

# From products to protection: The rise of embedded insurance

28 May 2024

Embedded insurance (insurance sold as a core part of a product or service as a bundle) is predicted to increase its share of global gross written premiums by as much as 12% in the next decade, assisted by the use of digital tech and the increasing relationships between insurers and non-insurers.

Non-insurers are increasingly evolving customer experiences to provide integrated insurance products. Through their established brand status and by utilising customer loyalty, non-insurers are in a good position to understand their customers and offer insurance products that align with their needs.

With embedded insurance already being provided for some time in connection with travel and appliances, the use is also increasing in the automotive industry with car manufacturers such as Tesla, Ford and Jaguar Land Rover offering insurance alongside their vehicles.

## Jaguar Land Rover

Since last year, Jaguar Land Rover has provided bespoke insurance products to customers, underwritten by Allianz (Highway Insurance Company Limited).

Following rising insurance premiums in response to increasing car thefts which led to issues insuring the cars, the company aimed to increase the insurance options available to customers. The company has invested in anti-theft technology for both new and older models, which has led to a decline in the vehicles being stolen, and has provided information to insurers regarding the new security features to improve the availability of insurance.

Land Rover Insurance is now also to provide a £150 monthly contribution for up to three years towards insurance costs for new Range Rovers. To be eligible, the vehicle must be valued up to £150,000, insured under Land Rover Insurance and the driver must be aged 30-85.

**Patrick McGillicuddy, Managing Director**

JLR UK

*"We're working hard to support our clients every step of the way and are pleased to offer a further, bespoke insurance initiative. JLR has an 'all-fronts' strategy to tackle the negative impact organised criminality is having on clients, insurance premiums, and the insurance industry itself."*

## Considerations for insurers

Embedded insurance provides a growing opportunity for insurers to expand through collaboration with non-insurers. Insurers can benefit from the already established and available customer base of the non-insurer and the familiarity of the brand to the customer. From this, insurers can provide bespoke coverage, allowing increased experience, data and reach in areas outside of the traditional.

It is important to ensure that the embedded policies align with the consumer duty by providing applicable coverage, designed to meet the needs of the consumer. Consumers should be placed in an informed position, so that they do not take out an embedded policy where they already have overlapping coverage in place, and companies should be transparent with consumers, making it clear that the product or service can be purchased without the embedded coverage.

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