



# Insurance sector overview

From transaction to relationship



The insurance industry is undergoing a profound rethink, less a transformation with a defined end point, and more a continuous reimaging of how insurers create value for customers. Technology is moving fast, customer demands are shifting, and the operating models that sustained insurers for decades are being tested like never before.

### Rethinking growth models

Insurers are facing tough questions about their future growth. Mergers and acquisitions remain active, but leaders are also scrutinizing whether current operating models are fit for scaling in the next three to five years. The challenge is to align people, processes, technology, and data to support growth while staying responsive to customer needs. Workforce demographics add urgency. With a “silver tsunami” of retirements expected in underwriting and claims, insurers must address talent gaps while also equipping employees with the skills to thrive in a more digital, AI-enabled environment.

### Customer demands as a catalyst

Customers are increasingly driving change in the sector. They want insurance to be simple, transparent, and personalized. The idea of a “total customer view”, a connected ecosystem that enables customers to see and manage their entire insurance relationship, is gaining traction. Customer demands will push insurers toward greater personalization, seamless journeys, and an experience that feels easy rather than frustrating.

Yet examples of true consolidation and cross-selling remain rare. For most, insurance remains fragmented, with consumers mixing and matching carriers by product. What sets leading organizations like USAA apart is their philosophy of relationship, not just product. They understand life stages and moments that matter and proactively engage customers at those points.

### Learning from the extremes

The sector today sits between two poles. At one end are organizations like Lemonade, impressing customers with slick, digital-first simplicity. At the other are brands like USAA, winning trust and loyalty through consistency, comfort, and a strong sense of security. Most insurers fall somewhere in between, seeking to blend efficiency with empathy, while building the brand resonance needed to win long-term relationships.

### Culture and colleagues’ matter

Delivering great customer experiences depends on creating great colleague experiences. Colleague and customer experience are tying together more than ever. By equipping employees with the right tools, skills, and cultural mindset, insurers can deliver the kind of service that feels seamless, jargon-free, and human.

### The shift to customer-centric insurance

Insurance has “pockets of greatness,” but the task is scaling those across the industry. The direction of travel is clear: toward more personalized, digitally enabled, and customer-centric models. The winners will likely be those who shift from a transactional mindset to one built on relationships, serving customers not just at a point of sale or claim, but across the life stages and events that matter most.

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The insurance industry is undergoing a fundamental shift, moving from a transactional model to one built on enduring relationships. This transformation is driven by rapidly evolving technology, changing customer demands for personalized and seamless experiences, and the urgent need to address talent gaps in a digital, AI-enabled environment. Insurers who can effectively align people, processes, technology, and data to foster a ‘total customer view’ and engage proactively across the value chain will be the true winners.”

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