

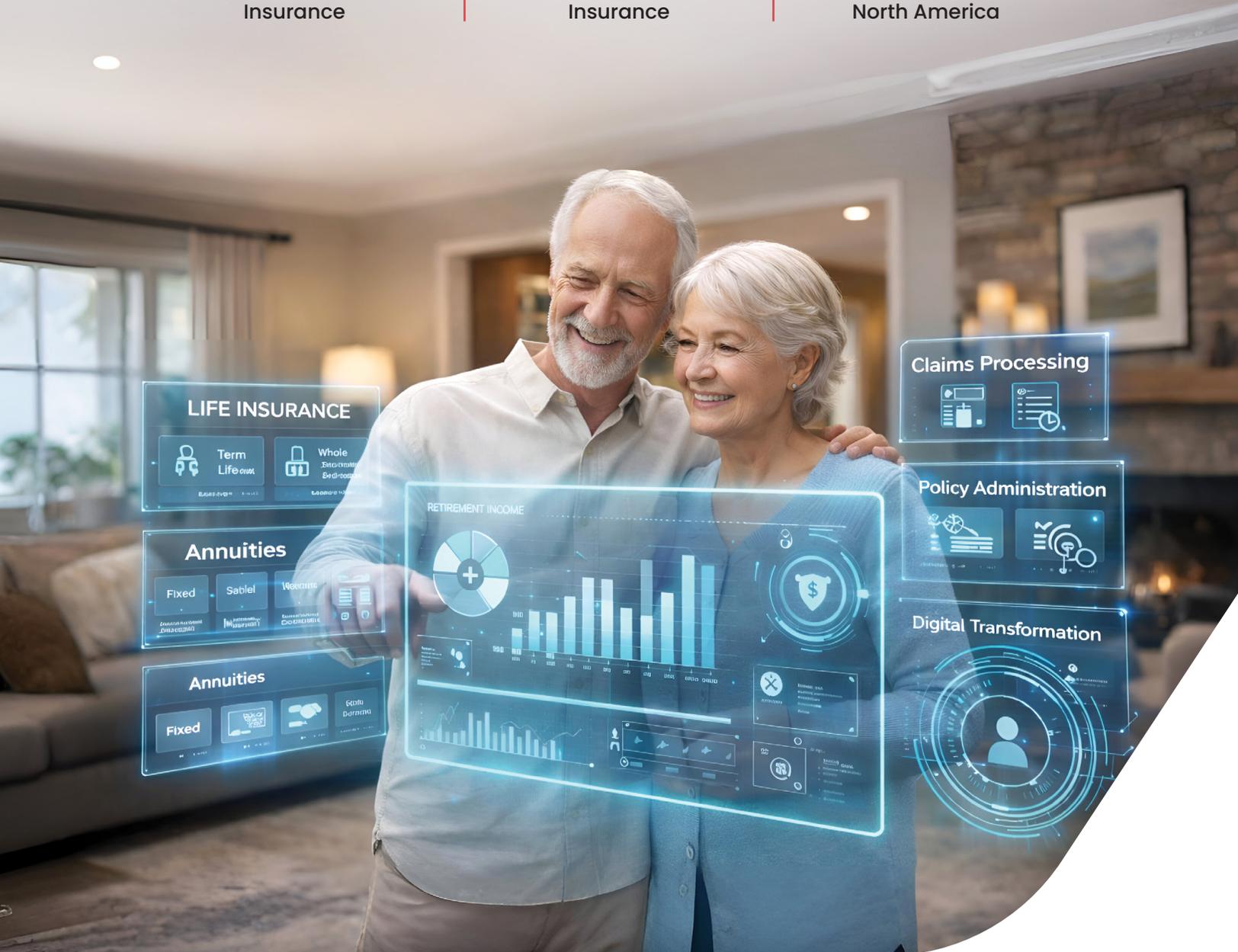
# 6 Trends

## Re-shaping Life and Annuities in North America: A 2026 Playbook for Growth

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North America's Life and Annuities (L&A) market is undergoing a decisive transition, driven by shifts in both the products customers are seeking and how those products are developed, distributed and experienced.

Demand is moving away from accumulation-led propositions toward income certainty and outcome-based solutions, while rising customer expectations, regulatory scrutiny and advances in data and Artificial Intelligence (AI) across the insurance value chain are reshaping operating models.

Complexity-driven differentiation in the L&A sector is giving way to a more [integrated, intelligence-led model](#)

in which product design, underwriting, distribution and servicing are increasingly interconnected. This shift is re-defining how carriers manage risk, compliance and revenue over the long term.

The focus on sustainable growth that goes beyond incremental functional improvement will drive this sector – as a strong balance sheet promises to cushion North American life insurers from a potential slowdown and a “neutral outlook in 2026.”<sup>1</sup>

The trends that follow highlight where this transformation is taking hold and how the foundations of L&A in North America are being re-configured.



<sup>1</sup><https://www.fitchratings.com/research/insurance/north-american-life-insurers-outlook-stable-in-2026-despite-heightened-volatility-01-12-2025>



1.

# The Rise of Income-first Retirement Solutions

Consumers today are looking for “retirement pay checks.” This is driving a demand for products that clearly communicate how income holds up across market cycles rather than abstract projections. There is also an increased focus on diversified offerings that provide stability during market volatility. Interest-rate uncertainty, inflation pressures and longevity risk are accelerating this shift. Further reinforcement comes from regulatory developments such as the SECURE Act 2.0, which expanded access to lifetime income options.

Carriers are responding by moving toward outcome-based positioning, including income floors, downside buffers and predictable retirement spending bands. For instance, Registered Index-Linked Annuity (RILA), which offers a degree of protection against market downturns, has seen steady growth. In a survey covering US annuity carriers, 77 percent of respondents reported prioritizing RILAs and 60 percent stated a focus on variable annuity in 2025, up from 44 percent the previous year. 59 percent cited the continued rise of RILA as the most significant trend in guaranteed income options over the next year.<sup>2</sup>

Scenario-based tools are central to this shift, translating complex product mechanics into plain-language views of how solutions behave in adverse market conditions.

## Strategic Implications



The shift from accumulation to decumulation transforms retirement income from a specialist offering to a core strategic priority across product portfolios.



Annuities and income features move back to the center of retirement planning, supported by outcome-led positioning that prioritizes income certainty over accumulation.



Product differentiation increasingly depends on explainability, elevating the role of scenario-based tools over traditional, illustration-heavy approaches.

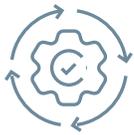


How value is communicated to customers and advisors is changing as trust is built through clarity on downside behavior instead of upside potential.



Long-duration relationships place greater strategic weight on service quality, with income sustainability and post-issuance experience becoming critical to long-term value.

<sup>2</sup><https://am.gs.com/cms-assets/gsam-app/documents/insights/en/2025/am-retail-annuity-survey-2025.pdf>



2.

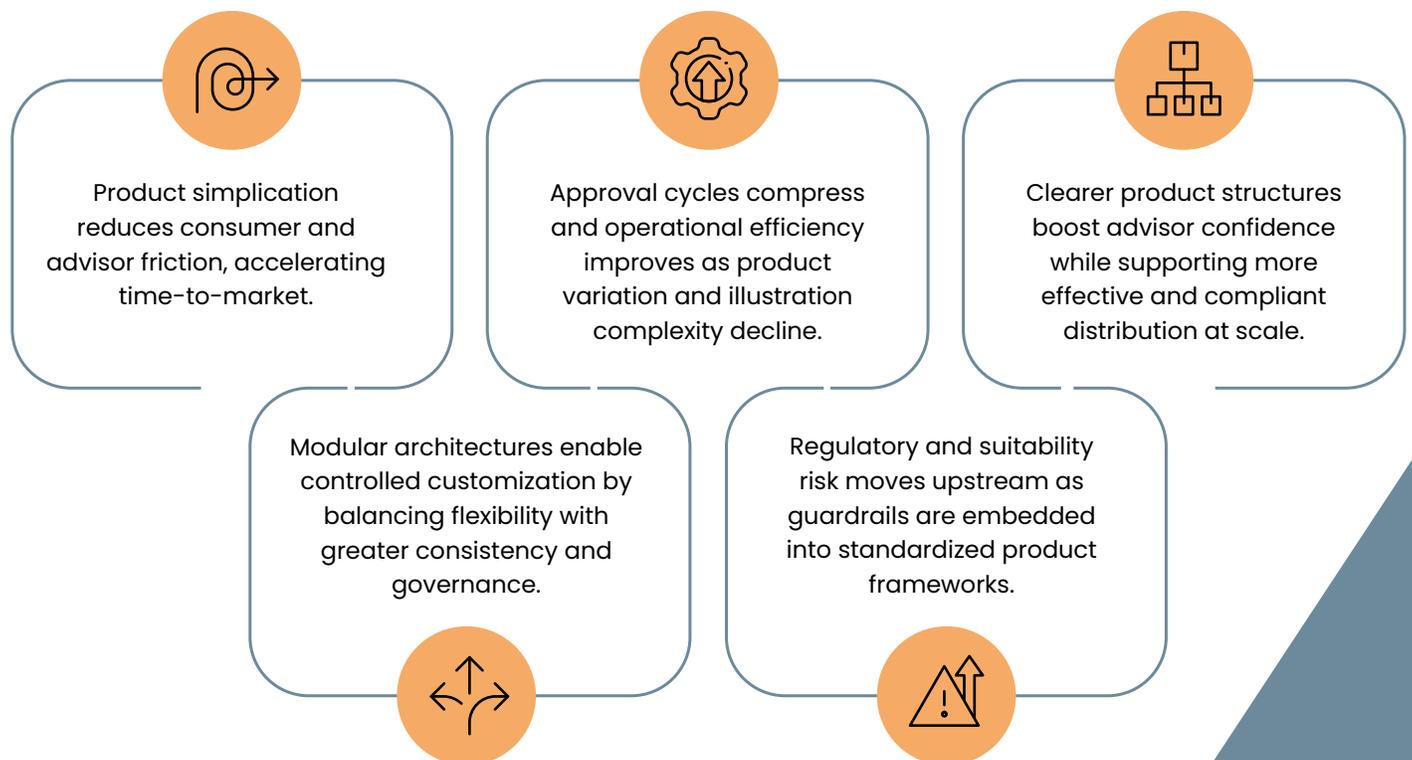
## Product Simplification Through Modular Design

In L&A, product complexity has long been treated as a proxy for customization. Feature-rich designs and layered riders were intended to address diverse needs, but are increasingly limiting product relevance and scalability as regulatory scrutiny and margin pressure intensify. A survey showed that 36 percent of life insurance customers do not completely understand the terms of their policy and 40 percent do not completely understand costs and fees.<sup>3</sup>

Carriers are responding by moving toward modular product architectures. Simpler base offerings with clearer rider menus and configurable building blocks preserve flexibility across life stages and retirement objectives, while reducing cognitive load for customers and operational burden across the value chain.

Internally, modular simplification is re-shaping operating models. Fewer product variations reduce illustration complexity, accelerate approvals and make it easier to embed suitability, disclosure and compliance guardrails by design.

### Strategic Implications



<sup>3</sup><https://hub.jdpower.com/life-insurance-3-key-challenges>



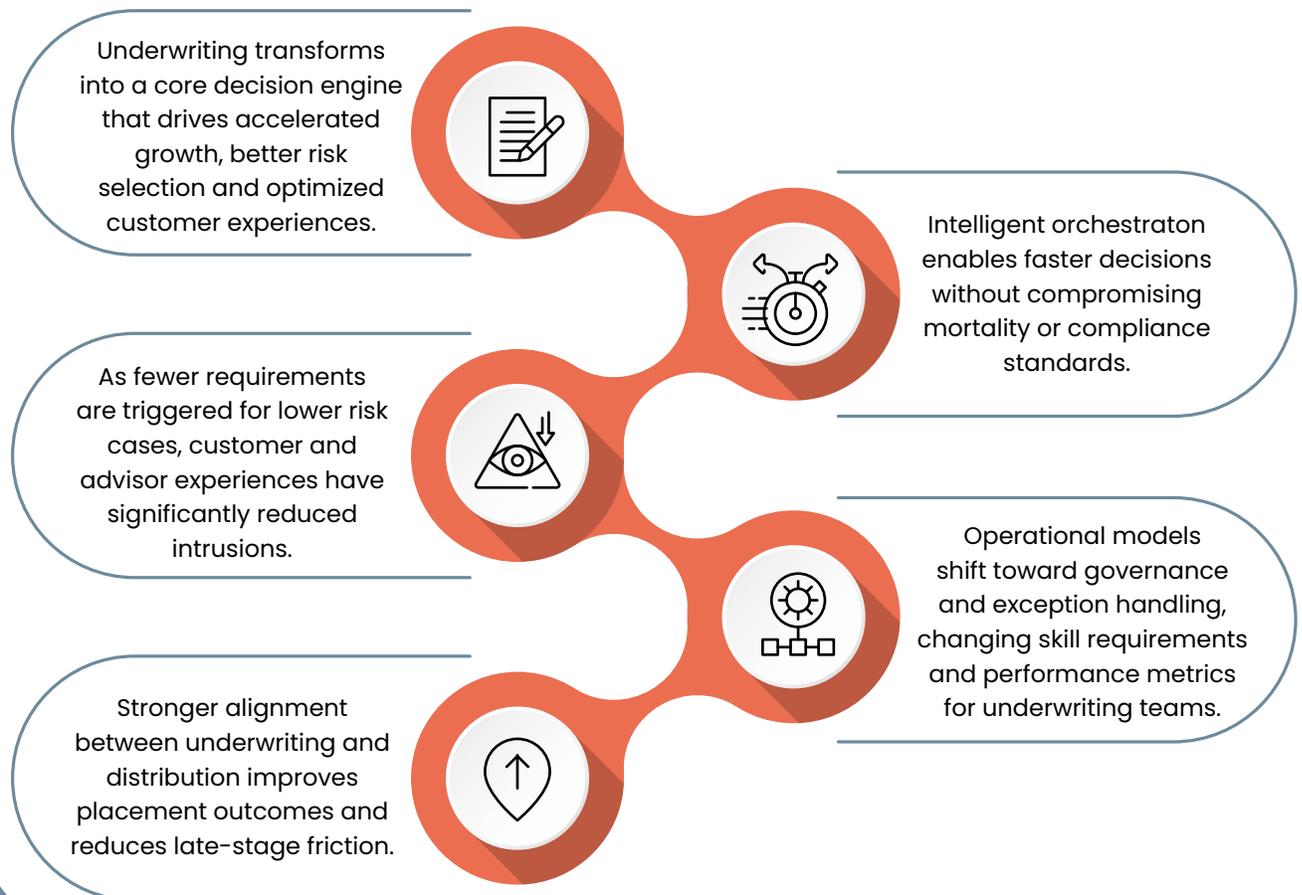
3.

## Underwriting Modernization: From Evidence-gathering to Decisioning

Underwriting in L&A has traditionally operated as a reactive, evidence-driven process. This model is now shifting toward proactive decisioning, as advances in data availability and analytics enable carriers to route cases more intelligently and dynamically select the least-invasive path required to meet mortality, fraud and compliance objectives. This shift toward data-driven risk assessment reduces reliance on sequential evidence collection while maintaining risk discipline, with orchestration emerging as the next frontier.

Better use of third-party data, stronger fraud detection signals and tighter feedback loops with distribution are changing how cases are assessed and placed. Operationally, [underwriting teams](#) are moving away from manual case processing toward exception management, model oversight and governance, which is re-shaping talent requirements.

### Strategic Implications





4.

# Distribution Re-shaped: Hybrid Advice at Scale

A simple reality is re-tooling L&A distribution: customers increasingly begin their journey digitally, but seek human re-assurance when decisions become complex or consequential. At the same time, advisors are under pressure to reduce administrative work and spend more time with clients, while carriers pursue greater reach and compliant growth.

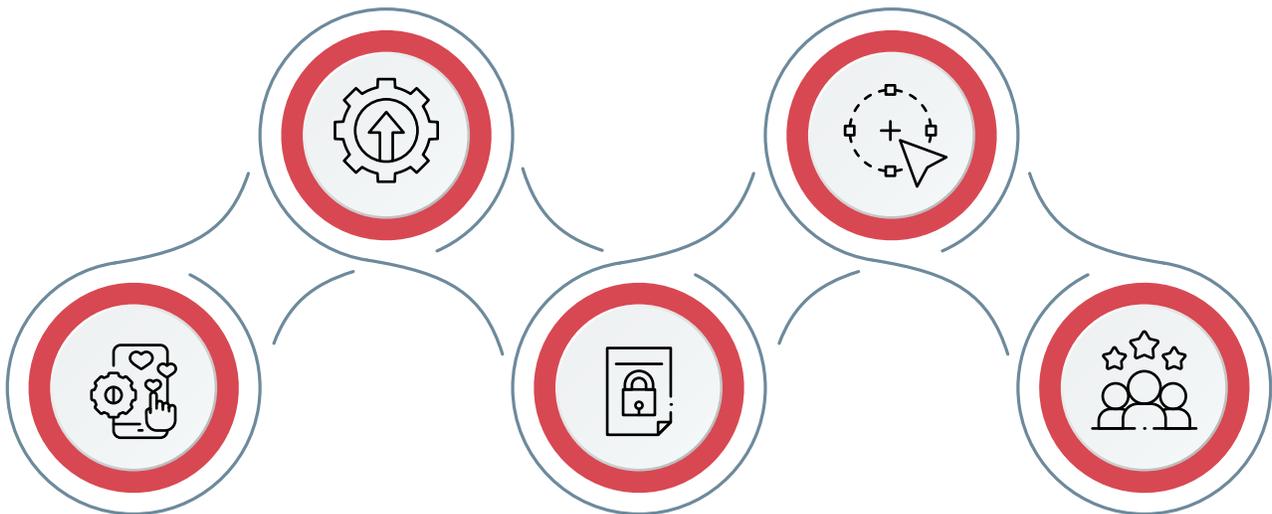
The response is a hybrid distribution model that combines digital acquisition and education with human advice at critical moments. This model relies on a single, coherent experience in which data, context and next-best-action guidance flow seamlessly across digital and advisor-led interactions, with shared visibility across the customer lifecycle.

As hybrid advice scales, distribution becomes increasingly dependent on orchestration, with shared data, consistent rules and integrated tooling shaping how leads are qualified, advice is guided and service journeys hand off between channels.

## Strategic Implications

Integrated tools elevate advisor productivity by reducing administrative effort and increasing client-facing time.

Orchestration and journey design must be central to building scalable and compliant advisor-customer engagements.



Evolving distribution establishes a new default model that combines digital engagement with human guidance at moments of highest complexity.

Data continuity across channels becomes non-negotiable for consistent guidance, sustained controls and shared visibility.

Customer trust is shaped by continuity of experience instead of channel choice, elevating end-to-end journey management to a leadership priority.



## 5. Customer Experience Becomes a Core Product Feature

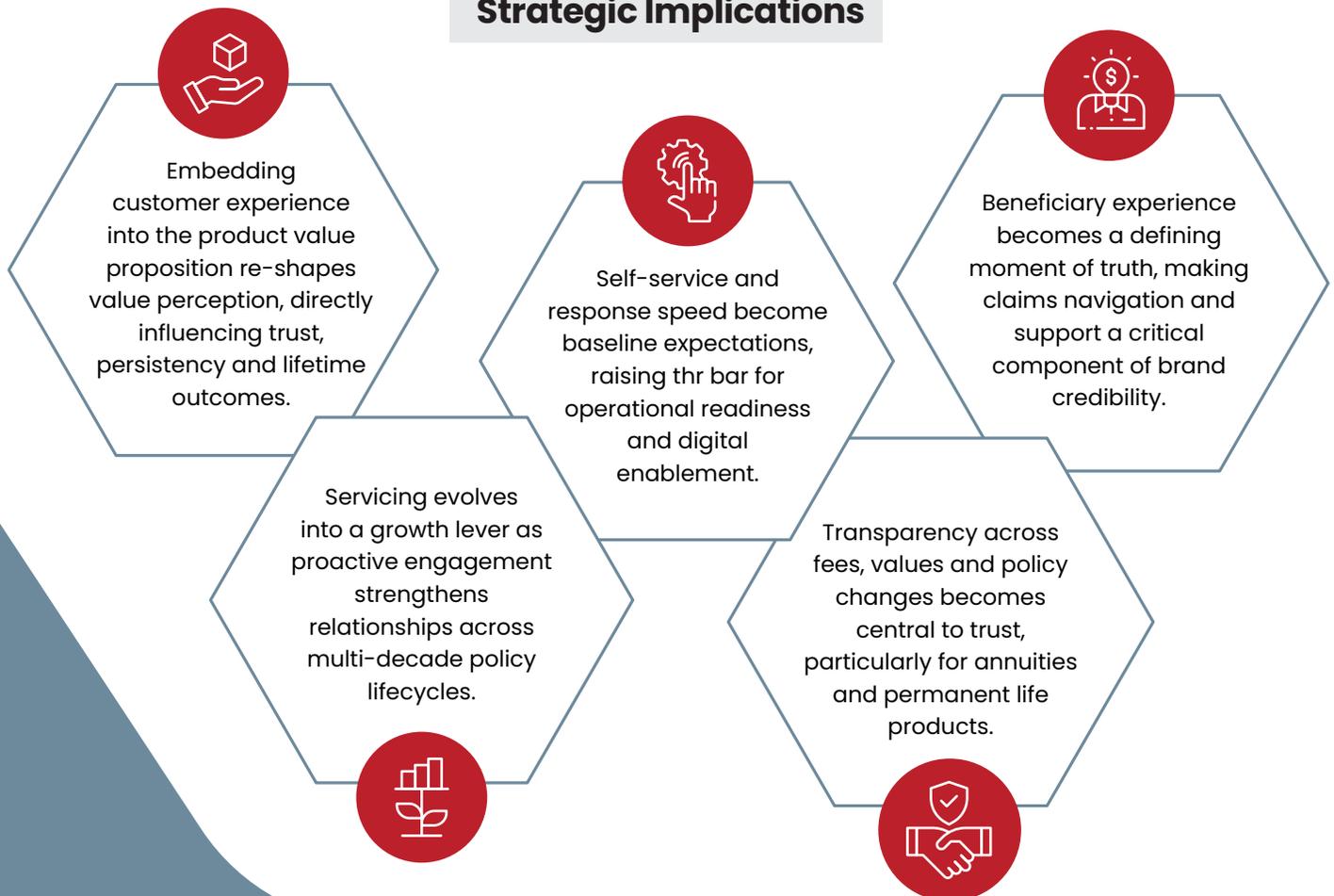
Historically, the L&A product was considered “delivered” once the policy was issued. Servicing, communications and claims were treated as downstream activities, separate from how value was defined. That model is no longer sufficient, particularly for annuities and permanent life products where customer relationships span decades.

Customers increasingly judge carriers by response speed, ease of effecting changes – such as self-service portals, communication around fees – and the ability of beneficiaries to navigate a claim with confidence. These moments, repeated over time, shape perceived value as much as contractual features or guarantees.

**Leading carriers** are now treating servicing as a growth lever rather than a cost center. Proactive engagement – such as beneficiary reviews, address updates, premium optimization prompts and annual plain-language check-ins – reinforces relevance and trust over the life of the policy.

In L&A, trust compounds over time, and experience is how that trust is earned. A survey found that among life insurance customers, 51 percent gave a “top 2 box rating” for overall trust, but the level dropped to 33 percent for individual carriers. The same survey noted that 26 percent rated their relationship with their agents / advisors as “transactional” while 32 percent rated them as “trusted advisors”.<sup>4</sup>

### Strategic Implications



<sup>4</sup><https://hub.jdpower.com/life-insurance-3-key-challenges>



## 6. Agentic AI: The New Operating System

AI tools are already improving productivity across L&A through search, summarization and document handling. The next phase, Agentic AI, introduces autonomy: systems that execute multi-step workflows with embedded auditability, policy awareness and oversight.

This matters because much of L&A value is embedded in complex, multi-step processes, from new business and underwriting to servicing, claims and compliance. [Agentic AI](#) shifts the focus from task efficiency to process execution, co-ordinating actions across systems while maintaining visibility and control.

High-impact use cases include advisor co-pilots for compliant recommendations, orchestration agents for managing requirements and follow-ups, service agents for routine requests and compliance agents for pre-checking communications.

In regulated environments, autonomy must be paired with governance by design. Human-in-the-loop approvals, audit trails and policy-aware guardrails are essential to realizing faster cycle times, greater consistency and lower operational risk.

### Strategic Implications



Industrializing Agentic AI transforms core operations, shifting productivity gains from task automation to end-to-end process execution across underwriting, servicing and compliance.

Cycle times compress without sacrificing control as autonomous workflows operate within human-in-the-loop approvals and policy-aware guardrails.



Operational consistency improves at scale, reducing variability introduced by manual hand-offs and fragmented decision-making.

Risk and compliance management move upstream, as Agentic systems pre-check actions, documentation and communications before submission.



Operating models evolve toward supervision and governance, re-shaping talent requirements around oversight, exception handling and model accountability.

# Leadership Imperatives for the Next Phase of L&A

As the L&A sector enters this new phase, three moves will separate market leaders from the field. The first step is to align product strategy with outcome-based messaging, particularly around retirement income clarity. Next is to treat customer experience as a long-term relationship platform rather than a transactional service function. And lastly, carriers need to invest in Agentic AI where they close the loop on core workflows, not where it merely assists at the margins.

In this environment, advantage will be defined not only by what carriers sell, but by how intelligently and humanely they deliver it.

***Talk to our experts to explore what end-to-end transformation could mean for your L&A value chain – re-imagining growth through agile product development, digital distribution and AI- and analytics-led claims management, delivered through a tech-enabled operating model built for scale.***





## About WNS

WNS, part of Capgemini, is an Agentic AI-powered intelligent operations and transformation company. We combine deep domain expertise with talent, technology, and AI to co-create innovative solutions for over 700 clients across various industries. WNS delivers an entire spectrum of solutions, including industry-specific offerings, customer experience services, finance and accounting, human resources, procurement, and research and analytics to re-imagine the digital future of businesses. WNS has 66,085 professionals across 65 delivery centers worldwide, including facilities in Canada, China, Costa Rica, India, Malaysia, the Philippines, Poland, Romania, South Africa, Sri Lanka, Turkey, the United Kingdom, and the United States.

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