

# Life insurers that tie up with partners today will win big on embedded insurance

Article

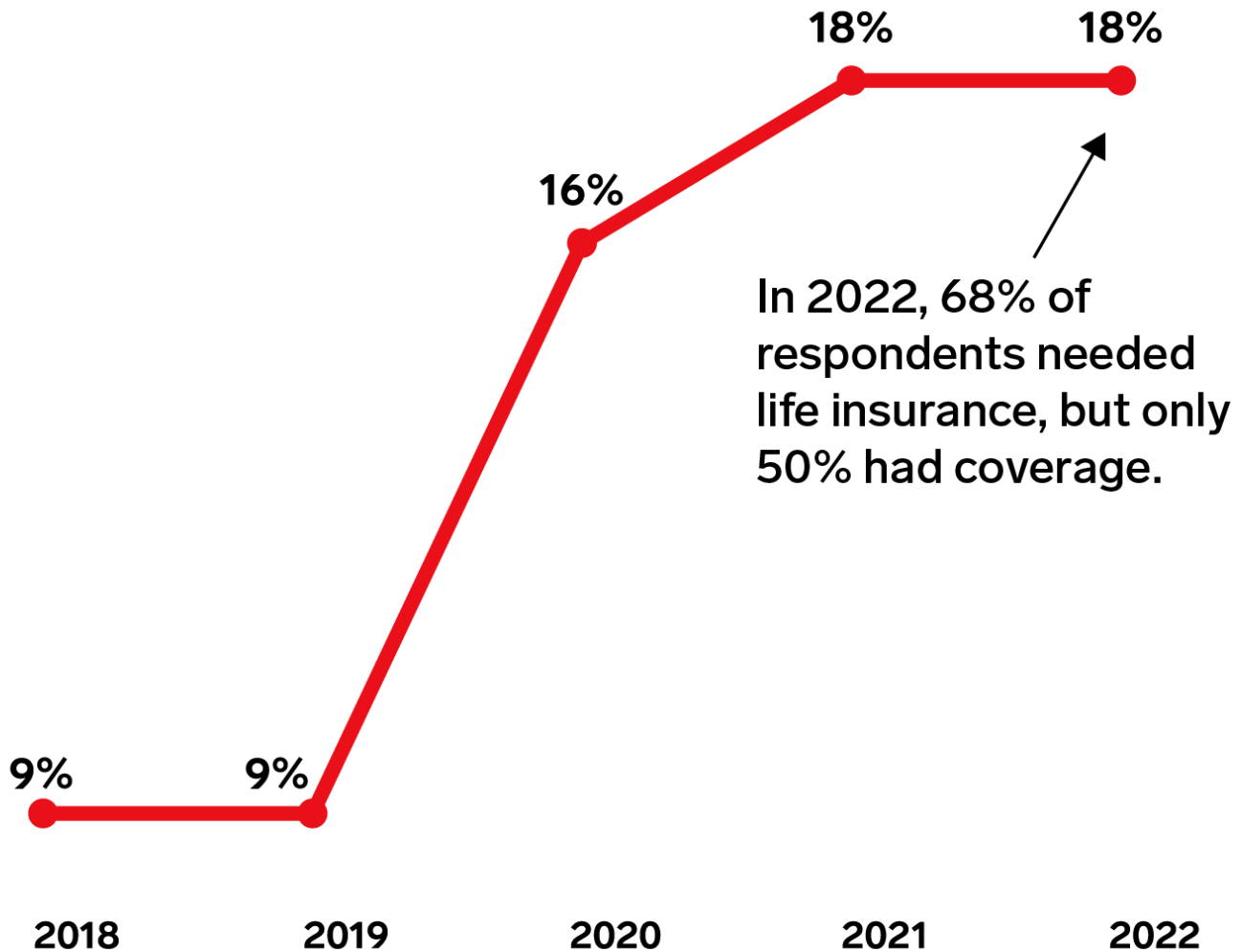
**The embedded life insurance opportunity is small but growing.** Almost one-third of insurance transactions could be embedded in the next five years, per EY, as insurers mature

digitally and suitable partners and data proliferate. We expect the total percentage to be smaller for life insurance. Still, life is the largest insurance market in the US—at \$1.148 trillion, per NAIC—and the opportunity is too substantial to ignore.

**Providers that participate in the market will grow their customer bases.** Despite its high value, life insurance penetration is low: Just 50.0% of US consumers had coverage in 2022, and that'll tick down to 47.5% by 2025, per our forecast. Insurers could reverse this trend by embedding products at the point-of-sale of non-insurance products—getting them in front of consumers who otherwise might not have explored life insurance.

# Embedded Insurance Can Close the Gap Between Consumers Who Need and Have Life Insurance

## life insurance gap, 2018-2022



Note: Data is from the April 2022 LIMRA "2022 Insurance Barometer Study." In January 2022, LIMRA and Life Happens surveyed 8,517 US adults ages 18-75. Responses were aggregated from an online panel that surveyed adult consumers who are financial decision-makers in their households. The responses were weighted. The margin of error in this study is +/- 3 percentage points.

Source: LIMRA, "2022 Insurance Barometer Study," April 25, 2022

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Incumbents still have the power to upend industry dynamics—but they need to secure partnerships today. There’s a clear first-mover opportunity, as disruption from startups has been limited: Most insurtechs have focused on **embedding P&C insurance**, which is relatively simple.

[Read the full report.](#)

Report by Eleni Digalaki Jun 22, 2023

## Embedded Life Insurance

