



Survey Overview

Fintechs and established banks are increasingly fighting for share of digital wallet with super-apps and tech companies that are rapidly diving into digital financial services.

Banks and fintechs around the world are increasingly embedding insurance offerings into their digital customer journeys to broaden core products and services – and customers are responding.

With this survey, Chubb, the world's largest publicly traded property and casualty insurance company, gauged perceptions of banks and fintechs that have explored or implemented digital insurance offerings for their customers. The survey answers important questions such as: Is it working? Has customer retention improved? What about revenue growth? Is this a long-term, sustainable solution or a quick fix?

The survey also answers questions about how consumers around the world feel about buying insurance digitally. Do they prefer an agent or broker? Are certain products more conducive to in-app or online purchase? What about generational or regional buying preferences?

Answers to these and many other questions are important as financial institutions make decisions on opportunities to expand core offerings to include insurance protection.

KEY FINDINGS



Consumers want insurance that protects their lifestyles, not just their “stuff,” and they want it digitally

- 56% of consumers globally believe they need more insurance. And fewer than 10% have disability, travel delay, or pet insurance.
- 46% of consumers globally believe that digital is the obvious way to buy insurance. Younger consumers are more likely to buy insurance digitally.



Financial executives see embedded insurance as essential to building customer trust and driving revenue growth

- 81% of financial executives worldwide involved in making decisions about insurance products believe that embedded insurance will turn from a nice-to-have offering to a must-have.
- 74% of financial executives believe that embedded insurance helps them build trust with the customers.



Embedded insurance is building revenue for banks and fintechs around the world, and Asia and Latin America lead the way

- 41% of financial firms in Latin America currently derive at least 10% of their revenues from embedded insurance, compared to 10% in North America, 16% in Asia and 11% in Europe.
- 55% of consumers in Latin America have purchased insurance as part of another transaction, compared to 37% in Europe, 43% in North America and 46% in Asia.
- 55% of financial firms in Europe agree that embedded insurance leads to new revenue streams, compared to 52% in Latin America, 45% in Asia and 44% in North America



What's working for banks, and what's not

- 55% of financial executives agree that established insurers have an edge over digitally native insurtechs because they have customers' trust, and yet, just 10% value a trustworthy brand in their insurance partner.
- 60% of financial executives say that lack of internal manpower is the top internal challenge with embedded insurance, 48% say complicated technology integration is the top challenge with the current insurance partner.
- 48% of financial firms state that the embedded insurance customer experience is confusing.



Chubb’s global survey findings make it clear that there is increasing consumer demand and expectation for offers of insurance to be part of their digital customer journey with banks and fintechs. The survey also confirms that financial services company executives around the world recognize digitally embedded insurance as a growth enabler, but also have pain points and challenges that are hindering greater adoption.

Sean Ringsted Chubb’s Chief Digital Business Officer.



Methodology

Based on a survey of 2,000 consumers worldwide and 200 financial organizations’ executives, conducted by iResearch Services in the second quarter of 2023. Consumers were evenly split among four regions: North America (500), Latin America (500), Asia Pacific (500) and Europe (500). They represented all age groups, levels of education, and professional status.

Financial executives represented established banking organizations (52%) and fintechs (48%). They were evenly split among four regions: North America (50), Latin America (50), Asia Pacific (50), and Europe (50). The majority of fintechs (84%) had revenues of \$10 million to \$500 million; the majority of established banking organizations (89%) had AUM (Assets Under Management) of at least \$1 billion. All executives engaged in decision-making about insurance products, such as embedded insurance.

For both consumers and financial executives, the regions included the following countries:

North America: U.S. and Canada; Latin America: Brazil, Mexico, and Chile;
 Asia Pacific: South Korea, Singapore, Thailand, The Philippines, and Vietnam;
 Europe: United Kingdom, France, and Spain.



Supporting Data

Consumers want insurance that protects their lifestyles, not just their “stuff,” and they want it digitally

56%

of consumers globally are interested in purchasing more insurance

46%

of consumers globally agree that digital is the obvious way to purchase insurance

56%

of financial firms will derive 10% or more of their revenues from embedded insurance in 3 years, compared to 20% today.

In terms of insurance, how well protected are you against these risks?

Health/death	72%
Accident	50%
Theft	31%
Delay (e.g. shipping, rideshare)	28%
Travel	26%
Fraud	25%
Financial (e.g. loss of income)	25%

Percentage of consumers who agree that “digital is the obvious way to purchase insurance”

Total	46%
18 to 26 years old	50%
27 to 42 years old	50%
43 to 58 years old	45%
59 to 77 years old	34%
77 and older	32%

What insurance do you have or regularly buy?

Car insurance	68%
Health insurance	66%
Life insurance	63%
Travel insurance (e.g. delay or cancellations insurance)	37%
Home insurance	28%
Warranty on expensive purchases	28%
Business/commercial insurance	21%

Cyber fraud insurance (e.g. identity theft, fraudulent transfer)	15%
Paycheck insurance	8%
Pet insurance	6%
Landlord insurance	6%
Disability insurance	6%
Delay insurance (e.g. shipping, travel)	6%
Renter insurance	5%

Financial executives see embedded insurance as essential to building customer trust and driving revenue growth

81%

of financial executives worldwide involved in making decisions about insurance products believe that embedded insurance will turn from a nice-to-have offering to a must-have.

Please rate your agreement with the following statements.

Offering embedded insurance helps us build trust with our customers	74%
Offering embedded insurance improves customer satisfaction	65%
Offering embedded insurance helps us attract new customers	61%
Offering embedded insurance leads to new revenue streams	49%
Offering embedded insurance helps us retain current customers	41%

Embedded insurance is building revenue for banks and fintechs around the world, and Asia and Latin America lead the way

What percentage of your revenues is currently generated by embedded insurance - what percentage of your revenues do you aim to generate from embedded insurance in the next 3 years?

(percentage of financial organizations that generate at least 10% of their revenue from insurance)

	Currently	In 3 years
Latin America	43%	80%
Asia	16%	62%
Europe	11%	42%
North America	10%	36%

What percentage of your revenues is currently generated by embedded insurance - what percent of your revenues do you aim to generate from embedded insurance in the next 3 years?

	Currently	In 3 years
Less than 2%	21%	2%
Between 2% and 5%	27%	17%
Between 5% and 10%	32%	26%
Between 10% and 15%	17%	33%
Between 15% and 20%	3%	18%
Between 20 and 25%	0%	4%
25% or more	0%	1%

56%

of financial firms will derive 10% or more of their revenues from embedded insurance in 3 years, compared to 20% today.

What are the top benefits of offering embedded insurance?

	Latin America	Europe	Asia	North America
Helps us build trust with our customers	70%	74%	76%	77%
Improves customer satisfaction	58%	66%	62%	77%
Leads to new revenue streams	52%	55%	45%	44%
Helps us attract new customers	50%	66%	62%	64%
Helps us retain current customers	30%	34%	55%	46%

What's working for banks, and what's not

What are the top challenges that you face with your current embedded insurance partner? (Top 3)

Technology integration is too complicated	48%
Confusing customer experience	48%
Inflexible about products they offer	34%

What are your top internal challenges relating to embedded insurance? (Top 3)

We do not have enough internal manpower/ talent to focus on embedded insurance	60%
Our technology does not lend itself to integration with other digital vendors	55%
Top leadership does not have a strong vision for embedded insurance	51%

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