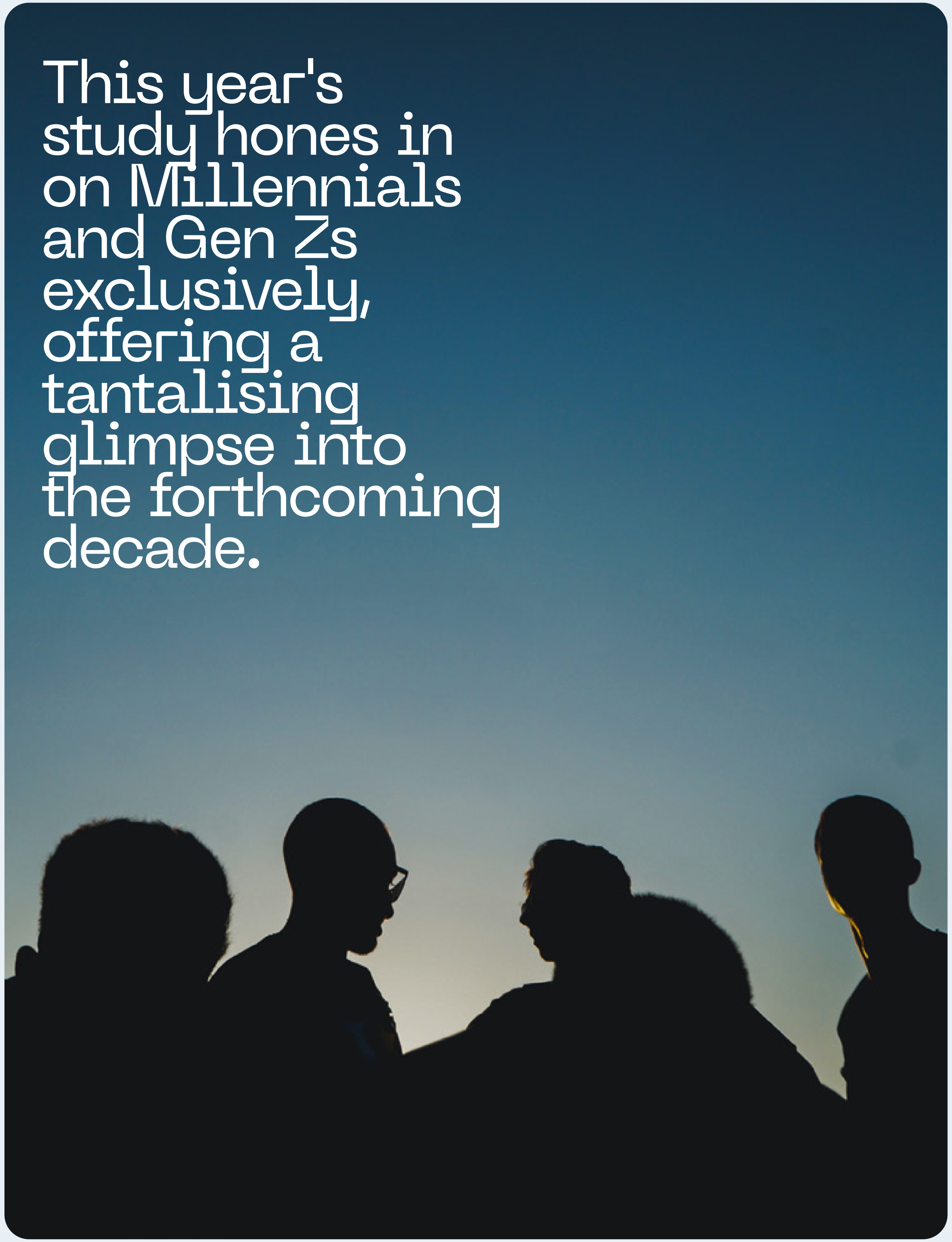
Global Consumer Study

A DECADE IN REVIEW:
PAVING THE FUTURE OF INSURANCE

2023–24

GLOBAL CONSUMER STUDY
10 YEARS
SINCE 2013
TEN YEAR EDITION

CONTENTS



As we look back, with the most severe consequences of the pandemic behind us, we are presented with the opportune moment to re-evaluate some of the prevailing trends that emerged during those times.

Notably, the acceleration of digitalisation and the heightened focus on both health and wellness were significantly amplified by the impact of Covid-19. The question looms: are these shifts enduring transformations, or transient ripples that will dissipate as the world gradually reverts towards its pre-pandemic state?

This year also marks the culmination of a decade-long journey with the Global Consumer Study (GCS). As we celebrate our 10-year anniversary and reflect on years gone by, we remain acutely cognisant that the future of the insurance landscape is being shaped by the Millennial and Gen Z generations. A decade ago, most of them were in the nascent stages of their education or embarking on their professional journeys. Fast-forward to the present, with three of those years deeply marked by the pandemic, we are left to ponder: What do they think about where the insurance industry is headed? And how has the lasting impact of the pandemic shaped their views?

In a quest for answers, this year's study hones in on Millennials and Gen Zs exclusively, offering a tantalising glimpse into the forthcoming decade. One resounding revelation is that the formidable impetus of digitalisation is firmly entrenched. [Insight 3, Living well in a connected world].

However, digitalisation is a double-edged sword. An evident correlation emerges between mental health concerns and stress, attributed to the omnipresence of social media in our digital lives. [Insight 4, Virtual lives: curse or cure?]. Yet, if harnessed carefully, digitalisation emerges as a potent instrument in aiding consumers to make informed decisions. In fact, the number one consideration during the purchase process is "good online reviews" – more so than price. [Insight 2, Mapping out the insurance journey]. Notably this is the first time in GCS history where "price" is not quoted as the most important decision factor.

To mark this special occasion, we modelled our consumer data from the last decade to generate longitudinal insights. The findings are nothing short of captivating. Consider, for instance, that the act of downloading a health and wellness app is a compelling predictor of insurance purchases. Our congratulations to insurers investing in health and wellness offerings!

Moreover, a clear nexus emerges between young consumers' insurance literacy and their inclination to invest in insurance products. In a landscape where customers clamour for outstanding experiences, dedicating time and effort to educate consumers about risk and the value of protection emerges as a mutually rewarding avenue for engagement, bridging both emotional and financial realms. [Insight 1, Decoding insurance for the youth].

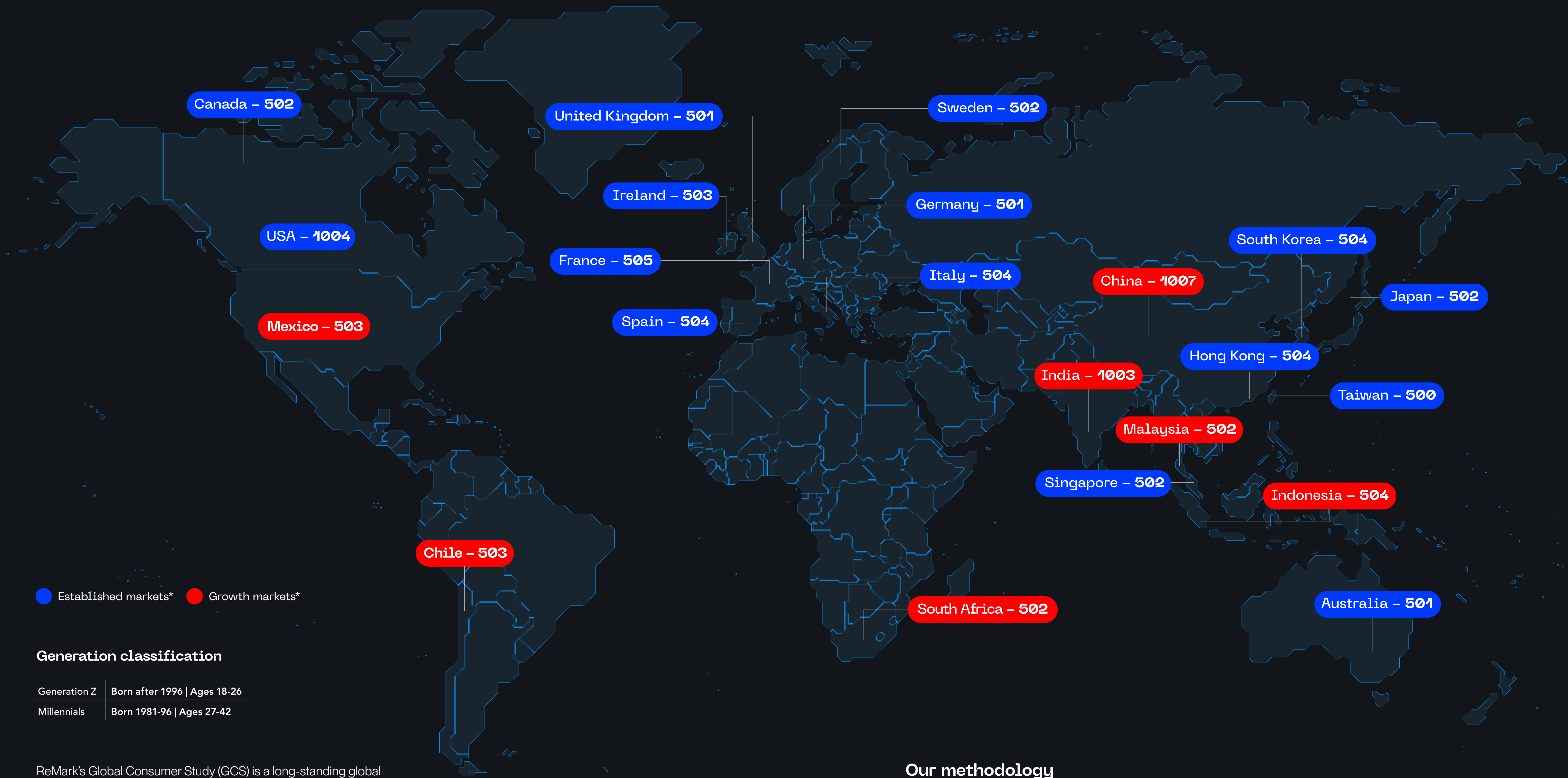
Similar to the previous year, we continue to include Property & Casualty (P&C) risk in this report. We dive deeper into the motor insurance and car telematics sector and expand on the ever-growing embedded insurance category. We unveil Gen Z and Millennial interest for add-on insurance, such as for ride-sharing apps or public bikes and scooters, but find ourselves at the intersection of seamless experience against affordability. [Insight 7 – Convenience vs Value: a balancing act].

In summary, we envision a forthcoming era defined by consumer experiences which illuminate the most effective sales strategy: investing in offerings that fortify their knowledge, well-being and brand affinity. The remainder is entrusted to them, as they are the architects of decisions that align with their best interests.

With eager anticipation, we look forward to the arrival of an exciting new decade ahead.

We extend our heartfelt gratitude to you, our dedicated reader, for your support over the past 10 years.

Na Jia, ReMark CEO



Generation classification

Generation Z	Born after 1996 | Ages 18-26
Millennials	Born 1981-96 | Ages 27-42

ReMark's Global Consumer Study (GCS) is a long-standing global survey of consumer attitudes towards insurance. Over the years it has given insight into major consumer trends on topical subjects linked to insurance such as data privacy, mental and physical health, wellness apps, AI, embedded insurance and Covid-19.

For the 10th edition, we are presenting 7 insights covering the consumer journey, from Life and Health (L&H) to P&C insurance. This milestone edition has a unique focus on Gen Zs and Millennials, the next generation of policyholders, investigating their attitudes towards – and opinions about – protection.

Our methodology

The GCS is based on the responses to an online survey of 12,563 consumers drawn from 22 key insurance markets around the world. Fieldwork was conducted in April 2023 by our market research partner Dynata. The sample and methodology for each market aim to be representative of consumers or potential consumers of insurance, based on national sets of demographic parameters (age, gender and region). Results are analysed by ReMark's research committee, which consists of a broad range of profiles from data analysts to marketers, researchers, insurance experts and independent consultants.

*The breakdown is made according to the latest available figures from the OECD in insurance spending per GDP and ReMark market analysis.

Paving the future of insurance

One might argue that the future prospects for the insurance industry are inextricably linked with those of the younger generations of its target market.

The Millennial generation are already of an age where they are acquiring assets and responsibilities that make them prime prospects for the insurance market. But, if Millennials are the present, Gen Zs are the future. This year's survey focuses on these two generations as it is their attitudes and beliefs that will shape the response of the successful insurers of the future.

Millennials have grown up alongside the development of the internet and have been enthusiastic and confident adopters of social media. Gen Zs have never known anything different. Their ease and familiarity with digital technology sets them apart from previous generations – a skill that brings with it both opportunities and challenges.

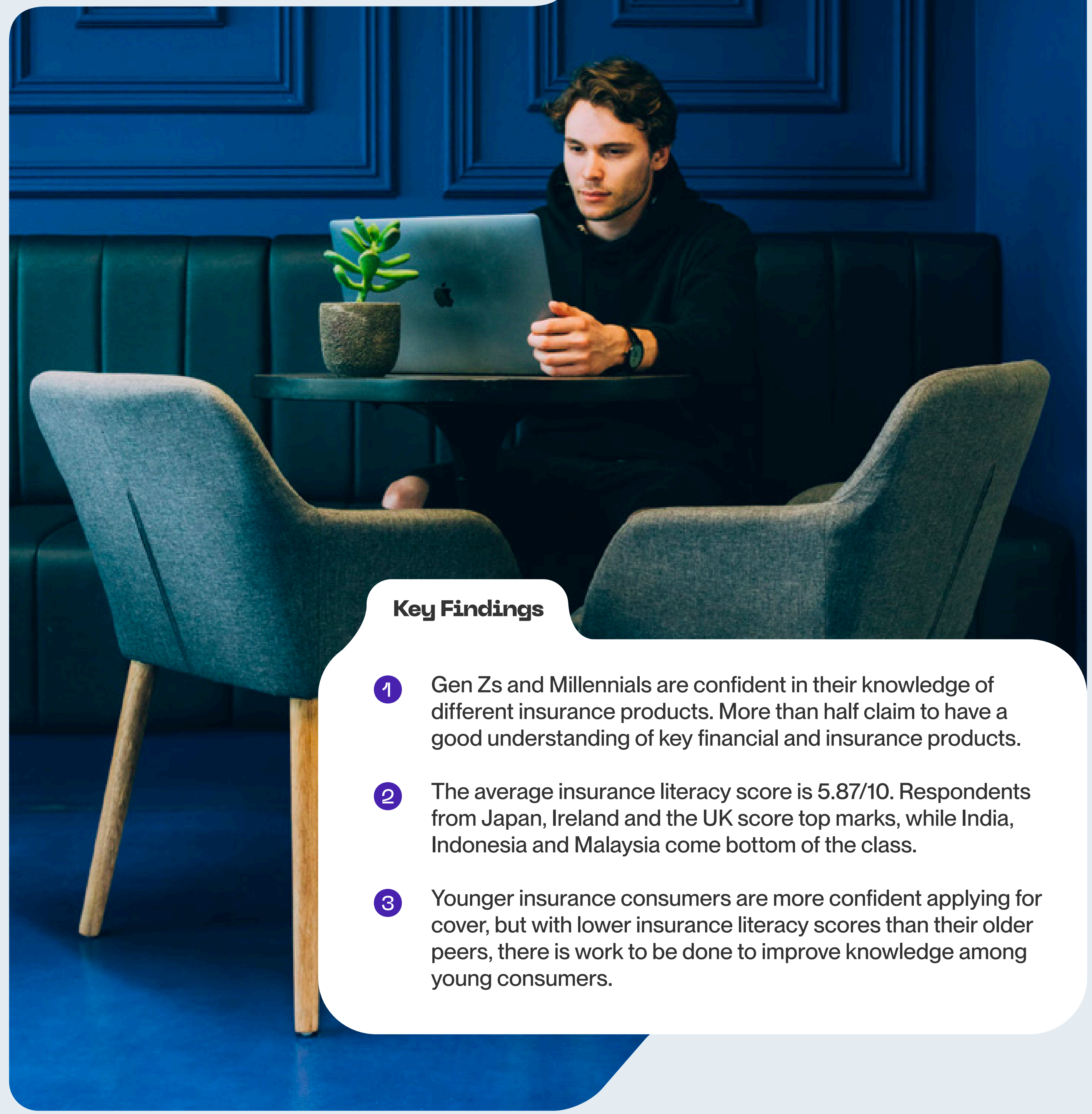
Digital technology can be both a blessing and a curse for insurers. It offers new ways to engage with the younger generation, but with the speed with which negative feedback can be spread online, it can magnify the reputational impact of poor customer service.

For the younger generation of customers, digital dexterity empowers them with access to a range of sources of advice and information. They are supremely comfortable with sharing information online. The downside is that not all of the information to which they are exposed online is necessarily accurate. They run the risk of being influenced by people who are neither qualified nor equipped to express an opinion on financial matters.

Perhaps most pernicious of all is the pressures felt by many young users of social media – pressures that can have a deleterious impact on their mental health.

So, as we shall see throughout this report, the digital world can be a double-edged sword. But it cannot be ignored.

INSURANCE LITERACY & LEARNING



Key Findings

1. Gen Zs and Millennials are confident in their knowledge of different insurance products. More than half claim to have a good understanding of key financial and insurance products.
2. The average insurance literacy score is 5.87/10. Respondents from Japan, Ireland and the UK score top marks, while India, Indonesia and Malaysia come bottom of the class.
3. Younger insurance consumers are more confident applying for cover, but with lower insurance literacy scores than their older peers, there is work to be done to improve knowledge among young consumers.

Insight 1 — Decoding insurance for the youth

77% of Gen Zs and Millennials feel they need additional education about insurance.

77%

“Real knowledge is to know the extent of one’s ignorance.”

This observation by Confucius has a timeless relevance. We put his thinking to the test.

As in previous years, we asked respondents to give a self-assessment of their knowledge of a range of financial products.

Well in excess of half of the respondents claimed to have a good or very good knowledge of both L&H insurance (58.9%) and Home & Motor insurance (57.3%). To put these numbers into context, perceptions of understanding of insurance products are below those for savings and banking, but considerably higher than those for the more specialised fields of pensions and investments.

There is really very little difference between the responses of the two generation groups. Surprisingly, though with perhaps little justification, Gen Zs have a more positive opinion of their knowledge of investments and savings than Millennials.

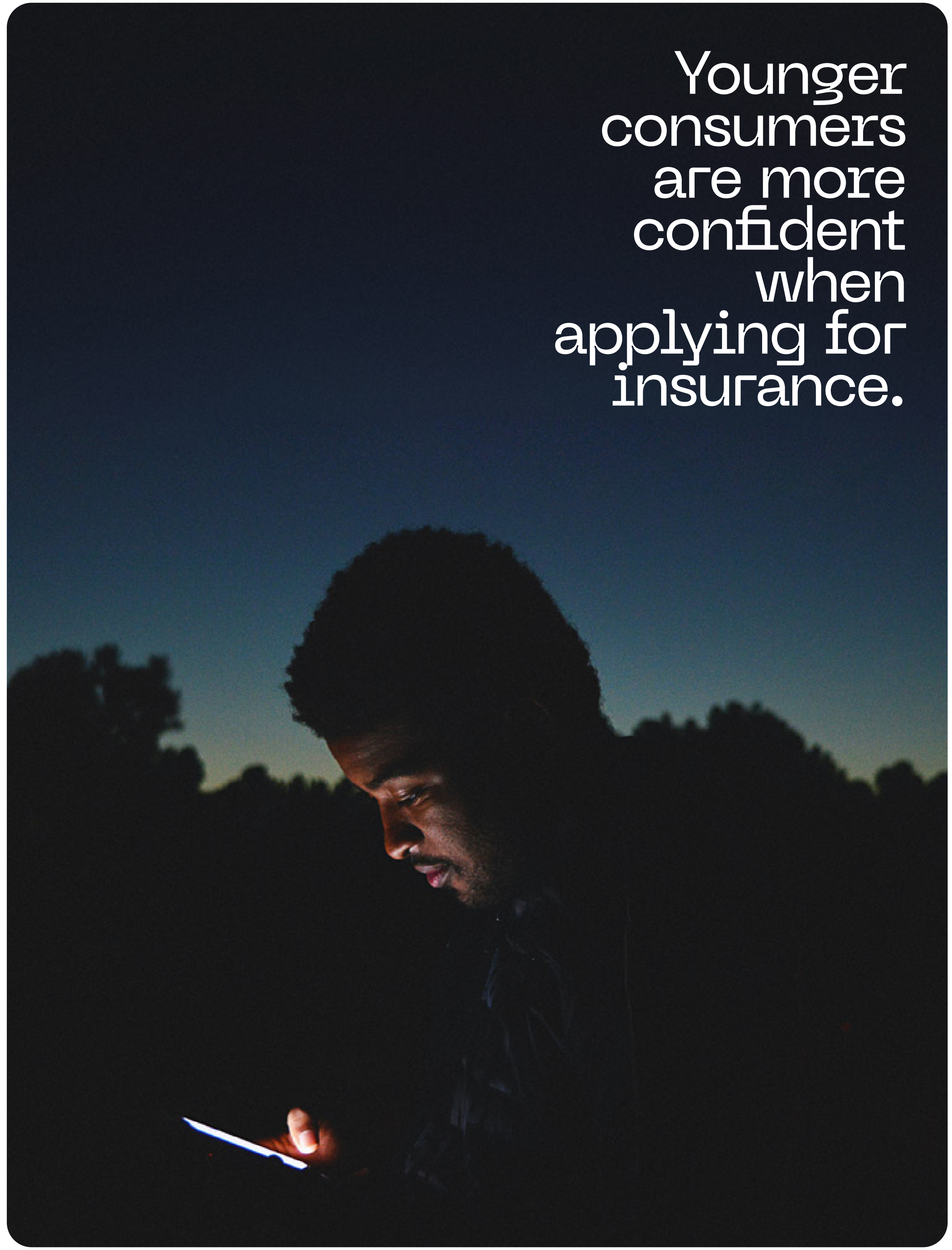
The survey included a quiz, designed to test knowledge of insurance, from which respondents were assigned an insurance literacy score out of a maximum of 10. As Confucius would have predicted, what people think they know does not necessarily accord with results of this more objective test.

	All	Gen Zs	Millennials
Life & Health	58.9%	58.7%	59.0%
Home & Motor	57.3%	53.4%	59.5%
Banking	62.6%	61.5%	63.1%
Investments	48.5%	50.0%	47.7%
Pensions	43.6%	43.7%	43.6%
Savings	69.3%	71.1%	68.2%

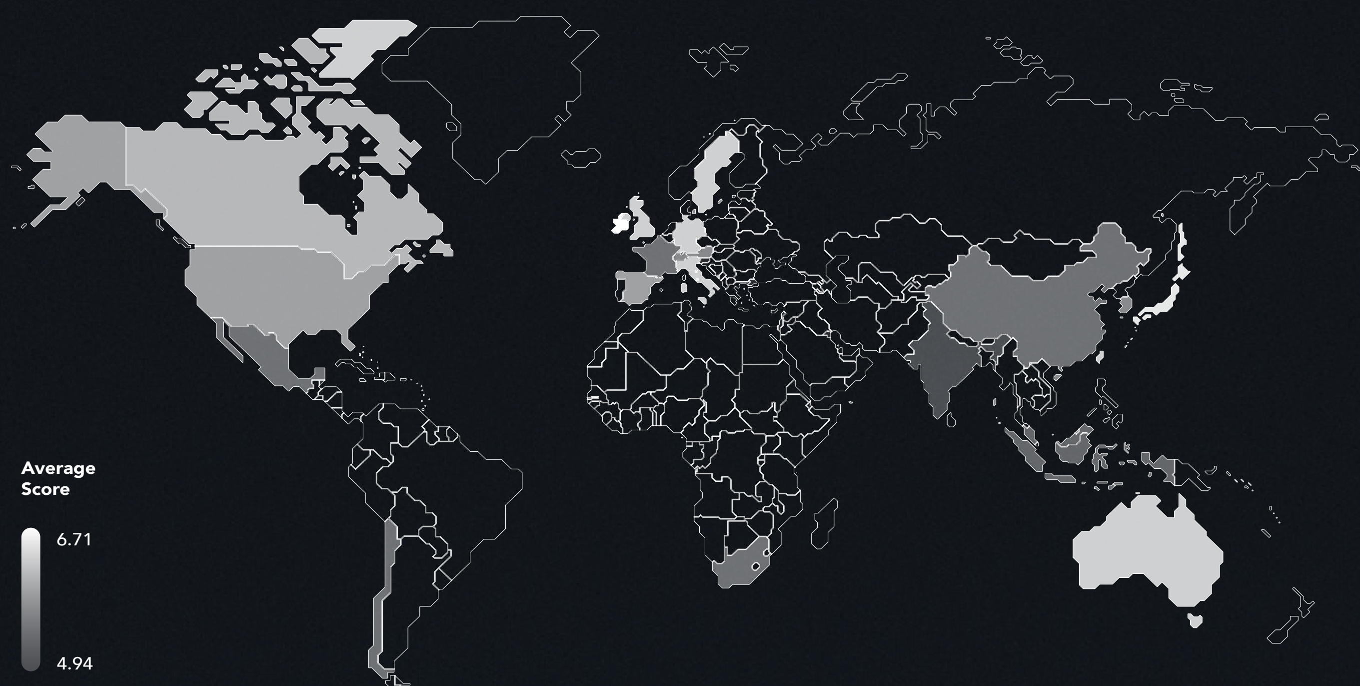
Q: How much do you think you know about the following?
Fig 1. Self-declared good or very good product knowledge

The global average score is 5.87. This is somewhat lower than the average score of 6.25 from an identical quiz last year. However, last year’s survey was conducted over a range of age groups including older generations who may be expected to have had greater exposure to practical dealings with insurers. If we compare this year’s figure with that for the same generation groups in 2022, we see that the literacy score has, in fact, risen from 5.52.

Quite marked disparities exist between self-perceptions of knowledge and what the test is telling us of reality. This is true of the two generation groups. Whilst they each have broadly similar self-assessments of their knowledge, Millennials, with an average literacy score of 6.1 fared considerably better than Gen Zs who scored an average of 5.45.



Average insurance literacy score by market



JAP	IRL	GBR	SWE	CAN	AUS	GER	ITA	USA	TWN	ROK
6.71	6.70	6.42	6.32	6.29	6.27	6.25	6.23	6.16	6.14	6.03
ESP	HKG	ZAF	MEX	CHL	SGP	CHN	FRA	MYS	IDN	**IND**
5.92	5.83	5.76	5.56	5.56	5.49	5.46	5.44	5.36	5.24	**4.94**

Fig 2. Literacy score by market

IDN	IND	CHN	ITA	ZAF	SGP	MYS	HKG	MEX	GER	FRA
84.6%	83.9%	71.7%	71.0%	65.1%	64.7%	64.6%	63.0%	62.0%	56.0%	53.0%
CAN	ESP	USA	CHL	TWN	ROK	IRL	GBR	AUS	SWE	**JAP**
53.0%	52.9%	52.2%	51.8%	50.3%	48.9%	48.5%	48.0%	44.8%	40.5%	**36.3%**

Fig 3. Self-declared good or very good knowledge claims of L&H and P&C

How much do you think you know about the following [insurance topics]?

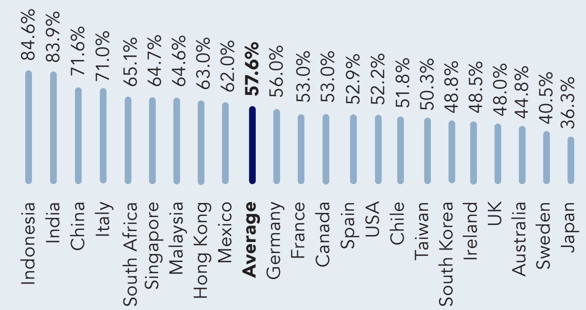


Fig 4. Self-declared good or very good knowledge of L&H and P&C by market

What would be your ideal way to learn more about insurance?

Fig 7. Ideal way to learn more about insurance

Significant differences also emerge when we look at the results at a market level.

It is immediately apparent that there is little correlation between those markets achieving the highest literacy scores and those claiming the highest level of knowledge. Quite the reverse. Whilst Japan heads the list of literacy scores its respondents have very modest perceptions of the extent of their knowledge.

Very good knowledge + Good knowledge by Insurance Literacy Score

5.68 Savings	**5.27** Pensions	**5.42** Investments
5.64 Banking	**5.61** Home & motor insurance	**5.47** Life & health insurance

Fig 5. Distribution of the literacy scores of those whose self-perceptions were good or very good

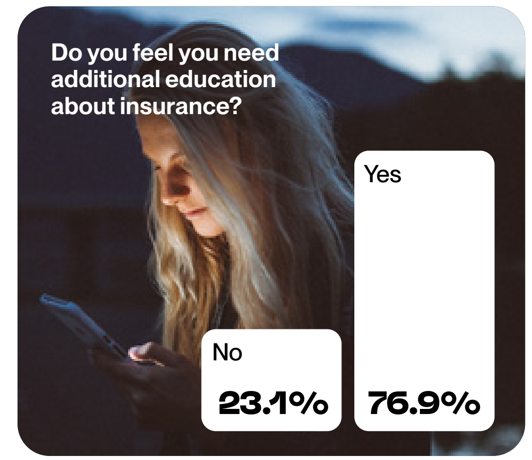


Fig 6. Self-declared need for additional education about insurance

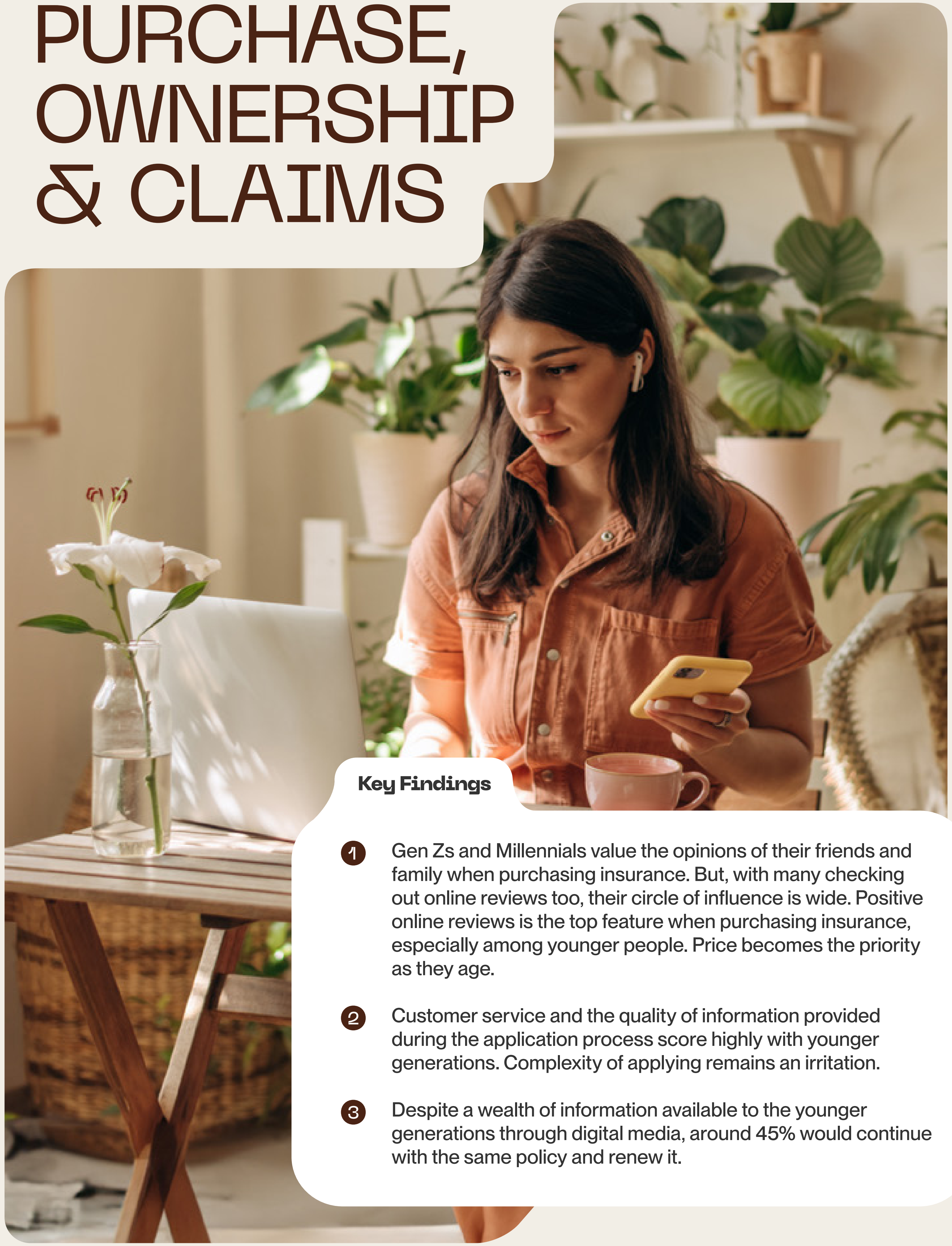
Despite the fact that many have a misplaced confidence in their knowledge, an overwhelming 77% of respondents accept that they have a need for more insurance education.

Those respondents who recognised the need for further insurance education were asked how they would best like to quench their thirst for knowledge. Even amongst the digital generations it is apparent that there is demand for a variety of training media and, in particular, there is still demand for the personal touch.

Nevertheless, over 40% would favour some form of online content. For insurers this gives the opportunity for greater control over messaging compared with leaving education to the whim of family and friends. The danger is that not everything that young consumers will see online is informed comment. Insurers need to ensure that their digital voices are heard above the noise of less qualified influence.

02

PURCHASE, OWNERSHIP & CLAIMS



Key Findings

1. Gen Zs and Millennials value the opinions of their friends and family when purchasing insurance. But, with many checking out online reviews too, their circle of influence is wide. Positive online reviews is the top feature when purchasing insurance, especially among younger people. Price becomes the priority as they age.
2. Customer service and the quality of information provided during the application process score highly with younger generations. Complexity of applying remains an irritation.
3. Despite a wealth of information available to the younger generations through digital media, around 45% would continue with the same policy and renew it.

Insight 2 – Mapping out the insurance journey

#1 consideration during the purchase process is "good online reviews" – more so than price.

Buying insurance is not what most have in mind when they think of "retail therapy". The products rarely if ever evoke excitement or pride of ownership. Nevertheless, nearly 85% of our survey participants have at least one P&C product and close to 80% have a L&H insurance policy.

What is it that has prompted our digital generations to buy insurance when, no matter how advisable insurance may be, there are so many more exciting products and services to claim their attention?

Our survey sought to find answers.

We asked respondents about their most recent purchase of both P&C and L&H products. We asked them what prompted their path to purchase; how they went about gathering advice and information, and about the factors influencing their choice of insurer.

Which of the following types of personal insurance (P&C) do you have?

- 65.1% Car insurance
- 49.3% Home insurance
- 25.3% Travel insurance
- 22.1% Mobile phone insurance
- 15.6% None
- 15.1% Pet insurance

Which of the following types of personal health or life insurance do you have?

- 43.1% Private health insurance
- 37.6% Health-related insurance
- 35.7% Insurance related to mortality
- 27.2% Accidental death and disability insurance
- 20.3% None
- 19.3% Savings-related life insurance

Fig 8. Personal and L&H Insurance ownership

Purchase triggers

Our questioning quickly dispelled any notion that young people simply have warm and fuzzy feelings towards insurance. Two-thirds of the most recent purchases of P&C products and nearly two-fifths of L&H purchases were mandatory. This might be where insurance is required by law – for example motor insurance or perhaps required as a condition of another transaction, such as home or life insurance in conjunction with a mortgage.

When it comes to discretionary purchase of insurance, it is interesting to see that time-tested family and friend recommendations are the single biggest trigger for both P&C and L&H purchases, for these age groups.

Furthermore, when we look at the responses by generation group, we see that Gen Zs are even more likely to be influenced by family and friends than Millennials.

However, the influence of digital media cannot be ignored. Social media (15.5%) and online or TV advertising (15.1%) are significant purchase triggers, particularly so for P&C products and noticeably more so for Gen Zs than Millennials.

Financial advisers continue to play a major role in generating L&H purchases, but hold very much less sway in the P&C market.

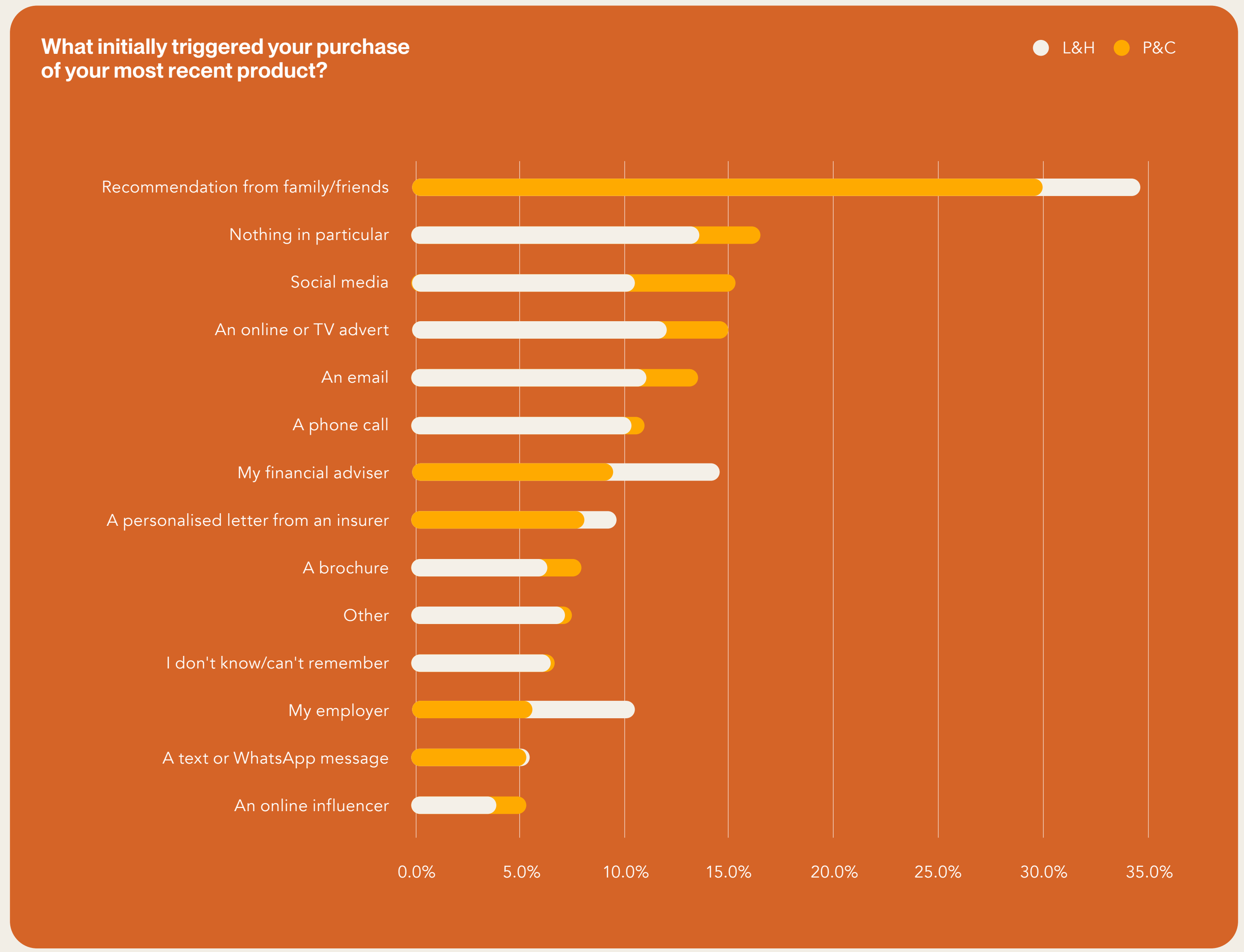


Fig 9. Most recent P&C and L&H purchase triggers (excluding mandatory purchases)

Sources of advice and information

Family and friends continue to have a major influence in the next stage of the purchase journey in providing advice and information (34% for P&C; 33% for L&H). The aggregate of the responses indicate that consumers are even more likely to seek professional advice from insurance agents or financial advisers (43% for P&C; 65% for L&H), but as we shall see below there are generational differences.

In addition, a significant proportion of respondents conducted research online (37% for P&C; 27% for L&H).

When we examine the key sources they turn to for advice, we see a generational paradox. Gen Z respondents, arguably the most digitally literate of the generations, are less likely to research online than Millennials. Equally Gen Zs are less likely to turn to professional advice than Millennials.

Fig 10. Sources of advice for P&C and L&H purchases

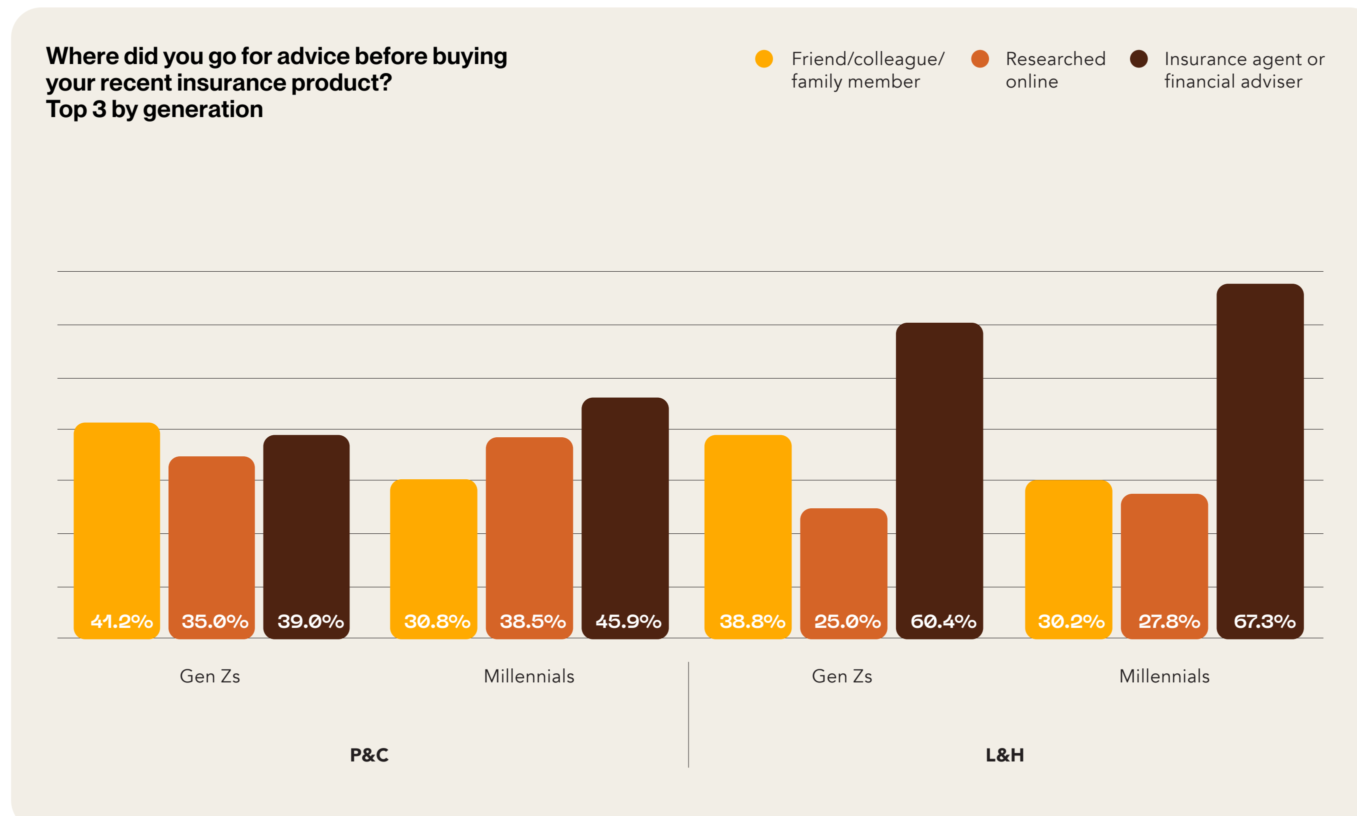


Fig 11. Sources of advice by generation

Choice of insurer

We now know something of how younger consumers go about gathering advice and information, but what is it that they are looking for? What is it that would attract them to a potential insurer?

Our survey participants were asked which features would be most important to them when selecting an insurer.

It is striking that for the digital generations, good online reviews are as important – and more important for Gen Z respondents – than price. It is a fact that underlines the dividend to be gained from good customer service and conversely the penalty to be paid for failing to meet expectations. Customer experience can be shared very quickly and widely online – a double-edged sword for insurers!

It seems that reputations for action on environmental, social and governance issues are not a significant factor in the purchase decision for these generations. This should not be interpreted as a sign that these matters are of no importance. In all probability, it reflects the practical difficulty of making an objective judgement of the competing merits of insurers.

Respondents appear to be drawn to established brands, but nonetheless are open to the possibility of buying from new online companies that have recently entered the market.

Over 50% would be willing to forsake brand reputation if the new online competition were cheaper or more convenient.

Factor	Gen Zs	Millennials
Quick purchase process	11.2%	8.2%
Quick claims process	5.2%	8.5%
Price	21.8%	26.5%
Good online reviews	28.3%	24.1%
Established brand name	17.9%	19.7%
Diverse product range	9.9%	9.5%
Affirmative action on ESG	5.7%	3.4%

Q: When purchasing a new insurance product, which of the following are most important?
Fig 12. Most important factor during the buying process

A number of new online-only insurance companies have recently entered the market. Would you be willing to buy insurance from a company like this?

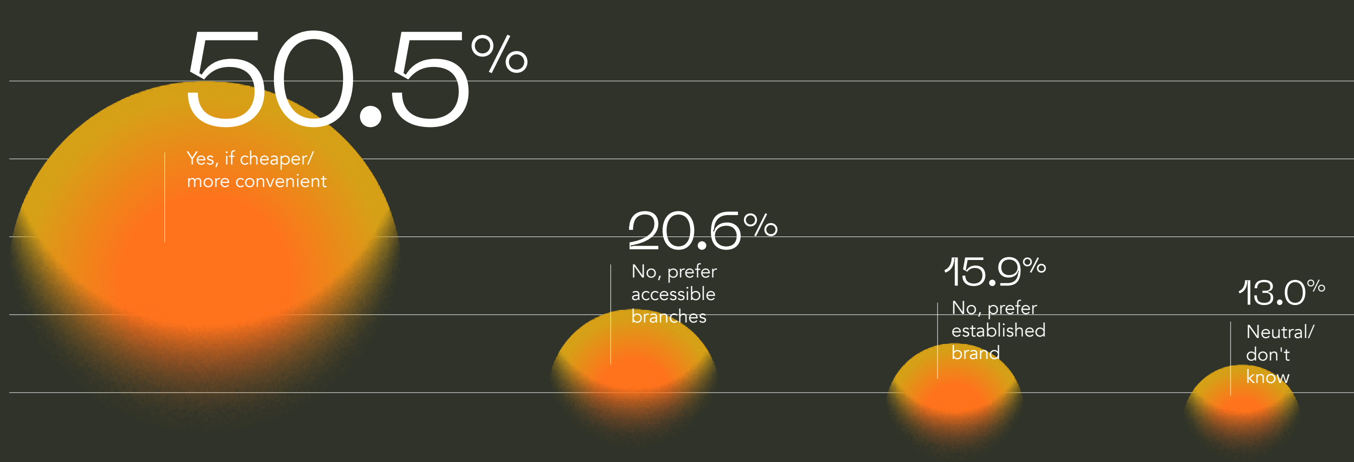


Fig 13. Online-only brand purchases

Time to commit

The research is done; the choices made, now how much attention is paid to the documentation before completion? We asked respondents the extent to which they read the fine print.

There are no significant differences between responses by generation, but a huge diversity of responses from different markets.

By far the most diligent are the Indonesians 48.2% of whom claim to read the documentation in detail. Following them are the Chinese, 38.9% of whom claim to read the fine print. The French sit firmly at the relaxed end of the spectrum. 22.2% just sign without a further thought and only 12.2% review documents in detail. Somewhat surprisingly, the Japanese show a similar level of disinterest in the detail. 19.4% just sign and only 11.8% - even fewer than the French – look at the detail.

I only read cost and summary	33.8%
I read most of my policy document	31.6%
I review in detail	20.5%
I just sign it	14.2%

Fig 14. Attention to policy documents/ contracts before signing

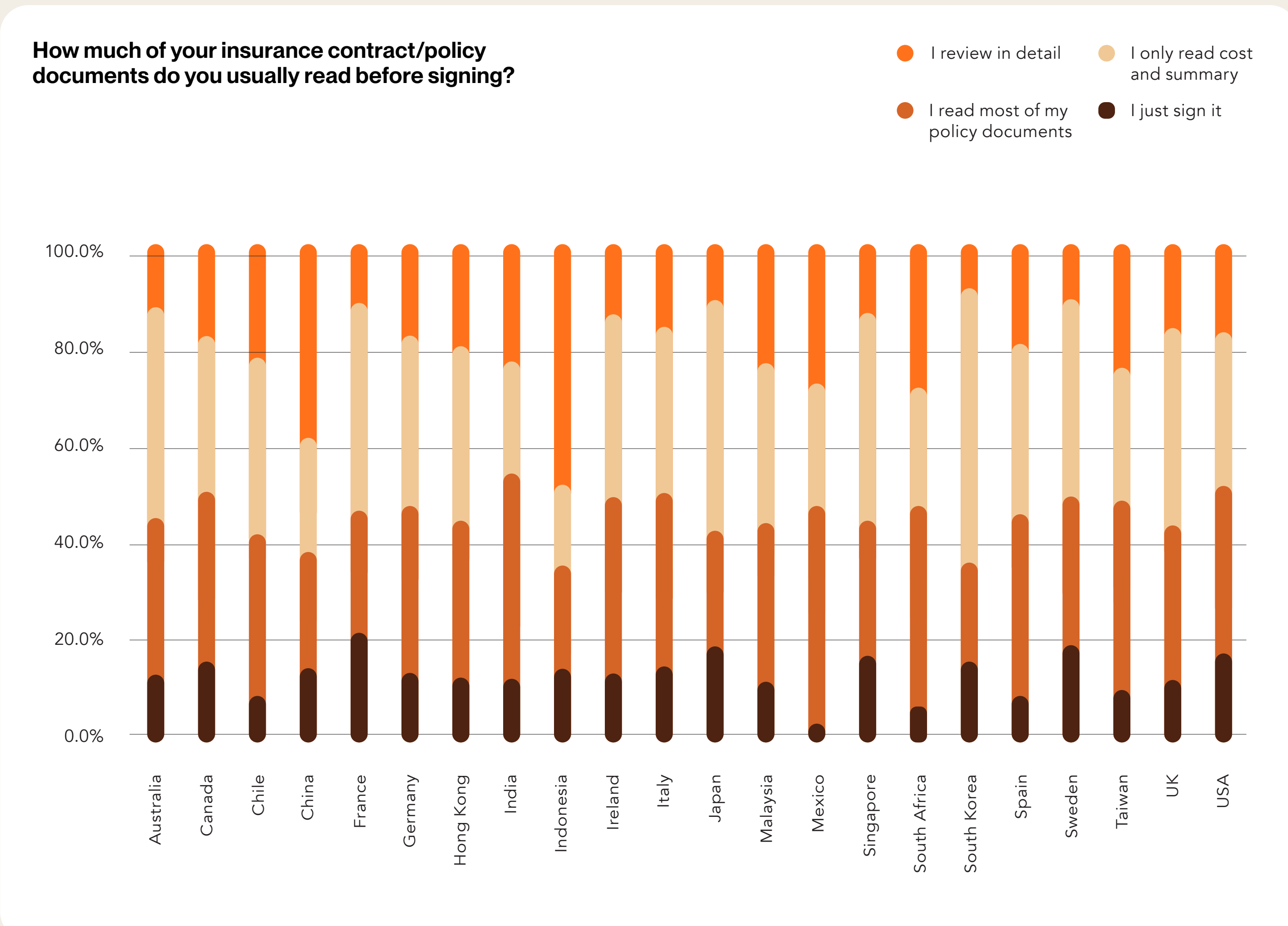


Fig 15. Attention to policy documents/contracts before signing by market

Beyond the purchase – happy ever after?

As we have remarked so often, insurance is not a purchase to quicken the pulse. Once bought it sits patiently and largely unnoticed until or unless the fateful day arrives when it is called into action. So, the purchase process is a rare opportunity to make a lasting impression.

As a test of how well the industry is doing, we asked those participants who had purchased insurance in the last two years to give star ratings out of 5 to various aspects of the process. From the results it would seem that the industry is doing a good job – either that or young people are extraordinarily generous with their ratings!

At first sight, by far the least satisfied with their experience were the Japanese. Taking customer service as an example, just 16% awarded 5 stars in respect of their P&C experience and a little under 19% for L&H. However, 4- star ratings were very much in line with the averages across all markets. One is inclined to suspect that cultural differences are playing a part.

Rate the following aspects of the buying experience out of 5 stars

P&C	4*	5*
Customer service	39.9%	41.3%
Time taken to apply	37.7%	39.8%
Clarity on data usage	36.2%	36.0%
Application length	37.9%	37.1%
Complexity of application	35.9%	34.4%
Quality of information provided	37.9%	42.9%

L&H	4*	5*
Customer service	39.5%	39.4%
Time taken to apply	38.2%	36.1%
Clarity on data usage	37.2%	36.7%
Application length	38.8%	35.4%
Complexity of application	37.3%	35.7%
Quality of information provided	36.2%	43.3%

Fig 16. Star ratings of recent purchases

Customer communication

The challenge for insurers is to build on this promising start and build brand loyalty with their customers. One way is by regular communication. But this, again, can be a double-edged sword – approaching customers too often or with unwanted information is likely to be a cause of irritation rather than appreciation. The survey sought guidance on what types of content would be of interest.

It appears that Gen Zs are more receptive to educational content than their Millennial counterparts. But it is clear that communications that might bring some financial benefit sparked the most interest – money management tips and information about discounts and offers.

There is relatively little appetite for company news.

Those who expressed interest about receiving more information about any of the topics were also asked for their preferred delivery method.

Which of the following types of content would you be interested in receiving from your insurer, and how often?

		Open to hearing more	Fine with current comms	Would like less	None
Products	**Gen Zs**	35.2%	41.4%	15.3%	8.2%
	Millennials	30.7%	42.0%	15.6%	11.7%
Lifestyle	**Gen Zs**	35.3%	38.8%	17.6%	8.3%
	Millennials	28.2%	42.0%	17.0%	12.9%
Finance tips	**Gen Zs**	43.4%	35.7%	13.9%	7.1%
	Millennials	38.1%	37.5%	13.6%	10.8
Discounts	**Gen Zs**	49.4%	33.0%	11.8%	5.8%
	Millennials	49.7%	35.2%	9.5%	5.7%
Co. news	**Gen Zs**	27.0%	36.9%	23.0%	13.1%
	Millennials	23.2%	39.8%	20.2%	16.7%

Fig 17. Type and frequency of content respondents would like from their insurer

Perhaps surprisingly, for these digitally focused generations, the most favoured option is the relatively old technology of the email. This is perhaps a recognition that an email may still be the best medium for detailed content.

How would you like to hear from your insurer?

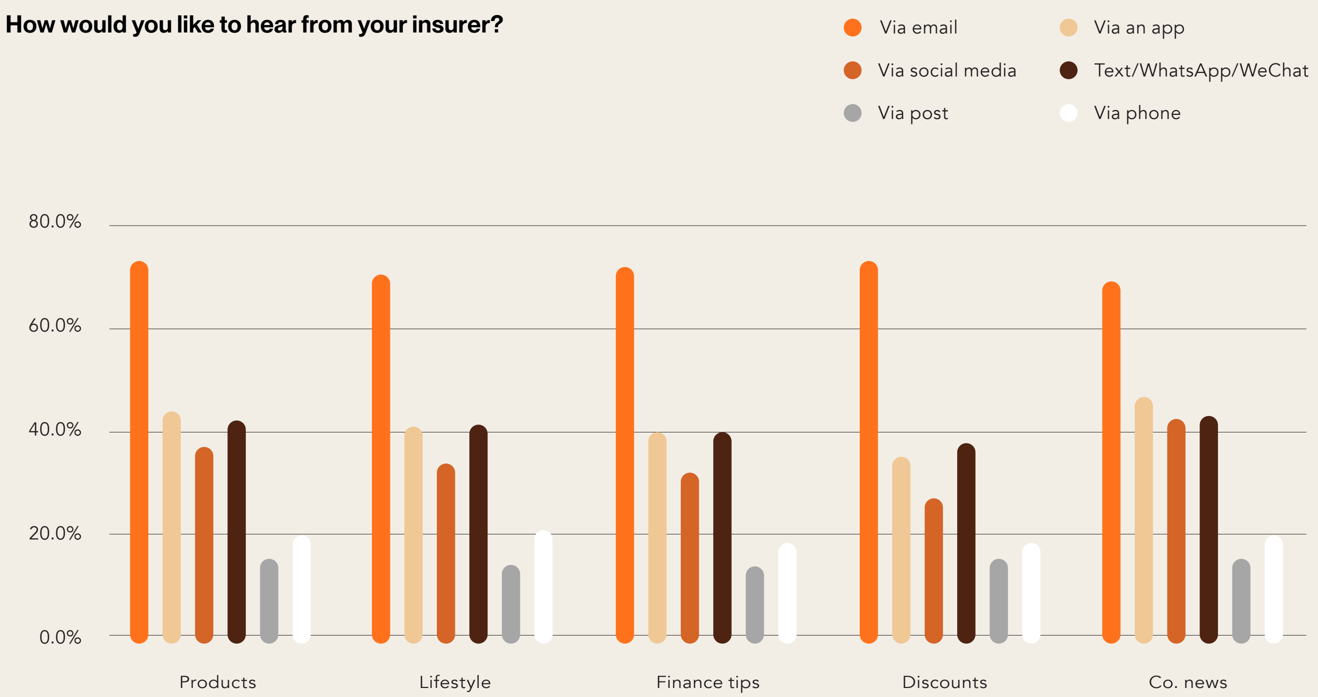


Fig 18. Channels for insurer content

If you needed to make an insurance claim, what would be your preferred method?

- 26.5% Online claim form
- 16.3% Through an app
- 13.6% At the insurer's branch
- 11.9% Over the phone
- 11.3% By email
- 8.9% Through an agent
- 4.0% By chatbot
- 3.4% Via text message
- 2.7% Via social media
- 1.5% Other

Fig 19. Preferred claims channel

Claims

The way in which claims are handled presents an opportunity for insurers to cement their relationship with a client. Equally importantly, a satisfied claimant is a potential ambassador in a business where, as we have seen, personal recommendations have a significant influence. Of course, it can also be a potential point of conflict if the claim is somewhat speculative or if it is not strictly covered under the policy conditions. However, any steps that insurers take to make the process as user-friendly as possible will earn the appreciation of customers.

Participants were asked to indicate their preferred way to register a claim should the need arise. There is a strong preference for online and digital channels, but more traditional methods, such as in-branch or by phone, still command a significant following. One suspects the preferences would be yet more equally divided if one were to include the preferences of older generations. This underlines the importance of continuing to offer a choice of routes to fit the needs of different sectors of the customer base.

Renewal

For policies issued on a renewable basis, policyholder actions could be considered to be an indication of customer satisfaction. Our survey reveals that there is evidence either of considerable levels of satisfaction or simply inertia. That despite the wealth of information available to the younger generations through digital media. Around 45% would continue with the same policy and only 17% would consider products from other insurers.

If renewing your insurance, what are you most likely to do?

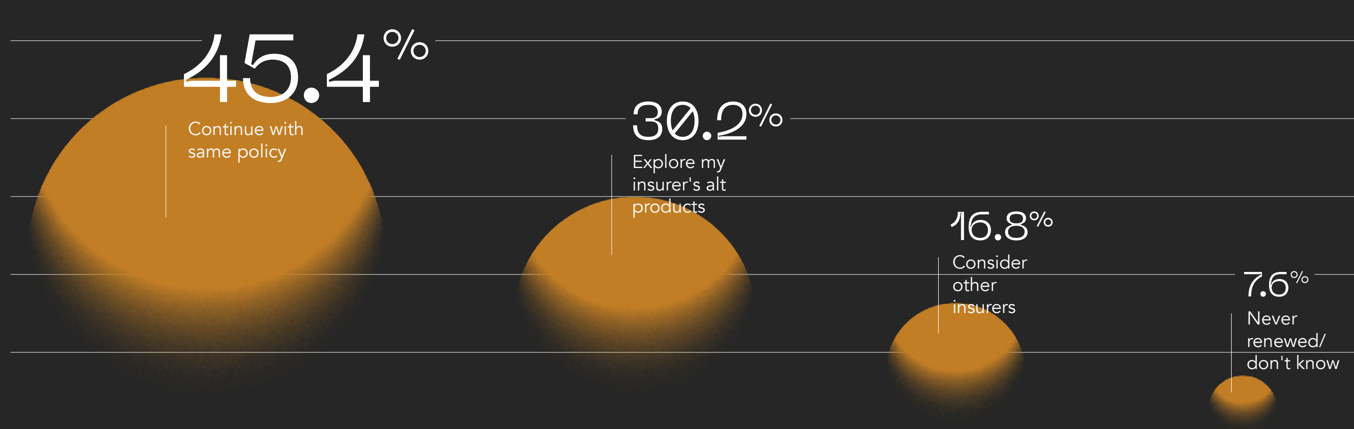
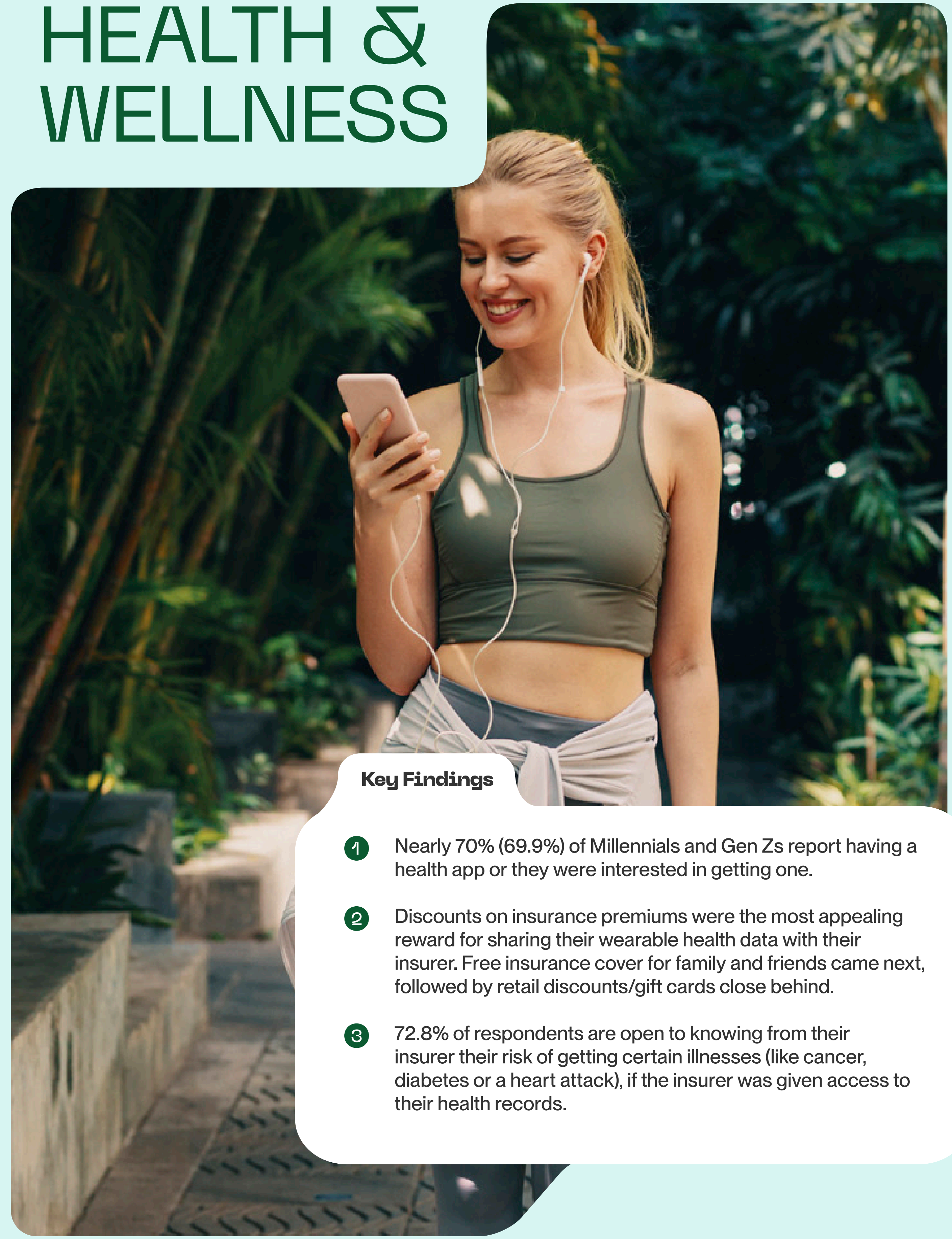


Fig 20. Policy renewal

03

HEALTH & WELLNESS



Key Findings

1. Nearly 70% (69.9%) of Millennials and Gen Zs report having a health app or they were interested in getting one.
2. Discounts on insurance premiums were the most appealing reward for sharing their wearable health data with their insurer. Free insurance cover for family and friends came next, followed by retail discounts/gift cards close behind.
3. 72.8% of respondents are open to knowing from their insurer their risk of getting certain illnesses (like cancer, diabetes or a heart attack), if the insurer was given access to their health records.

Insight 3 — Living well in a connected world

69.9% of Gen Zs and Millennials regularly use, or are interested in using, health apps. — 69.9%

Amidst the tumultuous global pandemic, individuals sought solace in technology to bridge the gaps that emerged in their personal and professional lives from lockdowns and social distancing measures.

As the adoption of technology surged during these uncertain times, a notable trend that emerged, amongst others, was the increased utilisation of health apps and wearable devices. This shift in behaviour held substantial significance for life insurers, unveiling a fresh avenue to attract, engage, and retain insurance customers while simultaneously improving the well-being and welfare of policyholders.

With the pandemic slowly becoming a distant memory for most now, we've seen life insurers' interest in the health and wellness space go from strength to strength. Insurers continue to launch their own wellness programmes, partner with key health industry players and invest in health-based start-ups.

For example, US insurer John Hancock recently unveiled a collaboration with ŌURA, the Finnish company behind the smart ring that offers personalised health information, activity insights and daily guidance. Through this partnership, eligible customers who possess an Oura Ring and active Oura membership can seamlessly integrate with the Vitality programme. By doing so, they can unlock a range of rewards for prioritising healthy sleep patterns and engaging in mindfulness practices, including meditation and breathing exercises. This collaboration aims to empower individuals to take proactive steps towards enhancing their overall well-being while reaping the benefits of their commitment to healthy habits.

While such developments are reshaping the industry, the question remains as to whether Gen Zs and Millennials are captivated by this proposition, a proposition that insurers have invested so heavily in thus far.

Do young people care about health?

Across the last 4 years, we've been asking Millennials and Gen Zs how big a role healthy living plays in their life. Their response? It matters. Consistently, we've seen more than 60% tell us it has a "large" or "very large" part to play, with consumers in China (92%), Mexico (88.3%) and Chile (82.5%) attributing the most importance this year.

A curious outlier in our results is found in Japan. Despite having the world's longest life expectancy, for almost half of Japanese respondents healthy living allegedly wasn't too important (49.8% say it plays a "small role"). An explanation for this could be that because factors such as good diet and nutrition are so commonplace in the country, residents don't associate these activities with a "normal" life, rather than one which is unusually healthy.[1]

It is possible that the threshold for what is considered healthy in some markets like Japan may be wholly incompatible with other nation's ideas of wellbeing, and indicates we still have some way to go to develop a universal notion of a "healthy life".

We should also be wary of getting too carried away with our positive results – on average, less than a fifth of respondents from Western markets in 2023 say health is really important to them – clearly leaving room for improvement.

So, what motivating factors could lead to an increase in the number of young people caring about getting in shape?

How large a role does healthy living play in your lifestyle?

	No role at all	A small role	Neither small or large	Very large/ large role
Australia	3.4%	19.2%	28.5%	48.9%
Canada	2.6%	18.9%	21.5%	57.0%
Chile	1.2%	5.6%	10.7%	82.5%
China	1.0%	1.3%	5.8%	92.0%
France	2.8%	23.2%	20.4%	53.7%
Germany	5.2%	17.0%	23.6%	54.3%
Hong Kong	4.6%	11.7%	26.6%	57.1%
India	1.1%	9.4%	9.8%	79.8%
Indonesia	0.8%	5.6%	19.4%	74.2%
Ireland	2.0%	22.9%	24.9%	50.3%
Italy	2.6%	24.2%	31.0%	42.3%
Japan	12.0%	49.8%	16.3%	21.9%
Malaysia	1.8%	12.7%	27.9%	57.6%
Mexico	0.2%	4.8%	6.8%	88.3%
Singapore	1.6%	18.7%	25.9%	53.8%
South Africa	1.8%	10.2%	14.7%	73.3%
South Korea	4.0%	13.9%	27.0%	55.2%
Spain	0.8%	9.5%	16.1%	73.6%
Sweden	8.0%	13.3%	25.9%	52.8%
Taiwan	4.8%	9.6%	12.0%	73.6%
UK	2.8%	27.1%	25.9%	44.1%
USA	3.4%	17.5%	20.9%	58.2%

Fig 21. Role healthy living plays in life by market

[1] Tsugane, S. (2021). Why has Japan become the world's most long-lived country: insights from a food and nutrition perspective. European Journal of Clinical Nutrition. 75, pp.912-928. [Online]. Available at: https://www.nature.com/articles/s41430-020-0677-5 [Accessed 21 August 2023].

What gets you moving?

In this year's GCS, we gave respondents a list of nine different possible motivators to accelerate their activity and asked them to indicate all measures which would prompt them to become fitter.

"Going to the gym" topped responses, with close to half of global respondents saying attending a gym would reap health benefits for them (47.7%). "Regular medical check-ups" (43.4%) and "encouragement from family and friends" (39.2%) were some of the other most popular stimuli for our audience.

Perhaps most encouragingly for a generation of digital natives though, is that our respondents considered "health & wellness apps" the second most effective method to improve their physical health (44.8%).

In fact, when asked about whether they used a health app regularly, nearly 70% of Millennials and Gen Zs said they either did or they were interested in doing so. The data show not much of a generational split here either, with a negligible (<1%) difference in the number of Millennials and Gen Zs who have a health app.

Mostly, people are discovering such apps through their own research (56.4%), but social media is also playing a big role in user acquisition. Nearly a quarter of respondents learn about health and wellness apps through social channels or influencers (23.2%), and with social media usage projected to rise by around 1 billion people by 2027[2], we are likely to see a rise in the number of young people discovering apps through Instagram, X (formerly Twitter) or TikTok in the coming years.

What information about your body would you be interested to track?

Number of steps	51.4%
Active calories burnt	49.9%
Sleep pattern	49.5%
Weight	45.5%
Resting Heart Rate	42.5%
Diet	37.9%
Physical activity	37.5%
None	4.3%

Fig 22. Most important tracking metrics

Health apps – what's the buzz?

The main motivation for our respondents having health apps was, naturally, "to get healthier" – 65%, slightly down from last year's 69.3%. Though noteworthy is the fact that a desire to "understand one's body better" was also appealing (46.2%), followed by the need for an extra push (41.9% – motivation).

Perhaps most importantly for insurers is that only 11.7% of respondents globally said they had a health app because of the possibility of insurance discounts. Given that 89.7% of those considering installing a telematics device on their car are interested in doing so because of potential premium discounts, we know that such discounts are a driving factor in consumer behaviour.

So, why the difference when it comes to health? Is it one of exposure or desire? Well, it may be that consumers are simply less aware of the ability to obtain premium discounts through a health app – and that, therefore, insurers need to do a better job of advertising these schemes to their policyholders. But also a factor is that the gap between young and old in car insurance costs is far more pronounced than in life insurance, making the discounts available here more of a priority to pursue.

How important are health apps to consumers?

Our data demonstrates significant usage of health apps by Millennials and Gen Zs. But are the apps sufficiently attractive to inspire young people to part with money, especially when comprehensive free versions of some of the most popular health apps – such as Strava – are commonly available on the market.

Well, it is a split picture. 45.2% say they would pay for premium versions of these apps if the features justified the cost, set against 47.1% who would not. The additional 7.8% are unsure on the subject and potentially could be swayed to pay for an enhanced service.

What, then, is the deciding factor? Our respondents this year told us the most important features for them to track on such an app are number of steps (51.4%), active calories burned (49.9%) and sleep pattern (45.9%). Our results from this question do show strong appetite for a range of other features, too, suggesting that insurers who consider exploring this avenue should provide features compatible with a holistic view of health.

[2] Dixon, S.J. (2023). Number of global social network users 2017-2027. [Online]. statista.com. Last Updated: 29 August 2023. Available at: https://www.statista.com/statistics/278414/number-of-worldwide-social-network-users/#:~:text=How%20m [Accessed 4 September 2023].

Data exchange

As we know, offering a well-designed app that encourages policyholders to improve their lifestyle may deepen ties with customers and improve the risk pool. The data gathered can be used to customise cover and price, rewarding good health behaviours with tailored pricing or product features that suit their needs. It can also inform underwriting, with the granularity of this data helping insurers to identify trends and patterns that could affect risk.

Innovation in this space is all well and good, but access to this data is dependent on customers feeling comfortable enough to share it. We explore the attitudes of Gen Zs and Millennials regarding this matter.

When asked which pieces of data they were comfortable sharing with their insurer, the majority say they are happy to share most types. While previous claims history (77.6%) was the information the highest percentage of people are comfortable or very comfortable sharing, health check-up related data also receives the green light.

Information that is already provided to insurers, for example health check-up data (75.5%) and medical or electronic health records (73.1%) was the health data people felt most comfortable sharing. However, 69.6% of respondents have no qualms also sharing wearable data.

The research also looks at attitudes to sharing optional data, for instance from a smart watch or car analytics device, to secure a customised insurance plan. More than half (56%) would be happy to do this.

Some markets' respondents are more switched on to this idea than others. In particular, India (78.3%), South Africa (75.7%) and China (69.7%) are most comfortable with this idea, while it is less compelling in Germany (37.9%), Japan (40%) and France (41.4%). However, these generations expect some benefit in return for their data.

When asked how appealing different potential types of rewards were, a discount on the insurance premiums was most appealing.

Bearing in mind that insurers will require certain information to assess risk and grant insurance cover, how comfortable are you in sharing the following categories of data?

Very comfortable/ comfortable
Very uncomfortable/ uncomfortable

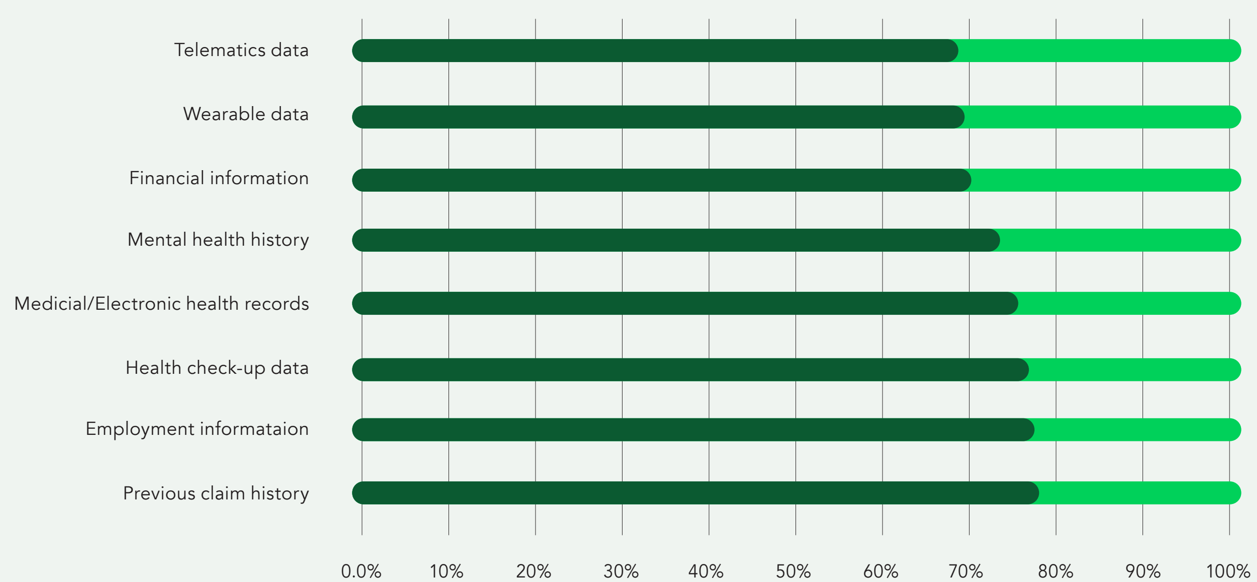


Fig 23. Comfort levels of sharing data with an insurer

Free insurance cover for family and friends came next, followed by retail discounts/gift cards close behind. Donations to charities were the least popular choice.

Overall, this demographic recognises the value of their data and the potential benefits of exchanging their personal health information in return for customised plans and incentives tailored to their specific needs and preferences.

For the record

Electronic health records (EHR) are a digital version of a patient's medical history, that include information about their medical conditions, treatments, medications, allergies etc. EHRs are designed to replace traditional paper-based medical records, offering several advantages such as improved accuracy and accessibility of patient information.

Over recent years, we have seen reinsurers, insurers and insurtechs show great interest in gaining access to such records. They hope it will allow them to maximise several benefits such as real time health updates, more accurate risk assessments, efficient claims processing, improved care coordination and fraud detection and prevention.

Recent examples of this include USAA Life partnering with Express Imaging Services, a provider of medical record retrieval and digital data solutions. This partnership will allow USAA Life to expedite the retrieval of member eHealth data and automate and streamline its underwriting process for its members.

With this phenomenon seemingly becoming more common, we asked our respondents two questions regarding the sharing of their most personal health information.

First, we asked if our respondents would be open to knowing from their insurer their risk of getting certain illnesses (like cancer, diabetes or a heart attack), if the insurer were given access to their health check-up information. 75.9% of Gen Zs and 71% of Millennials responded that they would be open. Second, we asked of those who said yes, if they would be happy to follow advice from their insurer on how they can get healthier and reduce their risk of disease. A resounding 92.1% said they would.

Despite the extremely sensitive nature of EHRs, it appears our younger generations are comfortable in sharing their medical records with insurers and are open to hearing advice on how they can reduce their health risks. This is a great opportunity for insurers to foster deeper relationships with their policyholders whilst simultaneously streamlining their underwriting and claims processes.

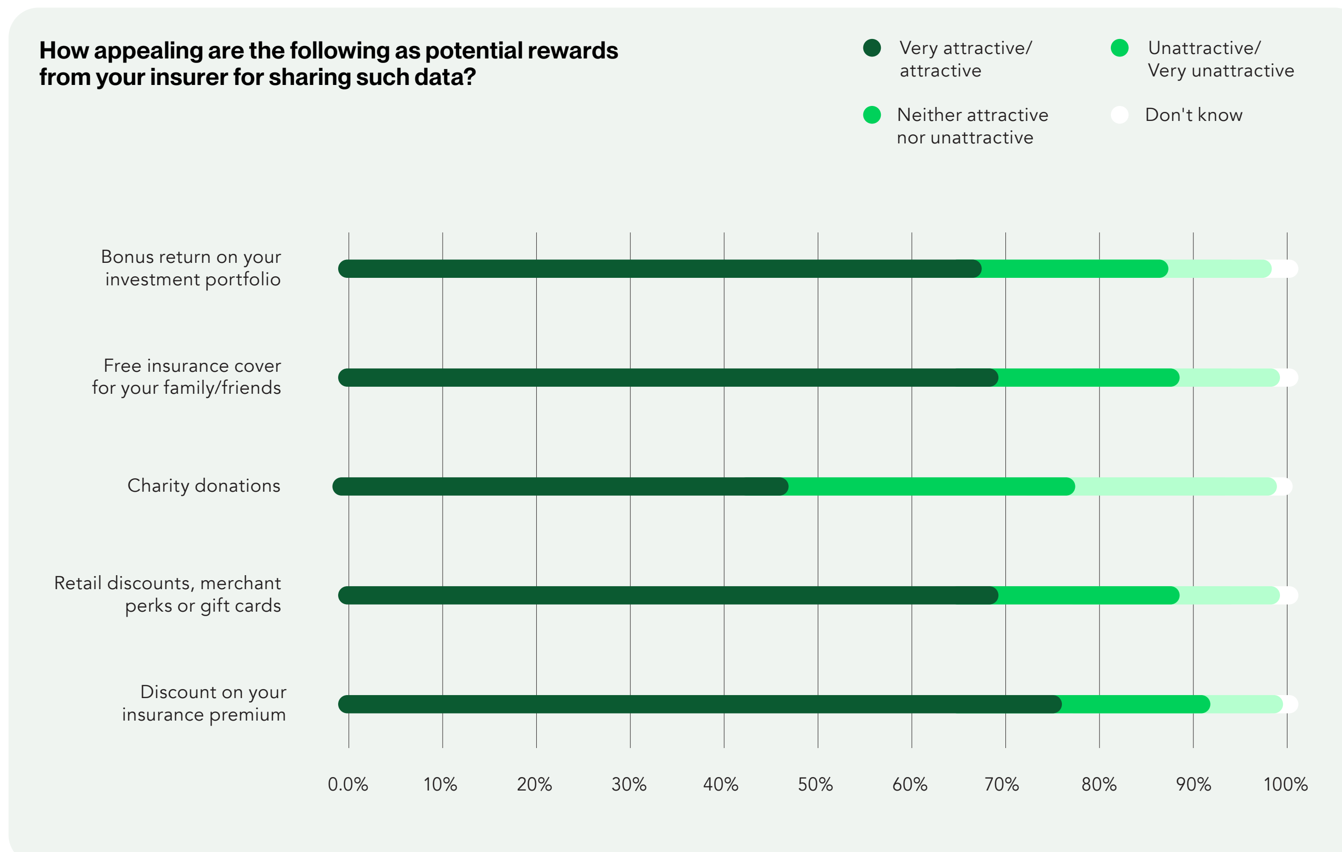


Fig 24. Potential rewards for sharing data with an insurer levels of sharing data with an insurer

04

STRESS, MENTAL HEALTH & SOCIAL MEDIA

Key Findings

1. Financial issues are on average the biggest cause of stress for young people, with 26.2% ranking this their top cause for concern.
2. Social media is checked by the majority of young people (86.3%) at least every 2 hours, with more than 1 in 10 looking every 10 minutes (11.9%). However, almost a quarter of respondents say it negatively affects their mental health.
3. Physical activity (45.3%) remains the most popular resolution for young people in dealing with stress, while talking to friends and family (44.1%) also provides significant comfort.

Insight 4 — Virtual lives: curse or cure?

86.3% of young people check social media at least once every 2 hours.

86.3%

Recent years have seen discussion around mental health become increasingly open. Progress in this space is largely being driven by younger generations – the target group in this year's GCS – who appear determined to eradicate taboos around emotional strife.

With this in mind, we asked our participants a series of questions about the stress they are experiencing, the causes of that stress and the ways they are dealing with it.

For the first time, this year we also explore the impact of social media on mental health.

How stressed are you?

In this year's study, 46.7% of our Millennials and Gen Zs reported feeling "often" or "always" stressed, a rise of more than 6%pt on the previous year (40.2%). The figure is still lower than our 2021 data, where more than half the respondent group identified as "often" or "always" stressed (50.1%). But with 2021 now in the rear-view mirror, the fact we are creeping back towards the stress levels experienced during global lockdowns is a cause for concern.

Stress varies with generation, too. Our data indicates that younger respondents are typically more stressed than their elder counterparts, with more than half of Gen Zs feeling "often" or "always" stressed (51.7%), compared to just 44% of Millennials. One explanation for this may be that some causes of stress, such as rising energy and food costs caused by inflation, disproportionately affect those on lower wages.[3] This could impact Gen Zs acutely, who are more likely to be in gig economy work (less secure, lower paid) than their Millennial counterparts.[4]

Regardless of generation though, there is consistency on the top cause of stress for young people – financial issues. Over a quarter of all respondents who say they are "often" or "always" stressed list financial issues as the top cause of this stress (26.2%), followed by work issues (20.4%) and uncertain futures (18.4%).

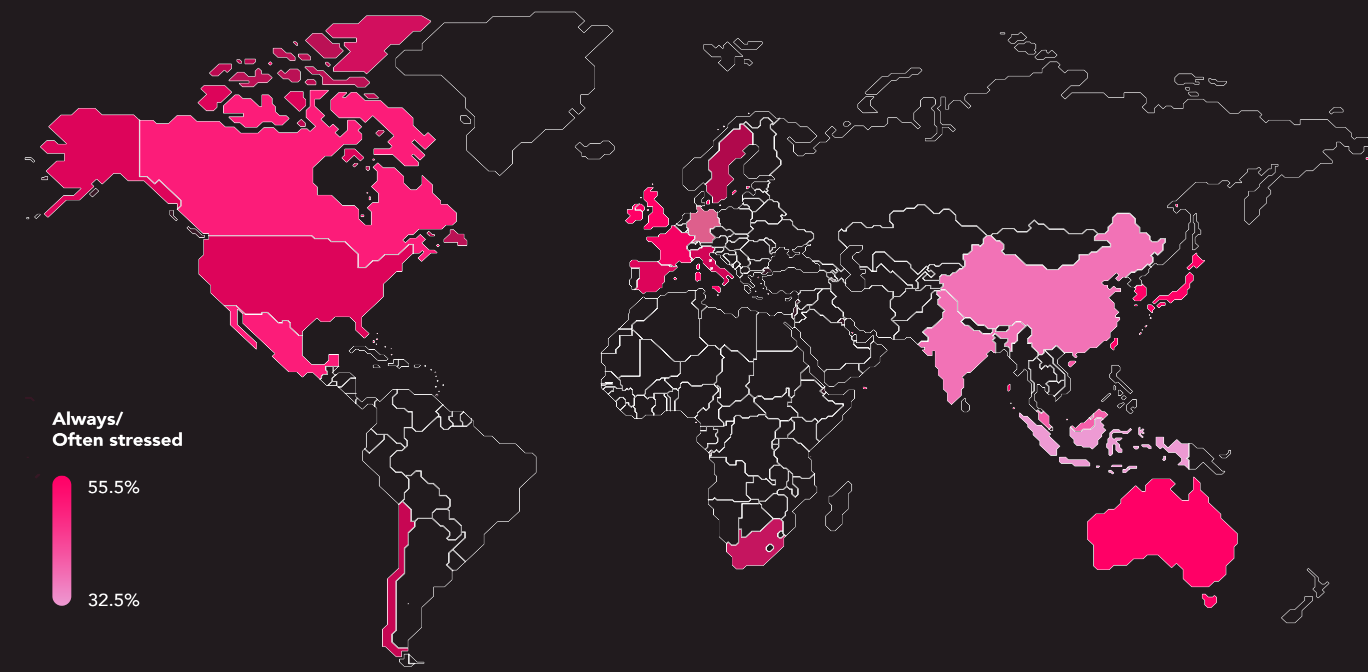
Curiously, global issues such as climate change and war caused the least anxiety for young people, with only 6.4% of stressed respondents saying this was their primary concern. This is particularly surprising, given the documented evidence of eco-anxiety in young people.[5] However, even though there is a groundswell of emotional consternation among young people about global instabilities such as this, it appears that other, more personal issues, may be causing a greater deal of stress.

[3] Office for National Statistics. (2022). Inflation and cost of living for household groups. [Online]. Available at: https://www.ons.gov.uk/economy/inflationandpriceindices/articles/inflationandthecostoflivingforhouseholdgroups/october2022 [Accessed 20 June 2023]

[4] Marketplace / Edison Research. (2018). The Gig Economy. [Online]. Available at: https://www.edisonresearch.com/wp-content/uploads/2019/01/Gig-Economy-2018-Marketplace-Edison-Research-Poll-FINAL.pdf. [Accessed 20 June 2023].

[5] Hickman, C. et al, (2021). Climate anxiety in children and young people and their beliefs about government responses to climate change: a global survey. [Online]. The Lancet Planetary Health (Vol 5, Issue 12). Available at: https://www.sciencedirect.com/science/article/pii/S2542519621002783

Generally speaking, how do you feel?



IRL	JAP	GBR	FRA	ROK	ITA	USA	AUS	ESP	CAN	ZAF
55.5%	55.2%	54.7%	53.3%	51.4%	51.0%	50.9%	50.3%	49.6%	49.0%	48.4%
CHL	MEX	SGP	SWE	TWN	GER	MYS	HKG	CHN	IND	**IDN**
48.1%	47.7%	47.0%	46.8%	44.0%	43.9%	38.2%	37.5%	36.5%	36.1%	**32.5%**

Fig 25. Average stress level for each market's total respondents

Is stress affecting your usual activities?

Experiences of stress can range from unpleasant, at the milder end, to crippling, at the extreme. Indeed, periods of sustained stress can lead to the development of mental health conditions.[6] We wanted to learn the impact stress was having on young people's lives.

More than 1 in 3 (37.1%) of our Gen Z respondents told us they had previously been diagnosed with a mental health condition such as depression, panic attacks or anxiety. The figure for Millennials sits somewhat lower at 28.2%, but still above a quarter. This data indicates a far higher incidence of mental health conditions in Millennial and Gen Zs demographics than the global average for all ages, which is estimated at 1 in 8 people.[7] This might be caused by a particular preponderance of mental health issues in young people, but also may be impacted by the fact that it is more difficult to diagnose mental health issues in the elderly.[8]

It appears that stress is also disrupting the abilities of young people to get on with their daily life. When asked "have you suffered from a period of mental distress, stress or anxiety which prevented you from completing your normal activities", 52.1% said "yes". Exploring the data geographically, respondents from Sweden (69.5%, "yes"), South Africa (61.6%, "yes") and Canada (60.6%, "yes") were the most interrupted by stress, while those not feeling negatively affected hailed largely from the Far East: China (69.7%, "no"), Taiwan (65.2%, "no") and Hong Kong (55.8%, "no").

[6] Centre for Addiction and Mental Health. Mental Illness & Addiction Index. [Online]. Available at: https://www.camh.ca/en/health-info/mental-illness-and-addiction-index/stress [Accessed 20 June 2023].

[7] Mental Disorders fact page (2022). World Health Organization. [Online] Available at: https://www.who.int/news-room/fact-sheets/detail/mental-disorders [Accessed 20 June 2023].

[8] Gaitz, C. (1980). Diagnosing mental illness in the elderly. [Online]. National Library of Medicine. Available at: https://pubmed.ncbi.nlm.nih.gov/7365177/#:~:text=Diagnosing%20mental%20illness%20in%20the%20elderly%20is%20difficult%20because%20changes,The%20reverse%20is%20also%20true [Accessed 20 June 2023].

A look at the impact of social media

The "information age" has transformed our communication, shrunk our world and redefined our behaviour. Unlike their parents, Millennials and Gen Zs grew up immersed in social media, with the latter barely remembering a time without it.

But with a slew of studies now reporting the negative impact of social media on stress[9], self-image, and wellbeing – tendencies which have even been documented in leading TV shows such as Netflix's Black Mirror – is social media a double-edged sword for young people?

The overwhelming majority (86.3%) of our respondents from around the world said they were checking social media at least once every two hours, with more than 1 in 10 checking their apps every 10 minutes (11.9%). Expectedly, Gen Zs used social media slightly more frequently than Millennials, though usage is high across both groups.

Despite their higher usage of social media, Gen Zs have a more negative perception of it than their elder counterparts. 27.2% of Gen Z respondents felt social media negatively impacted their mental health, compared with just 21.4% of Millennials.

One of this year's most noteworthy correlations emerges in relation to social media usage and self-declared stress level. Young people who reported being "always stressed" tend to check social media more frequently than other groups, with over half (55.2%) checking at least every 30 minutes. On the other hand, those who claim to be "neutral" or "mostly calm" were checking less often, with once an hour or once every 2 hours the modal responses in these groups, respectively.

Curiously, outlier data indicates that individuals identifying as "always calm" are also checking social media more frequently than the norm, contradicting the general trend that of higher stress levels correlating with more frequent social media usage. One possible explanation is that while social media increases anxiety for many young people, it may actually bring peace of mind to others.

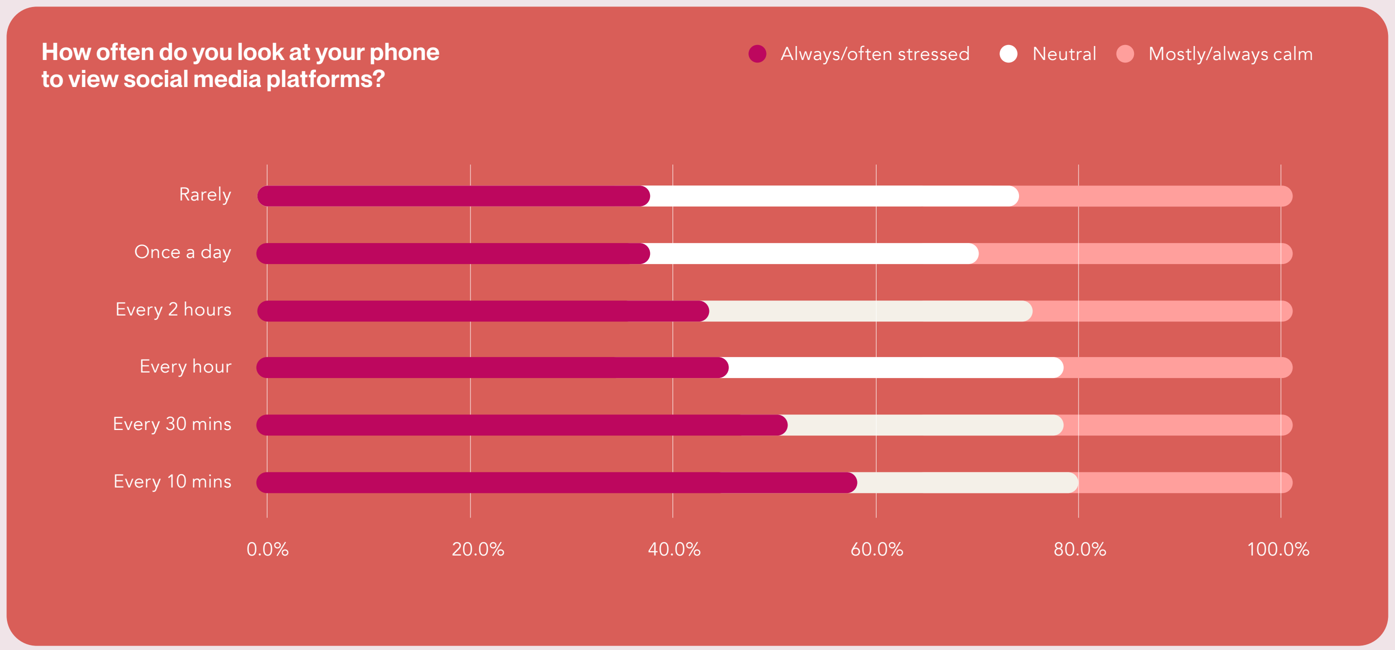


Fig 26. Social media viewing frequency x Self declared stress levels

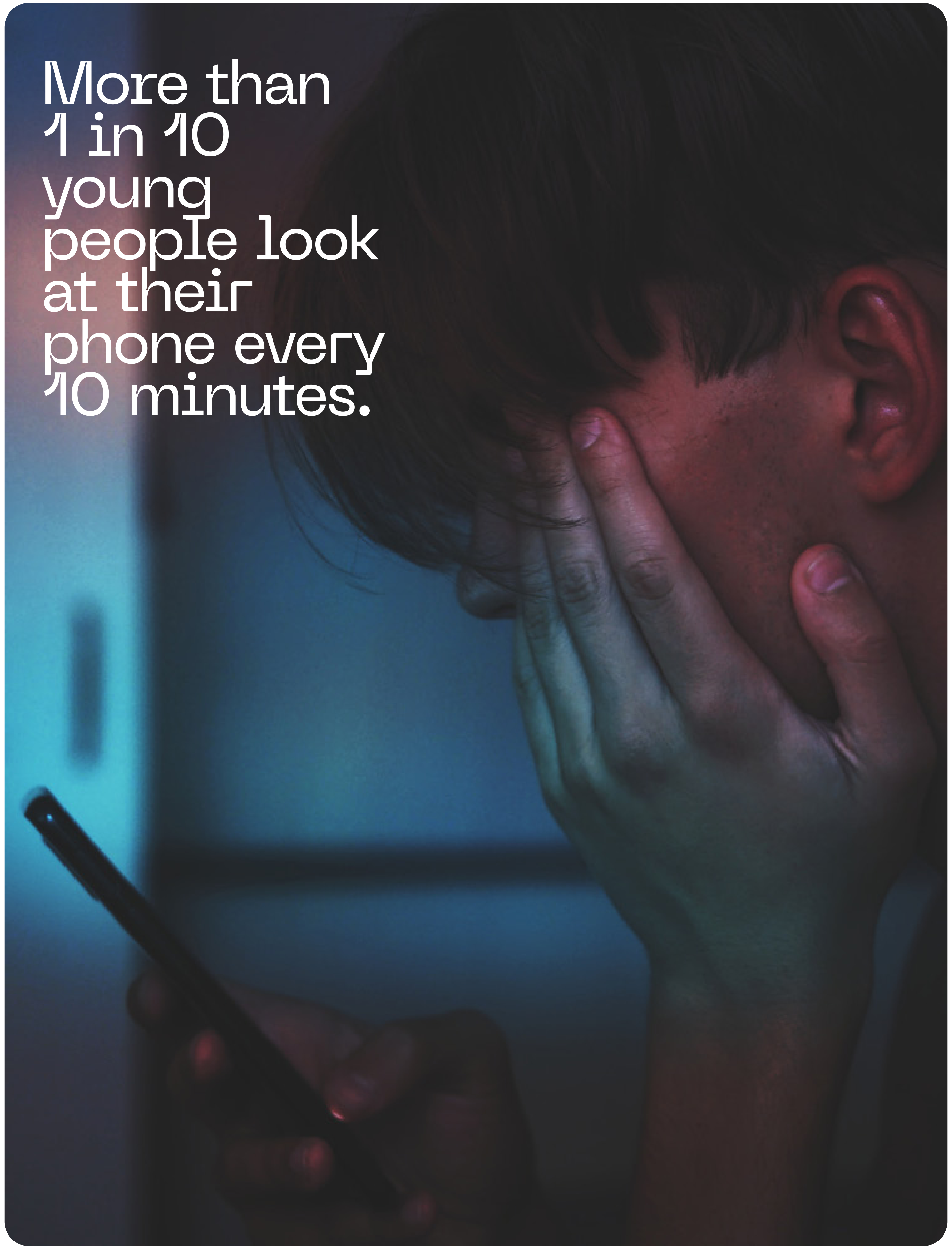
For many Chinese respondents though, they do not consider their appetite for apps damaging. At 44.9%, China had the highest number of people who did not experience negative effects from social media usage, more than 13% ahead of next-place France. An explanation for this may come from the fact that China bans access to sites such as Instagram, X (formerly Twitter), Facebook and YouTube, in favour of its own channels like Douyin, WeChat and Weibo - China has often been quicker to regulate the addictive aspects of its own apps than Western alternatives have of theirs.[10]

In terms of sector, 63.9% of those working in Publishing were looking at social media at least every 30 minutes, higher than any other area of employment – understandable for an industry amid a well-documented digital transformation.[11] At the other end, Military personnel were the most infrequent checkers, with 17.5% booting up their social apps no more than once a day, perhaps unsurprisingly given the restrictions armies can place on phone usage while on duty.

[9] Kuss, D. & Griffiths, M. (2011). Online Social Networking and Addiction—A Review of the Psychological Literature. Int. J. Environ. Res. Public Health. 8(9), pp.3528-3552. [Online]. Available at: https://www.mdpi.com/1660-4601/8/9/3528 [Accessed 19 June 2023].

[10] Zeyi, Y. (2023). How China takes extreme measures to keep teens off TikTok. [Online]. MIT Technology Review. Available at: https://www.technologyreview.com/2023/03/08/1069527/china-tiktok-douyin-teens-privacy/ [Accessed 21 June 2023].

[11] McGlone, A. & Fazil, A. (2021). Digital Transformation of the Publishing Industry. [Online]. London Strategic Consulting. Available at: https://www.londonstrategicconsulting.com/post/digital-transformation-of-the-publishing-industry [Accessed 21 June 2023]



Solving the issue of stress

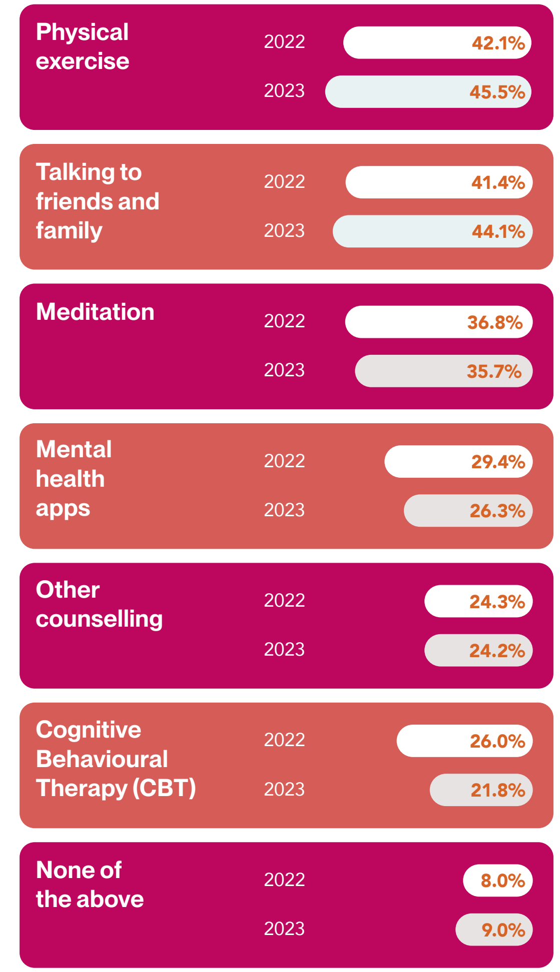
So far, we have looked at the levels of stress Millennials and Gen Zs are experiencing around the world, considered the causes they cite for that stress and observed the impact of social media usage on mental health. But what about resolving it? What actions are young people taking to tackle their stress?

For respondents who told us they had experienced a period of stress which prevented them from completing usual activities, we asked how they resolved the strain. Overall, physical activity (45.3%) and talking to friends and family (44.1%) remain the two most popular resolutions, as they were in 2022.

Notably though, 7% less Gen Zs said they found exercise helpful when going through a period of mental stress than Millennials. Assessing by market, we see even more stark differences in the responses to this question. Almost three times the number of Indian respondents claimed a benefit in their mental state as a result of physical activity (67.4%) compared to those in Japan (22.6%).

Encouragingly for the providers of health and wellness solutions, more than a quarter of young people found that mental health apps were helpful when dealing with mental angst (26.3%).

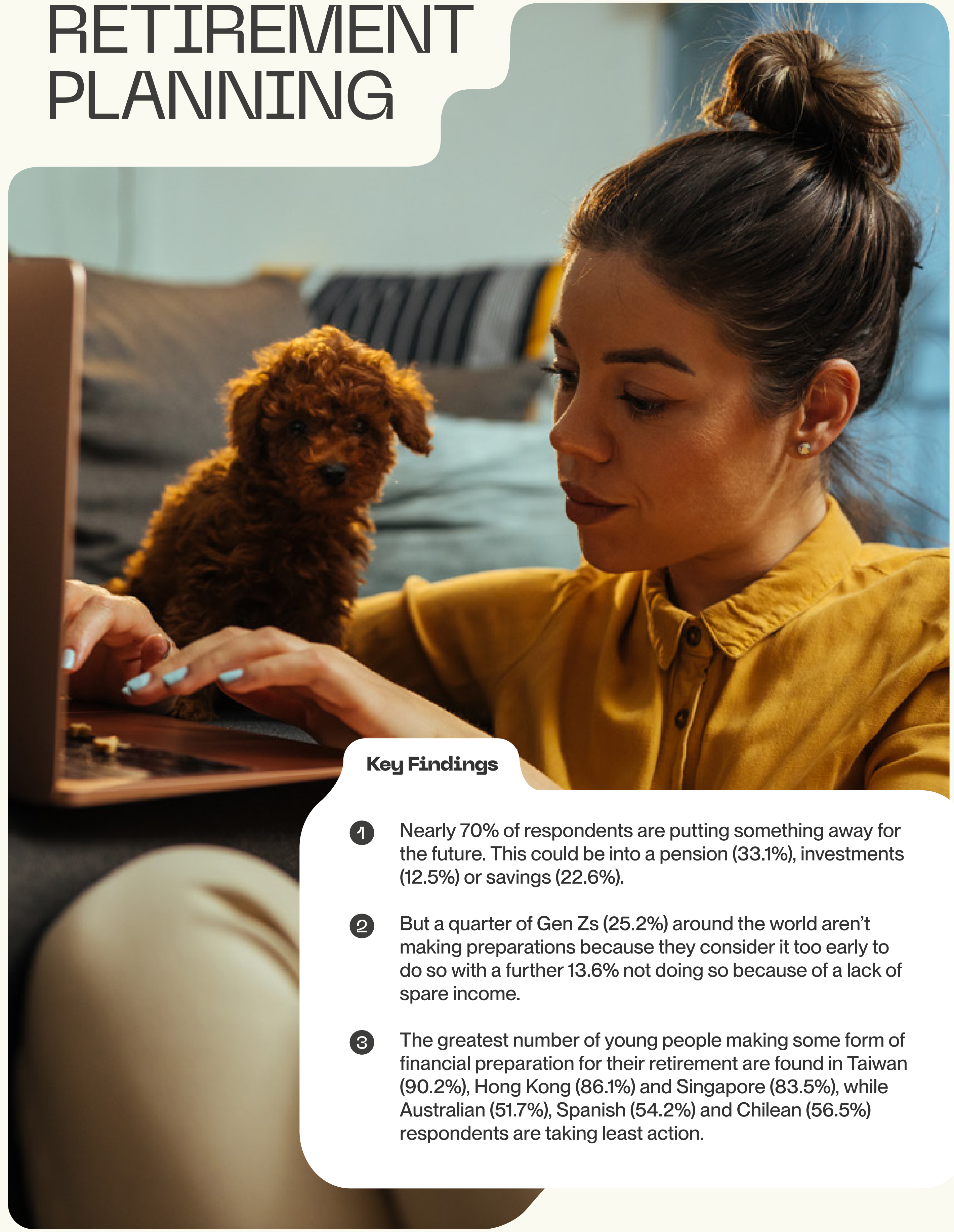
Additionally, a lower number of respondents in this year's survey claimed to find Cognitive Behavioural Therapy (CBT) useful in addressing a mental health crisis (21.8%) when compared with last year's data from the same generations (26%). If such a trend continues in the future, it may be indicative of CBT falling out of favour as a treatment for mental health concerns, something which has been claimed in recent years.[12]



Q: When going through this period, which of the following, if any, did you find helpful?
Fig 27. Most Popular Ways To Combat Stress (2022 vs 2023)

[12] Johnsen, T. J., & Friborg, O. (2015). The Effects of Cognitive Behavioral Therapy as an Anti-Depressive Treatment is Falling: A Meta-Analysis. [Online]. Psychological Bulletin. Available at: http://dx.doi.org/10.1037/bul0000015

RETIREMENT PLANNING



Key Findings

1. Nearly 70% of respondents are putting something away for the future. This could be into a pension (33.1%), investments (12.5%) or savings (22.6%).
2. But a quarter of Gen Zs (25.2%) around the world aren't making preparations because they consider it too early to do so with a further 13.6% not doing so because of a lack of spare income.
3. The greatest number of young people making some form of financial preparation for their retirement are found in Taiwan (90.2%), Hong Kong (86.1%) and Singapore (83.5%), while Australian (51.7%), Spanish (54.2%) and Chilean (56.5%) respondents are taking least action.

Insight 5 — Planning today to protect tomorrow

61.3% of Gen Zs are taking steps to financially secure their futures.

61.3%

The economic significance of retirement savings ensures that pension funding is never far down the political agenda. Indeed, proposed pension reform in France in 2023 saw wide-scale strikes and social unrest documented in media outlets around the world.

However, the models adopted in the markets in our survey vary considerably both in their structure and accessibility.

For younger generations, retirement may seem like a distant prospect. Nevertheless, there is evidence that Gen Zs and Millennials are actively preparing for their future, whether through personal or employer-based pension schemes, or through their own investments and savings.

Pushing up pension savings

Several trends are likely to be behind an increasing necessity to save for the future. Over recent decades, increasing life expectancies have prompted some governments to shift more of the onus for funding retirement from the state to the individual. Furthermore, those trends in longevity are a likely contributing factor to the diminishing significance of defined benefit pension plans.

The OECD's Pension Markets in Focus 2022 report[13] highlights some of the different models in place around the world. These include mandating employees to join a private pension, which is the case in Chile, and Mexico; requiring employers to offer an automatic-enrolment pension but allowing employees to opt out, which has been adopted by the UK. Elsewhere, there are models such as that adopted in Singapore that require all employees to contribute a significant proportion of their earnings to the Central Provident Fund.

[13] OECD. (2022). Pension Markets in Focus 2022. [Online]. OECD.org. Available at: https://www.oecd.org/finance/pensionmarketsinfocus.htm [Accessed 21 June 2023].

Preparation priorities

Breaking down the findings by age shows how planning priorities change as the recognition dawns that retirement is not just a distant possibility, but an approaching life stage that requires considerable funding.

Unsurprisingly, engagement levels vary considerably by generation. Amongst Gen Z respondents, a quarter (25.2%) believe that it is still too early to think about retirement, compared with <12% of their elder counterparts. The main reason for Millennials not making preparations for their retirement is a shortage of spare income (16.5%).

Nevertheless, many young people are still seeing the value in contributing to pensions. According to our survey, over a third (36.3%) of Millennials have either a personal or employer pension plan, while the figure slightly decreases to 27.3% for Gen Zs. The disparity will be impacted by the fact that more than a fifth (21.9%) of Gen Z respondents are still in full-time education and therefore do not qualify for an employer pension plan yet.

A second influencing factor may be minimum entry ages to many employer schemes, which might rule out many Gen Zs. Where this is so, it is likely to reinforce the view of that generation that it is too early to plan for retirement.

Also noteworthy is the contrast in the preparations made by respondents from different markets. In the UK & ROI, a higher percentage (37%) contribute to pension schemes compared to the rest of Europe (29.2%).

However, the situation is reversed for investments and savings, with only a quarter (24.7%) of the youth in the UK & ROI paying into savings accounts, while a third (32.5%) of those in the rest of Europe do so.

While this discrepancy may be partly attributed to the presence of auto-enrolment pension schemes in the UK, which is only prevalent in a small handful of European markets, it also brings attention to the potential influence of cultural differences on young people's financial planning preferences.

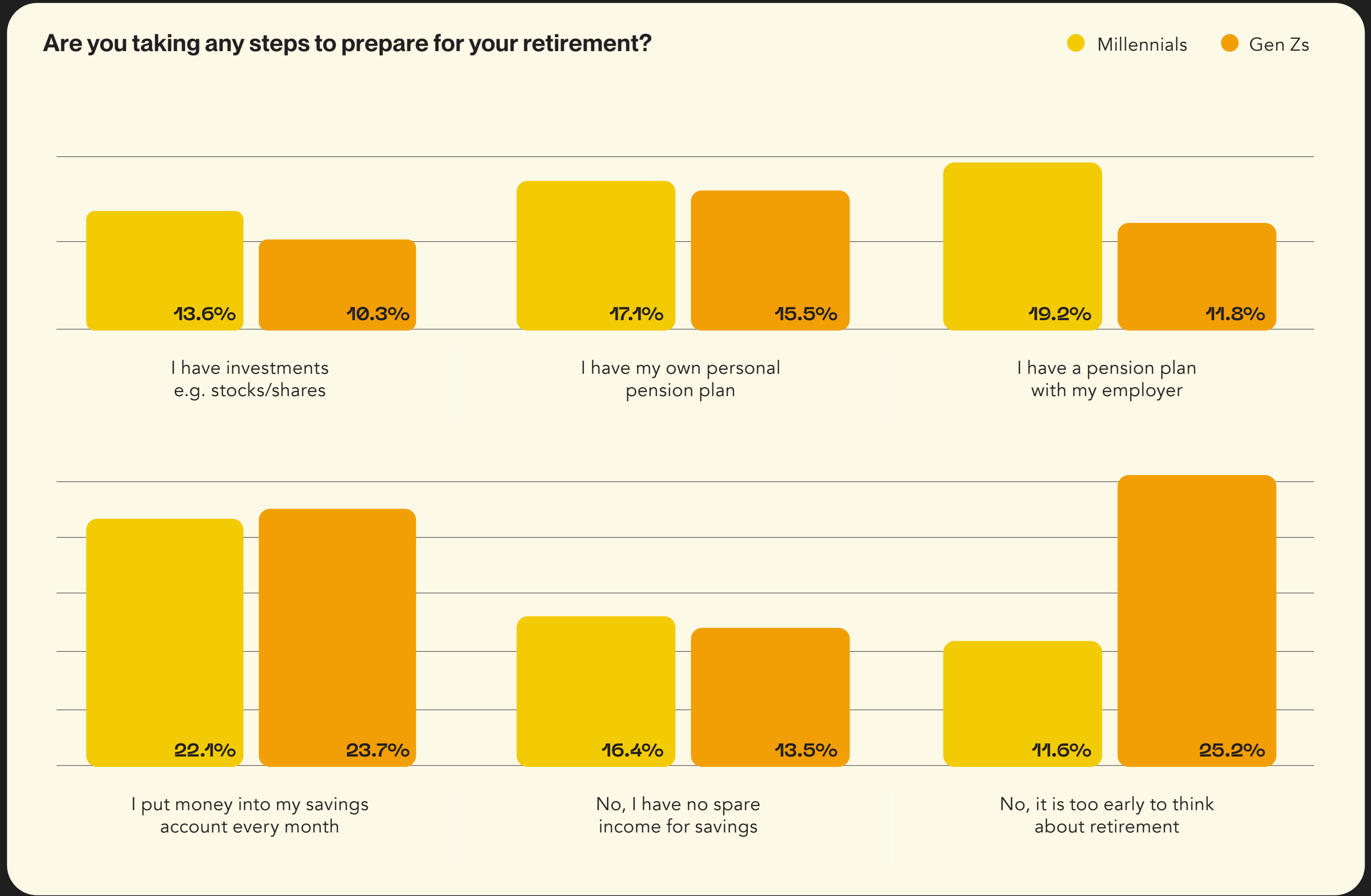


Fig 28. Retirement preparation steps

Pension literacy

Insurers are well-positioned to support young people with education around financial planning. Pensions is the product area where our respondents have the least knowledge – 17.6% say they have no knowledge at all and a further 38.8% say their understanding is limited.

This lack of knowledge is understandable. Pension provision is a highly complex area of financial planning requiring an understanding of state provision (if any) and of the regulatory landscape of private or employer-sponsored schemes.

By comparison, young people have a lot more confidence in their understanding of savings products, with 69.3% claiming a good or very good level of knowledge here. It is conceivable that savings products are more heavily promoted towards Gen Zs and Millennials than pension products, which may be seen with less urgency by this audience.

To improve pension knowledge, early engagement is key to the best possible outcome at retirement. Providing financial education could help raise awareness and ensure that retirement planning is given the priority that it needs and deserves.

To further demonstrate value, providers may benefit from emphasising the significant weight of employer contributions some markets mandate for pensions, a benefit not felt in other areas of investment.

But even armed with good knowledge about a product – as in savings – it should be remembered that knowledge is only a first step on this journey.

It's also about timing

With so much discussion about what type of retirement planning young people are making, it is easy to miss the elephant in the room – sometimes young people simply aren't willing or able to make any future plans yet.

This year's data shows that, although almost half of young people in China are making some form of pension payment (49.5%), the figure drops to a fifth (20.7%) for Japan. In fact, 29.7% of Japanese respondents told us they weren't preparing for retirement in any way because they simply had no spare money to save, invest or pay into a pension scheme.

For insurers, the lesson here is to meet young people where they are, not where we would like them to be. It is a reminder that young people may need to be supported in other ways first, and that stress around work and financial uncertainty (Insight 4) may need to be addressed before financial planning can be endeavoured.

09

CAR TELEMATICS & ROAD SAFETY

Key Findings

1. More than 35% of Gen Z drivers have a telematics device fitted in their vehicle, with the highest levels of adoption in Hong Kong and China.
2. Approximately 30% of installed telematics is mandated by insurers. When not mandated, the biggest motivation for Gen Zs and Millennials in adopting this technology is saving money on insurance premium or fuel.
3. Car-related services such as free roadside assistance or theft alerts are the leading incentive to encourage greater take-up of telematics. Petrol and retail vouchers are the most attractive reward for good driving behaviour.

Insight 6 — Accelerating change with driver data

35.9% of Gen Z and Millennial drivers want safety coaching and recommendations based on their telematic device analytics.

35.9%

The Pew Research Center notes that Millennials have surpassed Baby Boomers as the US's largest living adult generation.[14] It should therefore come as no surprise that the wants, needs and buying habits of Millennials have had a great influence in shaping what insurance looks like and how it is sold today. With Gen Zs now joining the pool of potential protection purchasers, they are following in the footsteps of the generation before and making their mark on our industry's landscape.

As discussed above, both generations have grown up in a world shaped by technological advancements, where online interactions and digital convenience are the norm. Their demands have been a catalyst for innovation and paved the way to a rise in insurtech companies in the P&C sector. These companies cater to their preferences by offering user-friendly interfaces, quick quotes, and online policy management. A prominent example of this is Lemonade, an insurtech that utilises artificial intelligence and behavioural economics to offer homeowners, renters, pet and car insurance in the US, and more recently, in Europe.

Last year, ReMark made a significant stride, introducing P&C insights to our consumer study. Our inaugural venture into P&C incorporated topics covering cyber, motor and embedded insurance. In the last 12 months, there have been some evolutionary developments in this space, and they leave their imprint on this year's report, with a tangible sense of progression.

Telematics trending upwards

The global automotive telematics market saw considerable growth in the last 12 months. Despite disruption caused by economic instability and the war in Ukraine, the global market for automotive telematics grew from $100.1bn in 2022 to $132.9bn in 2023[15] with it expected to reach $360.6bn by 2027.

There has been some great product development in this space, too. Drivers can now share driving data collected from their car without needing to physically install a telematics box. One of the UK's largest car insurers Admiral, in partnership with Ford Smart Mobility and telematics service provider Redtail Telematics, launched new car insurance offering "Admiral Live". It allows Ford vehicle owners equipped with a FordPass Connect Modem to conveniently share their car's driving data, eliminating the need of an installed telematics box. By adding their vehicle onto their FordPass app and permitting data sharing on their in-vehicle screen, customers authorise the transfer of data and create a bespoke driving experience.

As we discussed last year, the theory is that by analysing driving data, motorists have the opportunity to improve their driving habits, resulting in increased safety and fuel efficiency. This data-driven approach empowers drivers to make informed choices and take proactive measures to enhance their skills behind the wheel. Furthermore, when insurers receive driving data, they can more accurately assess the level of risk associated with each driver, leading to fairer pricing and tailored coverage, and have a ready-made path to regular customer engagement. In this section, we discuss whether the Gen Zs and Millennials buy into this theory, and what they want in exchange for their valuable driving data.

Car ownership & telematics take-up

From our research data, we see that 67.1% of Millennials own their own vehicle, whilst 4.5% rent or lease a vehicle. Gen Zs, perhaps as one would expect, have lower ownership levels at 47%, with 17.2% of them sharing a family vehicle. Across both generations, 55.1% of respondents state that cars are their main form of transportation on a day-to-day basis.

Looking at respondents that drive a car, whether that be owned, leased or shared with family members, 36.8% of Gen Zs and 27.9% of Millennials have or use telematics to monitor their driving habits.

Diving deeper, as it can be the most affordable, and in some instances, the only way for new drivers to insure their first wheels, more younger drivers have a telematics device. Among 18-21-year-olds, 41.4% have a device, while, by age 37-42, the percentage has fallen to 21.3%.

Globally, the adoption of telematics solutions exhibits some notable disparity. In our research, Hong Kong leads the pack with an impressive adoption rate of 69.4%, closely followed by China (66%), Singapore (58.9%), and Taiwan (47.1%). On the other end of the spectrum, Australia exhibits the lowest adoption rate at 12%, accompanied by Japan (13%), Ireland (16.8%), and Mexico (19.7%). These variations can be caused by a selection of factors, such as the mandating of use, cultural attitudes towards geo-tracking and data privacy, access to reliable GPS, and local regulations.

[14] Fry, R. (2020). Millennials overtake Baby Boomers as America's largest generation. [Online]. Pew Research Center. Available at: https://www.pewresearch.org/short-reads/2020/04/28/millennials-overtake-baby-boomers-as-americas-largest-generation/ [Accessed 26 June 2023].

[15] Research and Markets. (2023). Automotive Telematics Global Market Report 2023. [Online]. Research and Markets. Available at: https://www.researchandmarkets.com/reports/5744330/automotive-telematics-global-market-report#sp-pos-4 [Accessed 21 June 2023].

The motivation for telematics

Understanding the drivers behind telematics adoption is crucial in understanding the disparity observed among markets. For a notable portion of respondents (30%), installation of telematics devices was not of their own volition, but rather a requirement imposed by their insurers. This underscores the influence of insurer policies in shaping consumer behaviour.

Notably, the primary incentive for acquiring a telematics device was financial in nature, with 31.5% of respondents citing the desire to secure a more affordable insurance premium. Additionally, 25.5% of respondents indicated that their motivation stemmed from the potential fuel and cost savings achievable through improved driving efficiency. With the cost-of-living crisis, high inflation and rising interest rates, the desire to save money on car insurance premium is not surprising. What is surprising is the low level of importance of reducing one's carbon footprint for the environment, at less than 5%. Gen Zs and Millennials are often touted for their eco-consciousness and climate change activism. It seems though, despite the earnest of intentions, it is the pinch in the wallet that hurts the most.

What motivated you to get a telematics device on your vehicle?

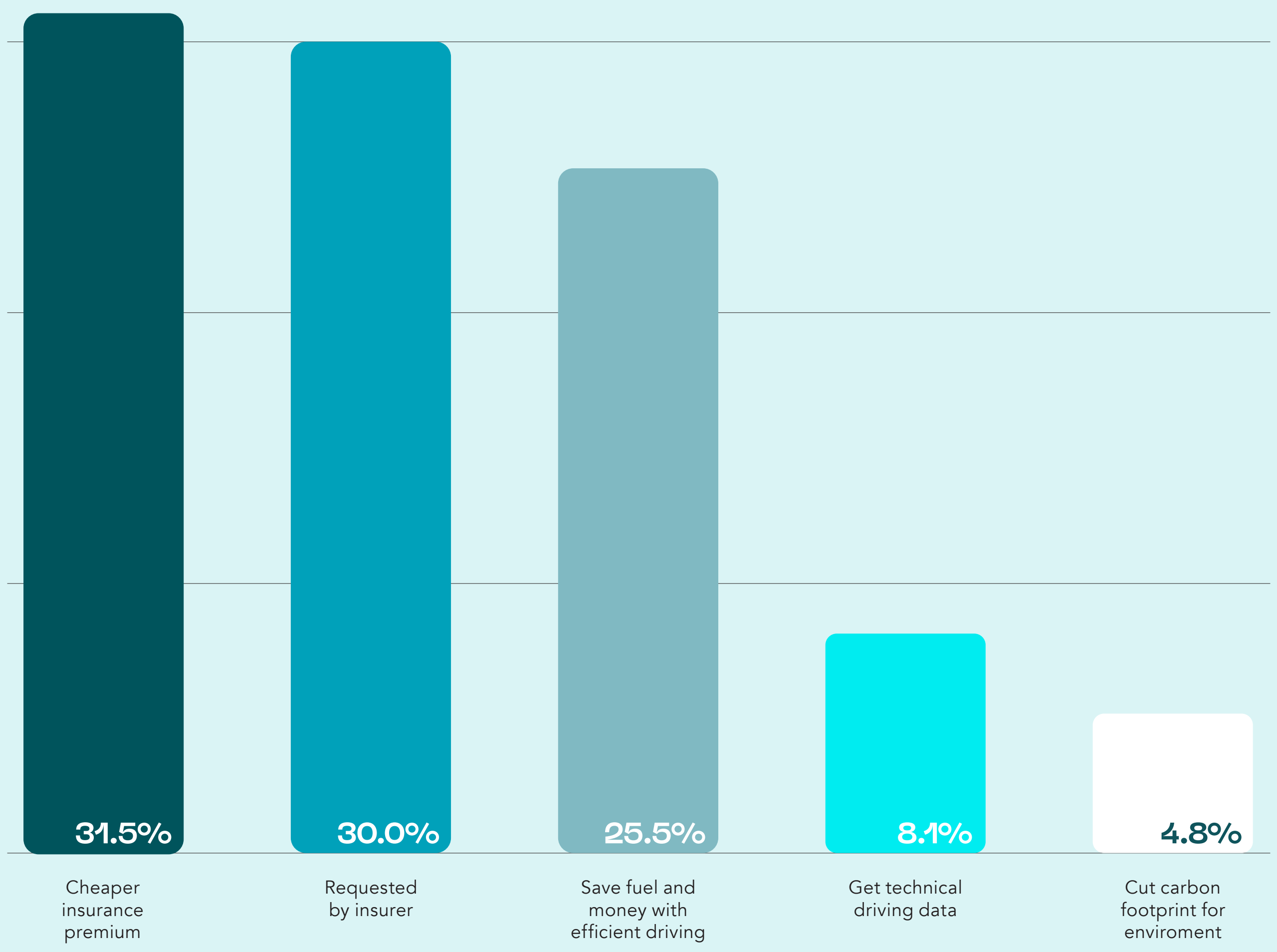


Fig 29. Motivation for car telematics

If you could have an app which synced with an analytics device on your car, what kind of information would you like to see?

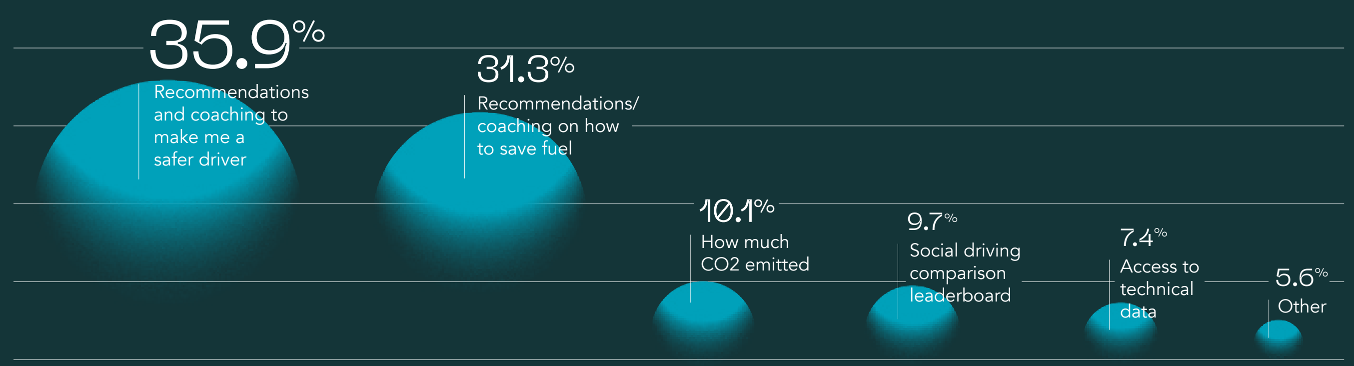


Fig 30. Most desired information from vehicle analytics

"I'm already a good driver…but I'll take more coaching."

While a cheaper insurance premium was the leading motivator for telematics device installation, we asked consumers what information they would like to see if they could use an app that synchronised with their telematics device.

Respondents were keen to take advantage of the driving insights generated by telematics. When asked what kind of information they would like to see on an app synced to an analytics device, the top two responses were recommendations and coaching to make them a safer driver (35.9%) and to make them more fuel efficient (31.3%).

The irony here is that when asked to rate their driving abilities, 87.7% of respondents rated their driving at four or five stars out of five. Just 1.7% of respondents were happy to accept their driving was below average. That such a high proportion of respondents drive at an above average level is statistically implausible. But perhaps the desire for coaching is implicit acknowledgment of their imperfect driving abilities and recognition of room for improvement in safe driving.

Again, there is little interest in environmental concerns by Gen Zs and Millennials, with data to track their carbon footprint garnering only 10.1% of responses. This was a surprising drop from last year when 34.9% of respondents selected this option. Gen Zs and Millennials were equally disinterested in access to technical driving data at 9.7%, a substantial drop from last year's report at 37.9%, albeit covering more generations.

How well would you rate your driving?

Fig 31. Self-perception of drivers' driving capabilities

What type of vouchers or rewards would you like to receive in exchange for good driving behaviour?

32.8%	Petrol vouchers
28.5%	Retail vouchers
19.3%	Supermarket vouchers
9.5%	Entertainment tickets
4.0%	Gadget vouchers
2.4%	Drinks vouchers
2.2%	Gym membership discount
1.3%	Gaming vouchers

Fig 33. Preferred rewards for good driving behaviour

Good rewards for good driving

It is interesting to observe that despite generational changes, the attraction of rewards, freebies, and vouchers remains a prevalent marketing phenomenon. Offering desirable benefits and incentives to motorists can encourage greater take up of telematics. When asked "if your car insurer invited you to install an analytics device on your vehicle, which of the following benefits would you be most interested in?" the top answer was car-related services such as free roadside assistance or theft alerts. This finding aligns with the last year's top choice, suggesting a continued interest in practical and value-added services that enhance the overall car ownership experience.

For those who stated they were most keen on vouchers and rewards, we probed a little deeper, exploring their preferred rewards in exchange for good driving behaviour. Various rewards were proposed, including retail vouchers, gym membership discounts, even gaming vouchers for a PlayStation or Xbox.

The most popular option was petrol vouchers (32.8%), followed by retail vouchers (28.5%) and supermarket vouchers (19.3%) Again, with the cost-of-living crisis, high fuel costs and supermarket shopping baskets becoming more expensive to fill, the desire to save money is understandable.

Whether it is saving money on fuel or saving lives by becoming a safer driver, by understanding the key features that customers want, insurers will be able to unlock the telematics market for a broader audience.

In the driver's seat

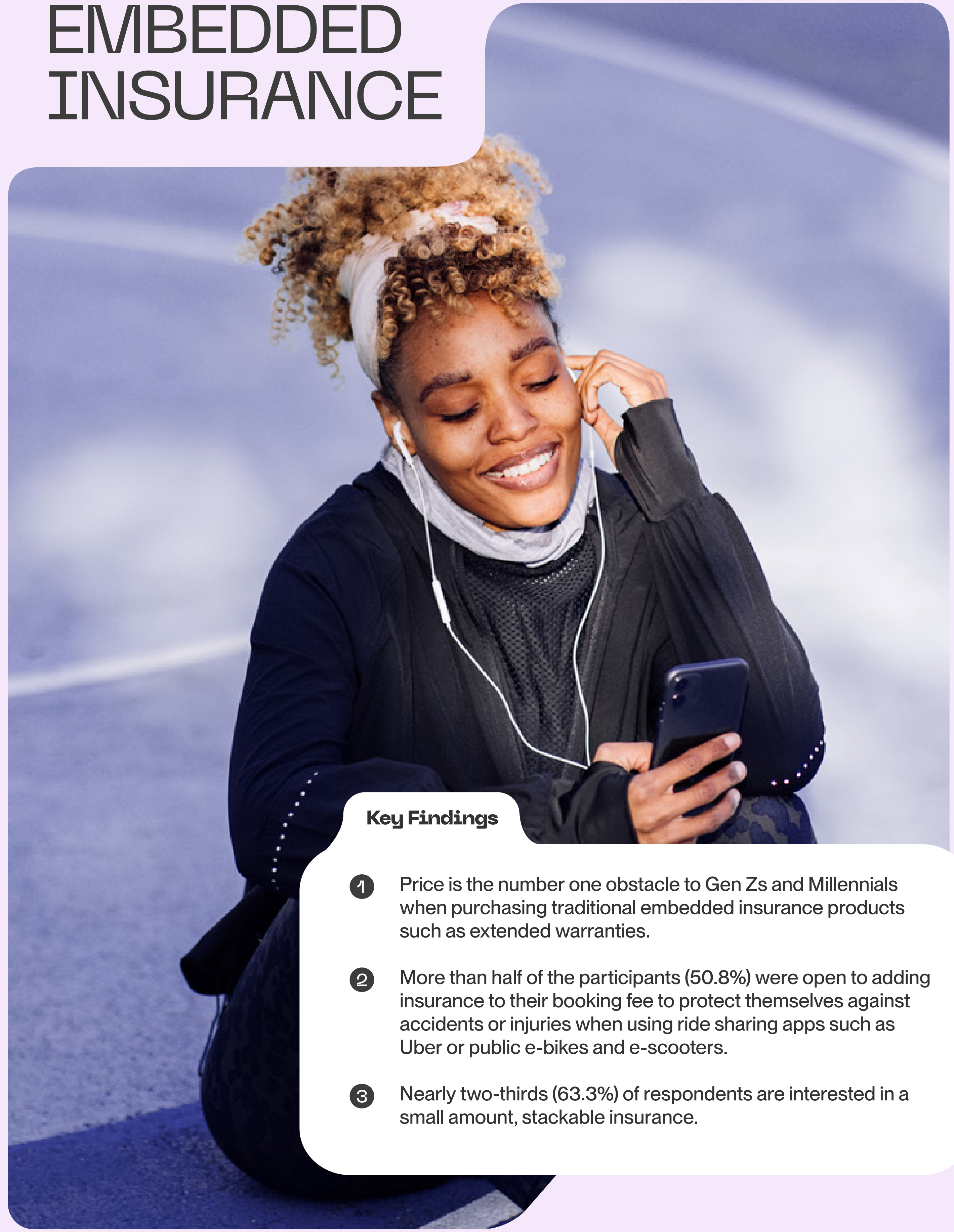
Wider take-up is still dependent on motorists' attitudes. The negative perception associated with having their driving monitored with Big Brother overtones is still an uncomfortable concept to many motorists. However, insurers should be encouraged by this feedback from Gen Zs and Millennials. By getting the strategy right in offering a good price, incentivising installations and rewards for good driving behaviour, insurers are in the driver's seat to steer this upward trajectory of telematics growth.

If your car insurer offered a vehicle analytics device, what benefits would interest you the most? (Very/somewhat interested)

Car related services, like free roadside assistance or theft alerts	**91.3%**
Vouchers or rewards for good driving	**90.0%**
Crash detection technology	**88.1%**
Reduce risk of an accident/insurance claim in the future	**87.5%**
A customised price based on my usage	**76.9%**
A customised price based on my driving behaviour	**89.7%**

Fig 32. Preferred benefits in exchange for telematics installation

EMBEDDED INSURANCE



Key Findings

1. Price is the number one obstacle to Gen Zs and Millennials when purchasing traditional embedded insurance products such as extended warranties.
2. More than half of the participants (50.8%) were open to adding insurance to their booking fee to protect themselves against accidents or injuries when using ride sharing apps such as Uber or public e-bikes and e-scooters.
3. Nearly two-thirds (63.3%) of respondents are interested in a small amount, stackable insurance.

Insight 7 — Convenience vs. Value: a balancing act

53.6% of Gen Z respondents are happy to add insurance cover to their bookings when using ride sharing apps, such as Uber.

53.6%

Last year, we incorporated the embedded insurance model to our Global Consumer Study. To recap, “embedded insurance is the real-time bundling and sale of insurance coverage or protection while a consumer is purchasing a product or service, bringing the coverage directly to the consumer at the point of sale.”[16] It has been traditionally associated with the purchase of white goods and in the form of extended warranties or breakdown cover. Following significant capital investment and seed funding, combined with technological advancements in the fintech and insurtech space, embedded insurance experienced its own renaissance.

Embedded insurance represents both a significant opportunity and challenge for insurers. On one hand, it serves as a low-cost distribution channel to reach and access a wider audience and customer base, owing to cutting-edge technologies. By integrating insurance products seamlessly into the purchase process of mainstream goods, such as concert tickets or Airbnb accommodation, insurers can tap into previously untapped markets. This expanded reach, coupled with the enhanced customer experience embedded insurance offers via tailored cover at the point of need, increases the potential for higher sales volumes.

On the other hand, insurers risk becoming dependent on partnerships with large, powerful distributors, such as retail companies, to get products out in front of shoppers. In some instances, insurers may find themselves in a position where their brand presence is diminished, and are perceived as interchangeable suppliers of underwriting capabilities. This could lead to a further commoditisation of the industry, where the focus shifts primarily to price and competition, eroding the unique value propositions that insurers can offer.

To mitigate these risks and leverage the opportunities presented by embedded insurance, insurers must strategically position themselves as trusted partners. By actively participating in the design and development of embedded insurance solutions, insurers can showcase their expertise, differentiate their offerings and maintain a competitive edge. Additionally, insurers should strive to establish strong customer relationships and brand recognition to ensure they remain more than just back-end providers.

Despite this challenge, we have witnessed insurer and third parties strengthening bonds globally. Online giant Amazon launched an insurance store for customers in the UK to purchase various forms of home cover via its new quote and comparison-style platform. Following a collaboration with Ageas, Co-op, LV and Policy Expert, Amazon customers can gather and compare quotes, personalise and purchase a policy. Post-purchase, customers can view their policies, change their payment method and view renewal information all on the Amazon website.

Elsewhere, European business banking platform Qonto partnered with insurtech Qover for its new embedded card insurance proposition. Based in France, Qonto issues business accounts designed specifically for SMEs and freelancers, along with an accompanying corporate card. By embedding Qover’s modular platform, a new card insurance offer was launched, protecting customers against losses incurred as a result of business travel, fraudulent payments or withdrawals, and purchase protection in the case of stolen or damaged items.

[16] Hurley, J. (2022). Embedded insurance: Definition, examples, benefits. [Online]. The Future of Commerce. Available at: https://www.the-future-of-commerce.com/2022/03/31/embedded-insurance-definition-examples-benefits/ [Accessed 14 June 2022].

Value for money is valued most

Our Gen Z and Millennial audience are aware of the concept of embedded insurance. Nearly 70% are aware that insurance can be bundled within the purchase of a good or service, with older respondents' experience evident through slightly higher awareness levels. Awareness does vary considerably between markets, reflecting different approaches by insurers and the insurance penetration of each market. The highest levels of awareness are in Taiwan (83.2%), India (83.2%) and Singapore (79.5%) while the lowest are in Japan (51%), South Korea (55.6%) and South Africa (56.4%).

Despite good awareness, as with last year's study, the perceived high price and low value for money is the main obstacle for these generations in purchasing this type of cover. When asked about their experiences of extended warranty cover, more than half (54.3%) had refused to take this cover, with price as the top reason. Nearly half (44.9%) of those who turned it down said it was too expensive. Striking a balance between value and cover is essential. Developing innovative insurance products that meet the expectations and budgets of these generations will ensure they have the cover they need.

In their quest for value for money, buying from an established insurance brand is not as important to our respondents. More than half (50.5%) are happy to buy insurance from a new online-only insurance company, as long as it is cheaper or more convenient. A mere 15.9% of respondents prefer to buy from a well-known name.

Similarly, while selecting an insurer that has branches is a little more important than a brand name, at 20.6%, this average is swayed by higher results from the younger respondents. Amongst Gen Zs, 23.9% would prefer an insurer with branches. Perhaps, with limited experience of taking out insurance, they value the ability to discuss their options face-to-face.

Fig 34. Willingness to buy an insurance add-on when ride sharing

Cover my ride

Ride-sharing apps such as Uber disrupted the taxi industry by introducing a convenient and affordable alternative for passengers. With a few screen taps, passengers can easily request and track rides with transparent pricing and estimated arrival times, providing a cure to the hailing a cab on the street pain point.

Similarly, the arrival of e-bikes and e-scooters from popular brands such as Lime or Tier in major cities has brought about change in urban transportation and mobility. These electric-powered vehicles have quickly gained traction in cities like Berlin and Lisbon as a convenient and environmentally friendly mode of transportation.

However, when sharing roads with cars, buses and vans, such modes of transportation inevitably come with risk. With this is in mind, we asked consumers about their appetite in paying a small surcharge, on top of their booking fee, for insurance cover to protect against accident or injury while using ride-sharing apps or public e-bikes and e-scooters. The willingness reveals an interesting trend among respondents. According to our survey data, more than half of the participants (50.8%) were open to adding insurance to their booking fee to protect themselves against accidents or injuries. Notably, younger respondents exhibited a higher level of enthusiasm for this option. Amongst Gen Zs, 53.6% expressed their desire for insurance coverage, while the number stood at 49.2% for Millennials.

Further analysis of individuals' risk appetite and its impact on their decision-making sheds light on two distinct groups: the highly cautious and those more comfortable with risk-taking. Surprisingly, these two groups displayed the highest likelihood of opting for insurance coverage when using ride-sharing apps. The percentage was particularly significant for the very cautious, with 62.7% supporting the inclusion of insurance. Meanwhile, those at the opposite end of the risk spectrum were not far behind, with 60.2% in favour.

Another significant factor influencing individuals' inclination towards insurance coverage was their driver status. Those who rented or leased vehicles demonstrated a greater willingness to pay the surcharge for insurance, with an overwhelming 73.6% of this group choosing this option. This inclination may be attributable to their experience with leasing vehicles, as they are accustomed to including various driving costs within a single fee, making the addition of insurance seem perfectly acceptable.

Additionally, a variable that highlighted differences in attitudes to such cover was employment industry. Those who stated they work in online business or e-commerce, or social media and content creation are most open to paying a surcharge at 64.7% and 66.6% respectively. Perhaps professionals in careers that are digital in nature are more comfortable, familiar and open to this type of app-based transaction. Those who receive financial support from families or student loans and scholarships as their main source of income were least interested at 33.7% and 37%. It would seem reasonable to conclude in receiving financial support, these segments are more sensitive to discretionary spending concerns.

These insights highlight the evolving mindset of individuals regarding insurance coverage in the context of ride-sharing and alternative mobility options. Understanding these preferences can assist insurance providers and ride-sharing platforms in tailoring their offerings to meet the specific needs and risk profiles of their customers.

Traffic safety experience

A closer examination of market-specific responses reveals intriguing variations in preferences regarding the inclusion of insurance. Notably, Indonesia, India and China emerged as frontrunners, with 78.2%, 74.9%, and 72.4% respectively, expressing their willingness to pay a slight surcharge for insurance coverage. In contrast, Japan, Australia and the UK demonstrated a contrasting preference, with only 23.3%, 31.9% and 36.3% respectively, opting for insurance as part of the booking fee.

One could argue a correlation exists between these responses and the safety of each market's roads. According to the World Health Organization[17], where the global average is 17 road traffic fatalities per 100,000 of population, Japan (3.6), Australia (4.94) and the UK (3.21) have some of the lowest rates. In comparison, higher road traffic fatality rates in Indonesia (11.33), India (15.56) and China (17.36) may increase the desire to take out insurance. These statistics suggest that the desire to secure insurance coverage is amplified in markets with higher road traffic fatality rates, where individuals are more inclined to mitigate potential risks associated with accidents.

Good things come in small packages

The introduction of the Small Amount, Short Term Insurance (SASTI) in Japan following amendments in legislation and capital requirements has brought change in land of the rising sun. SASTI companies have emerged as providers of non-life insurance policies, catering to customers' specific needs. This unique business model primarily focuses on offering insurance coverage in smaller amounts and for limited durations. For instance, individuals make small and regular premium contributions by dedicating a portion of their daily spend to a preselected policy or funding it through round-ups when they use their bank cards. So, in essence, the more one spends, the larger one's sum assured pot becomes.

Japan has seen this part of its market grow significantly. It has also encouraged greater innovation: while household, life and medical insurances are the most popular, products also exist for more niche risks such as pet, earthquake, additional drivers, and dementia support. As of July 2021, there were 112 SASTI providers in Japan[18], with players such as Aeon, Tokio Marine and SBI involved.

We asked our international audience for their thoughts on this. Would this novel idea be appealing to the younger generations around the world? Nearly two-thirds (63.3%) of respondents stated they would be interested in this type of product, especially across the younger age bands. For instance, 68% of our Gen Zs said they would be interested, whilst 60.7% of the Millennial cohort said they would be. Interest varies around the world too. Those in South Africa (80.9%), SE Asia (78%) and South America (76.9%) are the most excited about this type of product. This may reflect exposure to this concept, either in insurance or other financial services products.

The online world can be a cure and curse for these generations. Embedded insurance, if executed well, can be a cure for insurers too.

[17] World Health Organization. (2021). Estimated road traffic death rate (per 100 000 population). [Online]. Available at: https://www.who.int/data/gho/data/indicators/indicator-details/GHO/estimated-road-traffic-death-rate-(per-100-000-popula [Accessed 28 June 2023].

[18] Takahashi, S. , Ueda, M. , Murakami, T. , Takagi, T. (2021). Insurance and Reinsurance in Japan: Overview. Thomson Reuters. [Online]. Available at: https://uk.practicallaw.thomsonreuters.com/0-501-3163 [Accessed 28 June 2023].

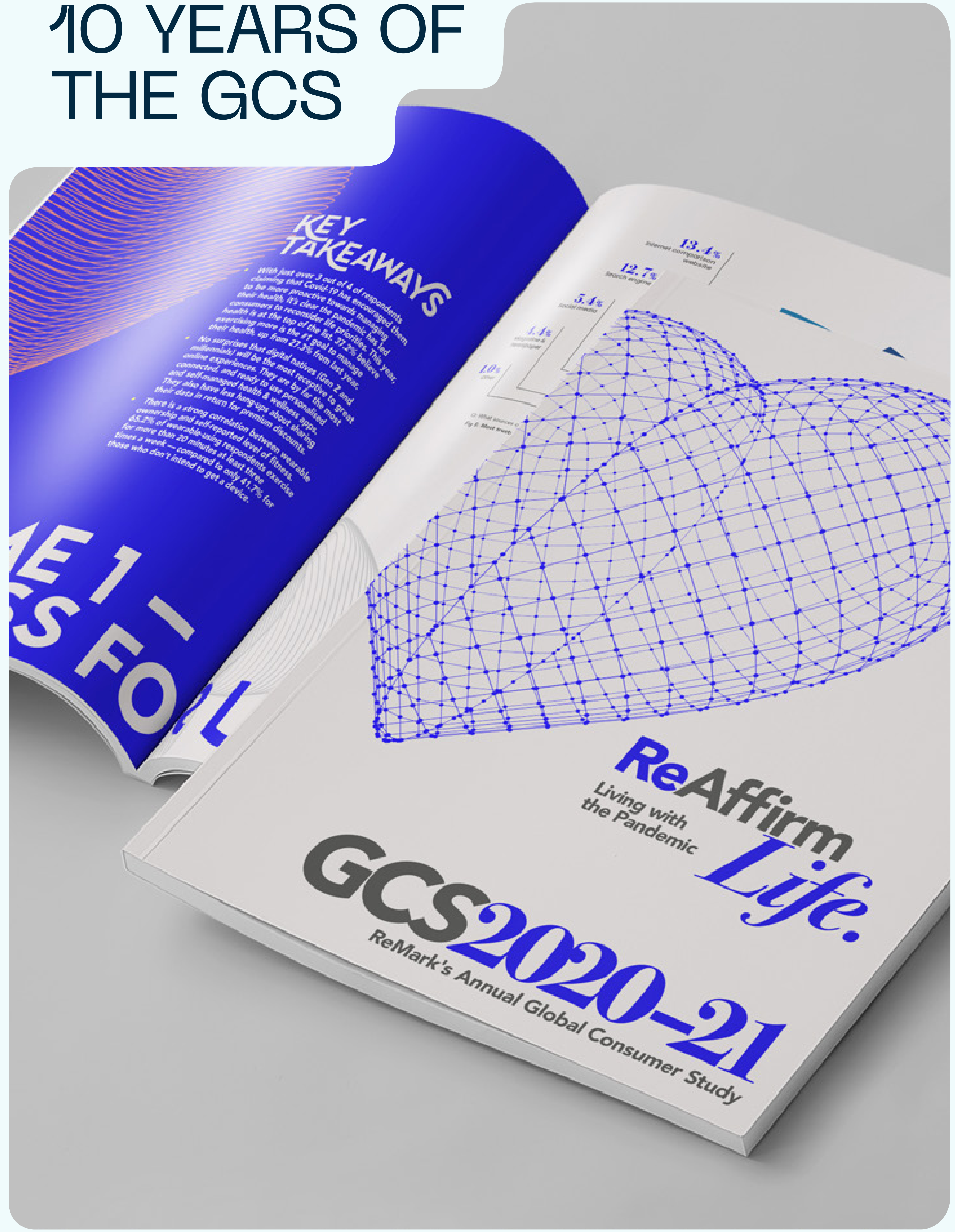
GLOBAL CONSUMER STUDY

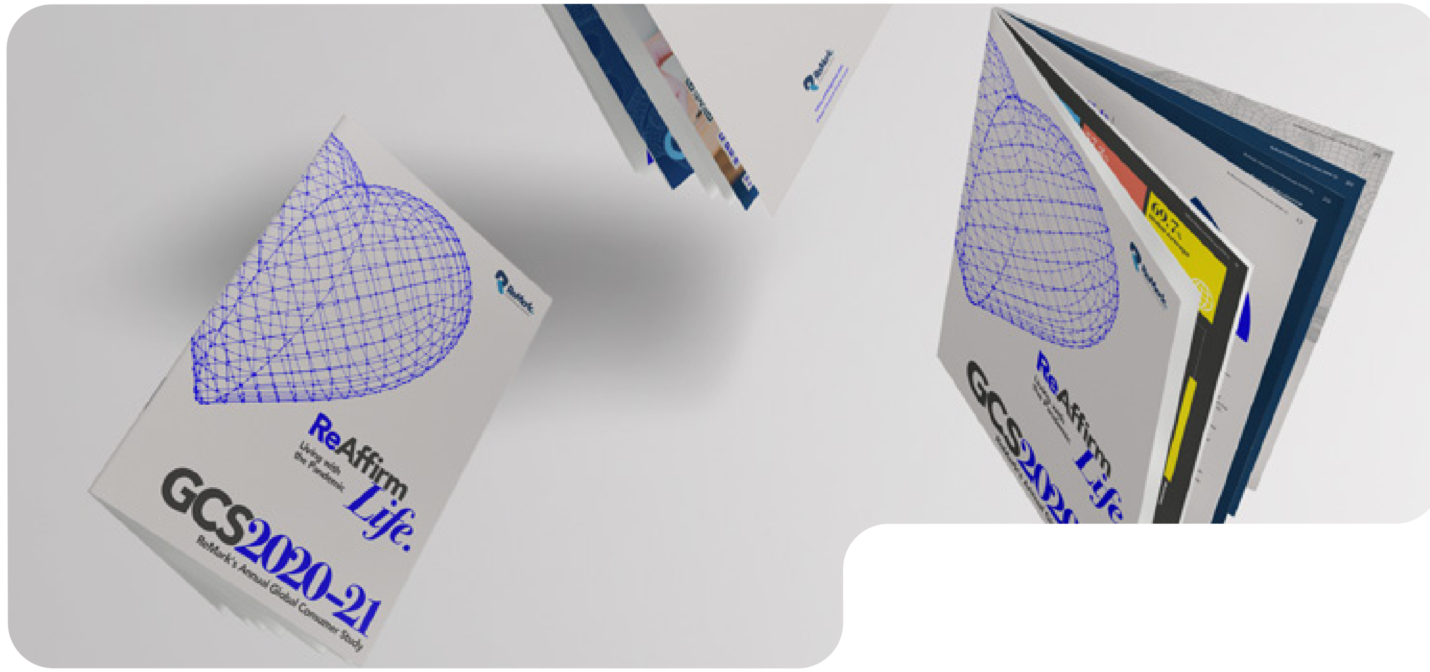
10 YEARS

SINCE 2013

TEN YEAR EDITION

10 YEARS OF THE GCS





Dissatisfied with the state of the life insurance industry, insurer-policyholder relations and the overall customer value proposition, ReMark embarked on a mission in 2013 to reach out to the global insurance customer base, to understand their attitudes, rationale and habits and to champion their voice. Equipped with the resulting insights, we hoped to advise and implement meaningful change in the industry.

Additionally, we wanted to provide our clients and partners across the industry with the latest thought-leadership on how new technologies and smarter strategies could reinvigorate life insurance growth in both established and growth markets.

The result of this was our Global Consumer Study, and in May 2014, our inaugural report "Say No to Maturity" was published. We surveyed 8,000 consumers across 14 key markets offering agency insurers, intermediated insurers, banks and direct specialists insights on subjects including new distribution models, channel structures, persistency management and the unbundling of insurance policies.

From an initial sole focus on life insurance, the scale of our report has grown significantly from 14 key markets to 22, and 8,000 respondents to almost 13,000 today. The scope of topics in subsequent reports has significantly widened to cover matters including big data, claims experience, health & wellness, data privacy, insurtech adoption, AI appetite and even P&C.

10 years on from our inaugural report, we live in a different world. Since 2014, the international community signed the Paris climate change treaty, endured numerous divisive political elections and Brexit in Europe, survived a global pandemic, cheered at the Rio and Tokyo Olympic games, struggled through an international supply chain shortage, a cost-of-living crisis, and sadly, witnessed war in Yemen, Ukraine and Ethiopia. What has remained steadfast throughout this time is ReMark's continued desire to listen to consumers, give voice to their wants and needs and provide meaningful insight to our industry.

Having now reached this momentous milestone, it would be remiss of us not to look back retrospectively, reflect on what consumers and policyholders have said to us and study what attitudes and perspectives have evolved over the past decade, or even remained the same.

We tasked ReMark's in-house team of data scientists with taking a trip down GCS memory lane, and thankfully, they did not disappoint.

In this section, we present the findings from the analysis of 10 year of GCS data, made possible through the building and interpretation of 30 individual data models that allow us to predict proxies for insurance purchasing behaviour. Utilising advanced techniques such as Gradient Boosted Survival Modelling and SHapley Additive exPlanations (SHAP) to analyse feature importance and partial dependencies, we gained valuable insights into the driving factors behind purchasing behaviour and their dynamic evolution over time.

Purchase evolution – the changing landscape

Analysis of purchasing behaviour uncovers intriguing insights into the shifting landscape of consumer preferences.

In our inaugural GCS report, traditional socioeconomic factors played a prominent role in driving insurance purchases among those aged 18-42 in 2014. Thereafter, an interesting pattern emerged where health and technology use indicators, such as the adoption of health apps and wearable devices, began to gain significance. These indicators reached their peak predictive importance between 2017 and 2020, suggesting a fascinating trend of health-conscious consumers seeking insurance coverage during this period.

Top predictive variables were health apps and wearable ownership

*Mean (SHAP value)

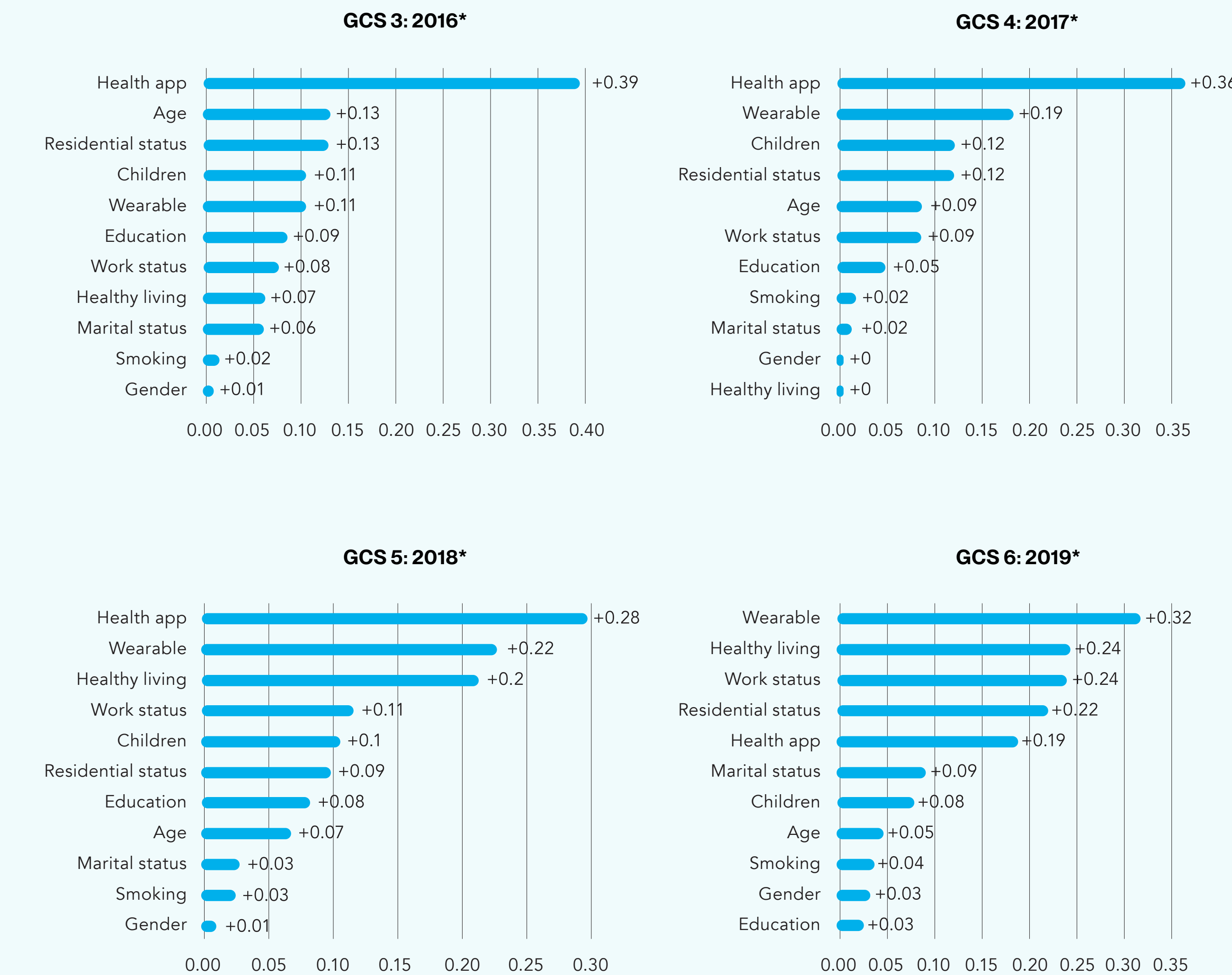


Fig 35. 4th, 5th, 6th and 7th GCS (2017-2020)

Fast forward to 2021 and the relative importance of health and technology indicators experienced a sudden decline, giving resurgence to the more traditional financial and demographic factors. Homeownership, parenthood and age rapidly emerged as leading drivers of insurance purchase decisions, displacing the health and technology indicators. This shift may have indicated a return to primary considerations, where individuals prioritised family responsibilities and long-term financial security amidst the uncertain times of the pandemic.

Return to top 3 predictive variables: residential status, children and age **GCS 8: 2021**

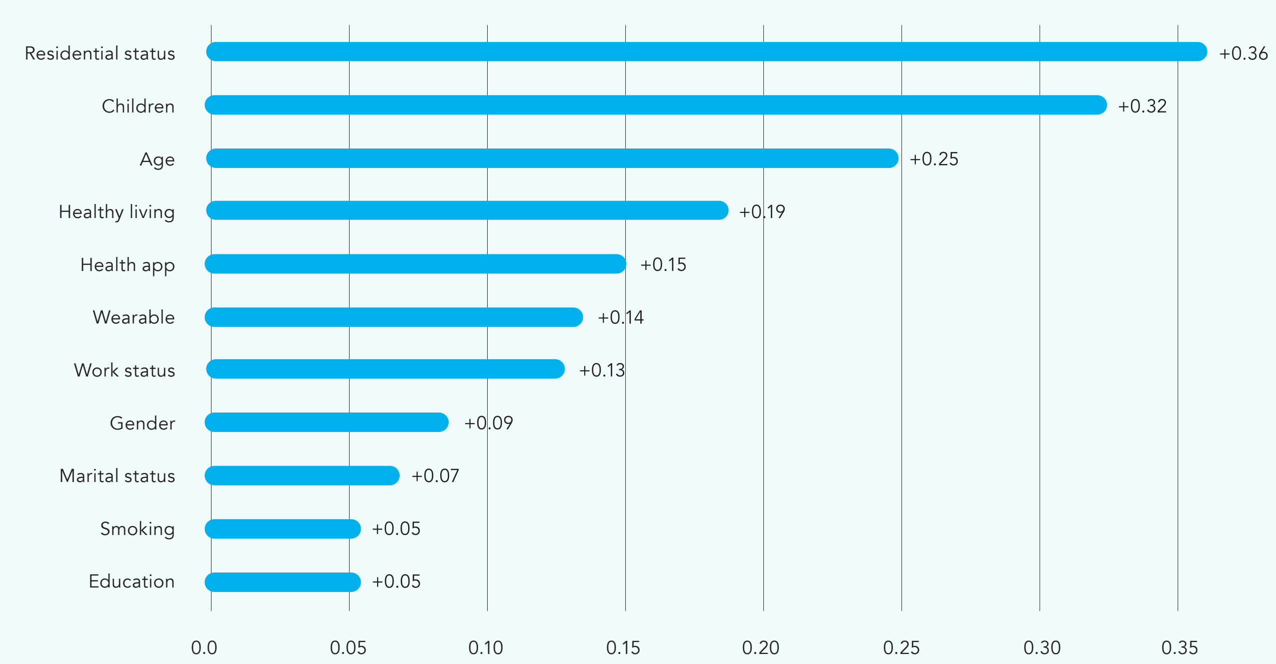


Fig 36. 8th GCS (2021)

2022 and 2023's results suggest a rebalancing of the predictive importance of health/technology indicators and financial/demographic indicators. Although the latter are still most prevalent, as they were in 2021, health/technology indicators make up lost ground. 2023's results establish a strong correlation between a person's health-related metrics, such as steps, exercise frequency, sleep duration, diet quality, and their likelihood of purchasing insurance, although financial/demographic indicators still play the strongest role. In these two most recent years, individuals who lead healthier lifestyles were more inclined to invest in insurance cover.

Interestingly, our analysis revealed an unexpected gender-specific pattern. While the impact of technology and health-related indicators remains significant overall, women appeared to contribute to the increase in predictive importance for these factors during 2016-2018.

Female propensity gains ground vs. males

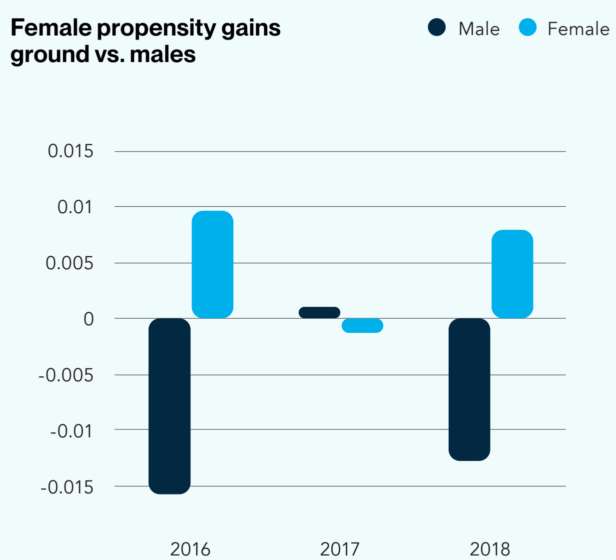


Fig 37. 3rd, 4th, 5th GCS (2016, 2017, 2018)

The data suggests that men typically lead in insurance acquisition. However, these three years display an intriguing shift. Closer scrutiny reveals that 2016, 2017 and 2018 do not adhere to dominant male-driven buying trends. These three atypical years deviate from the norm, signifying that women had a more influential role than usual in shaping insurance purchase decisions during those periods, either by reducing the gender disparity or even surpassing men in their likelihood to buy insurance i.e. 2016 and 2018. A unique aspect of 2017 lies in its distinctive position: while insurance sales are still inclined towards men, the predictive power of gender is notably weaker compared to other years.

This period of women's growing influence also coincided with the rise of health and technological indicators. One could argue that these developments are significant, as it underscores the potential for transformative shifts in conventional consumer purchasing behaviours, facilitated by the development of innovative products and technology, and it recognises the diverse influences on purchasing behaviour across demographic segments. As it happens in this particular case, change was cultivated most in those who are healthier.

The shock of a pandemic

As we discussed earlier in the study, there was a significant shift in consumer behaviour as a result of the pandemic. This global event shaped consumer preferences and priorities in unexpected ways. Evidence from our data models suggest that purchase propensity moved away from those with health-related technologies like health apps and wearables and that the pandemic brought relatively more male purchasers who were less health focused, less educated, and worked less. This shift in focus may indicate a revaluation of priorities, with individuals placing greater importance on family and living arrangements during times of uncertainty.

Months on from the pandemic, our 2023 findings show a re-emerging correlation between a person's health-related metrics and their likelihood of purchasing insurance. However, the tentative nature of this re-emergence suggests that consumers have not completely returned to their pre-pandemic behaviours. Despite the revival of our social lives, travel plans, and leisure activities following the pandemic's grip, decisions pertaining to financial matters and protection are experiencing a time lag from the pandemic and are still being influenced by insecurity and uncertainty. As both pre-pandemic and post-pandemic mindsets coexist, the pandemic's impact continues to influence consumer's financial decisions more profoundly than we might have anticipated.

Male propensity to purchase is greater than female

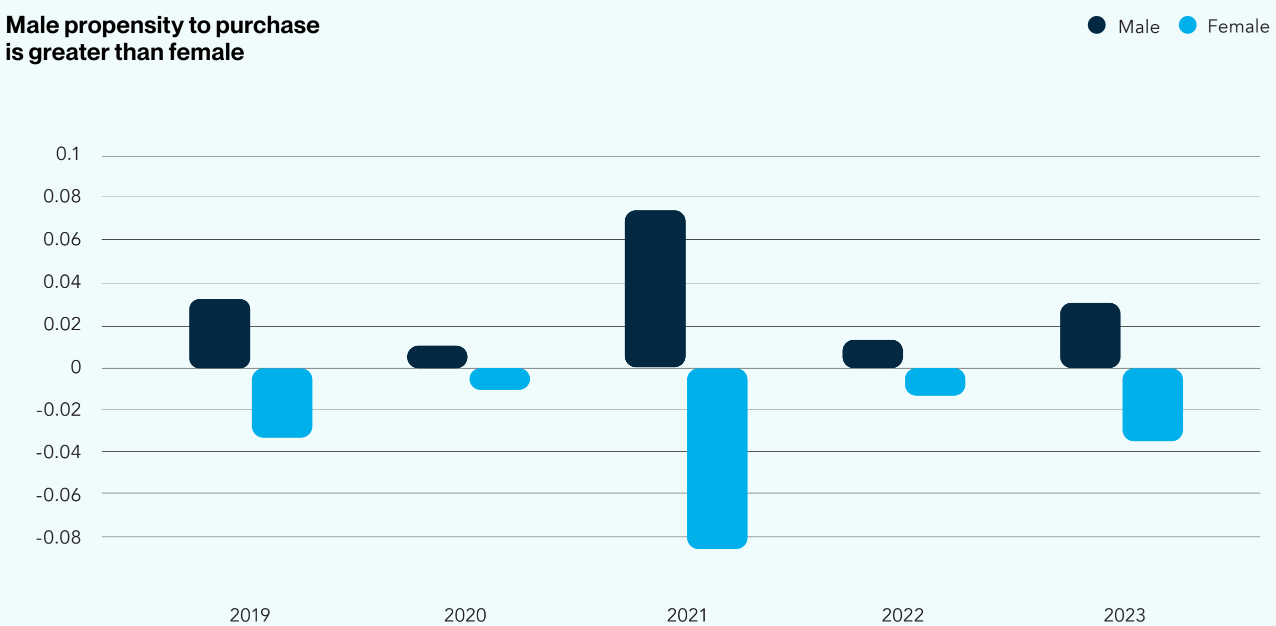


Fig 38. 6th, 7th, 8th, 9th, 10th GCS (2019, 2020, 2021, 2022, 2023

Knowledge = Sales, the winning equation

Insurance literacy scores prove to be an instrumental predictor, particularly amongst younger consumers. This score, derived from the GCS survey, stands out as a critical piece in accurately forecasting sales outcomes.

The data demonstrates that insurance literacy significantly enhances model accuracy across all scenarios, implying that gaining insights into customers' understanding of insurance matters may hold equal or even greater importance than demographic, financial, technology, or health-related data.

Probing further into insurance literacy reveals an intriguing pattern that merits both scrutiny and strategic consideration. The cross-referencing of age, propensity to buy and insurance literacy highlights an interconnected, inverse relationship. For those in the 20 to 40-year-old cohort, higher levels of insurance literacy correlate with a higher propensity to purchase. The data suggests that younger, informed consumers are making more deliberate purchase choices.

Insurance literacy score dominates predictive importance *Mean (SHAP value)

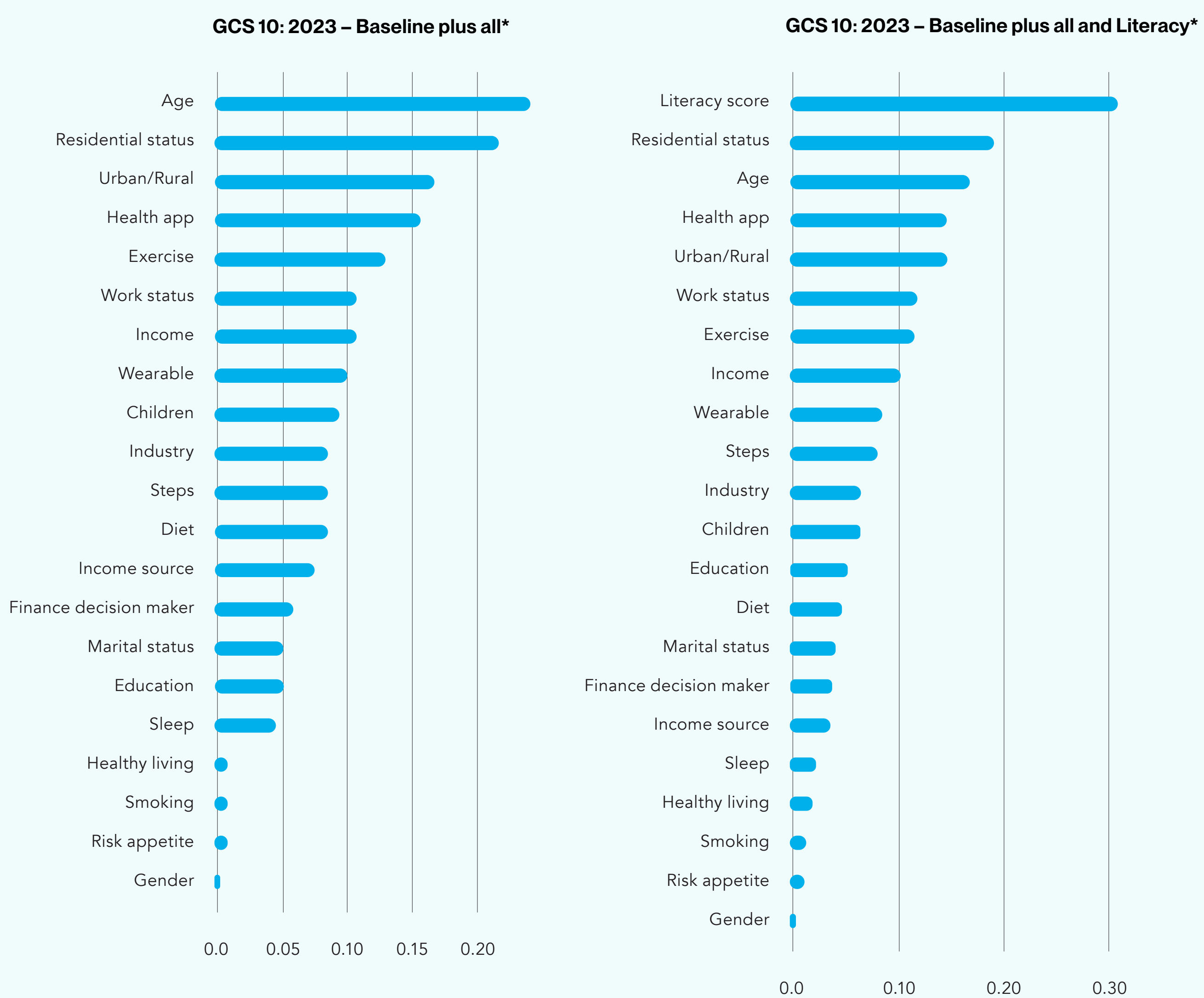


Fig 39. 10th GCS (2023)

Best fit line of average SHAP Values for age in low and high literacy score groups

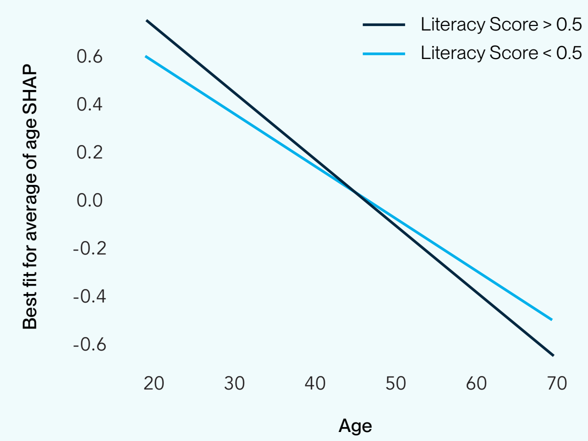


Fig 40. 9th GCS (2022)

However, as we shift our focus to individuals aged 40 and above, we observe an inverse relationship; those with lower insurance literacy scores display a higher likelihood of purchasing. This shift could be attributed to the fact that older individuals with higher literacy scores are more likely to have acquired insurance already, while those with lower scores are entering the insurance market later in life. It is conceivable that the less literate, elder demographic, often burdened with financial responsibilities and commitments, may lean on the perceived security offered by insurance, compensating for their insurance knowledge gap.

For insurance providers, this underscores the importance of enhancing customer education and communication strategies to empower consumers with the necessary knowledge to shape and make well-informed decisions. It emphasises the need for tailored strategies that cater to the evolving insurance needs of different age groups.

Notwithstanding, the ensuing question this raises is what other variables or insights about human cognition could enhance our understanding of purchasing behaviour, beyond the standard metrics we know and love? The robust predictive capability of insurance literacy hints at the potential of considering non-traditional or alternative data sources.

Looking ahead - where do we go from here?

Concluding our review of the last 10 years, several key themes emerge, pointing us towards a future of adaptability, insight and innovation.

The Covid-19 pandemic unintentionally and unsurprisingly served as a defining moment for change. Similarly, the transformative nature of 2021's purchasing behaviour shifts is hard to ignore. Combined, these variables prompt us to continuously monitor consumer evolution as we navigate the post-lockdown landscape and compel us to stay vigilant for any long-term impact.

Our observations regarding the influence of gender on insurance decisions culminate in a broader realisation that product and technological advancements are catalysts for transformative changes in consumer behaviour. Pre-pandemic, our research had established a link between the utilisation of health apps and the propensity to invest in insurance. However, as the shockwaves of the pandemic reverberated through the headlines, as many GCS readers may recall, awareness about good health and healthy living surged. This heightened consciousness, in turn, cultivated a deeper appreciation for the value of insurance.

With the ownership of health apps, often accompanied by digital vaccination records, becoming nearly ubiquitous, mere possession of these applications no longer serves as a strong indicator of insurance adoption. This development underscores the adaptable and dynamic nature of the insurance market. The current challenge lies in anticipating the potential new developments that can have a significant impact and figuring out how to harness them effectively.

Our study highlights the crucial role of insurance literacy in shaping consumer choices. We've uncovered an age-related trend: younger, more informed individuals are making deliberate insurance purchases, while those with lower literacy scores tend to lean on insurance later on in life. These findings raise questions about the potential impact of tailored strategies for distinct age groups and the role of continued insurance education efforts. We are steadfast in our commitment to championing financial and insurance literacy and enhancing customer satisfaction through better customer-product matching. Furthermore, embracing alternative data sources has unveiled new avenues to understand customer preferences, encouraging us to remain receptive to unconventional insights.

These realisations reinforce the importance of the GCS, now bolstered by our model-driven purchasing behaviour analysis. In a rapidly changing landscape, our ability to adapt to evolving consumer trends is crucial. We will ensure that our study continues to be a valuable guide to the industry in understanding and responding to ever-changing market dynamics.

Conclusion

In this modern era, the insurance experience is no longer transactional— it is an educational journey, a partnership. Investing in health, wellness and customer education should not just be a corporate strategy; it should be part of a larger commitment to meet the evolving needs of generations that seek not only protection, but empowerment.

The culmination of our decade-long GCS journey paints a vivid portrait of the insurance industry's path forward, intricately woven with the aspirations of younger generations. As the torchbearers of our future, Millennials and Gen Zs were centre stage in our analysis, guiding our understanding of the shifts that await. It is hard to ignore how the insurance landscape is being sculpted by the digital aptitude and distinct worldviews of these generations.

From Millennials, who stand at the juncture of asset acquisition and familial responsibilities, to the digitally-native Gen Zs, we glean insights that resonate with both opportunities and challenges. The tech-savvy nature of these generations offers a gateway to meaningful engagement, with technology's influence extending beyond convenience, shaping how consumers perceive, evaluate and invest in insurance. Yet, this very digital connectivity comes with tolls on mental well-being and the magnification of dissatisfaction, stress and insecurities. It is from within this narrative of transformation that the digital sphere assumes the guise of a double-edged sword: curse and cure.

Looking beyond the price tag

It is often stated that Millennials and Gen Zs have a distinctive perspective on value. Their preference to invest their resources in enriching and fulfilling experiences over material possessions or conventional milestones is a paradigm shift away from traditional aspirations like homeownership, marriage and early parenthood. What is clear, is that pursuit of high-quality experiences has filtered down to their insurance purchasing decisions. As we have seen, the need for good online reviews, only made possible by positive customer experiences, is a bigger consideration for these generations, more so than price. A clear message is being shared with insurers; having a competitive price is not sufficient, your online reputation from your interactions with existing policyholders and potential leads is vital in attracting the next generation of customers.

Cruising carefree: cover my ride

The rise of shared mobility urban travel apps – such as ride-share services, e-bikes and e-scooters – have not only transformed how we navigate cities, but also created a new channel to distribute/purchase insurance. More than half of our respondents said they were open to incorporating a small surcharge into such apps when asked. This highlights a recognition amongst the youth for protection against the dangers of the road. However, this demand is predicated on generational expectations of convenience. These generations expect insurance offerings that align seamlessly with their lifestyles, their booking processes and travel plans. Simultaneously, affordability remains a critical benchmark. As insurers navigate this evolving landscape, the success of this type of embedded insurance hinges on their ability to meet expectations of practicality and affordability.

Health's influential purchasing power

Processing the data we have collected through our previous GCS editions with a sense of nostalgia, ReMark's data scientists unveiled new revelations that reshaped our understanding of insurance purchase trends: health holds greater sway as a predictor of insurance purchases than traditional income levels. Of course, through this period, factors such as the pandemic, insurance literacy and the use of health wearables have had their impact on the propensity to buy. However, in recent years, individuals who lead healthier lifestyles are more inclined to invest in insurance coverage. This most certainly gives insurers a clear target audience to consider when devising future marketing strategies and customer segmentation for policyholder acquisition.

As buying habits continue to evolve, we hope the GCS will continue to serve as a compass to steer the insurance industry towards greater innovation and customer-centricity in the years to come. By incorporating technology, prioritising customer education and personalising offerings, insurance providers can build stronger relationships with Gen Z and Millennial customers and position themselves as reliable partners in safeguarding their financial futures.

Contact us

As a team, we welcome insights and would love to hear your take on these results, whether you're from the insurance industry or not. We encourage you to get in touch to discuss these findings as we seek to understand consumer behaviour together.

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