

Insurance companies: between artificial intelligence and human expertise

Scepticism towards the use of artificial intelligence (AI) is decreasing slightly among people living in Switzerland, and the trend towards using online channels continues to persist. These and other findings emerge from the fourth edition of the "Swiss Insurance Monitor".

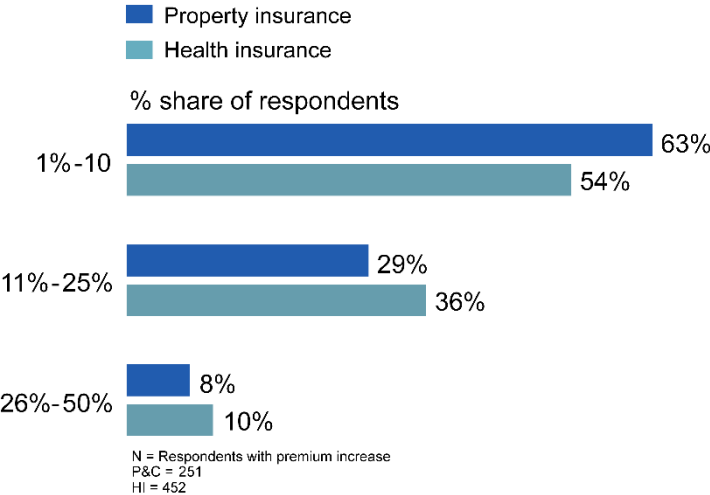


Figure 1: Percentage premium increase for property and health insurance

The Swiss Insurance Monitor is an annual survey that gathers representative opinions on the insurance industry from the Swiss population. The results show that transparency is essential, especially when communicating price adjustments to insurance premiums. Furthermore, health and property insurance customers stated that they can better understand premium increases in 2024 compared to the previous year's survey period. In total, 89% of the 1,009 people surveyed stated that they had been affected by an increase in health

insurance premiums. The situation is different for property insurance: here, 50% of respondents have seen an increase in premiums, although the perceived financial burden of premiums has fallen slightly year-on-year. In contrast, health insurance premiums represent a high average financial burden for the population living in Switzerland.

Do premium increases influence customer behaviour?

Despite the high premium burden, 31% of customers whose health insurance premiums had increased and 42% of those whose property insurance premiums had increased did not take any further action. 21% of health insurance customers and 18% of property insurance customers stated that they had thought about changing their insurance. Only 8% of health insurance customers and 3% of property insurance customers chose a different insurance policy, and 5% and 4% respectively switched providers

Trend towards online channels continues to persist

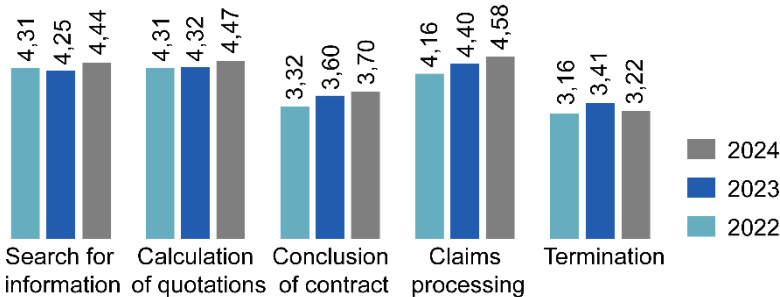


Figure 2: Current offline versus online behaviour throughout the customer journey (1: exclusively offline, 4: undecided, 7: exclusively online)

There is increasing demand for online channels when it comes to customer interaction. However, it is unclear whether customers are making more use of existing online channels or whether insurers are providing a broader range of services. The data from 2024 confirms the trend seen in recent years:

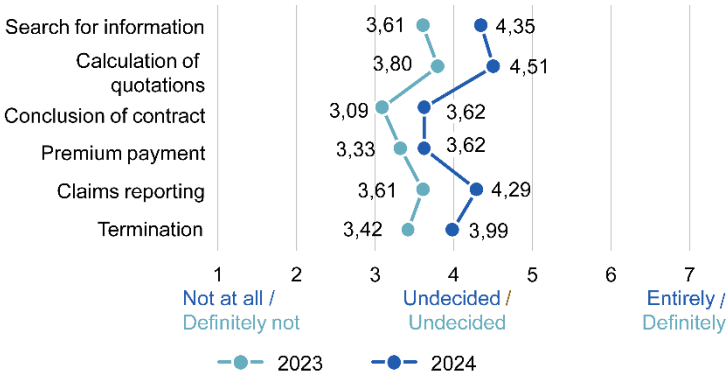
People in Switzerland increasingly favour online channels when searching for information about insurance, calculating quotes and processing claims. Since the launch of annual customer journey tracking by the Swiss Insurance Monitor (2022), searches for information and calculations of quotes in particular have seen a steady shift towards online channels. This trend towards online channels is increasing, particularly among younger age groups and the urban population.

In the past 12 months, 41% of people have enquired about new or alternative insurance policies. Insurance providers' websites and independent comparison sites dominate the search for information, but personal dialogue with customer advisors or friends also plays an important role. Novel solutions, such as AI applications, are also being used for the first time to search for information and are on a par with social media (3% each).

Having said this, when it comes to contract-related insurance transactions, such as concluding or cancelling a contract, offline channels are still preferred. However, the use of online channels has also increased slightly when it comes to changed or newly concluded contracts, while a trend towards offline channels can be seen for cancellations. Overall, customer advisors are the preferred contact people for taking out insurance policies, even though this has seen a slight decline.

Among those surveyed who are in contact with customer advisors (55% of the population), the relationship with the advisors is perceived as being "personal". Respondents also predominantly rated the advisors as "knowledgeable", a result that is consistent in a year-on-year comparison. In addition, advisors increasingly have the opportunity to incorporate new technologies into their interactions: two thirds of people with customer advisors rate this as being positive.

Decreasing scepticism about AI



New applications using artificial intelligence (AI) are in vogue, and 56% of the population living in Switzerland has already used these types of applications – 45% in their personal lives and 30% in a professional context. Despite this prevalence, AI applications tend to be viewed negatively, with people living in rural areas viewing them more negatively than the urban population and older people more negatively than younger population groups.

Figure 3: AI applications throughout the customer journey
Question 2024 (dark blue): To what extent do you expect that applications or computer programmes using artificial intelligence can improve or facilitate the processing of the following insurance matters?
Question 2023 (cyan): To what extent would you like to receive support powered by artificial intelligence?

Despite having a slightly negative view of AI applications, the population feels that these can make it easier to search for information, calculate quotes or report claims. In particular, customer groups that have a positive attitude towards AI applications expect improvements in the form of time savings and more precise search results. Compared to the previous year, it is evident that customers are much more open to AI applications. What counts in this context is transparency: 80% state that it is important for them to be informed by companies that AI is being used.

Opportunities and challenges in the insurance industry

As previously stated, respondents increasingly want to interact with their insurers via online channels. The Swiss Insurance Monitor shows that more than 50% of respondents made claims online in both 2023 and 2024. Similarly, in 2024, just under 50% (2023: just over 50%) of respondents stated that they could imagine signing off on insurance matters exclusively using digital channels in future. In addition to online interaction, 39% (2023: 41%) of respondents would like to be able to simulate claims online before concluding a contract. In addition, 57% would like to have insurance-related documents stored in a central app. 65% would like to be able to choose between different payment methods – e.g. by invoice, Twint or credit card – and more than 50% would like to be able to quickly adjust the payment frequency – e.g. monthly or quarterly.

Study background

The data basis for the Swiss Insurance Monitor is a representative online survey of 1,009 people living in Switzerland. The survey took place between 4 June and 12 June 2024 in partnership with YouGov. The "Swiss Insurance Monitor 2024" is part of the Swiss Consumer Studies carried out by the Institute of Marketing and Analytics (IMA) at the University of Lucerne. In 2024, the study was conducted in collaboration with ETH Zurich and the University of St. Gallen for the first time. The project is supported by VDVS – Verband Digitalversicherung Schweiz (Swiss Digital Insurance Association), elaboratum suisse GmbH, FinanceScout24 (SMG Swiss Marketplace Group AG) and a consortium of insurance companies, health insurers and service providers.

Complete study report

The complete 80-page study report contains comprehensive analyses of the current situation within the insurance industry in Switzerland and offers deeper insights into consumer behaviour and trends affecting the Swiss insurance market. For further insights, the study includes sub-group analyses at selected points. For example, respondents are categorised by age group, place of residence or customer characteristics (e.g. "need for convenience").

The complete study can be ordered from the [Swiss Consumer Studies](#) website. Selected results are also freely available there in PDF format (one-pager).

Information

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