



Transforming the Life Insurance space

DIGITAL REPORT 2021

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TRANSFORMING THE LIFE INSURANCE SPACE



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Mark Holweger, President & CEO of Legal & General America, tells us how the sector is transforming in the wake of COVID-19 and innovative technologies

As one of the largest life insurance companies in the US, Legal & General America has been providing protection for families and businesses for more than 70 years. But the past decade has seen a sea of change taking place that has been driven by increased connectivity and digital transformation.

Four years ago, Mark Holweger moved to the US from Legal & General UK to become the President & CEO of Legal & General America. He has been at the forefront of the company's digital transformation – a move that saw Legal & General America well prepared in terms of both services and operations when the pandemic hit in March 2020.

Changes in the life insurance space

It is hoped that increased digitisation and regulation changes in the US life insurance sector since the pandemic will make life insurance protection far more readily and easily available to customers. It's an area that Holweger, who spent many years in the UK life insurance sector, is passionate about.

"I think my background gave me an understanding of international businesses. My career started on the P&C side working for various international companies, running really broad spectrum and distribution channels," he explains.







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WELCOMING DISRUPTION WITH A FEARLESS “YES/AND” MINDSET

Digital underwriting got a boost from the pandemic, but insurtech—the real industry disruptor—made its debut long before COVID-19 forced widespread change. Forward-thinking insurers began implementing Milliman IntelliScript’s data-driven innovations years ago, but insurtech’s early adopters didn’t just act because they were afraid of missing out. They were afraid of missing *anything*—whether it was information that would refine decisions or the opportunity to write more business, trim a loss ratio, and meet changing customer expectations.

Harvard’s Clayton Christensen popularized the term “disruption” in his bestseller, *The Innovator’s Dilemma*. He noted that disruptive technologies rarely took legacy companies by surprise. Rather, CEOs underestimated new tech or adopted a wait-and-see attitude—an unduly cautious either/or mentality that impeded progress. By the time they were ready to move, customer expectations (and brand preferences) had moved on.

By contrast, leaders who flourish through disruption have a “yes/and” mindset. They manage to preserve venerable cultures and brands even as they adopt groundbreaking new tech—not for its own sake but because it generates real ROI.

Insurers who’ve partnered with IntelliScript over the last 20 years can attest to that ROI. IntelliScript offers ingenious but pragmatic data aggregation and interpretation solutions that modernize workflows, speed up decisions, and cut costs. It’s harnessed AI with its Risk Score predictive models and instantly illuminated hidden risks like tobacco and cancer with Medical Data.

Christensen recognized changing business models and expanding markets as two hallmarks of disruption. We can see those two things happening today, as insurtech powers direct-to-consumer distribution and makes it possible for carriers to profitably extend coverage to the middle market.

As the original industry disruptor, IntelliScript is ready to help carriers meet whatever comes next. With a “yes/and” mindset—and the right partner—disruption can be welcomed, not feared.



Legal & General America: Transforming the Life Insurance space

WATCH NOW

“There is no one size fits all ‘plug and play’ business model solution. Just a couple of variables in a business model means it won't work in another country”

MARK HOLWEGER
PRESIDENT & CEO,
LEGAL & GENERAL AMERICA

Holweger then moved into running emerging markets – which he says, encompasses basically every country bar the UK and the United States. He learned about international markets. He also set up and co-founded a new international digital direct to consumer broker, which, based in Gibraltar, distributes P&C products in Europe and the UK.

“These experiences made me realise that there is no one size fits all ‘plug and play’ business model solution. And just a couple of variables in a business model means it won't work in another country either,” he says.

Business models in new markets

Holweger cites cultural and behavioural differences as the main drivers that prevent certain business models from working in other markets and says that the US life insurance market is fundamentally different to that of the UK as buying policies and getting coverage can be a long and arduous task. Holweger is dedicated to tackling these issues and transforming the space in his position as President & CEO of Legal & General America.

“Insurance is about getting people back on track when things go terribly wrong. It's about enabling them to carry on with their life,” he says, “and that's what attracted me to it. I think we can make a real difference to society and help families.”

Because obtaining life insurance cover in the US is generally a drawn out process, it can also be expensive. As a result, only certain demographics prioritise having cover – and generally, these customers are within high income brackets. This is an aspect that needs to change, Holweger says, because those that fall hardest when tragedy strikes are the vulnerable, low to middle earning families who simply either can't afford cover, or have chosen not to take it out because it's difficult to apply for – and it's expensive.

“Protection for this section of society needs to be more flexible,” says Holweger. “For me, life insurance is the life jacket, and how much life insurance you want depends if you just want a basic life jacket or you maybe need a safety boat. It's up to you, but it has to offer affordability as well.”

Digital transformation

Holweger is adamant that digital transformation has provided the tools life insurance providers in the US need to offer better, faster, easier and lower cost cover.



1981

Year founded

630+

Number of employees

According to a

2020

LIMRA Insurance Barometer Study, just

54%

of all Americans have life insurance coverage

MARK HOLWEGER



TITLE: **PRESIDENT AND CEO**

INDUSTRY: **INSURANCE**

LOCATION: **MARYLAND, UNITED STATES**

Mark Holweger is President and CEO of Legal & General America's insurance division, which includes operating companies Banner Life Insurance Company and William Penn Life Insurance Company of New York. He is responsible for the day-to-day operations of the business, ensuring service excellence, continued distribution expansion and achievement of the digital transformation strategy.

In 2011, he joined Legal & General Group in the UK where he held a number of senior level positions including Managing Director, Partnerships for Legal & General Insurance and Director of Broker and Intermediary for Legal & General's General Insurance business. In 2018, Mark relocated to the US as Executive Vice President of Distribution and Marketing for Legal & General America.

Prior to joining Legal & General, Mark was a co-founder of Coverwise.com, an International digital insurance broker, and held various senior roles at other insurers including RSA Insurance Group UK where he was Distribution Director for Emerging markets and AXA Insurance UK where he was Director of Corporate Partnerships.

EXECUTIVE BIO



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And for his team at Legal & General America, the task of reducing the protection gap can't happen soon enough.

According to a 2020 LIMRA Insurance Barometer Study, just 54% of all Americans have life insurance coverage. The number has declined over the past decade, as in 2010 63% of US citizens had some form of insurance protection. The study also shows there are 60 million uninsured and underinsured households in the US.

Holweger says, “Our whole strategy actually, even pre-COVID, was all around digital transformation and making life insurance more accessible. We've already been pioneering and driving the use of data, leveraging new technology and digital platforms to make the purchase of life insurance easier.

“We've taken a lot of our learnings from the UK. But one of the big differences in the US is the requirement of a medical or the need to often have a medical where you're taking fluids, which happens far less in the UK.”

The procedures are triggered by contestability, explains Holweger, who points out that in the UK, a life insurer can check the information was correct at the time of claim. However, in the US, after two years, even if the information you collect about the customer was incorrect at the time - or maybe the customer made a mistake and didn't tell you about a medical condition they had, insurers must still pay a claim.

“This is why in the US, the process has been so complex and it takes so long,” he says. “It takes months historically to get offered life insurance cover, and that's



because of all the medical records, asking customers to go to the doctors to have fluids taken to check that the life insurers have all the data.”

While life insurers in the US inevitably dislike the two-year rule, Holweger takes a practical approach. “The reality as well is sometimes missed in all this. As life insurers, we’re there to pay claims. And 99% plus of claims are paid whether it’s in the UK or the US. But like I say, there’s that significant difference between the two markets which historically has made life insurance in the US more complex and more expensive to buy.”

Changing the culture

But it’s not only processes that need to be streamlined. Marketing, distribution and creating products that suit the needs and

budgets of the uninsured, also must be prioritised. Holweger says that over the four years he’s been working in the US market, he has encountered several critical barriers that need to be addressed.

“One of the key drivers of the protection gap is the cost of distribution. The need to have medicals, the fact it was taking months to get on cover, the fact that it’s expensive; these are all preventing the industry from reaching new markets. Very often, brokers say, ‘I can’t afford to talk to middle America and down because I don’t make enough money because it takes so long to get on cover.’ There’s such a complex process involved.

“So, they just talk to the wealthy and sell life insurance to this audience. That is why the gap has developed. Nobody is talking to people in middle America and below about



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The collage features three primary digital assets:

- Desktop Website Mockup:** Displays the Legal & General homepage with a navigation bar (Personal, Advisor, Institutional), a search bar, and a main banner for "Affordable life insurance" with a "Get started" button. Below the banner is a quote: "Get affordable life insurance and financial protection for the people you care about the most." and a "Get your free quote now" button.
- Smartphone App Mockup:** Shows an article titled "Understanding Annuities" with a sub-header "Planning for retirement offers peace of mind". It includes a "What is a retirement annuity?" section and a green button that says "Are you a customer? Log in to manage your account."
- Tablet App Mockup:** Displays an article titled "Universal Life" with a sub-header "Permanent coverage for lifelong protection". It includes a "What is universal life insurance?" section and a "How does universal life insurance work?" section.

In the bottom right corner, a gold star badge reads: "Progress Sitefinity 2021 Website of the Year CATEGORY FINALIST Insurance".

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Legal & General America partnered with Progress Sitefinity® and Americaneagle.com to advance their digital presence, and transform their customer's online experience. Learn why they are being recognized as a leader in the field.

Digital transformation journey

Starting in 2017, [Legal & General America \(LGA\)](#) embarked on an enterprise-wide digital transformation journey. Very early in this journey, it was clear that the leading component for the company's digital transformation success would be the online brand experience of customers and advisors. Beginning with the LGA website, the brand had to consistently deliver an online experience that engaged, converted, supported, and retained customers. The customers needed to feel protected that their security was paramount. At the same time, the website had to serve advisors, equipping them with the right assets to promote day-to-day success.

Visitor-first experience while growing reach

[Progress Sitefinity®](#) and [Americaneagle.com](#), a global digital agency, were selected to add their extensive digital solutions experience and capabilities to execute LGA's digital transformation plan. The combined efforts of the IT team, marketing team, and these two partners led to the implementation of a new Sitefinity website. The Sitefinity platform has provided the scalability, integration, agility, and operability that LGA desired.

Within the website are two rebranded experiences - one for customers and the other for advisors, now tailoring content to the appropriate audience. Both customers and advisors have expressed confidence and satisfaction in using the new website. This sophistication is just one small sample of the customized strategies now in place to drive increased reach, conversions, and revenue. As a result of the

implementation provided by Americaneagle.com and Progress Sitefinity®, the website will continue to empower a flourishing digital transformation for LGA. The redeveloped website and digital marketing strategies have shown great results.

34%

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Increase in
Search Engine
Keyword Success

27%

.....
Increase YOY
in Sales
Conversion Rates



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Megan Morris,
Brand & Experience Manager,
Legal & General America

Read the Full Story [→](#)

**“Nobody is talking to people
in middle America and below
about the benefits of life
insurance. That's what we
have to change”**

**MARK HOLWEGER
PRESIDENT & CEO,
LEGAL & GENERAL AMERICA**



3275





LEGAL & GENERAL AMERICA

the benefits of life insurance. That's what we have to change. We have to make it easy and accessible for all families in America."

Another barrier to market entry is the fact that life insurance isn't something that protects the obvious, as other types of cover do. And getting the message across that having life insurance can be – well, lifesaving in the event of a crisis – isn't an easy task.

"People don't wake up in the morning and think, 'You know what, I'm going to go and buy some life insurance.' They might think about a house and a car because it's a tangible asset, but not with life insurance," says Holweger, who believes that getting the message across to that market segment is all about good communication and better accessibility. Digitisation is also an essential ingredient.

"When you explain to somebody what life insurance does and actually how affordable it is, because basic term insurance is not expensive, they say, 'Well, why wouldn't anybody buy that?' But somebody has to explain to them, and that's not happening in the United States because the cost of distribution was just too high.

"That's why digitising and making it easier and simpler is going to transform the market," he says. "It will make life insurance more accessible for more people, but most importantly it'll mean that they can become educated. And you have to explain to the customer exactly what life insurance does."

A rapidly changing market

Despite the fact that the pandemic has placed many global industries under unprecedented strain, the US life insurance sector has actually been driven forward over the past two years. Holweger says that not only has it placed mortality at the forefront of people's minds, but it's resulted in insurance companies becoming more agile,



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“By putting low code into our business we can have our people able to adapt the journeys and build the journeys as well”

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innovative and embracing new technologies. Legal & General America has also started to offer cover that suits the marketplace better, in that it is easier to apply for – and more cost effective.

“We've absolutely seen more interest in our products since the beginning of the pandemic – and that's mainly because COVID has made American families think about the 'what ifs'. However, the increased interest has also been a result of the product which we offer. It's fairly straightforward. It isn't complex. The policy is backed by an upstanding, financially stable company.”

Holweger says that change was forced to happen during the pandemic because

providers could not expect their customers to go to clinics to have medical examinations that would enable policies. The event essentially acted as a catalyst for the insurance industry in the US to leap forward and innovate via the use of data, thus transforming the space for providers and customers alike.

“It's really made life insurers realise we have to change how we operate. Legal & General America were already going down that route. But it accelerated the process. We're using data analytics and AI, to reduce the number of questions we have to ask – and we can use data to get instant decisions. Currently in the US we're over 25% in terms



of instant decision, and we're on our way to targeting 50%. This is transformational for the US market because it enables customers to achieve instant cover."

Holweger says Legal & General America is focusing heavily on its digital platform, which works on agile principles, carrying out sprint releases every two weeks as part of the company's strategy to allow for great flexibility and constant development. This ensures the platform stays up to date with the changing market trends.

The underwriting process has also been reinvigorated through robotic process automation (RPA) to create better efficiency. This has enabled Legal & General America to keep their pricing competitive and therefore

more accessible to customers. Low code is another aspect that has been transformational. "We don't have to have complex programmers doing all the work. By putting low code into our business we can have our people able to adapt the journeys and build the journeys as well. So we're leveraging lots of things at Legal & General America," he says.

Future-proof strategies

Clearly, Legal & General America is leading the way as life insurance in the US transforms, and Holweger says the journey is an exciting one, which will be dominated by new distribution channels, data driven processes, clearer and more customer friendly products and services as well as better cost value products.




“New companies will realise that because everything is digital, it can all be done via mobile on apps, customers can go instantly on cover. It means that we’ll get new distribution channels coming into the market to talk to families about the importance of life insurance.”

More industry mergers

But alongside this shift, companies and the ecosystem will see dramatic changes. Holweger says that traditional providers will have to change if they want to survive, and this will result in two outcomes. Some will embrace the new technologies. Others will decide that the new market requirements are not for them.

“There will almost certainly be a rise in M&A as company owners sell up to other businesses. Equally, we will see a rise in partnerships as traditional companies collaborate with insurtechs to diversify their offerings and find more technology appropriate solutions to legacy processes,” he says.

The future, it seems, is a positive place to be, because reinvention is revitalising the industry. He adds, “One thing about brokers, they adapt because they are smart people, and these changes we’re seeing are really exciting.” 





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