

Searching for growth in an evolving insurance ecosystem

The financial services landscape continues to shift as digital transformation accelerates and customer needs and expectations evolve. New competitors have also emerged, as insurtechs and large corporates experiment with their own insurance offerings. At the same time, they and large technology companies can represent potential partners for incumbent insurers. New technologies also create opportunities to develop innovative products and insure broader risks and populations. All of this presents challenges for the management teams and boards of large insurers as they contemplate how to allocate capital to support the growth of their businesses amidst rising inflation, the geopolitical fallout following the Russian invasion of Ukraine, and the lingering effects of the COVID-19 pandemic.

On April 5, 2022, participants from the Insurance Governance Leadership Network (IGLN) met in London to discuss the search for growth in the evolving insurance ecosystem. This *ViewPoints* draws on both premeeting conversations and on the April meeting in London, with the following areas of focus:

- **Insurers confront an uncertain operating environment**
- **Growth opportunities exist, but require boldness**
- **Capitalizing on opportunities will require new approaches**

Insurers confront an uncertain operating environment

In reflecting on the past year, a participant said, *“There were very good results across the industry in 2021, record results for most firms.”* The dynamic, however, has changed, and the outlook for the industry is less certain moving forward. An EY expert observed, *“While the outlook for 2022 remains positive, for 2023 and beyond, companies are starting to question whether it will be sustainable from a pricing perspective. You’ve got real challenges with interest rates and inflation. How that will factor in 2023 and beyond are hot topics at the board level.”* Firms have operated in an

“There’s no agreement on where interest rates are going. It’s a big unknown.”

– Director

environment with low and even negative interest rates for some time. The return of rising rates adds to the uncertainty senior leaders face. A director stated, *“It’s interesting to see the debate among economists about interest rates. Banks in the US are saying there will be lots of increases in interest rates. Others say the Fed will only raise rates two times because the economy is starting to slow. It’s very important to us as a life company. There’s no agreement on where interest rates are going. It’s a big unknown.”*

The Russian invasion of Ukraine has sent further shock waves across the global economy. The direct impact on insurers is likely to be small: limited near-term balance sheet exposure, primarily to the aviation industry, *“capping out at \$2 billion”* according to an EY expert, or IT risk stemming from tech support sitting in Ukraine, Belarus, or Russia. The primary concerns for many senior leaders are the war’s second-order effects. Some see the war fostering further supply chain problems, adding to inflationary trends. A director stated, *“The pressure to cut ties with Russia is really dramatic. How will that flow through in terms of the impact on inflation and consumers? How long can you keep interest rates below 2% when inflation is 10%?”* Others fear the conflict will exacerbate underlying tensions between the West and China: *“We are all assuming it won’t spread farther than it is. What worries me is where it can go from there. We can isolate Russia, but if we have a problem with China, then it gets very difficult for companies to do business.”* There are also concerns that the war may complicate efforts to tackle climate change. A director noted, *“There’s going to be a ramping up of coal utilization as a result of disruption in Russian oil and gas. We’re going to a worse place on ESG [environmental, social, and governance] issues.”*

“I see opportunities to help people transfer risk, mitigate risk, and find solutions for the risks that people take in the world.”

– Director

The deteriorating macroeconomic environment creates trepidation and casts doubts on the potential for growth. A director stated, *“Depending on how your read the indicators, there’s an increasing chance that a recession may be coming through in 12–18 months. It really causes you to rethink the concept of your growth agenda.”*

Growth opportunities exist, but require boldness

Despite the uncertain operating environment, many IGLN participants agree that growth is possible for firms that can position themselves and execute effectively. One director said, *“I don’t think that insurers are constrained by a lack of opportunities. I see opportunities to help people transfer risk, mitigate risk, and find solutions for the risks that people take in the world.”*

Global protection gaps offer potential pathways to growth

Uninsured and underinsured risks and populations present a large potential market for insurance products. Despite insurers' past efforts to close these gaps, Swiss Re Institute has estimated that the combined global protection gap for health, mortality, and natural catastrophe risks reached \$1.4 trillion in 2020.¹

In property and casualty, only \$130 billion, or 38%, of the estimated \$343 billion in direct economic losses and physical damage from natural disasters globally in 2021 was covered by insurance.² On the life insurance side, recent research by LIMRA found that only 54% of Americans had life insurance in 2020, down from 63% a decade earlier, with 60 million American households either uninsured or underinsured.³ In dollar terms, Swiss Re estimated the aggregated mortality protection gap—the difference between financial resources and needs in the event of the death of a household's primary earner—for US households at \$25 trillion.⁴ The estimated mortality protection gap for the Asia-Pacific region was \$83 trillion.⁵

In commercial lines, the growth in corporate intangible assets presents another material gap. One participant referred to it as *"a \$24 trillion opportunity."* A recent report from the Ponemon Institute similarly places the value of intangible assets—which include categories like intellectual property, data, brands, and relationships—in the \$20–\$25 trillion range.⁶ Insurance coverage for intangibles, however, significantly lags coverage for hard assets like property, plant, and equipment (PP&E), even though the likelihood of loss is higher. Whereas PP&E is insured up to 60% of the potential loss value, for information assets, coverage only extends to 16%.⁷ An executive observed, *"The underlying risks are changing, so there is a gap between the risks corporates see and where the insurance industry is."* An EY expert observed a similar phenomenon: *"A lot of corporates believe that their risks are not covered well for things like cyber risk. So we are seeing the tendency to create captives more and more."* The data in the Ponemon report supports this observation: 62% of "information assets" are self-insured.⁸

Not all participants are convinced that these protection gaps necessarily present a significant opportunity. One director observed, *"On the [property and casualty] side, most of the gaps are uninsurable risks."* The economics can also be difficult for low- and certain vulnerable moderate-income consumers: *"Lots of people are economically unable to afford insurance, so how do you fill that gap? Many of the people that aren't insured don't have the means or ability."*

"The underlying risks are changing, so there is a gap between the risks corporates see and where the insurance industry is."

– Executive

Customer attitudes and expectations are changing

The profound impact of the past 24 months has transformed the way customers approach risk and how they think about engaging with their insurance providers.

COVID-19 has increased consumers' financial anxiety

The COVID-19 pandemic has generated considerable financial anxiety, leading to increased appetite for protection products. A recent EY survey found that 75% of consumers around the world plan to make additional financial preparations in response to the pandemic. This trend is pronounced among younger consumers globally and those in emerging markets, who were significantly more likely to have lost income, tapped savings, or skipped bill payments during the pandemic.⁹ The financial preparations these consumers desire to make include purchasing new forms of insurance. According to the EY survey, "61% of respondents in emerging markets are interested in purchasing life insurance in response to the pandemic. Consumers in developed markets also want more life coverage, as evidenced by the significant uptick in sales and applications during the last year."¹⁰

Consumers, especially in emerging markets, are increasingly likely to purchase insurance products online: 73% of emerging-markets consumers are likely to purchase life insurance online, and nearly 70% are likely to purchase homeowners or automotive insurance online. Percentages are lower in developed markets, but the majority of consumers would purchase homeowners and automotive insurance online, while slightly less than half (44%) are willing to purchase life insurance digitally.¹¹

Consumers also seem to value having a trusted adviser who can explain how insurance can address their financial anxiety. An EY expert explained, "*When we looked at buying habits, the percentage of small and medium-sized enterprises [SMEs] who said they would buy directly moved from 46% pre-pandemic to 55%. The consumer side moved in the opposite direction: we observed a larger proportion wanting to use an intermediary. That percentage grew from 60% to 64%.*" That interaction, however, need not be face-to-face: nearly 60% of consumers prefer contacting their agents or brokers digitally.¹²

Large corporates are looking for new solutions for new forms of risk

Evolving demand for financial protection products is not confined to the consumer space. Large corporates and SMEs alike are looking to their insurance providers to help mitigate evolving risks like cyber and climate

"Many of the people that aren't insured don't have the means or ability."

– Director

“I see companies walking away from certain risks. I don't believe that is the right solution.”

– Executive

change, but they are often displeased with the options presented to them. A participant said, *“When you go to corporates, not one has been satisfied with what the insurance industry is giving them on cyber insurance.”*

Dissatisfaction could partly be a result of a lack of education and awareness. For example, a 2021 Munich Re survey found that while c-suite executives are conscious of the cyber risks their companies face, their awareness of the cyber insurance products and services available is limited.¹³ On climate, some IGLN participants suggest the challenge is more fundamental, as large insurers struggle to provide coverage for risks using traditional approaches. An executive asserted, *“There's a real fear in the industry around issues like climate change. I see companies walking away from certain risks. I don't believe that is the right solution.”* Another participant was more blunt, stating, *“The problem is the lack of real products clients want ... The products offered to clients are boring as hell. They're not satisfying to the client. And then the time to get to claim is 180–365 days.”*

A growing ecosystem presents new opportunities

“No part of the insurance value chain or line of business is immune from impact of technology.”

– Participant

Digital transformation is creating opportunities across the industry. Challenger institutions are working to leverage technology in new and innovative ways, while incumbent firms determine how to respond. A participant said, *“No part of the insurance value chain or line of business is immune from impact of technology ... I see opportunities across all lines and value chains. The proliferation of digital interactions on the consumer side has filtered into the commercial side. Consumer expectations for digital are bleeding into the commercial side.”*

Insurtechs are driving disruption

Insurtechs are helping to drive this digital transformation, and their impact may only be beginning to be felt. A participant explained, *“Fintech is about 20 years in. Insurtech still has a long way to go; the industry only really began around 2014.”* Since that time, the number of starts-ups and the funding flowing to them has accelerated significantly. An executive said, *“The last few years have been an explosion, an eye-watering amount of money going into insurtech. Last year the total amount of venture capital investment that went into this space ran into the double-digit billions.”* All that money has resulted in several start-ups achieving unicorn status and then going public. Valuations for some of these insurtechs have declined significantly since going public, and challenger institutions still struggle to achieve significant scale, but some believe their time will come: *“Give them time; they will get to 5% market share. Lots of companies haven't woken up yet to the need to leverage [mergers and acquisitions] to get share. Lemonade just purchased Metromile*

to get their data and to get into auto insurance. We're going to see that more as companies get to public markets and see the need to get to more growth."

A new partnership-based ecosystem is emerging

"If I was a bank, I'd really worry about Monzo and Revolut. I'm not sure that is happening in insurance. The big brands are dominating."

– Director

IGLN participants generally do not believe that insurtechs pose an existential threat to their businesses. One director said, *"If I was a bank, I'd really worry about Monzo and Revolut. I'm not sure that is happening in insurance. The big brands are dominating."* The challenge from insurtechs has, however, stimulated transformation in the industry as different players leverage technologies like cloud computing, artificial intelligence, and machine learning in search of growth. Investments in data architecture and data infrastructure could help incumbents unlock growth by leveraging the massive amounts of data they possess. A participant remarked, *"Reinsurers are starting to play in the direct space, using their data. They're all trying to get into to the commercial space."*

Embedded insurance has also provided an entryway for new players and access to new customers. It has been estimated that the market for embedded insurance in the United States alone will grow from \$5 billion in 2020 to \$70 billion in 2025.¹⁴ According to one commentator, the benefits are clear: for insurers, potential wider and lower-cost distribution, access to more data, and reduced underwriting risks; for third-party organizations, enhanced value propositions and new revenue streams; and for society as a whole, a shrinking of the insurance protection gap.¹⁵ An executive said, *"We're seeing the high-tech companies and the automobile companies all trying to figure out how to embed insurance into their sales processes or into their products in new ways."*

"The industry is still largely intermediated, and having electronic interfaces is a necessity. It's not a distinguishing feature; you just have to have it."

– Director

As the industry evolves, senior leaders are starting to think of insurtech in broader terms and to recognize that yesterday's innovations are now business as usual. A director said, *"For me insurtech is quite a broad church. It's becoming a hygiene factor to have extremely efficient, easy-to-use interfaces to advisers. The industry is still largely intermediated, and having electronic interfaces is a necessity. It's not a distinguishing feature; you just have to have it."*

The opportunity and challenge lie in exploring how to build those interfaces and tap into the emerging ecosystem. An executive commented, *"The industry has been paying a lot of attention."* But implementing and scaling new technologies remains a challenge: *"The industry might be the victim of adopting technology early on. It was the early adopter in several cases, but this has now turned into legacy. So how do you shift? Getting insurers to adopt technology is tough."* Another participant commented, *"A lot of insurers*

like to do 'test and learn' and then struggle to scale it. I've never seen an insurer scale something successfully."

"We hear a lot of reflections on partnerships with other companies, competitors, insurtechs, across the entire ecosystem."

– EY Expert

Many insurers are looking to partner to help solve these issues. An EY expert stated, *"We hear a lot of reflections on partnerships with other companies, competitors, insurtechs, across the entire ecosystem."* Insurtechs are increasingly positioning themselves less as direct competitors and more as a valuable source of technology and talent and as a conduit to new customer segments for incumbents. As valuations continue to come down, insurtech relationships may become even more strategic in nature: *"If I'm a major insurance company, and I want a particular capability from a start-up, I would either become a majority or strategic investor or I would acquire them."* Some firms are also looking to corporates. In 2020, Nationwide partnered with Ford and Toyota to offer usage-based insurance policies, and Allstate and Liberty Mutual have partnered with Ford for the same purpose.¹⁶ A director said, *"We're working with big names because they have shared interests and have realized the mutual benefits. We are not just talking about start-ups; some larger corporates really get it."*

The search is on for growth in sustainability

"We're in a unique position to say what's working and what's not and where there will need to be policy intervention by the government."

– Director

The global economy's transition toward a more sustainable future presents a unique set of challenges and opportunities for large insurers. Stakeholders are pressuring companies to limit emissions both in their own operations and in their underwriting and investment portfolios. At the same time, large insurers are well positioned to play a positive role in the transition to a low-carbon economy. A director stated, *"We have to monitor the companies we invest in and underwrite, so we're in a unique position to say what's working and what's not and where there will need to be policy intervention by the government. We're in a unique position to see where the sticking points are in the transition."*

The transition of the global economy will create opportunities across insurance business lines

With corporates and consumers endeavoring to address the risks that rising temperatures pose and massive sums of money flowing into green infrastructure, IGLN participants see multiple growth opportunities.

- **Mitigating the impact of climate change.** Climate change presents a host of risks to consumers and to corporates. Insurers will be asked to provide cover for damage from increasingly common flooding, hurricanes, and wildfires, for instance. As the world transitions to carbon neutrality, new risks and opportunities will also emerge. A director said, *"There will be opportunities in specialty*

“There will be risk associated with this, including good and bad risk from an ESG perspective.”

– Director

insurance. There will be risk associated with this, including good and bad risk from an ESG perspective. There will be opportunities, for those who are brave and can price it, to insure companies who have made declarations on climate, for example. [Directors and officers liability insurance] has to cover that, so there’s potential for growth in that.”

- **Supporting green infrastructure.** Large insurers will have opportunities to provide coverage for investments in green infrastructure. A director stated, *“Think of new green assets—there will be a need for more wind farm insurance. There are places to pick your spots. For some of these areas, there’s not much data; they are new. So, it takes courage to underwrite those things.”* An EY expert agreed: *“We work with the Prince of Wales Trust on financing the transition. We’ve been asking if there are new ways insurance can provide products that enable new assets to be built, like battery plants. There’s a good growth opportunity if there is appetite for building insurance products.”* Opportunities in green infrastructure will not be limited to property and casualty. Another director pointed out, *“One of the biggest issues for annuities is finding long-term, high-yield assets to support pensions. You have to believe they will work out a way for big asset managers and life insurance companies to invest in infrastructure. You already see big competition for ESG assets.”*
- **Facilitating more sustainable capital allocation.** Insurers are uniquely positioned to help deploy capital for green initiatives. Consumers and asset owners are increasingly keen to exercise influence over how their wealth is used and to support investments in companies and projects aligned with a more sustainable future. The early data suggests that capital is starting to shift from brown to green investments. An executive said, *“We have started to make ESG information available to end customers in as credible a way as we can, whether that’s advised customers, employees, or directly to consumers. The data is showing that this information is attracting people to those offerings. Or they will think about switching funds or plans if they can’t access that data.”*

Insurers will need to confront sticking points as the sustainability agenda evolves

While momentum builds for opportunities in sustainability, IGLN participants do foresee a number of sticking points. According to an EY expert, while

“For some of these areas, there’s not much data; they are new. So, it takes courage to underwrite those things.”

– Director

consumers express interest in ESG products and services and may even be willing to pay a premium for them, *“only 18% said they understood what ESG meant.”* An executive agreed that *“there’s still a massive gap in industry thinking about how investments actually mesh with the concept of ESG. It’s just not widely understood.”* Not everyone is convinced that people will be willing to pay more to support their values as inflation imposes costs on household budgets. A director said, *“On a like-for-like cost basis, people prefer sustainability. But it’s another thing if they will earn less money if a portfolio is based on sustainability. Then we’ll see how consumer behavior adjusts.”*

Of even greater concern to senior leaders could be the pressure they will face from stakeholders to confront their exposure to fossil fuels in their investment and underwriting portfolios. *“There’s a transmission system,”* one director said. *“It starts with government and policy. It gets passed to the regulators, and then it gets passed down to us. It works. We have to do what we’re told.”* Another director said, *“Boards are worried about this.”*

Capitalizing on opportunities will require new approaches

“There’s still a massive gap in industry thinking about how investments actually mesh with the concept of ESG.”

– Executive

It will not be easy for large insurers to take advantage of opportunities for growth. Among the challenges insurers must tackle are trying to become more customer centric, prioritizing technology investments, promoting new and innovative thinking, and managing complex relationships across the broader insurance ecosystem. IGLN participants identified various steps that large insurers can take to address some of these challenges and seize emerging opportunities in the marketplace.

- **Adopt a more sophisticated approach to client engagement.** Large insurers should proactively engage with their customers to help them assess and mitigate risks. As one EY expert said, *“There is no downside to being more proactive with customers ... You can suggest small ways in which an insurer or broker could be helpful.”* Just reaching out, however, with *“a vacuous email or token gesture”* is unlikely to yield positive results. Large firms may need to upgrade their existing systems to better understand how to engage with customers. A participant said, *“Insurers are not able to assess intelligently enough to know who they want to push away or who they want to draw closer, so there is risk in doing a blast outreach. There are lots of opportunities to improve on that side of the industry.”*

“When you ask people where to buy an insurance product, they don’t really know. Amazon? Google?”

– EY Expert

- **Educate clients around products and services.** Insurers need to do a better job of listening to clients’ needs and helping them to understand the products and services that could address those needs. An EY expert said, *“A lot of education is needed in the insurance industry, especially for younger generations. When you ask people where to buy an insurance product, they don’t really know. Amazon? Google? They’ll often say, ‘I’ll ask my parents.’”*
- **Simplify and digitize the customer experience.** Large insurers need to design products and services that meet a need and delight their customers. According to a director, *“Whether in general insurance or in life protection, we have to make it easy for people to take out a policy. My experience is that’s what 20–30-somethings say they want. We need to simplify.”* Complexity is also a key pain point for clients on the corporate side. *“If you have a submission on the corporate side, you may have 20,000 pages. You have to simplify that.”* As customers rely more on technology to simplify their personal lives, they expect their insurers to do the same: *“Digitalization is a given, but simplicity is at least as important. Having a solution that gets rid of fuff and minimizes the questions to answer is more attractive to young consumers than more complicated things.”*

Gaining clarity on consumer preferences can be difficult, so insurers should tread carefully as they digitize. Initially, the industry saw considerable enthusiasm around tech-enabled usage-based insurance products as a way to attract digital natives looking for innovative products. The early returns, however, suggest many consumers prefer a more traditional product. A participant said, *“The first bit of feedback we got on our usage-based solution was, ‘It would be great if you offered an annual or monthly product,’ as if that was some kind of innovation. Usage-based products can really be a wedge to get a relationship and then graduate to an annual or monthly product, where the economics work better.”*

- **Think differently about models and approaches.** A participant said, *“For new risks, you need a shift in thinking about how you underwrite. If all you have is historical data looking at risks that are highly volatile, you need a different kind of thinking. So, the question is, what are dynamic data sets that allow you to predict what will happen in the next 6, 12, or 18 months?”* Thinking differently should not be limited to underwriting models; it should apply broadly to the approach large insurers take to these emerging opportunities. To execute against ESG, for instance, an executive said, *“If we believe that capital allocation could have an impact on companies and industries we back into the future, surfacing information and shifting capital*

“One thing that insurance companies lose sight of is that not everything will be or has to be successful.”

– Participant

flows from the bottom up rather than historically from the top down could be an interesting way of shaping our future.”

- **Adopt a strategic approach to ecosystem partnerships.** While the emerging ecosystem offers growth potential, it carries with it risks. According to one participant, *“The biggest challenge is incumbents often don’t know what’s important or what their strategic priorities are. They don’t know what’s in scope.”* Taking an inventory of needs and setting priorities therefore becomes critical. Participants also suggested having people engaged with the insurtech space full-time *“to have a lightning rod in the market.”* It is crucial to provide those people with the right level of support. As one director observed, *“We did have our one person. They just can’t run the boards of the three or four little companies we are trying to foster.”* Smart firms then look to support partnership opportunities with corporate venture investing *“focused on growth stage and augmented with investment in VCs [venture capital] firms focused on the early stage.”* Doing so protects against both making investments too early and against smothering an otherwise promising start-up, and it allows the VC partner to vet a much broader array of future partners.
- **Accept occasional failures and the learning they provide.** Large insurers are by nature risk averse. As they invest resources in novel approaches and partnerships, they understandably *“don’t want those things to fail.”* And yet, some degree of failure may be necessary. A participant observed, *“One thing that insurance companies lose sight of is that not everything will be or has to be successful. You have to accept that some things will flop.”* To help mitigate the risk of failure, many firms are taking a more incremental approach to digital transformation. An EY expert stated, *“We see much less appetite for a big-bang of changing of things like legacy systems ... We see more and more just changing parts of systems, especially the interface with clients.”*

As the macroeconomic environment continues to be challenging and the insurance industry transforms, the search for growth opportunities will only intensify. Execution will require creativity and courage. A director summarized the task ahead best: *“I think the opportunities are there. I just think you need a different mind-set, a different set of people. And you need leadership which is prepared to embrace that.”*

Appendix

The following individuals participated in these discussions:

Participants

- Paul Bishop, Non-Executive Director, Just Group
- Alison Carnwath, Audit Committee Chair, Zurich Insurance Group
- Julie Dickson, Non-Executive Director, Manulife
- Sheila Hooda, Risk Committee Chair, Mutual of Omaha; Nominating and Governance Committee Chair, Enact Holdings
- Shonaid Jemmett-Page, Non-Executive Director, Aviva
- Matthew Jones, Managing Director, Anthemis
- Rakhi Kumar, Senior Vice President, Sustainability Solutions, Liberty Mutual
- John Reizenstein, Audit and Risk Committee Committee Chair, Beazley
- Vian Sharif, Head of Sustainability, FNZ
- David Sidwell, Non-Executive Director, Chubb
- Nick Silitch, Senior Vice President and Chief Risk Officer, Prudential Financial
- Kory Sorenson, Audit Committee Chair, SCOR; Remuneration Committee Chair, Phoenix Group Holdings
- Bob Stein, Audit Committee Chair, Assurant; Audit Committee Chair, Talcott Resolution
- Scott Stoll, Audit Committee Chair, Farmers Group and Farmers New World Life Insurance Company
- Jim Sutcliffe, Non-Executive Director, Liberty Holdings; Chair of the Board, Bought by Many
- Rob Walker, Managing Director and Global Co-Head of Asset Stewardship, State Street
- Henri Winand, Chief Executive Officer and Co-Founder, AkinovA
- Jason Zwanch, Chief Pricing Officer, Senior Vice President, iptiQ

EY

- Peter Manchester, EMEA Insurance Leader and Global Insurance Consulting Leader
- Benedict Reid, UK Partner and Specialty Insurance Leader
- Isabelle Santenac, Global Insurance Leader

Tapestry Networks

- Dennis Andrade, Partner
- Eric Baldwin, Principal
- Tucker Nielsen, Principal

About ViewPoints

ViewPoints reflects the network's use of a modified version of the Chatham House Rule whereby names of network participants and their corporate or institutional affiliations are a matter of public record, but comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

About the Insurance Governance Leadership Network (IGLN)

The IGLN addresses key issues facing complex global insurers. Its primary focus is the non-executive director, but it also engages members of senior management, policymakers, supervisors, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy insurance institutions. The IGLN is organized and led by Tapestry Networks, with the support of EY. *ViewPoints* is produced by Tapestry Networks and aims to capture the essence of the IGLN discussion and associated research. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of senior management, advisers, and stakeholders who become engaged in this leading-edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society's ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the insurance industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients, and for its communities. EY supports the IGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

The perspectives presented in this document are the sole responsibility of Tapestry Networks and do not necessarily reflect the views of any individual institutions, directors or executives, regulators or supervisors, or EY. Please consult your counselors for specific advice. EY refers to the global organization and may refer to one or more of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This material is prepared and copyrighted by Tapestry Networks with all rights reserved. It may be reproduced and redistributed, but only in its entirety, including all copyright and trademark legends. Tapestry Networks and the associated logos are trademarks of Tapestry Networks, Inc., and EY and the associated logos are trademarks of EYGM Ltd.

Endnotes

- ¹ Lucia Bevere et al., “Resilience Index 2021: A Cyclical Growth Recovery, but Less Resilient World Economy,” *Sigma*, June 2021, 2, [downloadable at Swiss Re Institute](#).
- ² Aon, *2021 Weather, Climate, and Catastrophe Insight*, (London: Aon plc, 2022), 12.
- ³ LIMRA, “Industry Associations Unite to Help Address the Life Insurance Coverage Gap in the United States,” news release, February 1, 2021.
- ⁴ “Closing the Protection Gap in the Americas,” Swiss Re, accessed March 21, 2022.
- ⁵ Julia Chen et al., *Closing Asia’s Mortality Protection Gap* (Zurich: Swiss Reinsurance Company Ltd., 2020), 2.
- ⁶ “2019 Intangible Assets Financial Statement Impact Comparison Report,” Ponemon Institute, April 2019, 3.
- ⁷ “2019 Intangible Assets Financial Statement Impact Comparison Report,” Ponemon Institute, 6.
- ⁸ “2019 Intangible Assets Financial Statement Impact Comparison Report,” Ponemon Institute, 6.
- ⁹ Bernhard Klein Wassink, “How Can Insurance Protect the Customers Who Need It Most?” EY, September 13, 2021.
- ¹⁰ Wassink, “How Can Insurance Protect the Customers Who Need It Most?”
- ¹¹ Wassink, “How Can Insurance Protect the Customers Who Need It Most?”
- ¹² Wassink, “How Can Insurance Protect the Customers Who Need It Most?”
- ¹³ “Cyber Insurance: Risks and Trends 2021,” Munich Re, March 11, 2021.
- ¹⁴ Isabelle Santenac et al., *2022 Global Insurance Outlook: Achieving Growth Through People, Purpose and Technology* (London: EYGM Limited, 2022), 12.
- ¹⁵ Simon Torrance, “Embedded Insurance: A \$3 Trillion Market Opportunity, That Could Also Help Close the Protection Gap,” LinkedIn, December 10, 2020.
- ¹⁶ “Nationwide Partners with Ford and Toyota to Transform Auto Insurance,” TechHQ, February 27, 2020. See also Brent Campbell, “Ford Partners with Auto Insurance Companies to Offer Discounts,” *Squeeze* (blog), March 9, 2020.