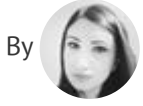


# Embedded insurance a 'huge opportunity'



By **Clare Ruel** | 5 April 2024

**Insurance firms 'have the opportunity to make material market improvements over the coming years', says managing director**

Embedded products can be key for insurance firms as it provides the chance for firms to make "material returns".

That was according to Will McAllister, Guidewire's senior vice president and managing director for Europe, Middle East and Africa, who said embedded solutions can provide "huge opportunity".

**Embedded insurance** is a way for businesses to include insurance policies as an add-on to sales journeys.

During his keynote speech at the *Guidewire Insurance Forum*, McAllister noted that consultancy firm McKinsey and Company estimated that 25% of personal lines premiums by 2030 would be purchased via embedded propositions.

And he said that insurers which can adapt to innovate and build agility into their business "have the opportunity to make material market improvements over the coming years".

"Embedded insurance is a huge opportunity," he said.

"It's clear that those insurers who can rapidly bring products to market base those products on rich data about the insured and have [an] opportunity to make material returns."

## Other opportunities

During his speech, McAllister also noted that there were also several other opportunities to be had.



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For example, he said there was “an opportunity through data technology and the ongoing maturation of artificial intelligence (AI) to drive greater operational efficiency”.

AI has become more popular over the years, with large language models such as ChatGPT piquing the interest of many.

And Vipr chief executive Paul Templar told *Insurance Times* that with there being “more and more data” now available to underwriters, there was more focus being given to the analytics of that data and using it to improve the book.

“We see huge opportunity in the commercial lines space through several different areas,” McAllister said.

He added: “The ability now to use data to see where market opportunities are [means it is] far quicker to launch products [and] to iterate those products based on data and changes in market themes.”

He also explained that these opportunities come at a time when it is becoming harder to model risk with environmental, political and technological risks.

“As the world becomes more interconnected, so does risk,” McAllister said.

“As we think about those proximate opportunities, we believe that the continued focus on insurance fundamentals will be key.”

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