

Consumers and Insurance Innovation - UK - December 2018

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“Innovative and tech-based approaches to insurance are here to stay, but remain niche and are yet to significantly shake up the industry. Partnerships between traditional providers and start-ups will become more common to please that minority that values technology most, but effective overall innovation needs to simplify existing channels and processes and reward loyalty.”

– Irene Salazar, Financial Services Analyst

This report looks at the following areas:

- **Innovation: a means to an end**
- **Mobile apps have limited appeal**
- **Rewarding loyalty: the ultimate innovation**

Insurance is unlike most other markets when it comes to customer engagement. Consumers do not want to use the product or think about it unless it is time to renew and even a successful claim tends to be in the context of a negative experience. When trying to introduce new features or offerings, insurers face consumers’ resistance to even consider the scenario where they might end up needing insurance. As such, it is hard for a brand to innovate, to get people excited, to differentiate itself.

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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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The facts

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The Market – What You Need to Know

General insurance GWP up by 6% in 2017, with variation in distribution channels by sector

Price comparison sites and innovation: a circular reference

InsurTech and banking marketplaces

GDPR and Open Banking come into force

FCA calls for innovation to improve access to insurance

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InsurTech players in the FCA's sandbox

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Pluto: chatbot insurance through Facebook Messenger

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Comparison sites look to differentiate themselves

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Digital-only banking apps incorporate innovative insurance

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88% of people have at least one insurance product

Satisfaction declines as the customer journey progresses

Lack of engagement remains a challenge

A combination of basic but useful channels attracts the majority

Consumers most interested in being rewarded for their loyalty

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