



Generation Rent: Cost the Biggest Barrier to Young Adult Renters Insuring Against Theft and Damage

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- *Demand for seamless digital and personal experience with their insurer*
- *A quarter said they would rely on the Insurer of Mum and Dad*
- *Insurance is a mystery for many*

LONDON--(BUSINESS WIRE)--Jul. 31, 2017-- Guidewire Software, Inc. (NYSE: GWRE), a provider of software products to general insurers, today announced that the cost of insurance is a significant reason cited by young adults, in rented accommodation, for not taking out household insurance. In a [survey](#), commissioned by Guidewire, and conducted by [OnePoll](#), 55 percent of respondents stated this is the main reason they do not have cover. This was followed by not having anything worth insuring (24 percent) and one in ten stating they are uninsured because they do not believe in insurance.

Overall, 60% of young Brits do not have home and contents insurance even though 55% have lost or damaged property while uninsured. Those in the West of the UK were least likely to have insurance (66%) while those in the North and East were more likely to have cover.

Other key findings are:

- **Digitally obsessed to a point** – With a quarter (25 percent) of Generation Rent respondents agreeing that their most precious possession is their digital/cyber identity and online content, the insurance industry needs to change both the type of product and level of service it offers to younger adults in order to adapt to generational differences. However, when asked what is the one thing they would most want to save in a fire or serious incident, 29 percent, said their pet, ahead of their smart phone (23 percent) and computer (17 percent).
- **Want digital and human contact** – As digital natives it might be expected that being able to speak to someone would be a limited concern for this generation, however this is not the case. Both human and digital contact are important factors for more than half of respondents when considering an insurer. 82% said it was important or very important to be able to speak to a human when making a claim, while 83% said it was important or very important to be able to go online and manage their policy and claim themselves.
- **The rise of the Insurer of Mum and Dad** – 25 percent of respondents said their parents will help to replace damaged or lost items. This is comparable to the 26 percent of UK property transactions which involved the Bank of Mum and Dad, according to [research](#) from Legal & General and the CEBR. Of those who would not turn to their parents, just over a third (33 percent) would take on an extra job to pay for replacements while, a cheeky 4 percent would try to claim off their flatmate's policy.
- **Insurance is a total mystery** – 51 percent did not understand what happens to insurance cover when they move house, with more than 65 percent not sure, or preferring not to say, if their landlord has buildings insurance. One in five did not know if they were covered for accidental damage, and 17 percent did not know if they were insured for damage or loss of their most expensive possessions.
- **Internet of Things bridges Generation Rent gap?** – More than half (52 percent) would like a discount for installing smart home devices that prevent and detect potential emergencies and demonstrate compliance with the requirements of their insurance policies. Over half (52 percent) would welcome a discount for installing smart home devices to detect fires and plumbing issues, while 34 percent would like more real-time and smart monitoring of the property, for example, to prove that doors and windows have been locked.

Speaking about the findings, Keith Stonell, managing director, EMEA, Guidewire Software, said, “The good news is that Generation Rent isn't turned off from insurance in general – the challenge is that insurers have not yet hit the mark in terms of the services they offer, or how they communicate the benefits of insurance to this group. Generation Rent face many challenges in getting into the housing market, and this can mean they feel disconnected from typical insurance products geared at home owners. The insurance industry needs to engage more effectively with this generation, develop products and services suitable for their life-styles, ensure that young people see the relevance of insurance, and then support them in a flexible way, from that initial point of contact and onwards.”

Five ways insurers can appeal to Generation Rent:

1. Take steps to identify the needs of this generation, and deliver policies that demonstrate you understand their attitudes to coverage and duration;

2. Embrace smart technology, incorporating analytical capability, to monitor policies, and use this information to identify and update policies to give real value;
3. Create more engaging and responsive websites, and better user experience, to draw in a digital generation;
4. Provide clear and concise information to build trust; and
5. Be ready to engage with them wherever they are; digital or face-to-face.

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