

The Next Chapter: Reinventing Life Insurance

Techniques for
modernizing the life
insurance industry



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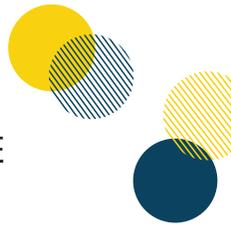
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Setting the tone for a new era of life insurance



As I sit down to write this, I'm thinking about the opportunities emerging for our industry — and new responsibilities and challenges coming with them.

With that in mind, we've organized this issue of the *TransUnion® Life Insurance Outlook* around three themes we believe are defining the next chapter of life insurance.

Innovation with integrity

Insurance carriers are embracing modernization — from advanced analytics to identity verification to AI — but must do so while equally aligning transparency, fairness and responsible data use. Regulations will drive some of this shift, but forward-looking companies will embrace integrity as a differentiator, not a compliance hurdle.

Clarity in value

A particular growth challenge remains the need to educate consumers about cost and products, both of which they frequently misunderstand. Meeting consumers with straightforward products supporting financial independence and digital security — and which acknowledge the needs of multigenerational households — can unlock growth in underserved segments, especially among younger and middle-market buyers.

Consumer-centricity

Today's policyholders and beneficiaries live online, make decisions rapidly and expect carriers to communicate with clarity and precision. Every touchpoint is now a moment to build trust — so you'll need to get them right.

Together, these perspectives illuminate a path forward in which innovation and empathy move in step.

Karen Malone
Senior Business Development Executive at TransUnion



EVOLVING CONSUMERS AND LIVING BENEFITS

Near-term gratification reshapes purchase motivations

For decades, carriers have sold life insurance as protection for someday. But today's consumers live in a world of instant alerts, rising digital threats and delayed traditional milestones. They want relevance now — clear, immediate value they can feel in everyday life. That shift is rewriting what life insurance means.



Demand for living benefits is strong

A TransUnion survey found more than 80% of consumers planning to buy insurance in the next 12 months expressed interest in adding so-called living benefit services to life insurance policies, including identity restoration, credit monitoring, cyber-threat response and expense reimbursement.¹ A recent global study revealed 25% of consumers under age 40 cited a lack of immediate benefits as a reason not to purchase life insurance.²

The demand for living benefits isn't just a youth-centric idea; the breadth of demand is striking. The TransUnion survey showed high interest across all generations — from Gen Z to Boomers — with each age group selecting multiple cyber and identity features.³ For instance:



Protection for digital life moments

Consumers want these options because they meet real-world needs. A meaningful share of households reported experiencing a cyber-related incident in the past six months.⁴ Identity protection and digital safety can be rolled into a suite of benefits that also include credit safeguards and wellness offerings. That's especially attractive for younger and middle-income consumers who might find near-term value more motivating than traditional life insurance benefits.

Auto insurance was once an add-on too

In some ways, life insurance carriers experimenting with cyber offerings today are following a trail similar to the one blazed for auto insurance more than a century ago. Back then, a policy for the newfangled automobile was a niche add-on to general liability policies.

However, auto insurance quickly became a standard household expectation — and a hugely important industry — as cars (and car accidents) became part of everyday life. Experimenting with cyber features today may be equivalent to carriers that recognized shifts in auto policy bundling all those years ago.



Making life insurance relevant today

All in all, living benefits can be part of a modern and more personalized approach that strengthens relationships between insurers and customers.



1, 3, 4 "Annual Insurance Outlook Survey: Cyber Results". TransUnion. September 2025.

2 "Consumers Under 40 Are Skipping Life Insurance as They Delay Traditional Triggers Such as Marriage and Parenthood". LIMRA. September 15, 2025.

MARKET MOMENTUM

Steady growth across generations

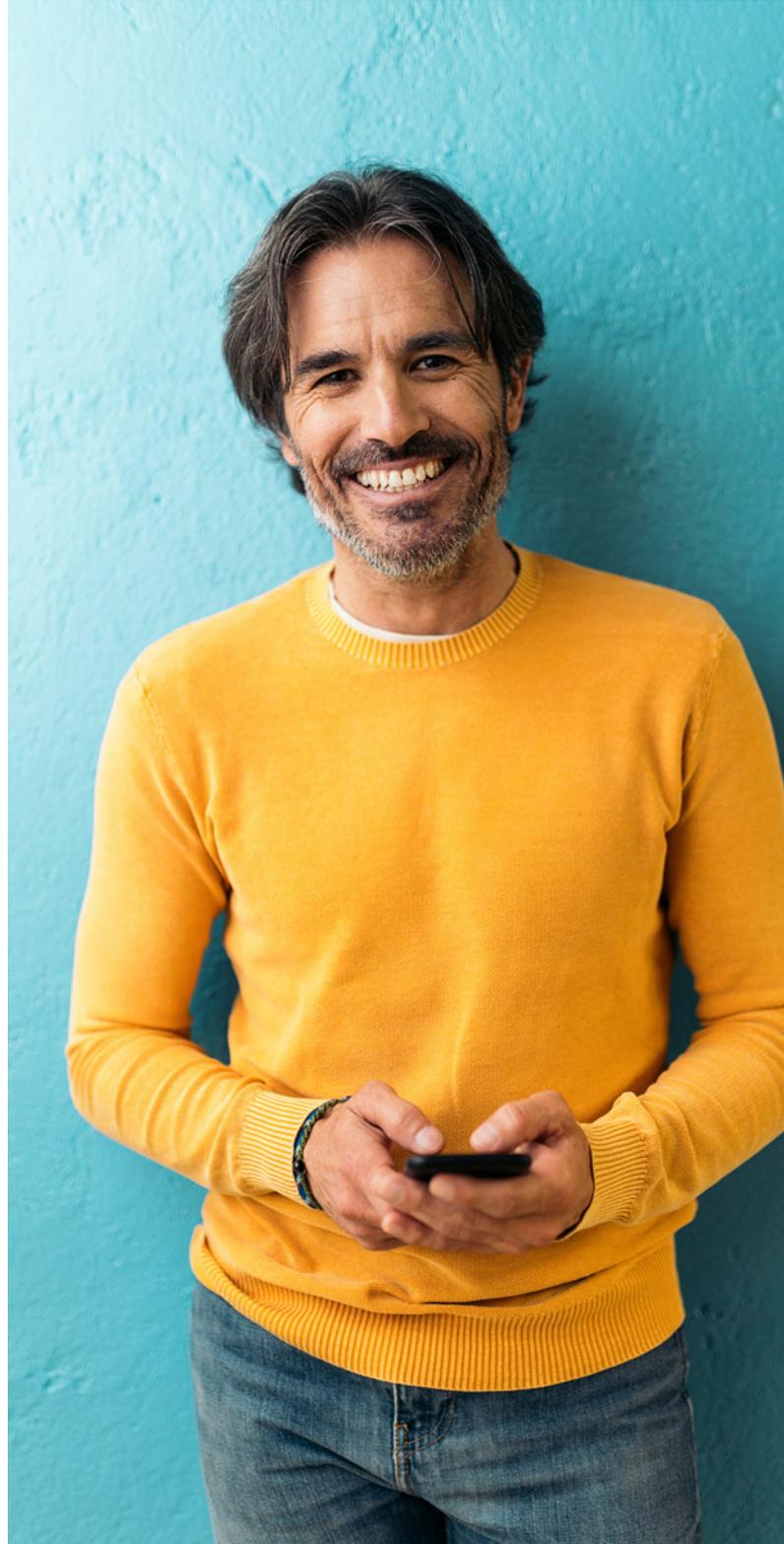
A market showing signs of life

For years, policy ownership levels in the individual life insurance market have been barely trading water. But 2025 saw some surprisingly good news: Policy ownership is trending upward (with more than 6% year-over-year growth through the third quarter of 2025), with premium growth expected to end the year with double-digit growth.⁵ Term and whole life policies (where reported) played an important part in this story – with double digit application rate increases for the year (17.5% and 15.8%, respectively).⁶

Gen X and older Millennials are now in peak earning years and many may find themselves caregivers of both their children and parents. Sometimes, they're called the sandwich generation, but to the life insurance industry, they're generations ripe for industry growth.

“There is real momentum here: rising policy counts, persistent application growth and renewed engagement from all generations.”

Demand for individual life insurance reached historic highs in 2025. In fact, December 2025 saw the greatest year-over-year (YOY) growth in application rates, as well as total activity for any December on record, achieving +22.1% YOY vs. December 2024. Similarly, 2025 ended with a record-breaking annual growth rate of +6.8% compared to 2024.⁷

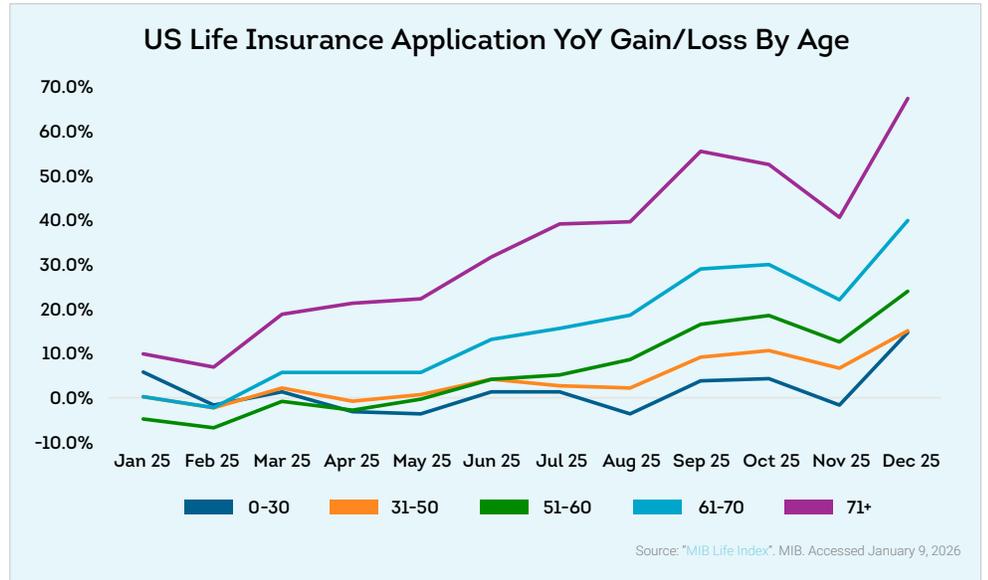


⁵ LIMRA Forecasts Individual Life Insurance Premium to Grow in 2026, LIMRA 2026
^{6, 7} *MIB Life Index*. MIB. Accessed January 9, 2026.



Application across generations

That aligns clearly with what we're seeing in the age-band data: There has been continued upward movement across all generations.



Younger buyers face delayed milestones

The flipside is for younger Millennials and Gen Z – still facing delayed milestones, student debt, barriers to homeownership and uneven income growth – traditional triggers aren't happening on schedule.

Protection gaps still loom large

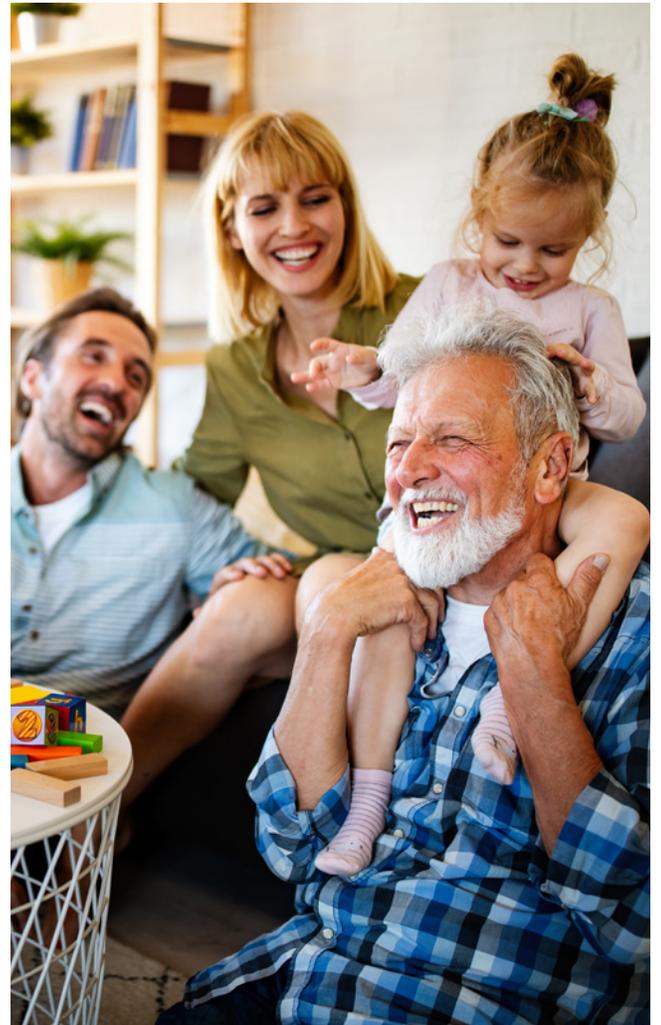
It's estimated more than 100 million Americans lack adequate life coverage. Rising economic pressure is breathing new life into simple, more affordable term life as younger and middle-income families reassess their financial safety nets.

So, what can life insurers offer to meet this moment? Here are some ideas:

- **Flexible solutions** for fluctuating budgets, with living benefits for instant gratification
- **Simplified accelerated underwriting** for digital-first buyers
- **Tailored offerings** that speak to the realities of multigenerational households, caregiving responsibilities and financial uncertainty

Meeting consumers with flexible, practical solutions

There is real momentum here: Rising policy counts, persistent application growth and renewed engagement from Gen X and older Millennials show life insurance carriers needn't just play defense. Insurers using advanced marketing insights to segment effectively and deliver personalized, flexible solutions can build lasting growth in their priority markets.



FOUR QUESTIONS



With TransUnion's
Ed Tavares
and Mick Moss

Ed Tavares
Senior Manager,
TransUnion



The fragile trust economy of digital insurance

Q. How would you describe today's fraud and identity risk landscape for insurers?

Ed Tavares: Life insurance is an attractive target for account takeover fraud because life policies often hold significant value and involve sensitive personal information. Attackers see an opportunity to impersonate policyholders or beneficiaries and redirect payouts. In fact, account takeover fraud is now the second-leading cause of global fraud loss across all industries — up 21% year over year and 141% since early 2025.⁸

With strong identity verification in place, however, carriers can confidently protect customers and reduce exposure to fraud, even as digital channels expand and account volumes grow.

Q. How can carriers protect themselves from account takeover attacks?

Ed Tavares: The goal must be to protect customers without making every interaction feel like a security checkpoint. Modern fraud tools let carriers use what's called *adaptive authentication* — where you step up checks when faced with risky or unusual user behavior while keeping the rest of the customer journey smooth.

And I should add: *Outbound* protection is becoming just as important as *inbound verification*. Carriers need to safeguard both directions to reduce risk and create smoother consumer experiences.

Q. What challenges do insurers face with outbound communication?

Mick Moss: Anything that hinders phone calls is going to affect insurers. Yes, we live in an age of email and text and everything else, but **86% of decision-makers believe the phone is the most important outbound channel for meeting customer service goals and increasing revenues.**⁹

But out-of-control phone scams have made those calls a minefield of trust. According to TransUnion research, **88% of business calls go unanswered**, and **73% of consumers don't answer calls from unknown callers because they're concerned they could be a scam.**¹⁰ That tension is forcing carriers to rethink how they present themselves during outreach.

Q. How do you help people trust their phones again?

Mick Moss: One of the simplest and most effective fixes is what's called Branded Call Display – which lets the caller display their name, logo and even a short message on the customer's phone screen during an incoming call. Up to **73% of consumers said they'd be likely to answer calls from businesses if they displayed company name and logo on calls.**¹¹

This solves two problems at once: First, it reassures consumers the call is legitimate, increasing the likelihood they'll answer and receive much-needed policy or payment information.

Second, it helps shield them from spoofed calls impersonating insurers since scammers don't have this capability.

Mick Moss
Senior Director of
Product Management,
TransUnion



CASE STUDY

Branded calling lifts engagement

What's an effective fix for ignored beneficiary outreach calls?

One national carrier is testing TransUnion **Trusted Call Solutions** to improve outreach to beneficiaries of unclaimed equity claims – groups who rarely expect a call from an insurer.

TransUnion Trusted Call Solutions have helped organizations achieve

a lift in answer rates of up to 105%¹²



8 *H2 2025 Update: Top Fraud Trends*. TransUnion. October 8, 2025.

9 *Optimizing Outbound Communications: Strategies And Technologies For Effective Customer Engagement The State Of Outbound Communications In 2025*. A Forrester Consulting study commissioned by TransUnion. February, 2025.

10, 11 TransUnion consumer survey

12 *US Department of Veterans Affairs improves benefit utilization by increasing trust in the phone channel*. TransUnion.

TIME TO RETHINK OLD MILESTONES

Redefining coverage triggers in a new economy

For many younger people, life milestones traditionally prompting life insurance shopping — such as marriage, homeownership, parenthood — may be happening later in life or not at all. And that’s a problem for life insurance carriers.

The gap between home prices and incomes keeps widening

Take homeownership, for example: From 2019 to 2023, home prices surged more than 43%,¹³ while household income only rose 17.3%.¹⁴

With the gap between aspiration and ability widening, it’s no surprise Millennials continue to lag Gen X in homeownership — and Gen Z is even further behind.¹⁵

Traditional coverage cues are losing their power

As these major life events get pushed further out, traditional coverage cues weaken. Younger consumers increasingly view life insurance as optional — something to think about later, once they’ve accumulated physical assets or taken on a mortgage.

Multigenerational living is reshaping risk

At the same time, multigenerational living is up across the board, especially among adults in their peak earning years¹⁶ who are supporting both younger and older relatives. This creates new dependencies and risk profiles. A single income, for example, may be keeping a whole interconnected household afloat.

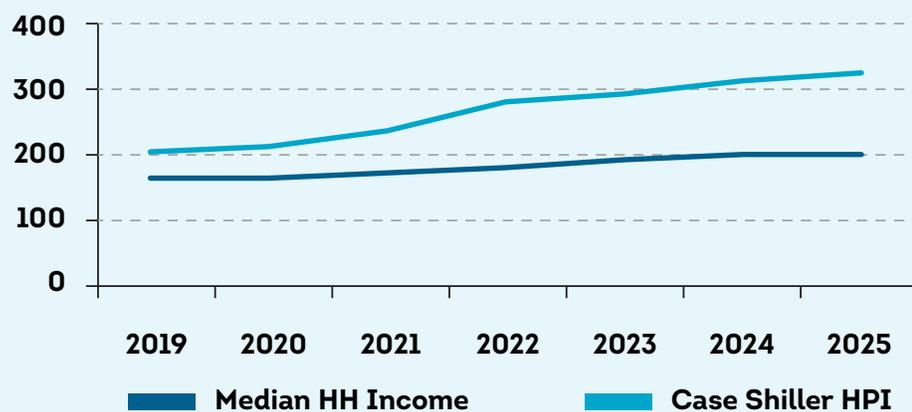


It’s time to redefine what counts as a life milestone

That means the industry’s opportunity isn’t to wait for the old milestones; it’s to redefine them. Protection can be reframed around today’s realities:

- Overall financial concerns based on economic uncertainty
- Need for added protection to address growing needs of intergenerational heads of households
- Need for long-term care to support consumers choosing to age in place
- Desire for cyber or other living benefits with life insurance purchase
- Income replacement needs, especially for the growing number of self-employed or small-business households that may lack access to group benefits

Home Price Index and Household Income Relative Comparison



Sources: Federal Reserve Economic Data, Federal Reserve Bank of St. Louis; S&P Cotality Case-Shiller U.S. National Home Price Index via FRED®

Younger buyers delay coverage and forgo lower rates

There's irony here: As Gen Z delays independent living and Millennials defer homeownership, their slower asset accumulation may also delay life insurance purchases — even though buying earlier would give them the greatest cost advantage. Educating buyers about affordability can close this perception gap.

Meanwhile, heads of households in intergenerational homes may be more apt to consider higher face values to better protect extended family.



Data-driven segmentation can pinpoint high-value shoppers

To identify high-potential shoppers and tailor offers to them, carriers should segment based on consumer data, such as:

- Household composition
- Age distribution
- Buying behavior
- Presence of dependents

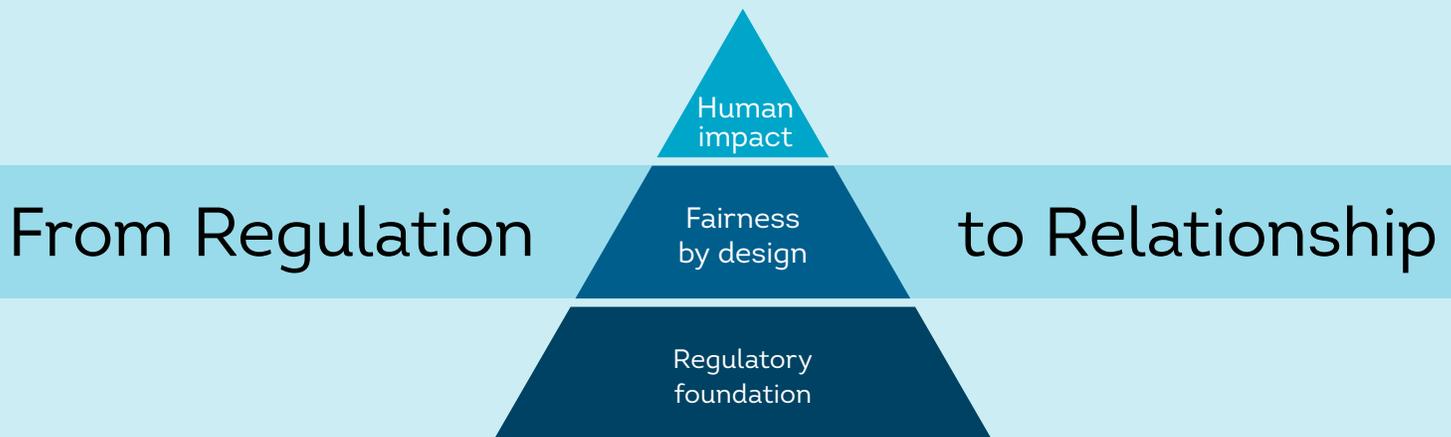
External consumer datasets help pinpoint active and emerging buyers who match target risk profiles.

Digital-first expectations shape how younger consumers buy

And, of course, Millennials and Gen Z are digital-first populations. They expect self-service tools, mobile policy management, flexible channels and instant clarity. They shop, compare and buy online, amplifying awareness through digital channels and community networks. Employer-like ecosystems can meet younger audiences where they already make decisions.

OPERATIONAL RESILIENCE AND THE HUMAN TOUCH

Turn compliance into connection



For life insurers, modernization is no longer just about faster underwriting or cleaner digital workflows. It's increasingly about demonstrating integrity. Regulators are sharpening their focus on how carriers can use consumer data — and the industry is being asked to pair advanced analytics with fairness, transparency and empathy.

Fairness by design sets a new standard

Fairness by design has emerged as the central idea. Instead of retrofitting guardrails after a model is in production, regulators now expect carriers to build fairness testing, governance checks and explainability into analytic systems from the start.

Transparency builds trust with consumers

Insurers that can implement these types of fairness tools — and clearly communicate that fact — can reinforce trust with consumers who increasingly expect transparency from financial institutions.

In fact, *responsible* use of external consumer data and information sources (ECDIS) can be a core part of the equation. Despite worries that credit-based scoring could lock people out of the insurance market, these tools may expand access, streamline underwriting and enable insurers to reach historically underserved markets.

Data-driven inclusion can close the protection gap

With roughly 100 million Americans still uninsured or underinsured,¹⁷ every

opportunity to expand protection should be pursued. When used responsibly, ECDIS can help carriers identify consumers who would benefit from affordable coverage and match products to their real needs — expanding financial inclusion across communities in the process.

Human-centered communication still matters

Pairing this with a human touch matters just as much. Consumers navigating difficult moments expect clarity and empathy. Policyholders or beneficiaries receiving outreach want to know who's contacting them and why. Even the most advanced digital process can feel cold or confusing if communication lacks reassurance.

HOW INSURERS CAN STRENGTHEN BENEFICIARY OUTREACH AND REBUILD TRUST

The promise only works if people can be reached

By Karen Malone

When I think about the parts of our industry where small failures have big consequences, beneficiary outreach stands out. A surprising share (59%) of consumers don't know how to determine if they're a beneficiary, and many responded they'd contact friends, family or the deceased's auto or home insurance carrier to check for life policies.¹⁸

When a policyholder hasn't shared details with beneficiaries or contact records are outdated, it falls to carriers to close that gap to ensure benefits reach the right person.

When we can't reach people, the promise breaks

Every year, tens of millions of dollars in death benefits go unclaimed and end up escheated to states instead of the rightful beneficiaries.¹⁹

To me, that isn't just an administrative failure — it's the moment of truth. Ensuring the right beneficiaries receive what they're owed is part of the responsibility we carry on behalf of policyholders.

Outdated or fragmented data is often the underlying issue

Many outreach challenges trace back to inconsistent or incomplete beneficiary information. People move, change names or update phone numbers. Some records don't clearly identify the next of kin. In other cases, the right information exists but is scattered across unaligned internal systems.

TransUnion's identity and contact-resolution capabilities help carriers verify beneficiary contact details, reconcile conflicting data and create robust, usable records. Better data doesn't just clean up files; it also increases the likelihood benefits go where they belong. Additionally, with critical insight into consumers' relatives and associates, TransUnion can also



support beneficiary outreach. This added layer of intelligence helps carriers uncover connections that might otherwise be missed, helping ensure successful outreach so benefits can be paid to whom they're intended.

Empathy and clarity matter just as much as efficiency

Beneficiary outreach often happens during vulnerable moments — and the tone of contact shapes the experience. Clear identification, scripts that acknowledge context, more secure but not burdensome verification steps, transparent guidance about next steps — these are just some of the practical ways carriers can smooth communications with consumers. But the first step is connecting with the beneficiary.

These moments create long-term trust — and sometimes new relationships

When outreach succeeds, it honors the policyholder's intent and supports the beneficiary at a difficult time. That experience can also influence future decisions. People who see the value of a payout firsthand are often more open to securing coverage for their own families.

In that sense, beneficiary outreach can be a meaningful moment for carriers to demonstrate their relevance and reliability.

Why verified outreach matters

Most beneficiary outreach often starts with a phone call — yet **88%** of business calls go unanswered, according to internal TransUnion data. Today's consumers simply **don't pick up numbers they don't recognize**.

That's where verified calling helps break through the noise.

Displaying company name and logo on outbound calls increases trust — **73% of consumers said they'd be more likely to answer.**²⁰

HOW IT BENEFITS:



Reduces skepticism and confusion



Can help prevent spoofing and impersonation



Provides reassurance during emotionally sensitive moments

Verified outreach may seem small, but it removes one of the biggest barriers to reaching beneficiaries when it matters most.



¹⁸ TransUnion 2024 survey

¹⁹ "What to Know About Life Insurance Beneficiaries". NAIC. September 12, 2023.

²⁰ TransUnion consumer survey

PARTING THOUGHTS

How the next phase of life insurance will be shaped by real consumer needs

The conversations shaping life insurance today are more connected than they seem. Across consumer expectations, data use, product design and outreach, the industry is being pushed to work with greater precision and a clearer view of real needs.

What stands out is how quickly those needs are changing. Younger buyers define financial security differently. Families are managing responsibilities across generations. More mature generations may increasingly choose to age in place, creating gaps in Medicare that long-term care can help fill. Policyholders expect straightforward communication and modern tools, and beneficiaries often need proactive outreach and want clarity during difficult moments. These shifts no longer align with patterns the industry relied on a decade ago — and they call for new ways of listening and responding.



Data can support this shift by helping insurers understand people more accurately. Communication matters too, not in volume but in relevance. Product design must reflect where people are in their financial lives, rather than where we expect them to be.

The opportunity for carriers is to act on these signals. When insurers are tuned in to how people live, make decisions and seek support, they can offer more relevant solutions that fit. The future of life insurance rests on that alignment — matching consumer needs with how insurers show up.





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