

## Exploring Emerging Technology Trends in CPI

March 2025

# Table of contents

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Executive summary	2
Research and methodology	4
External forces driving change	5
Overarching Technology Trends	6
CAFI Member engagement themes	15
Emerging technology opportunities	17
Key challenges, risks & mitigations	23
The path forward	25
Appendix	26
1. Emerging technologies CPI maturity	27
2a. Illustrative future digital CPI journey	28
2b. Illustrative future in-person CPI journey	29
2c. Sample use cases across the CPI Value Chain	30
3. Key insights from the CPI survey	31



# Executive summary

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## Background

The financial services and insurance industries are facing several headwinds and market shifts, largely driven by evolving customer expectations, availability of emerging technologies, and intensifying competition. In light of the magnitude and pace of change with respect to emerging technologies, CAFII partnered with Deloitte to provide a perspective on the key implications & opportunities for the Canadian Credit Protection Insurance (CPI) Industry.

To inform the report insights, Deloitte conducted comprehensive primary and secondary research which involved gathering qualitative insights and quantitative data through surveys and interviews with representatives from CAFII member firms, leveraging Deloitte's global network of industry leaders, and scanning the global insurance market. Consolidated research insights were then reviewed and refined in collaboration with CAFII's own Research, Media, and Education Committee.

## Emerging technologies

The present report identifies eight emerging technologies most likely to impact the future of CPI and the insurance industry, with CAFII members prioritizing strategic investments in Advanced Analytics, Modern Platforms, Mobile and Digital Assets, and CRM/Client Management.

Survey findings revealed that CPI technology investments in the next 3-5 years will be primarily focused on client-facing experiences, with CPI distributors being the most ambitious in relation to emerging technology investments and CPI underwriters seeking opportunities for continued improvement in operational efficiencies across the back-office, focusing primarily on introducing new technology solutions for servicing and claims.

Key challenges to the increasing maturity level of technology solutions enabling CPI business include legacy systems and infrastructure, which many CAFII members believe will continue to hinder modernization efforts, and the dependency on or prioritization of broader bank initiatives, which are expected to negatively impact investments allocated to CPI.

## Future opportunity areas

Deloitte identified four key opportunity areas for CPI stakeholders to consider as they look to leverage emerging technologies to deliver on their strategic priorities and enhance the value delivered to clients and employees:

### 1. Reimagine the customer/employee experience



There are significant opportunities for CPI distributors to leverage digital tools, customer data and analytics, and GenAI to simplify the experience for agents, employees, and clients, such as the introduction of scalable educational tools and resources; similarly, underwriters can offer white-labelled digital tools for distributors and invest in data sharing capabilities.

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### 2. Modernize products and platforms



There are opportunities for both underwriters and distributors to invest in modernizing their core technology systems that currently challenge speed-to-market and the introduction of more flexible/ modular products; this is likely to be the highest investment area but also a key differentiator for those looking for their business model to be more technology-enabled, scalable and efficient.



### 3. Transform operations and streamline engagement models

These opportunities will be dependent upon investment choices made in opportunities 1 and 2 above. No regret investment areas for underwriters include automated underwriting and claims processes, whereas distributors can automate CPI application intake and enable real-time partner data integrations.



### 4. Accelerate through ecosystem partnerships

Assessment and implementation of emerging technologies can be accelerated through partnerships (i.e., hyper-scalers, 3rd party platforms) minimizing the need for CPI stakeholders to develop new solutions and capabilities in-house.

## Considerations for the future

Global insurance industry insights suggest that emerging technologies will provide the means to rethink business and engagement models in CPI, presenting lessons learned and inspiration for Canadian CPI stakeholders who have the ambition and appetite to execute on these opportunities.





# Research and methodology

Below is an overview of the key activities and methodology pursued as part of Deloitte's partnership with CAFII on this research report

## Key activities and methodology



Engaged Global  
Deloitte SMEs and  
Insurance Leaders

- Gathered perspectives from Deloitte subject-matter experts (i.e., Global Insurance, Risk, Technology)
- Conducted additional discussions with insurance leaders within Deloitte's network



Interviewed  
CAFII Members

- Developed a bespoke interview guide for the discussion
- Interviewed a series of CAFII members to understand their technology priorities
- Compared responses to leading global markets in terms of priorities / maturity



Conducted  
Quantitative Survey

- Conducted a survey across key functional areas (e.g., Business, IT) to gather quantitative insights and data points to support qualitative insights
- Survey focused on investment priorities and challenges across the value chain



Conducted  
Supplementary  
External Research

- Augmented Deloitte expertise and interview / survey insights with additional secondary research (e.g., additional innovative global case studies)
- Validated hypothesis from primary research and refined key takeaways



Refined with CAFII  
Research, Media  
and Education  
Committee

- Delivered a written report with insights on opportunities for credit protection insurers to leverage emerging technologies across front, mid, and back office and the implications for the future of CPI
- Reviewed and incorporated feedback from CAFII Research, Media, and Education Committee

## Who we surveyed

Deloitte invited stakeholders from the 15 member organizations, including both underwriters and distributors, to participate in a series of interviews and a qualitative survey designed with a focus on the CPI business and technology.

## What we asked

In the interview and survey, we derived insights on:

- **Current state of the CPI market:** key trends and disrupting forces, current pain points and inefficiencies, current business maturity, relative priority of the CPI business vs. other lines of business
- **Current Emerging Technology Investments:** current emerging technologies leveraged and ongoing initiatives, metrics tracked to determine the success of investments, internal barriers, and challenges
- **Emerging Technology Opportunities for CPI:** opportunities across the value chain, risks perceived, impacts on the underwriter and distributor experience

# External forces driving change

There are several external forces that are driving acceleration of investments in emerging technologies that apply to both broader industries and CPI players

## Forces driving change

We have identified five forces that are shaping the broad insurance and CPI industry and driving acceleration of investments in emerging technologies.

### 1. Emerging technology & analytics

The increased availability of data and emerging technologies (i.e., advanced analytics, artificial intelligence, and machine learning) are enabling providers to optimize operations and explore and adopt new, more efficient business models.

### 2. Evolving customer preferences

Customers continue to demand products that are easy to understand, simple to buy, and flexible, but opportunities exist to introduce new scalable engagement models and products that are supported by personalized data-driven advice.

### 3. Intensifying competitive landscape

Emergence of new, non-traditional technology players, from within and outside the insurance industry, threaten traditional business models and continue to compress profit margins.

### 4. Macroeconomic environment

Recent macroeconomic environment has been characterized by high inflation and interest rates, influencing household spending habits and discretionary income. Businesses face challenges adapting to these shifts in consumer demand.

### 5. Changing regulatory environment

Players are responding to regulatory changes with a heightened focus on transparency / accessibility (e.g., IFRS 17, commission disclosure, data protection act) leading to expected implications to business models, product offerings, and profitability.



# Overarching Technology Trends

The impact of emerging technologies is being felt across the insurance industry, with insurers leveraging them for specific customer needs and use cases

## Overarching trends

The emerging technologies we explore in this report are:



### Advanced Analytics

The increased availability of data and the use of advanced analytics to derive greater insight provides insurers an opportunity to drive greater personalization and transformation across the value chain



### Gen AI

While the value of AI is now undoubtable, the question has become how to best use it, which often boils down to how much workers and end-users trust AI tools, particularly with the emergence of Generative AI (Gen AI)



### Cloud Computing

Agile and modular Cloud architecture, which is expected to simplify multi-Cloud management, is allowing insurers to further plug-and-play apps and begin to turn to a layer of abstraction and automation that offers a single pane of control



### Cyber & Security

As part of digital transformations, insurers are putting in robust security architecture to handle operations without compromising customer data, supported by rulesets that enable regulations, privacy, and security checks



### CRM / Client Management

CRM / Client Management Systems with a 360-degree customer view is becoming increasingly important for insurers to understand their customers' needs and preferences to effectively engage and tailor offerings and experiences



### Modern Platforms

Insurers are moving away from custom-developed systems and are harnessing the power of API-driven frameworks, cloud-native principles, and advanced tools to modernize their core technology and become an integrator of solutions to create an ecosystem



### Mobile & Digital Assets

Customers have shown an increased willingness to engage with insurers digitally for both purchasing and servicing needs, but still value advice, whether human or AI driven, requiring continuous engagement models across channels



### Process Automation

Insurers are focused on investing in digitization and automation across the front-to-back-office operations to automate manual and repetitive tasks and workflows, streamline operations and capture efficiencies

The following pages of this section present a deeper dive into each of the emerging technologies above.

# Advanced Analytics

Leveraging existing data, the CPI industry can enable precise risk assessment, customer segmentation, and predictive modeling, enhancing underwriting accuracy and identifying emerging customer needs to drive new offerings

## Trend highlights

Sophisticated data and analytics provide insights to improve customer experiences and offer personalized recommendations via an understanding of customer behaviors and preferences. It allows for the analysis of vast amounts of real-time data to offer tailored education and services, with customers willing to share data for incentives. Advanced analytics can also improve operational efficiency by identifying pain points, providing real-time monitoring, and automating processes such as administration and claims, which ultimately reduce costs. Additionally, predictive analytics can be leveraged to assess risks, identify patterns, and detect potential fraud.

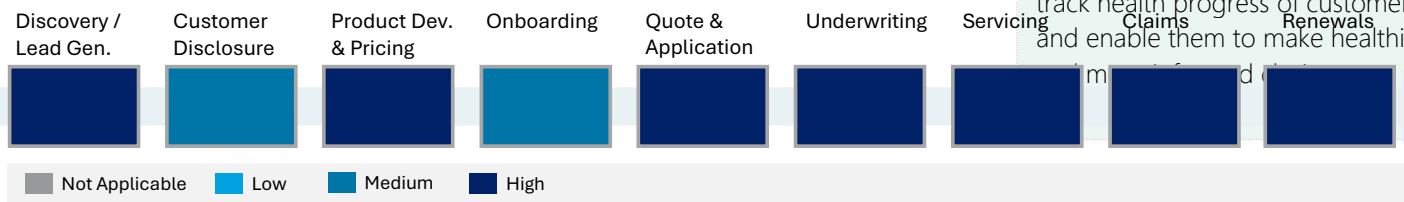
Market leading case study



Foresters Financial partnered with Dacadoo, a health-tech solutions organization, and Albertsons to provide ongoing engagement and personalized advice to customers. Through wearable technology, behavioural science, and lifestyle choice data, Foresters Financial can track health progress of customers and enable them to make healthier choices.

## Expected impact across the CPI Value Chain<sup>1</sup>

We believe that the Advanced Analytics will have high impact across each stage of the CPI value chain.



## Key research findings

From our research, investments in analytics were identified as the largest immediate opportunity to unlock customer and/or partner value across the value chain for both underwriters and distributors. There is already a large amount of data available, but due to legacy limitations, lack of integrations across partners, and limited analytical capabilities, the opportunity remains untapped. Most respondents (90% of total respondents) indicated that their organization is either lagging or at par with competitors for Advanced Analytics capabilities. However, we see a strong inclination to improve – 60% of respondents stated that their organizations desire to be slightly ahead or even lead the market in the future.

<sup>1</sup>Based on Deloitte research and CAFII member engagement



# Gen AI

While still relatively nascent, Gen AI has the potential to revolutionize how the CPI industry operates, serve customers, and enables its workforce; to be implemented at scale, clear frameworks and appropriate controls / protocols are required

## Trend highlights

Gen AI, built on AI and Machine Learning, is enhancing operations, risk assessment, fraud detection, customer service, and underwriting in the insurance industry. It enables real-time customer data analysis, allowing for proactive intervention and dynamic coverage adjustments for personalized offerings. While some organizations may hesitate to offer direct Gen AI experiences to customers, equipping front-line teams with AI tools presents an immediate opportunity. As AI becomes more complex, there is a push for greater transparency, with models that explain their reasoning to build trust with users.

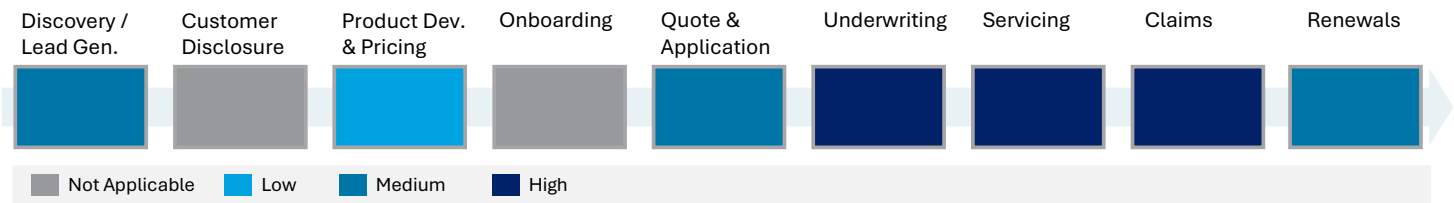
## Expected impact across the CPI Value Chain<sup>1</sup>

While we believe Gen AI will be transformative across different parts of the customer journey, it has significant implications for transforming insurance operations, namely underwriting, servicing and claims.

### Market leading case study



Insurity has Smart Claims Handling feature that leverages generative AI capability to predict the likelihood of salvage and subrogation with automated data mining capabilities. Reducing costs with real-time financial positioning and end-to-end claim processing via web services.



## Key research findings

Although Gen AI has potential to disrupt the entire insurance value chain, concerns around regulatory frameworks lead to a limited perception on short-term value by engaged CAFII members. There is an opportunity for organizations to enable longer term value for employees, partners, and customers through joint investments with other parts of the organization, or through partnerships with AI-focused organizations. Given the nascency of Gen AI, most respondents (80%) currently perceive their organization to be lagging. Whereas for the future, most respondents would like to simply keep up with competitors, with 30% stating that Gen AI is not a priority area in the next 3-5 years.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# Cloud Computing

Cloud environments can enhance speed to delivery, scalability, reduce operational costs, and facilitate secure, seamless access to data and applications for both distributors and underwriters alike

## Trend highlights

Despite strong regulatory requirements, the insurance industry is increasingly adopting agile, modular cloud architectures to simplify multi-cloud management and integrate various applications. The abstraction layer in these architectures provides a single point of control, reducing complexity of handling multiple cloud environments. New cloud architectures are being leveraged by organizations to quickly adapt to business changes, scale operations, and keep costs low to meet dynamic customer needs. Additionally, centralized Cloud data and analytics solutions are growing rapidly in Canada, offering scalability and cost-efficiency, enabling underwriters and distributors to access advanced tools and technologies.

## Expected impact across the CPI Value Chain<sup>1</sup>

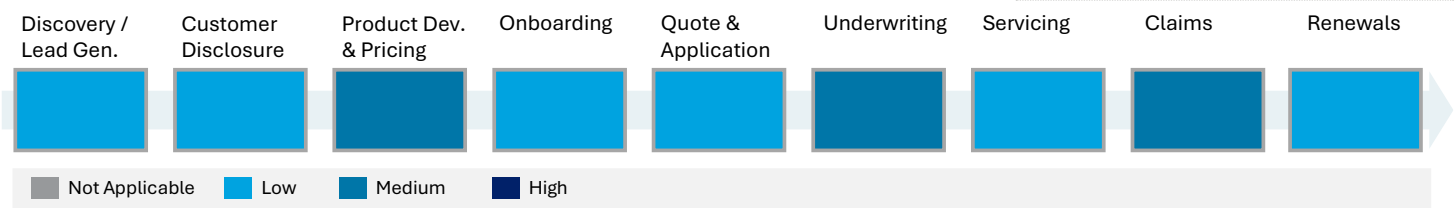
Cloud computing will be important for specific stages in the CPI value chain as a core infrastructure enabler, with a crucial role to play during product development and pricing as well as underwriting and claims processing where reliance exists to process data across multiple systems, architecture patterns and cloud environments.

Market leading case study



Life's brighter under the sun

Sun Life is employing a multi-Cloud strategy, choosing AWS as its strategic Cloud technology provider while leveraging PaaS solution Atlassian Cloud through the AWS ecosystem. The insurer aims to become a Cloud-first organization, driving innovation through proven out-of-the-box analytics and ML services.



## Key research findings

Cloud technologies will enable the agility required to deliver on evolving customer expectations across the value chain, while also remaining up to date with the latest compliance and security. Cloud capabilities can also enable faster access to advanced applications (i.e., advanced analytics, AI tools) through API / Integration layers at lower costs for both distributors and underwriters. As with Analytics, Cloud Computing is one of the technologies that respondents perceive to be a differentiator for the future.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# Cyber & Security

Vital to the CPI industry to safeguard sensitive customer data from breaches and ensure compliance with financial regulations, maintaining trust and operational integrity, while also mitigating risks of fraud and cyberattacks

## Trend highlights

Strict regulations (e.g., B13, B10, E21, Law 25, Bill C-26/27) are pushing financial service providers to improve their cyber risk management, data governance, and security frameworks. Underwriters and distributors are prime targets for cyberattacks due to the large amount of personal data they handle and are subject to higher recovery costs from ransomware attacks. Governed Data Platforms allow for a controlled environment and tools for managing, storing, and accessing data to ensure data security, compliance, and governance while enabling collaboration and data sharing. As data volumes grow, organizations are investing in sophisticated tools and processes to ensure ethical data usage, with trust-based insurance playing a key role.

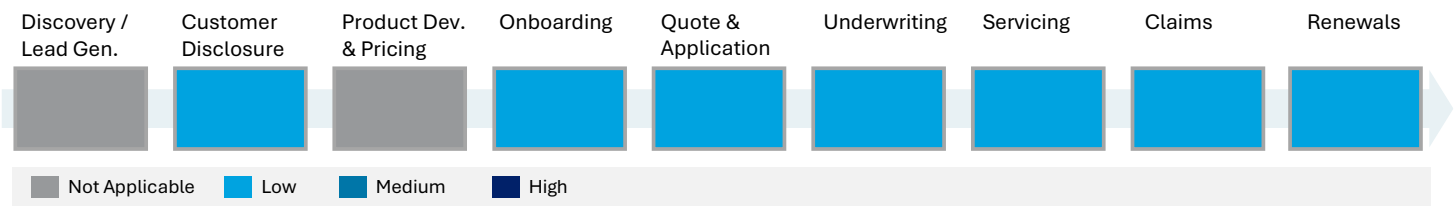
## Expected impact across the CPI Value Chain<sup>1</sup>

Cyber and Security as a foundational capability is important across the value chain as it enables digital engagement and advanced use of data while maintaining trust with borrowers and accountability for data privacy.

### Market leading case study



A hacker group stole 8 TB of sensitive medical and health data from UnitedHealth Group, in a breach expected to cost between \$2.3 - \$2.45B. The attack was enabled by a set of stolen credentials that were not protected by multi-factor authentication – a severe example of how poor controls and inconsistent risk management can carry exorbitant financial and reputational consequences.



## Key research findings

Given sensitivity of information and transactions, strong cyber capabilities are considered a baseline requirement to meet all regulatory requirements and maintain customer / partner brand trust. Although cyber and security is a current strength across most respondents (70% believe that they are market leading / slightly ahead of competitors), given the pace of change, partnerships with cyber focused organizations may provide an opportunity to underwriters and distributors to maintain leading capabilities, while enabling their resources to focus on other value driving activities. Cyber and Security remains a strong focus, driving current and future investments for market differentiation, with 40% of respondents aiming to be leaders on this front.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# CRM / Client Management

Critical for enhancing customer relationships, streamlining policy management, and leveraging data insights to personalize offerings, improving both conversion rates of new customers and retention rates through improved value delivery

## Trend highlights

Real-time data in CRM/Client Management Systems provides a comprehensive view of customers, helping to identify key moments across interactions and products. This allows for tailored educational insights and offerings, thus enhancing customer understanding of products. The CRM systems store data such as contact information, policy details, and claims history, thus enabling personalized interactions and offerings. This data also helps predict customer behavior and lapse patterns to identify opportunities for cross-sell or personalization in products / communications / offers, ultimately improving productivity and conversion rates.

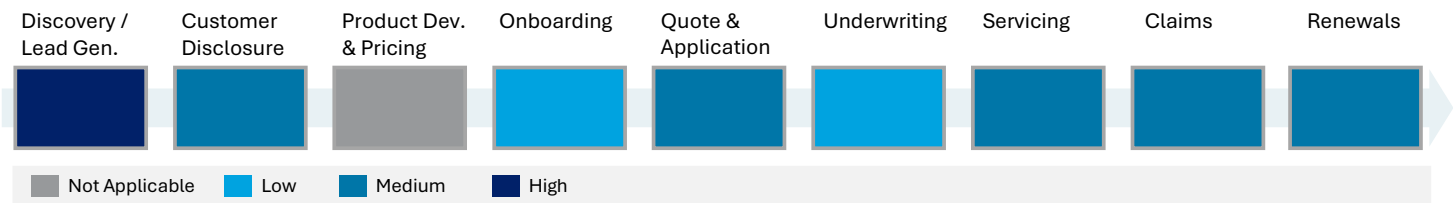
## Expected impact across the CPI Value Chain<sup>1</sup>

The impact of CRM/Client Management is highly significant in the Discovery/Lead Generation Phase.

### Market leading case study



Mass Mutual created Advisor360, a cutting-edge CRM tool focused on performance reporting, financial planning, trading, model management and rebalancing, workflow, analytics, and document imaging. This tool allows advisors to access their clients' financial investments and protection portfolios in a consolidated view to streamline collection of reports and provide more informed advice.



## Key research findings

Given current product and underwriting standards, limited investments have been made in advancing CRM capabilities, but it is seen a leading differentiator moving forward as customers expect personalized experiences and offerings. Through collaboration between underwriters and distributors, effective engagement of prospective and current customers can be achieved. This does provide organizations that are both distributors and underwriters with an advantage, albeit it also means there is a need for a broader set of capabilities. CRM is seen as a key technology enabling both customer acquisition and retention, as well as potential future offering innovation through improved understanding of needs, with most respondents (70%) would like to see their organization slightly leading the market in future, which entails large investments across both distributors and underwriters.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# Modern Platforms

Modern technology architectures are becoming a key enabler of business strategy, using API-driven frameworks, cloud-native principles, and advanced tools to help improve flexibility, speed deployment, and enable seamless integrations

## Trend highlights

Advanced core technology solutions are essential for integrating capabilities across the value chain, enabling product agility, and enhancing customer / partner experience. Insurance platforms are evolving, unlocking operational efficiencies, and more easily aligning technology with business goals. Life and health insurers are adopting strategies like Stitch (e.g., Greenfield), Shift (e.g., Outsourcing), or Surround (e.g., Wrapper), instead of traditional "rip-and-replace" methods, to reduce risk and increase flexibility for future updates. The move toward integrated platforms requires modern API-driven architectures to enable seamless data exchange (between partners), compliance, and security. Additionally, rapid technological changes are pushing organizations to adopt modern delivery and DevSecOps practices that enable improved continued improvement and reduce future technology legacy debt.

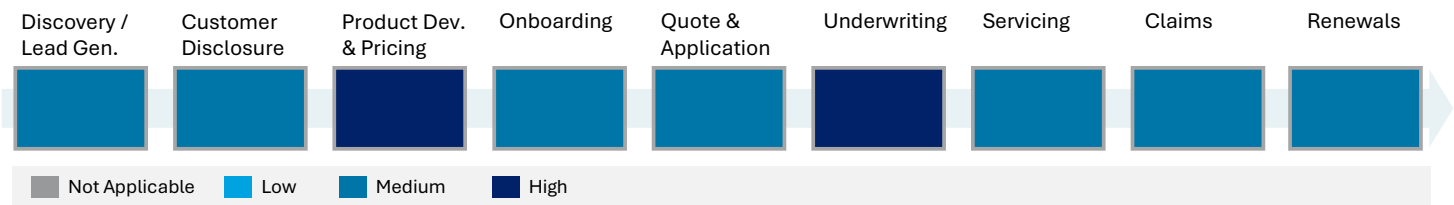
### Market leading case study



Modern policy administration platforms are integrated end-to-end and support the complete policy lifecycle from application, policy issue and claims processing. They include a host of front-office and back-office capabilities including product configurations, reusable rules, configurable workflows, and complex product illustrations.

## Expected impact across the CPI Value Chain<sup>1</sup>

Modern platforms deliver highest value in the product development as well as underwriting phases of the CPI value chain.



## Key research findings

Legacy technology limitations were cited as the largest barrier to CPI underwriters and distributors in successfully implementing advanced capabilities across their organizations. While respondents didn't identify core technology as a differentiator, it is the foundation on which all other advanced capabilities can be built. Modern Platforms are perceived as foundational to enable other technologies. Half the respondents currently feel at par with competitors given the market as a whole is faced with similar issues, but there is a growing desire to lead the market in the future given the potential opportunities it unlocks.

<sup>1</sup>Based on Deloitte research and CAFII member engagement



# Mobile & Digital Assets

Customers have been increasingly shown interest to engage with financial institutions and obtain financing products through digital channels, driving requirement for CPI underwriters and distributors to invest in mobile & digital assets


## Trend highlights

Customers now expect on-demand service from distributors, with digital engagement models supported by advisory services (human or AI) available when and where they want. Digital and mobile apps enable customers to stay connected beyond policy issuance and claims servicing and help maintain continuous engagement, fostering long-term loyalty and identifying sales opportunities. Distributors are updating their engagement models to offer hybrid delivery and advice, increasing scale through digital engagement, purchase, and service options. To address the need for faster growth and the growing demand for digital interactions, many distributors are investing in digital distribution channels to improve cost-effectiveness for the mass market.

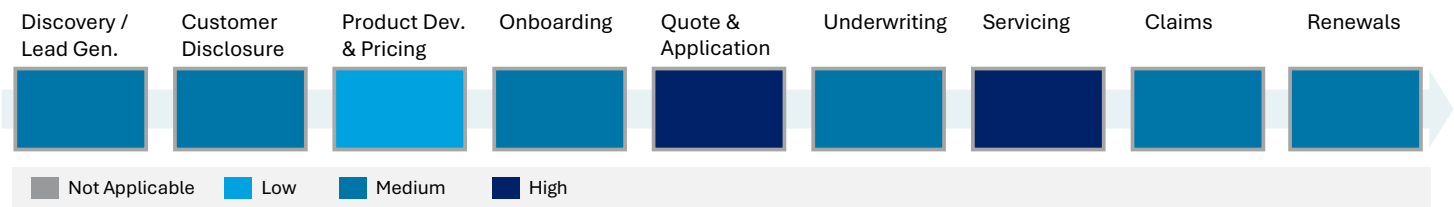
## Expected impact across the CPI Value Chain<sup>1</sup>

Mobile & Digital assets are crucial for Quote & Application as well as servicing phases of the CPI value chain.

Market leading case study



Liberty Mutual recently launched Comparion Insurance Agency to provide consumers with carrier-agnostic advice and optionality. They have a network of digitally enabled advisors who offer advice and support to help consumers achieve their financial goals by providing an aggregated view of the best options across insurers.



## Key research findings

There is an imperative to elevate the digital CPI experience to meet customer expectations, enabling customers to appropriately understand the value created by CPI products embedded in the credit journey. CPI is overall lagging the other types of insurance, and credit products as it relates to digital capabilities, creating disjointed experiences that do not meet customer, employee, and partner expectations. Mobile and Digital Assets are key to unlocking differentiated customer experiences, supported by large number of survey respondents (60%) stating a desire to be market leading or slightly ahead when it comes to mobile & digital assets. While the trend was particularly strong for distributors given direct customer engagement, underwriters also saw an importance for mobile and digital assets to enable employees and potentially provide white-labelled solutions to their partners.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# Process Automation

Enabling distributors and underwriters to streamline high volume repetitive tasks, reduce operational errors, and accelerate claims processing, underwriting, and policy renewals, driving efficiency and cost savings while increasing satisfaction

## Trend highlights

Distributors and underwriters are using modern technologies to enhance efficiencies and automate processes such as contact center operations, claims handling, billing, and fraud detection. Technologies like Robotic Process Automation (RPA), machine learning, and image analytics enable self-service features such as chatbots and virtual agents. Underwriters are leveraging rule-based triggers based on a pre-defined set of conditions to initiate specific workflows within an automated system or workflow management software (e.g., policy renewal, claims escalation). Digital tools are improving customer journeys by automating tasks, such as digital quoting, to speed up processes and free up agents for more valuable services and advice.

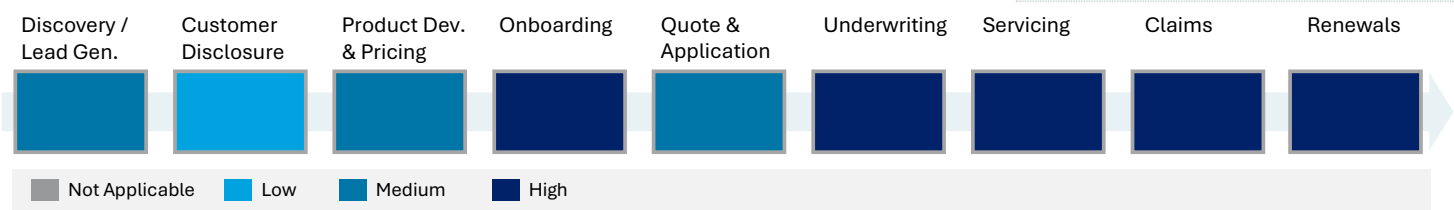
## Expected impact across the CPI Value Chain<sup>1</sup>

Process Automation has significant implications for transforming various stages of the value chain including onboarding, underwriting, servicing, claims, and renewals.

Market leading case study

**Wealthsimple**

Wealthsimple Work leverages portfolio automation technology and a sleek digital platform to provide Group RRSPs with lower fees. This product is tailored to all segments, offers flexible features such as non-matching or matching, and has no fixed term, with sleek digital onboarding and consolidation of members personal and group investments.



## Key research findings

There are targeted areas across the value chain (i.e., administration, underwriting, claims, servicing) that are prime candidates for process automation, freeing capacity to invest in other technologies and redirecting capacity of teams. Beyond additional value generated, process automation can support consistent regulatory and quality requirements, reducing potential for human errors throughout the value chain. Automation presents an opportunity for insurers to enhance their operational efficiencies. This is reflected by survey insights where majority of respondents (70%) would like to be slightly ahead or leading the market in the future.

<sup>1</sup>Based on Deloitte research and CAFII member engagement

# CAFII Member engagement themes

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Engagement with CAFII members have yielded insights on key themes and challenges to be considered in the implication of emerging technology in CPI

## Key engagement themes

Based on our engagement with CAFII members through interviews, surveys, and discussions with the CAFII Research, Media, and Education Committee, we have identified the following key themes across strategic priorities, technology priorities and emerging opportunities.



### Strategic priorities

- **Retention:** Proactively identifying opportunities to improve value to existing customers and prevent cancellations / changes
- **Digital Discovery:** Introducing new digital experiences (i.e., education, resources, etc.) to help consumers better understand the value of CPI and the coverages available to facilitate lead generation
- **Improve Penetration:** Creating engaging experiences and offerings that are aligned to emerging lending distribution and drive increased penetration across target segments
- **Simplify and Streamline Operations:** Driving additional value both internally and for customers through operational enhancements



### Technology priorities

- **Value Through Analytics:** Generating value from the data available across the entire value chain with a focus on client insights
- **Scalability and Flexibility:** Powering modern front-end experiences with cost-efficient operations through workflow automation
- **Digital Engagement Channels:** Introducing self-serve functionality for customers and digital tools for advisors to easily address clients' questions
- **Simplified Integrations:** Enabling partners and modern experiences by simplifying connectivity and data sharing through APIs where possible



### Emerging opportunities

- **Product Innovation:** Evolving CPI products to meet the needs / expectations of today's customers and the realities of a digital-first financial service ecosystem
- **AI-Enabled Tools:** Equipping employees, both frontline and back-office, with intelligent tools to support agent training and education (e.g., agent assist, chatbot, etc.)
- **Personalized Engagement:** Leveraging AI to personalize experiences along the lending and CPI journey to inform next best action and recommendations
- **Automated Underwriting and Claims:** Automatic underwriting at time of application and real-time adjudication and triage of claims

## Key challenges

CAFI members also identified the following key challenges that affect how firms take advantage of future opportunities.

- **Regulatory Limitations:** Many feel regulatory bodies haven't kept pace with emerging technology, stifling innovation
- **Legacy Platforms:** Distributors are still operating on mainframe banking systems that are expensive to change and difficult to modernize
- **Reliance On Lending Model:** CPI remains a secondary product, with a high dependency on the use of digital, technology, and AI in lending
- **Funding and Resource Availability:** There is a competitive environment internally, resulting in limited funding and resources to deliver emerging technology

While desire to be market leading was not significant for Modern Platforms, the prevalence of legacy systems and infrastructure was rated as the top challenge for securing investment.

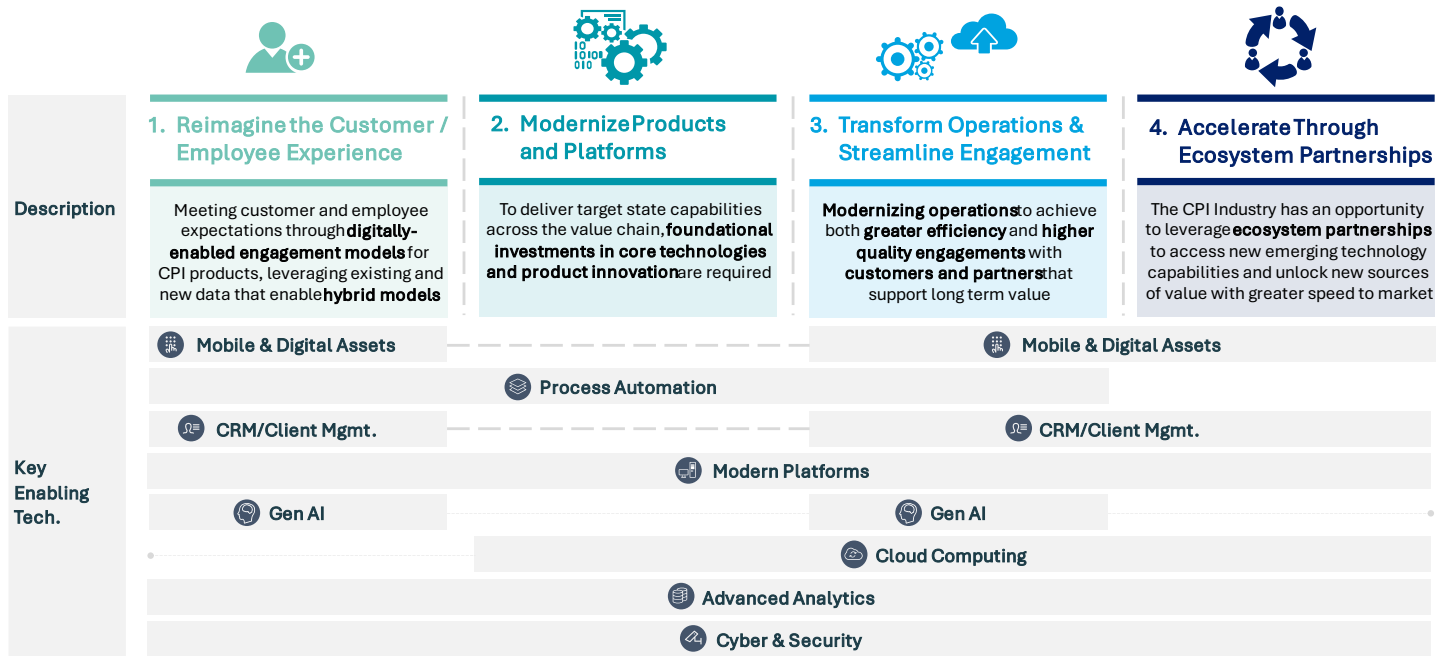




# Emerging technology opportunities

Our research identified the following opportunity areas for CPI stakeholders to enhance the value delivered to their clients and employees

Each of the emerging technologies, as discussed in previous sections, serves as enablers to these opportunity areas. It should be noted that below chart highlights primary technologies involved for general context, meaning that each organization should identify its respective strategic objectives and associated enabling capabilities / technologies to execute.



The following pages of this section present a detailed view of each of the emerging technologies opportunities above.





# Reimagining customer / employee experience

Insurers are transforming customer and employee engagement through digital, data, and omni-channel models, leveraging AI, automation, and analytics to enhance experiences, personalize offerings, and improve efficiency.

## Key opportunity insights

Leading insurers are revamping their customer and employee engagement models by leveraging digital and data to establish differentiated experiences and respond to evolving needs.

Customer expectations for CPI have evolved, influenced by standards in other industries e.g., digital financing. Enhancing customer and employee experiences have become key investment drivers. Omni-channel models are helping insurers expand customer engagement and personalize offerings while improving cost efficiencies. These experiences are enabled by product simplification and a combination of technologies such as advanced analytics, CRM, generative AI, process automation, and mobile/digital assets.

For underwriters, this provides opportunities to white label digital tools and assets that can then be provided to customers, partners, and their employees. Also, they can invest in data sharing capabilities to accelerate both the purchase and claims experience.

Similarly, distributors can utilize digital tools and analytics for frontline employees and enhance CRM/Client management capabilities to drive engaging experiences for customers.

## Market leading case study



Sun Life Financial launched a hybrid-advice solution called Sun Life Prospr. Through the platform, customers can select, prioritize, and track goals on one dashboard, as well as speak to licensed advisors by phone or video. Prospr provides an attractive option for customers who would like self-service optionality and ongoing engagement while being consistently supported by an advisor.

## Key technologies enabling the opportunity



### Advanced Analytics

The foundation of creating tailored and seamless experiences, cited as most impactful across the entire value



### CRM/Client Management

Enables a comprehensive view of customers' needs and preferences, resulting in seamless, personalized experiences



### Mobile & Digital Assets

Our survey identified this technology as the one where the industry wants to make the largest investment over the coming years

## Primary KPIs/Outcomes

### Sales & revenue



Level of Impact

Enabling improved penetration and renewal rates through easy and tailored experiences, showcasing CPIs value

### Customer experience



Level of Impact

Improved satisfaction / NPS (internally and externally), aligning experiences with other financial services

### Operational efficiency



Level of Impact

Reduction in manual processes and increased straight through processing will reduce overall operating costs

Note: Technologies identified do not represent all technologies involved but the primary ones based on the CAFII member engagement and Deloitte analysis

# Modernize products and platforms

Modernization of technology stacks and utilizing hybrid approaches of ‘build’ and ‘buy’ with flexible integration methods enable improved experiences, simplified products, as well as broader data / ecosystem integrations

## Key opportunity insights

Legacy systems are the biggest barrier to achieving technology goals for underwriters and distributors, with many relying on outdated banking platforms (e.g., mainframes) that lack agility to address ever changing customer needs and expectations. Struggles with internal modernization have led insurers to partner with global technology providers for platform upgrades. Outsourcing these modernization efforts is helping insurers improve efficiency, service levels, and accelerate transformation.

For both underwriters and distributors, this represents an opportunity to leverage modern platforms to reduce technology debt and barriers to analytics integrations.

And while underwriters’ investment in modern platform can enable modular products, for distributors, this could result in a comprehensive 360 view of customer needs.

## Market leading case study



Manulife has launched an AI-powered tool that uses years of underwriting data, and growing analytics capabilities to make the application process faster, reduce turnaround time and address the protection gap

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## Key technologies enabling the opportunity



### Modern Platforms

At its foundation, modernizing products and creating platforms requires core technology investments



### Advanced Analytics

Foundational component of future business technology architecture and products, enabling insight driven decisions

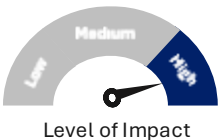


### Cloud Computing

Speed to market and flexibility were cited as one of the primary objectives of technology investments

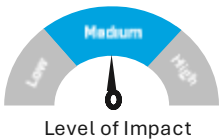
## Primary KPIs/Outcomes

### Sales & revenue



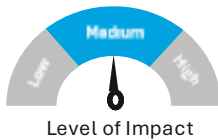
Improved penetration and renewal rates through flexible products that fit the needs of customer segments

### Customer experience



Supporting digital conversion rates and enabling increased digital intents

### Operational efficiency



Driving efficiencies through enabling increased volume of interactions occurring digitally

Note: Technologies identified do not represent all technologies involved but the primary ones based on the CAFII member engagement and Deloitte analysis

# Transform operations and streamline engagement

Automating high volume operations, and digitizing key engagement moments where customers expect rapid turnaround times utilizing digital assets, data / API integrations to improve efficiency while increasing satisfaction

## Key opportunity insights

Both underwriters and distributors can learn from digital-first organizations focused on efficiency through investments in data, advanced analytics, process automation, and digital/mobile assets. Digital transformations offer streamlined, efficient experiences (e.g., AI-powered servicing and claims, call centers aided by AI / Gen AI) that include interactive features (e.g., real-time updates, planning tools) with an accelerated time to market – all of which reduce manual tasks while improving value for customers. Consolidation and acquisitions have led to a complex technology landscape, requiring the rationalization of redundant applications across major financial service organizations.

For underwriters to capitalize on this theme, they can automate basic underwriting, policy administration and claims processing as well as leverage rules-based engines to automate outbound engagement and fraud detection.

Key opportunities for distributors include automating quotes and data gathering by integrating analytics, automation, and digital experiences. Additionally, they can modernize their core platforms to enable real/near real time partner data integrations to reduce manual tasks.

## Market leading case study



Allianz embarked on an operating model transformation aimed at reinventing stakeholder interactions, with a focus on decommissioning applications and developing its people. Allianz conducted extensive analysis to determine resources needed in its future operating model, resulting in major reskilling, and upskilling of tech talent, supported by a digital learning platform available in 27 languages.

## Key technologies enabling the opportunity



### Process Automation

Integral to driving efficient operations, and front-end interactions that meet customer expectations of speed and consistency



### Gen AI

While in its infancy, the technology can process vast amounts of data to streamline processes and drive cost efficiencies

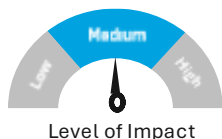


### Modern Platforms

Without core technology modernization, many investments in automation will not address root causes for manual processes

## Primary KPIs/Outcomes

### Sales & revenue



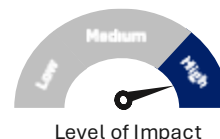
Potential to pass on efficiency savings to customers / partners, and increase penetration rates through efficient interactions

### Customer experience



Improving conversion rates and satisfaction by enabling increased digital intents and straight through processing

### Operational efficiency



Direct savings and improvements to margin through reduction of manual processes across high volume interactions

Note: Technologies identified do not represent all technologies involved but the primary ones based on the CAFII member engagement and Deloitte analysis

# Differentiate through ecosystems

Organizations are moving to platform ecosystem models as a means of creating new sources of value for customers with increased speed to market, enabled through strategic partnerships in and outside of insurance

## Key opportunity insights

The financial services landscape is becoming more competitive with non-traditional, technology-driven players disrupting lending and CPI models, highlighting the need for innovative partnerships. The intersection of wealth, health, and insurance is crucial for staying competitive and offering comprehensive solutions that can create value and peace of mind for customers beyond the moment of a CPI claim. Digitally enabled platform ecosystems are fostering connections and helping underwriters, distributors, and partners focus on their core value differentiators.

Key opportunities for underwriters include using cloud computing to quickly develop products for non-traditional players and creating flexible, modular product options with value-added components for distributors.

Similarly, key opportunities for distributors include using CRM/client management to strengthen and extend customer relationships beyond CPI and leveraging CRM and analytics to create personalized experiences through integrations with select partners.

### Market leading case study



Fully Ecosystem is owned by Wellness Services, a subsidiary of Prudential Insurance. It promotes self-awareness, goal setting, and engagement by creating tailor-made solutions across physical, mental, and financial health. By integrating with other market-leading platforms, it facilitates access to resources and services across wellness dimensions. Since launch, Fully has seen an adoption rate of +80%.

## Key technologies enabling the opportunity



### CRM / Client Management

Identified as the most impactful technology to support digital discovery capabilities, enabling targeted engagement



### Cyber & Security

Enabling secure data and capability sharing with ecosystem partners, driven by applicable regulations and privacy



### Cloud Computing

Facilitating speed to market for new offerings and capabilities, available to both customers and partners

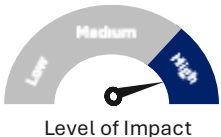
## Primary KPIs/Outcomes

### Sales & revenue



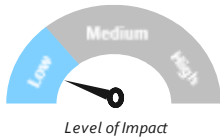
Creating new potential revenue streams and additional products per customer

### Customer experience



Improving NPS and overall relationship with customers through increased engagement

### Operational efficiency



Potential gains to operational efficiency by enabling increased focus on core value services

Note: Technologies identified do not represent all technologies involved but the primary ones based on the CAFII member engagement and Deloitte analysis



# Key challenges, risks & mitigations

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The CPI industry currently faces several key risks as it considers investments in emerging technologies

As previously highlighted, emerging technologies present compelling opportunities for the CPI industry. However, there are key challenges and risks that should be considered by insurers on the road to adoption and acceleration of these technologies.

## Key challenges

- **Legacy Platforms:** Distributors and underwriters are still operating (or reliant on partners that operate) on systems that are expensive to change, difficult to modernize, and limit offering evolution
- **Investment Prioritization Capacity:** Funding for emerging technology competes with investments with other service lines and offerings within the organization itself. Additionally, servicing technical debt consumes a large proportion of budget, further reducing available funding
- **Roadblocks for Investments:** Based on insights from the CPI survey, there are key impediments with executing investments, including challenges with legacy systems, dependencies with other investment programs, change management and adoption, access to resources, etc.
- **Regulatory:** Provincial regulatory differences may limit the ability to deliver technology driven tools at a national scale, and misinterpretation of regulation as it pertains to nascent use cases can lead to unforeseen risks
- **Need for Evolution:** CPI is reliant on the overall lending journey and complementary products and offerings within the lending ecosystem. The lending industry is undergoing a digital transformation and CPI will need to adapt and align with this trend

## Key risks

- **Data Privacy:** Increased data exposure with Generative AI, cloud computing, mobile assets, and CRM platforms heightens risk of cybersecurity breaches
- **Generative AI:** Risks of potentially introducing biased decision-making, producing inaccurate or misleading outputs, and exposing sensitive data to ethical and compliance vulnerabilities
- **Other Products:** Other insurance products such term life, health and embedded protections are becoming more flexible and increasingly being distributed digitally. This can stifle perceived value of CPI for consumers
- **Client Perception:** Limited adoption from clients, especially distributed through digital channels, as value of credit protection is not articulated well and in a manner that addresses their needs
- **Economic Risk:** Potential issues with affordability, overall economic landscape and rising home prices have tightened dispensable income of consumers. This can further reduce customer's propensity to purchase CPI and impact available limits for current protection needs

*Key mitigation strategies identified on the following page*

## Mitigation strategies

We have identified the following mitigation strategies that could enable insurers to capitalize on CPI opportunities while addressing risks and challenges.

- **Strengthen Data Governance**  
Build on current robust data protection frameworks and conduct regular compliance audits to safeguard sensitive information
- **Align on Ethical AI Guardrails**  
Establish clear ethical standards, test for biases, and ensure transparency in all AI-driven processes
- **Consider Strategic Partnerships**  
Collaborate with strategic partners and / or technology focused organizations to accelerate delivery, reduce implementation risks, and focus resources on core value driving activities
- **Design Modular / Flexible Offerings**  
Development of new product offerings, that include increased modular / flexible options for customers to adapt coverage to their specific needs that can be scaled nationally
- **Integrate Flexibility by Design**  
Integrate principles of scalability and agility within core system modernizations to reduce future legacy constraints, leveraging cloud solutions and partnerships
- **Leverage Joint Innovation**  
Consider how innovation efforts can be combined with other departments / functions within the organization to improve ROI and offer more integration across the organization for customers



# The path forward

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For both underwriters and distributors, the following imperatives were identified to align investments to strategic objectives and support strong execution

## For alignment with strategic objectives

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1. Align on your CPI strategic objectives to meet the needs of your priority customer segments / distribution partners
2. Identify key capability gaps related to technology, and articulate guiding principles to drive investment decisions
3. Review CPI products and offerings alignment to strategic positioning and priority segment needs, to determine product innovation / refresh plan
4. Determine legacy technology debt, and define core modernization strategy, focusing on future agility

## For strong execution

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1. Consider partnerships to accelerate speed to market, deliver differentiated value, and re-align internal capacity towards core capabilities
2. Assess opportunities to enable internal and partner employees with innovative tools that reduce admin workload and improve customer interactions
3. Assess current data availability and gaps to unlock value from both owned and distribution partner data, considering potential brand and cyber risks of data use cases
4. Define ethical guidelines and frameworks related to Gen AI and other emerging technology investments

Overall, our research showed that CPI, albeit currently behind other financial services on average in terms of maturity when it comes to emerging technologies, there is an opportunity for both underwriters and distributors to achieve their strategic ambitions through investments in emerging technologies. Several technology investments represent foundational investments that enable organizations to continue to meet regulatory requirements, maintain customer trust, and move beyond existing legacy technology debt, while others provide unique ways of differentiating in the market, engaging with partners / customers in innovative ways that promote shared value across the ecosystem. When considering the investments that are required to achieve strategic objectives, evaluating partnerships with traditional and non-traditional organizations can help accelerate time to market while improving outcomes.

## Who to contact for more information

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To learn more about this report and its insights, please feel free to reach out directly to its authors.



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# Appendix

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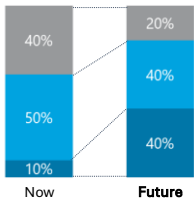
1. Emerging technologies CPI maturity
- 2a. Illustrative future digital CPI journey
- 2b. Illustrative future in-person CPI journey
- 2c. Sample use cases across the CPI Value Chain
3. Key insights from the CPI survey

# 1. Emerging technologies CPI maturity

The following technologies referenced throughout the report were identified as the most impactful on the CPI industry based on survey findings.



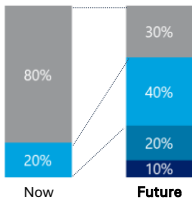
## Advanced Analytics



Analytics is one of the key technologies where respondents would like their organization to differentiate with competitors in the future



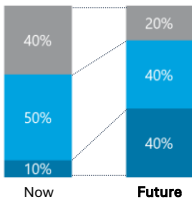
## Gen AI



As Gen AI is currently in its nascent stage, respondents currently perceive their organization to be lagging. Whereas for the future, most respondents would like to simply keep up with competitors



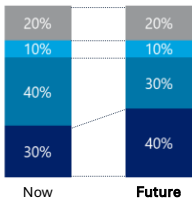
## Cloud Computing



Like Analytics, Cloud Computing is one of the technologies that respondents perceive to be a differentiator for the future



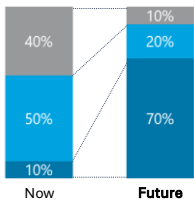
## Cyber & Security



Cyber & Security persists as a strong focus area for market differentiation currently and in the future, as indicated by 70% of respondents



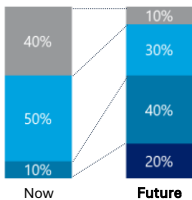
## CRM / Client Management



CRM is seen as a key technology especially for the customer acquisition phase. Most respondents would like to see their organization slightly leading the market in future



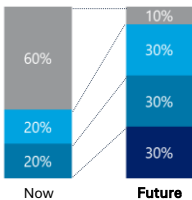
## Modern Platforms



Modern Platforms is perceived as foundational to enable other technologies. Most respondents currently feel at par with competitors, but there is a growing inclination to lead the market in the future



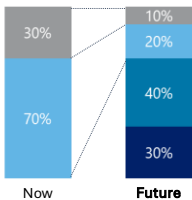
## Mobile & Digital Assets



Mobile and Digital Assets are key to unlocking differentiated customer experiences. This is reflected in survey results as there is a strong lean of respondents towards surpassing competitors in the future



## Process Automation



Presents an opportunity for insurers to enhance their operational efficiencies. This is reflected by survey insights where majority of respondents would like to be slightly ahead or leading the market in the future

## 2a. Illustrative future digital CPI journey

Overview of an illustrative future state CPI digital first customer journey, highlighting potential use cases for key technologies and application of opportunity areas



































## 2b. Illustrative future in-person CPI journey

Overview of an illustrative future state CPI Branch / in-person first journey, highlighting potential use cases for key technologies and application of opportunity areas



## 2c. Sample use cases across the CPI Value Chain

Illustration of sample use cases that can be enabled across each phase in the CPI value chain, driven by enabling technologies as discussed in this document

Discovery	Quoting & Underwriting	Purchasing	Servicing	Claims	Proactive Engagement
<b>Digital Engagement</b>  <i>Mobile &amp; Digital Assets</i> Customers can engage digitally to smoothen purchase process	<b>Dynamic Pricing/Rates</b>  <i>Advanced Analytics</i> Evaluate potential scenarios to support underwriting	<b>Secure Customer Data</b>  <i>Cyber &amp; Security</i> Protect confidential client data at every step during purchase	<b>Data Exchange</b>  <i>Modern Platforms</i> Seamlessly exchange customer data during trigger moments	<b>Straight Through Claims</b>  <i>Process Automation</i> Eliminate manual processes for low complexity claims	<b>Enhanced Cross Sell</b>  <i>CRM/Client Management</i> Unlock cross-sell opportunities across multiple offerings
<b>Customer Identification</b>  <i>CRM/Client Engagement</i> Create customer profiles to tailor engagement	<b>Instant Quotes</b>  <i>Process Automation</i> Automation of underwriting process for quick quotes	<b>Tailored Prompts</b>  <i>Gen AI</i> Personalized product purchase recommendations	<b>Timely Nudges</b>  <i>Process Automation</i> Automated reminders, policy renewals and other comms	<b>Claims Data Processing</b>  <i>Gen AI</i> Streamlined data extraction & processing of claim applications	<b>Mobile Video Chat</b>  <i>Mobile &amp; Digital Assets</i> Live video chat for any customer queries
<b>Segmentation</b>  <i>Advanced Analytics</i> Leverage data to develop better customer segmentation	<b>Enriched Data</b>  <i>Modern Platforms</i> Data enrichment by integrating with 3 <sup>rd</sup> party systems	<b>Policy Comparison</b>  <i>Mobile &amp; Digital Assets</i> Easily compare insurance quotes and policy conditions	<b>Virtual Guidance</b>  <i>Gen AI</i> Chatbots answer questions and provide guidance	<b>Big Data Processing</b>  <i>Advanced Analytics</i> Handle large volumes of data for claims decisions	<b>Personalized Comms</b>  <i>CRM/Client Management</i> Personalized messages and nudges at key moments
<b>Customer Education</b>  <i>Mobile &amp; Digital Assets</i> Educate prospective customers on insurance products	<b>Personalized Quotes</b>  <i>CRM/Client Management</i> Data on customer preferences to enable personalized quotes	<b>Scalable Infrastructure</b>  <i>Cloud Computing</i> Scale up infrastructure to handle high customer volumes	<b>Issue Prediction</b>  <i>Advanced Analytics</i> Predict customer needs and flag potential challenges/issues	<b>Self-Serve Claims</b>  <i>Mobile &amp; Digital Assets</i> File claims directly from phone and upload required info.	<b>Automated Updates</b>  <i>Process Automation</i> Keep customers informed for key policy updates
<b>Refined Search</b>  <i>Gen AI</i> Virtual assistants can help customers refine their search	<b>Digital Collaboration</b>  <i>Cloud Computing</i> Cloud tools to collaborate on underwriting decisions	<b>Fraud Detection</b>  <i>Advanced Analytics</i> Leverage customer data to detect fraudulent applications	<b>Self-Serve Capability</b>  <i>Mobile &amp; Digital Assets</i> Self-service interfaces for customers to access 24/7	<b>External Data Sharing</b>  <i>Cyber &amp; Security</i> Secure data sharing between insurers and 3 <sup>rd</sup> -party providers	<b>Voice Authentication</b>  <i>Advanced Analytics</i> Voice recognition to authenticate & verify customers

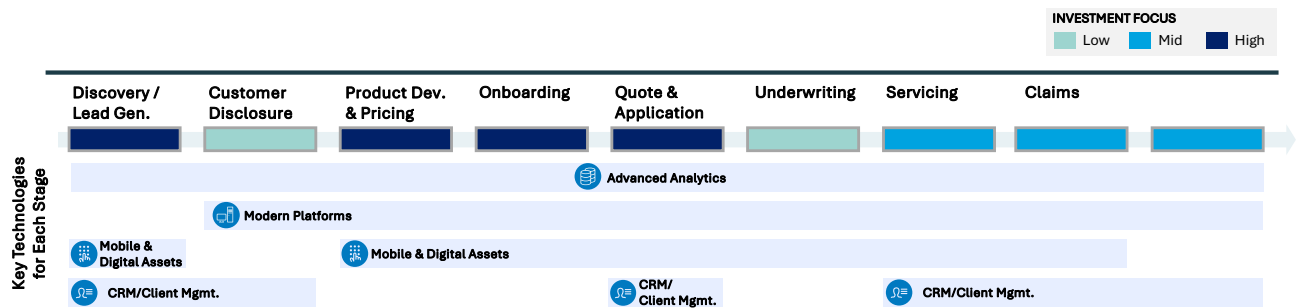
**Note:** The above use cases represent a sample sub-set of potential applications of emerging technologies, and while they are mapped to specific Journey moments, many apply across the journey and require several technologies to come together to enable the target outcomes

### 3. Key insights from the CPI survey

Survey respondents expressed specific views about key priorities across the value chain, their technology expectations for the future as well as their perceived key challenges for investment

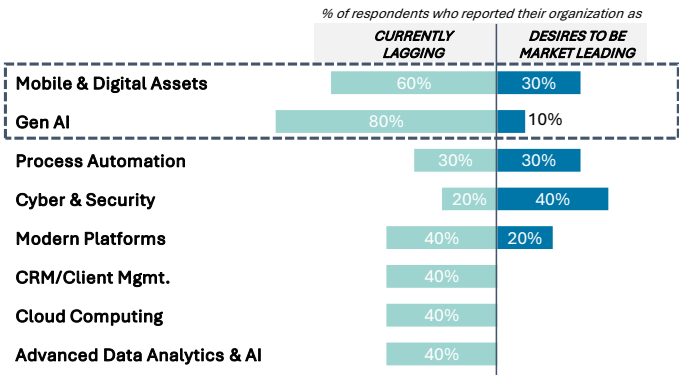
Based on opportunity themes, responses from survey respondents were consolidated. These insights helped us understand their technology priorities across the value chain, their technology expectations for the future as well as their perceived key challenges for investments.

#### Technology focus across value chain



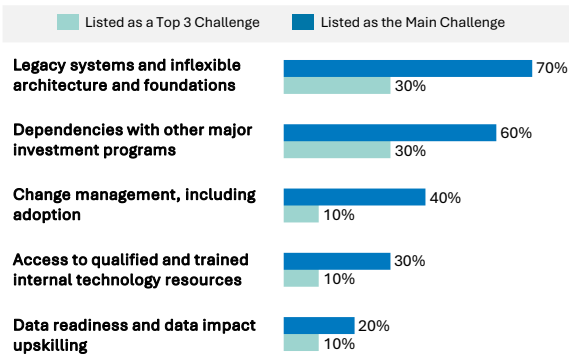
**Key takeaways:** The investment focus for key technologies leans towards Advanced Analytics, Modern Platforms, Mobile & Digital Assets and CRM/Client Management Areas. Investment continues to focus on the acquisition stages, while some organizations are increasingly starting to invest in claims and servicing.

#### Technology maturity and expectations



**Key takeaways:** Among key technologies, Mobile & Digital Assets and Gen AI had the highest expectations for advancement in maturity. Respondents expressed lack of maturity for these technologies while desire to leapfrog market in the future.

#### Challenges with investment



**Key takeaways:** While desire to be market leading was not significant for Modern Platforms, the prevalence of legacy systems and infrastructure was rated as the top challenge for securing investment.



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