Insurance Shopping In The Digital Age
# An I.I.I. PulsePoints Report

July 2016

The Takeaway

Online shopping has now become an integral part of most consumers' day-to-day behavior. The digital age is changing the way consumers shop, and insurance is no exception. In a lot of ways it's easier than ever to shop from home, with phones and the internet. But a lot of people continue to trust and depend on an insurance agent. Here at the Insurance Information Institute, we wanted to learn a bit more about people's attitudes toward insurance shopping. We polled a nationwide sample in November 2015 **(See Appendix)**.

1. First we wanted to find out how much people shop around for auto insurance. We found that about 70 percent of consumers say they look for the best deal when renewing an auto policy.

2. We also found out that more people use an agent than call for a quote or shop on the internet.

3. We were also curious whether people wanted to look at their policies on the internet, either when they were shopping or after they had purchased their auto insurance policy. Most people said "yes" to both. We've asked these questions before, but this time people were more likely to say "yes" than in previous polls.

Based on all of this, we concluded that the internet is an important source of information that insurers need to keep in mind as they reach out to potential customers. But there are still a lot of people who depend on the traditional insurance agent or prefer doing business over the phone.
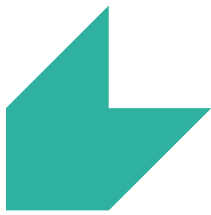
I. How Do People Shop For Auto Insurance?

What Drives the Decision Process?

Some people find shopping for auto insurance kind of daunting; you have to answer a lot of questions about yourself and your car (or cars if you have more than one). So we wondered if consumers even bothered to use all the comparison websites that allow people to shop for auto insurance.

Turns out they do. We've asked about shopping habits twice, in May 2014 and last November, and we learned that consumers are keen shoppers when it comes to auto insurance.

Sixty-nine percent of people who had auto insurance in November 2015 said they compared prices when shopping for auto insurance. It looks like there might

be an upward trend, since in May 2014 only 63 percent price-shopped **(Figure 1)**.

You might think that's because the internet has made it so easy to shop, that people are so used to Amazon and NexTag and Bizrate that they just cue up the internet when it's time to look for auto insurance.

That's part of the reason, but there's more to it than that. Half those interviewed went old school—they contacted an agent. That's more than shopped online (39 percent) or over the phone (37 percent). And it's nine percentage points higher than the last time we asked. This group grew more than those who shopped online (39 percent in November 2015, up from 36 percent in May 2014) or over the phone (37 percent in November 2015, up from 31 percent in May 2014).
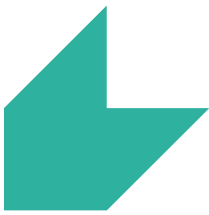
Fig. 1

Most consumers compare prices when their auto insurance policy is up for renewal.

When their policy was up for renewal, percentage who said they...

	Shopped (in any way)	Talked to an agent	Shopped online	Shopped on phone
May 2014	**63%**	**41%**	**36%**	**31%**
Nov 2015	**69%**	**50%**	**39%**	**37%**

There were some differences by age, though. As you might expect, younger people were more likely to shop online. More than half of the youngest people surveyed, those 18 to 34 years old, said they compared prices online **(Figure 2.1)**. The number saying they did so declined for each age group, with about one in five of those 65 and older saying they used the internet to compare prices. The numbers for the youngest people rose seven percentage points, as did the numbers for those over 65. But for other age groups, there wasn't much change.

We found that people who have tight budgets are more likely to shop, and found that households with lower incomes were more likely to compare prices than those making $100,000 or more **(Figure 2.2)**.

Except for those making the most money, the numbers were higher for all income groups compared to when we asked the question in 2014.

Education level mattered, with three-quarters of those who had a high school diploma or less education saying they compared prices in November 2015. College graduates were least likely, with 62 percent saying they did so. This tracks with household income since more education often translates to higher earnings.

Asked of those who have auto insurance: when your policy was up for renewal, did you compare prices at different insurance companies?

Fig. 2.1

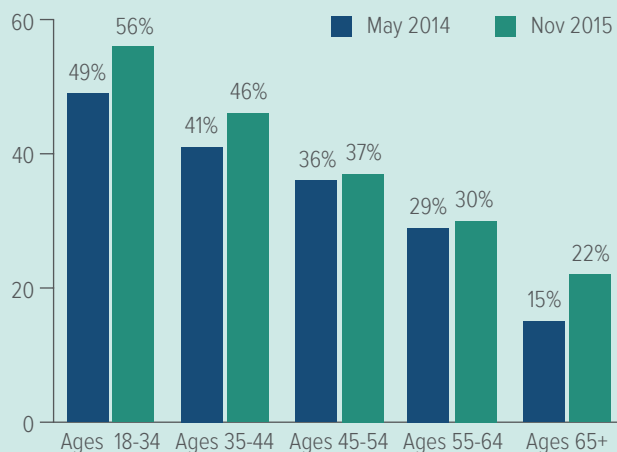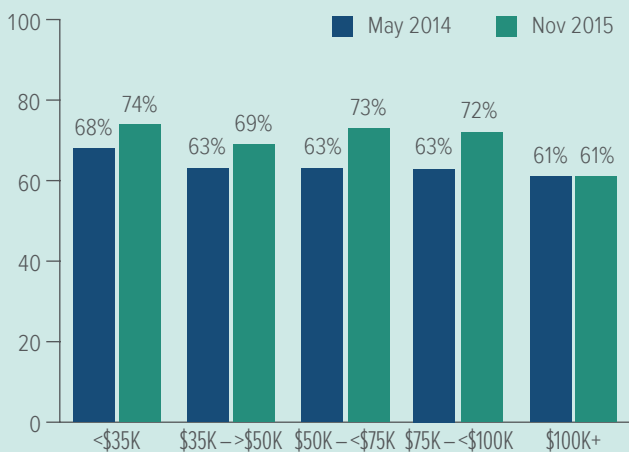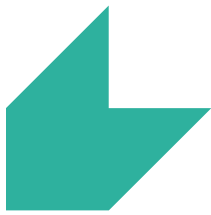**Percentage by age range who compared policy prices *online***

■ May 2014 ■ Nov 2015

Fig. 2.2

Percentage by income range who compared policy prices *in any way*

■ May 2014 ■ Nov 2015

II. Do People Want To Do More Than Just Compare Price?

Consumers Like Choices—But Do They Want to See Them All In One Place?

We know people compare prices when shopping for auto insurance, but we also wondered whether people would want to compare the actual policies they are shopping for online. It turns out they do; the overwhelming majority—nearly 80 percent—said they like to see all their policy options displayed on a single website.
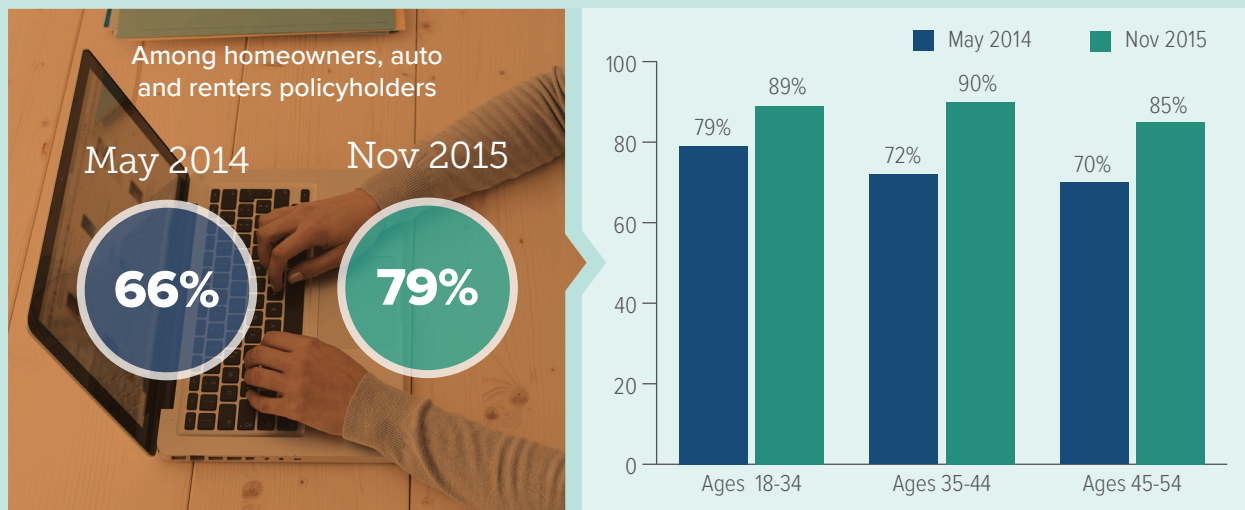
Age was the biggest factor in whether people wanted to see their options. About 90 percent of those 44 or younger said they did. A bit more than half of those 65 and older said they wanted such an option (Figure 3).
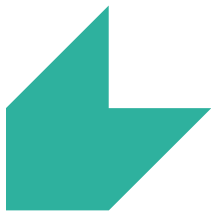
Education played a part as well. People with the least schooling (high school graduates or less) were least likely, at 73 percent, while those who had at least some college came in about 10 percentage points higher.

Fig. 3

Almost all shoppers want to see all their policy options displayed on a single website.

Percentage who want to compare policies online when shopping for auto insurance

Among homeowners, auto and renters policyholders

May 2014: **66%**

Nov 2015: **79%**

Bar chart (May 2014 / Nov 2015):
- Ages 18-34: 79% / 89%
- Ages 35-44: 72% / 90%
- Ages 45-54: 70% / 85%

III. Do People Want To See Their Policies Online?

Insurers Say, "Read the Documents."
Consumers Say, "Online, Please."
Not only do people want to see policies online when they are shopping for insurance, they also want to be able to see online all the policies they currently have. (Maybe they want to see if they are covered in case something happens to them.)

Our survey found that 70 percent of those who hold auto, homeowners or renters insurance would like to view their policies online.

Household income made a big difference, too. People earning at least $50,000 were much more likely (80 percent or more) than those making less (under 70 percent) to say they want to view policies online. And people with some college, and those who earned a degree, were much more likely to want this than people with a high school education or less **(Figure 4)**.

Most people want to see their own policies online.*

Fig. 4.1

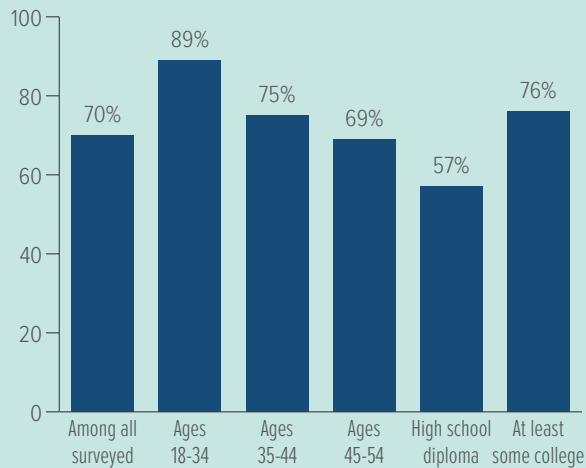**Percentage by age range or education who want to be able to view their insurance policies online**

Category	Percentage
Among all surveyed	70%
Ages 18-34	89%
Ages 35-44	75%
Ages 45-54	69%
High school diploma	57%
At least some college	76%

Fig. 4.2

Percentage by income range who want to be able to view their insurance policies online

Income Range	Percentage
<$35K	59%
$35K – <50K	69%
$50K – <75K	81%
$75K – <100K	83%
$100K +	84%
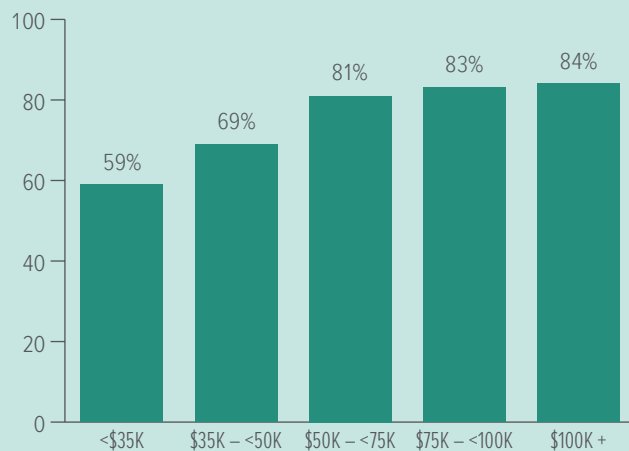
*Asked of those who have auto, homeowners or renters insurance
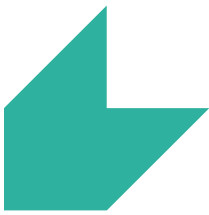
So What Does This All Mean?

Here's What We've Learned From Your .

People are serious when they shop for auto insurance. They are likely to shop around when renewal time comes. And since we know they want to be able to look at policies online, they seem to be interested in comparing policy terms as well as price.

We know that people are most likely to use an agent to shop, but that the internet is important too, especially for younger people. As younger generations grow older, it's likely to become the go-to source for insurance information. But agents remain a popular way to shop, so they won't be going away soon, if ever.

While the poll found that more people are using the internet to help them find insurance, there are differences among groups. Those with less education and lower incomes are more likely to compare prices online.

Even after they have paid for their insurance, consumers still want an easy way to check on coverage.

It's clear that people see insurance as an important part of their lives. They understand that it can be complicated—that's why so many people rely on agents. They want to shop for auto insurance carefully. And they want to use their insurance properly—that's why they want to their policies accessible online.

Younger people seem to want these things more than other people. As they get older, the internet will become an even more important platform for insurance companies to understand.
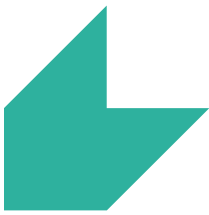
Methodology

This report presents the findings of a telephone survey using two probability samples: randomly selected landline telephone numbers and randomly selected mobile (cell) telephone numbers. The combined sample consists of 1,011 adults (18 years old and older) living in the continental United States. Of the 1,011 interviews, 511 were from the landline sample and 500 from the cellphone sample. Interviewing for this survey was conducted on November 12–15, 2015. For the overall sample, the margin of error is plus or minus three percentage points at the 95 percent confidence level. Percentages may not add up to 100 percent due to rounding into whole numbers, respondents answering "don't know" or because of questions where multiple responses are allowed.

Pulse Poll Questions

1. When your auto insurance policy was up for renewal, did you compare prices at different insurance companies in any of the following ways? *(asked of those who have auto insurance)*

    - Online

    - By phone

    - By talking to an agent

    - None of these/did not compare prices

    - Don't know

2. Would you like to be able to view your auto, homeowners or renters policy online? *(asked of those who have auto, homeowners or renters insurance)*

    - Yes

    - No

    - Don't know

3. When shopping for an auto, homeowners or renters insurance policy, would you like to view all policies available to you on a single website? *(asked of those who have auto, homeowners or renters insurance)*

    - Yes

    - No

    - Don't know