

Consumers and General Insurance - UK - 2023

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This report looks at the following areas:

- Market size and performance for the general insurance market.
- Regulatory and legislative changes in the market.
- Recent brand activity, including launch activity, competitive strategies and advertising.
- Ownership and channels to purchase general insurance products.
- Policy management, both for straightforward changes and for claims.
- Attitudes towards general insurance, including purchasing.

Investment in digital services is important for future-proofing the market, however, providers should make sure that this does not come at the expense of traditional services, such as telephone helplines. 45% of insurance policyholders prefer to speak to someone on the phone when making a claim. While this sentiment is higher among older generations, 34% of 18–24 also hold this preference.

Insurance is an essential purchase for the majority and whilst the cost of living crisis will impact the market in value terms, the number of overall policyholders should remain resilient. However, inflationary pressure will raise insurance prices and insurers will need to ensure they support customers through this challenging period.

The squeeze on household finances presents a challenging environment for the market in 2023. Whilst some consumers are able to absorb higher insurance costs, many will look for ways to reduce the amount they spend on insurance. There has always been a trade-off between price and level of cover in the market, however, the current economic climate means that price will become an even more important factor at renewal for most consumers.

There remain opportunities for insurers to improve engagement and bolster brand loyalty in the market. Regulatory changes have brought pricing volatility to the market, however; by focusing on improving consumer outcomes,



“The general insurance market faces a challenging 2023 as inflation continues to grip the UK economy. While the essential nature of insurance means that cover cancellation is likely a last resort, consumers will look for ways to lower their cost of insurance or seek additional value from their policy.”

– **Natasha Hayes, Senior Financial Services Analyst, January 2023**

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providers can enhance not only the insurance purchasing journey but also the customer experience throughout the policy term, through flexible terms or extra rewards and benefits.

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