

Insurers Passing the Test on Claims, but UK Consumers Remain Sceptical About Insurance Industry

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Research finds that insurers need to invest in their customer relationships to build trust, but alternative insurers hold little appeal on service superiority

LONDON--(BUSINESS WIRE)--Sep. 22, 2020-- Guidewire Software, Inc. (NYSE:GWRE), the platform general insurers trust to engage, innovate, and grow efficiently, has published [results of research](#) that shows that consumers are cautious about insurers' attempts to interact with them through new services and the use of new technology.

Asked what kind of businesses would provide the best customer service when buying insurance or making a claim, 34 percent of respondents were not sure versus 29 percent who believed an insurer actually would. Notwithstanding this, when asked about their experience of making a claim with their insurer, over three-quarters said it was either OK (40 percent) or easy (37 percent). However, more than one in five people believe that either insurers sell overpriced products and are reluctant to pay out on claims (22 percent) or that insurers are necessary, but inconvenient (23 percent).

Regarding new services offered by insurers, like real-time monitoring of property to prevent damage and other loss prevention services, the study suggests the industry must still negotiate customer scepticism and resistance. Whether they would be open to these additional services, almost half (49 percent) say they would want access to them, but more than half (52 percent) said they would be unwilling to spend any money on them. An overwhelming majority (81 percent) expect a lower premium as a result.

However, all is not lost for insurers. On average, younger people are prepared to spend far more than older consumers for loss prevention services, with those aged 16-24 (£14.65) and 25-34 (£13) willing to spend almost three times each month as much as those aged 45-54 (£5.31) and far more than those 55+ (£2.90). Men (£9.21) are also more likely to see value in such services than women (£5.28).

Other key findings are:

- **Alternative Insurers Have Little Appeal** – when asked to consider between insurers and non-insurers who would provide the best customer service, alternatives ranked much lower than insurers. For example, seven percent expected good insurance service from insurance provided by a retailer like John Lewis compared to 29 percent who said a traditional insurer would do it better. Other insurance alternatives via Amazon or Facebook ranked in single percentage figures (five and four percent) too.
- **Uncomfortable on IoT Sensor Data Sharing** - when asked whether they would be comfortable with insurers using sensors to collect data to prevent losses, such as water leakage sensors for house protection or sensors measuring the performance of a car, only one in four people said they would be comfortable, whilst one in three replied that they would be uncomfortable with the idea. Those aged 25-34 are the most relaxed with sensors being installed to collect such data (33 percent).
- **Don't Touch My Social Media** – an overwhelming majority (68 percent) said they would not be willing to share with an insurer their Facebook or other social media personal data even if this meant a better service or a cheaper price.
- **Indifferent to Insurance by Bots** - consumers are almost equal in their assessments of whether the use of AI will make their experience better when handling a claim for their car, a claim for lost or stolen possessions, or for selling them an insurance policy.

Keith Stonell, managing director, EMEA, Guidewire Software, said: "For many years now insurers have worked hard to re-invent their relationship with their customers. We know they have made great progress, but our study suggests they can still improve the way in which they engage with consumers. Nonetheless, even against supposedly more customer savvy businesses, there is a strong affinity to be built upon if insurers can win the trust of customers to use their data and invest in automation for more effective personalisation of services."

Market research company Censuwide polled 1,000 UK respondents in April 2020.

About Guidewire

Guidewire is the platform general insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. As of the end of our fiscal year 2019, more than 380 insurers, from new ventures to the largest and most complex in the world, run on Guidewire.

As a partner to our customers, we continually evolve to enable their success. We are proud of our unparalleled implementation track record, with 1,000+ successful projects, supported by the largest R&D team and partner ecosystem in the industry. Our marketplace provides hundreds of applications that accelerate integration, localization, and innovation.

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