Understanding the New Normal:

How COVID-19 is reshaping the Insurance Category across the World
We often see that individuals are more inclined to increase or take out insurance coverage right after the occurrence of a claim. Why? Simply because insurance – probably the most intangible product one can purchase – suddenly becomes tangible and relevant.

Do we see something similar happening in the wake of COVID-19, which threatens millions of lives and sources of income worldwide? Is insurance more important now than before the pandemic? Using MetrixLab’s Understanding the New Normal global consumer insight tracker (UTNN), we asked consumers across 17 countries how the importance of insurance coverage has evolved since the beginning of the pandemic.

This report explores the outcomes of our UTNN data as of October 2020 to identify key findings to answer this question. We aim to provide institutions and insurance brands with insights and implications for life and health insurance products as well as for income protection.
Consumers show an increase in insurance product interest

Looking at the average figures from MetrixLab’s UTNN data from 17 markets in October 2020, we see a significant share of consumers with an increase in interest in insurance products and offers.

With more than a third of consumers showing more interest in protecting themselves, their families or their assets, we can confidently claim that the insurance category has been expanding during the pandemic. This is most probably due to the damage COVID-19 inflicts on people’s lives, health and the economy.

Consumers have been exposed to a number of damages related to COVID-19 over the course of the pandemic, increasing their awareness of health (or even death) risks as well as potential loss of income. This has probably boosted interest in better or even basic insurance coverage.

Although the expansion of the category is happening globally, we do see significant differences across observed markets.
Not all markets have the same inclination toward more or better insurance coverage

While the average figure across markets clearly indicates a significant increase in interest in insurance, the detailed view per market shows that not all markets have the same inclination toward more or better insurance coverage.

Interestingly, there is a correlation between the percentage of increase of interest in insurance with the level of access to insurance coverage (public or private) and insurance maturity in the market. In other words, markets offering less or limited access to both private and public health and unemployment insurances are the ones with strong increase in interest for insurance products and offers (India with 71% vs. Germany 14%).

In markets offering good access to public and private insurance coverage (e.g. Switzerland) the increased interest in insurance can be driven by the share of independent workers and freelancers that have suffered more from income loss during the pandemic.
Consumers want to protect their households

Using MetrixLab’s UTNN data, we asked respondents across the world to share their concerns, if any, on key aspects of household protection (health and income insurance).

Across the 17 markets, an average of 57% of households expressed an interest in looking at better ways to protect their income. While these respondents logically count for up to 88% of the population in India, where access to income protection is minimal, they appear to also be important in countries offering fair public and private income protection such as the Netherlands with 28% of respondents.

This reflects a global concern when it comes to income protection, and brings new opportunities for insurance carriers.

This trend is confirmed by a global average of 42% of households that claim to think more often about family health. This also presents growth opportunities for insurance brands to address these increasing concerns and for institutions worldwide to identify ways to further address medical and health concerns.

Ultimately, as driven by the everyday impact of the pandemic on people’s health and financial stability, the need for more or better coverage of family health or the protection of household income turns into an expansion of the insurance category. This is reflected by the 34% of households who recently purchased life insurance or are planning to do so.
What can insurance brands do to seize this opportunity?

Brands must start to adapt

If insurance companies (as is the case for other industries) still wonder whether they should be adapting compared to pre COVID-19 times, our UTNN data provides a solid answer. For almost half of the respondents across the 17 markets, there is a need for insurance brands to evolve with the establishment of the “new normal”. When compared to other industries, this number becomes even more relevant as it’s as high as other categories directly impacted or linked to the pandemic. Indeed the call for adaptation concerns respectively 45% and 41% of the respondents when it comes to travel and personal care products.

We specifically looked at Brand Purpose and asked which areas brands should be focusing on.

48% think insurance companies should be adapting compared to pre COVID-19

Consumer expectations of the insurance industry

So how should insurance brands be changing to address this concerns expressed by consumers?
What areas do you think businesses and brands should be focusing on in light of the current global situation?

If not yet the case, insurance actors should reinforce their commitment to environment and climate change, as half of respondents expect that type of engagement from brands. This needs to be demonstrated beyond a marketing statement, as many brands will be surfing on the pandemic to increase their share of voice on such topics.

Additionally, surveyed consumers expect brands having a positive impact by contributing to a better physical and mental health of society. This is supported by a significant 37% of respondents in favor of brands having such an impact.
Based on the insights from MetrixLab’s UTNN data from October 2020, the following recommendations reflect how the insurance industry can best address the increased interest regarding health and life insurance, as well as income protection due to COVID-19.

**Commit to the environment and sustainability**

Not only is there a need to address consumer expectations for businesses as seen through the results of the UTNN data, but equally to be part of a global energy transition to better protect our environment and planet. Becoming a change agent of climate change will help insurance companies to better mitigate risks and losses associated with global warming or related natural catastrophes.

**Support people’s health and well-being**

Heavily exacerbated by the pandemic’s impact on people physical and health, insurance companies have the opportunity to help people most exposed to health risks by providing affordable and reliable health coverage. In this way, insurance companies can be in the driver seat when it comes to increasing prevention and awareness to make healthier daily lifestyle choices.

**Support the future of work and income protection**

With the impact that COVID-19 has on flexible work options, the gig economy and unemployment, solutions for income protection and to protect workers in new ways of working to meet society’s changes are critical to maintain a financially stable society. This type of support will minimize the consequences of potential risks associated with massive incomes losses.
About MetrixLab’s Understanding the New Normal global consumer insight tracking program

What actions can brands take to help consumers navigate “the new normal” brought on by COVID-19? The situation isn’t the same in every market and it’s constantly evolving around the world. Our 12-month Understanding the New Normal consumer insight program has a finger on the pulse of consumers in 17 markets worldwide (US, Brazil, UK, France, Italy, Switzerland, Germany, Netherlands, Spain, Kingdom of Saudi Arabia, India, China, Indonesia, Vietnam, Japan, Thailand, Australia). The sample includes 200 people per month per market, age 18+, with quotas on gender, age and region.

Running from April 2020 – March 2021, this program leverages survey data, social insights and external sources to provide a holistic perspective and key actions for brands. Our aim is to create a collaborative learning community of researchers, experts and clients.

For more information, visit www.metrixlab.com/solutions/advertising-brand/understanding-the-new-normal-consumer-insight-program/
About MetrixLab

MetrixLab provides consumer insights that drive smarter business decisions. A truly global digital research agency, we pioneer new technologies and integrate multiple data sources to push the boundaries of research. This enables our experts to provide high-quality insights at scale, at speed and for an unparalleled value. In just one decade, we’ve grown rapidly and now work with more than half of the world’s top 100 brands.

Our expertise, passion and solutions enable our clients to succeed at product innovation, brand engagement and customer value in over 90 countries. MetrixLab is part of a Toluna company.

About the author

Hassan Mouheb is the Managing Director of the recently opened MetrixLab office in Switzerland. Hassan has been working in market research and marketing, both on the client and agency side, for more than two decades. Hassan has a passion for helping brands across industries create breakthrough campaigns, innovative products and superior experience to better engage with their audiences and markets through actionable insights.