



Duck Creek  
Technologies

# Global Consumer Insurance Insights



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# Introduction

## A personal note from Duck Creek CEO Mike Jackowski

This is an exciting time for our industry, where the most successful insurance businesses are undoubtedly those who act on their ability to listen to consumers and react quickly.

So I know there is much anticipation around the results of this global survey of 2,000 consumers who were asked about their buying preferences, attitudes toward switching insurance and toward insurance innovations.

These results highlight significant strategic opportunities for carriers, brokers and insurance agents in domestic markets, regionally and globally. And at the heart of it all is listening and reacting to consumers on an individual basis, as well as harnessing data effectively to see and respond to the trends as they happen at scale across product lines and distribution throughout different regions.

While there were many positive data points in this survey, there is no getting away from the fact that the vast majority of consumers are indifferent about their overall perception of insurance.

The solution is staring straight back at us in the data—consumers highlighted customer experience as the most important factor for them in buying insurance, above and beyond pricing.

This is because personal insurance is a commoditized market around the world, with price comparison websites and strong competition leading to little price or customer experience differentiation. Consumers know this and it's why customer service has risen to the top of the agenda.

The challenge for carriers now is to move customers who are indifferent towards a positive experience in their buying cycle.

Vast improvements are already being made by leading carriers deploying the most forward-thinking and evergreen solutions available, and it's no surprise that they are finding a competitive advantage as a result.



As well as improving customer experience, the results of this survey also highlight clear opportunities to broaden the reach of insurance.

There is a stark lack of insurance penetration globally beyond the traditional motor, home and life insurance staples—but consumers expressed a strong interest in add-on insurance products and usage-based insurance on demand.

And the issue of claims was highlighted again as an emotive core focus for consumers—something that we all know to be true. There is so much more scope now for consumers to be kept up-to-date and treated in a personal, responsive and transparent way when they experience a claim. For many individuals and business owners this can be one of the most challenging and stressful times in their lives.

From my perspective, I was greatly encouraged to see that nearly 70% of global

respondents felt their insurance company treats them as an individual and a similar number felt that their provider cares about its customers.

For an industry that is often painted black, I hope this is heartening for carriers and brokers. The industry is improving every day and while more needs to be done to meet consumers' ever-changing needs, perceptions of the insurance sector are also better than they have been.

Now, carriers have at their fingertips the technology and tools they need to grow their distribution channels, maximize their data, and to empower the creation of truly compelling, persona-based interactions that anticipate and exceed consumer preferences and expectations.

I hope you find the results of this survey and the calls to action it presents as compelling and interesting as I did.



**Michael Jackowski**  
CEO  
Duck Creek Technologies



# Executive Summary

## Buying Preferences

- 37%** rate the insurance buying experience as good or very good
- 73%** on average preferred to buy direct from an insurance carrier
- 25%** of purchases were completed via brokers or other third parties
- 40%** preferred to interact through their provider's website

## Switching Preferences

- 85%** felt there was a good choice available
- 50%** search for insurance online
- 60%** would use online services to switch
- 45%** would prefer to make any changes to their policy needed online or through an app

## Engagement Opportunities

- 70%** felt their insurance company treats them as an individual
- 14%** had not received a renewal reminder from their insurer
- 32%** on average never heard from their insurance provider on an annual basis (where there was no claim against a policy)
- 95%** would like to hear more about the status of a claim

## Attitudes Toward Innovation

- 48%** would find add-on products appealing
- 58%** would find Insurance on demand appealing



## Calls to action for the global insurance industry



### Accelerate Speed to Market

The results of the survey show that consumers are increasingly receptive to new types of insurance, as well as to purchasing, amending and switching insurance through apps. But this goes hand-in-hand with high expectations for customer experience—consumers expect a seamless omnichannel experience from their carriers, brokers and third-party agents.



### Maximize Operational Efficiency

Carriers that use the most agile technology architectures are able to consolidate products, improve on their ability to cross and up-sell, and enhance self-service opportunities, all within their core systems. And they can do this in weeks or months, and scale a new product roll-out across their regional markets if their data indicates demand is there.



### Optimize Experiences

The critical message from consumers in this survey is that they want a personal experience, and they want the right experience customized for themselves. This is true, whether they are happy to conduct the entire transaction online, or whether they should be triaged for human intervention.

## Claims are a hot topic



*"I think there ought to be clear milestones with specific timeframes."*

**A respondent calling for more engaged communication from their insurance provider during a claim**

*"Give some money back if you don't claim."*

**A respondent raises the issue of rewarding policyholders who do not file a claim during the policy period**

*"A live update that I can access any time."*

**A respondent would like more easily accessible, real-time information about their claim**



## Opinions on digital interaction

*"I'd use an app or website and be totally content."*

**One digitally-savvy respondent sums up their view**

*"Personal treatment please."*

**One respondent highlights personalization as key to them**

*"Face-to-face with a company representative."*

**A respondent is clear that they'd prefer to interact offline with their carrier**



### **Harness Innovative Technology**

A single, unified suite of insurance software products can take inconsistency, poor integration, and lack of transparency off carriers' lists of worries. Building on this, a carrier's core systems provider should also connect them with global, regional and local ecosystems to empower seamless, relevant insurance purchases and claims management.



### **Grow Distribution Channels**

The feedback in this survey clearly shows the diverse nature of consumers' buying preferences and it is incumbent on insurance carriers to adapt distribution channels. It is critical that people have a choice as to how they buy the products they need, and all delivered seamlessly through a slick and nimble pre and post-sales process.



# About this Research

## KEY FIGURES

<b>2000</b>	<b>47%</b>	<b>53%</b>
Global consumer respondents	Male respondents	Female respondents

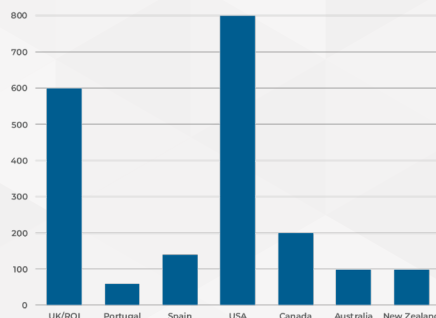
*This research was conducted independently by Research in Finance for Duck Creek Technologies, Inc (Duck Creek).*

This survey explores consumer views across the UK, Iberia, Australasia and North America on attitudes to and usage of insurance. The purpose of the research was to understand the importance consumers place on certain insurance metrics, as well as current and changing global purchasing behavior.

All respondents were required to currently hold an insurance policy and had to either solely or jointly make the decisions when buying insurance for their household. The global sample contained a similar gender and age split across the participating countries.

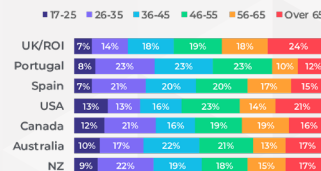
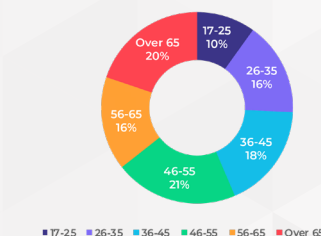
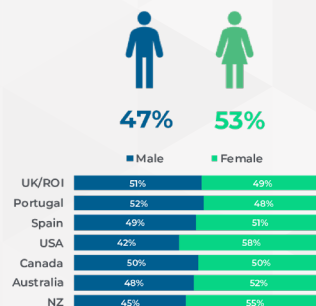
The purpose of this white paper is to kick-start discussion and highlight potential opportunities for insurance carriers to better understand and serve their general, commercial and personal lines insurance customers. The global nature of the survey also allows for comparisons across different regions to be made.

**Figure 1**  
Survey Size by Country



A1. Which of the following countries do you currently live in?  
Base: All respondents (2000), UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

**Figures 2 & 3**  
Age and Gender of Respondents



A1. Are you? A2. Which of these age groups do you belong to?  
Base: All respondents (2000), UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

# Consumer Preferences

## The Expert View

There are several stand-out results in this section for Duck Creek's carrier partners—perhaps most interesting is the global lack of insurance penetration beyond motor, home and life insurance—highlighting key opportunities for growth.

This is particularly the case in motor breakdown, mobile and gadget insurance, home emergency and pet insurance—which could also be offered as add-on products to policies to receptive consumers (see more about attitudes to add-on products in Insurance Innovation).

It was also clear that while the majority of respondents preferred to buy insurance directly from a carrier, over 25% of purchases were still completed via brokers or other third parties. This highlights the significance of distribution management in our industry, and as carriers look to grow distribution channels, ensuring that brokers and agents have all the right data available to empower smart, accurate and timely business decisions.

At the same time, the significant preference for a digital-only experience for the majority of consumers highlights the need for an excellent, user-friendly website coupled with the ability to harness data seamlessly for the benefit of customers to prevent duplication, errors and frustration.

### Mind the Gap

The results of the survey also highlight some communication and perception gaps. It was interesting that while 70% of respondents felt their insurance company treats

them as an individual, over one-third hadn't heard from their insurer over the course of a year, and 35% said they heard once from their insurer during the course of the annual policy.

On average, about one-third of respondents would prefer to hear about new services and other products once per quarter, whereas 37% want updates on policies just once per year. The data indicates many insurers are missing opportunities to communicate with consumers and have an active dialogue about their ongoing insurance needs.

Nevertheless, that insurance companies care about and treat consumers as individuals rests in the policy and underwriting process. Consumers share a lot of personal information with their insurers at the point of policy inception.

Similarly, there is plenty of scope for insurers to improve consumer experience and engagement throughout their claims journey. After all, claims are where the true promise of insurance comes into its own and are arguably the most critical interactions for consumers and insurance carriers alike.

Respondents commented about the lack of support during a claim. They felt "left in the dark" and also called for clear milestones with specific timeframes. Consumers generally want carriers to be more engaged, easily accessible and share real-time information during a claim. Respondents also raised the issue of rewarding policyholders who do not file a claim—an interesting concept that some carriers are already exploring.

# Consumer Preferences

## The Results

### Current Policies Held by Respondents

#### KEY FIGURES

85%

held motor insurance

68%

solely made the decision in their household when buying insurance products

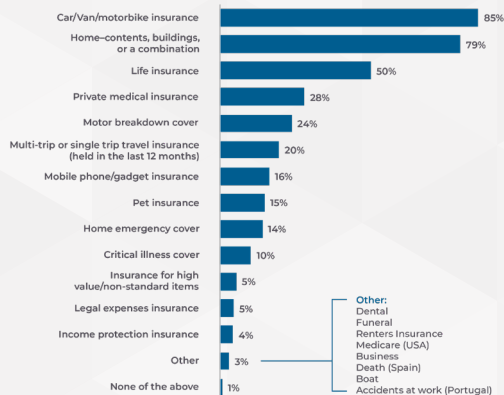
Of the 2,000 global respondents, 85% held a motor insurance product, while 79% held a home contents/building policy, and 50% held life insurance (**Figure 4**). Meanwhile, 24% held motor breakdown cover and 16% held mobile phone or gadget insurance. While the survey covered a wide variety of policies, there was a marked difference between the most common three policy types—motor, home and life insurance—and the other 12 options, which included pet insurance, income protection insurance and mobile phone / gadget insurance.

Globally, travel insurance was the least owned policy with between 7% (New Zealand) and 31% respondents (UK/ROI) currently holding a travel insurance policy, compared with the motor insurance grouping which was held by 84% to 97%

of respondents. The travel insurance response is perhaps unsurprising given that the survey took place during the omicron wave of the global pandemic in late 2021, with local lockdowns limiting demand for travel.

The majority of respondents (68%) had sole involvement in insurance purchasing decisions for their household, with some regional variations. Joint decision-making was most common in New Zealand (41%) and least common in the UK and Republic of Ireland (UK/ROI) (27%).

**Figure 4**  
Current policies held by respondents



QB1 Which of the following types of insurance products do you currently hold (please ignore any you might receive through your employer)? Multi response  
Base: All respondents (2000)

## Insurance Purchasing Preferences

### KEY FIGURES

**73%**

on average preferred to buy direct from an insurance carrier

**40%**

preferred to interact through their provider's website

**70%**

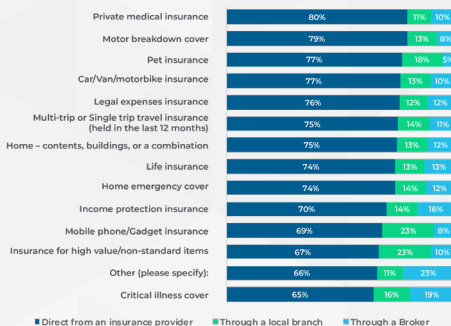
felt their insurance company treated them as an individual

Overwhelmingly, respondents across regions preferred to purchase an insurance policy directly from an insurance provider with 73% on average expressing this preference across product groups (Figure 5). However, this did vary to some extent by the specific product. Going into a local branch is most favored for gadget/mobile phone insurance (23%) or for high value items (23%).

There were regional differences, most notably that consumers in the USA were

**Figure 5**  
Insurance buying preferences

All respondents

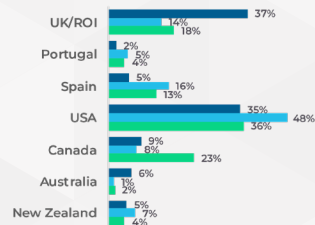


QB2. For each of the insurance products you currently have, please state which method you/your joint policyholder used to purchase the product?  
Base: All respondents (2000)

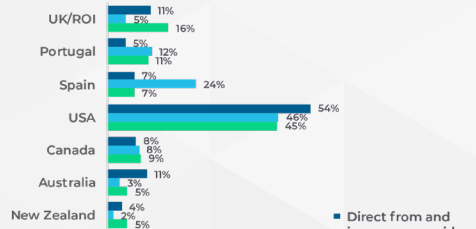
most likely to buy insurance through a local branch; while Canadians had a higher propensity to use an insurance broker (Figure 6).

**Figure 6**  
Insurance buying preferences by region

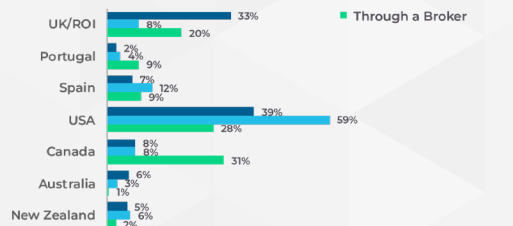
#### Home contents/buildings



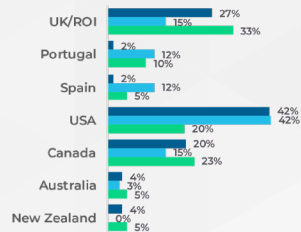
#### Private medical insurance



#### Car/van/motorbike



#### Critical illness cover



QB2. For each of the insurance products you currently have, please state which method you/your joint policyholder used to purchase the product?  
Base: Home Contents/buildings 1584 Private Medical 558 Car/van/motorbike 1703, Critical illness 206

Regardless of buying preference, nearly 70% of respondents felt their insurance provider treats them as an individual and that the company cares about its customers. Consumers in the USA are the most positive (**Figure 7**).

## Communicating With Consumers

### KEY FIGURES

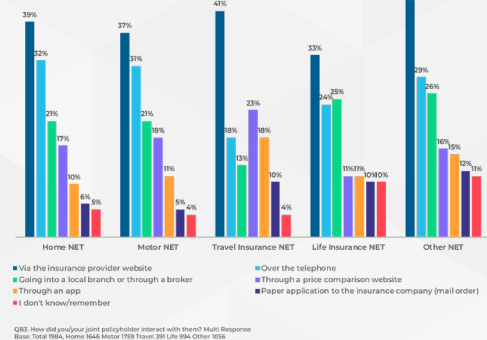
**40%**  
preferred to interact  
through their insurance  
provider's website

For all insurance products, approximately 40% of respondents preferred to interact through their provider's website, while more than a quarter preferred to use the telephone. Travel insurance was the product for which most respondents were comfortable using a price comparison website (**Figure 8**).

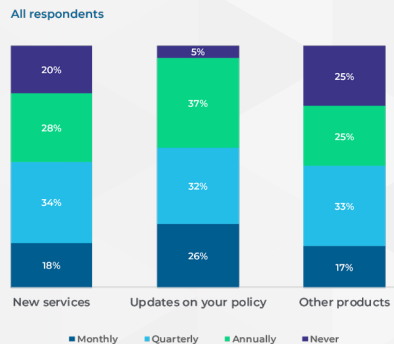
Meanwhile, nearly 30% of respondents preferred to use a credit card to purchase insurance, particularly if they were over 55 years old. Those under 35 years, preferred to use a debit card.

For all types of communication—from policy confirmation to renewal reminders, details about the insurance purchased, and marketing about additional products—respondents indicated they were most likely to have received it in an email from their insurance provider (**Figure 9**).

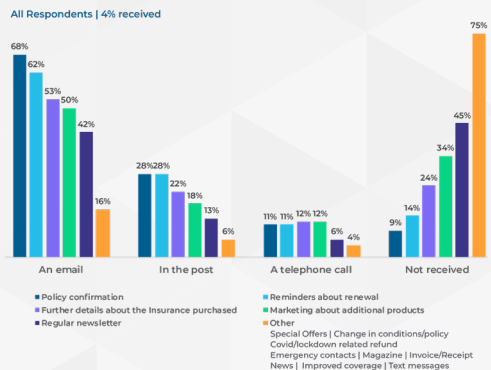
**Figure 7**  
Consumer interaction preferences



**Figure 8**  
Preferences for frequency of communication



**Figure 9**  
Communication after buying a policy—no claim





## Communication Without a Claim

### KEY FIGURES

32%

on average never heard from their insurance provider on an annual basis (where there was no claim against a policy)

14%

had not received a renewal reminder from their insurer

Outside of reporting a claim, on average 32% of respondents never heard from their insurance provider on an annual basis, with the quietest sector being home insurance. Here 35% of those surveyed said they didn't hear a thing all year from their insurer, and 35% said they heard once from their insurance provider during the course of the annual policy term (**Figure 10**).

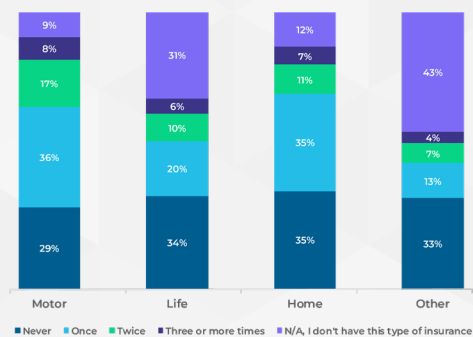
A quarter of motor policy holders interacted with their insurance company at least twice a year, less for home (18%), life (16%) and other (11%) policyholders. Spanish, Portuguese and UK respondents were the most likely to have never interacted with their insurance company regardless of product.

In terms of mid-policy interaction, 37% of global respondents said they would be happy to interact with their insurer via email once they had a policy in place, although a similar amount would prefer direct contact with a person (face-to-face or phone). The latter rose to 64% of Spanish respondents, while respondents from the UK/ROI and USA were most interested in using the Internet.

There were patchy responses in terms of other communications from providers such as marketing materials and further information about the insurance purchased. In fact, a rather concerning 14% of global respondents said they had not received a renewal reminder from their insurance carrier.

On average, about a third of respondents would prefer to hear about new services and other products once per quarter, whereas 37% want updates on policies just once per year (**Figure 11**).

**Figure 10**  
Frequency of communication outside of reporting a claim

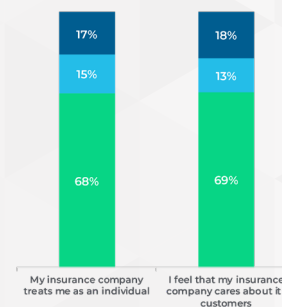


Q14 Except to report a claim, how many times have you interacted with your insurance company on an annual basis for each of these types of insurance?  
Base: All respondents (2009)

**Figure 11**  
How do consumers feel about their carrier?

All respondents

■ I don't know ■ Disagree ■ Agree



To what extent do you agree or disagree with the following statements  
Base: All respondents (2009), UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

## Communication Where a Claim Has Occurred

### KEY FIGURES

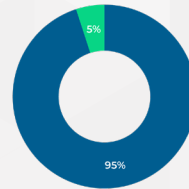
**95%**  
would like to hear about  
the status of a claim

When a claim had occurred, consumer's expectations around communication with their insurance provider increased. Almost unanimously (95%), respondents agreed that irrespective of insurance product, they would find it useful to hear about the status of their claim and its progression (**Figure 12**).

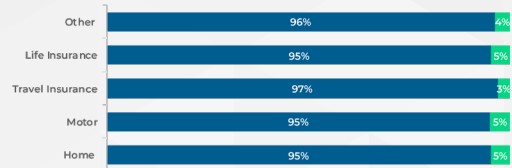
**Figure 12**  
Consumer communication preferences during a claim

All respondents:

■ Yes ■ No



By current insurance policy held



Q E6 When you need to make a claim, would you find it useful to know about the status of your claim and its progression path?  
Base: All respondents (2000)

## Consumer Preferences Regional Focus: UK / Republic of Ireland

Of the global survey respondents, UK/ROI respondents were among the most likely to have never interacted with their insurance company over the course of a year irrespective of product in the absence of a claim, with up to half of all respondents from the UK/ROI saying this was the case.

And consumers from this region were also less happy than the global average to interact with their carrier via email. Interestingly, the highest proportion of survey respondents here were happy to interact with their carrier via social media (15%) and the region had one of the highest insurance penetration rates overall across product classes.

Respondents from the UK/ROI also had one of the highest preferences for using brokers / agents to buy insurance, with this preference exceeding going direct to the carrier for private medical insurance and critical illness cover.

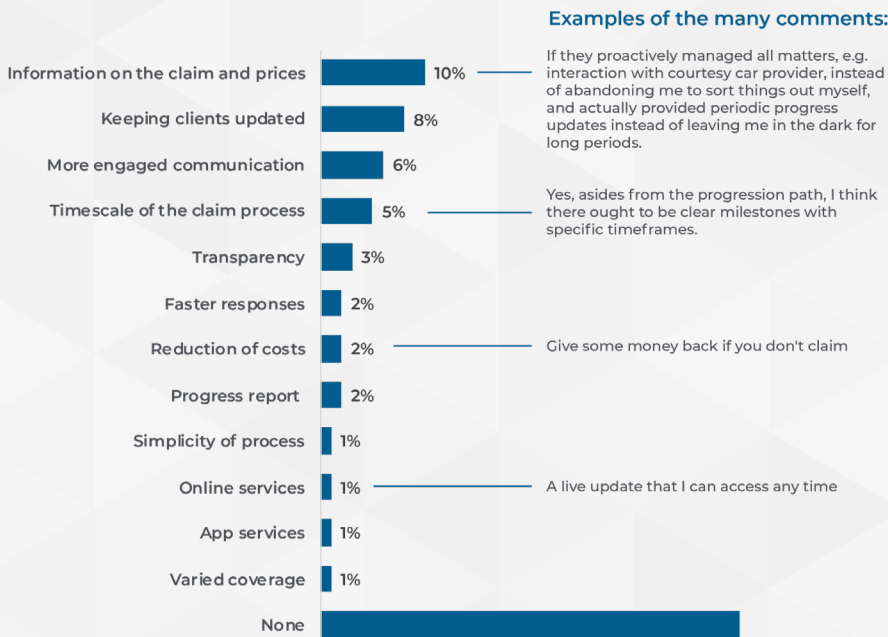
All of this further highlights the need for global, regional and local carriers to really know their markets and in particular, consumer buying and communication preferences. It is imperative to address regional communication gaps and harness data effectively to empower the creation of truly compelling, persona-based interactions that anticipate and exceed consumer preferences and expectations, while also satisfying agents and brokers in that market.

Insightful feedback was also provided by respondents about what else they would like to know from the insurance provider during the course of a claim. 10% said they'd like to hear more information about the claim and prices, and 15% said they'd like to be kept updated and have more engaged communication (**Figure 13**).

Commentary provided by respondents in answer to this question typically touched on issues around proactivity from insurers, and access to funds and services to support them during a claim. There was also focused commentary about the issue of rewards / money back if a policyholder doesn't make a claim.



**Figure 13**  
What else would consumers like to hear about during a claim?



QE7. Would there be anything else that you would find useful if your insurance providers were able to provide for you with regards a claim you have made?  
Base: All those who provided an answer (1720) – coded from open ended responses

# Switching Insurance

## The Expert View

Global consumers are increasingly digital-savvy, with younger age groups more so. This is demonstrated through the fact that the majority of respondents from around the world felt comfortable using price comparison websites to initially purchase insurance—and two-thirds said they would use online services to switch their insurance product, rising to nearly half when amending a policy.

This willingness to switch insurance policies and scout for offers should come as no surprise to carriers. And where highly commoditized personal lines products have little differentiation on price, this is driving the need for much better customer experience, and a greater degree of personalization.

Consumer preference and awareness around switching insurance online also highlights the importance of a good website that allows for an excellent and persona-based, digital-only experience, as well as nurturing critical distribution channels to capture consumers as they shop around.

Central to this is arming carriers with the tools to speed market entry with new products. Carriers may capture opportunities by rapidly configuring and competitively pricing insurance products so they are readily available when consumers search for them.

Carriers are already rising to this challenge, with the majority of consumer respondents feeling there was a good choice of options available to them when they came to switching insurance. However, there is clear room for improvement. Approximately 55% of global respondents reported a buying experience that was not good, with 14% rating it as poor or very poor.

There was some interesting commentary on the human interaction point compared with online—with respondents who had expressed a preference for human interaction citing “personal treatment” as reasons. Other comments included wanting to get “a complete listing of coverage and cost, with no surprises”, hinting perhaps at a perceived lack of transparency with insurance pricing.

The stand-out data point from this section of the survey is that over 50% of global respondents cited customer service as the determining factor in rating their insurance purchasing experience.

The clear call to action for carriers here is to continue to maximize their efforts towards optimizing the consumer experience. Consumers expect fast, personalized service wherever and whenever they need it, and to effectively compete, insurers need to offer easy, seamless experiences across technologies, apps, communications, and customer service.

# Switching Insurance

## The results:

### How Are Consumers Switching Insurance?

#### KEY FIGURES

85%

felt there was a good choice of options available

50%

search for insurance on the Internet

60%

would use online services to switch

45%

would prefer to make any changes needed via a website or through an app

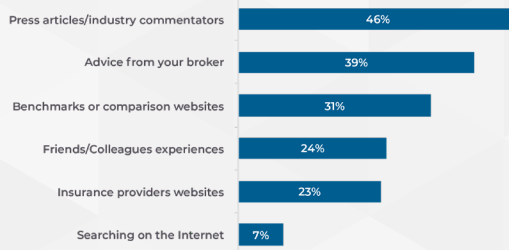
When it came to switching insurance products, globally the majority of respondents, 85%, felt there was a good choice of options available to them for purchasing insurance. Nearly half of respondents search on the Internet to find a new provider; four in 10 visit insurance carriers' websites and a third speak to friends/colleagues, with little variance by product (Figure 14).

More than 60% said they would use online services to switch their insurance products, turning to web chat or agents if they encounter any difficulties (Figure 15), but there were significant regional differences. For instance, 80% of British/ROI residents were happy to use online services to switch their insurance products,



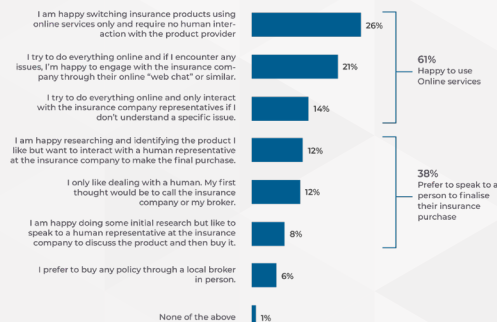
**Figure 14**  
Considerations before purchasing insurance

All respondents



Q C3 What factors/considerations do you take into account before deciding on your insurance purchases? (Multi response)  
Base: All respondents (2000, 2000), Home 1646, Motor 1759, Travel 391, Life 994, Other 1056

**Figure 15**  
How are consumers switching insurance?

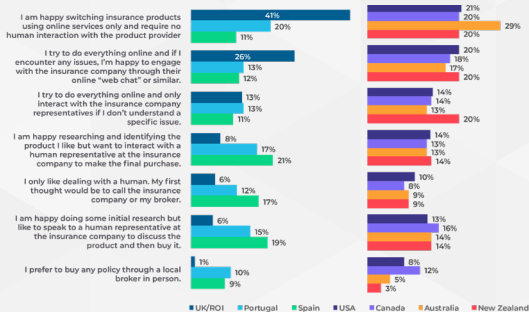


Q B7 When switching insurance products what statement do you most agree with?  
Base: All respondents (2000)

whereas 57% of Spaniards and 45% of respondents from the USA would prefer to speak to a person at some point in the process (**Figure 16**).

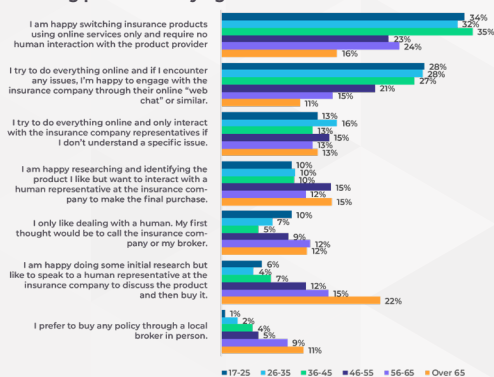
At the same time, younger age groups were more likely to be happy using online services, whereas older respondents preferred to contact a person/agent to complete their purchases (**Figure 17**). Irrespective of insurance product owned, nearly half of respondents would prefer to make any changes needed via a website or through an app—the figure rising to 58% for Australians. In addition, 60% of respondents felt the process of making a change to a policy was the same as when they first purchased it; most nationalities in the survey felt likewise although 7% of Portuguese respondents felt it was harder.

**Figure 16**  
Switching insurance preference by region



Q 17 When switching insurance products what statement do you most agree with?  
Base: All respondents (2009) UK/ROI 600, Portugal 40, Spain 40, USA 400, Canada 200, Australia 100, New Zealand 100

**Figure 17**  
Switching preference by age



Q 17 When switching insurance products what statement do you most agree with?  
Base: All respondents (2009) Ages 17-25 = 197, 26-35=314, 36-45=350, 46-55=412, 56-65=319, 65+=468

## Switching Insurance Regional Focus: Spain

Compared with the results for the other regions, respondents from Spain were the most reluctant to use online services to switch their insurance products. 57% of respondents from Spain prefer to speak to a person as part of their insurance purchase process.

Similarly, when it came to making changes to their insurance policy, the majority (64%) of Spanish respondents would prefer to either talk over the phone or go

into a local branch or broker. Interestingly, 69% of Spanish respondents also rated their insurance buying experience as less than good, with the majority of these sitting in the indifferent category.

This points to a regional opportunity for carriers to improve customer service in Spain, helping educate and incentivize consumers to opt for a more seamless, easy-to-access and personal digital experience.

## How Do Consumers Feel About Their Buying Experience?

### KEY FIGURES

**37%**

rate the insurance buying experience as good or very good

**55%**

rate the insurance buying experience as between very poor and medium

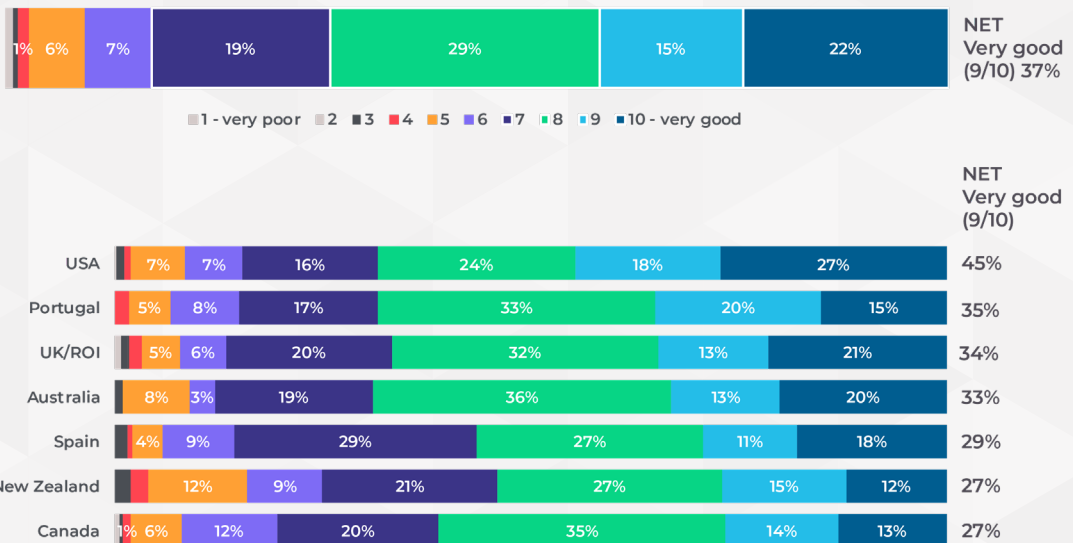
More than a third rate the insurance buying experience as good or very good. Respondents from the US were most pleased with 45% rating it as very good. However, this still leaves approximately 55% of global respondents who reported

a buying experience that was not good, with 14% rating it as poor or very poor. Canadians and New Zealanders were the least positive (**Figure 18**).



**Figure 18**  
How consumers rate their buying experience

### Experience of buying Insurance (Rating between 1 and 10)



Q C2 How would you rate your overall experience of buying insurance? Rate between 1 and 10 where 1 is very poor experience and 10 is very good experience  
Base: All respondents (2000), UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

Significantly, over half of the respondents mentioned that customer service was the determining factor in rating their insurance purchasing experience. Ease of buying (22%) and encountering no issues (12%) were also often cited as reasons behind their perceptions of their experience (**Figure 19**).

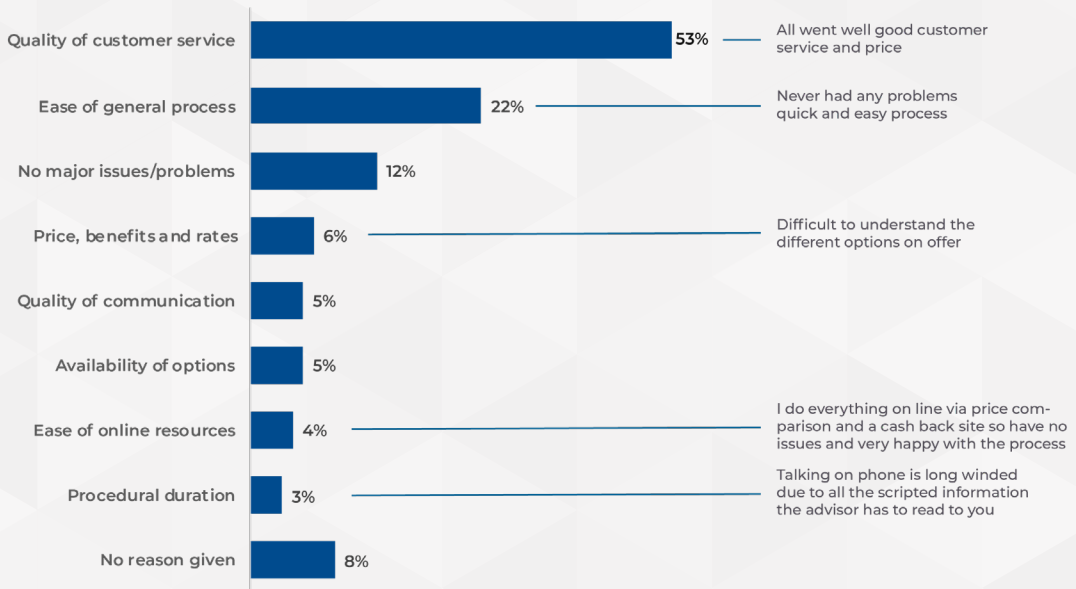
The comments that respondents made demonstrate the contrasting views about online options, with one respondent stating it was “difficult to understand the different options on an offer,” while another said, “I do everything online via price comparison and a cash back site so have no issues and am very happy with

the process.” Another respondent complained, “Talking on the phone is long winded due to all the scripted information the advisor has to read to you.”



**Figure 19**  
What factors influence the buying experience?

**All respondents**



QC4 Why have you given your experience that score?  
Base: All those who provided an answer (1976) – coded from open ended responses





## Switching Insurance Regional Focus: USA and Canada

### Making changing a policy easier

In the USA, 63% felt making changes to their insurance product was the same as when they first purchased it. 34% reported the process was simpler and 3% said it was harder. Similarly in Canada, 46% of respondents felt making changes was the same, 43% said it was simpler and 1% said it was more difficult.

41% of respondents from the USA said they were happy either switching insurance products using only online services or resorting to online web chat if they encountered difficulties. Similarly, 38% of Canadians felt this way. But this still leaves a large proportion of the North American market wanting some form of human interaction during the insurance buying and/or switching process.

This points to significant room for improvement in customer experience in one of the largest insurance buying markets in the world. Many insurance providers could do more to harness the potential of chatbots, for instance, which can provide information almost instantaneously and guide consumers to appropriate resources for more information.

Chatbots can also help carriers keep pace with the demands of customer service, offering a 24/7 service and handling multiple customer inquiries at once. They can also help triage customers who cannot find the answers they need and direct them to a human customer service representative sooner rather than later to avoid frustration.

# Insurance Innovations

## The Expert View

Innovating products and customer service is critical for carriers to remain agile, react intelligently and keep their offerings evolving and evergreen. The global pandemic has shifted consumer expectations of insurance and focused the spotlight on usage-based insurance propositions as consumers weigh the value of annual policies that they don't use all year round.

There are distinct regional differences, but from a global perspective, consumers are clearly expressing a strong interest in usage-based insurance. Most respondents show a preference for this type of cover for a specific one-off activity.

Currently usage-based insurance in many markets is focused on motor insurance with premiums built on data / telematics, artificial intelligence and machine learning that provide fair and transparent pricing based on the driving habits of each insured customer—with the most pioneering carriers rewarding good, responsible driving.

Similarly, there was strong interest in add-on product insurance. There is also significant scope for growing add-on insurance propositions to make them relevant and appealing at the point a consumer purchases a device or product that could benefit from this type of cover.

The results of this segment of the survey show there is strong global scope to expand education and awareness about both usage-based insurance products and add-on products, and to expand the range of products currently available in line with consumer demand.

As ever, the demographic and regional differences make it critical for carriers to know their market and know their customers and build trust in new products coming to market.

Clearly there is a huge opportunity for carriers to up their game in Spain and Portugal, where there is consumer receptiveness to new types of insurance. Using regional insights like this, carriers can make smart, accurate business decisions leveraging data, artificial intelligence and real-time metrics to offer more relevant and personalized insurance products.

This highlights a potential awareness gap around non-traditional types of insurance such as gadget and mobile phone insurance that carriers could harness to connect with digitally-savvy consumers from New Zealand and Australia, and ensure they are receiving the most relevant information about products and services available above and beyond the core motor and home insurance staples.

# Insurance Innovations

## The results

### Attitudes to Add-on Products and Usage-Based Insurance

#### KEY FIGURES

48%

would find 'add-on' products appealing

58%

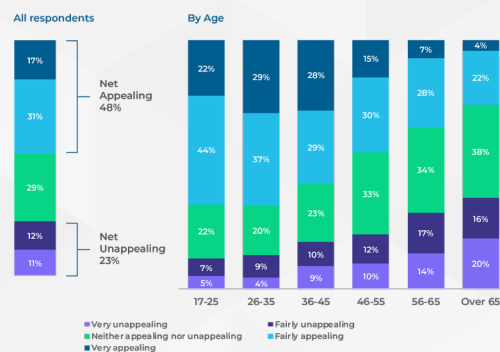
would find 'usage-based insurance' appealing

Many insurance products are available as add-ons when consumers purchase a new device or product—such as a mobile phone or a car. Respondents were asked how appealing they would find it if an insurance provider reached out to them after purchasing the device or product to discuss suitable add-on insurance options—48% said they would find this appealing (**Figure 20**).

However, the concept of usage-based insurance—where consumers can purchase cover in minutes and for short-term usage—for example, only paying for car insurance when driving—was even more appealing to respondents. Interestingly, more than half of respondents would be interested in a usage-based product that covered a specific event or activity, but 40% would be interested in it to cover a

short journey, indicating that for this survey sample at least event and activity cover was more popular than travel cover—highlighting potentially more consumer education and awareness raising opportunities about the breadth of possibilities (**Figure 21**).

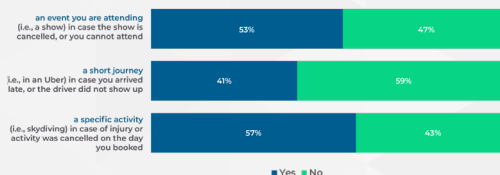
**Figure 20**  
How appealing are add-on products?



QD1 An insurance product may be a requirement or be available as add-on when you purchase a new device or product such as a mobile phone or a new car. How appealing would it be if an insurance provider reached out to you shortly after purchasing the device/product to discuss suitable insurance options?  
Base: All respondents (2000) Ages: 17-25 = 197, 26-35 = 314, 36-45 = 350, 46-55 = 412, 56-65 = 310, 65+ = 408

**Figure 21**  
Perceptions of usage-based insurance

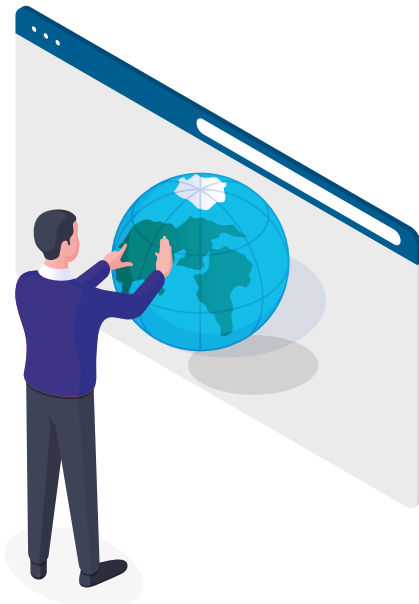
Would you be interested in 'insurance on demand' which was paid for at the time, where you are covered for:



D3 Would you be interested in 'insurance on demand' which was paid for at the time, where you are covered?  
Base: All respondents (2000)

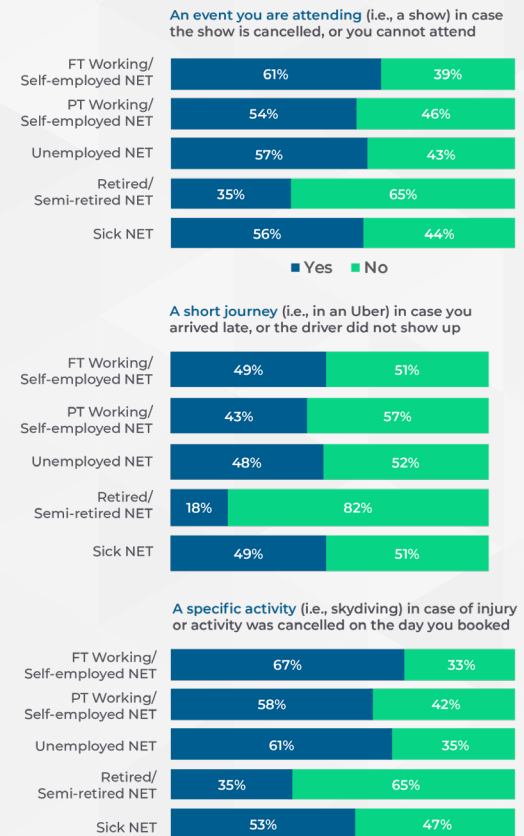
As well as coverage for short journeys, other different types of usage-based products were explored in the survey, including coverage of an event that was canceled, a specific activity such as sky-diving that was canceled or if there was an injury incurred. These ignited more interest from respondents, with most employed respondents showing a preference for usage-based cover for a specific one-off activity.

Overall, 58% of respondents would find usage-based insurance appealing, rising to 77% of those aged between 26 and 35 (**Figure 22**) with retired individuals less attracted to the “usage-based” proposition.



**Figure 22**  
Appeal of usage-based insurance by age

Would you be interested in 'insurance on demand' which was paid for at the time, where you are covered for



D3 Would you be interested in 'insurance on demand' which was paid for at the time, where you are covered for  
Base: All respondents (2000)

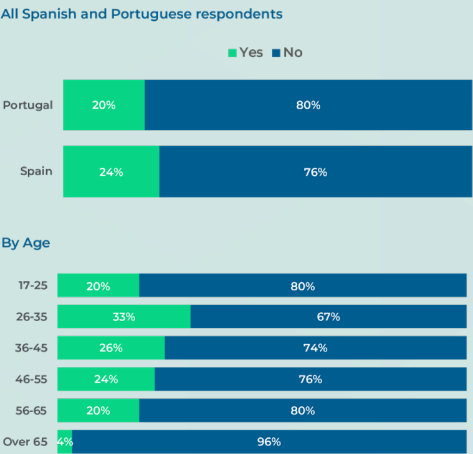
# Regional Focus: Spain and Portugal

## Attitudes Toward Usage-based Insurance

While differences exist, Portuguese residents in general had the highest penetration rates for all types of insurance other than travel insurance (Figure 23), with Spain also scoring strongly for insurance penetration across the board in comparison with other countries.

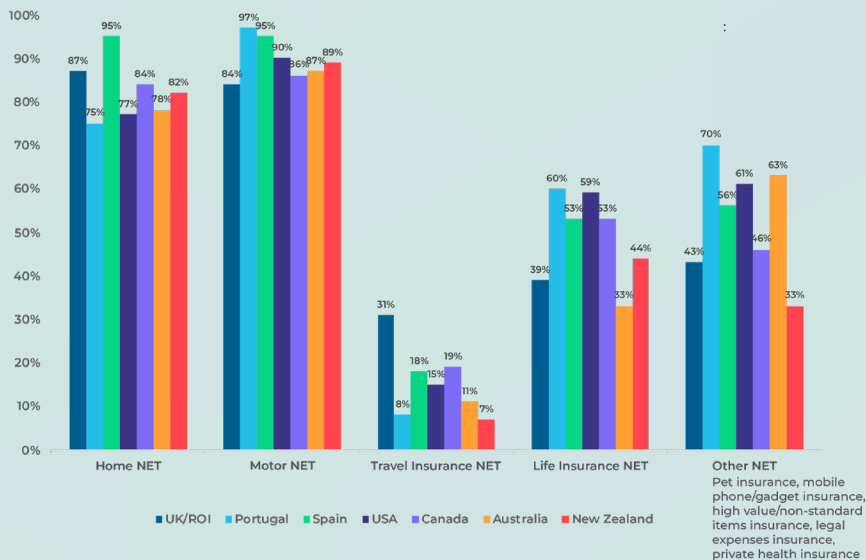
Given that insurance penetration is culturally so high in this region, it is noteworthy that only a fifth of Portuguese and a quarter of Spanish respondents had heard of usage-based insurance. This rises to a third of those aged between 26-35 (Figure 24).

Figure 24  
Spanish and Portuguese awareness of usage-based insurance



QD4: Had you heard of the term "insurance on-demand" before completing this survey?  
Base: All respondents (200) – Spain and Portugal respondents only

Figure 23  
Insurance penetration by product and country



QB1: Which of the following types of insurance products do you currently hold (please ignore any you might receive through your employer)? Multi response  
Base: All respondents (2000) UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

The survey explained the concept of usage-based insurance, and almost seven in 10 respondents from this region felt that this type of cover would be useful to cover their personal vehicles, rising to over 80% of Spanish and Portuguese students and more so for those aged 17-25 (**Figure 25**).

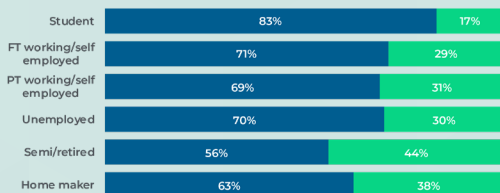
Adding to the picture, six in 10 Spanish and Portuguese respondents feel that the pandemic has resulted in them being more open to new types of insurance.

This increases significantly by household income (**Figure 26**).

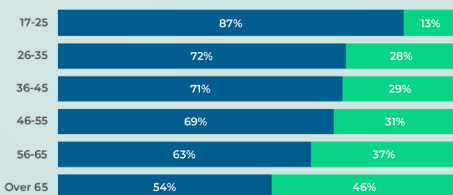
Clearly there is an opportunity for insurance carriers to up the ante in Spain and Portugal, where there is consumer receptiveness to new types of insurance. Using regional insights like this, carriers can make smart, accurate business decisions leveraging data, artificial intelligence and real-time metrics to offer more relevant and personalized insurance products.

**Figure 25**  
Spanish and Portuguese attitudes toward usage-based insurance for personal vehicles

By Insurance Policy currently held  
All: 69% Yes | 31% No



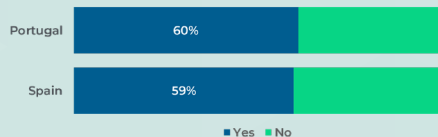
By Age



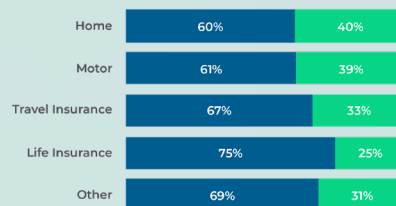
Q D5 Do you think this type of insurance would be useful for personal vehicles usage in particular?  
Base: All respondents (200) – Spain and Portugal respondents only

**Figure 26**  
The impact of the pandemic on Spanish and Portuguese attitudes

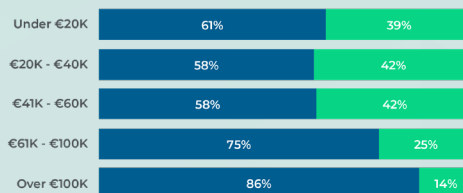
All Spanish and Portuguese respondents  
Net: 60% Yes | 40% No



By Insurance Policy currently held



By Household Income



QD7 Do you feel you are more open to new types of insurance since Covid-19?  
Base: All respondents (200) – Spain and Portugal respondents only

# Regional Focus: Australia and New Zealand

## Insurance Penetration

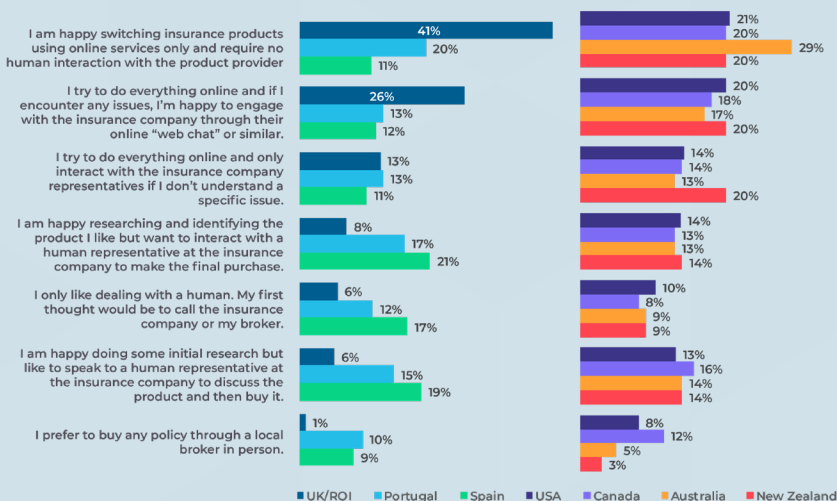
Compared with other regions, New Zealand and Australian respondents reported slightly lower overall insurance penetration rates. Respondents from these regions were most likely to have home and contents insurance and vehicle insurance, followed by motor breakdown cover, life insurance and private medical insurance.

However, New Zealand and Australian respondents held the lowest insurance penetration rates globally for gadget and mobile phone insurance, at just 1% and 3% respectively.

But at the same time, respondents from these countries also expressed an overall preference for online insurance buying and interactions (**Figure 27**), and they were part of the majority of global respondents who said they would find add-on product offerings from their carrier appealing.

This highlights a potential awareness gap around non-traditional types of insurance such as gadget and mobile phone insurance that carriers could harness to connect with digitally-savvy consumers from New Zealand and Australia, and ensure they are receiving the most relevant information about products and services available above and beyond motor and home insurance staples.

**Figure 27**  
Switching insurance preference by region



Q B7 When switching insurance products what statement do you most agree with?  
Base: All respondents (2000) UK/ROI 600, Portugal 60, Spain 140, USA 800, Canada 200, Australia 100, New Zealand 100

# Calls to Action

This survey of 2,000 global consumers highlights five central calls to action for the insurance market to take in 2022 and beyond.



## Accelerate Speed to Market

Consumers are more discerning and demanding than ever before and what they want is easy-to-access, transparent products that are timely and represent good value—without exception. The number of touch points needed at the point of purchase or renewal is also a key consideration and determined by the complexity of a product. While speed to market is also an important factor in achieving a positive customer experience, insurance providers must have a good understanding of which products their customers actually want and need—relevance is critical.

Getting new products to consumers quickly involves a number of elements working seamlessly together—infrastructure, regulatory compliance, pre-packaged content, and flexible technology—but it ultimately reflects an insurance carrier's confidence to deliver in a fast-paced and ever-changing market.

The results of the survey show that consumers are increasingly receptive to new types of insurance, as well as to purchasing, amending and switching

insurance through apps. But this goes hand-in-hand with high expectations for customer experience—consumers expect a seamless omnichannel experience.



## Maximize Operational Efficiency

Speed to market is also about the wider context of operational efficiency. Carriers deploying old core systems simply can't offer the processes, data access, and integrations necessary to support today's "within minutes" sales requirements. In contrast, those that use the most agile technology architectures are able to consolidate products, improve on their ability to cross and up-sell, and enhance self-service opportunities, all within their core systems. And they can do this in weeks or months, and scale a new product roll-out across their regional markets if their data indicates demand is there.

Cloud-based, software-as-a-service (SaaS) delivery solutions for core systems can provide all the services, support, and computing resources carriers need. By leveraging the best available technology and continuously delivering new functionality to solve evolving insurance business challenges, cloud architecture enables a fundamentally new and ever-green approach to maximizing operational efficiency and to competing in today's market.





## Optimize Experiences

The critical message from consumers in this survey is that they want a personal experience, and they want the right experience for themselves. This is true whether they are happy to conduct the entire transaction online, or whether they should be triaged for human intervention.

Multiple customer records across different legacy systems and third-party integrations do not make for an optimized customer experience. Insurance carriers must gain a 360-degree view of not only their customers but end-to-end visibility into all of their relationships. Carriers require the ability to deploy agile technologies that empower them with a centralized, complete understanding of the customer that allows them to make an addition or alteration to a customer or broker record and see it reflected across their entire relationship within their business.



## Harness Innovative Technology

Innovation and technology can sometimes be implemented by insurance carriers without really thinking through the what and the why—whether that be through a customer, data or an efficiency lens for example—and then looking at the right technology to enable that rather than looking to innovate for the sake of it and getting paralyzed by the amount of choice.

A single, unified suite of insurance software products can take inconsistency, poor integration, and lack of transparency off carriers' lists of worries. Building

on this, a carrier's core systems provider should also connect them with global, regional and local ecosystems to empower seamless insurance purchases and claims management.

By accessing ecosystems diverse with the best technology available, carriers can move away from closed-box silos to an open, adaptable, and evolving system of partnerships with innovators—such as those harnessing artificial intelligence, or telematics data—that work seamlessly with their core systems.



## Grow Distribution Channels

The feedback in this survey clearly shows the diverse nature of consumers' buying preferences and it is incumbent on insurance carriers to adapt distribution channels so that people have a choice as to how they buy the products they need - and all delivered seamlessly through a slick and nimble pre and post-sales process.

Nurturing and expanding relationships with brokers and third-party agents is critical to any insurance carrier's strategy. Having a modern producer relationship management system that enables insurers to tailor all aspects of the producer lifecycle to attract, retain, increase productivity, and build trust with agents, brokers, MGAs, and other intermediaries is a prerequisite for today's insurance carrier.

Deployed as a modern SaaS application, effective distribution management technology can digitally transform workflows to increase business agility, streamline operations, and ensure continuous compliance.

## About Duck Creek Technologies

Duck Creek Technologies is a leading provider of core system solutions to the P&C and general insurance industry. By accessing [Duck Creek OnDemand](#), the company's enterprise software-as-a-service solution, insurance carriers are able to navigate uncertainty and capture market opportunities faster than their competitors. Duck Creek's functionally rich solutions are available on a stand-alone basis or as a full suite, and all are available via Duck Creek OnDemand. For more information, visit [www.duckcreek.com](http://www.duckcreek.com).

North America 1-833-798-7789

United Kingdom, Ireland, Europe +44 800 029 3523

Australia, New Zealand & Asia Pacific +61 1800 430 929

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