

Future-proof your life with Insurance Trends for 2024

(think "AI claims bots" and "DNA discounts")

The insurance industry is constantly evolving to meet the changing needs of policyholders and businesses. Here are some of the key trends that are expected to shape the industry in 2024 and beyond:

- ### 1. Insurance Premiums

Global non-life insurance premiums will rise **1.8% year over year in 2024** mainly due to rate hardening in personal and some commercial lines. This growth follows a slight increase of 0.5% YoY from 2022, which was far below the 10-year average of 3.6% (Deloitte Insights).
- ### 2. Technological Innovations

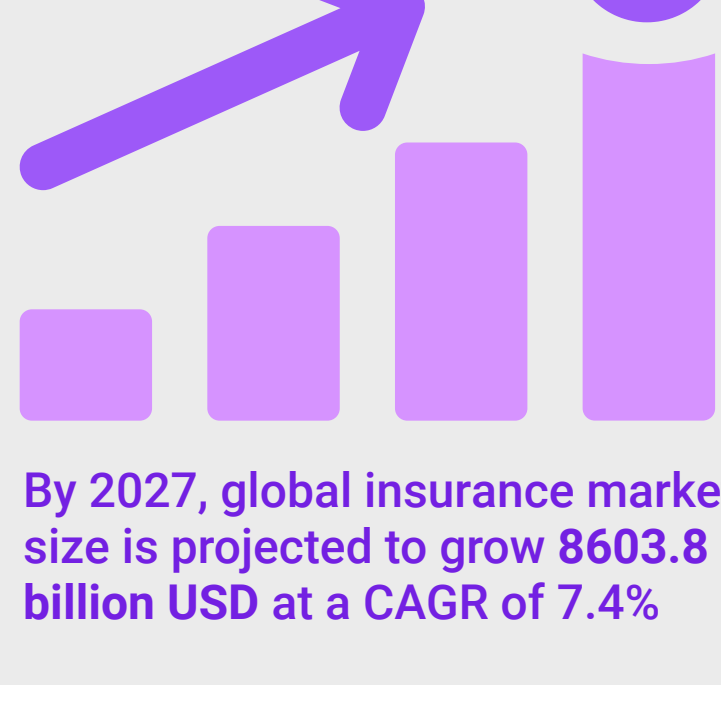
Advanced technologies are expected to become more sophisticated, offering more personalized and accurate insurance offerings. The use of artificial intelligence (AI) and big data analytics will be key drivers of this trend (Insurance Journal).
- ### 3. Automation and Insurtech

The insurance industry is forecasting increased automation of repeatable processes like invoicing and certificates of insurance issuance. Insurtech is expected to play a significant role in these developments (Dig-in).
- ### 4. Life Insurance Trends

Focus on customer experience - Insurers are putting a greater emphasis on providing a positive customer experience. This includes making it easier for customers to purchase and manage their policies, and to file and settle claims.
- ### 5. Impact of Macroeconomic and Geopolitical Factors

The insurance industry in 2024 will also be shaped by various macroeconomic and geopolitical factors like **inflation, interest rates, regulatory changes, supply chain disruptions, and skills gaps (EY)**.

DID YOU KNOW?

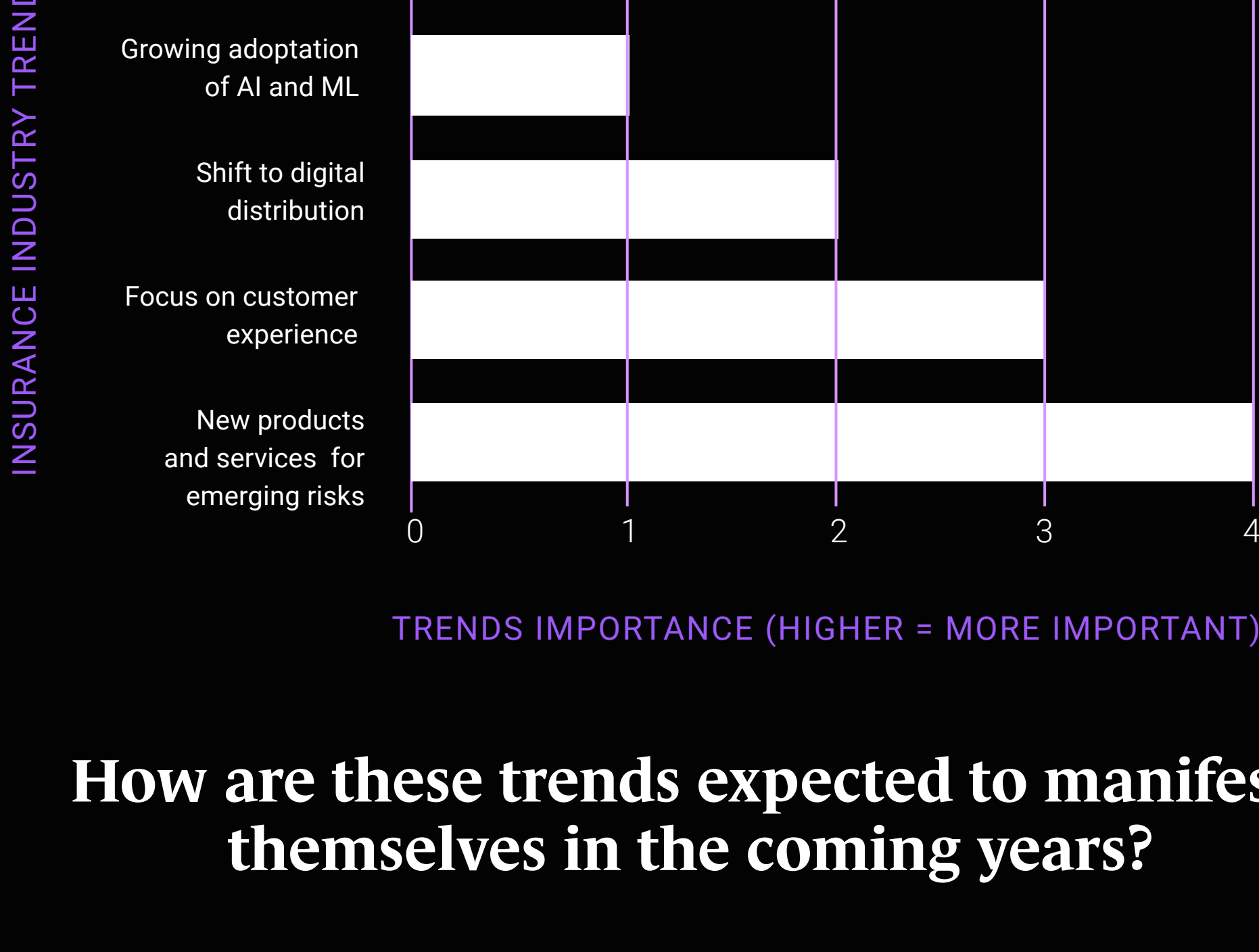


By 2027, global insurance market size is projected to grow 8603.8 billion USD at a CAGR of 7.4%

According to a report by Market Growth, the 2022 valuation of the worldwide Property and Casualty Insurance market was approximately 742 billion USD, and it is projected to grow at a CAGR of 4.28% throughout the forecast duration.

Insurance Market will reach approximately 1 trillion USD by 2028

Top 5 Trends Shaping the future of Insurance



How are these trends expected to manifest themselves in the coming years?

Telematics Data in Auto Insurance:

Auto insurance customers opted for telematics, allowing insurers to personalize rates based on driving behavior. This data, collected from in-vehicle devices, tracks speed, braking habits, and mileage (valuemomentum).

By 2022 60% of

Blockchain in Data Security:

Blockchain technology enhances data security and transparency in underwriting, risk assessment, and claims processing (statista).

The global blockchain market was **7.4 billion USD in 2022** and is projected to reach over **94 billion USD by 2027**.

AI in Claims Processing:

AI is streamlining claims processing, speeding up settlements, and reducing costs for both insurers and policyholders.

A 3rd of claimants were unsatisfied with their last claims experience, but digital and self-service claims processing can improve satisfaction (Accenture).

New Products for Emerging Risks:

New products to address emerging risks like cyberattacks, climate change, and aging population needs. For ex, long-term care insurance and annuities are being developed to meet the needs of an aging population (PWC).

The mortality protection gap in India alone stood at **40.4 billion USD in 2021**.

Industry-specific Trends

Health Insurance

Health insurers are emphasizing cost control and care quality. This has led to more value-based care arrangements and increased telemedicine use.

The 2023 Insurance Barometer Study found:

- 39% of consumers** Plan to buy health insurance next year
- 30.2% of visits in 2020** of telemedicine

Property & Casualty Insurance

P&C insurers are offering new products to cover emerging technologies, such as drones and autonomous vehicles.

The global insurance industry saw claims for natural catastrophes soar by **54%** Compared with the most recent 10-year average

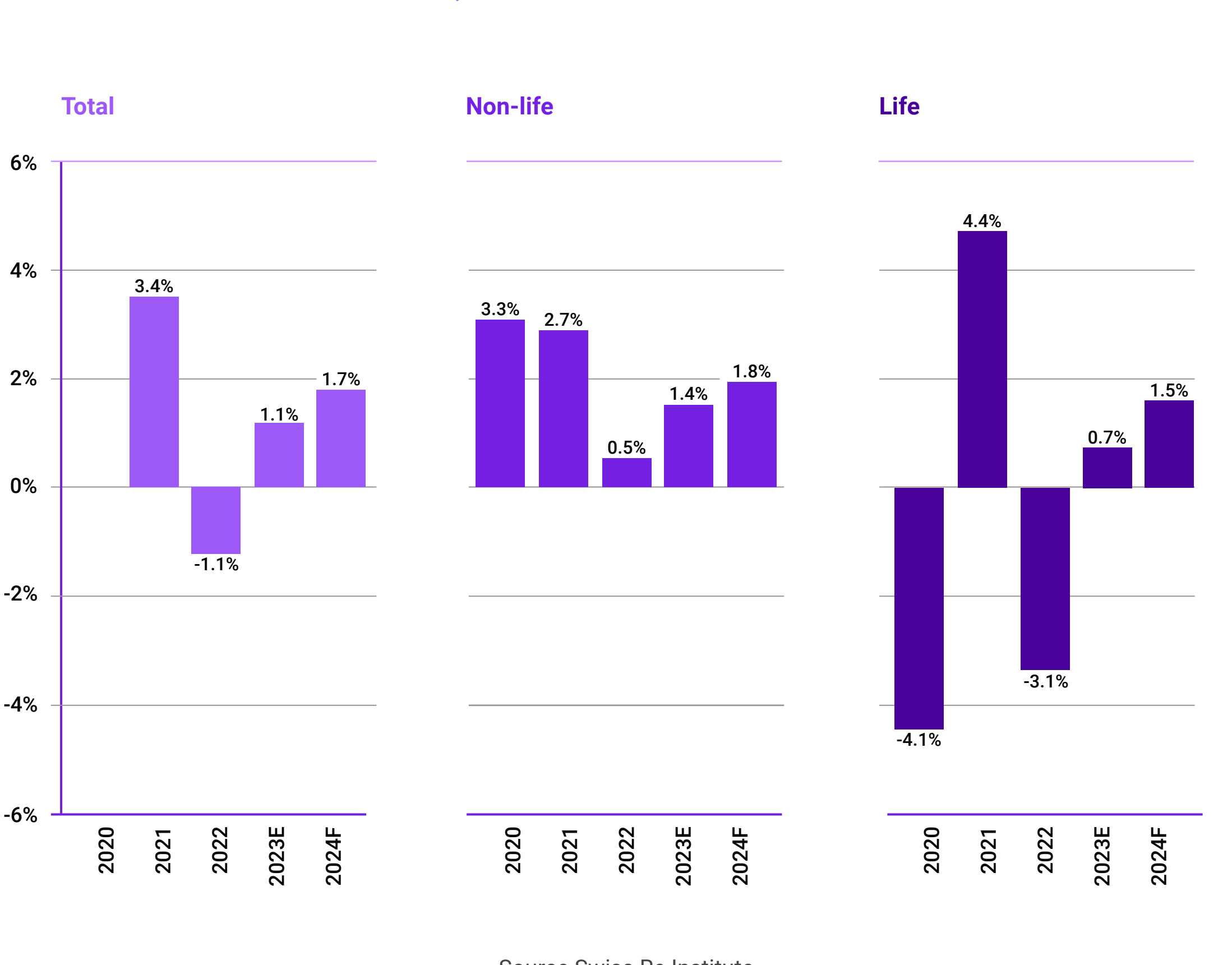
115% Compared with the most recent 30-year average (BCG)

Life Insurance

Life insurers are developing products for an aging population's needs, including long-term care and chronic illness coverage

The global Long-Term Care Insurance Market was valued at **21.20 billion USD in 2022** and is projected to grow to **60.22 billion USD by 2031**

Real premium growth, 2020 – 2024F, total, non-life & life



Source Swiss Re Institute

Impact on Consumers

These trends are expected to have a positive impact on consumers. Personalized products and services will make insurance more relevant and affordable. Prevention programs can help consumers avoid costly claims. Digital technologies will make it easier and more convenient for consumers to interact with their insurance companies. And new products will provide consumers with more options to meet their specific needs.

- Premiums are forecasted to improve in 2024, due to rate hardening in personal and commercial sectors. (Insurance Business Mag).
- Technology will play a crucial role in the commercial insurance landscape which is set to undergo significant changes. The rise of Generative AI, customer-centric mindsets, and innovative product designs are expected to redefine the industry (Artificial Labs, Reuters Events).
- Rising accident rates and claims costs are predicted to contribute to higher car insurance rates in 2024. Similarly, extreme weather events and higher home insurance costs are predicted for the same year (Forbes Advisor - Car Insurance; Home Insurance).
- The medical cost trend for 2024 is projected to decrease to a global average of 9.9%, after a surge in 2023 (WTW Co).
- The insurance industry is expected to continue its digital transformation, with more process automation across marketing, distribution, underwriting, claiming, and policy servicing (Forbes).



The insurance industry is undergoing a period of rapid change. Insurers are adapting to meet the needs of a changing world by developing new products and services, investing in digital technology, and focusing on personalization and prevention. These trends are expected to have a positive impact on consumers by making insurance more relevant, affordable, and convenient.

This infographic is just a glimpse into the dynamic world of insurance trends. Stay tuned for even more exciting developments in

- Paramount micro-insurance**
- Hyper-personalized risk assessment**
- The rise of the "InsurTech" giants**