

COVID-19 DIGITAL LISTENING for

PROPERTY & CASUALTY

Group and Individual Benefits Insights and Competitor Trends

4.24 – 5.07 BRIEFING



MARKETBRIDGE



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April 24 – May 07

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1 Despite auto premium relief announcements, consumers expect more to be done.

WHAT IS HAPPENING

- According to a new [J.D. Power study](#) not only are many consumers unaware their auto insurer has issued premium returns, consumers who are aware of premium relief actions still seek further relief from their auto insurer.
- Even in light of premium relief discounts, auto insurance satisfaction levels continue to decline, down 31 percent in three weeks among those consumers who say they are very satisfied with their auto carrier relationships.
- USAA and Allstate both announced they will [extend premium refunds](#) to auto insurance members as many shelter in place orders remain in effect.

WHAT ARE THE DETAILS

Survey Results:

Lack of Awareness:

- 37 percent of consumers are aware their auto insurer has provided a COVID-19 related refund:
 - Of those who are aware, 15 percent said they would [still](#) shop for another carrier to get additional premium relief
 - Of those who are not aware, 23 percent said they would shop for another carrier to get additional premium relief

Impact of Communication on Switching Behaviors:

- 49 percent of customers expect to be contacted by their carrier regarding options/updates to manage costs and coverage during COVID...however only 36 percent have been contacted
- Customers who expect to be contacted, but aren't, are almost twice as likely to switch carriers

Changing Priorities:

- Customers have displayed a 20 percent increase in price sensitivity related to their auto insurance policies, as quality of coverage declines in importance

WHY THIS IS IMPORTANT

Auto

Customer expectations and behaviors about their insurance policies are rapidly changing as the impacts of COVID persist.

IMPLICATION

Auto insurers will continue to be challenged to offer competitive concessions, as well as remain in regular communication with members to promote their supportive efforts and attempt to mitigate switching behaviors.



- Extending a [20 percent credit to another month's worth of premiums](#) (in addition to the 20 percent premium on the previous two months)
- [Granting another refund for auto insurance members](#) in specific geographies displaying reduced driving (i.e. urban areas)

2 AmeriTrust and Grange Insurance offer relief plans to SMB members.

WHAT IS HAPPENING

- Midwest insurers AmeriTrust and Grange both announced Businessowner Policy (BOP) paybacks in response to the hardships small business owners are facing during COVID-19.
 - Other insurers such as Liberty Mutual have also offered a similar refund.
- The estimated losses for all small businesses per month are expected to be between \$220 and \$383 billion.

WHAT ARE THE DETAILS



- Offering a 20 percent refund for premiums that were paid in April and May.
- Creating an 'Economic Relief Payment Plan' that offers a zero-down payment relief plan for qualifying new business accounts.
- Extending its guaranteed policy renewals through July 31 (previously extended up until July 1).



- Offering a 20 percent refund for premiums that were paid in April and May for customers who have had policies since the end of March.
- Customers will automatically receive their payments, if eligible.
- Refunds build upon other relief initiatives Grange is providing to customers like adjusting general liability and workers comp policies, in response to changes in exposures and reduction in business.

WHY THIS IS IMPORTANT

Business

Insurers are offering flexible financial terms to SMBs, recognizing many are closed or operating on a limited basis.

IMPLICATION

Insurers will need to continue work with its customers to offer relief as small businesses are likely to suffer additional losses as the country re-opens slowly, not yet allowing SMBs to get back to business as usual.

3

Mercury Insurance partners with musicians to take its traditional concert series online.

WHAT IS HAPPENING

- According to a recent [Edelman Trust Barometer survey](#), U.S. consumers are keeping a close eye on how brands are handling the pandemic.
- Mercury Insurance is hosting an [online concert series](#) in lieu of their traditional in-person concert series to support artists.
- As a Mercury VP reported, ‘we wanted to do something special for music fans, while also helping artists in their time of need...And the best part is that fans may find they could save a lot of money if they switch to Mercury Insurance!’

WHAT ARE THE DETAILS

Survey Results of U.S. Consumers:

- 29 percent have already begun using a new brand due to the innovative or compassionate way they have responded to COVID-19
- 61 percent believe how well a brand responds to this crisis will have a huge impact on their likelihood to buy from the brand in the future
- 69 percent agree brands and companies that are seen as placing profits before people during the crisis will lose consumers’ trust forever
- 66 percent feel hearing from brands (currently used) about what they are doing to respond to the pandemic is comforting and reassuring



- Sponsoring four artists who will perform live performances on Mercury’s website throughout May.
- The concerts will be open to the general public.
- Mercury is making a financial contribution to the artists for each free auto insurance quote they receive.

WHY THIS IS IMPORTANT

Auto

Mercury is taking its traditional concert series online to build its brand with a blend of community support while encouraging insurance quotes.

IMPLICATION

Brands able to positively support the community are apt to drive more business consideration as consumers align themselves with companies whose values mirror their own.

4 Agent morale amid the pandemic remains high, but fear of long-term impacts loom.

WHAT IS HAPPENING

- Channel Harvest Research recently conducted a [survey of US independent agents](#) to find out how they are handling customers, the future, and feelings about the insurance industry as a whole, during the pandemic.
- The study revealed that while agents are currently doing well, with a high morale about the situation at-hand, ‘many agents are worried about the longer-term impact of policy cancellations.’
- However, many respondents are reacting positively to working from home.
- The research group plans to continue to poll agents in the coming months to see if there is a downturn in morale as the situation may continue to worsen.

WHAT ARE THE DETAILS

Survey Results:

- Popular insurance conversation topics with clients:
 - Business interruption (74 percent)
 - Auto (50 percent)
 - Worker’s compensation (38 percent)
- Most effective communication channels:
 - Email (90 percent)
 - Phone calls (81 percent)
 - Texting (30 percent)

WHY THIS IS IMPORTANT

While agents are feeling optimistic in the short-term, their long-term outlook reflects concerns about their business.

IMPLICATION

Insurers will need to actively support agents in this new and challenging environment to help bolster morale and enable agents to succeed with the right content, technology and support.

Industry News Related to Coronavirus

As of May 7, 2020

DIRECT-TO-CONSUMER AUTO INSURANCE SALES EXPERIENCE THE MOST GROWTH

- GEICO and Progressive accounted for nearly 92 percent of all premium growth last year, suggesting consumers are displaying direct-to-consumer auto insurance buying behaviors, according to J.D. Power 2020 U.S. Insurance Shopping Study.
- The trend is likely to be further boosted as customers are increasingly focused on convenience and value due to the pandemic.
- As more customers prioritize price, direct insurers are in the best position to benefit because of their cost-of-acquisition advantages.

COVID-19 DRIVES CLAIMS VOLUME INCREASE FOR LIFE INSURANCE

- U.S. life insurers might face up to \$7.2B in claims if COVID-19 deaths hit the high end of projections.
- The figure includes the costs for policyholders that are between the age of 56 and 74, which are estimated to total \$4.1B for individual and group plans.
- However, the study also supports the idea that life insurers can financially handle these increased costs.

BRIGHTWAY INSURANCE OPENS SEVERAL NEW FRANCHISES

- Brightway Insurance announced it will open several new franchises in Texas, Florida and New York.
- The move shows Brightway Insurance is committed to customers and the people who want to build their own Brightway business.

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