



# Five Key Insurance Trends Carriers Can't Ignore

*And how fresh data can help you  
lean into these new market opportunities.*

 | AnalyticsIQ



## The usage-based insurance genie is out of the bottle. <sup>1</sup>

Consumers in every market are coming to expect personalization these days, and car insurance is no different. A one-size-fits-all approach is no longer the go-to option. People want to be rewarded for their good driving actions, rather than be lumped into a group with different lifestyles and behaviors.

That's why usage-based insurance (UBI) is on the rise. UBI is also known as "pay as you drive" and "pay how you drive" insurance. UBI uses in-vehicle telecommunication gadgets to track ongoing driving behaviors like speeding, braking, mileage, and various other safety measures. This personalized data not only helps to accurately determine cost-effective premiums for drivers, but it also aligns with current lifestyles where individuals are working from home, driving less and seeking to maximize their dollars.

Bringing a UBI offering to market? A number of customer segments typically benefit from usage-based insurance, including young drivers who are more inexperienced so are therefore typically considered high-risk. Infrequent drivers like students, retirees or city residents may also drive much less than others.<sup>2</sup> Because of their lower mileage, UBI could help drop their premium amounts. With AnalyticsIQ's data, insurance marketers can craft the perfect audience to reach people most interested in switching to a usage-based insurance policy.

### AnalyticsIQ Data Variables

Gen Z (18-24) and Millennial (25-40)

In-Market for Auto Insurance

Infrequent Drivers  
(like Students and Retirees)

Car Ownership by Vehicle Type

Low Average Mileage per Year

Work-from-Home Status

Value Seekers



## America is becoming a rentership nation.

These days, the appeal of renting a home has become more and more apparent, regardless of the age range of families. That's not to say that the American Dream — owning a house with the white picket fence — has ended. On the contrary, it has simply evolved to include flexibility and financial freedom when life calls for it.

For example, the generation of Baby Boomers represent the largest growth in the renter population to date. By selling their homes and renting in their golden years, they are freeing themselves and their pocketbooks from the burdens of home upkeep.<sup>3</sup>

While older generations are making the big shift to renting, Millennials and Gen Z maintain their foothold on being the largest share of renters.<sup>4</sup> They've been challenged with uncertain employment conditions and mounting student loan costs.

In this scenario, renting provides key benefits like:

- Affordability
- Mobility & Freedom
- Commute Flexibility

This segment of the population is directly correlated to auto insurance shoppers; the number of renters seeking car insurance increased 16% YOY in 2020. That's why it's important for marketers to understand the American renter on a deeper level and not limit cross-sell messages simply to homeowners. With the right data, you can segment your messaging to emphasize different offerings such as your app or digital quote experience, while highlighting the savings you offer.

### AnalyticsIQ Data Variables

Consumer who are Likely to Rent

Renters Likely to Relocate in 3-6 Months

Consumers with Current Property Type like Apartment or Single-Family Home

Early Tech Adopters

Value Seeking Consumers

Online Purchasers

Likely to Make Student Loan Monthly Payments



## Cruisin' Campers: When air travel is down, RV sales soar.

With recent changes to the way we live and work, more and more people are looking for alternatives to the typical vacation spots. Interestingly, according to Expedia, 72% of Americans feel safer traveling by car than by plane in recent years.<sup>5</sup>

As a result, local road trips are replacing plane rides to more exotic places, and the sale of recreational vehicles has skyrocketed. Cooped-up Americans are finding solutions to their cabin fever by traveling across the country with their families in RVs and campers.

As a new market opens up and drivers continue to utilize Recreational vehicles and campers, this is the time for insurance companies to reach these new RV owners with customized messages featuring bundled offers and incentives.

### AnalyticsIQ Data Variables

- Consumers Interested in Camping
- Likely to Travel Domestically OR with Family
- Likely to have High Household Income
- Likely to have High Discretionary Spend on Entertainment
- Likely to be a "Careful Optimist" within Pandemic Personas



## The demand of life insurance continues to grow.

More than ever, individuals are motivated to care for themselves and to protect their families. This heightened sense of avoiding risk and caring for loved ones is reflective of the latest demand in the life insurance industry. Analysts predict that there will be an uptick of demand for life insurance policies and a need for technology to streamline the application process, especially as in-person apps will be less common.

In fact, nearly one in three consumers say life insurance is more important to own now than ever, while another one-third say they plan to purchase new or additional life insurance.<sup>6</sup> However, as the world continues to go more and more digital, many consumers are choosing alternatives to face-to-face engagement.

According to Life Insurance and Market Research Association (LIMRA), 98% of respondents from financial services companies say their customers increasingly want to shop online and use video engagement tools.<sup>7</sup>

For marketers, this is a crucial time to deliver services to those who need it most. With the right data, you can promote your key life insurance products and advertise the digital ease with which consumers can work

### AnalyticsIQ Data Variables

Likely to Purchase Term Life Insurance  
OR be In-Market for Life Insurance

Likely to have Children

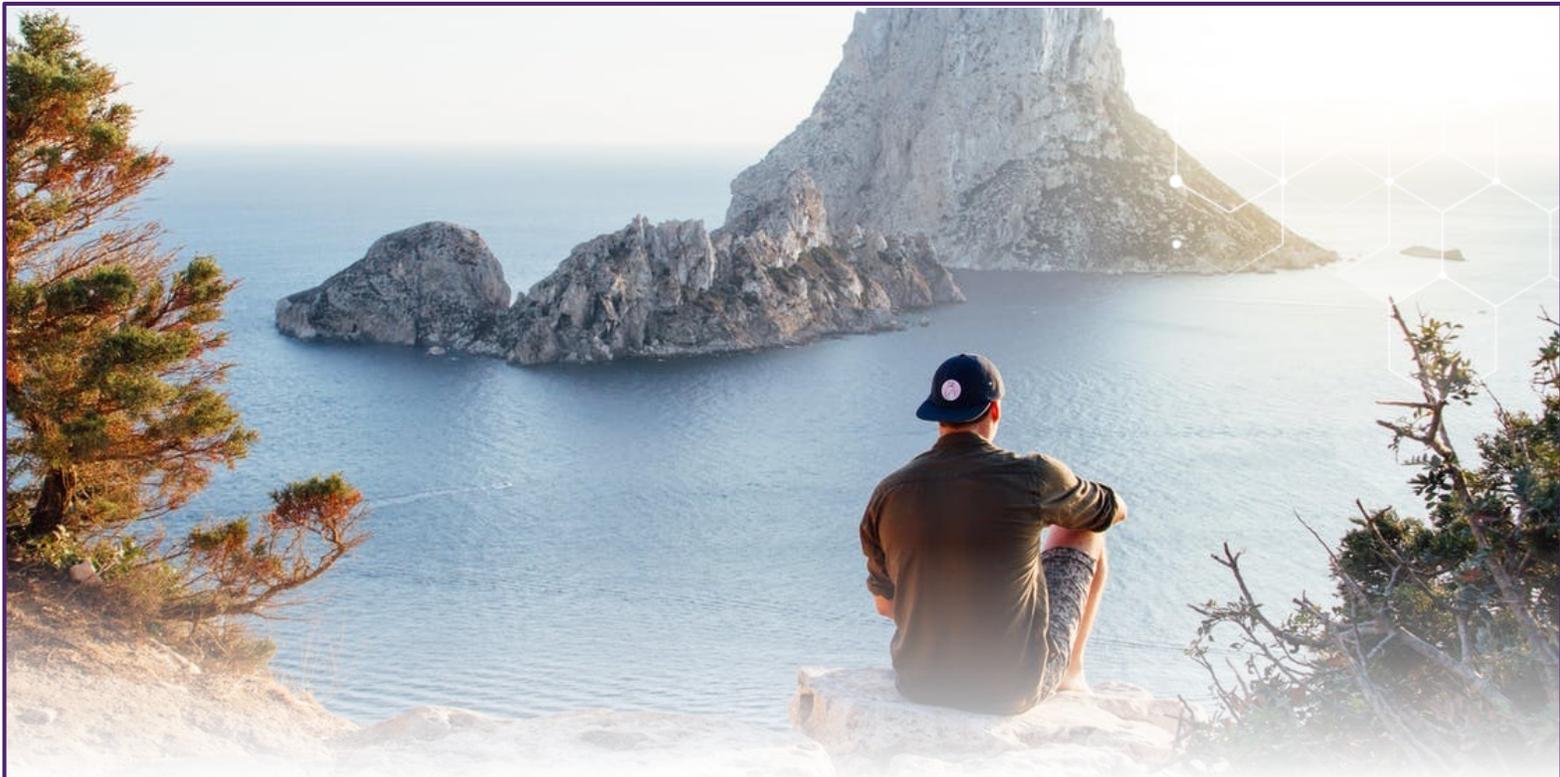
Marital and Employment Status

Annual Household Income

Wealth Predictors

Likely Risk-Taking Level with Safety  
Precautions AND Financial Matters

High Motivation to Plan Personal Finances



## Pent up wanderlust skyrockets the need for travel insurance.

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Many American consumers are experiencing a longing to travel. But with the uncertainty of travel restrictions, travel insurance is on the rise and of the utmost importance. According to Forbes, 95% of travel insurance policies for trips in recent years included trip cancellation coverage.<sup>8</sup>

So maybe the need for travel insurance isn't quite the surprise. However, the new segment of people purchasing this type of coverage may be. In the past, it was the retired, more mature travelers investing in expensive, exotic trips and cruises who primarily purchased travel insurance.

Now? Not so much.

### **AnalyticsIQ Data Variables**

Likely to be between Ages of 18-49

Likely to Purchase New and Robust Travel Insurance Policies

Likely to Travel Domestically OR Internationally

Risk-Taking Level of Recreational Activities AND Financial Matters

Likely Level of Impulsiveness

Today, it's the 50 and under crowd who is feeling more bold. This group is comfortable with international trips and likely has the flexibility with their remote working lifestyle. In fact, nearly 7 out of 10 travel insurance plans purchased in recent years were for trips to other countries.

However, this audience is less comfortable losing money from a last-minute cancellation, and therefore, would benefit from additional travel insurance. As the desire to break up the monotony of lockdown continues, data, insights and personas are key to pursuing the audience of ideal customers and prospects.



## AnalyticsIQ: Maximize your Insurance Marketing Efforts with Valuable Data Insights

Whatever the trend – or type of insurance – our data is here to guide you through it. From automotive to life insurance (and everything in between), our data holds the key to help your company address these consistently changing and every-evolving trends within the insurance landscape.

Our flexible approach makes using sophisticated data to improve your organization's marketing effectiveness easy. Whether you are looking to test data, build custom audiences, or target prospects across channels, we are here to help, and we have over 1,900 audiences available across platforms.

Are you ready to learn more about our insurance-specific data assets? Contact us at [sales@analytics-iq.com](mailto:sales@analytics-iq.com) today – we'd love to set up a time to chat and discuss how our predictive data elements can make a world of difference for your marketing outreach and overall strategy.

Interested in  
creating custom audiences?

From demographic insights  
to motivation predictors,  
AnalyticsIQ is here to create  
the exact custom audience  
you need!



## Sources

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