



October 2024

How does European Generation Z buy insurance?

Report on young consumers in Europe
and their outlook on future, planning
and insurance products.



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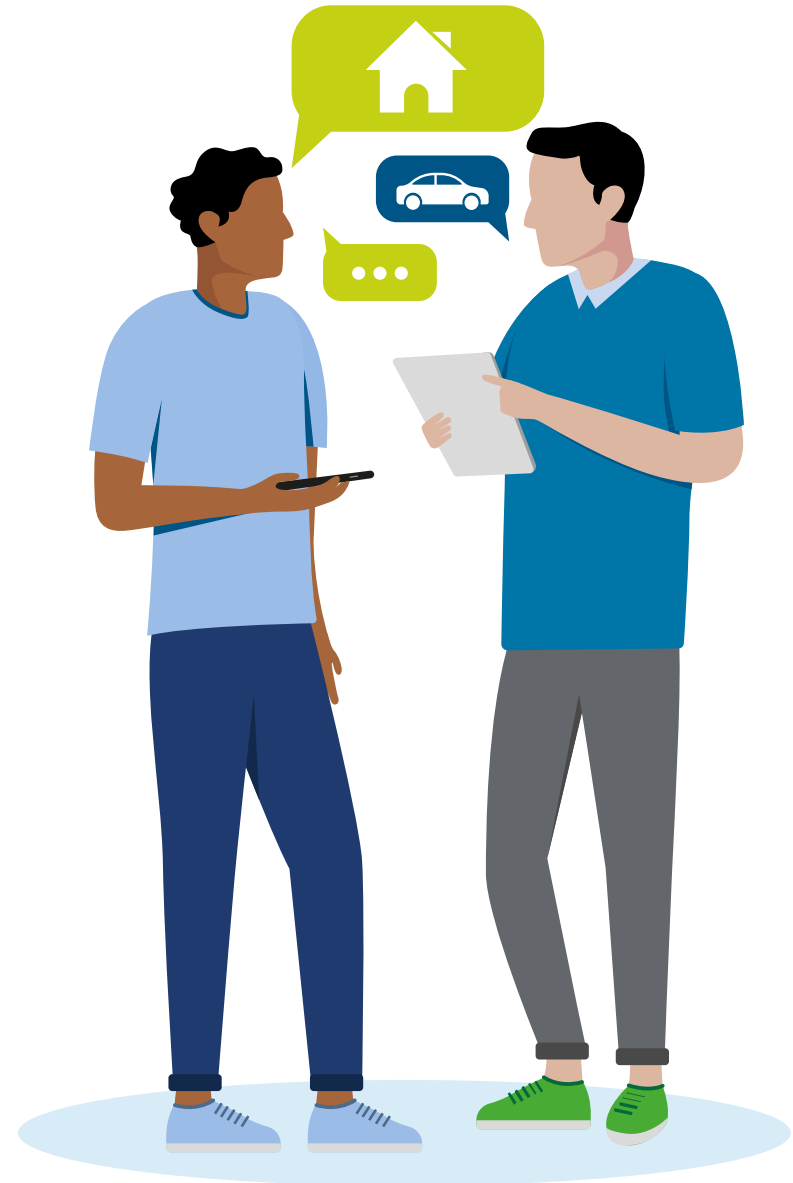
Awareness - What does Gen Z think about insurance?



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01

Introduction



Changing insurance landscape

Generational cohorts are diverse, and people's attitude cannot be explained by their date of birth as a generational consequence (see the research by prof. Martin Schröder, 2023¹). Our report therefore focuses on insights for insurers to understand how young people approach insurance influenced by current trends, location, and their economic situation. How can we address their needs and at the same time secure the stability of insurance businesses?

The insurance sector remains the cornerstone of the economy, with premiums generated across Europe in 2023 reaching over 1,2 trillion EUR. It plays a pivotal role in increasing financial stability of companies and individuals, as well as ensuring better risk management. Yet, many consumers might challenge this viewpoint as an average buyer does not consider insurance as a 'must-have' product and gives it some more thought only once – while buying it, and then hopefully never.

Unlike many other consumer products, insurance is typically sold rather than bought. Clients do not go actively looking for insurance on their own, unless there is a very strong stimulus. It's a 'push' product meaning that purchase decisions often result from proactive sales efforts rather than spontaneous consumer demand. Hence, the role of intermediaries has been a key factor here - including tied agents, brokers, banks, travel agencies or car dealers. Intermediaries bridge the gap between insurance providers and clients, driving a substantial portion of the insurance policy sales. Such an intermediary-based model stands in stark contrast to industries like banking, where client interaction is more convenient, easier and, above all, regular. The lack of standard engagement presents challenges in fostering customer loyalty and brand recognition - factors that are crucial in retaining clients in a competitive market.

The constant emergence of new consumer groups, with their own individual characteristics, needs and expectations, presents unique challenges and opportunities for the insurance sector. New generation of young consumers, labelled 'Generation Z', require that traditional insurance business models be reevaluated and reshaped. What insurance approach will they adopt? Will they feel the need to buy them? What channels of purchase will they choose? And most importantly: what strategies will insurance companies devise to acquire and retain the emerging clients?

Generation Z, like Millennials before them, remain a challenge for companies due to their approach, so much different from the one observed among previous generations. 'Disruptive' would be the best word to describe their impact. The emergence of the internet and digital technologies, the volatile socio-economic situation of the last decade, growing inequalities, and the climate crisis have all influenced this generation, shaping up their much different attitude and approach.

To understand this changing landscape, we undertook a comprehensive research project focusing on Gen Z and their approach to insurance compared to older consumers. Our goal was to gather current data and examine existing hypotheses to better understand the needs and preferences of this demographic. Through this research, we aim to provide actionable insights that will enable insurance companies to adapt and thrive in a continuously evolving marketplace driven by the new generation.



¹Source: M. Schröder, 2023, Work Motivation Is Not Generational but Depends on Age and Period, Journal of Business and Psychology

What's this report about?

This report has been created from a need to understand young people and their approach towards insurance. We set out to see how the youngest generation to reach adulthood – Generation Z – is approaching this issue. How they think about the future, how they plan, what do they think about insurance as a way to mitigate risks and how do they go about buying insurance (with focus on life, motor and home).

How was the report created?

Online FGIs 2 focus group, n=8, age: 23-30, April 2024

CAWI online survey, n=1000 per country, age: 23-55 + Gen Z boosters, n=varied per country, age: 23-27; criteria: employed (having stable and regular source of income)



Questions asked in this report concerned financial plans and responsibilities, which is why we focused on consumers mature enough to tackle such issue. Bottom line for our target group was 23 – young people finishing their education and entering job market.

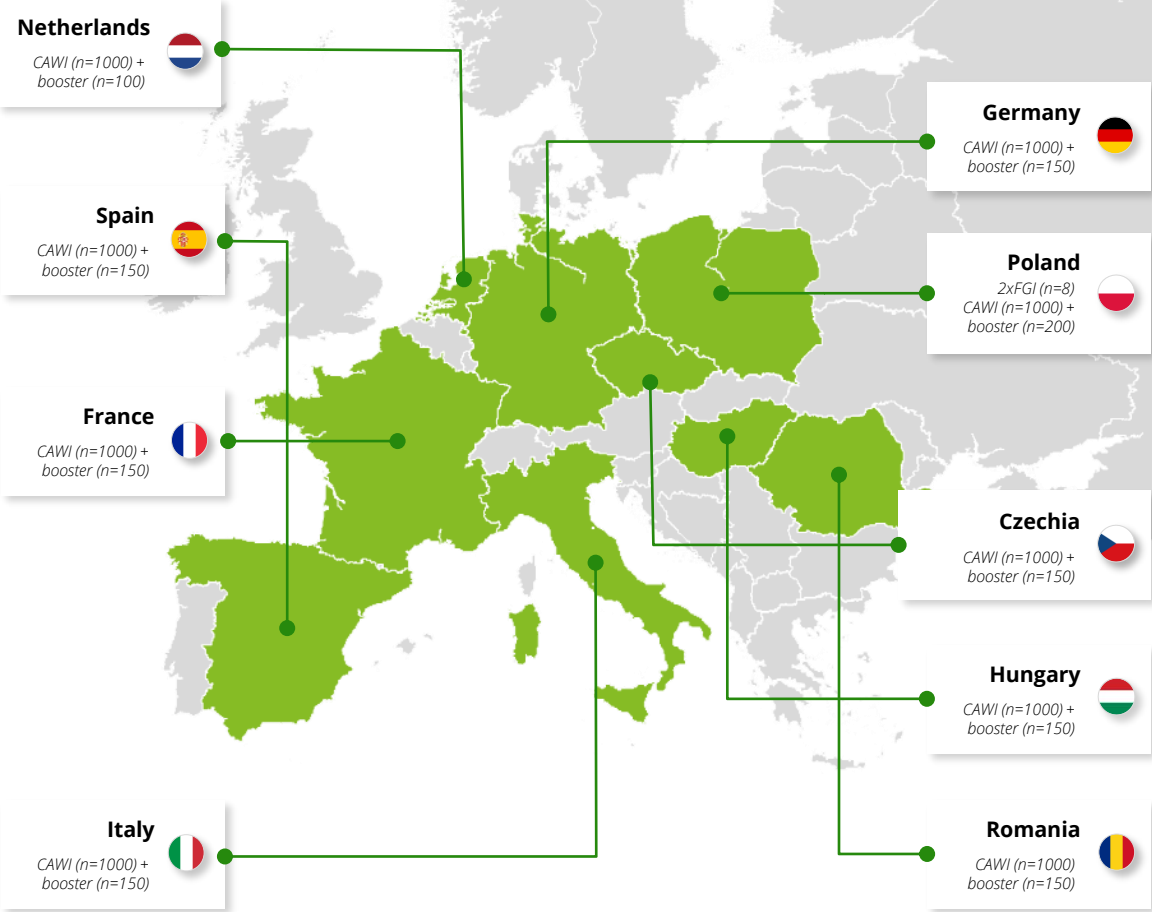
For the sake of clarity and easier distinction we applied generational brackets for main age groups: Generation Z covers ages 23-27, Millennials – 28-42, Generation X – 43-55.

Insurance being a very situational products and depending on the phase of life provides a challenge, when analysing young consumers – are their statements reflecting developing trend or are they saying that just because they are young. To mitigate this bias, we cross-checked key questions and observations including data from different questions and comparing them to both Millennials and Gen X.

Unemployed and respondents without a stable source of income were intentionally excluded from the research as insurance would not be a priority for this group and their financial fears could overshadow opinion on our key topic. Exclusion of these groups must be taken into account when looking at total values for selected groups.

Nine countries participated in the research, including 'old EU' countries – Germany, Netherlands, France, Spain and Italy and 'new EU', Central European – Poland, Czech Republic, Hungary and Romania. This provided a wide range of opinions and very different approach to insurance, fears and other key topics of insurance.

Who did we ask?



Key findings of the report

Deloitte's survey and observations were centred around the insurance sales funnel. This included general observations of the characteristics of the youngest consumers through individual steps of the insurance purchase process: the need for insurance, product awareness, consideration of different options, and finally, the purchase of insurance.



Gen Z findings

Who are Gen Zs and why do they matter?

Forward-thinking and sober individuals focused on self-investment, with a strong sense of responsibility.

Contrary to popular belief, Gen Z is more **future-oriented** than previous generations. Their opinions also **reflect socio-economic** situation they grew up in. With high housing prices, many **young consumers still live with their parents, and both generations highly influence each other**. On the other hand, Gen Zs are entering the market in a period of low unemployment and high wages – their answers suggest **lower price sensitivity**. They also have a heightened sense of responsibility for their loved ones.

Utilizing all the knowledge sources at their disposal, **they are educated** and approach any topic, including insurance, with an inquisitive mind – **asking around and doing their own research**.

In their approach, they are **similar to Millennials**, caring for the same things but deepening trends even more.



Need

Does Gen Z need insurance and what for?

They are interested in insurance, but at their age they prefer smaller, more individual products instead of core ones like life, motor, and home insurance.

As a future-oriented generation, young consumers do **not reject the insurance category**. Most of them are **interested in getting some kind of insurance** soon. Right now, they just don't feel the need for core insurance products. Since many Gen Zs still live with their parents, without expensive assets, or family relying on them, they **tend to choose smaller, individual protection schemes**, more suited to their current situation or better reflecting their interests. However, their sense of responsibility and close relationship with loved ones, as evidenced by the research, suggest that **their interest in insurance will grow (including major products such as life, comprehensive motor or home insurance)**.



Awareness

What does Gen Z think about insurance?

They have mixed feelings about insurance and seek advice from family.

Gen Z **perceives insurance less favourably** than their older peers – they consider it less useful and more complicated.

To understand insurance, **they turn to family and friends for advice**, prioritizing people they know and trust over insurance companies and experts. **Word-of-mouth has become their main tool** for gathering information and taking insurance-related decisions.



Consideration

What does Gen Z think about insurance?

Other factors besides price and coverage get relatively more attention from Gen Z as they focus on comparing offers.

While price and insurance coverage are top criteria for all generations, other factors become more significant for Gen Z, in the Netherlands in particular **sustainability (for life insurance) and additional services (for home insurance)**.

Young consumers are also showing a growing interest in **comparing offers** and **carefully reviewing agreement terms and conditions**, which reflects their inquisitive nature.

Gen Z is also **reevaluating their approach towards insurance intermediaries**, prioritising empathy and understanding of their needs over finding the best prices.



Purchase

How does Gen Z buy insurance?

The do-it-yourself approach is becoming the go-to purchase strategy among Gen Zs as it allows them to use various channels and share personal data in exchange for extra benefits.

Young consumers buy insurance differently, **favouring self-service channels for simple insurance products and combining it with physical channels for more complex ones** such as life, comprehensive motor or home insurance. They'll use a wide range of channels **with internet, hotlines and mobile app** rising in popularity. This flexible approach includes a variety of options tailored to consumer needs, blurring the differences between sales channels as this omni-channel strategy gains traction.

Generation Z is also more mindful of the value of their data and is **willing to provide more information in exchange for additional benefits**.

What can insurers do about it?



Gen Z findings

Who are Gen Zs and why do they matter?

Forward-thinking and sober individuals focused on self-investment, with a strong sense of responsibility.

- Adjust the communication strategy to better reflect Gen Z's perspective: acknowledge and appreciate their willingness to invest in themselves as a way of preparing for the future.
- Enable the DIY attitude of Gen Z and appreciate the emotional need to have a 'sense of control'



Need

Does Gen Z need insurance and what for?

They are interested in insurance, but at their age they prefer smaller, more individual products instead of core ones like life, motor, and home insurance.

- Offer small-scale products to serve as an entry point for Gen Z. Develop those new products around their specific needs: travel, pets, mental health, rental insurance etc.
- Foster stronger loyalty among young consumers by reshaping the experience to promote deeper engagement and dialogue with insurance brands.
- Redesign core products to enhance modularity and flexibility in line with Gen Z preferences.
- Redesign the insurance process to achieve greater transparency.



Awareness

What does Gen Z think about insurance?

They have mixed feelings about insurance and seek advice from family.

- Simplify products and services to make them more flexible.
- Explain the role of insurance to new consumers through their preferred channels.
- Increase transparency of the service by demonstrating the value of the insurance and simplifying cost estimations for consumers (such as using property or car valuation tools).
- Use Gen Z individuals as brand ambassadors to reach their close network, including family and friends.
- Invest in building loyalty among parents, leveraging existing relationships to address their children's insurance needs.



Consideration

What does Gen Z think about insurance?

Other factors besides price and coverage get more attention from Gen Z as they focus on comparing offers and building new relationships with their insurance agent.

- Highlight key information for young consumers, such as brand credibility and commitment to sustainability.
- Build trust with clients across all channels, both offline and online, by tailoring messages to each specific channel.
- Ensure greater transparency of insurance terms and coverage to foster trust and credibility.
- Introduce a more empathic and supportive communication channel, like network of ambassadors or Social Media-specialized agents, to educate young consumers and build relationships.



Purchase

How does Gen Z buy insurance?

The do-it-yourself approach is becoming the go-to purchase strategy among Gen Zs as it allows them to use various channels and share personal data in exchange for extra benefits.

- Design a channel strategy that reflects the specific Gen Z preference for using various contact options by offering a mix of self-service, phone and intermediary channels.
- Adapt the channels to the complexity of different products, ensuring that simpler products are easily accessible through self-service channels, while more complex ones, like life or comprehensive motor insurance, receive support through human-assisted channels (incl. phone)
- Allow for a fluid role of each channel in the overall sales effort.
- Build trust and loyalty by supporting consumers in their own research by providing them with estimates of the insurance and premiums (before purchase and during the contract).
- Offer consumers additional benefits in exchange for their data and involvement and have an honest conversation about the value of data.

Gen Z – regional differences



The Netherlands

Dutch consumers seem down-to-earth with a strong focus on price and insurance coverage – a sentiment shared across all generations. Insurance penetration and use of digital channels are among the highest across all survey countries, with Internet being Gen Z's favourite sales channel. Noteworthy is the relatively high percentage of Gen Z living in rental property, most likely reflecting the boom in housing prices, reducing the need for home 'packaged' insurance.



France

In France, most generations, including Gen Z, have clear plans for the future, but a lack of assets and knowledge often keeps them from purchasing insurance. Gen Z values price, speed, and convenience when selecting insurance, with banks being their one of primary source of information and the internet as their second most preferred purchasing method.



Spain

Even though young Spaniards trust insurance (consider it to be useful, needed and effective more often than their European peers), they are among the least loyal with many buying from new companies. When making purchase decisions loved ones' advice (family & relatives) is even more important for Spanish Gen Z, while friends – not really.



Germany

German Gen Z are future thinking and have a solid experience with insurance and claims, but their insurance penetration is way below other generations. Price is substantially less important for young Germans in comparison to other countries, but they care more about additional services.



Poland

Young Poles, just like their parents, are traditional in their approach to insurance (lowered trust, engagement) and channels they use. They also have lowered confidence in insurance, yet are increasingly focused on their future.



Czechia

Czech Gen Z takes a traditional but experienced approach to insurance, with high claim rates and familiarity with terms. They are also more eager to go for omnichannel, using 1.80 channel on average compared to 1.5 across other countries, which spans all product lines. Notably, 65% have life insurance, above the 52% average elsewhere, and 29% of the uninsured plan to get life insurance within five years, compared to 18% in other countries.



Hungary

Hungarians are cautious about insurance with doubts about financial worth and lowered trust – a statistic reflected in low insurance penetration. To gain confidence young Hungarians examine terms and conditions carefully and claim to know much more about their products. When in doubt they eagerly turn for advice to family and relatives.



Romania

Although Romania has the highest homeownership rates, even among Gen Z, interest in home insurance is not higher than in other countries. Young Romanians turn to their agent, friends and family members when deciding on insurance and have a good knowledge of the products they own.



Italy

Almost a half of Italian Gen Z fear not being able to support themselves, but at the same time, they have the lowest rates of insurance penetration (despite higher ownership of cars and homes vs. Gen Z EU) and understanding of the category among European peers. Price is the top choice criterium, but on a lower scale than in other countries.

How does Dutch Gen Z approach insurance?



Need:

Dutch Gen Z think more about the future than their parents. They have a need for rental insurance and less for home insurance. The inability to support themselves (e.g. due to student debt or illness) and the inability to afford property are key risks they consider.

79%

Zoomers have plans for the future, more than older generations

The opinion of friends & family is important when buying insurance, more than the opinion of brokers or advisors

43%

Sustainability is much more important for Gen Z when purchasing life insurance than for older generations

25%

Phone is a key channel for purchasing insurance, next to internet and app

20%



Consideration:

Gen Z is less price sensitive than older generations. For life insurance sustainability is a key criteria for purchase much more than older generations.

Awareness:

Family and friends are important sources of information and also key influencers for the purchase of an insurance. This is much more than other generations which rely on comparison websites or advisors



Purchase:

The Netherlands is an internet market. But Gen Z also uses phone (the 'hotline') and the Mobile app more than older generations for the purchase of insurance. More than their parents they are willing to share behavioral data if it gets them a better deal. Owning insurance gives them a sense of control.



02

Who are Gen Zs
and why do they
matter?





The research conducted by Deloitte presents a new perspective on how young people approach insurance. Their behaviours, preferences, and attitudes show a generation adapting to the uncertainty and volatility of the modern world. They actively respond to the recent changes happening worldwide – from the widespread use of mobile and always-online devices to economic inequalities and crises, as well as the flexibility of modern services and products.

They have their own fears and a unique approach to insurance that should not be neglected due to their young age. Their choices indicate a new way of approaching insurance and signal changes that will continue to unfold long after they become mature adults.

Sharing the page with Millennials

Based on the data and responses collected in the survey, it seems that Generation Z is not remarkably different in terms of generational change. Their behaviour often reflects trends that started before they came along.

Following the Deloitte's survey, it's clear that Gen Z shares many views with Millennials, and to some extent with Gen X, but they take these views to the extreme. While Millennials could be seen as moderate, Gen Z holds nothing back.

This has led to a significant shift in the approach to insurance. Gen Z is not necessarily shaping this new state of things, but they are making the changes more noticeable, distinct, and easier to analyse, albeit more complex.

Interested in their own thing

The research findings indicate that the youngest and oldest participants have much the same priorities and concerns. Whether it's selecting insurance or making important life decisions, both Gen Z and Gen X tend to share similar perspectives. But their views start to differ about how much they care.

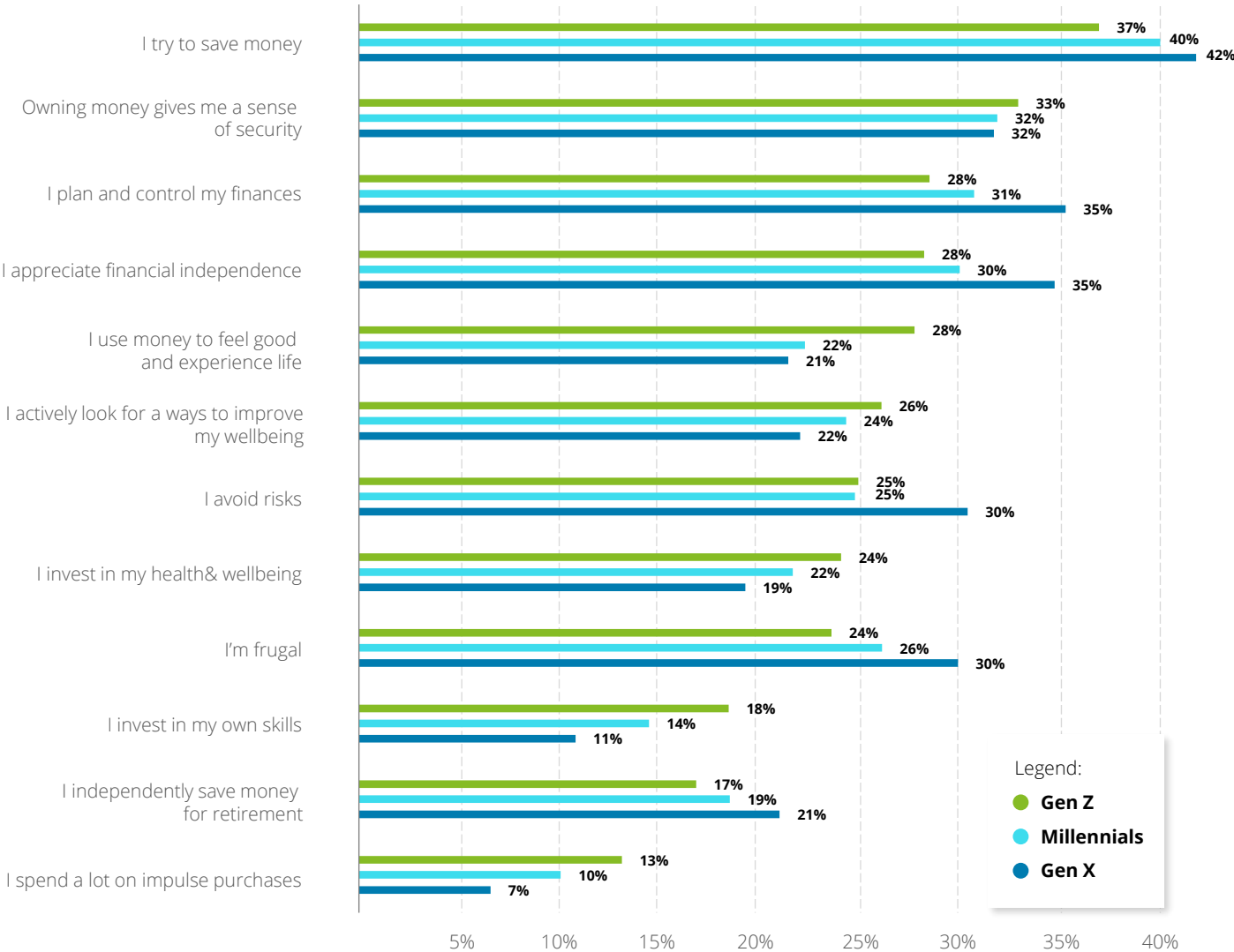
Openness to variety and wider acceptance for niche behaviours is what characterises Gen Z's answers. Gen X respondents demonstrated a consensus in their answers, with clear top choices and less attention given to the remaining options. Conversely, Gen Z (and to some extent, Millennials) showed a greater interest in the lower-ranked answers. On average, the top choices received around 10 percentage points less from Gen Z, while all other responses got higher scores. This inclination towards embracing a variety of perspectives and niche behaviours sets Gen Z's responses apart.

Proactive and self-oriented

Gen Z has a strong interest in improving their own wellbeing and this is what sets them apart from other generations. They actively seek ways to enhance their lives and are more eager than their older peers to spend money on self-care and experiences. While they may not be focused on saving for retirement yet, they are more willing to invest in their own wellbeing, health, and skills. They see these investments as a way of preparing for the future and prefer to put their faith in themselves rather than external assets.

Young people are less concerned about their finances and do not consider themselves to be as frugal as other generations. This may stem from favourable economic circumstances, which have made them more relaxed about money. However, they are on the same page as other groups, when it comes to money providing a sense of security.

What's their approach to money?
Q: Which of these statements do you agree with?



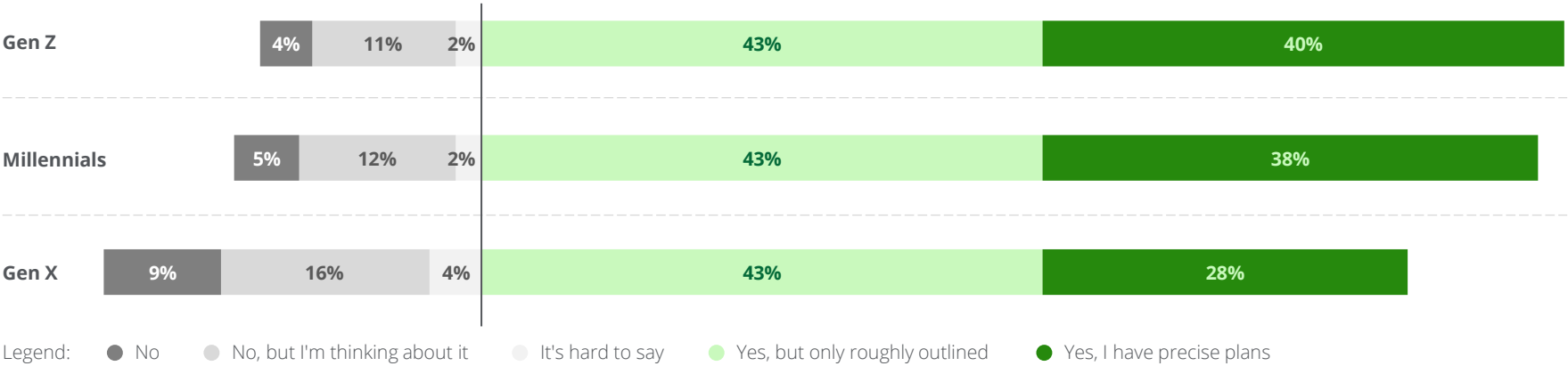
Forward thinkers

Young consumers are not as careless and short-sighted as they might be portrayed by older generations.

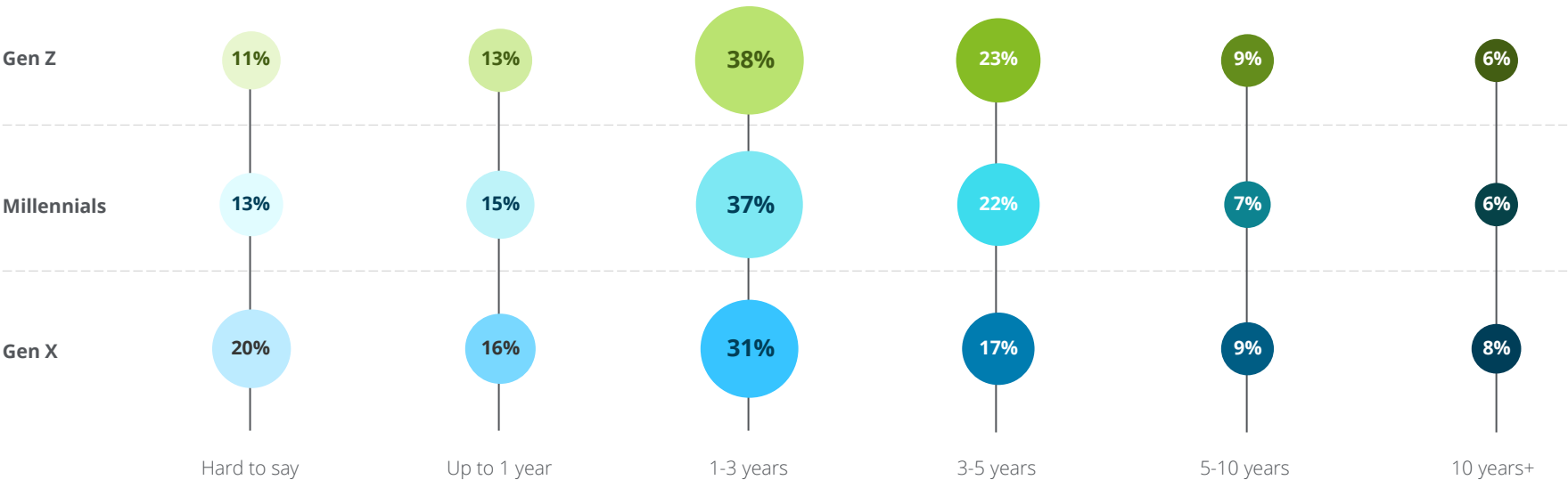
According to Deloitte’s research, Gen Z is very interested in their future, much more so than their parents (Gen X and older). They think about the future and carefully draw up plans. As much as 83% of all Gen Zers declare they have plans for the future, compared to 81% of Millennials and only 71% of Gen X.

Being in a more transformative phase of life (studies, first employment), young adults are certainly in a much more future-focused period, but they are also more precise in their planning. When asked about a timeframe for their future plans, 20% of Gen X representatives were not able to define it, compared to 11% of Gen Zs.

Do you make plans for the future?
Q: Do you have concrete plans for the future?



How far ahead?
Q: How many years ahead do you have plans for?



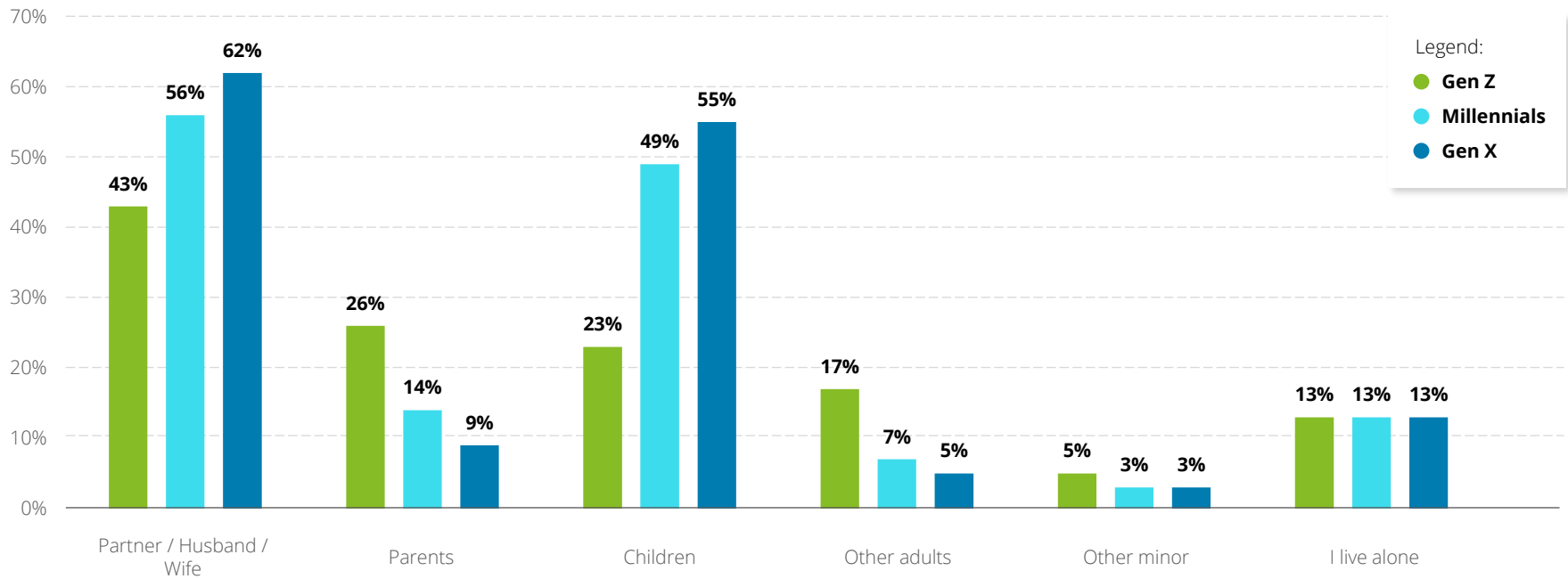
Close to their parents

A significant number of Generation Z individuals still live with their parents, with rising real estate prices and the high cost of living being to blame. This prolonged cohabitation has led to parents having a strong influence on their children's decision-making processes, including those related to insurance. Young people turn to their parents for advice on what insurance to buy, what company to choose and what criteria to consider. They are also more likely to receive insurance coverage through their parents, particularly if they are still living under one roof.

However, this influence is not one-sided. Gen Zs also have a considerable impact on their parents' decisions, which leads to a dynamic exchange of influence between the two generations.



Who do you live with?
Q: Please indicate all the people in your household besides yourself.



The 'make your own opinion' generation

Generation Z is just as interested in insurance as previous generations, if not more. They are curious and inquisitive, willing to learn more about a given topic to make informed purchasing decisions.

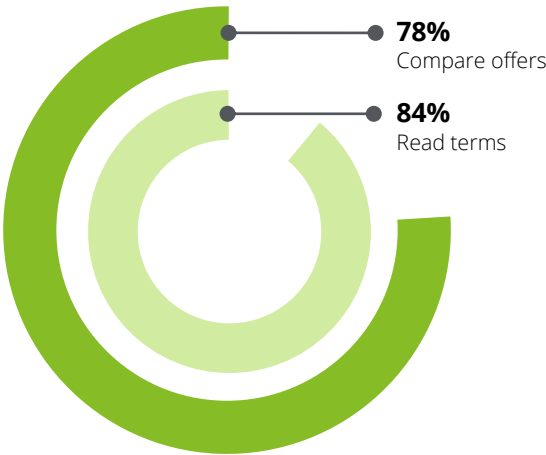
Compared to older generations, young people place a great value on their insurance knowledge, attaching higher importance to their understanding of the topic. They frequently consult a close circle of family and friends, seeking advice and opinions to make well-rounded decisions. They take advantage of easy access to information about the insurance market.

In their quest for the best product, Gen Z consumers compare and carefully consider a variety of insurance offers to understand the available options and potential benefits.

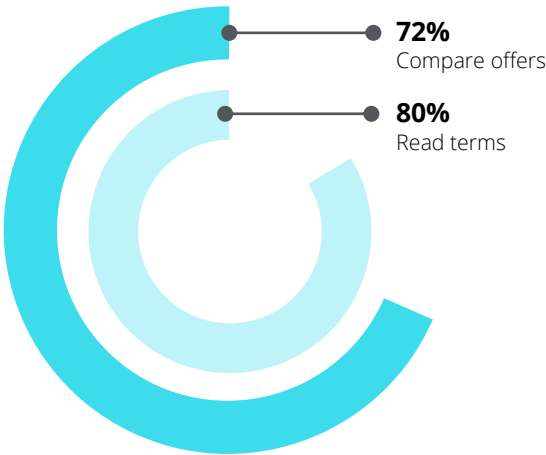


How much research do you do?
Q: Before choosing insurance, did you compare the offers of different insurers with each other?
Q: Did you read general terms and conditions of the insurance?

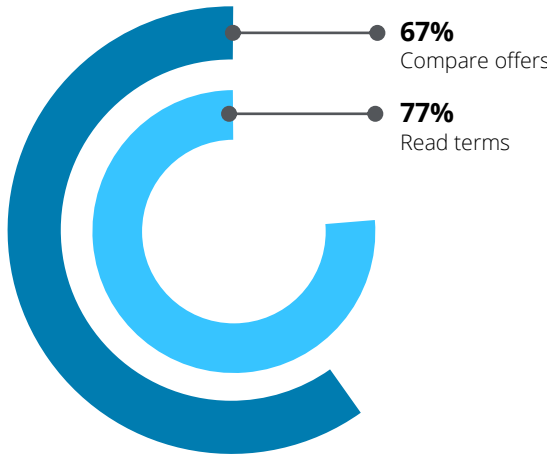
Gen Z



Millennials



Gen X



03

Gen Z in the Netherlands



Dutch Gen Z are Renting not owning

In the Netherlands there is a remarkable difference in home ownership between Gen Z and other generations. **Zoomers primarily rent their homes (49%)** and are therefore **more eligible for insurances related to renting**. These tend to be smaller premium sizes.

Other generations, millennials and Gen X, have more home ownership and are therefore in the market for a broader, and potentially more ‘packaged’, insurance offering.

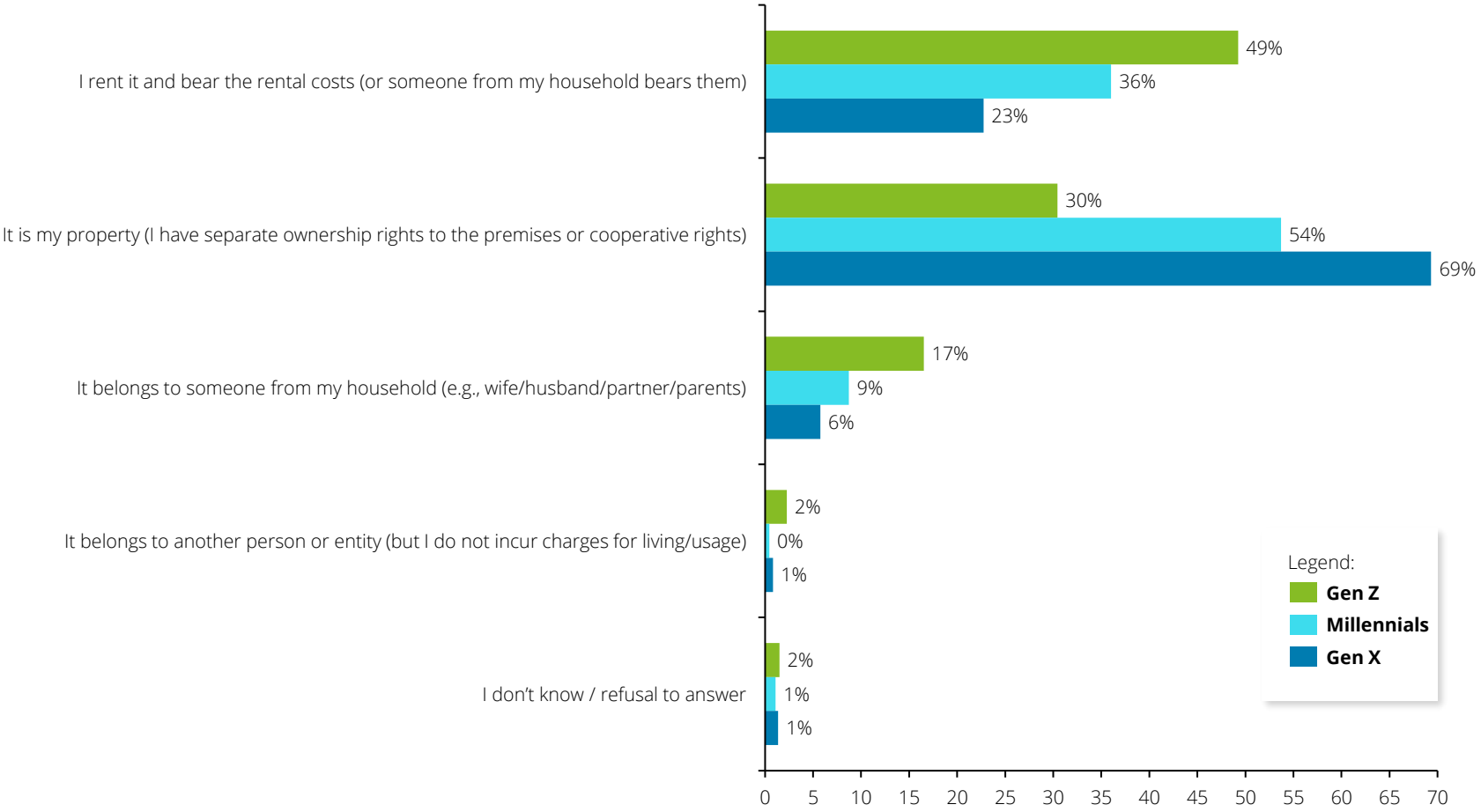
Gen Z are obviously younger in age which explains the lower percentage of home ownership. However, the stressed situation in the Dutch housing market, which makes it challenging for Gen Z to acquire a house, is likely to also impact home ownership for Gen Z.

Implications for insurers

- When addressing Gen Z for acquisition a Renters Insurance is more relevant than a homeowners’ insurance
- More modular, smaller ticket size, insurance is more appealing to Gen Z
- An example company offering simple renters' insurance direct to Gen Z is Lemonade



Home ownership
Q: Is the house owned by you or is it rented, and do you incur rental costs?

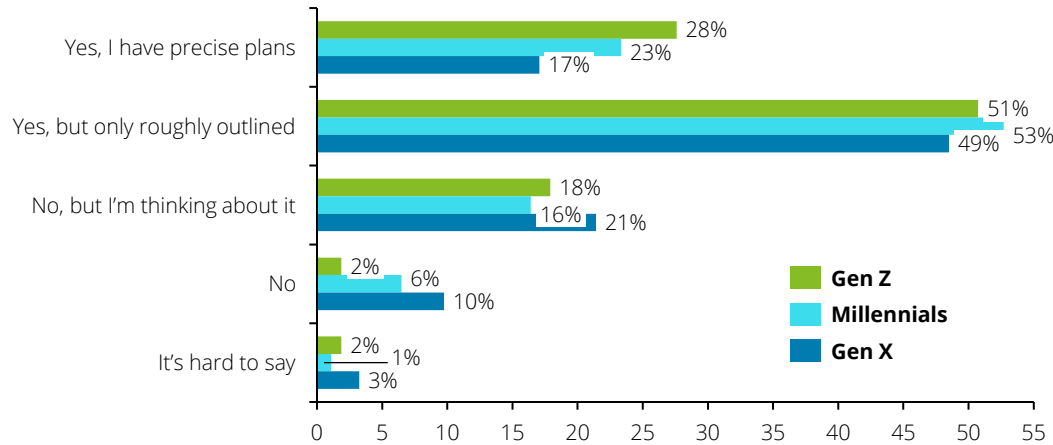


Planning for the future is serious business



Future planning

Q: Do you have concrete plans for the future?



Gen Z in the Netherlands think more about the future than their parents. The generation seems to enjoy planning for the future and taking the steering wheel of their own destination. 79% indicate they have plans for the future of which 28% of Gen Z respondents even state to have precise plans. This is much more than Gen X or even Millennials.

The fact that Gen Z plans for the future is comforting for insurers. After all, when planning for the future also managing risks which might occur is a logical considerations.

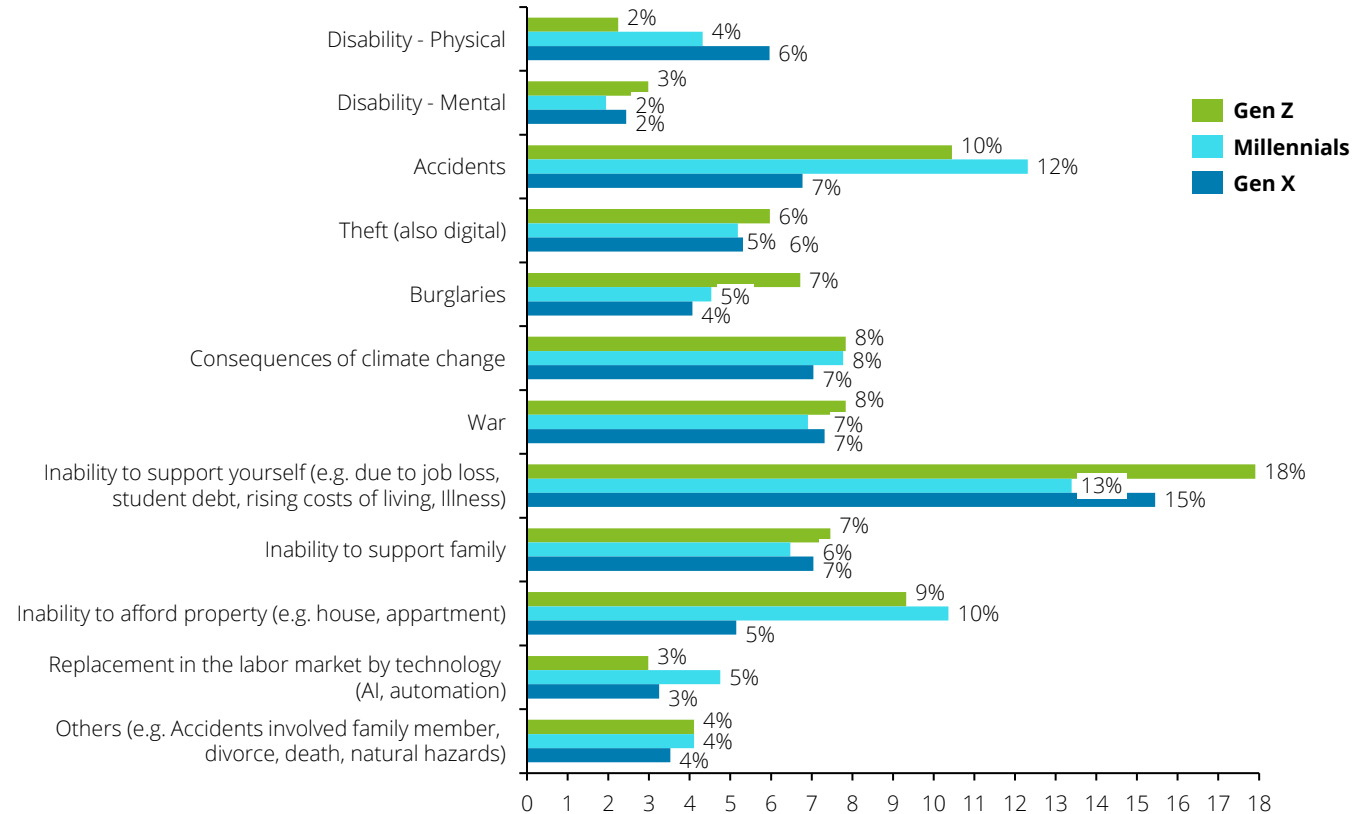
Inability to support oneself is a key risk Gen Z in the Netherlands take into account when planning for the future. Also accidents and the inability to afford property score high. More than other generations Burglaries are a risk which Gen Z take into account.

Overall, It is sad to conclude that across generations 7 to 8% is concerned about the risk of war.



Key risks for the future

Q: What risks do you take into account when you think about your future?



Implications for insurers

- The fact that Gen Z is planning for the future can be supported by insurers. Insurers can offer tooling for financial planning or scenario planning for when times are rough
- Insurers can also benefit from the openness to planning for the future by engaging with the generation on financial wellbeing. How to ensure that student debt does not become a burden?
- Focussing on the ability to support oneself and the ability to afford a property later in life are key triggers to relate to Gen Z.

Websites, Family, Friends and Banks as key information sources

Although in the Netherlands Gen Z obtain their knowledge from insurance website and third-party websites (like price comparison websites), **Family and Friends are also key sources of information** to them.

Interesting to see is that **also Banks are an important source of information** about insurance to Gen Z, much more than for other generations.

Although social media is less important as a source of information, it is proportionally much more important to Gen Z than to other generations

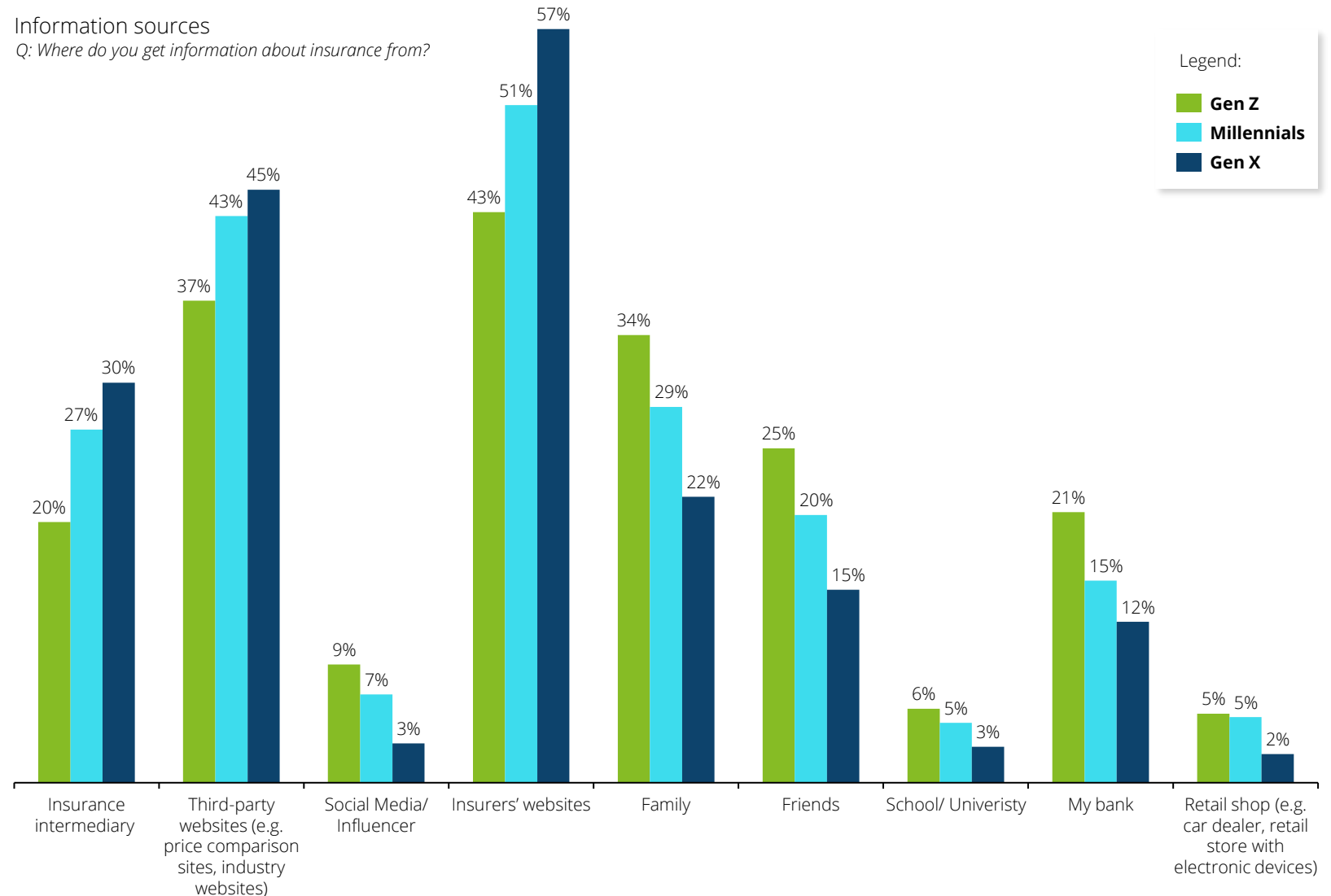
Implications for insurers

- Leveraging the parental and friend customer base for informing, educating and potentially activating Gen Z on insurance can be of added value to this generation
- Banks seem to be a good channel to reach out to Gen Z about insurance. Bancassurance should be able to benefit from this in reaching younger audiences

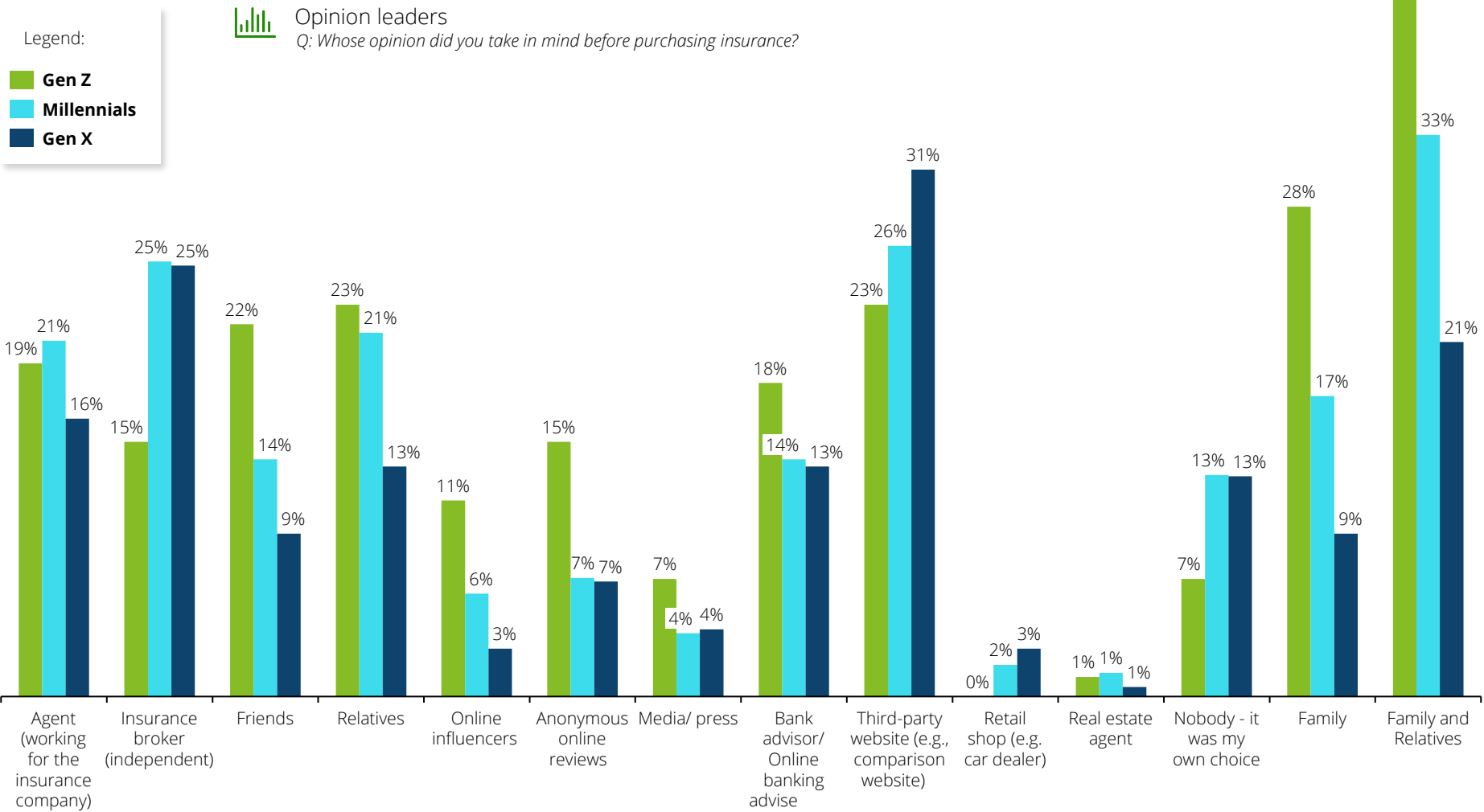


Information sources

Q: Where do you get information about insurance from?



Family and Relatives are the real opinion leaders



Forget online influencers, the real influencers of Gen Z in the Netherlands are Family and Relatives. Much more than their parents Zoomers look to their family members and relatives for opinions on what insurance to buy.

Where their parents considered the insurance broker or the insurance agent still as a valuable opinion leader to take into consideration, this is much less with Gen Z.

Implications for insurers

- Individual opinions and reputation are more important than before. The opinion of the insurance professional simply is valued less by Gen Z. Ensure customers are delighted and delivering a consistent positive experience to customers is the best guarantee for influencing Zoomers
- Many insurers measure the Net Promoter Score (NPS). Why not activate the family members who provide a high NPS to vocalize their opinion?

Price, Coverage and Benefits are table stakes for selling insurance – reputation, sustainability and additional services important differentiators

When considering insurance offers, all generations in the Netherlands prioritize ‘Price’, ‘Insurance coverage’ and ‘benefit of insurance’ as the most important selection criteria, regardless of the insurance type. However, Gen Z are somewhat less price sensitive versus the older generations

Around half of the respondents who have insurance view these factors as crucial, but there are differing opinions on their significance. Gen Zs place less emphasis on these criteria. Possibly this is due to a limited experience with insurance. Nevertheless, it is crucial to delve into other factors they deem essential.

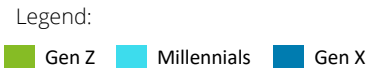
For life insurance in particular, the commitment of the insurer to sustainability is a top 5 criteria for Gen Z where this is of a much lower important for other generations. This is also applicable to health insurance where 17% of Gen Z respondents indicated to include sustainability as a decision criteria versus only 9% of Gen X and 12% of the millennial generation.

Both for Motor as well as for Home insurance the company reputation is an important decision criteria where for Home in particular also additional services provided by insurers is a top 5 criteria, significantly more important than for other generations.

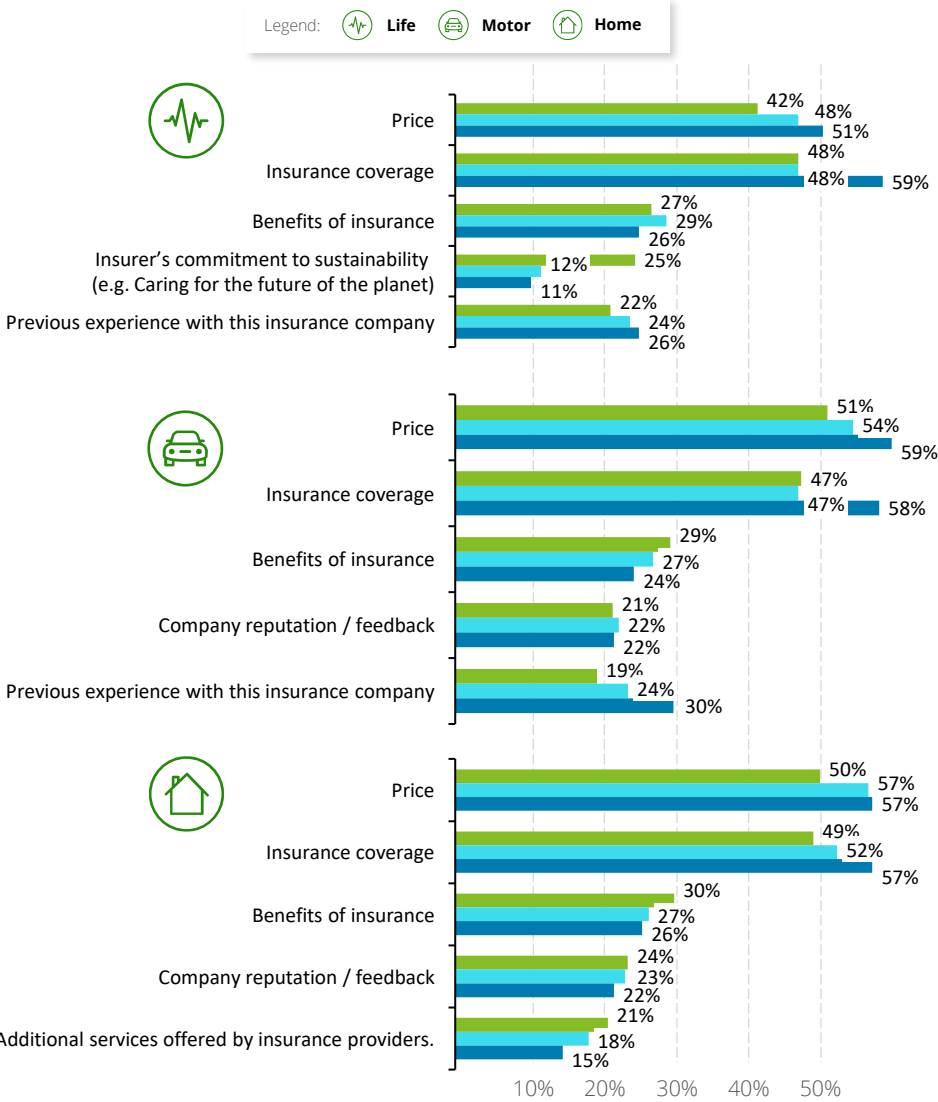
Compared to other, Gen Z cares more about additional benefits and services, such as ‘Additional services’ and ‘Special offers’, and ‘Insurer's commitment to sustainability’ which shows their sensitivity to global challenges. They also value ‘Online reviews’ of insurance companies as they enable them to conduct their own research into insurers and their offer.

Implications for insurers

- For product management and market positioning; price, coverage and benefits remain important for all types of insurances and for all generations
- For life insurance in particular, insurers might want to undertake explicit action on their commitment to sustainability and communicate actions and results on this topic to Zoomers
- For product development and market positioning of Home insurance to Gen Z offering additional services, e.g. by offering an ecosystem including repairs and concierge services e.g. like AXA offers in France



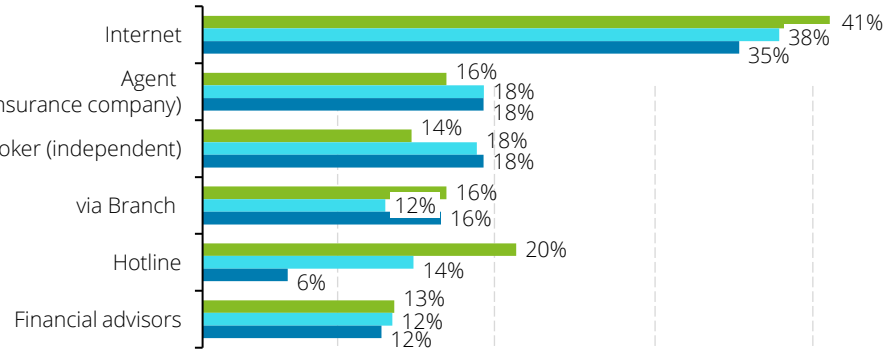
Top five criteria for different products
Q: Which criteria did you consider before choosing insurance?



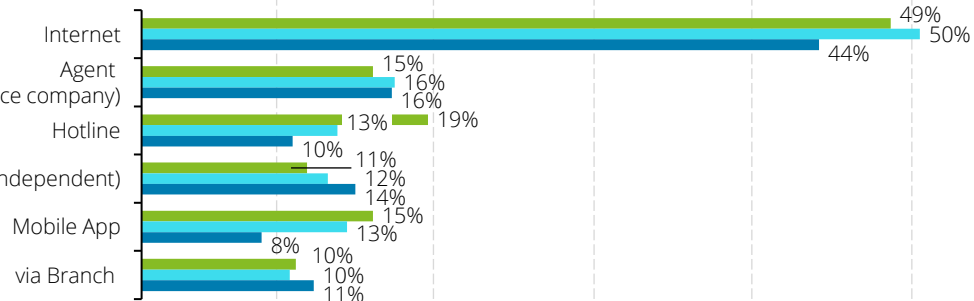
The Netherlands is an internet market but phone and app are also important Gen Z purchasing channels



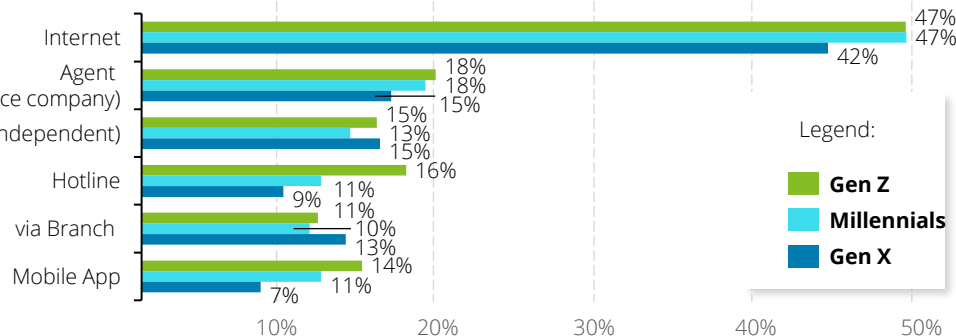
(working for the insurance company)
Insurance broker (independent)



(working for the insurance company)
Insurance broker (independent)



(working for the insurance company)
Insurance broker (independent)



Top purchasing channels for different products
Q: How did you buy this insurance, what channels did you use?

Legend: Life Motor Home

Internet is – by far – the dominant channel in the Netherlands for the purchase of Motor, Home as well as life insurance. **The Netherlands tops the European list on internet as the dominant purchasing channel.** As a reference, where in the Netherlands 41% of Gen Z claims to have purchased a life insurance via the internet in Spain, Italy and Poland this is only 22 – 24%. Even in Germany this is, only, 30%. In other European market the Agent is often a more important purchasing channel.

The 'hotline', the phone channel, scores remarkably high for Gen Z for all product categories as a purchasing channel. It seems Gen Z is quicker to pick up the phone and also close the deal via the phone. This is contrast to the Mobile App which, although still an important (top 6) purchasing channel for Gen Z for Motor and Home insurance, scores (much) higher in other European countries. It could suggest that in the Netherlands insurers have not developed the app of an engagement platform to the extent done in markets such as Germany, France, Hungary or Spain.

A category not in this list is 'embedded insurance' or e.g. purchasing an insurance at the car dealer or real estate agency. Although a significant category for Gen Z in other markets (e.g. Spain and Czech Republic this is not a popular purchasing channel in the Netherlands.

Implications for insurers

- Focus on internet sales as the prime channel for distribution of retail (consumer) motor, car and life insurance
- Approach the market omni-channel; phone (the 'hotline') is not old fashioned for Gen Z but a key purchasing channel
- The mobile app seems to have more potential to sell to Zoomers especially for Home and Motor insurance

Travel insurance is a logical Next Best Action for Gen Z

Selling Gen Z in the Netherlands a travel insurance is the obvious 'Next Best Action'. Dutch Gen Z travel the world and value experiences. This in contrast to purchasing insurance for the ownership of Motor or Home which, although scoring on average 29% in other European markets, score significantly lower as a next insurance product to buy for Dutch Zoomers.

Reassuring, and possibly somewhat surprising, to see is that **Dutch Gen Z care about their pension savings and life protection**. Possibly all the communication on the Pension Reform (WTP) has resulted in Gen Z to be more active in insurer their (long term) future.

A category which stands out for Dutch Gen Z to purchase as a next product is Mental Health. **18% of Dutch Zoomers indicates to be interested in an insurance covering mental health** compared to only 9% (Gen X) and 11% (Millennials). This focus seems a generational topic as across the European countries we see a similar score for Mental Health.

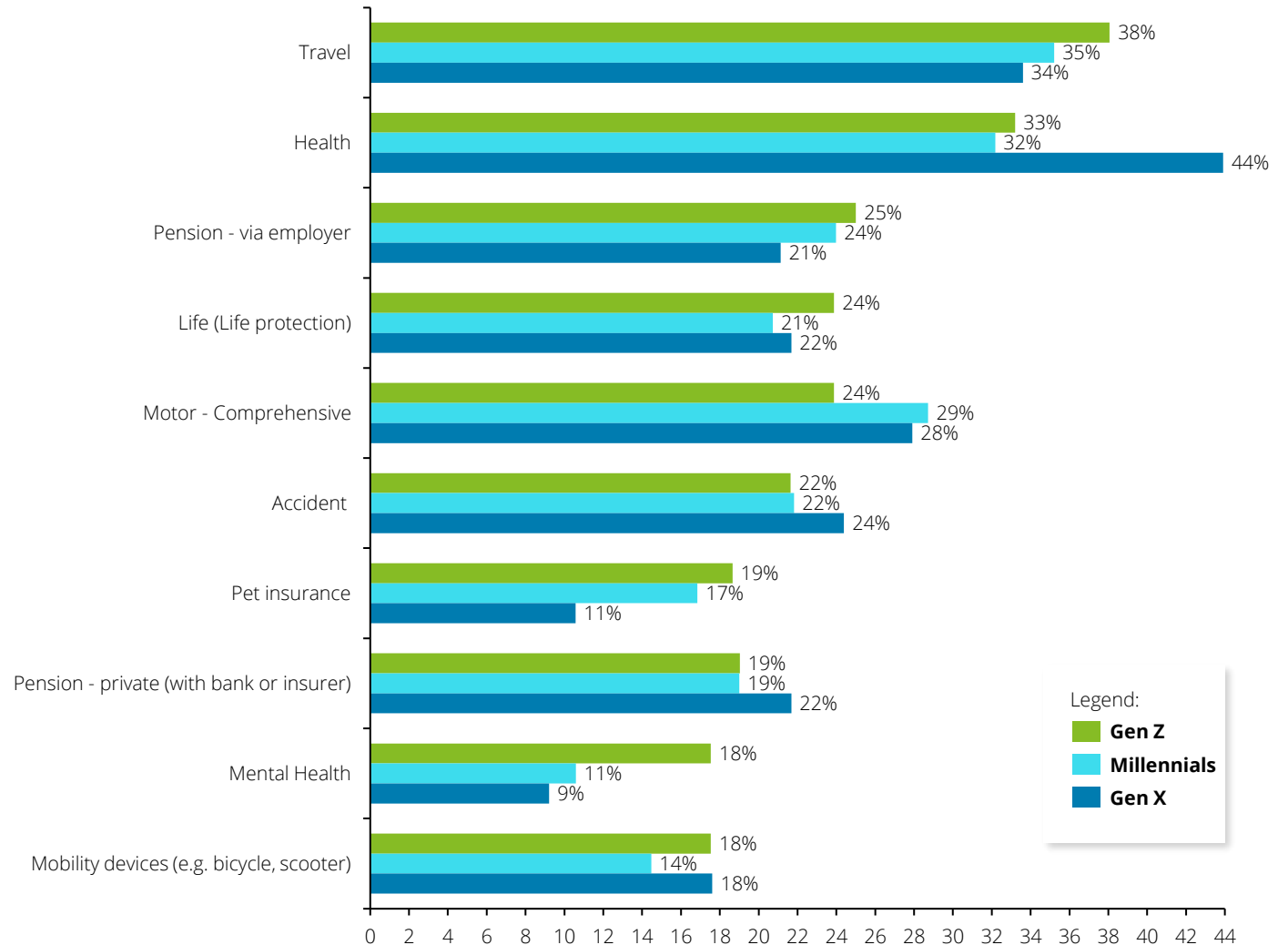
Implications for insurers

- Next Best Actions for Gen Z on insurance purchase focus on experiences (Travel) and Health
- Life and Pension is a product Gen Z is actively looking for and interested in. With the upcoming pension transition in mind This could provide fertile ground for activating Gen Z for additional savings or investments in their pension savings
- A mental health proposition, or focussing in communication on mental health services, is a differentiating element which Gen Z in the Netherlands is looking for



Next insurance purchase

Q: Which additional insurance products will you be interested in in the future?



Gen Z is more inclined to share data and recommend to friends & family

To get additional benefits, Gen Z would – much like other generations – be **willing to accept a package deal or abandon the paper process** and migrate their communications to online channels only.

In addition, Gen Z is – more than other generations – also **willing to act as ‘key influencer’** and recommend the insurer to friends & family (e.g. via social media) in return of benefits.

Gen Z seems **less concerned about providing insurers access to their personal data**. 22% indicates that, in return for benefits, they are willing to let the insurance company monitor individual behaviour and risks.

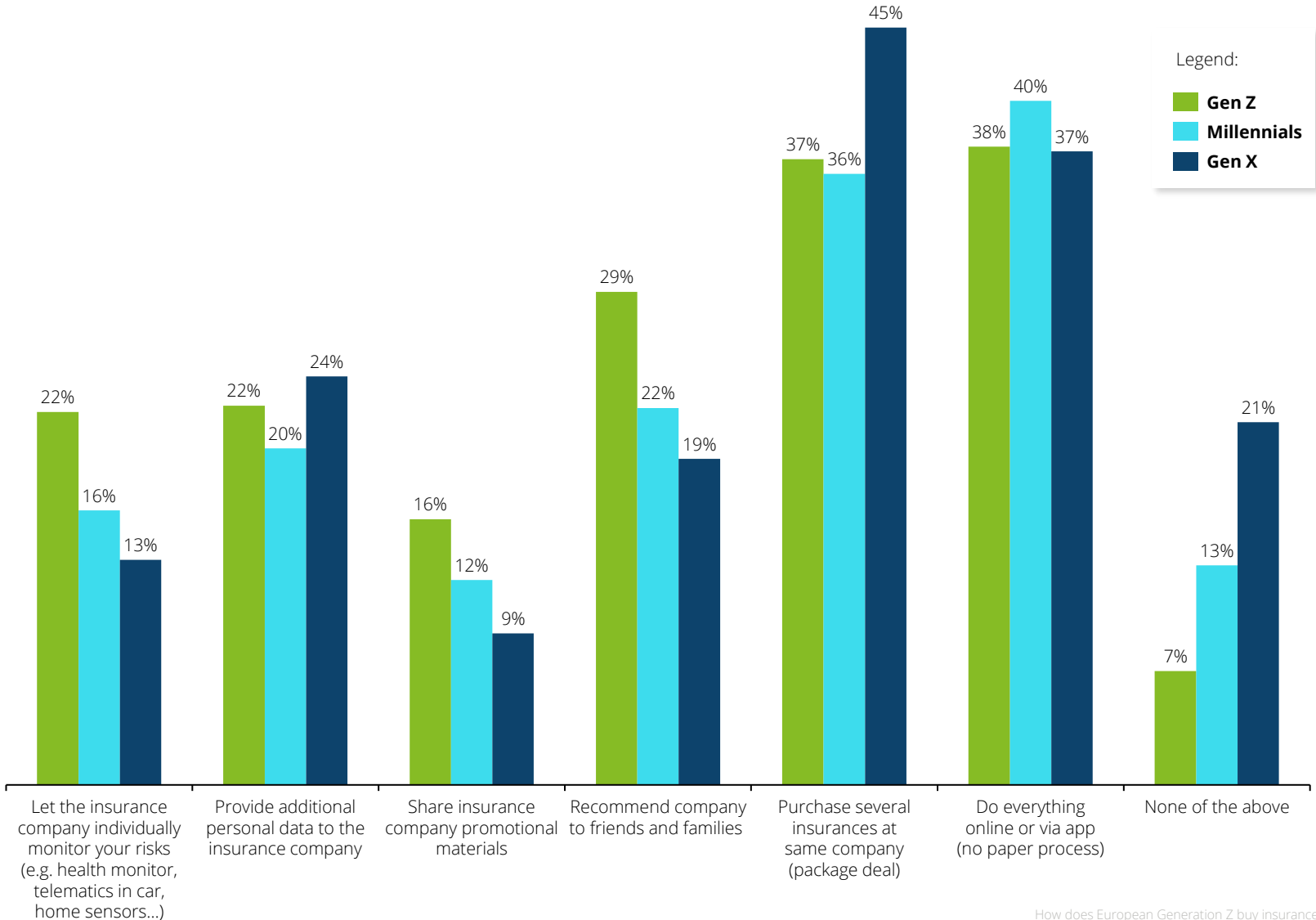
Implications for insurers

- Leveraging data to provide additional discounts or benefits could start with Gen Z as the pilot generation
- Activating the ‘promoters’ in the NPS research of insurers can focus on Gen Z participants. After all, they are willing to share their (positive) experiences with friends and family
- Package propositions and digital offerings remain popular for all generations if it delivers additional benefits



Additional Benefits

Q: What would you be willing to do in return for additional benefits from insurance companies?



Benefit of having an insurance

First and foremost, **insurance provides customers in all generations with a feeling of security**. Insurance also provides a mental peace of mind although less to Dutch Gen Z.

More than other generations **insurance provides Gen Z with a sense of control and a sense of responsibility**.

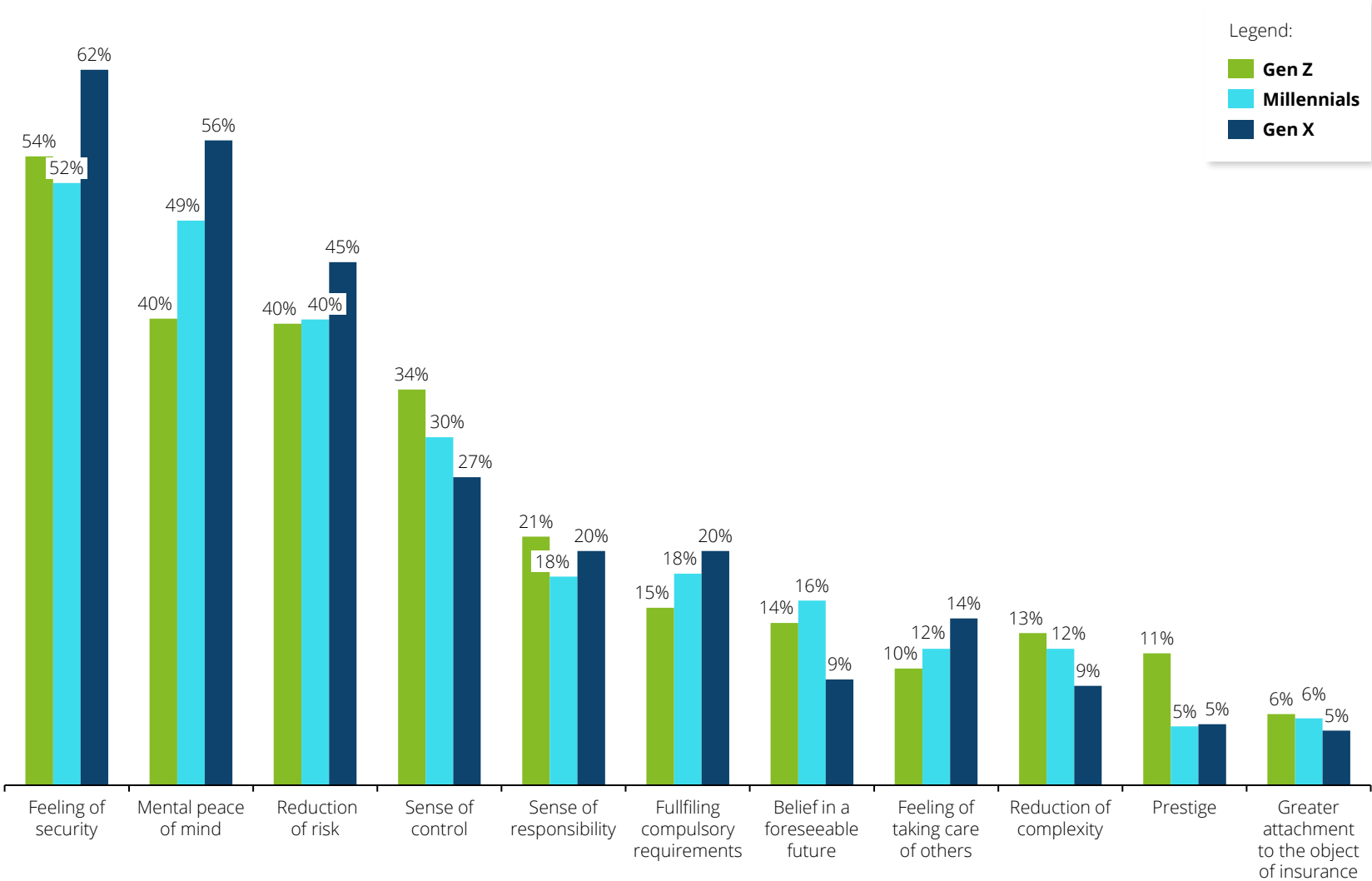
This outcome seems to match some of the other results where a profile on Gen Z emerges which is taking their destiny in their own hands. Gen Z plan their future more than other generations. They the initiative to search and select via digital channels and do not wait until an agent or broker approaches them. Being in control and acting responsible seem more important factors for Gen Z than for other generations.

Implications for insurers

- The emotional benefit of owning an insurance is a feeling of security, a mental peace of mind and – more rationally – a reduction of risks
- Specifically for Gen Z having a sense of control and acting with responsibility are key emotional benefits which insurers could leverage to appeal to Gen Z in the Netherlands



Having an insurance
Q: What does having insurance provide you?



04

What does EU Gen Z think, say and do about insurance?

Need - Does Gen Z need insurance and what for?



Impacted by socio-economic changes...

The beliefs and perspectives of young people reflect the volatility and instability of our times. Although they share the same concerns as other groups, such as a fear of being unable to support themselves and experiencing accidents, they also have other pressing issues on their minds.

'Inability' in general is high on Gen Z list, as they are concerned about not being able to support themselves, their family or afford a property. Their fear of losing control highlights Gen Z's sense of responsibility for their own fate and the wellbeing of their families.

'Inability to afford a property' is a significant concern for Gen Zs, indicating an adverse impact of economic

changes. This fear decreases with age – it's the third most important source of worry for the young, while Gen X keeps it at the bottom of the list.

All generations share a common view on the 'Consequences of climate change', but it's not rated any higher by Generation Z, unlike the concern about being replaced on the labour market which shows that young consumers are more worried about disruptive technologies, such as AI and automation.

War is another issue troubling people – an universal fear, but more acute for men in Eastern European countries.

...but caring for the same things

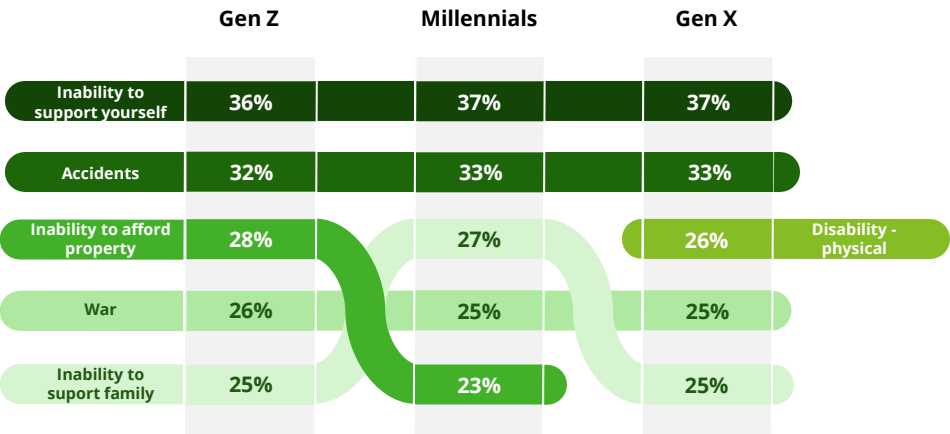
Gen Z would protect the same things as older generations. Health, life and home top their insurance list, followed by a car and the lives of their loved ones. Interestingly enough, life and health insurance are less popular among Gen Z, possibly because they haven't started their own families yet and are still more self-oriented.

Their interest seems to be much more widespread and focused on niches, with core products like 'Life' and 'Health' insurance losing their gravity. Gen Zs are more into securing 'Pets', 'Digital goods' (twice as popular among young people), 'Mobile devices' and 'Hobby accessories'.



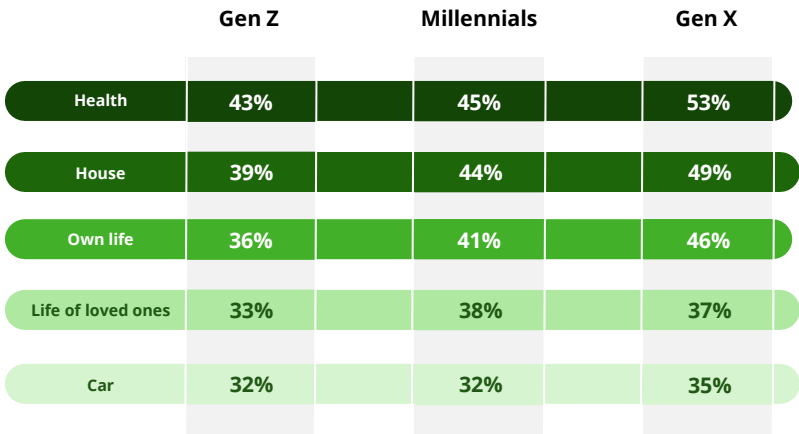
What's your fear?

Q: What risks do you take into account, when thinking about the future? – Ranked as #1



What do you want to protect?

Q: Place in order things in your life that you would like to insure, starting from most important



Too young to own insurance...

Like everyone else, Gen Z is affected by the situational nature of insurance. The need for insurance arises from the need to protect one's belongings and loved ones. Without significant assets (such as property) and dependents to safeguard (like a spouse and children), they may not feel the immediate need for insurance – at least not yet. Young consumers reportedly have less insurance coverage compared to previous generations – 73% of the youngest respondents are insured, as opposed to 80% of Millennials and 83% of Gen X. Furthermore, they are less likely to have their assets insured, if they own them – only half of Gen Z insured their home, in comparison to almost ¾ of Gen X.

Who owns insurance?
Q: Do you have any insurance products?

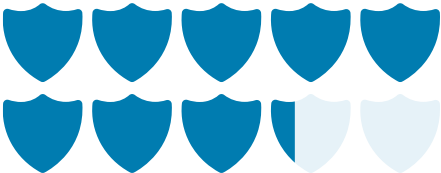
Gen Z - 73% have insurance



Millennials - 80% have insurance



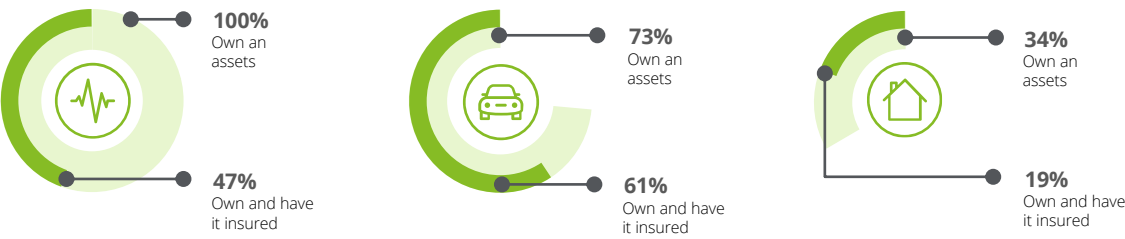
Gen X - 83% have insurance



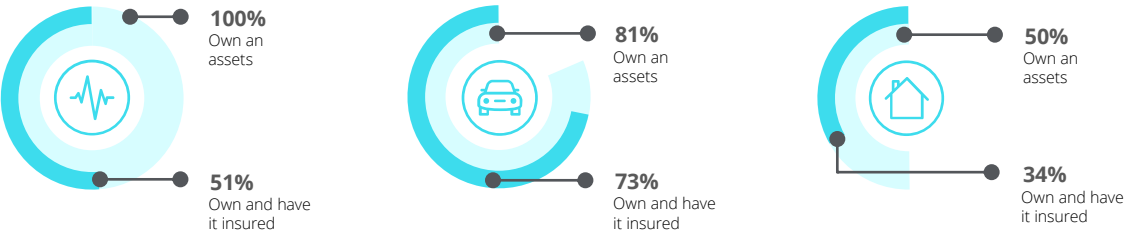
Do you insure what you have?
Q: What kind of insurance products do you have

Legend: Life Motor Home

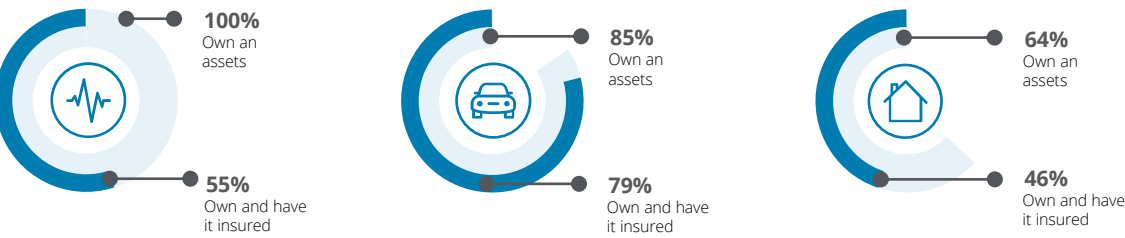
Gen Z



Millennials



Gen X



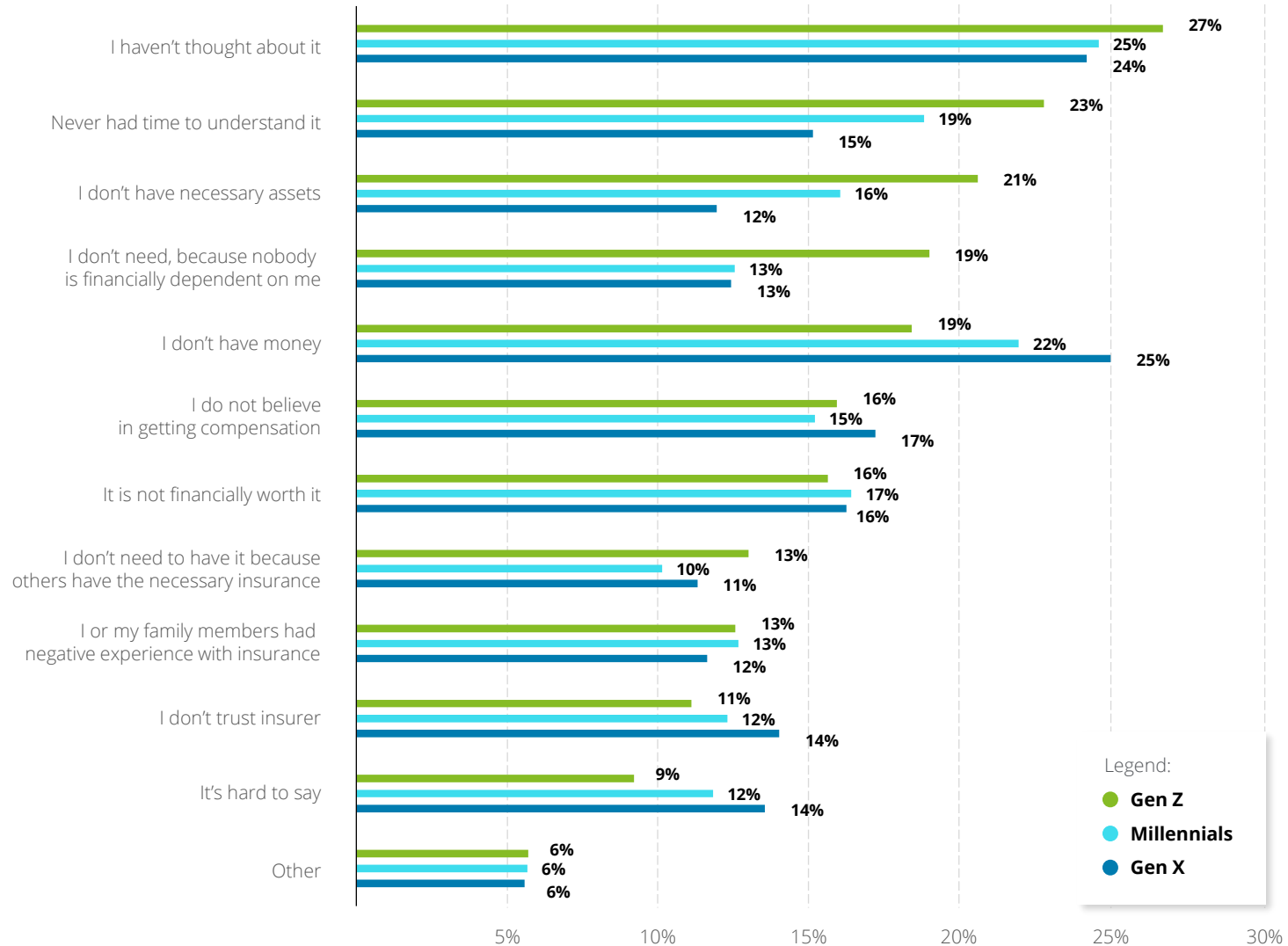
... and not yet feeling the need...

The main reason why Gen Z does not buy insurance is not because of money. In fact, they have fewer financial constraints compared to other generations. They avoid buying insurance for more practical reasons - they simply don't feel the need for it yet. They may not have expensive assets, a spouse, or children to take care of, so they don't feel the pressure to purchase insurance. In some cases, they can rely on their parents or other close relatives to have the necessary coverage, so there is no sense of urgency. Popularity of the response 'Never had the time to understand insurance', indicates that insurance is not yet a priority for them. However, they chose the answer 'It's hard to say' less often than other generations, suggesting that they are more aware of their choices and reasons.



Why not get insured?

Q: Why you don't have any insurance products? Pick up to 3 most important reasons.



...but already interested

The lower insurance penetration among Gen Z can be partially attributed to their young age, but it's not the whole picture. Despite being young, this group of consumers shows a clear interest in insurance. When asked about future purchases, only 5% of young consumers who already have insurance say they won't be interested in any additional products. In comparison, 18% of Gen X have no plans to purchase insurance. The same trend applies to respondents who do not have any type of insurance yet – the youngest are more interested in obtaining insurance than older age groups, with the majority planning to get car insurance.

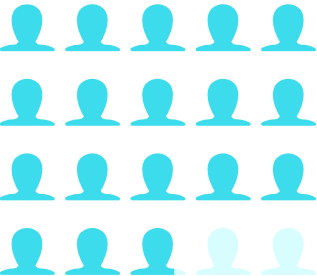
Interested in other insurance products?
Q: Which additional insurance products will you be interested in the future?

Gen Z



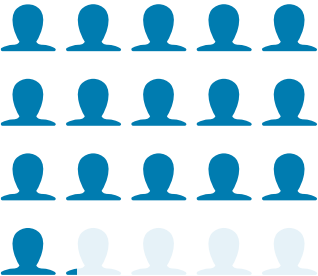
5% - None of the above

Millennials



12% - None of the above

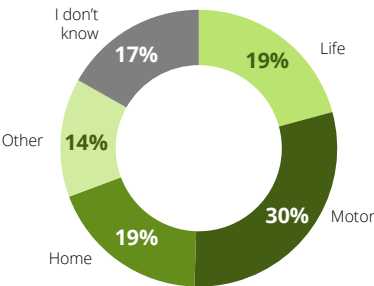
Gen X



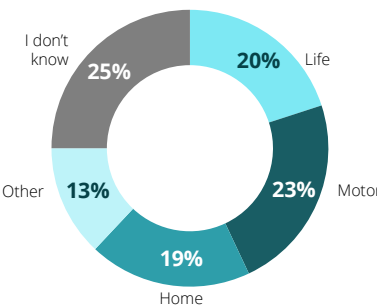
18% - None of the above

Where will you start if you don't have insurance?
Q: What insurance product you might purchase in next 5 years?
Question only for respondents without insurance.

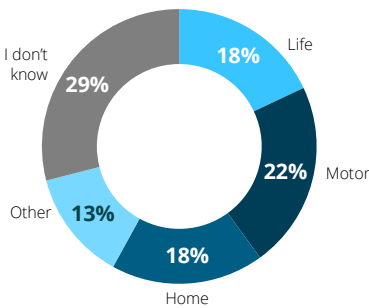
Gen Z



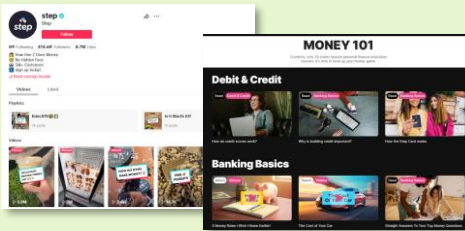
Millennials



Gen X



Inspirational case study



Financial technology company that offers a mobile banking app specifically designed for teenagers and young adults, including members of Generation Z. The platform aims to teach financial literacy and help young people build good money management habits from an early age.

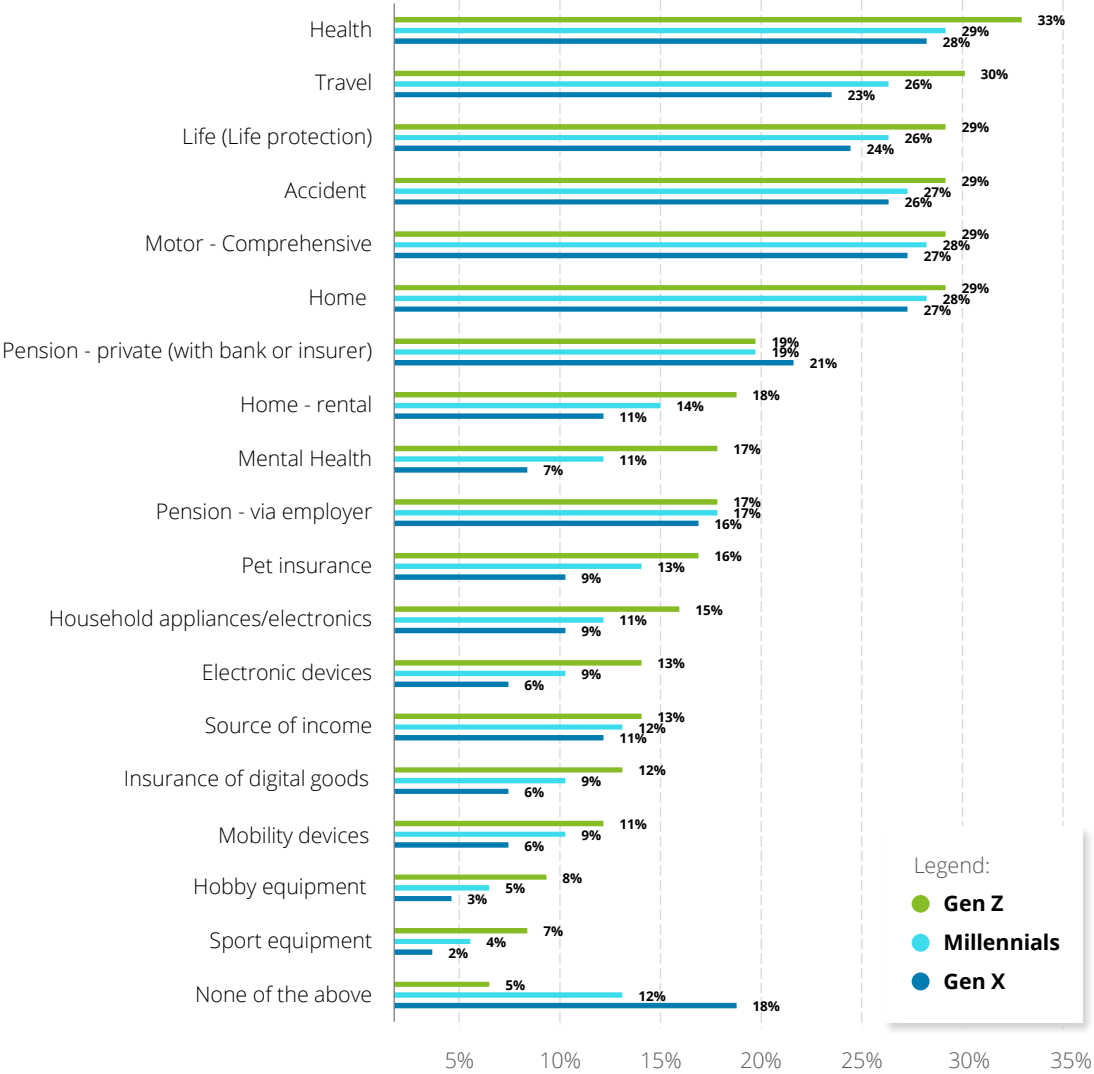
Niche is the new mass

In terms of insurance needs, it is evident that young consumers define their priorities differently compared to Gen X. The top 5 insurance products they would like to buy are aligned with Gen X's needs but in a different order. They prioritize their own wellbeing, selecting 'Health', 'Travel', 'Life', and 'Accidents' insurance, followed by 'Motor' and 'Home'. Gen X also chose 'Health' as the priority, but follow it with 'Home' and 'Motor'.

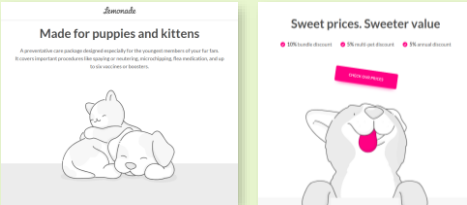
Meanwhile, smaller and more accessible insurance products that are easier to buy are experiencing rapid growth among young consumers. It is clear that they are more focused on their individual protection at this stage of their lives. Their interest extends to mental health insurance (17% of Gen Z), insurance for mobility devices such as e-bikes and scooters (11%), pet insurance (16%), digital goods (12%), and hobby equipment (8%). Interestingly, these products garnered minimal attention from Gen X, with only around 5% interest from the older consumers.



What to buy next?
Q: Which additional insurance products will you be interested in in the future?



Inspirational case study



Lemonade is a technology-driven insurance company that uses artificial intelligence and behavioural economics to create a user-friendly and affordable insurance experience. They offer a range of niche products, like pet or renters' insurance, aside from traditional core products.

Given how responsible Gen Z appears to be, based on Deloitte's research, we can assume that they **will be interested in core insurance, but only when they reach certain milestones** in their lives, such as starting a family or owning a business. Everything prior to this point – that's the area where insurers should focus their attention.

Attracting young consumers with **products that are simple, easy to understand and purchase, and centered around their topics of interest** (such as health, travel, electronic devices, pets) will certainly pay off. The **key issue to address here is flexibility** – Gen Zers want full freedom over their products and services and do not want to be tied down. Old insurance products may seem too limiting for them. That is the moment to **establish a connection** with the customers and **build their loyalty**, so when they consider insuring life or home, they know exactly where to go.



Nils Dennstedt

Partner in Financial Advisory,
Insurance sector leader

Deloitte, Hamburg, Germany

03

What does EU Gen Z think, say and do about insurance?

Awareness - What does Gen Z think about insurance?

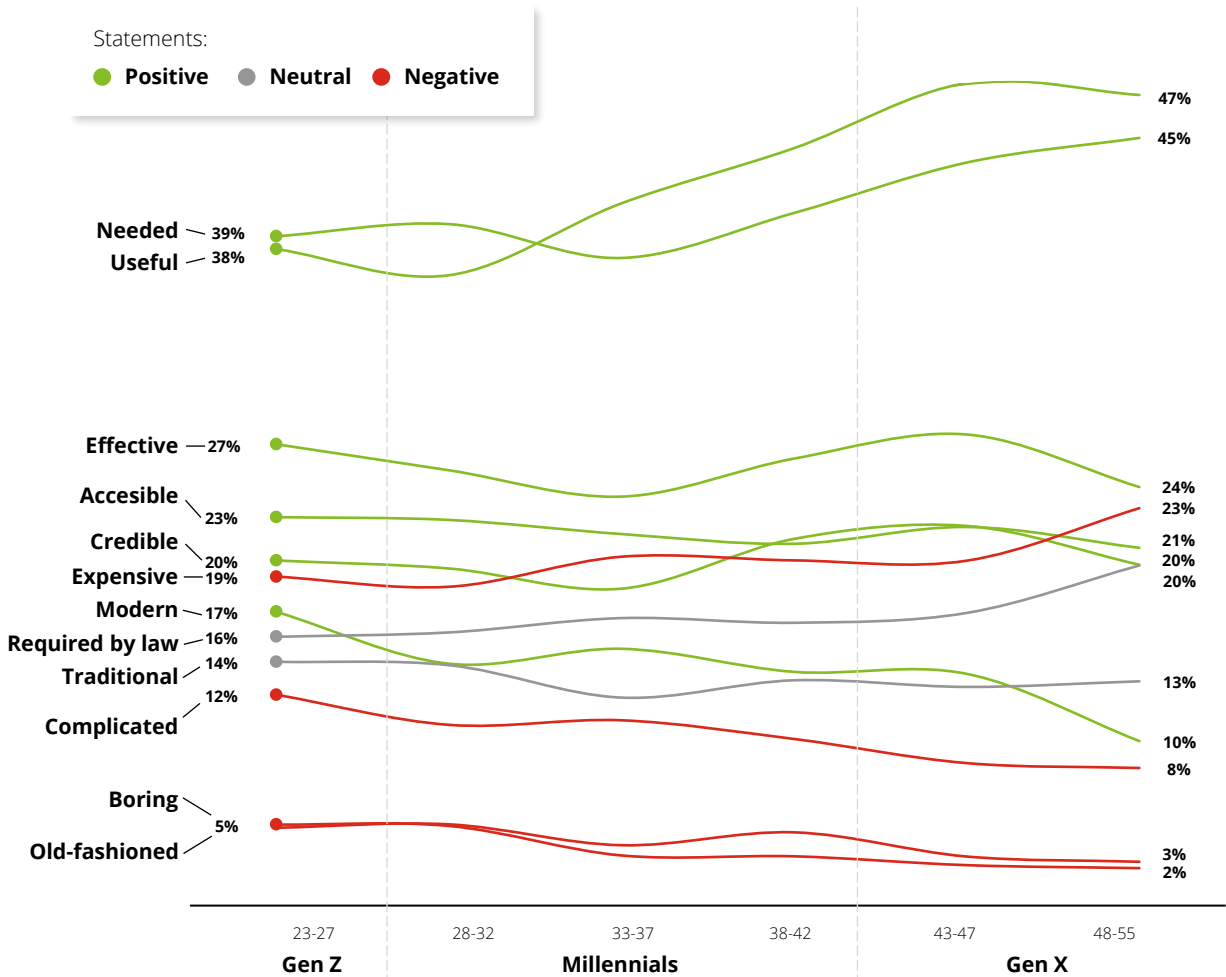


More sceptical towards insurance

The overall attitude towards insurance remains stable across generations. First and foremost, it is considered 'Needed', 'Useful', 'Effective', and 'Accessible'. However, there are some differences in opinions when comparing the popularity of these options. Gen Z considers insurance less 'Needed' and 'Useful' by almost 10 percentage points in comparison to Gen X, with 'Needed' registering the biggest decrease among young consumers, a sign of possible faltering relevancy.

Gen Z has a mixed relationship with insurance. On the one hand, they consider insurance slightly more 'Complicated', 'Unfair', 'Not for me', and 'Unnecessary', revealing a lack of connection and understandability of the category. On the other hand, they consider it more modern than other generations, likely due to the rising popularity of smaller insurance for everyday electronic devices. Additionally, price does not bother them as much as other generations, with 'Expensive' being less popular among this group.

How do you feel about insurance?
Q: Which statements would you use to describe insurance?
Questions only for insurance holders; selected answers



Inspirational case study



Revolut is a financial technology company that has gained popularity, particularly among young consumers, by positioning itself as an anti-bank – challenging big banks and offering financial services through a streamlined and user-friendly app.

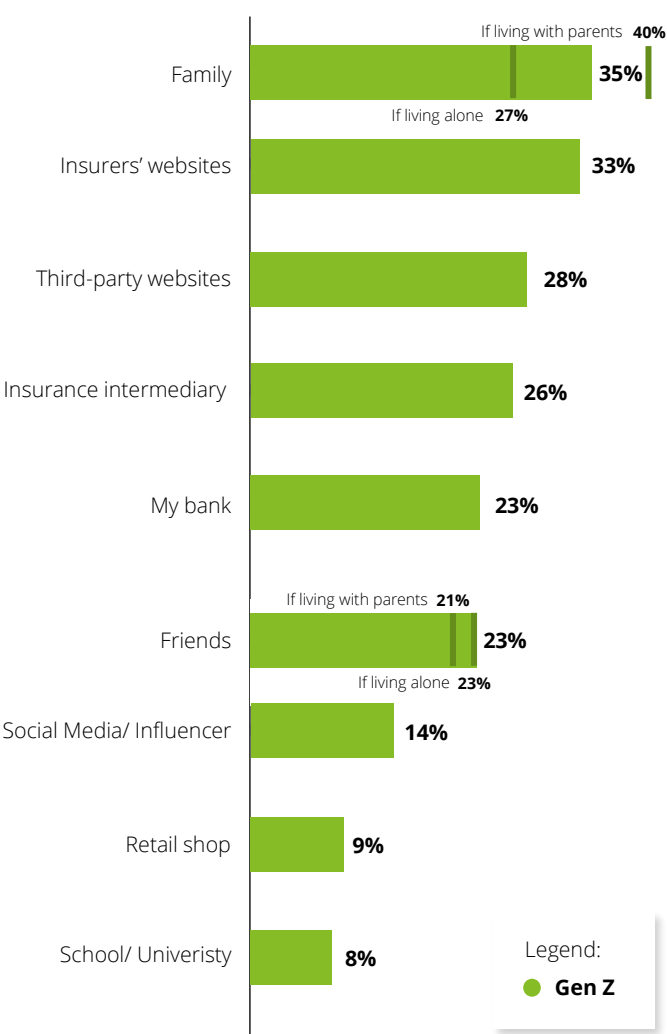
Don't ask Google, ask your dad

The long-established way of promoting insurance is losing popularity among young consumers. While Gen X still prefers to consult their trusted insurance intermediary, a broker or a tied agent, Gen Z's approach is less straightforward. Agents are becoming out of favour, but digital channels are not necessarily replacing them.

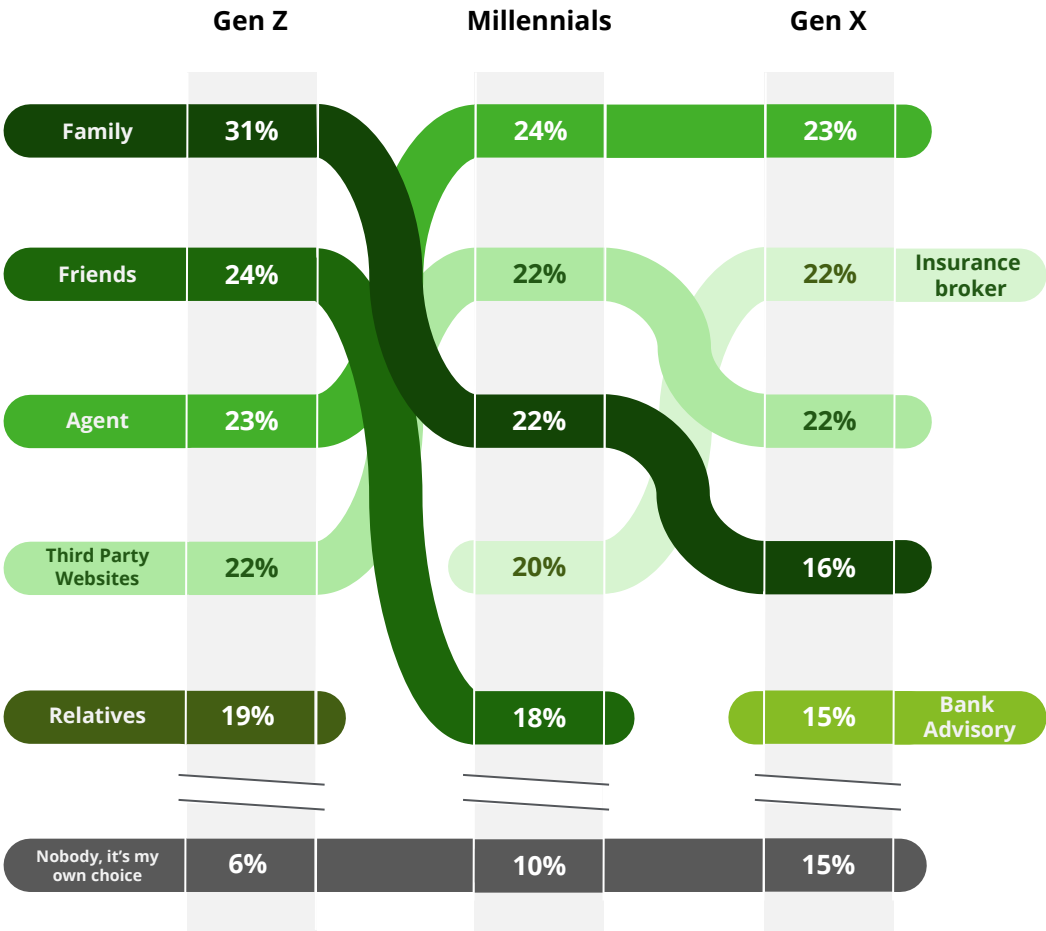
Instead, young consumers are turning to their family and friends for insurance advice in the first place. They seem to trust their inner circle more than external sources, possibly due to increased scepticism and caution towards sales tactics. This trend is amplified by the fact that more young consumers still live with their parents and remain under their influence.

What sets Gen Z apart is their reluctance to make insurance decisions solely based on expertise, showing a 10 percentage point difference compared to Gen X.

Who Gen Z asks for information?
Q: Where do you get information about insurance from?

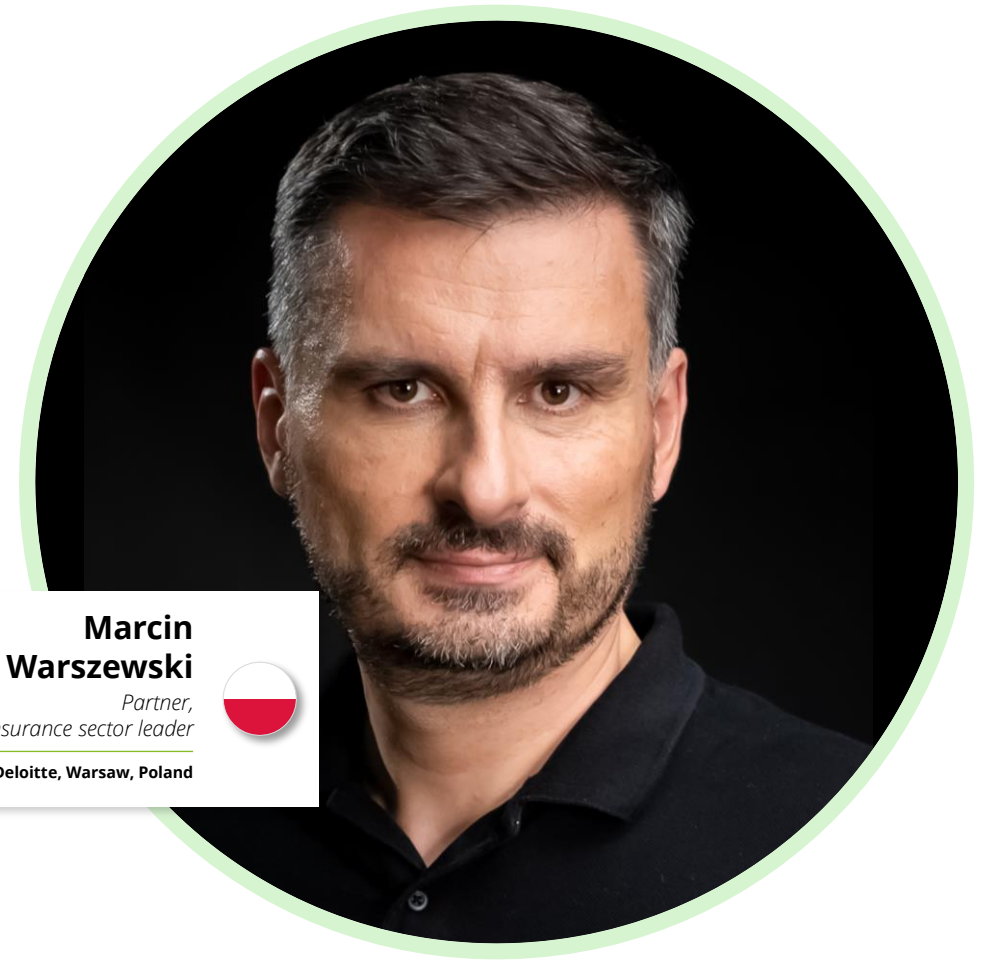


And who for advice?
Q: Whose opinion did you take in mind before purchasing insurance



Having grown up with the internet, Gen Zs are showing us how this medium will be used in the future – extensively, yet cautiously. They see it as a source of knowledge and individual research but are **sceptical of Internet being a single source of truth**, no matter what algorithms companies come up with.

Given the growing scepticism, Gen Z tends to **turn to their close-knit groups** of trusted individuals – family and friends, but also, online experts and influencers. This presents a golden opportunity for insurers to **connect with them through their parents, leveraging recommendations and member-get-member** programmes. Moreover, insurers can tap into Gen Z's willingness to recommend and promote products through their network of friends, effectively **turning them into brand ambassadors**.



**Marcin
Warszewski**

Partner,
Insurance sector leader

Deloitte, Warsaw, Poland

03

What does EU Gen Z think, say and do about insurance?

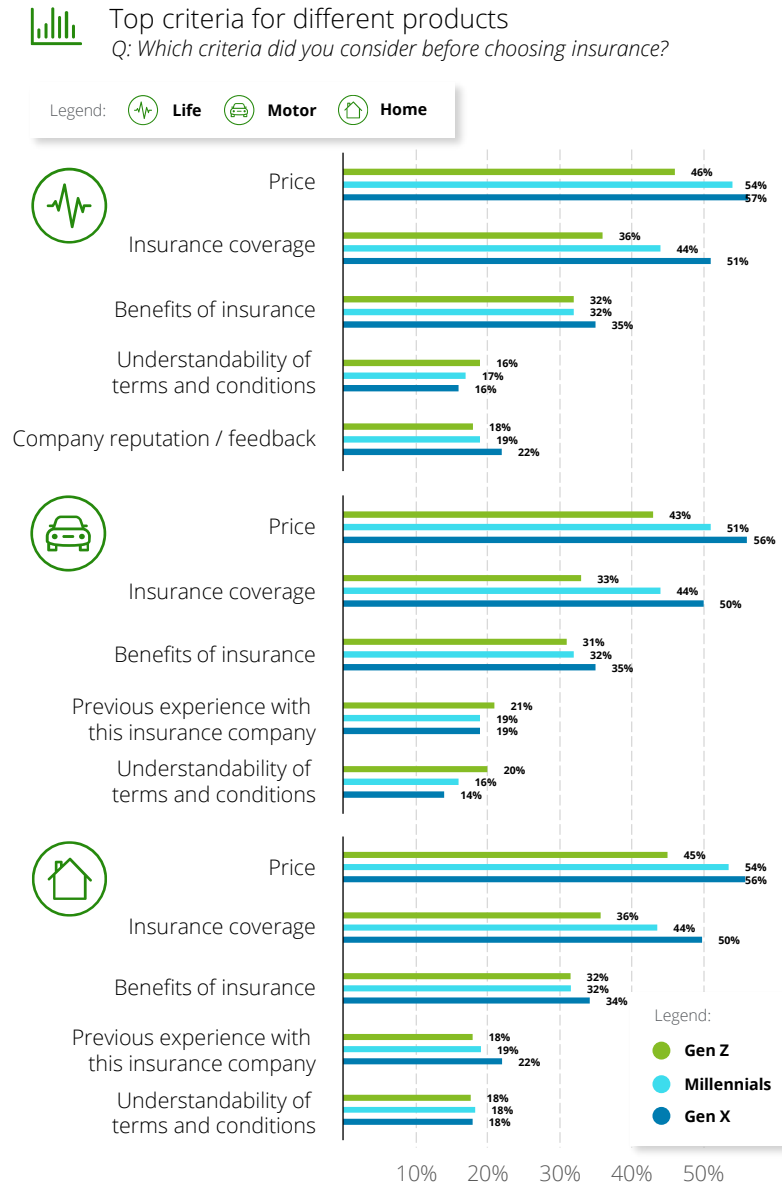
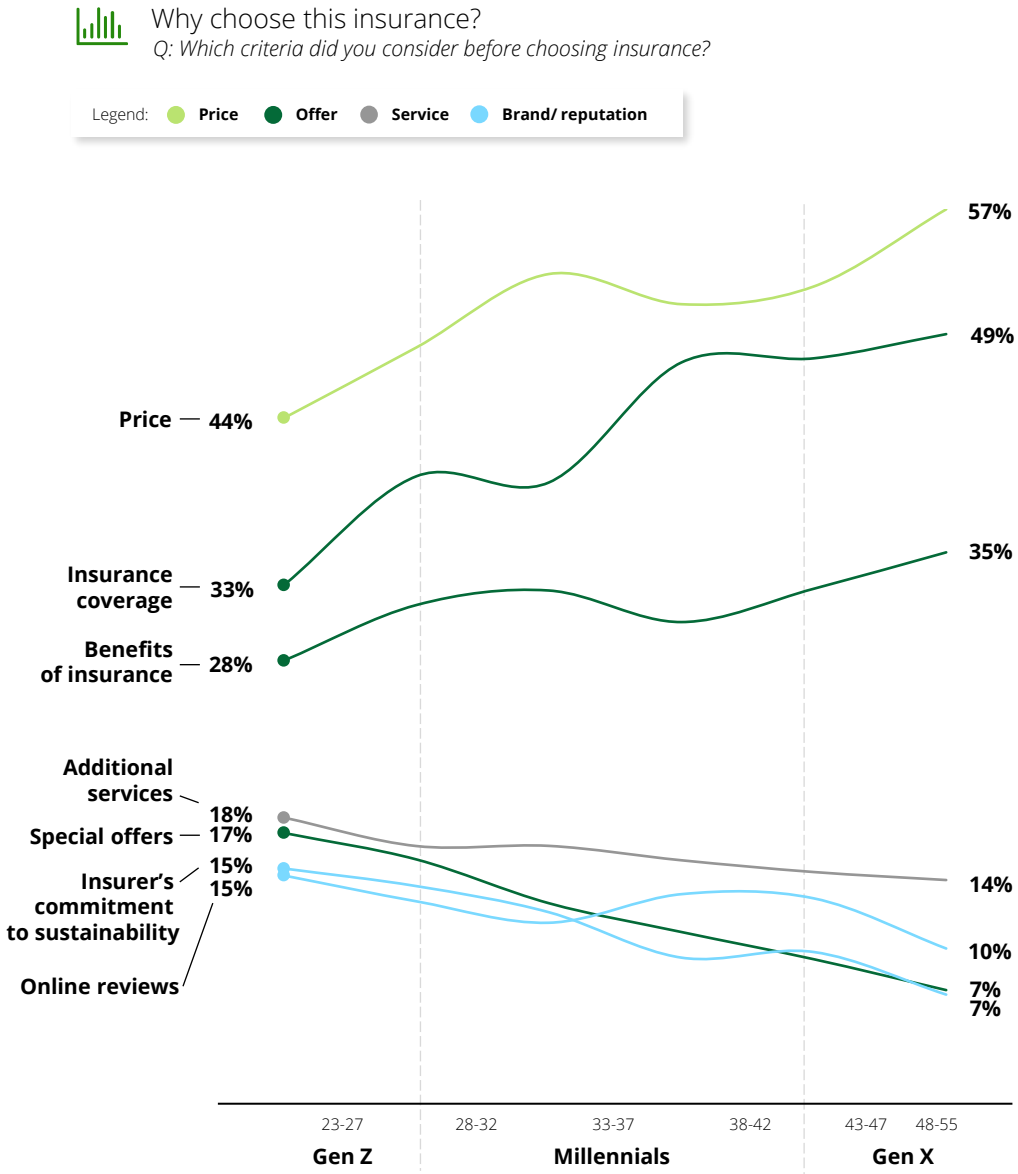
Consideration - How do they choose the insurance?



The devil is in the detail

When considering insurance offers, all generations prioritize 'Price' and 'Insurance coverage' as the most important selection criteria, regardless of the insurance type. Around half of the respondents who have insurance view these factors as crucial, but there are differing opinions on their significance. Gen Zs place less emphasis on both of those criteria, along with 'Benefits of insurance'. It could be argued that such an approach may stem from their limited experience with insurance. Nevertheless, it is crucial to delve into other factors they deem essential.

Compared to other, Gen Z cares more about additional benefits and services, such as 'Additional services', 'Special offers', and 'Insurer's commitment to sustainability' which shows their sensitivity to global challenges. They also value 'Online reviews' of insurance companies as they enable them to conduct their own research into insurers and their offer.



Comparing the offers thoroughly

Nearly 3 in 4 consumers compare insurance offers before selecting a company and product. Compared to Gen X, Zs are at the forefront of this trend, as they are more inclined to compare offers across all products.

Young consumers carefully study the general terms and conditions of their insurance to get a better understanding of their products. They are more likely to do this after the purchase, but still, most of them take time to go through the documentation, which is rather a tedious process.

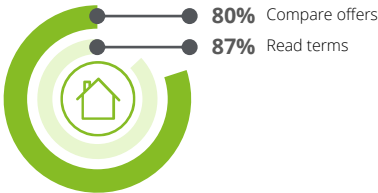
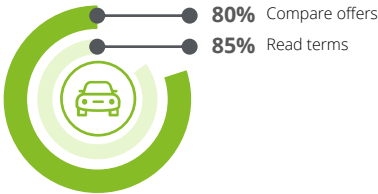
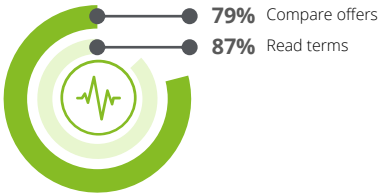
Such scrutiny and attention to detail reveal their inquisitive nature. As a result, it is challenging to build loyalty with this group, as they will ask questions and ensure they are getting the best deal.



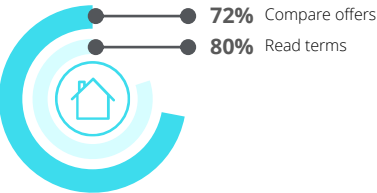
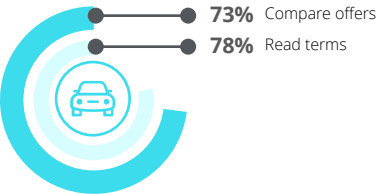
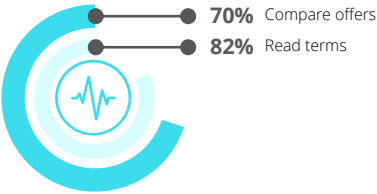
Who knows the offers best?
Q: Before choosing insurance, did you compare the offers of different insurers with each other?
Q: Did you read general terms and conditions of the insurance?

Legend: Life Motor Home

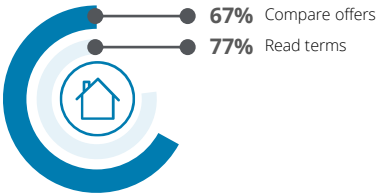
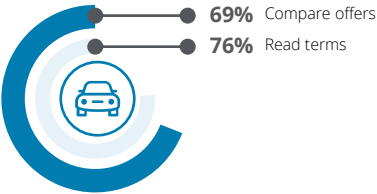
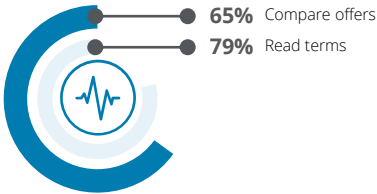
Gen Z



Millennials

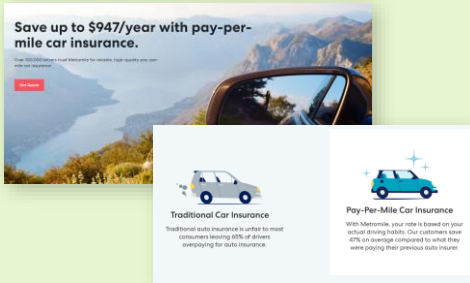


Gen X



Legend: Gen Z Millennials Gen X

Inspirational case study

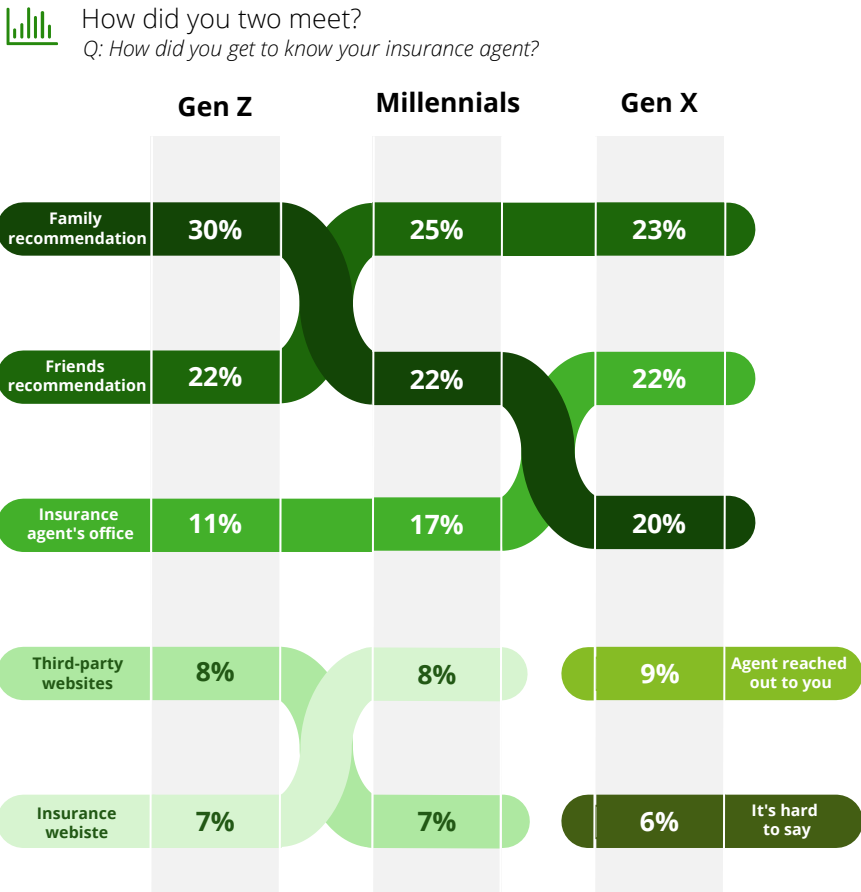


Metromile is a digital insurance company that offers a unique, transparent and fair pay-per-mile car insurance model. Unlike traditional car insurance, which typically charges a flat rate regardless of how much you drive, Metromile's approach bases your insurance premium on the exact distance travelled.

A change in attitude towards insurance agents

Insurance agents, the key sales channel for Generation X, now have a different relationship with young consumers.

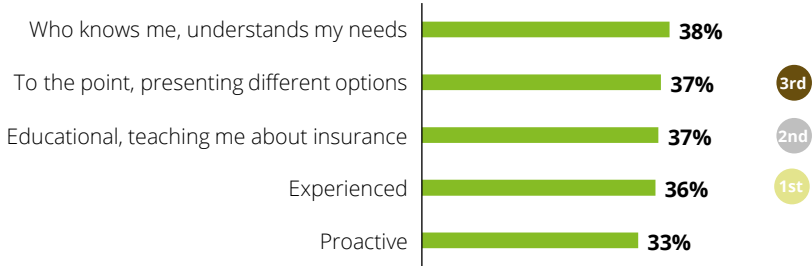
When looking for an agent, Gen Z is more likely to rely on recommendations, primarily from family members, or simply look them up on the internet, on comparison websites or social media. Gen X in comparison would ask a friend or just go to agent's office to meet in person. Everyone wants their agent to be educational, to the point, proactive, and experienced (first choice across all groups) but overall expectations differ. Gen X is seeking a silent, trusted advisor who is straightforward, offers the best deals, and provides competitive products. Young consumers, on the other hand, are looking for someone who is more supportive and helpful, focuses on building an empathic relationship, is responsive to their needs, and skilled in modern technological solutions.



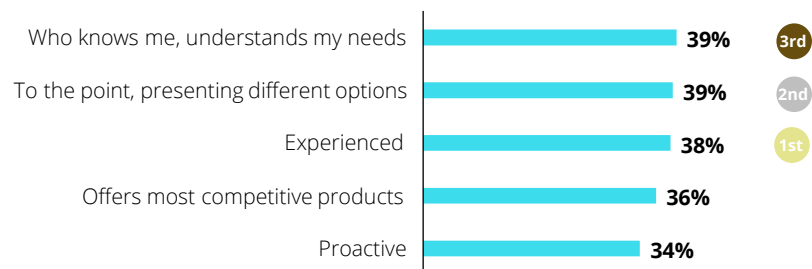
What's best about him?
Q: What should be the characteristic of good insurance agent?
Choose 3 traits and rank them

Most popular choice as: 1st 2nd 3rd

Gen Z



Millennials



Gen X



*Young consumers are much more inquisitive than the insurance companies are prepared for, and insurers must reevaluate their approach. The insurance industry, like many other industries before it (most notably banking), needs to **streamline processes, increase understandability and transparency, and clearly communicate benefits**. Gen Z will ask more questions, come prepared, and not answering their questions poses a risk of losing clients. Establishing **clear and to-the-point communication via easily accessible channels is a must-have**. By embracing this honest and transparent approach, consumers will recognize and value **sustainability and fairness**, providing insurers with an opportunity to stand out.*



Hugues Magron

Partner –
Consulting Insurance Leader

Deloitte, Paris, France

03

What does EU Gen Z think, say and do about insurance?

Purchase - How does Gen Z buy insurance?



Self-service on the rise

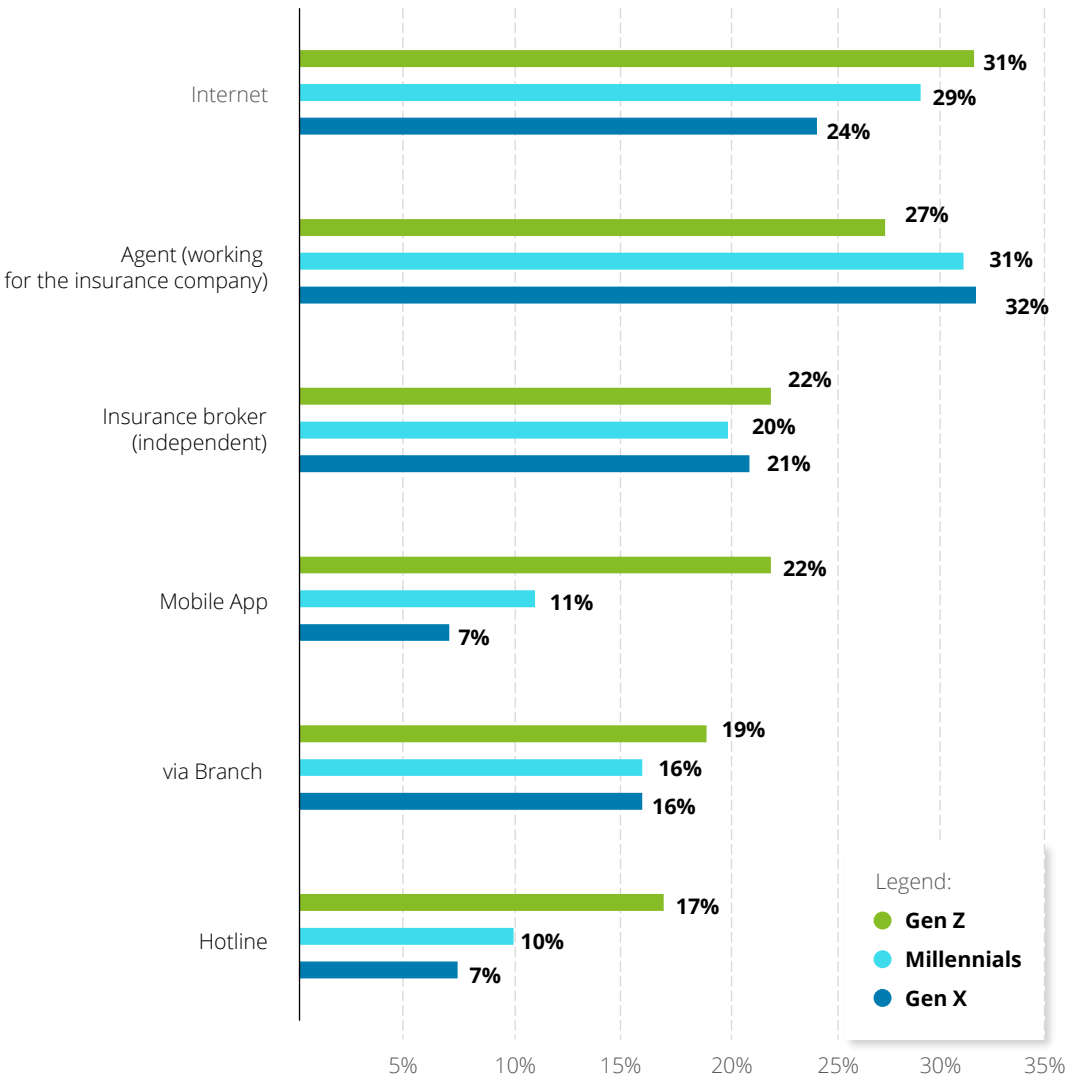
Insurance sales channels vary significantly across different generations, reflecting changes in consumer behaviour. While Gen X would typically rely on a single sales channel and go to their trusted agent for insurance, regardless of which company the agent worked for, Gen Z prefers to use a variety of channels depending on the situation.

Agents are still the most popular choice for some, but the Internet is becoming equally important and is on the rise. It is closely followed by hotlines and mobile apps, which are rapidly gaining popularity showing that consumers are not only after the newest form of contact.

This changing attitude reflects a new ,do-it-yourself' approach favoured by young consumers. They tend to conduct their own research and then use self-service channels to complete their purchases, on their own terms and at their convenience.

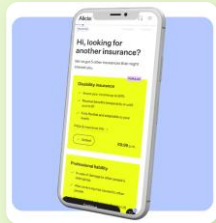


Where did you bought your last insurance?
Q: How did you buy this insurance, what channels did you use?



Inspirational case study

Alicia



Alicia specializes in offering tailored digital insurance solutions for various industries, including banking, brokers, e-commerce, and retail. The company provides customized plans and products that integrate seamlessly with technology, enhancing the overall user experience and efficiency for their B2B clients.

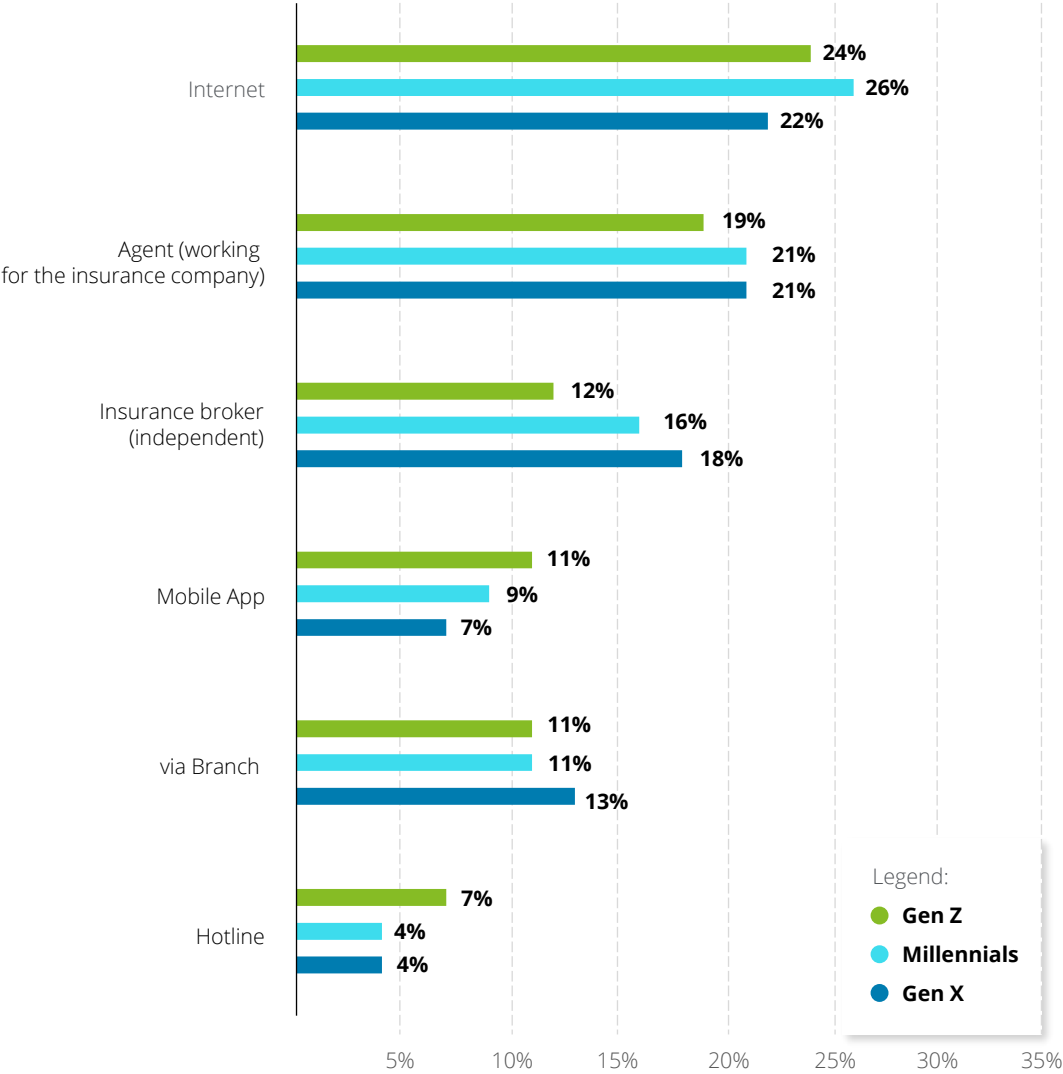
Traditional channels, such as hotlines or physical branches, are also fitting into this trend and experiencing a renewed popularity. They offer a combination of distance and personal, human interaction, both of which are important to the young. The use of agents and brokers is slightly decreasing across generations, indicating that consumers prefer to deal directly with a specific brand rather than contact an insurer through an intermediary.

Embedded insurance is attracting more interest from Gen Z, as they tend to buy products with additional services attached more often than other generations.

Interestingly, there is very little difference in the channels used for core insurance products, indicating a trend towards a uniform multi-access approach. Consumers are choosing the channels that they are most comfortable with at different stages of their journey, regardless of the nature of the products.



Where will you buy in the future?
Q: How do you plan to buying it?
Relating to question: Which additional insurance products will you be interested in in the future?



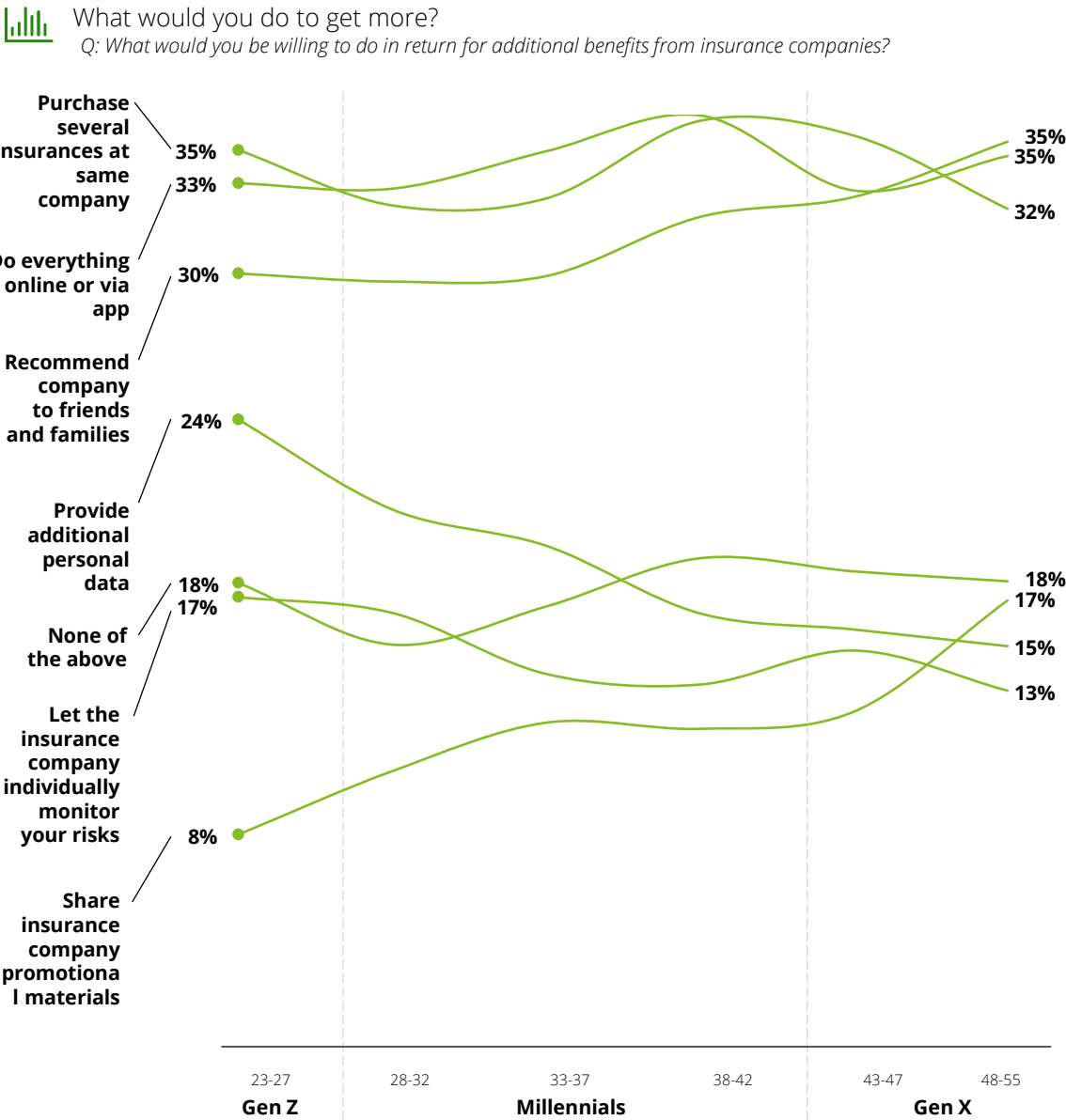
Willing to do extra for additional benefits

The youngest consumers are aware of their value and are more demanding, but they are also more open to having transactional relationships with insurance companies. They understand the value of their personal data and are open to discuss potential benefits.

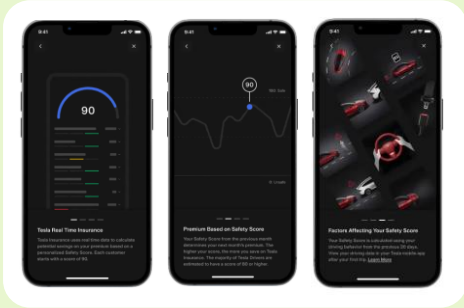
The most popular activities that all consumers are willing to do include ‘Recommending the company to friends and family’ and ‘doing everything online or via an app’, which are equally popular among all age groups. Purchasing package deals is also fairly popular, although slightly less so with Gen Z.

The youngest consumers exhibit a notable inclination towards permitting companies to monitor their individual metrics for the purpose of constant risk assessment. This could include health monitoring of bodily functions through telematics in cars, home sensors, and similar technologies. Notably, 24% of individuals belonging to Generation Z express willingness to embrace such solutions, in contrast to 16% of Generation X.

Sharing company promotional materials is another activity that Gen Z is more willing to engage in. This opens up new possibilities for insurance companies to promote their products, especially since young consumers rely heavily on word-of-mouth advice.



Inspirational case study



Tesla introduced a new system called ‘Safety Score’ that allows tracking real-time driving data and calculating a safety score. The feature uses several different metrics to study driving habits. At the end of each month a premium for the following month is determined based on the obtained results.

Gen Z will need insurance like Gen X and Millennials do. But to succeed with Gen Z, **insurance companies will need a different distribution strategy**. Gen Z will often want to buy **simple insurance covers via digital channels**. Life, property or comprehensive motor insurance – i.e. **more complex products** – **will be purchased more frequently through multiple channels**.

This means that **insurers will need to put more focus on multichannel** approach while for Gen X they could often rely mainly on the agent or the broker. Traditional channels will remain relevant for selling these complex insurance products to Gen Z but they will need to work in concert with digital channels.





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Thank you!

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