

42.1% of Policyholders are Confused as to What their Insurance Covers: GoodFirms Survey 2022

Disintermediation is a Major Risk for Core Insurance Companies

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/EINPresswire.com/ -- GoodFirms, an internationally recognized research, ratings, and reviews platform, recently released its new survey report-'[Global Insurance Industry Outlook 2022: Megatrends and Key Challenges](#)'. It

analyzes all the current trends, customer perception, industry competition, evolving concepts, key challenges, regulations, and technological innovations in the insurance industry.



Online Website/Mobile App of the Insurer is the Most Preferred Channel to Buy an Insurance Policy"

GoodFirms Research

Globally, the insurance industry is witnessing modernized growth and stimulating business activities amidst heightened customer sentiments for insurance and aggressive investments from private players and intermediaries. Insurance firms are rapidly adopting technologies such as AI, blockchain, AR/VR, etc to reduce costs, increase flexibility, improve customer engagement, and mitigate challenges.

The research analyzes the top insurance products like health, medical, life & accident, vehicle, home loan, business term, credit/debit card, property, and cyber insurance. It also highlights the other popular insurance products, including liability, litigation risk, reputation risk coverage, retirement & annuity, mobile device/home appliance, reinsurance, and microinsurance.

The survey reveals the mega trends of the insurance industry- more people prefer to buy insurance from private insurers than public ones, website/mobile app channels are most preferred channels to buy insurance products, price is the biggest influencer in insurance buying decisions etc. Also there is a spurred demand for personalized products, embedded insurance,



peer-to-peer insurance and open insurance ecosystem. There is also a growing sentiment for sustainability voiced in the industry's plea and commitment towards net-zero emissions.

The study further explores the key challenges and major barriers to growth that include the growing risks posed by disintermediation, poor customer education, consumer demands for lower insurance premiums but higher coverages, rising inflation, economic instability, lack of trust between insurers and clients, and poor claim settlement processes.

"68.4% of policyholders surveyed by GoodFirms stated that claim settlement processes are lengthy and frustrating."

Rising investment thresholds in insurtech, faster technology adoption, revamping of the distribution channels, and greater focus on customer experience are the highlighted key success factors in the research. Insurance companies are also providing discounts on the use of smart devices & safety measures and are achieving better risk management with technological assistance.

"Technologies empowering the insurance world are telematics, claim assessment technologies, insurtech 2.0, AI and robotic process automation, blockchain, and metaverse," asserts GoodFirms research.

In the near future, the insurance industry will get more opportunities as more people are planning to buy insurance policies to protect themselves from uncertainties. The future may also see more involvement of large tech companies in the insurance industry and enhancements in the open ecosystems.

GoodFirms concludes that the insurance industry will grow substantially from the current levels. Consumer-focused insurance businesses will have to focus on the accurate requisites of their customers and integrate technology to enhance business models and deliver personalized solutions. The insurance industry can pick the [insurance agency software](#) to streamline operations and increase productivity.

Key Findings:

- Most consumers prefer to purchase insurance from private insurers rather than public ones.
- Insurance marketers are turning to social media to advertise insurance products.
- 57.9% do their own research, website analysis, and policy comparison before initiating a policy



buy.

--Rather than marketing insurance products, futuristic insurers will prioritize embedding insurance products into the daily activities of customers.

--Disintermediation is a major risk for core insurance companies that are losing their client relationships.

--Unavailability of monthly premium paying options is a deterrent for buying insurance and halts higher insurance penetration.

--Rising inflation, economic instability, lack of trust between insurers and clients, and growing drug abuse are challenges that the insurance industry currently faces.

--Common consumer perception about claim settlement processes is that the claim settlement processes are lengthy and frustrating.

--Rising investment thresholds in insurtech, faster technology adoption in the insurance world, and revamped distribution channels are top success factors for the insurance industry.

--Customers get discounts if they share data obtained from the use of smart devices and safety measures with their insurers.

--Insurance companies are focussing on customer experience more than ever before.

--Telematics is revolutionizing the insurance premium adjustments in the auto insurance category.

--Claim assessment technologies expedite claim settlement and ensure accuracy.

--Insurtech 2.0 is dominating the current technological arena in the insurance sector with growing usage of tech that enhances customer experience and simplifies processes.

--Embedded insurance, peer-to-peer insurance, and open insurance ecosystems are trending themes in the insurance sector.

--Blockchain brings efficiency and transparency to insurance transactions.

--Metaverse is poised to bring dramatic effects on the insurance landscape.

--The outlook for the global insurance industry is positive.

About Research:

GoodFirms' survey-"Global Insurance Industry Outlook 2022: Megatrends and Key Challenges" was carried out between 25th April 2022 and 6th May 2022. The survey queried selected participants across the world on their insurance preferences, policy holdings, buying behavior, perception of the insurance industry and their processes, and top influences driving their insurance purchase decisions.

The survey was emailed to a defined and selected list of insurance private/public firms, and buyers worldwide to know their preferences in purchasing insurance, benefits, challenges, and opportunities. A total of 490 responses were collected including businesses and consumers who participated in the survey.

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About GoodFirms:

GoodFirms is a Washington, D.C.-based research firm that aligns its efforts in identifying the most prominent and efficient companies that deliver results to their clients. GoodFirms research is a confluence of new age consumer reference processes and conventional industry-wide reviews & rankings that help service seekers leap further and multiply their industry-wide value and credibility.

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