

Seeing the people behind the policies

Accenture's Global Insurance Consumer Study 2023

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Insurance consumers are living in uncertain times. A volatile economy, the residual impacts of the COVID-19 pandemic and the ongoing tech revolution are causing shifts in what consumers say they need. These shifts are changing protection priorities and driving demand for new kinds of products and experiences.

Insurers are feeling the uncertainty too. Shifting consumer preferences and the pace of technology innovation have accelerated the reinvention strategies of insurance carriers more than any other external factors, according to insurance executives who participated in Accenture's [Total Enterprise Reinvention](#) CxO survey.

In this report, we look at what consumers are saying about their preferences and present three ways for insurers to build greater relevance with consumers and achieve sustained, profitable growth. We surveyed 49,000 insurance consumers across 33 global markets as part of our biennial Insurance Consumer Study. The results showcase the new and growing concerns of insurance consumers across generational segments and accelerating demand for digital services. We continue to see consumers becoming more open about sharing their personal data, which offers insurance carriers a way to see the people behind the policies and become more relevant in their lives.

This is the clarion call for reinvention of the insurance industry. It begins with a deliberate strategy that moves insurance towards risk mitigation and continual engagement. This shift will drive the reinvention of the total enterprise for insurance carriers, centering every link in the value chain around the digital core and new ways of working—establishing both the culture and the capability for continuous reinvention.

Methodology

Accenture's Global Insurance Consumer Study focuses on personal lines of business and reveals how P&C and individual life carriers, and many Group & Voluntary Benefits providers, are impacted by shifts in consumer attitudes and behaviors. This wave of research includes 49,000 consumers aged 18 and over across 33 global markets with balanced generational, gender, employment status, and income representation. Each respondent has both a bank account and at least one auto, life, or home insurance policy. The online survey was fielded in July/August 2022. Unless otherwise noted, all data cited in this report come from this survey.



The concerns of insurance consumers are evolving.

As consumers cope with the impacts of large-scale disruption, their felt need for insurance is high, and the areas of risk that have them most concerned are shifting (Fig. 1).

Consumers feel less concerned about—and more protected against—areas of risk traditionally covered by industry offerings or public-sector programs, such as property theft and damage, unemployment and retirement.

Not all areas of risk are insurable, but areas where consumers are expressing more concern and saying they feel less protected include emerging risks, such as the rising cost of living and climate change. They see these risks jeopardizing their assets and interests in the long term. They are also concerned about health risks, such as deteriorating physical health or injury, deteriorating mental health or well-being and brain health.

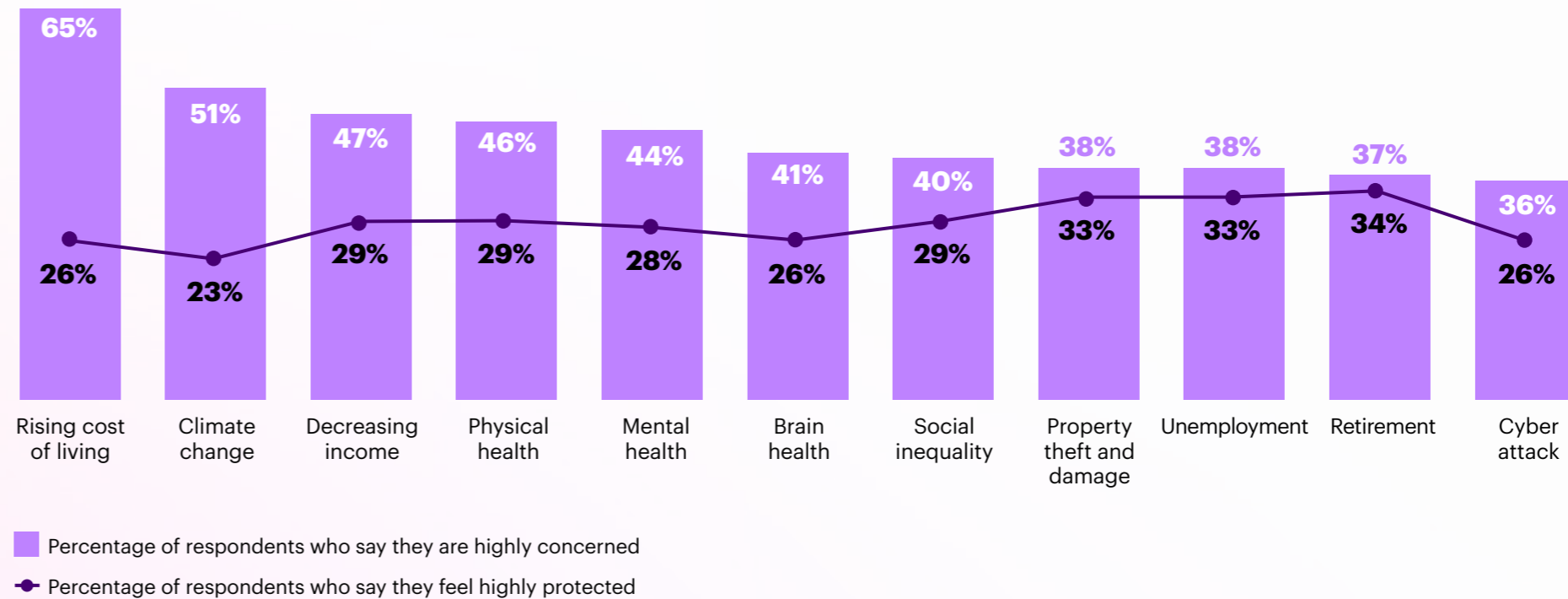
Generational shifts are also shaping consumer needs and changing their protection priorities and product and experience preferences. Millennial/Gen Y consumers, who generally fall in the 25 to 44 age range, are a larger cohort than their parents, the Baby Boomers, who are typically between 55 and 74. In North America, consumers in the Millennial cohort outnumber Boomers by nearly 20% (99 million to 83 million).

Figure 1.
Insurance consumers feel more protected against risks industry offerings have traditionally addressed.

Questions

“How concerned are you about each of the following areas of risk? When answering, please consider the chance of each happening and the potential direct impact on you.”

“Assuming each of the following will happen, to what extent do you feel protected against the following areas of risk?”



Source: Accenture

As Boomers reach the decumulation phase of life, Millennials are entering their peak insurance buying years, and their level of concern around mental health and property risk is significantly greater than Boomers':



Half (**50%**) of Millennial consumers say they are concerned about their risk of deteriorating mental health or well-being. Among Boomers, the percentage is 13 points lower (**37%**).

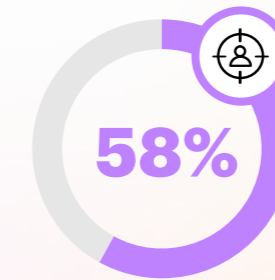


More than 4 in 10 Millennial consumers (**42%**) say they are concerned about theft or damage to their property and belongings. Among Boomers, the percentage is nine points lower (**33%**).

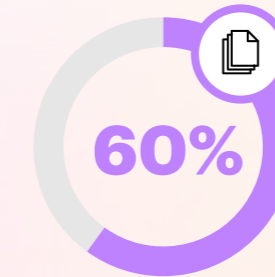


Growing openness to data sharing creates opportunity for insurers.

Across all demographic segments, we see demand for more, better and faster services. Consumers say they want their unique needs met by their insurers more quickly and easily. They also say they are willing to share the data necessary to drive those interactions.



say they would be willing to share a lot of data in exchange for advice that is more relevant to their personal circumstances.

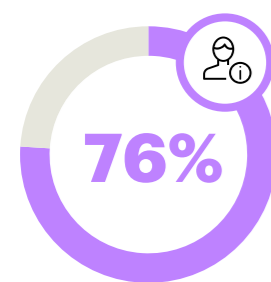


say they would be willing to share a lot of data for faster, easier services, such as insurance claim processing without the need for lengthy application forms.

Although consumers are willing to share their personal data with insurers, they remain concerned about data security, fraud protection and privacy. These concerns are critical for insurers as they introduce innovative products and work with ecosystem partners.

There is clear demand for cyber protection among consumers, which provides opportunities in product development. When asked what digital experiences they would find appealing, 73% of consumers choose assistance in dealing with cybersecurity threats.

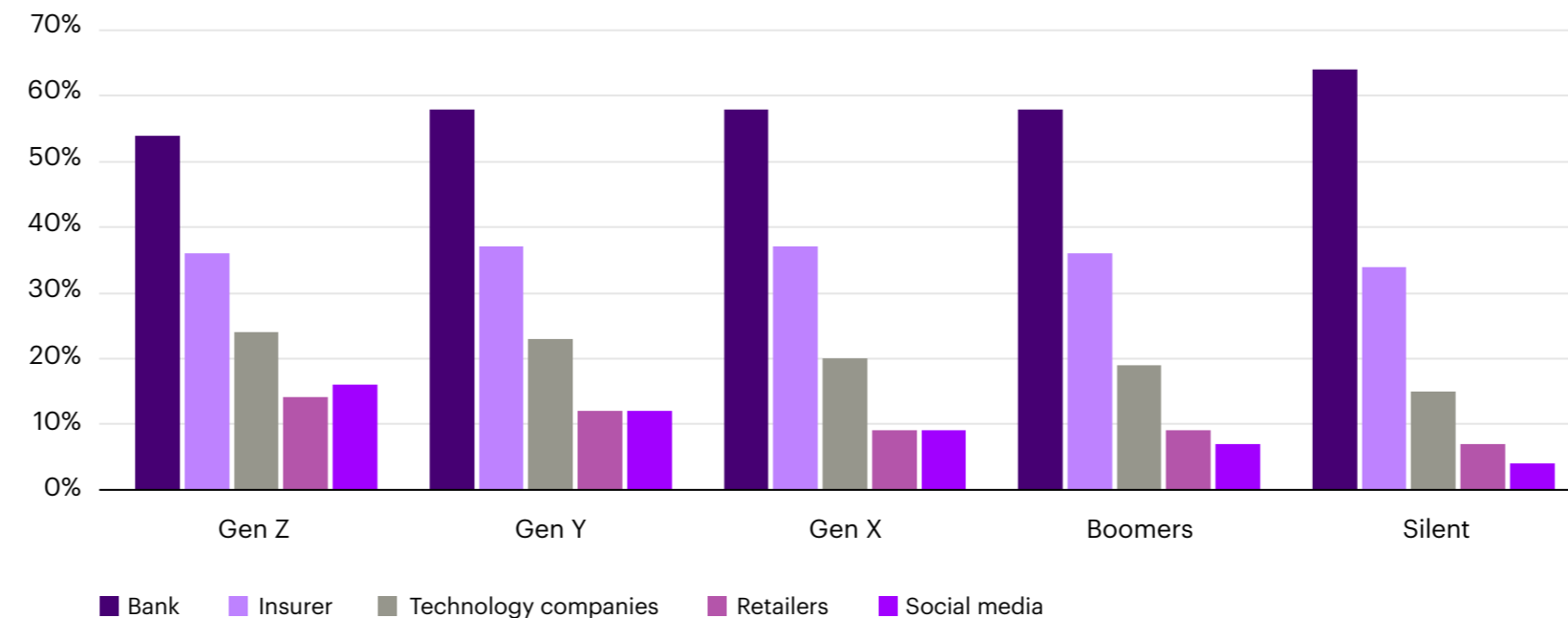
When choosing ecosystem partners to help deliver innovative new products, it is critical for insurers to maintain the trust they have built with consumers around personal data protection and to work with partners who will do the same.



76% say they are concerned about how companies use their personal data—up three percentage points from prior years—but trust in insurance carriers is high.

Across all generations, consumers trust banks and insurers with their personal data more than other service providers (Fig. 2). Additionally, trust in insurers remains relatively flat across generational segments. For banks, it increases with age, while for technology companies, retailers and social media platforms, it decreases with age.

Figure 2. Insurance consumer across all generational segments trust insurers and banks more than other service providers to look after their personal data.



Source: Accenture

Three ways insurers can build relevance with consumers and grow.

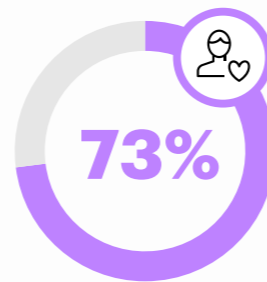
Consumer trust and openness to data sharing offers insurers the opportunity to get closer to consumers and become more relevant in their lives by solving problems rather than selling products.



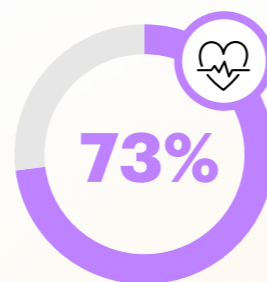
01 See people before policies.

People want solutions—not products. Insurers need a profound understanding of the people behind the policies, so they can be ready with solutions that fit each unique risk profile and create a protection ecosystem.

As health, fitness and wellness ecosystems become increasingly complex and digital, people are looking for integrated solutions that help simplify the experience for themselves and their families.



73% say they would be interested in assistance for elders or people with disabilities, such as facilitating care in the home and using computers. This will become an acute need for Gen X and Millennial consumers as they navigate an increasingly complex caregiving landscape for their parents and other loved ones.



73% say they would be interested in complete health and well-being packages that include health insurance, gym membership, health advice, doctor appointment booking, and financing for home gym equipment.

Case study

Bradesco Seguros is shifting perceptions about life insurance

While life insurance is typically associated with end-of-life, Bradesco Seguros asked the question, “What if life insurance could also be used during life?” The answer was Vida Viva, a disruptive product that can be used during life and can be adapted to meet the needs of different life stages.

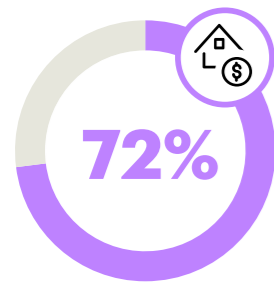
To deliver, Bradesco Seguros worked to understand the differentiating nuances and needs across its policyholders’ life stages and created services accordingly.

Why does it matter? Offering a product that can be adapted to meet ever-changing needs across life’s stages creates a strong pull that makes switching less likely.

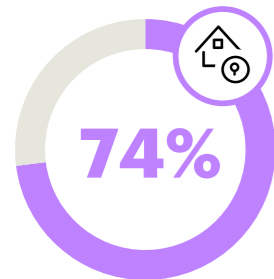
02 Solve for relevance in how you acquire business.

Consumers show increasing interest in embedded insurance offers in which the relevant risk protection is integrated into their purchase. For example, since 2018, the share of consumers who say they are likely to buy auto insurance from a car dealer has increased by 10 percentage points, from 32% to 42%.

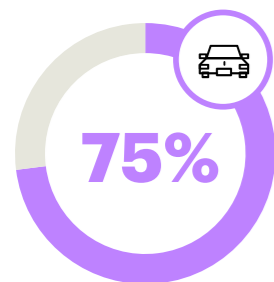
Insurance consumers also say they want solutions beyond traditional home and auto insurance bundling.



72% say they would be interested in complete house buying services, including mortgages, home insurance and moving services.



74% say they would be interested in home monitoring services, including security and energy usage.



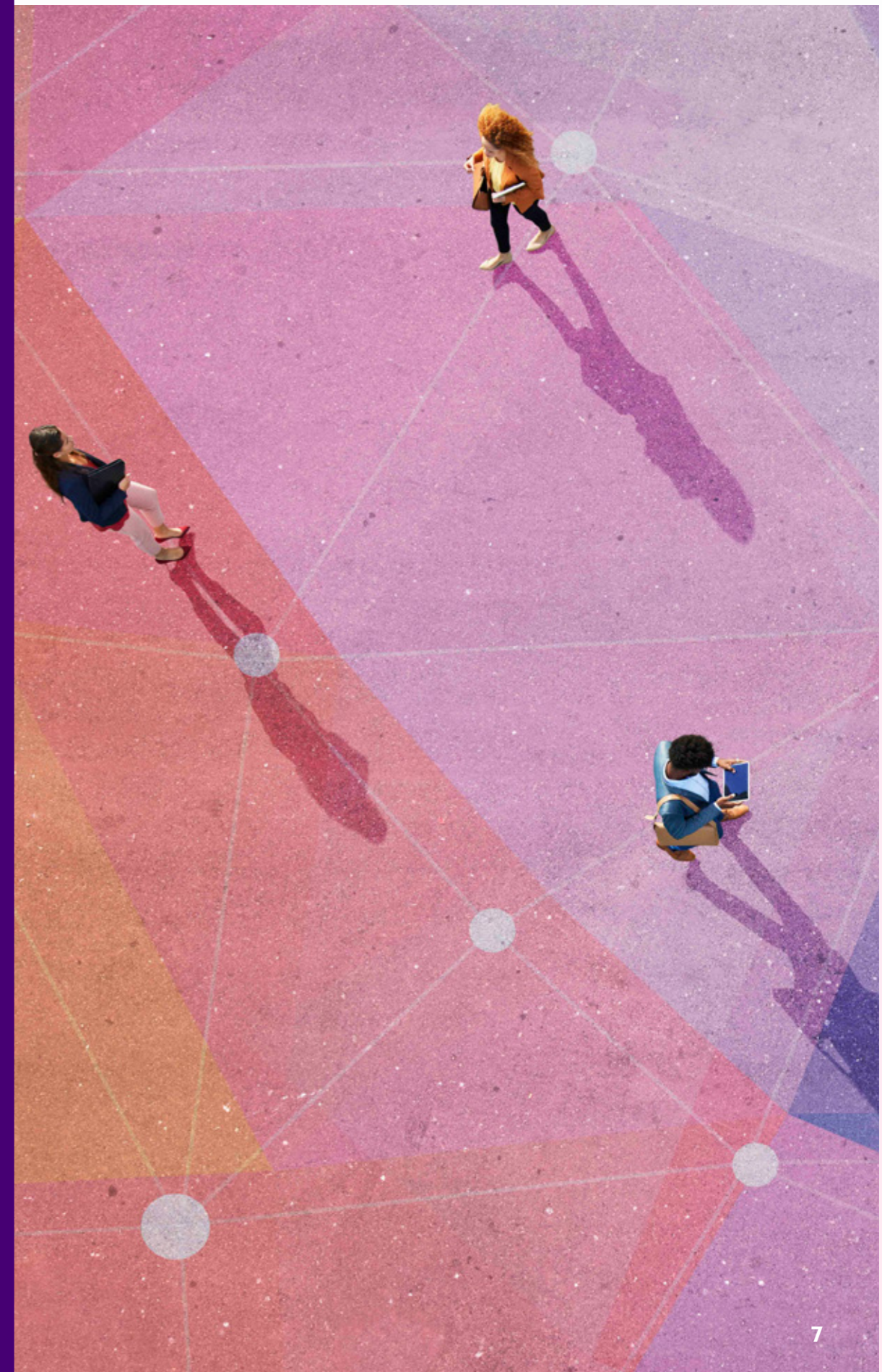
75% say they would be interested in complete car packages, including insurance, financing, maintenance and electric vehicle charging.

Case study

Mobilize Financial Services will offer integrated usage-based car insurance for Renault

Mobilize Financial Services, a subsidiary of the Renault Group, has announced that it is to launch Mobilize Insurance, a car insurance specialist for the European market that will offer integrated usage-based car insurance for Renault, Dacia and Alpine customers. As part of the group's ambition to create sustainable mobility for all, Mobilize Insurance will offer a 'pay as you drive' insurance model, with personalized pricing and offers.

Why does it matter? João Leandro, CEO of Mobilize Financial Services, said, "We're moving from selling cars to selling kilometers, in response to the rise of connected vehicles and the growing demand for personalized services that meet the needs of our customers in real time. We believe this is an unprecedented move in the European market, intersecting the automotive and insurance industries."



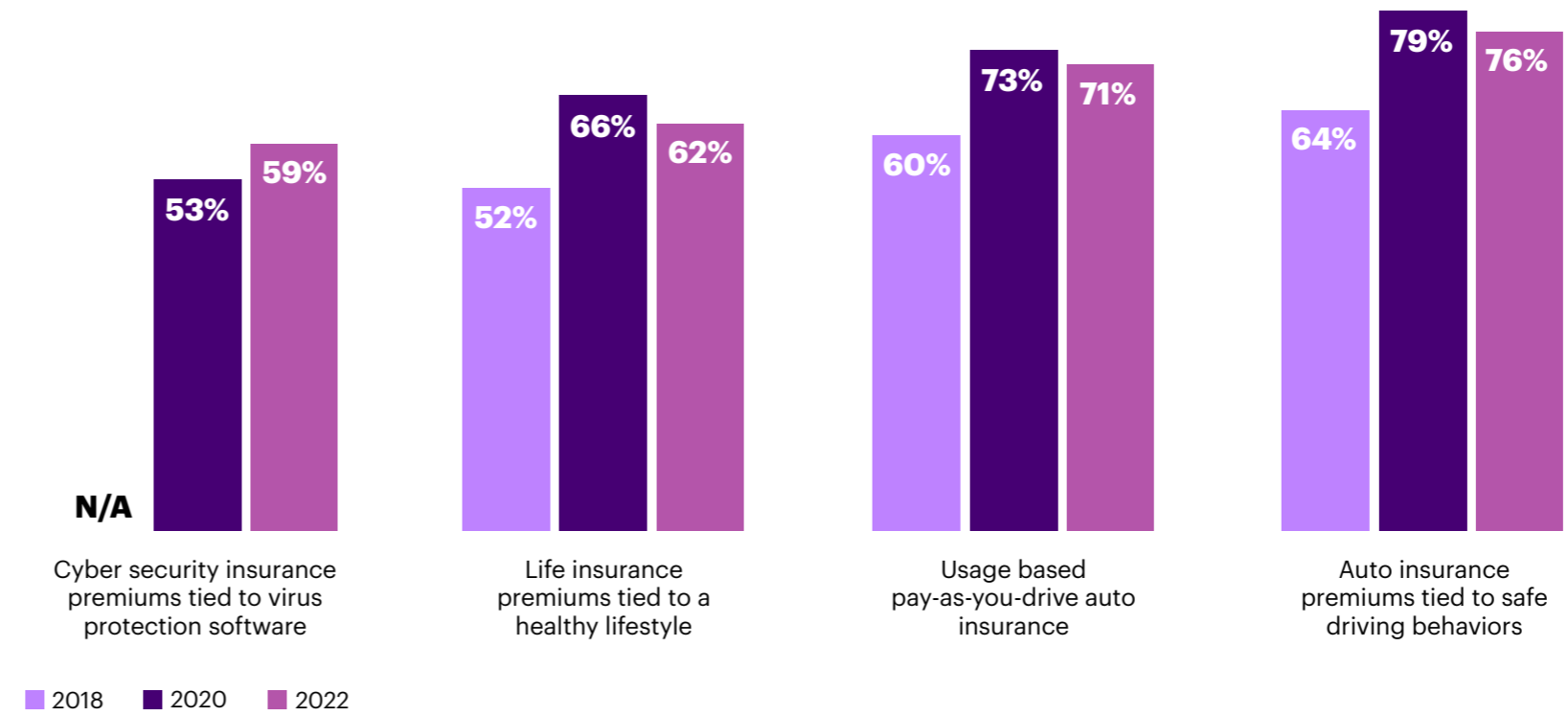
03 Make it personal.

Many carriers have already built the cloud, data and AI capabilities required to deliver usage- and behavior-based insurance. Beyond the COVID-era spike, consumers continue to show interest in these personalized solutions (Fig. 3).



Figure 3.
Demand for usage- and behavior-based products and services continues since COVID-era spike in 2020.

Percentages of respondents who say they are interested



Source: Accenture

Conclusion

Consumers want seamless experiences, but the legacy practices of insurers often fragment the journey. There are incredible opportunities for insurers to grow by strengthening their digital core and establishing the culture and capabilities that enable continuous reinvention. This requires them to connect functions and data across the value chain, create new ways to operate and engage people outside and inside the organization and ask new questions that inform new solution development.

It is a maturing of mindset. It takes insurers from product-centric to customer-centric to life-centric and brings the people behind the policies in scope for the total enterprise.

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