

The State Of Digital Insurance, 2021

Landscape: The Digital Insurance Strategy Playbook

by Oliwia Berdak and Jeffery Williams

February 9, 2021

Why Read This Report

The 2020 coronavirus pandemic has turbocharged and changed the drivers of digital transformation in insurance. This report explores how digital technologies are changing the industry's customers, competitors, products, and operations globally. It charts the different responses that digital teams in personal and commercial insurance lines have mounted, as well as the ecosystem of vendors that are keen to aid their digital transformation efforts.

This is an update of a previously published report; Forrester reviews and updates it periodically for continued relevance and accuracy.

Key Takeaways

COVID-19 Has Increased The Digital Urgency

Customers have embraced digital touchpoints for a range of insurance activities. Where incumbents haven't responded with better digital experiences, a host of insurance upstarts is ready to take over. But digital technologies are changing more than just sales and service, and this is starting to affect the entire insurance value chain.

Agility And Innovation Top Transformation Drivers

Digital transformation isn't a new topic in insurance, but COVID-19 has changed the drivers. Insurers are investing in digital technologies that will help them with their top three business priorities: 1) improving customer experience; 2) improving the ability to innovate; and 3) reducing costs.

Insurers Are Working On Digitizing The Customer Lifecycle End To End

Most insurers have moved on from one-off digital initiatives such as digitizing marketing or implementing paperless processes. More are now focused on digitizing the customer lifecycle from end to end. But still too few are delivering a compelling digital customer experience and building strong digital capabilities for the future.

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February 9, 2021

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COVID-19 Has Accelerated Consumer Digital Adoption

The COVID-19 pandemic has induced a radical shift in both consumer behaviors and expectations. As entertainment venues, retail stores, and insurance agencies remain mostly closed, consumers all over the world have been forced to migrate online for products and services — including insurance.¹ Insurers that already had digital capabilities to serve customers saw huge rises in digital activity. For example, log-ins to MyAviva — Aviva’s customer portal — increased by 180% in H2 2020 year over year; 56% of Aviva Direct’s motor and home claims were submitted online — up from 18% in 2018.² These digital changes in behavior will persist in the post-pandemic era.

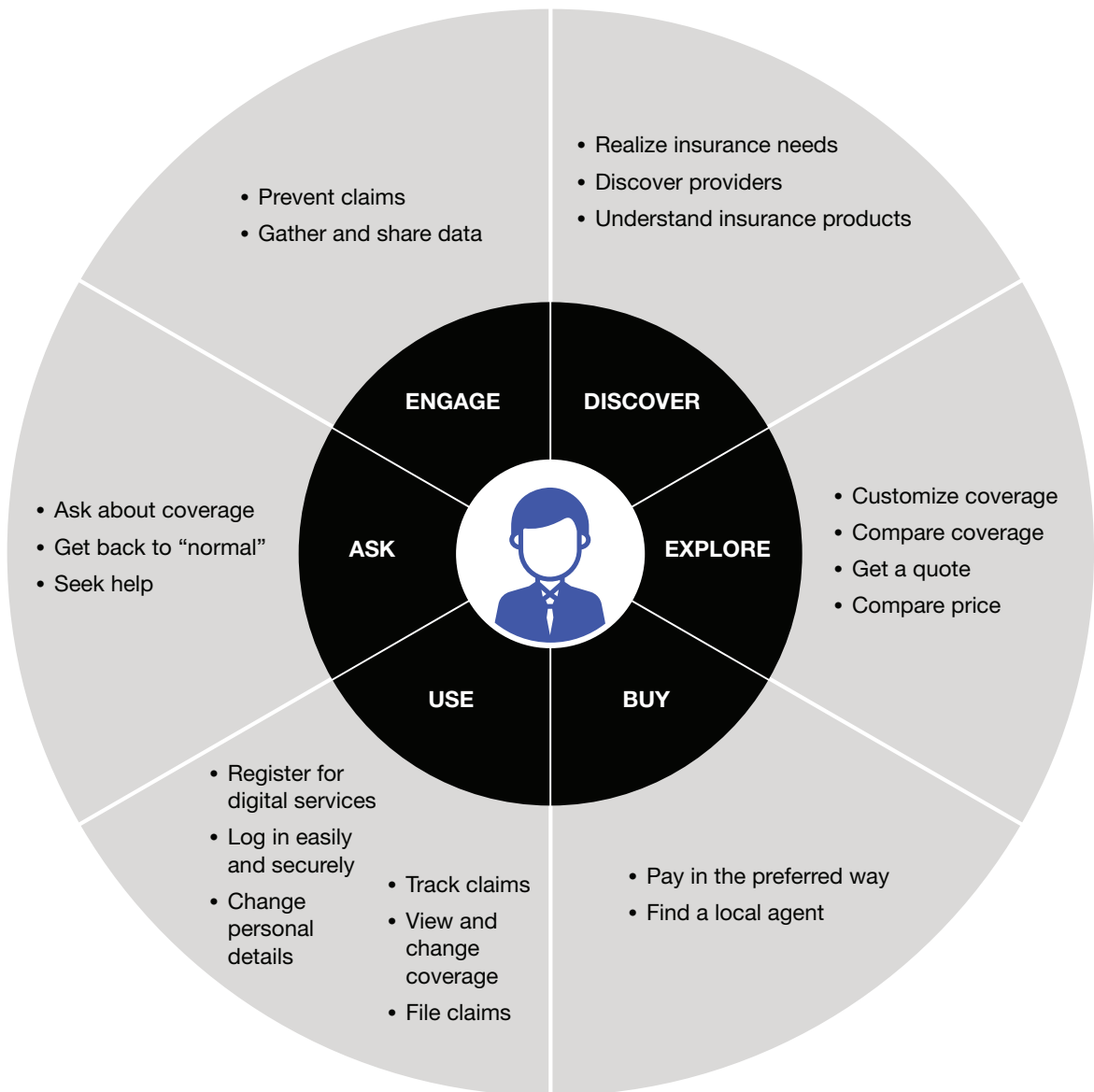
Customers Use A Mix Of Touchpoints For Insurance Activities

Insurance distribution patterns vary substantially from country to country and by product type. But in every country, digital touchpoints are changing how customers engage with insurance companies for every type of policy. Digital insurance teams are applying digital technologies across the customer lifecycle (see Figure 1). We surveyed Asian, European, and North American online adults in 2020 about their use of different touchpoints for insurance activities across the customer lifecycle and found that (see Figure 2):

- **The influence of digital touchpoints on insurance sales is growing.** Because insurance is usually a researched rather than an impulse purchase, insurance buyers are often digitally influenced.³ We expect 83.4% of new motor, property, and travel insurance sales to be digitally influenced by 2023.⁴ UK insurance buyers turn most frequently to insurance comparison websites and online search engines to research policies.⁵ US insurance buyers rely on search engines to research insurance products: 26% of US vehicle insurance buyers used search engine results to inform their purchase.⁶
- **Buying preferences differ strongly by country.** Agents and bank branches still dominate insurance sales in markets like France, Italy, Singapore, and the US; in others, such as the UK, direct sales dominate. Half of French life insurance buyers applied for their policy in person compared with just 15% in the UK, where customers typically buy life insurance online (56%) or by phone (17%).⁷ In the US, agents remain the leading sales channel for home insurance and the second most popular sales channel for life and vehicle insurance.⁸ In Hong Kong, 52% of insurance holders always purchase insurance products through an insurance agent.⁹
- **Many insurance customers have embraced digital customer service.** Millions of insurance customers globally are comfortable going online to view their insurance policy, change their personal information, pay an insurance bill, change their coverage, or check the status of a claim (see Figure 3). For instance, 52% of US and 45% of Indian auto insurance holders have paid their insurance bill online, and 26% and 20% have viewed or printed their insurance ID card online, respectively.
- **Customers are ready for new types of insurance products and services.** Of US life insurance buyers, 17% have signed up to receive email or mobile alerts/notifications, which can help them detect fraud, remind them of bill payments, or alert them to difficult weather conditions.¹⁰ And usage-

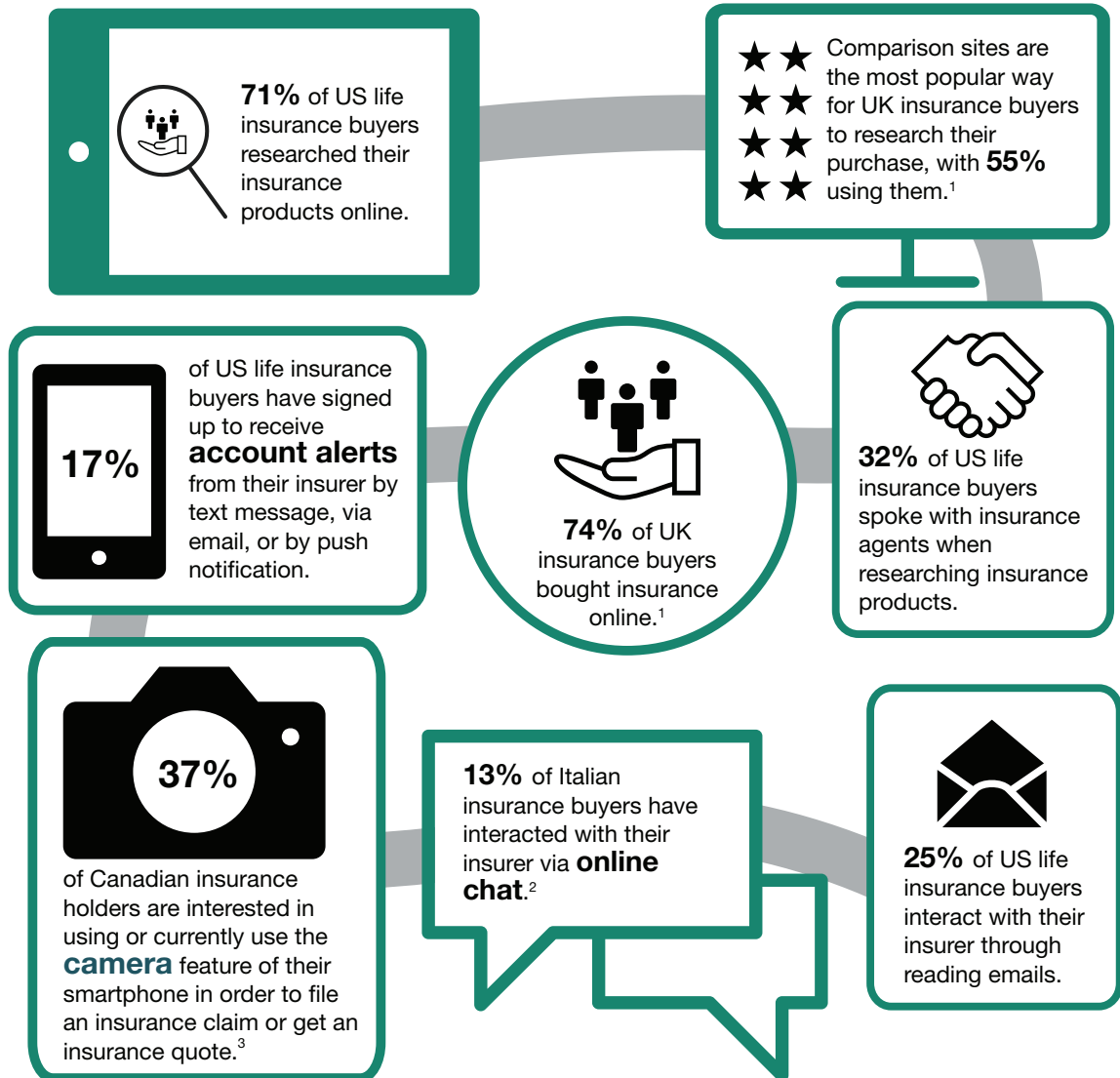
based car insurance is on the rise, as consumers continue to work remotely and drive fewer miles. Forrester predicts that the ownership of usage-based insurance (UBI) policies will increase 50% in 2021.¹¹ In November 2020, General Motors launched a usage-based insurance program through its OnStar subsidiary, with other disruptors such as Amazon and Tesla also entering the industry.¹²

FIGURE 1 Digital Insurance Teams Are Applying Digital Technologies Throughout The Customer Lifecycle



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FIGURE 2 Insurance Customers Are Embracing Digital Touchpoints Across The Entire Customer Lifecycle



Base: 750 US online adults who opened/applied for life insurance in the past 12 months; Source: Forrester Analytics Consumer Technographics® Financial Services Consumer Buyer Journey Survey, 2020

1. Base: 2,363 UK online adults who opened/applied for home, motor, or life insurance in the past 12 months; Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020

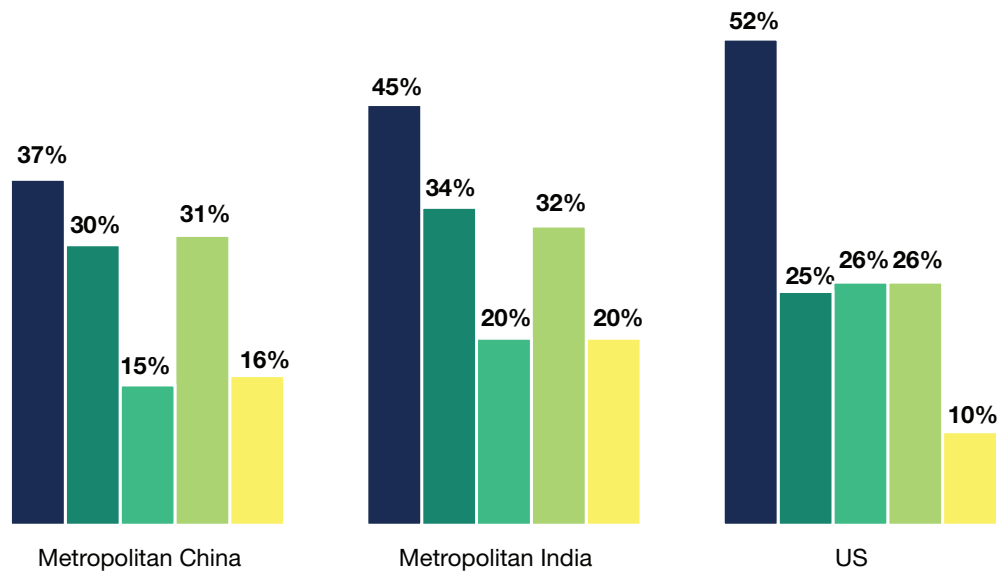
2. Base: 2,318 Italian online adults who opened/applied for home, motor, or life insurance in the past 12 months; Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020

3. Base: 3,929 Canadian online adults who have insurance; Source: Forrester Analytics Consumer Technographics Financial Services Topic Insights 1 Survey, 2020

FIGURE 3 Customers Use Digital Touchpoints For Their Insurance Activities

“Which of the following activities, if any, have you done online (website, mobile website, mobile app) in the past 12 months for each type of insurance you have?”
 Auto/motor insurance

- Paid an insurance bill
- Visited insurer’s website
- Viewed and/or printed insurance ID card
- Viewed an insurance policy (e.g., coverage levels)
- Changed my account details



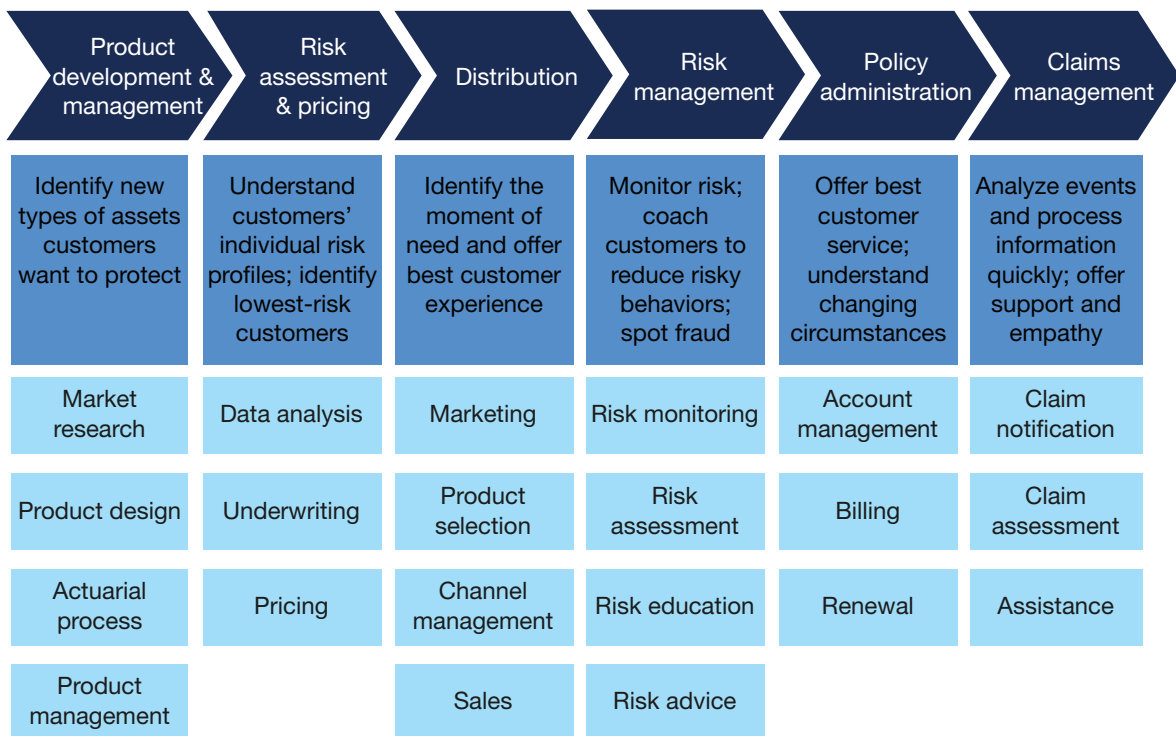
Base: 1,310 metropolitan Chinese; 1,309 metropolitan Indian; and 8,298 US online adults who have auto or motor insurance

Source: Forrester Analytics Consumer Technographics® Asia Pacific Financial Services 2 Survey, 2020 and Forrester Analytics Consumer Technographics US Financial Services Recontact Survey, 2020

Digitally Empowered Customers Disrupt Insurance

Digital upstarts have flooded insurance, seeing the agent-led and paper-heavy industry as ripe for disruption. Digital technologies are also reshaping the industry in more fundamental ways. As consumers adopt new behaviors at a much faster pace — a trend that Forrester terms hyperadoption — the entire insurance value chain feels the effects (see Figure 4). Digital technologies are changing the way firms identify insurance needs, price and underwrite risk, sell policies, manage fraud and risk, provide customer support, and settle claims — and these technologies are bringing in new competitors whose digital prowess can give them a powerful edge.

FIGURE 4 Digital Technology Is Bringing New Competitors To All Parts Of The Insurance Value Chain



Digitally Enabled Competitors Are Targeting Insurance

Hefty capital requirements and underwriting expertise have protected parts of the insurance value chain from disruption. Because of this, many startups have chosen to focus on merchandising and distributing policies, often working with established insurers and reinsurers that take the risk onto their balance sheets. Disruptors are (see Figure 5):

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- **Making it easier for customers to compare and choose insurance products.** Comparison websites have given customers powerful tools to compare policies and switch to the cheapest provider.¹³ They have also squeezed insurers' profit margins. In the UK, 66% of online adults who bought car insurance in the past 12 months researched that purchase through insurance comparison websites like comparethemarket.com and Confused.com.¹⁴ Now, a new generation of digital brokers such as Hublio in Ireland, Facile.it in Italy, or The Zebra in the US — which have proliferated across markets — aim to help customers choose and optimize their insurance coverage.¹⁵
- **Offering flexible coverage.** Disruptors are contributing to the atomization of insurance — enabling customers to buy flexible, short-term coverage as and when needed. By Miles in the UK offers pay-by-the-mile car insurance for infrequent drivers who can see the cost of each journey, receive reminders for car inspection tax payments, and get tools such as a car locator through the mobile app. And London-based startup Dinghy sells flexible professional indemnity, public liability, and business equipment insurance for freelancers who can turn the coverage on and off as needed.¹⁶
- **Offering tailored and personalized insurance products.** Insurtech startups are using data from mobile phones and connected devices to offer customers personalized coverage. Hippo Insurance in the US uses thermal and satellite imagery to record changes to properties and offers customers smart-home devices to protect them from water damage, fires, and break-ins. Customers get a smart-home discount and save on their insurance premium by preventing home incidents.¹⁷
- **Using new sources of data to lower risk and develop better pricing models.** While traditional car insurance pricing models assess risk and determine premiums based on group behavior and proxy variables such as credit scoring and driving records, US auto insurer Root Insurance uses information about trip time of day, distance traveled, location, speed, braking and acceleration patterns, and tendency to swerve to assess drivers individually and price accordingly.¹⁸ Customers can save up to \$900 per year if they drive safely.¹⁹
- **Finding new distribution opportunities.** Startups such as massUp, Qover, and Slice are shaking up B2B2C insurance distribution by offering business partners insurance as a service. Thanks to API connectors and e-commerce plug-ins, businesses can embed insurance products into their customers' purchase journeys with a few lines of code. Startups are also using mobile devices to distribute insurance to low-income customers. For example, Sweden-based BIMA offers mobile-delivered insurance and health services in 10 emerging markets.²⁰
- **Providing end-to-end digital experiences.** Startups use smartphone cameras, video, and data available through APIs to simplify and speed up the process of buying, managing, and using insurance. UK startup Cuvva's mobile app lets new customers sign up, get a quote, and buy coverage in less than 5 minutes. Instead of filling out long application forms, new customers can send a selfie and a picture of their driver's license and the vehicle they're about to drive. Cuvva augments this information with geolocation data collected through its app and data available from government databases.

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- **Automating underwriting, claims, and customer service.** Disruptors automate as many processes as possible to offer customers convenience and competitive prices through lower overheads. US digital insurer Clearcover lets customers file claims through the mobile app. Clear Claims, its AI-powered claim process, instantly validates coverage and fast-tracks payments of eligible claims.²¹ And US startup Bestow's algorithm-based underwriting engine calculates life insurance risk in minutes, removing the need for a medical exam.

FIGURE 5 Digital Upstarts Are Flooding Insurance

| Categories | What they do | Examples of firms |
|---------------------------|---|--|
| Digital insurers | Use digital technologies not only to sell insurance and serve customers but also to offer more flexible products and tailored pricing and to automate policy administration and claims. | AppSichern (DE), Bright Health (US), Coverfox (IN), Covr (US), Cuvva (UK), DeadHappy (UK), Digit (IN), Evari (AU), Hedvig Insurance (SE), Hippo (US), Lemonade Insurance (US), Oscar (US), Qoala (ID), Singlife (SG), Superscript (UK), Tröv (US), Yolo Insurance (IT), ZhongAn (CN) |
| Usage-based car insurance | Provide consumers with personalized insurance rates that are based on different rating factors such as time, place, distance, and driving behavior. | Carapass by Boursorama (FR), Drivewise by Allstate (US), insurethebox (UK), Metromile (US), Root Insurance (US) |
| P2P insurance | Enable people in need of insurance to connect and pool their risks, essentially self-insuring. | CommonEasy (NL), Friendsurance (DE & AU), Laka (UK), P2P Protect Co. (HK) |
| Comparison engines | Let insurance buyers compare insurance quotes from across providers. | Blueprint Income (US), CHECK24 (DE), CompareAsia Group (SG), comparethemarket.com (UK), Comperia (PL), Digit (IN), Insurify (US), iSelect (AU), policybazaar.com (IN), Policygenius (US), The Zebra (US) |
| Digital brokers | Aggregate and analyze customers' insurance policies with the aim of optimizing coverage and price. | Clark (DE), Cover (US), Embroker (US), Getsafe (DE), Hublio (IE), InsuredMine (US), Mcxtra (IN), PolicyPal (SG), Sherpa (UK), wefox (DE), Worry+Peace (UK) |

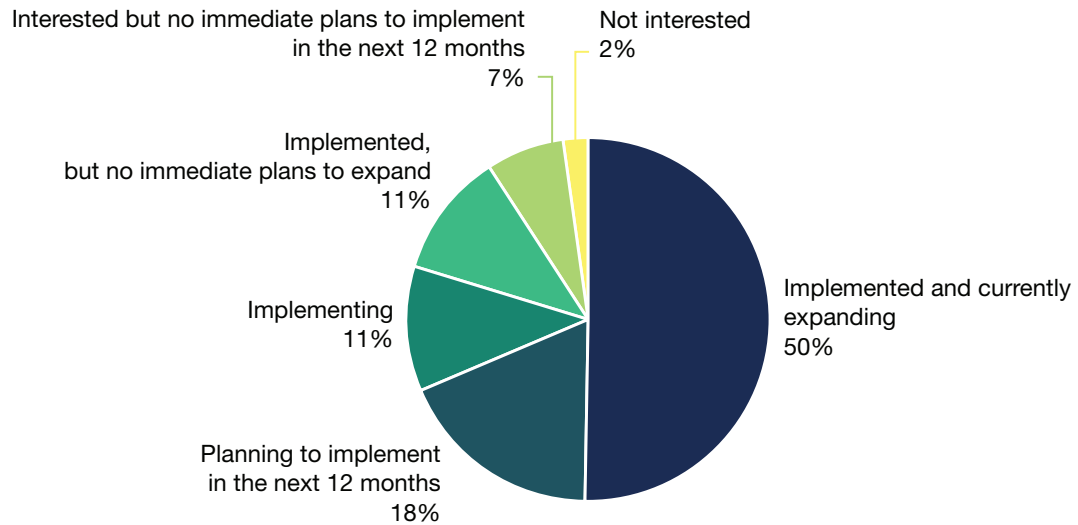
Insurers Struggle With Digital Strategy Execution And Scope

How are insurers responding to the seismic shifts affecting their industry? We surveyed global services decision-makers at insurance firms and found that:

- **Insurers are expanding their transformation efforts.** Digital transformation is not a new topic: While only 11% of global services decision-makers at insurance firms say they're currently undergoing digital transformation, another 50% have implemented and are expanding their transformation efforts; 18% are planning to implement their transformation in the next 12 months (see Figure 6).
- **COVID-19 has increased the urgency.** Before COVID-19, 22% of global purchase influencers at insurance firms saw accelerating their digital business as a high or critical priority over the subsequent 12 months.²² By April and May 2020, this had increased to 27%. While many insurers have delayed large-scale transformations in 2020 due to COVID-19 uncertainty, investing in digital technology will be key to the industry's top three business priorities: 1) improving customer experience; 2) improving the ability to innovate; and 3) reducing costs.²³
- **Digital transformation is still a top-down diktat.** According to 60% of our respondents at insurance firms, the CEO sets their digital transformation strategy; execution rests with the CIO, CTO, and other technology leaders.²⁴ But insurance executives are not happy with their leaders' efforts. The vision and strategy of the transformation is one of the top five challenges to executing digital transformation at insurance firms.
- **Agility and innovation have become the top transformation drivers.** Before COVID-19, improving customer experience and retention were the main drivers for insurers' digital transformation. While these drivers still matter, the current environment of uncertainty and slashed budgets has propelled improving existing IT capabilities to promote agility and innovation to the top (see Figure 7).
- **Issues from security to design skills are impeding insurers' efforts.** Security concerns, customer experience design, and data issues are the biggest inhibitors.²⁵ This is understandable, as insurers are attempting to deliver personalized customer experience — for example, personal risk coaching — while extracting data from monolithic legacy systems in a safe and scalable way.
- **Insurers are adapting their strategy, structure, and technology.** Digital transformation is a wholesale change of companies' operating models, and this shows in the scope of insurers' transformation efforts. Improving customer experience and adding new digital capabilities to existing products and services are the leading business priorities over the next 12 months, according to global services decision-makers.²⁶

FIGURE 6 The Status Of Digital Transformation At Insurance Firms

“Which of the following best describes your organization’s digital transformation efforts to date?”



Note: Percentages do not total 100 because of rounding.

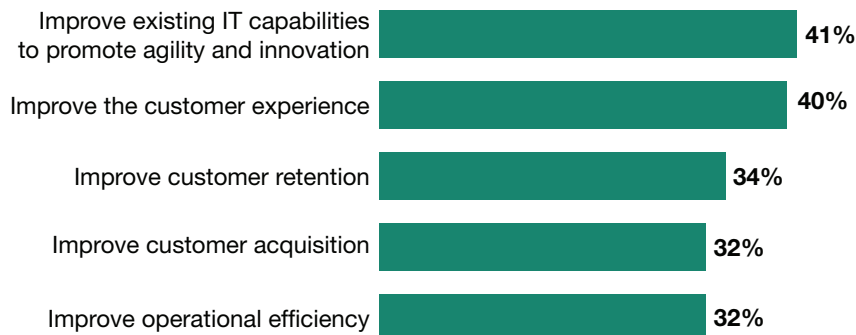
Base: 115 global services decision-makers at insurance firms

Sources: Forrester Analytics Business Technographics® Business And Technology Services Survey, 2020

FIGURE 7 The Business Drivers Behind Digital Transformation At Insurance Firms

“Which of the following objectives will be/are the key drivers of your organization’s digital transformation?”

(Multiple responses accepted)



Note: Not all responses are shown.

Base: 111 services decision-makers at insurance firms who are involved in their organization’s digital transformation efforts

Sources: Forrester Analytics Business Technographics® Business And Technology Services Survey, 2020

Insurers Must Become More Ambitious In Their Digital Efforts

Different understandings of the digital opportunity, combined with internal resistance due to the firm’s distribution model — agent-based firms are slower to change — or the costs involved in overhauling legacy systems, translate into four types of approach, each with divergent focus and impact (see Figure 8):

- **Bringing digital technology to pockets of the business.** Many digital insurance executives follow the path of least resistance, focusing their effort where it’s easiest or quickest to show the returns — be that investing in digital marketing or implementing paperless processes. As one digital marketing executive at a North American insurer told us, “Change is easier to embrace in digital and e-commerce than in a call center or in a large distributed agency force comprised of contractors. You also have the supply chain side of claims, where you’re dealing with body shops that are not digital at all.”
- **Launching new, digital-only brands.** Executives who became frustrated trying to force digital initiatives internally or who see an opportunity to target a specific customer segment such as Millennials or travelers often launch separate, digital-only brands.²⁷ For example, Ageas launched Back Me Up, MassMutual launched Haven Life, and Shelter Insurance launched Say Insurance.²⁸

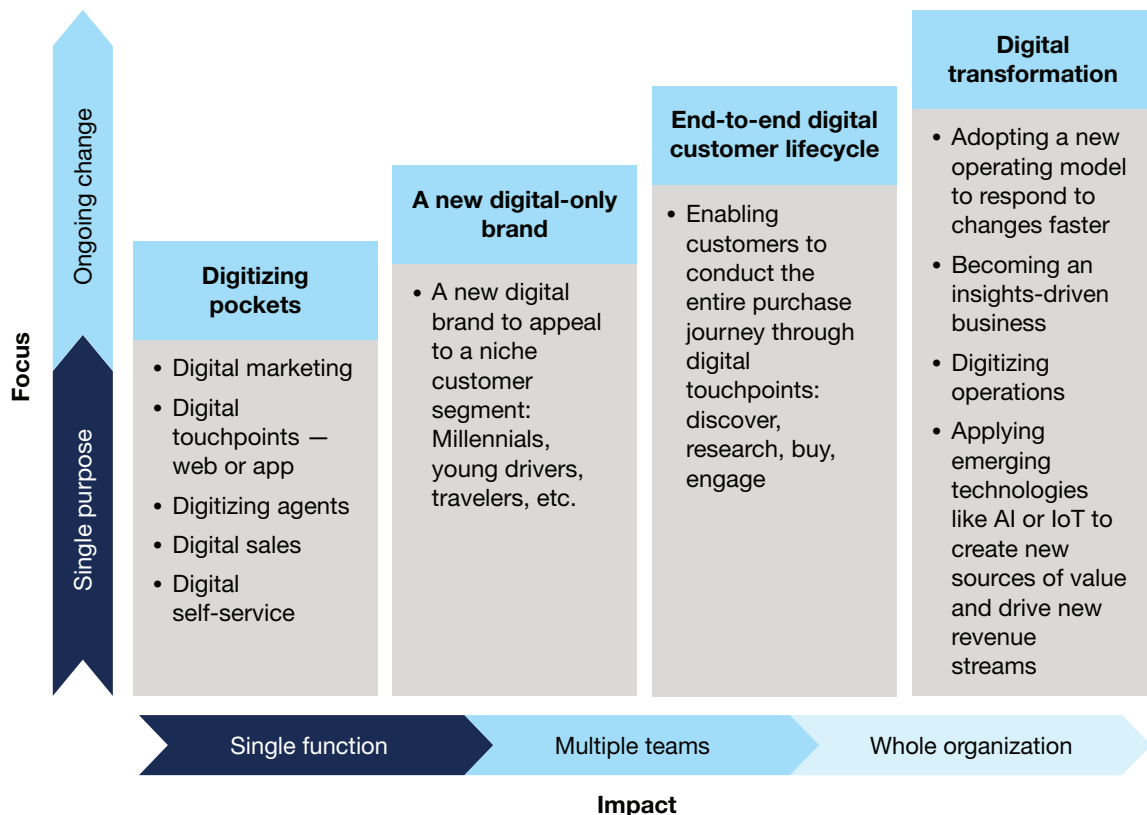
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These greenfield operations are a chance to start afresh — with new brands, new customer interfaces, new policy administration systems, and new marketing and billing platforms. However, most don't live up to their expectations.²⁹

- **Digitizing the customer lifecycle end to end.** For many digital insurance teams, a fully digital customer lifecycle is the Holy Grail. According to one head of digital engagement at a European insurer: “The opportunity is immense. Not many insurers offer full, end-to-end digital experience — from product enquiry to claims and then a renewal. No one is really doing that; just a lot of smoke and mirrors.” One chief digital officer has set out a digital customer lifecycle as his aim, saying “We absolutely think of building an end-to-end customer experience: research, buy, administer, use.”
- **Embarking on a complete digital business transformation.** Leaders are focusing their efforts on digital customer experience and digital operational excellence; they are also discovering new business models that digital technology has created.³⁰ For example, Ping An, originally a Chinese insurer, has created the OneConnect platform that allows interoperability and orchestration across a broad spectrum of partner segments, including banking, insurance, funds, loans, wealth management, payment, and healthcare.³¹

FIGURE 8 Insurers Are Adopting Four Approaches In Response To Digital Disruption



Vendors That Pitch Digital Transformation Play To Their Strengths

Few insurers feel that they can accomplish the mammoth task of becoming a digital business alone. In fact, working with third-party service providers to accelerate transformation is one of the top three actions insurers take as part of their transformation efforts. As insurers embark on their digital transformation journey, a wide range of partners stands ready to help. All of them define digital transformation differently but, crucially, in a way that plays to their strengths — focusing, for example, on the importance of digital experience or the absolute necessity of flexible core systems. While CIOs or even CEOs will typically pick their firms' digital transformation partners, digital insurance strategy executives need to understand the different offerings coming from:

- **Digital experience platform providers.** To deliver and optimize customer experiences consistently through every phase of the customer lifecycle, digital insurance teams need an array of software that supports marketing, customer insights, quotations, sales, customer service, and claims across both human and digital channels. While many vendors provide components of this technology stack, some offer these capabilities as a single digital experience platform.³² The biggest cross-industry providers are Acquia, Adobe, BloomReach, Episerver, Liferay, Oracle, Salesforce, SAP, and Sitecore.³³ There are also smaller vendors like Comarch and Digital Insurance Group that offer insurance-specific platforms. And insurance specialists like Guidewire and RGI are boosting their digital propositions.
- **Digital experience agencies.** Firms such as Capgemini, EPAM, Publicis Sapien, or Tata Consultancy Services help companies design, build, and manage digital customer experiences in the context of digital transformation.³⁴ They typically help insurers define their desired digital experience (which should match their customer needs and brand promise), design and develop cross-touchpoint customer experiences, and bring delivery capabilities around data, technology, and operations.
- **Digital business transformation services.** When companies move beyond digital modernization and look to build technology into the heart of their business strategy, it's no longer enough for transformation vendors to deliver piecemeal digital services in projects spanning years. Services firms such as Accenture, Boston Consulting Group, or KPMG minimize time-to-value while tightly integrating business strategy and technology innovation with operational design and change management.³⁵

Recommendations

Focus On Digital Business, Not Just Digital Channels

While it's OK to start small in firms where there is strong resistance to digital ambitions, digital insurance strategy professionals cannot allow resistance or inertia to paralyze their firms. They need to elevate their firm's digital responses and embrace digital transformation. Other chapters in this playbook will help you:

- **Define a compelling digital business vision for your firm.** It's vital that you be able to describe how digitization will affect your business. You don't need a digital strategy; you need to digitize your business strategy. Don't just focus on digital customer experience. Look at where new sources of data emerging from social media, connected devices, or government departments can help you improve the buying and managing of insurance.³⁶ Think about how you can leverage the data you already hold to unlock new sources of customer value or build new revenue streams. Your digital vision must encompass every aspect of how your firm does business.
- **Assess your firm's digital readiness to establish the size of the gap.** Understanding the size of the gap is a vital step in planning your digital business transformation. Forrester can help you benchmark your digital functionality against your insurance peers, assess your digital insurance maturity, and evaluate your digital transformation competencies in areas such as talent and technology.³⁷ Our three tools will help you identify crucial gaps and benchmark your position relative to your peers in insurance and in other industries. Proving to others that you are behind your competition can be a compelling driver for action and investment.
- **Build a business case for digital transformation.** To win the backing and resources needed for digital business transformation, digital insurance strategy teams will need to demonstrate potential returns on this sizable investment. They can measure the success of digital business transformation through increased revenues, reduced costs, improved time-to-market, or enhanced customer experience and differentiation.³⁸
- **Think through your processes, organization, and metrics.** Because digital business transformation is a journey and not a destination, much of the work involved is about embedding capabilities that will position you well for the future. Rather than a one-off implementation of an agent portal or digital claims filing, for example, you need to become a more customer-focused, collaborative, and faster organization. This involves setting up new processes and governance models and changing the way you measure your progress.

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Supplemental Material

Survey Methodology

The Forrester Analytics Business Technographics® Business And Technology Services Survey, 2020, was fielded between August and October 2020. This online survey included 2,801 respondents in Australia, Canada, China, France, Germany, India, the UK, and the US from companies with 500 or more employees.

Forrester Analytics' Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services as well as marketing efforts. Dynata fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates.

Please note that the brand questions included in this survey should not be used to measure market share. The purpose of Forrester's Business Technographics brand questions is to show usage of a brand by a specific target audience at one point in time.

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The Forrester Analytics Consumer Technographics Asia Pacific Financial Services 2 Survey, 2020, was fielded from July through August 2020. This online survey included 10,369 respondents ages 18 and older in Australia, metropolitan China, Hong Kong, metropolitan India, and Singapore. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus-or-minus 1.6% to 2.9% of what they would be if the entire population of online adults (defined as those online weekly or more often) represented in each country had been surveyed. Forrester weighted the data by age, gender, and geographical distribution to demographically represent the online adult population in each country. The data from metropolitan China was also weighted by income level in tier 1 and 2 cities. The data from metropolitan India was weighted by socioeconomic classification, representing groups A, B, and C, as well as tier 1, 2, and 3 cities. The survey sample size, when weighted, was 10,369.

The Forrester Analytics Consumer Technographics US Financial Services Recontact Survey, 2020, was fielded from March through April 2020. This online survey included 11,652 respondents in the US between the ages of 18 and 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus-or-minus 1% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed. The data was weighted by age, gender, income, broadband adoption, and region to demographically represent the US online adult population. The survey sample size, when weighted, was 11,652.

The Forrester Analytics Consumer Technographics Financial Services Topic Insights 1 Survey, 2020, was fielded from July through September 2020. This online survey included 4,494 respondents in the US and 4,737 respondents in Canada between the ages of 18 and 88. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus-or-minus 1.5% of what they would be if the entire population of US online adults (defined as those online weekly or more often) had been surveyed and plus-or-minus 1.4% of what they would be if the entire population of Canadian online adults had been surveyed. Forrester weighted the data by age, gender, income, region, and broadband adoption to demographically represent the US and Canadian online adult populations. The survey sample size, when weighted, was 4,494 in the US and 4,737 in Canada. This online survey included 2,599 respondents in the UK, 2,617 respondents in France, and 2,660 respondents in Italy over the age of 16. For results based on a randomly chosen sample of this size, there is 95% confidence that the results have a statistical precision of plus-or-minus 1.1% of what they would be if the entire population of European online adults (defined as those online weekly or more often) had been surveyed. This confidence interval widens to 1.9% when the data is analyzed at a country level. Forrester weighted the data by age and gender to demographically represent the online adult population within each country. The survey sample size, when weighted, was 2,599 in the UK, 2,617 in France, and 2,660 in Italy.

(Note: Weighted sample sizes can be different from the actual number of respondents to account for individuals generally underrepresented in online panels.) The programming language herein reflects the survey respondent base for each question. Bases for specific questions have been changed in

published data for increased clarity. Therefore, the base in published data may not match the base language in this document. Dynata fielded these surveys on behalf of Forrester. Survey respondent incentives included points redeemable for gift certificates.

Companies Interviewed For This Report

We would like to thank the individuals from the following companies and others who generously gave their time during the research for this report.

| | |
|-------------------------|---|
| Achmea | Massachusetts Mutual Life Insurance (MassMutual) |
| AlG Singapore | Prudential Assurance Company Singapore (Prudential Singapore) |
| Ameritas Life Insurance | Saskatchewan Government Insurance (SGI) |
| Aviva | Tata Consultancy Services (TCS) |
| Cuvva | Virtusa |
| Fractal Analytics | Willis Towers Watson |
| Great-West Life | Wrisk |
| Lemonade Insurance | |
| Manulife | |

Endnotes

- ¹ COVID-19 has transformed customer behavior overnight. To understand the impact of the pandemic and the resulting lockdown measures on consumer behaviors, we surveyed online adults in North America and Europe in April and May 2020.
- ² Source: “Half year results 2020,” Aviva (<https://www.aviva.com/investors/financial-half-year-2020-results/>).
- ³ An insurance buyer is digitally influenced if they use digital touchpoints to research or influence their purchase.
- ⁴ Digitally influenced sales refers to the share of sales that were influenced by digital touchpoints. Digital touchpoints include insurance providers’ websites; emails from insurance providers; use of comparison-shopping websites; online interactions with an insurance agent/financial advisor; social media or blogs; online ads; online videos; online search results; and other online methods. The seven European countries are France, Germany, Italy, the Netherlands, Spain, Sweden, and the UK. See the Forrester report “[Forrester Analytics: Online Insurance Forecast, 2018 To 2023 \(EU-7\)](#).”
- ⁵ We asked UK online adults who opened/applied for home, life, or vehicle insurance products in the past 12 months which resources they used when researching this product: 61% of home insurance buyers used a comparison site and 30% used a search engine; 66% of vehicle insurance buyers used a comparison site and 35% used a search engine; for life insurance, 37% used a comparison site and 35% used a search engine. Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020.
- ⁶ We asked 776 US online adults who opened/applied for vehicle insurance in the past 12 months which resources they used when researching this product. Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020.

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⁷ We asked 762 French online adults and 758 UK online adults who opened/applied for a life insurance product in the past 12 months how they opened/applied for this product: Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020.

⁸ Thirty-four percent of home insurance buyers in the US say that they opened/applied for home insurance products via an insurance agent in the past 12 months, versus 19% of life insurance buyers and 21% of vehicle insurance buyers. The most popular place to buy insurance for life and vehicle insurance was at the insurance company. Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020. See the Forrester report "[Loyal Insurance Agents Drive Sales.](#)"

⁹ Source: Forrester Analytics Consumer Technographics Asia Pacific Financial Services 2 Survey, 2020.

¹⁰ Source: Forrester Analytics Consumer Technographics Financial Services Topic Insights 1 Survey, 2020.

¹¹ The COVID-19 pandemic made customers question traditional car insurance coverage. Source "COVID-19 Drives Big Structural Changes That Shape The Future Of Insurance," Forrester (<https://www.forrester.com/fn/21cg8G8YmR0Z01rlumZk5x>) and "Predictions 2021: Insurance," Forrester (<https://www.forrester.com/fn/59INC6vyfQF1z25qGlwNG6>).

¹² Source: Tina Bellon, "General Motors to Sell Use-Based Auto Insurance Through Onstar," Insurance Journal, November 19, 2020 (<https://www.insurancejournal.com/news/national/2020/11/19/591322.htm>) and Alicja Grzadzowska, "GM, Tesla, Amazon: Industry intruders that insurers need to keep an eye on," Insurance Business UK, December 2, 2020 (<https://www.insurancebusinessmag.com/uk/news/columns/gm-tesla-amazon-industry-intruders-that-insurers-need-to-keep-an-eye-on-240900.aspx>).

Smart wireless devices, smartphones, and smart cars have converged to create an alternative pricing model for the car insurance industry: usage-based insurance. UBI offers customers personalized insurance rates that are based on their driving behavior, using rating factors such as the time of day, the distance traveled, and their driving style. See the Forrester report "[Telematics Will Disrupt The Car Insurance Industry.](#)"

¹³ See the Forrester report "[Disrupting Finance: Insurance Comparison Engines.](#)"

¹⁴ Source: Forrester Analytics Consumer Technographics Financial Services Consumer Buyer Journey Survey, 2020.

¹⁵ Digital brokers aggregate and analyze customers' policies to optimize their price and coverage.

¹⁶ Source: Dinghy (<https://getdinghy.com/>).

In December 2020, Dinghy joined the Starling Marketplace. Starling customers who are freelancers or own limited company business accounts can sign up to and manage Dinghy through the Starling marketplace. The digital bank will ask them permission to use their data to fill in certain details to make quotes even quicker. Source: "Business insurance for freelancers Dinghy joins Starling Marketplace," Finextra, December 15, 2020 (<https://www.finextra.com/pressarticle/85484/business-insurance-for-freelancers-dinghy-joins-starling-marketplace>).

¹⁷ In November 2020, Hippo Insurance closed a \$350 million Serie E round, with the insurtech now setting the goal of reaching 95% of US homeowners in 2021. Source: Chris Metinko, "Unicorn Hippo Insurance Raises A Fresh \$350M," Crunchbase News, November 24, 2020 (<https://news.crunchbase.com/news/unicorn-hippo-insurance-raises-a-fresh-350m/>).

¹⁸ This data comes from a tracking device that could be a black box installed in the car, a self-installed onboard diagnostics device, or an app installed on a GPS-enabled smartphone. Each device delivers different value, with advantages and disadvantages in terms of price, installation, data collection capabilities, accuracy, and sharing feedback with customers. See the Forrester report "[Telematics Will Disrupt The Car Insurance Industry.](#)"

¹⁹ Root Insurance uses mobile technology to measure customers' driving behavior. While customers drive, the Root app gathers and analyzes data from drivers' smartphone sensors. After a few weeks, drivers get a car insurance quote based on how they drive. Source: Root Insurance (<https://www.joinroot.com/>). The Columbus-based insurtech is now

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planning to go public. Source: “On the go: Mobile-based auto insurer Root files for an estimated \$800 million IPO,” Nasdaq, October 5, 2020 (<https://www.nasdaq.com/articles/on-the-go%3A-mobile-based-auto-insurer-root-files-for-an-estimated-%24800-million-ipo-2020-10>).

- ²⁰ Launched in late 2010, BIMA currently operates across 10 countries in Africa and Asia. BIMA’s pay-as-you-go products are a range of simple and affordable life, personal accident, and hospitalization insurance policies that can be bought with small installments deducted from customers’ mobile airtime credit. Source: BIMA (<http://www.bimamobile.com/>). See the Forrester report “[Disrupting Finance: Digital Insurers.](#)”
- ²¹ Clearcover’s machine-learning model can issue payment on most of the claims received in less than a week (or in less than 15 minutes for eligible claims). The Clearcover app also lets customers pay bills, change payment methods, and see digital ID even in the event of no cell service or Wi-Fi. Source: Clearcover (<https://clearcover.com/>).
- ²² Source: Forrester Analytics Business Technographics Priorities And Journey Survey, 2020.
- ²³ Source: Forrester Analytics Business Technographics Priorities And Journey COVID-19 Recontact Survey, 2020.
- ²⁴ We asked 111 global services decision-makers at insurance companies who are involved in their firm’s digital transformation efforts about who is responsible for executing their digital transformation strategy: 55% said the CIO, CTO, or other technology leader; 41% selected an IT manager; and 26% selected a chief digital officer or other digital leader. Source: Forrester Analytics Business Technographics Business And Technology Services Survey, 2020.
- ²⁵ Source: Forrester Analytics Business Technographics Business And Technology Services Survey, 2020.
- ²⁶ Source: Forrester Analytics Business Technographics Business And Technology Services Survey, 2020.
- ²⁷ Tired of hitting internal obstacles and eager to grasp the digital opportunity, financial services executives are launching new digital ventures. Options range from digital-only brands to digital subsidiaries with a separate legal structure, team, and P&L. These digital ventures often come with a multiyear timeline and multimillion dollar investment, but they can be worth it if your end goal is business transformation. See the Forrester report “[Disrupt Your Business With A Digital Venture.](#)”
- ²⁸ In early 2015, MassMutual unveiled a new digital insurance agency, Haven Life, which sells MassMutual-issued term life policies. The policy was created and optimized to render an immediate decision on applications. See the Forrester report “[Haven Life Rethinks Life Insurance Distribution For A Millennial World.](#)”
- ²⁹ For example, Ageas pulled the plug on Back Me Up three years into the brand’s existence, while Aegon’s Kroodle now white-labels its offerings: Connected Health and Connected Car. Source: Back Me Up (<https://www.backmeup.co.uk/>) and Kroodle (<https://www.kroodle.nl/en>).
- ³⁰ You need to transform your business by applying digital thinking across everything you do: how you win, serve, and retain customers; how you operate your internal processes; and how you source business services. In short, you must become a digital business. See the Forrester report “[The Digital Business Imperative.](#)”
- ³¹ See the Forrester report “[Case Study: How Ping An Insurance Embraced Digital To Rewrite Its Business.](#)”
- ³² See the Forrester report “[Now Tech: Digital Experience Platforms, Q3 2019.](#)”
- ³³ In our 33-criterion evaluation of digital experience platform providers, we identified the 10 most significant ones — Acquia, Adobe, BloomReach, Episerver, Liferay, OpenText, Oracle, Salesforce, SAP, and Sitecore — and researched, analyzed, and scored them. See the Forrester report “[The Forrester Wave™: Digital Experience Platforms, Q3 2019.](#)”
- ³⁴ Companies don’t just need a new website or mobile app, even if that’s what they are asking for. They always need something bigger — a deeper understanding of customers’ needs, an operating model overhaul to shift customers to online channels, or a wholesale transformation of their business model. The best digital experience service providers probe the surface of a request to find the underlying challenges — and stakeholders — so they can help companies formulate the right strategy and build a complete road map. See the Forrester report “[The Forrester Wave™: Global Digital Experience Agencies, Q4 2019.](#)”

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³⁵ See the Forrester report [“The Forrester Wave™: Digital Business Transformation Services, Q4 2020.”](#)

³⁶ See the Forrester report [“The Future Of Insurance.”](#)

³⁷ The assessment chapter of Forrester’s digital insurance strategy playbook helps digital business professionals in insurance assess their digital capabilities and better target their investments. See the Forrester report [“Assess Your Digital Insurance Capabilities.”](#)

Forrester also assesses the specific digital insurance functionality that companies deliver through their websites and apps in reports using our Forrester Industry Wave™ methodology (which has subsequently been renamed as the Forrester Digital Experience Review™). These reports are usually focused on sales or service in auto insurance, small business insurance, and life insurance. See the Forrester report [“The Forrester Life Insurance Wave™: Canadian Sales Websites, Q2 2018,”](#) see the Forrester report [“The Forrester Life Insurance Wave™: US Sales Websites, Q2 2018,”](#) and see the Forrester report [“The Forrester Auto Insurance Wave™: US Mobile Sites, Q2 2018.”](#)

Finally, for access to the digital transformation assessment tool, see the Forrester report [“Gauge Your Digital Business Maturity.”](#)

³⁸ See the Forrester report [“Build A Business Case For Digital Insurance Transformation.”](#)

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