurable losses, benefiting both customers and insurer claim costs [23]. **Improve financial education and access** to address the knowledge gaps that prevent purchase and engagement, particularly in underserved communities [45].

Governance Initiatives

Ensure transparency in ESG claims with specific, measurable commitments and transparent reporting to avoid greenwashing accusations and build authentic trust [48]. **Set measurable net-zero commitments** with clear timelines, interim targets, and accountability mechanisms, recognizing that 62% of CEO net-zero decisions are influenced by the need to mitigate climate change risks [45]. **Regular reporting on ESG progress** through annual sustainability reports, progress updates, and honest acknowledgment of challenges to demonstrate accountability [45]. **Align executive compensation with ESG goals** to ensure leadership incentives support sustainable long-term value creation rather than short-term financial metrics alone.

SOURCES AND REFERENCES:

Limra: [1][2][5]
Research done by consulting organizations: [7][8][9][10][11][17][19][21][22][24]
Articles: [3][4][12][14][16][18][20][23]
Studies/Research Papers: [6][13][15]

List:

1. Limra Fact Sheet 2023
2. https://www.limra.com/en/newsroom/news-releases/2025/adults-age-30-and-younger-overestimate-life-insurance-cost-by-1012-times/
3. https://yougov.com/en-us/articles/51821-american-consumers-perspectives-on-life-insurance
4. https://www.theamericancollege.edu/knowledge-hub/insights/closing-the-life-insurance-coverage-gap
5. https://www.limra.com/en/research/research-abstracts-public/2024/2024-insurance-barometer-study/
6. https://www.buaweb.com/files/82398/the_file/2023_insurance_barometer_study.pdf
7. https://www.bain.com/insights/customer-behavior-and-loyalty-in-insurance-global-edition-2023/
8. https://www.ey.com/en_gl/insights/insurance/how-can-insurance-protect-the-customers-who-need-it-most
9. https://www.pwc.com/us/en/technology/alliances/microsoft/azure.html
10. https://www.mckinsey.com/industries/financial-services/our-insights/the-future-of-ai-in-the-insurance-industry
11. https://www.mckinsey.com/industries/financial-services/our-insights/redefining-the-future-of-life-insurance-and-annuities-distribution
12. https://www.swissre.com/reinsurance/insights/asia-protection-gap-consumer-survey.html
13. https://pmc.ncbi.nlm.nih.gov/articles/PMC11939025/
14. https://internationalfinance.com/insurance/china-life-singapore-contributing-digitalisation-singapores-insurance-sector/
15. https://www.rand.org/pubs/research_reports/RRA2621-1.html
16. https://www.rgare.com/knowledge-center/article/the-case-for-wellness-programs-in-life-and-health-insurance
17. https://www.accenture.com/content/dam/accenture/final/accenture-com/document/Accenture-Insurance-Consumer-Study-2021.pdf
18. https://www.glassbox.com/blog/insurance-customer-retention-strategies/
19. https://www.mckinsey.com/industries/financial-services/our-insights/ecosystems-and-platforms-how-insurers-can-turn-vision-into-reality
20. https://www.lifeinsuranceinternational.com/analyst-comment/over-half-global-consumers-climate-change/
21. https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-2024-voice-of-consumer-survey.html

22. https://www.pwc.com/gx/en/news-room/press-releases/2024/pwc-2024-voice-of-consumer-survey.html
23. https://www.forbes.com/councils/forbesbusinesscouncil/2024/03/26/why-dei-is-a-must-for-insurance-companies-that-want-to-win/
24. https://www.pwc.com/us/en/industries/financial-services/library/esg-insurance-industry.html?utm_source=marketing_outreach&utm_medium=Website&utm_content=directhit&utm_campaign=AO%20Website&lead_source=Website&lead_source_detail=Organic