



Guidewire Survey: Insurance Customers Look to Cut Insurance Spending Due to Cost-of-living Concerns

June 28, 2022

Almost four in ten people have never spoken to their insurer, highlighting the engagement gap between insurers and their customers

LONDON--(BUSINESS WIRE)--Jun. 28, 2022-- Guidewire (NYSE: GWRE) today announced the UK results of its annual EMEA Insurance Consumer Survey, available in a [whitepaper](#). In the face of economic pressure insurance customers may cut back on certain types of insurance coverage. The survey also found that insurance customers are choosing flexible insurance policies due to lifestyle factors instead of price.

With most people (86%) concerned about the cost-of-living crisis, many are considering how to cut back. For almost half of insurance customers (48%), that will be insurance cover that they are not legally obliged to have. Policies likely to get the chop are cover for travel (18%), home contents (17%), and bicycles (16%).

This comes at a time when the opinions people have of insurers have been tested by outside events. More than a third of people think that insurers are necessary but inconvenient (36%), with a quarter (25%) believing that they sell overpriced products and are reluctant to pay out a claim. The second statement is particularly stark when you consider that most (88%) have not had to make a claim in the past twelve months. Insurers need to be careful that the news headlines and hearsay during the COVID-19 pandemic do not become entrenched views of the industry. More than a quarter (26%) of people said that their opinion of insurers was negative and that it has not changed in the past twelve months, a trend that could threaten to undermine the good work that the industry does for its customers.

Commenting on the findings, René Schoenauer, Director of EMEA Product Marketing, said, "The combination of people's finances being squeezed and their opinions of insurers being low threatens to widen the insurance gap in ways that could make consumers far more open to harm. It appears that insurers are struggling to demonstrate the value that they deliver to customers, and this is being shown in notions of insurers as inconvenient or unwilling to pay claims. Insurers need to consider how they can play a greater role in their customers' lives to show them the importance of the products and services they provide and the benefit that customers derive from them."

One way that insurers could improve their relationship with customers is to find more effective methods to engage with them. Nearly four in ten people have never spoken to their insurer, pointing to highly transactional and limited relationships. The good news is that when customers and insurers do interact, almost half (49%) believe that the customer service agents they speak to have all the necessary information required to help them. There does appear to be an opportunity for insurers to be more involved in their customer's day-to-day lives in the form of proactive risk prevention services. Six out of ten (61%) people would welcome a service that sent warnings about issues to prevent damage before it happened.

One final thing that insurers ought to look out for is competition from non-traditional competitors. More than four in ten (45%) people would be comfortable purchasing an insurance policy from the likes of Amazon, Tesla, or IKEA, with a further 30 percent neither comfortable nor uncomfortable about the idea of doing so.

"We have seen various major brands begin to offer embedded insurance products and this trend is going to carry on," continued Schoenauer. "Since consumers appear comfortable with the idea of buying from a consumer brand, even at this nascent stage, insurers need to start planning now for what kind of role they will play in this ecosystem economy. Do insurers fight to preserve their brand and invest in becoming more customer-centric to do so? Or do they choose to invest in technology that allows them to seamlessly integrate with these consumer brands and expand their book of business that way? There are no right or wrong answers here, but it does require commitment to a clear strategy either way."

Guidewire commissioned market research agency Censuswide to survey a representative sample of 1,000 insurance customers aged 18 to 55+ years old. The survey took place in May 2022. The aim of the survey is to provide the latest insights into how UK insurance customers view insurers, their products, and services. Guidewire commissioned simultaneous, parallel reports, in the UK, France, Germany and Spain.

About Guidewire

Guidewire is the platform P&C insurers trust to engage, innovate, and grow efficiently. We combine digital, core, analytics, and AI to deliver our platform as a cloud service. More than 450 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.

For more information, please visit www.guidewire.com and follow us on twitter: [@Guidewire_PandC](https://twitter.com/Guidewire_PandC).

NOTE: For information about Guidewire's trademarks, visit <https://www.guidewire.com/legal-notice>.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20220628005198/en/): <https://www.businesswire.com/news/home/20220628005198/en/>

Daniel Couzens
Allison + Partners
+44(0)203 971 4308
guidewire@allisonpr.com

Louise Bradley
PR & Communications – EMEA, Guidewire
+44(0)7474 837 860
lbradley@guidewire.com

Source: Guidewire