Consumers and General Insurance - UK - December 2017

Report Price: £2195.00 | $2914.30 | €2501.64

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"Consumers are still extremely price sensitive when it comes to selecting a general insurance provider, as many see no reason to automatically renew with their existing insurer/s. However, the rollout of more loyalty schemes may help brands to improve retention and gain a valuable and regular touchpoint with Millennials in particular."
– Paul Davies, Associate Director – Financial Services

This report looks at the following areas:

- **Flexible policies can help to address the insurance gap**
- **The loyalty exchange**
- **PFMs could manage consumers' insurance needs**

The lack of loyalty shown in the general insurance market is abundantly clear. At least one in four consumers who own motor (39%), home (30%), annual travel (29%) or pet insurance (25%) policies have switched provider in the last 12 months, whilst very few have been with their provider for five years or more.

Price comparison sites remain a hugely popular tool for consumers, who are still most greatly influenced by price. It is therefore no surprise that price-matching schemes or promises to not increase premiums would be most likely to encourage consumers to renew with their existing insurer/s.

However, guarantees or assurances about pricing are not the only way in which insurers can try to instil loyalty. Young consumers are just as likely to be swayed by the presence of reward schemes, that offer them regular discounts or offers (eg 2 for 1 on cinema tickets).

Encouraging people to claim rewards online or via a mobile app could help to build relationships between insurers and customers. Insurers could use this touchpoint to boost customer loyalty, as policyholders will have to interact with their provider more, and will not want to risk losing rewards and benefits.

DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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