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What Insurers Need to Know to Stay Ahead of the Competition

The insurance industry has undergone a wave of change in recent years with the emergence of insurtechs heightening competition and strong consumer demands for a digital-first experience. To keep pace, insurance companies should stay privy to these six statistics that highlight the impact of an evolving insurance market.

1

87% of policyholders
say the claims experience directly impacts their decision to remain with their insurance provider.[1]

The two most important contributors to customer experience are speed of settlement and process transparency.

What this means for insurers:
Customers value a seamless claims process. Prioritize optimizing claims operations and increasing straight-through processing for a better customer experience and to reduce churn.

2

$7.4b

Competition is on the rise.
Global insurtech funding hit a record high of $7.4 billion in the first half of 2021.[2]

Funding in the first half of 2021 exceeded funding raised for the entirety of 2020.

Insurtechs raised $4.8 billion across 162 deals in Q2 2021 alone, a 210% increase from Q2 2020.

What this means for insurers:
Digital experiences are on their way to becoming the norm for insurance customers, narrowing the competitive landscape and favoring newer players to the field that have fewer disparate legacy systems to manage. Keep pace by unifying core systems that silo data and hinder workflows and efficiency.

3

Only 10–20% of issuances
across the industry involve some form of automated underwriting.[3]

At the start of 2021, more than 40% of life insurers had already incorporated automated underwriting into their new business processes or had imminent plans to do so. This is more than doubled from the 18% reported in 2020.

What this means for insurers:
Automation continues to make headway in the insurance industry—and quickly. Insurers without automated underwriting processes risk falling behind the competition.

4

55

Customers under the age of 55 are nearly three times more likely to switch insurers due to digital tools.[4]

Older consumers are overall more satisfied with insurance providers than their younger counterparts. But, digital tools are invaluable in attracting and retaining younger customers.

What this means for insurers:
With more than half of the US population now millennials or younger, it's essential that insurers look for ways to create differentiated, compelling digital experiences— including digital tools to manage policies, automate underwriting, increase touchless claims, and more.

5

$13.78b

The global insurance telematics market is expected to grow to a whopping $13.78 billion by 2030.[5]

Customers are more willing to share their data with insurers, driving the growth of the telematics market. Sixty-nine percent of consumers say they would share significant data on their health, wellness, and driving habits in exchange for lower prices from their insurers, compared with 58% two years ago.[6]

What this means for insurers:
The race for unlocking the full potential of telematics and other IoT data is on for insurers and will be an essential component to winning algorithms in the future.

6

17x

Low-code helps insurers build
applications 17 times faster and reduce development costs by 50%.[7]

Low-code platforms improve employee efficiency by 7,800 hours annually with workflow automation and decrease the number of resources required to develop an app by 40%.

What this means for insurers:
Low-code platforms help insurers automate complex workflows and provide digital customer experiences with ease. Insurers see the benefits of low-code in just weeks as they unify and extend legacy core systems, reduce inefficiencies, and deliver a more seamless experience geared toward their customers' needs.

Download the eBook.

Download the latest eBook on the importance of a connected insurance experience, 5 Pillars for Connected Insurance and a Modern Customer Experience.

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