



# EMBEDDED INSURANCE

# SURVEY: UNITED KINGDOM

A consumer-focused case for transaction-based offers from Banks, Neobanks and Fintechs.

This report from embedded insurance leader Cover Genius and Momentive.ai (the research company of SurveyMonkey) examines consumer interest in a new model of insurance distribution where banks, neobanks and other fintechs offer insurance based on transactional data. The report is based on a survey conducted in May-June 2021 of 500 census-balanced bank customers in the United Kingdom.

The report is part of a global series that includes Canada, Brazil, UK, Germany, Spain, Italy, France, Australia, Singapore, India, Thailand, Korea, Indonesia and the US. To qualify for the survey, respondents had to have a primary bank account. The respondents answered up to 20 questions concerning 14 types of life events, activities or major purchases experienced in the last 12 months and asked about related insurance decisions and their interest in novel embedded insurance offers. In-depth country studies of 13 different insurance product lines are also available at [covergenius.com/resources](https://covergenius.com/resources).



# INTEREST IN BANK-EMBEDDED INSURANCE OFFERS, BY INSURANCE LINE & BANK TYPE

[Type of financial institution where you have your primary banking account] “If your bank offered insurance based on your transaction activity, how interested would you be in allowing your bank to make these offers?”

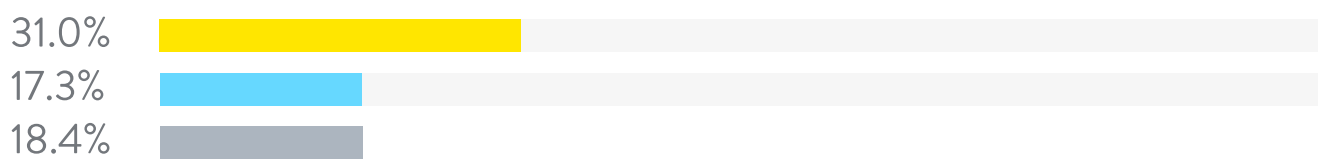
## Any type of insurance offers (n=<50 & 485 & 527)



## Extended warranty for expensive personal electronic products (n=<50 & 130 & 147)



## Commercial insurance for income received from a short-term rental site (n=<50 & 84 & 97)



## Artwork coverage (n=<50 & 106 & 120)



## Landlord insurance (n=<50 & 114 & 129)



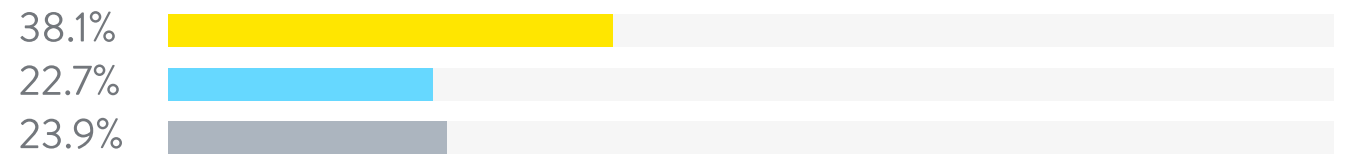
## Renters insurance (n=<50 & 112 & 126)



## Auto insurance (n=<50 & 133 & 147)



## Coverage for expensive home furnishings or appliances (n=<50 & 107 & 126)



## Coverage for expensive personal items e.g. jewellery (n=<50 & 123 & 140)



## Health insurance (n=<50 & 122 & 136)



## Life insurance (n=<50 & 115 & 128)



## Pet insurance (n=<50 & 114 & 130)



## Travel insurance (n=<50 & 138 & 155)



## Home & contents insurance (n=<50 & 130 & 142)



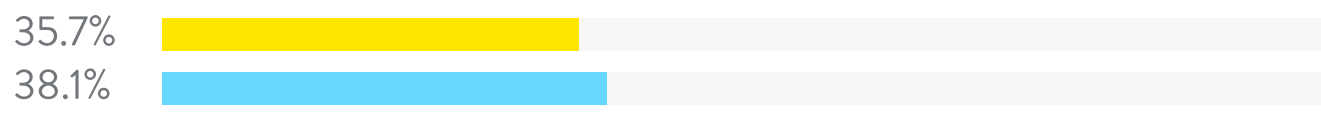
### Key

- Digital-only bank customers
- Traditional bank customers
- Entire sample

# REASONS FOR INTEREST IN BANK-EMBEDDED INSURANCE OFFERS

[Extremely or very interested] “Why would you be interested in allowing your bank to make these offers?”

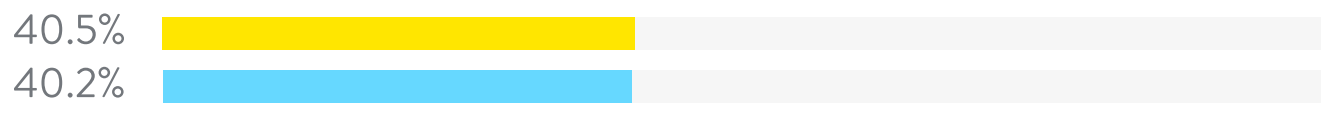
I trust banks to protect my personal data



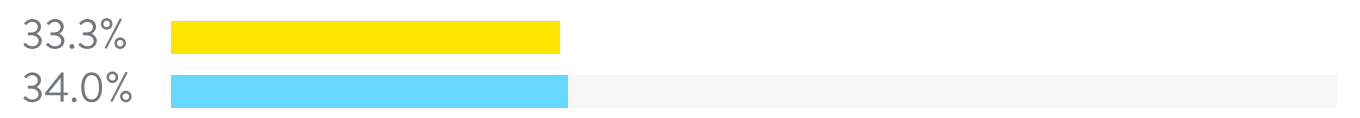
The cost of the protection would be better



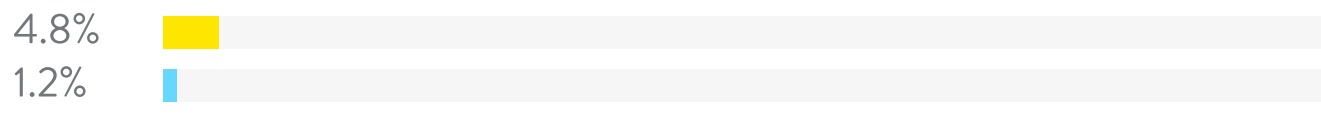
It is an easy and convenient way to get this type of protection



They can tailor the insurance or warranty protection for me because of the information they have



Other



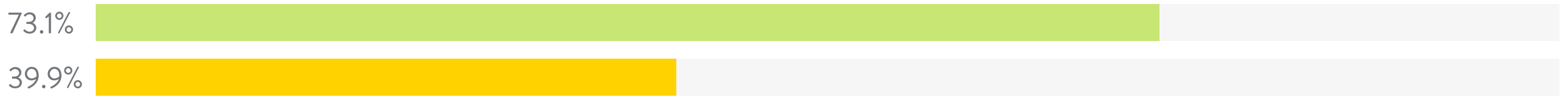
Key

- Digital-only bank customers
- Traditional bank customers

# THE EXPERIENCE FACTOR IN BANK-EMBEDDED INSURANCE OFFERS

[Experienced any of the major life events during the last 12 months] “If your bank offered insurance based on your transaction activity, how interested would you be in allowing your bank to make these offers?”

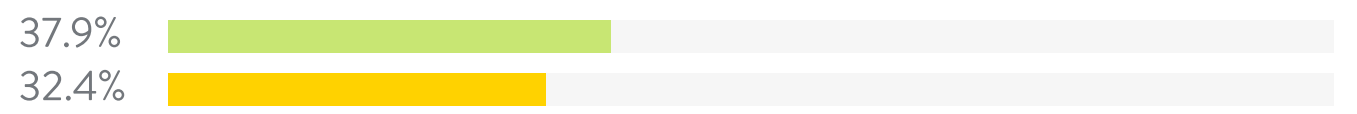
Any type of insurance offers (n=350 & 177)



Offer for commercial insurance because you started receiving deposits from a short-term rental site (n=<50 & 500)



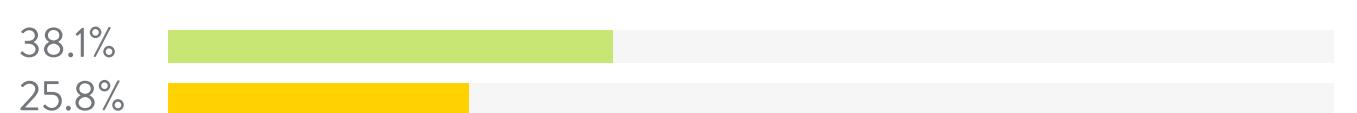
Offers of homeowners insurance because you bought a new property (n=<50 & 495)



Offer of life insurance because you purchased products for infants (n=48 & 479)



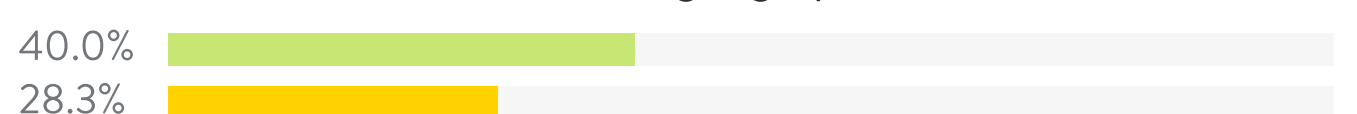
Offer of auto insurance because you bought a new car (n=100 & 429)



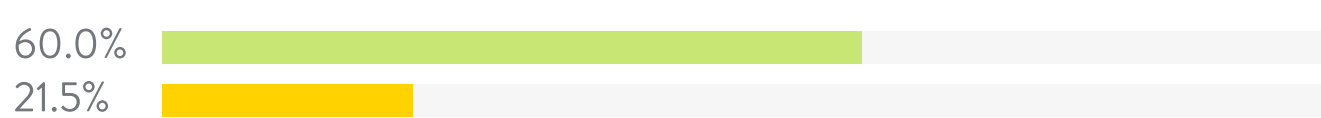
Offer for an extended warranty because you purchased an expensive personal electronic product (n=192 & 335)



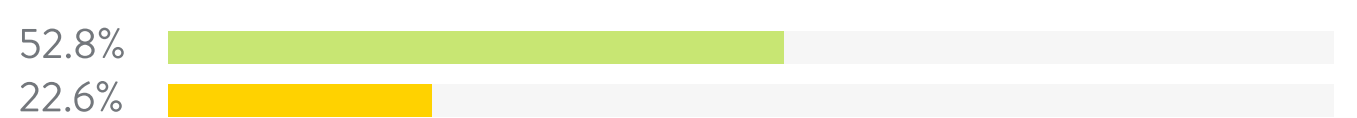
Offer of travel insurance because you purchased airfare or paid for hotel rooms in international geographies (n=63 & 464)



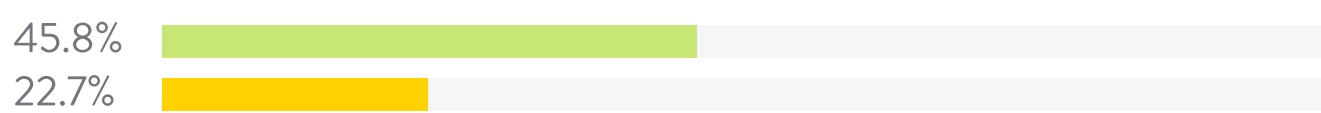
Offer for coverage because you purchased expensive artwork (n=<50 & 504)



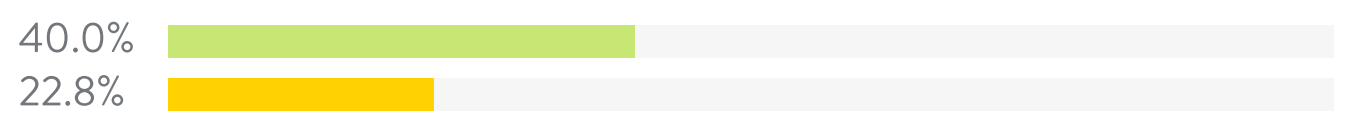
Offer of coverage because you purchased expensive personal items (n=75 & 452)



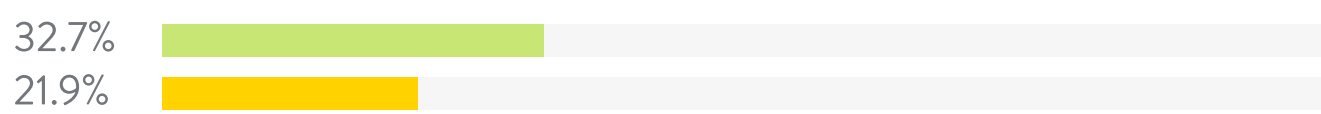
Offer of pet insurance because you purchased or paid an adoption fee or started purchasing pet supplies (n=51 & 476)



Offer for renters insurance because you started making regular rent payments (n=<50 & 484)



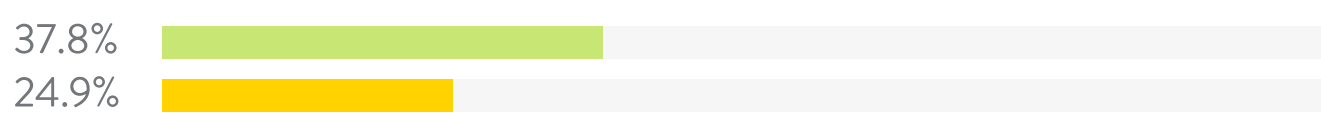
Offer of coverage because you purchased an expensive home furnishing or appliance (n=110 & 417)



Offer for landlord insurance because you started receiving regular rent payments (n=<50 & 487)



Offer of health insurance because you purchased products for infants (n=48 & 479)



## Key

- Have experienced insurable event
- Have not experienced insurable event

# TRADITIONAL INSURANCE CUSTOMERS' INTEREST IN BANK-EMBEDDED OFFERS, BY INSURANCE SOURCE AND LINE

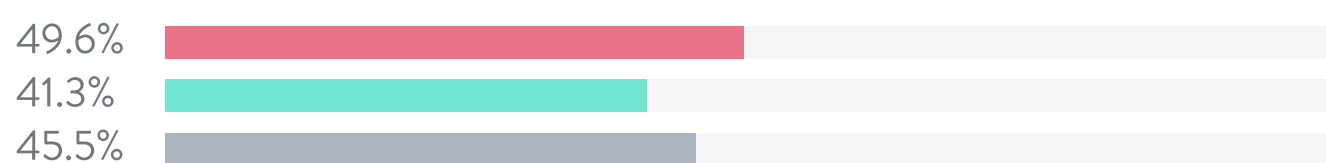
[Purchased insurance from a carrier or agent in last 12 months] "If your bank offered insurance based on your transaction activity, how interested would you be in allowing your bank to make these offers?"

Any type of insurance offers (n=418 & 109 & 527)



Extended warranty for expensive personal electronic products

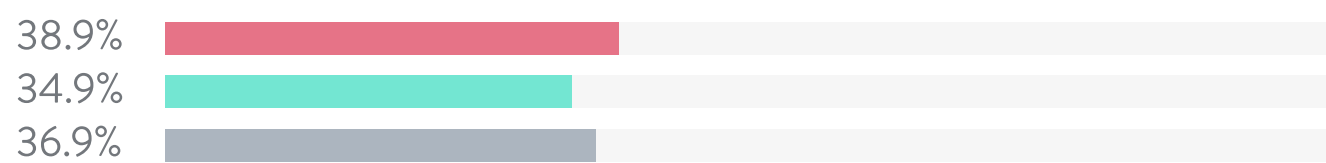
(n=102 & 45 & 147)



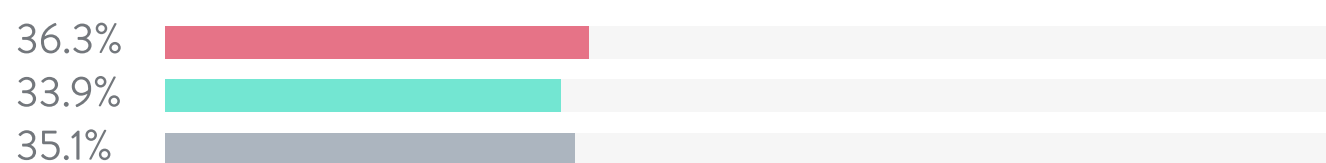
Commercial insurance for income received from a short-term rental site (n=62 & <50 & 97)



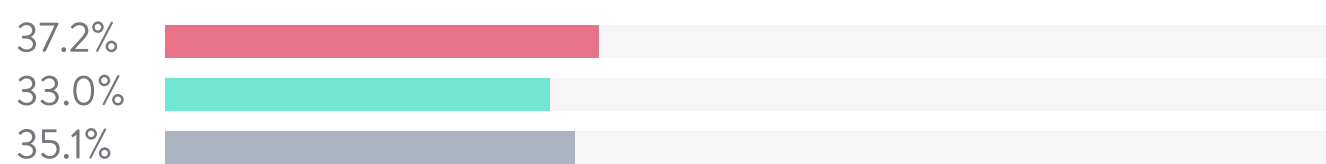
Artwork coverage (n=92 & <50 & 120)



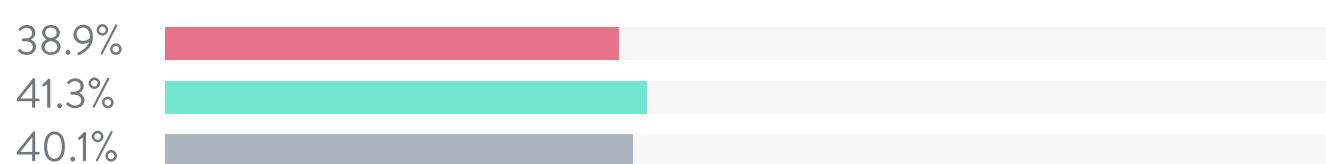
Landlord insurance (n=92 & <50 & 129)



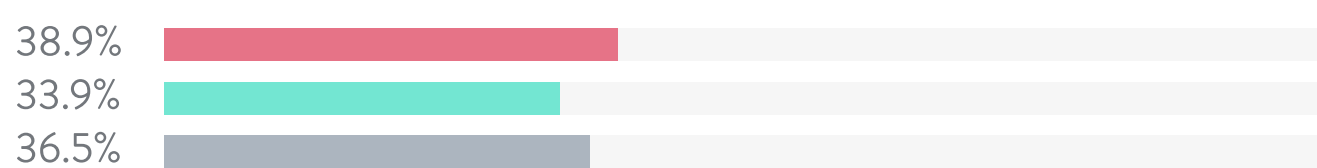
Renters insurance (n=88 & <50 & 126)



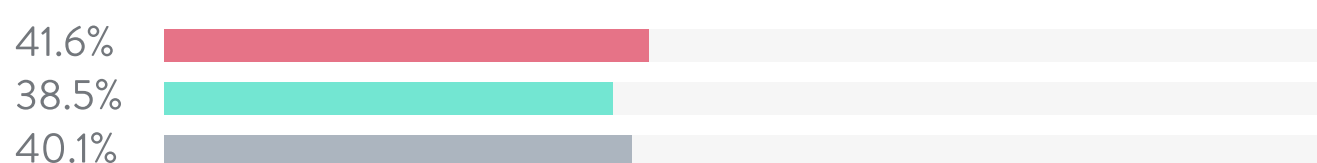
Auto insurance (n=102 & 45 & 147)



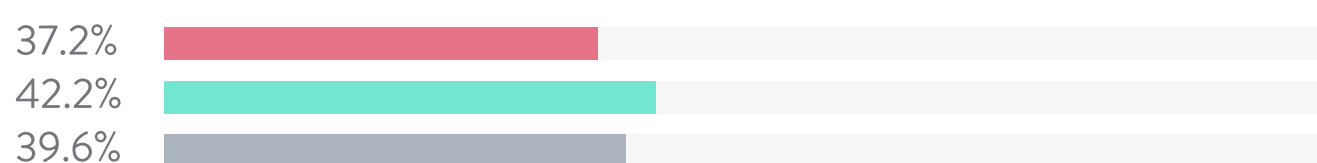
Coverage for expensive home furnishings or appliances (n=89 & <50 & 126)



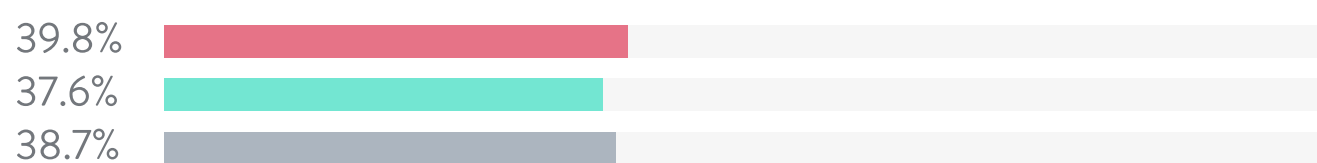
Coverage for expensive personal items e.g. jewellery (n=98 & <50 & 140)



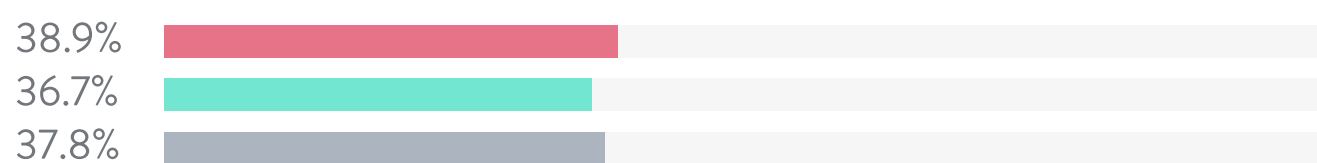
Health insurance (n=90 & 46 & 136)



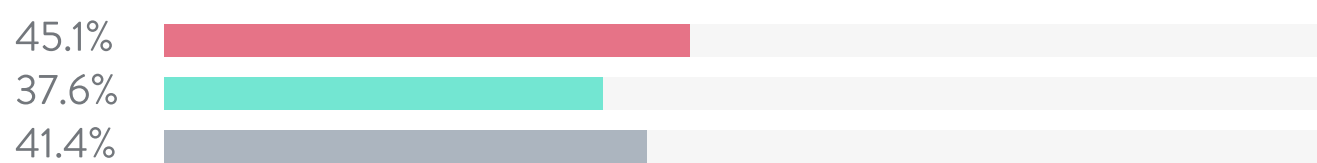
Life insurance (n=87 & <50 & 128)



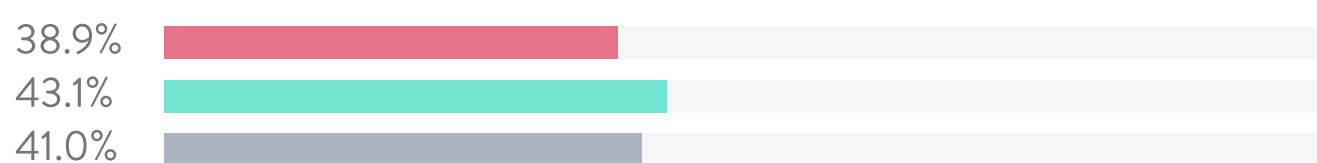
Pet insurance (n=90 & <50 & 130)



Travel insurance (n=113 & <50 & 155)



Home & contents insurance (n=124 & 47 & 171)



## Key

- Non-traditional insurance customers
- Traditional insurance customers
- Entire sample

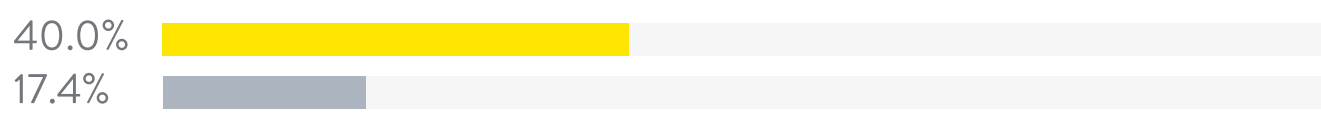
# INTEREST IN BANK-EMBEDDED INSURANCE OFFERS, BY INSURANCE LINE

[Did you purchase insurance when you experienced a major life event] “If your bank offered insurance based on your transaction activity, how interested would you be in allowing your bank to make these offers?”

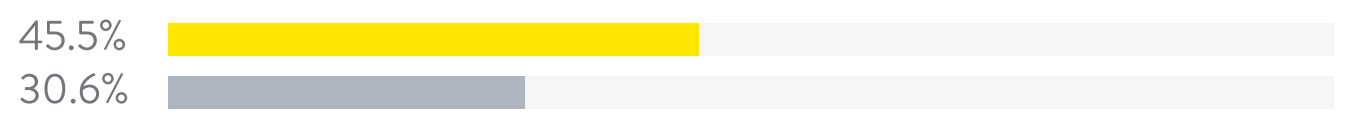
Any type of insurance offers (n=527)



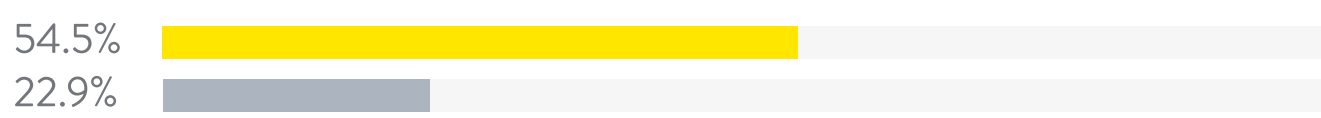
Offer for commercial insurance because you started receiving deposits from a short-term rental site (n=<50 & 97)



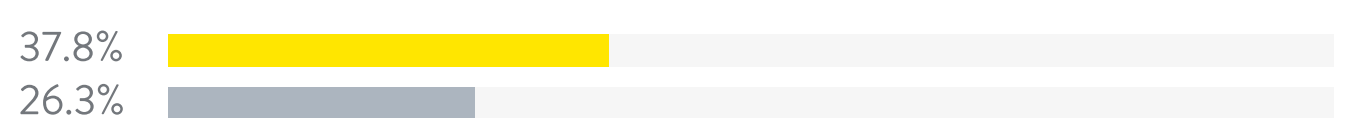
Offers of homeowners insurance because you bought a new property (n=<50 & 171)



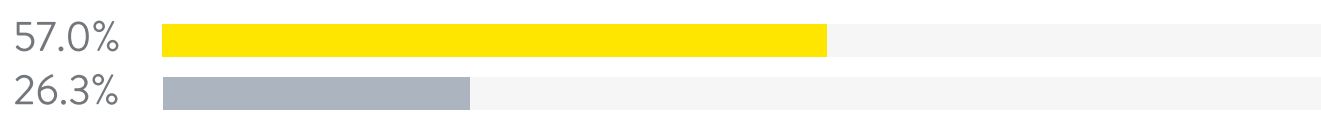
Offer of life insurance because you purchased products for infants (n=44 & 128)



Offer of auto insurance because you bought a new car (n=97 & 147)



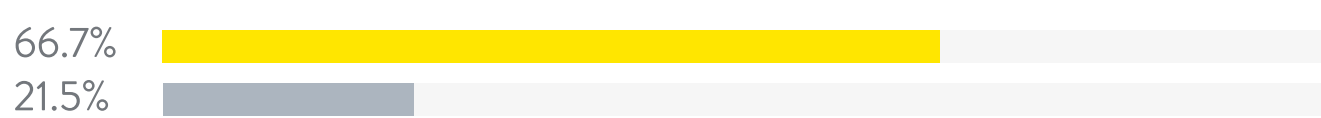
Offer for an extended warranty because you purchased an expensive personal electronic product (n=189 & 147)



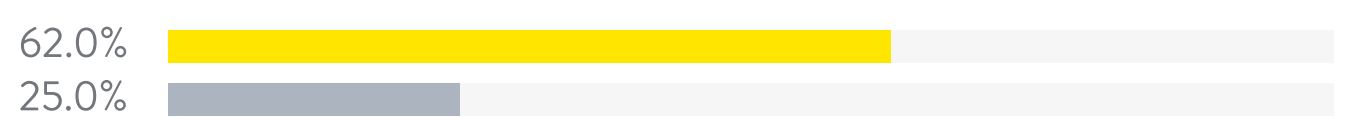
Offer of travel insurance because you purchased airfare or paid for hotel rooms in international geographies (n=60 & 155)



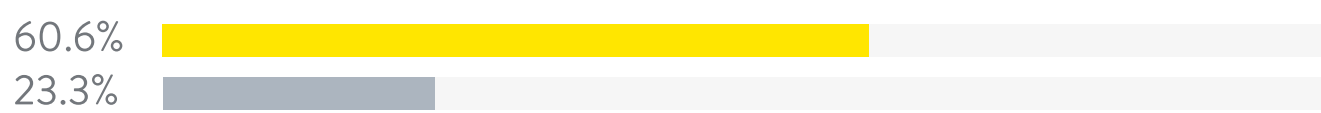
Offer for coverage because you purchased expensive artwork (n=<50 & 120)



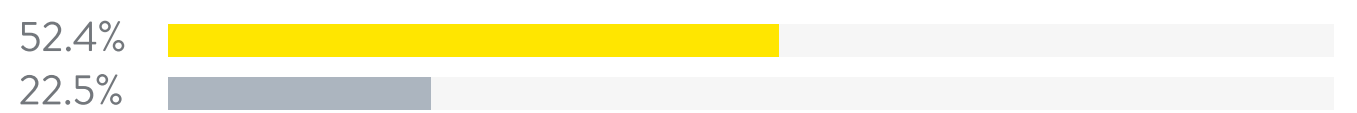
Offer of coverage because you purchased expensive personal items (n=73 & 140)



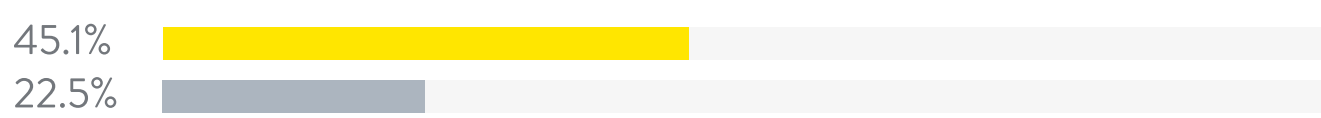
Offer of pet insurance because you purchased or paid an adoption fee or started purchasing pet supplies (n=48 & 130)



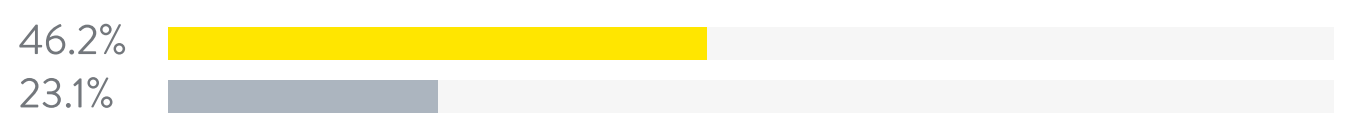
Offer for renters insurance because you started making regular rent payments (n=<50 & 126)



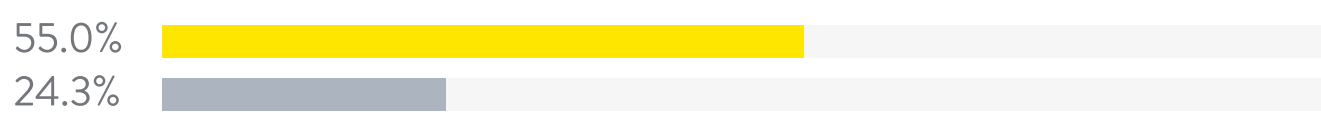
Offer of coverage because you purchased an expensive home furnishing or appliance (n=107 & 126)



Offer for landlord insurance because you started receiving regular rent payments (n=<50 & 129)



Offer of health insurance because you purchased products for infants (n=44 & 136)



## Key

- Respondents who purchased selected insurance from their bank
- Entire sample

# OVERALL PREFERENCE FOR BANK-EMBEDDED OFFERS VERSUS TRADITIONAL INSURANCE, BY BANK TYPE & INSURANCE SOURCE

[Type of financial institution where you have your primary banking account] “In future, would you prefer to receive insurance offers from your primary bank, based on your transactions, as opposed to externally sourcing coverage from an insurance carrier, insurance broker, or personal financial advisor?”



[All respondents incl. purchased insurance from traditional source] “In future, would you prefer to receive insurance offers from your primary bank, based on your transactions, as opposed to externally sourcing coverage from an insurance carrier, insurance broker, or personal financial advisor?”





# INTEREST IN BANK-EMBEDDED OFFERS FROM BUSINESS BANK USERS AND USERS OF FINTECH APPS

[Uses Fintech Apps at least once per month or have business bank accounts] “If your bank offered insurance based on your transaction activity, how interested would you be in allowing your bank to make these offers?”

Business banking users (i.e. have a business bank account or loan) are extremely or very interested in transaction based offers  
(n=<50)



Instalment payment users (e.g. Klarna, Clearpay) are extremely or very interested in transaction based offers (n=72)



Investing account users (e.g. Nutmeg, FreeTrade) are extremely or very interested in transaction based offers (n=57)



Mobile wallet users (e.g. Apple Pay, Google Pay) are extremely or very interested in transaction based offers (n=183)



Accounting software users (e.g. Sage, Xero, Quickbooks) are extremely or very interested in transaction based offers (n=40)

