



OCTOBER 2021

# CUSTOMERS EXPECT DEEPER ENGAGEMENT

ARE LIFE INSURERS READY?



PREPARED FOR:



# TABLE OF CONTENTS

EXECUTIVE SUMMARY ..... 2

INTRODUCTION..... 3

    METHODOLOGY ..... 3

DIGITALIZATION OF BUYING PROCESS..... 4

CUSTOMERS EXPECT ENGAGEMENT ..... 5

    INTEREST IN PERSONALIZED RECOMMENDATIONS..... 5

MOBILE APPS UBIQUITOUS BUT UNDERUTILIZED..... 7

    EXPECTED FEATURES IN MOBILE APPS..... 8

CONCLUSION.....10

ABOUT SUREIFY .....11

    FOR MORE INFORMATION .....11

ABOUT AITE-NOVARICA GROUP .....12

    CONTACT .....12

    AUTHOR INFORMATION .....12

## LIST OF FIGURES

FIGURE 1: WAYS CUSTOMERS COMPLETE APPLICATION ..... 4

FIGURE 2: COMMUNICATION EXPECTED FROM INSURERS..... 5

FIGURE 3: INTEREST IN PERSONALIZED RECOMMENDATION.. 6

FIGURE 4: PERCEPTION OF MOBILE APPS AVAILABILITY ..... 7

FIGURE 5: COMMUNICATE PREFERNECE BY CUSTOMERS..... 8

FIGURE 6: EXPECTATIONS FROM MOBILE APPS..... 9

## LIST OF TABLES

TABLE A: MOBILE APP INTERESTS BY GENERATION ..... 9

OCTOBER 2021

## CUSTOMERS EXPECT DEEPER ENGAGEMENT

Are Life Insurers Ready?

## EXECUTIVE SUMMARY

**Customers Expect Deeper Engagement**, commissioned by Sureify and produced by Aite-Novarica Group, uses an Aite-Novarica survey of 506 recent life insurance buyers, along with market trends and domain expertise, to provide insights that can help insurers better understand customers' expectations in a fast-evolving digital world.

Key takeaways from this paper follow:

- The pace of digitalization in buying life insurance has increased significantly. Between January 2020 and August 2021, 76% of buyers used an online process to complete their application.
- Consumers are interested in rewards and wellness tools in addition to offers related to insurance companies' products and services. Among survey respondents, 45% expect rewards related to their activity and health level, and 42% would like to get tools to manage their financial needs.
- When asked if they would like to receive personalized recommendations about improving their coverage, 87% of policy buyers respond favorably. Insurers could enhance their offerings through such recommendations while improving their customers' financial lives.
- Although 70% of consumers are aware of a mobile app offered by their insurers, only 37% plan to use it to meet their service needs. There is a significant opportunity for insurers to improve their mobile experience and educate customers.
- Customers would welcome information in a life insurance mobile app related to health (62%), finance (59%), and mental wellness (45%). The ability to personalize this information and align app features with generational lifestyle, events, and needs is critical to driving higher engagement.

## INTRODUCTION

The life insurance industry has seen significant digitalization in the last few years. The automation of internal processes improves speed, efficiency, and operational capabilities while helping to extract valuable insights from data. However, companies offering life insurance have lagged other industries in building engaging customer experiences that foster lasting relationships. Increasingly, interactions between agents and customers are shifting online. These digital communications can take many forms, happening via online tools, websites, text, email, and mobile apps. This array of possible communication channels creates a need for consistent omnichannel experiences as well as an opportunity to engage deeply with the customer.

This paper examines consumers' interest in engagement with their life insurers and the type of communication they prefer. It also analyzes consumers' interest in insurers' mobile apps and their expectations of those apps. Life insurance executives and leaders in marketing, product, operations, and technology functions can use this paper as a starting point to brainstorm ideas to develop a customer engagement strategy.

## METHODOLOGY

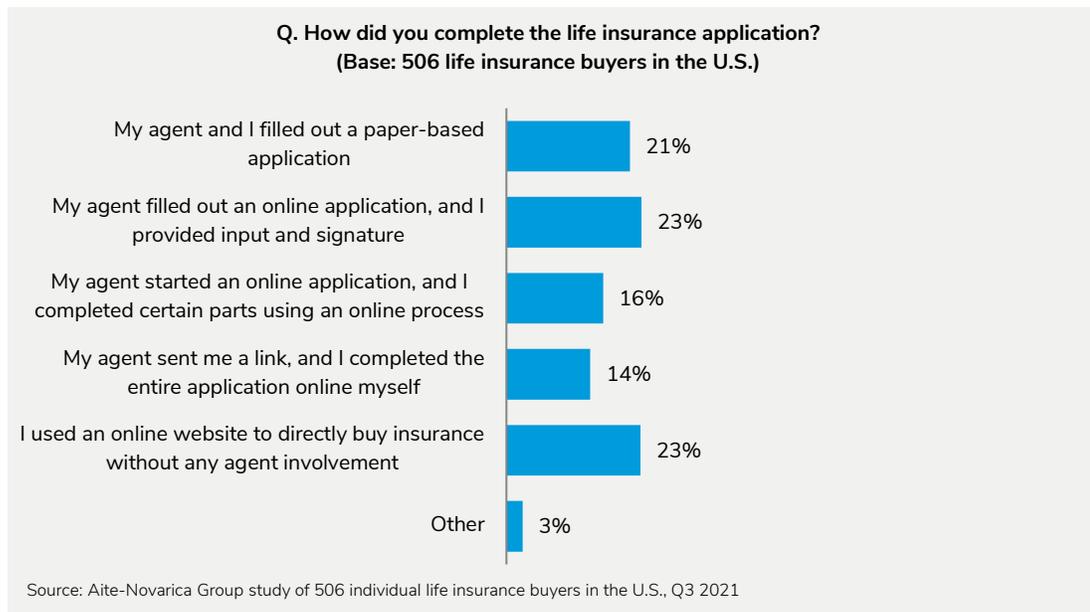
This paper is based on a consumer survey conducted by Aite-Novarica Group in August 2021 of 506 U.S. consumers aged 18 or older. The respondents had bought an individual life insurance policy between January 2020 and August 2021. Consumers who answered questions to determine their qualification for the study were in proportion to the U.S. population for age, gender, income, geographic region, and race. The data for the full sample has a margin of error of five points at the 95% level of confidence; statistical tests of significance were conducted at the 90% or 95% level of confidence, depending on sample size.

## DIGITALIZATION OF BUYING PROCESS

Purchasing life insurance online has become more popular in the last few years due to the availability of digital applications from carriers and the sprouting of many new digital managing general agencies that promote online sales. In addition, the recent COVID-19 pandemic and physical distancing made it difficult for agents to meet prospective customers face to face or serve existing customers as before. Thus, agents now prefer insurers that provide e-application and collaboration tools that help them sell remotely and provide digital online services to meet their customers' needs.

Between January 2020 and August 2021, only 21% of life insurance buyers surveyed by Aite-Novarica Group used a traditional paper-based application. While 23% bought their policy directly through a website, a large majority—53%—used an agent-assisted online process. (Figure 1).

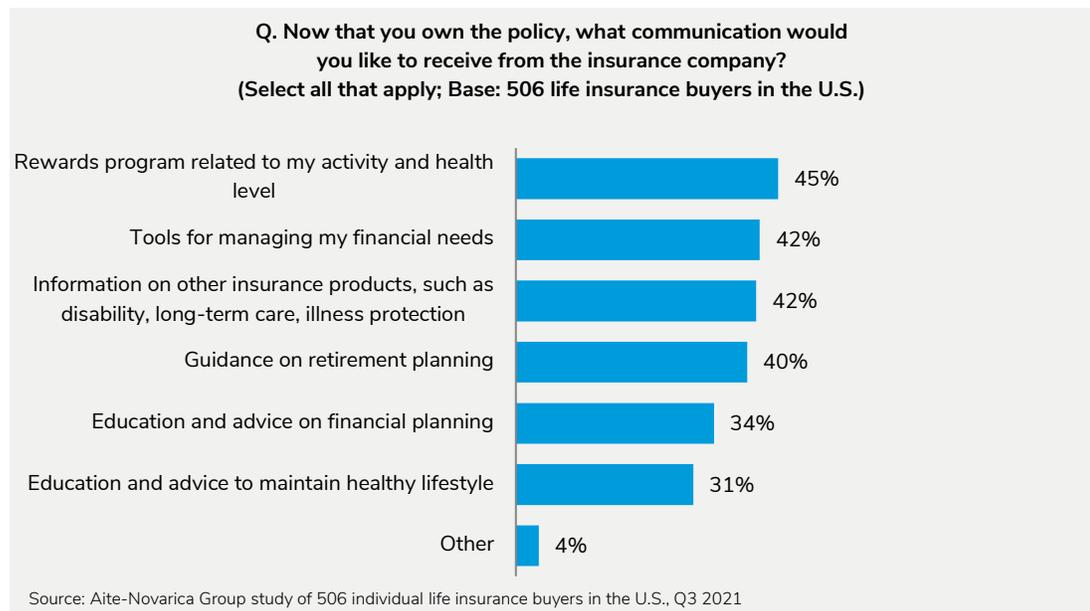
**FIGURE 1: WAYS CUSTOMERS COMPLETE APPLICATION**



## CUSTOMERS EXPECT ENGAGEMENT

The survey responses indicate that recent policy buyers are interested in post-purchase communication about rewards, tools, additional solutions, advice, and education from their insurance company. Among this group, 45% say they would like to receive rewards programs related to their activity and health levels, and 42% are interested in tools for managing their financial needs and information on other financial products, such as disability, long-term care, and critical illness protection. For 40%, guidance on retirement planning would be welcome (Figure 2). While 34% report that they would like education and advice on financial planning, a closer look at the data reveals that this interest is strongest among the coveted millennial and Gen Z cohorts.

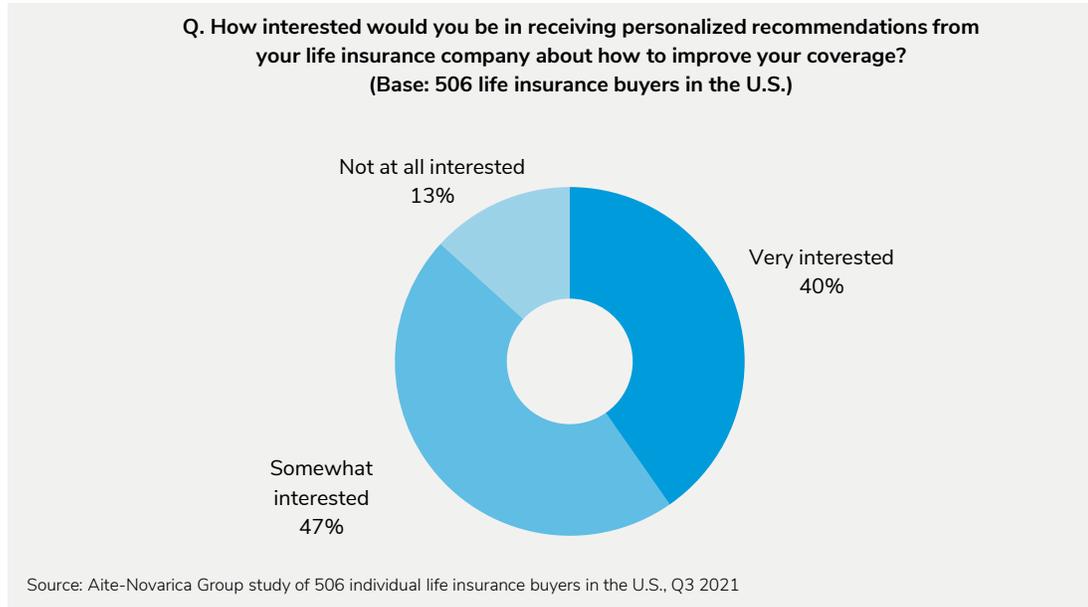
FIGURE 2: COMMUNICATION EXPECTED FROM INSURERS



## INTEREST IN PERSONALIZED RECOMMENDATIONS

Many survey respondents would be interested in engaging with their insurers to receive tailored guidance. Of the policy buyers surveyed, 40% say they are very interested in receiving personalized recommendations from their insurance company about how to improve their coverage, and another 47% say they are somewhat interested (Figure 3).

FIGURE 3: INTEREST IN PERSONALIZED RECOMMENDATION



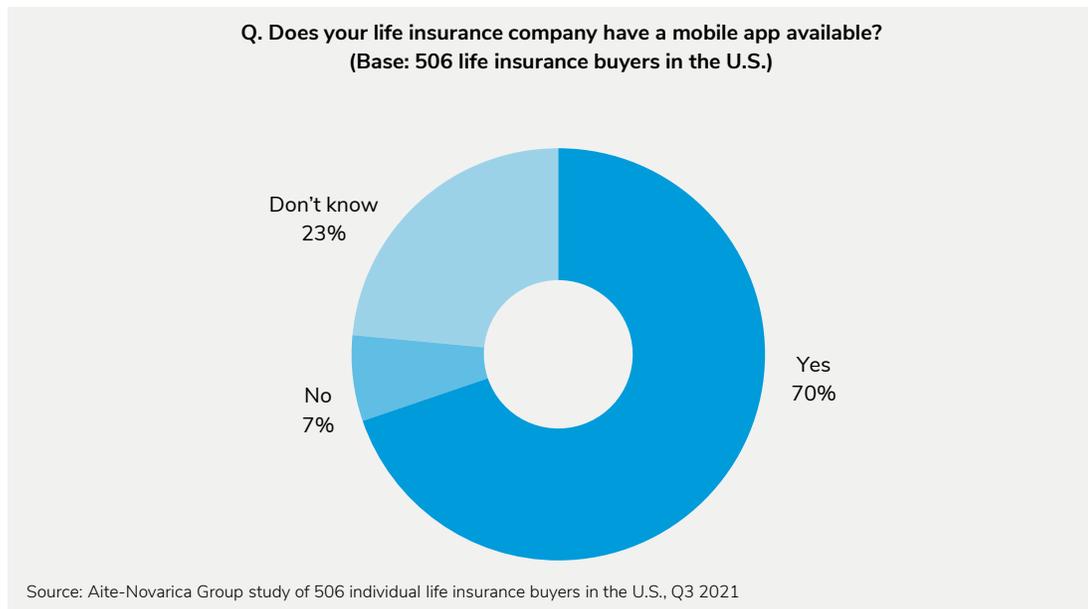
Demographically, older millennials (those born between 1981 and 1989) are most likely to be very interested or somewhat interested (92%) in personalized recommendations. This makes sense, because this group often has the greatest need for additional coverage due to growing families or new home purchases. Their need for information and education, combined with a high level of interest in personalized recommendations, presents a significant opportunity for insurers to enhance their offerings while improving their customers' financial lives.

For example, customer service can go beyond self-service portals and occasional policy-related communication, engaging policyholders with personalized content based on their preferences, offering information and interactive tools (polls, quizzes, videos) on health and financial topics, as well as product-specific suggestions related to their life stage. Educational content offered through multiple channels, including web, mobile chat, social media, and video can help the customers stay on track with their wellness goals.

## MOBILE APPS UBIQUITOUS BUT UNDERUTILIZED

When considering the communication and interaction with their company, 70% of respondents say that they are aware of their insurer's mobile app (Figure 4). While 23% say they don't know about these apps (and appear not to have looked for them), the overall response is consistent with the availability of mobile apps, which most leading insurers now offer.

FIGURE 4: PERCEPTION OF MOBILE APPS AVAILABILITY

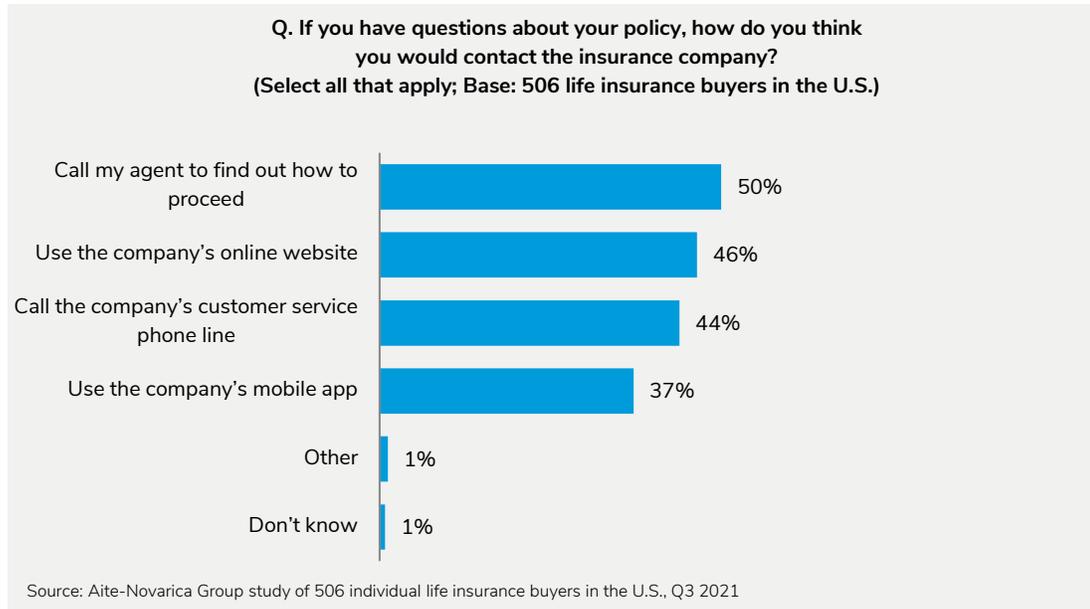


Despite the widespread availability of mobile apps, only 37% say they will use the app to contact their insurer if they have questions about their policy. A phone call to their agent is preferred by 50%, and 46% will use their company's website (Figure 5).

This data reveals a significant untapped opportunity for insurers to provide the entire quote-to-claims experience on mobile apps. Simply having a mobile app is not enough—insurers' apps must support the transactions and interactive content that make the policyholder want to return. While many respondents said they would use their agent or the company website to get information, that may be because the mobile apps are not providing the value customers are seeking. Due to its constant usage growth, mobile is

the best channel for engaging customers with rewards, product offers, personalized recommendations, and wellness programs.

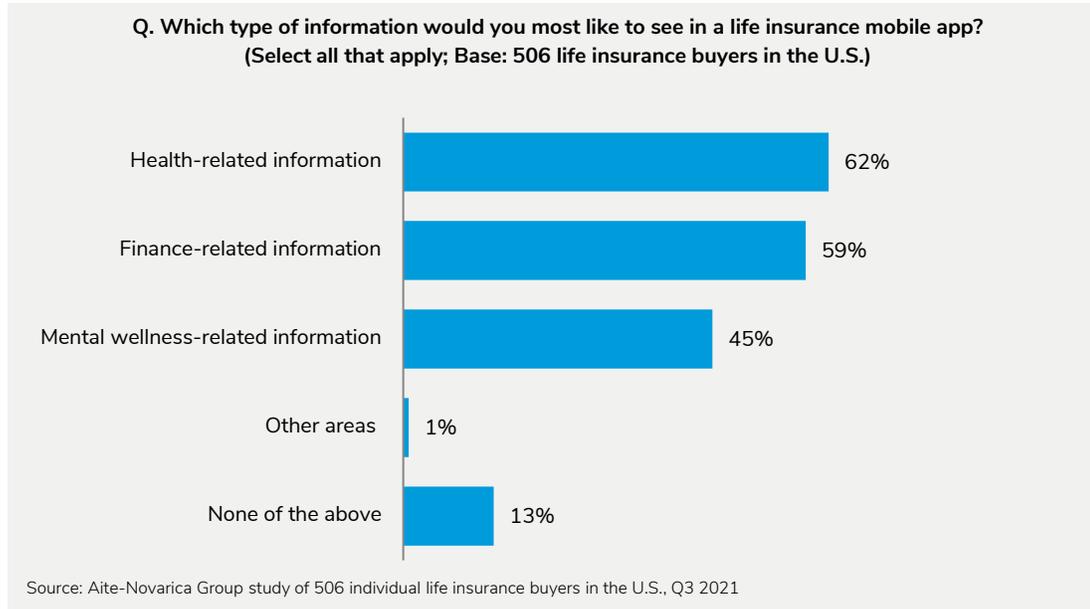
**FIGURE 5: COMMUNICATE PREFERNECE BY CUSTOMERS**



## EXPECTED FEATURES IN MOBILE APPS

When it comes to features in an insurer’s mobile app, customers show the strongest interest in health-related information, with 62% saying they would like to see that included. Finance-related information ranks second, with 59% of respondents expressing interest, and mental wellness ranks third, at 45% (Figure 6). Only 13% say they are not interested in an app with these features, a majority of whom are baby boomers and seniors.

FIGURE 6: EXPECTATIONS FROM MOBILE APPS



Gen Z and millennials show the strongest interest in receiving health, finance, and mental wellness information on an insurer’s mobile app (Table A). Personalizing information and aligning app features with generational lifestyle, events, and needs is critical to driving higher engagement.

TABLE A: MOBILE APP INTERESTS BY GENERATION

TYPE OF INFORMATION MOST LIKE TO SEE IN MOBILE APP	GEN Z, YOUNGER MILLENNIALS (BASE: 102)	OLDER MILLENNIALS (BASE: 184)	GEN X (BASE: 130)	BABY BOOMERS AND SENIORS (BASE: 90)
Health-related information	75%	67%	54%	50%
Finance-related information	66%	70%	53%	38%
Mental wellness-related information	54%	54%	44%	20%

Source: Aite-Novarica Group’s survey of 506 U.S. consumers, Q32021

## CONCLUSION

The digital revolution has changed the game for life insurers. As a result, insurance companies are looking for better ways to interact with customers and enhance their experience. To meet customer expectations and create exceptional engagement, insurance executives should consider the following key factors:

- **Significant increase in digital applications:** A majority of insurance purchases are now made online, including 23% done directly via an online website without an agent. This reality means insurers need omnichannel consistency and better customer engagement.
- **Customers expect engagement:** Rewards programs, tools for managing financial needs, information on other insurance products, and retirement and financial planning advice are some of communications customers expect from their insurance companies.
- **Personalization offers a unique consumer value:** There is an opportunity to exploit the power of data and technology to deliver personalized product recommendations, advice, and education for a better service value and engagement.
- **Work is needed to leverage mobile apps:** Most insurers offer mobile apps, but their utilization is limited. These apps need better functionality to map customers' quote-to-claims experience, particularly their customer service needs.
- **Health-, finance-, and mental wellness-related information is a win-win:** Consumers are willing to receive wellness-related information on their mobile apps. While customers benefit from their physical and financial wellness, it is also in the insurer's best interest to drive a better customer experience, resulting in customer persistency and brand loyalty.

## ABOUT SUREIFY

Sureify's mission is to modernize the life insurance and annuity industry by helping carriers acquire, service, and engage their customers with one enterprise platform: Lifetime. We enable digital, omnichannel sales with LifetimeACQUIRE, a product that drives placement rates via digital quoting, e-application, automated underwriting, and e-delivery capabilities. With LifetimeSERVICE, insurers are offering their in-force customers comprehensive self-service portals and native applications. Lastly, the product that is revolutionizing the carrier/policyholder relationship paradigm, LifetimeENGAGE, fosters a lifelong relationship with multifaceted engagement programs and analytics, leading to greater lifetime value of each policyholder. And because we are passionate about customer engagement and satisfaction, Sureify's experienced leadership team partners with each client to ensure success every step of the way.

## FOR MORE INFORMATION

+1.855.SUREIFY

[info@sureify.com](mailto:info@sureify.com)

## ABOUT AITE-NOVARICA GROUP

Aite-Novarica Group is an advisory firm providing mission-critical insights on technology, regulations, strategy, and operations to hundreds of banks, insurers, payments providers, and investment firms—as well as the technology and service providers that support them. Comprising former senior technology, strategy, and operations executives as well as experienced researchers and consultants, our experts provide actionable advice to our client base, leveraging deep insights developed via our extensive network of clients and other industry contacts.

### CONTACT

**Research and consulting services:**

Aite-Novarica Group Sales  
+1.617.338.6050  
[sales@aite-novarica.com](mailto:sales@aite-novarica.com)

**Press and conference inquiries:**

Aite-Novarica Group PR  
+1.617.398.5048  
[pr@aite-novarica.com](mailto:pr@aite-novarica.com)

**For all other inquiries, contact:**

[info@aite-novarica.com](mailto:info@aite-novarica.com)

**Global headquarters:**

280 Summer Street, 6th Floor  
Boston, MA 02210  
[www.aite-novarica.com](http://www.aite-novarica.com)

### AUTHOR INFORMATION

Manoj Upreti  
+1.469.421.7145  
[mupreti@aite-novarica.com](mailto:mupreti@aite-novarica.com)

**Research Design & Data:**

Judy Fishman  
[jfishman@aite-novarica.com](mailto:jfishman@aite-novarica.com)