

Three Indicators that the Insurance Industry is Ready for More Disruption

Insurtech, defined as the digitization and optimization of traditional insurance offerings, continues to garner a lot of investor attention. In 2020, according to *Insurance Business America*, global investors poured more than \$7 billion in investments across 377 deals.¹

Also, in 2020, U.S. eCommerce grew by 44% with total online spending just over \$861 billion (Digital Commerce 360/U.S. Department of Commerce data).² Specific to the insurance industry, according to dialogtech, 69% of consumers shopping for insurance researched online first with 25% completing their purchase online.³

Why more insurtech? Why now? The iSCHURING team sees three indicators the traditional insurance market is ready for more seismic activity.

CLOSE TO HOME. Out of a shelter-in-place response, the pandemic dispelled consumers' previous discomfort with online shopping. Buying groceries online, once a 'no go' for many, is now a weekly ritual. A recent survey by Chicory indicated that more than half of consumers order products online at least weekly.⁴

In addition to online shopping familiarity, consumers are becoming more comfortable with sharing personal and financial data digitally. For instance, a NerdWallet survey found that 79% of Americans use mobile payment apps. Mobile pay app usage is led by Millennials at 94%, followed by 88% of Gen Xers, and 65% of Boomers.⁵ Pay apps, like Venmo, are both easy-to-use and offer a 'community' feel for financial transactions. Once taboo, sharing personal financial information with others is now readily viewable based upon how the user organizes his or her profile.

The iSCHURING team believes that continued consumer comfort with online shopping and digital pay options will bring about more opportunities for insurtech.

NO TIME FOR HASSLE. Ancient wisdom says that *time is like a river, you cannot touch the same water twice*. In other words, once a moment has passed, it can never return. Time-starved consumers – busy with families, Zoom meetings, hobbies, and life – have little capacity for perceived time wasters and inconvenience.

Insurtech, emphasizing the low time-commitment to sign-up or switch insurance, as well as touting a smooth, low-hassle claims process, will (mostly) delight consumers. In addition to consumer time-savings, according to the iSCHURING team's twenty-five years of traditional insurance experience, efficient digital insurance processes can save as many as six hours of the insurance agency staff's time.

RESEARCH READY. NOW, CONVINC ME. With millions of articles, research, and consumer reviews at our fingertips, many consumers are research savvy. When it's time to buy a new or used car, and a consumer needs auto insurance, for example, a Google search garners more than three billion results in just over three-quarters of a second.



The so what? Online research gives consumers both a sense of control and choice. Control means prospective purchasers will not be swindled or side-swiped with a policy that has features they do not need. Choice allows consumers to pick customized coverage that fits their budgets, their family situations, and their lifestyles.⁶

What does a consumer being in the driver's seat, armed with research, ready for control and customization mean for insurtech? Plenty. Insurtech leaders know that the consumer experience is paramount to conversion and retention. Consumers who have choices in both providers – who will serve them; and policies – what will serve them, will more likely be satisfied with their purchase.

Keeping within regulatory boundaries, insurtech must be innovative in customization and care for its consumers. iSCHURING suggests that consumer longevity and loyalty will reign when insurtech agencies offer claims-easy processes, and the personal touch that traditional agencies now own.

MORE DIGITAL WAVES ON THE WAY. Because consumers have additional comfort with online shopping, a continued peace of mind in sharing personal and financial information, research options to feel confident in their control and choices, and a desire to use their time well, iSCHURING believes insurtech is well-positioned to further shake the insurance industry in 2021.

iSCHURING, a service of Miller-Schuring Agency in Portage, Michigan, is a digital insurance agency with low-hassle, quality, and quick quotes from multiple insurance providers. Building on a tradition of fanatical service, practical advice, and genuine care for its consumers, iSCHURING was ahead of its time in 2006. Today, iSCHURING continues to pave the way for the next gen of digital insurance products and consumer experiences. Learn more at www.ischuring.com

Sources

1 <https://www.insurancebusinessmag.com/us/news/technology/recordhigh-insurtech-funding-hits-7-1-billion-in-2020-244886.aspx>

2 <https://www.digitalcommerce360.com/article/us-ecommerce-sales/>

3 <https://www.dialogtech.com/blog/insurance-marketing-statistics/>

4 <https://www.prnewswire.com/news-releases/chicory-survey-reveals-that-over-50-of-consumers-place-an-online-grocery-order-once-a-week-or-more-often-301221580.html>

5 <https://www.nerdwallet.com/article/banking/mobile-payment-app-survey>

6 <https://www.insurancebusinessmag.com/uk/news/columns/the-importance-of-choice-94527.aspx#>