

Wednesday, 16 May 2018

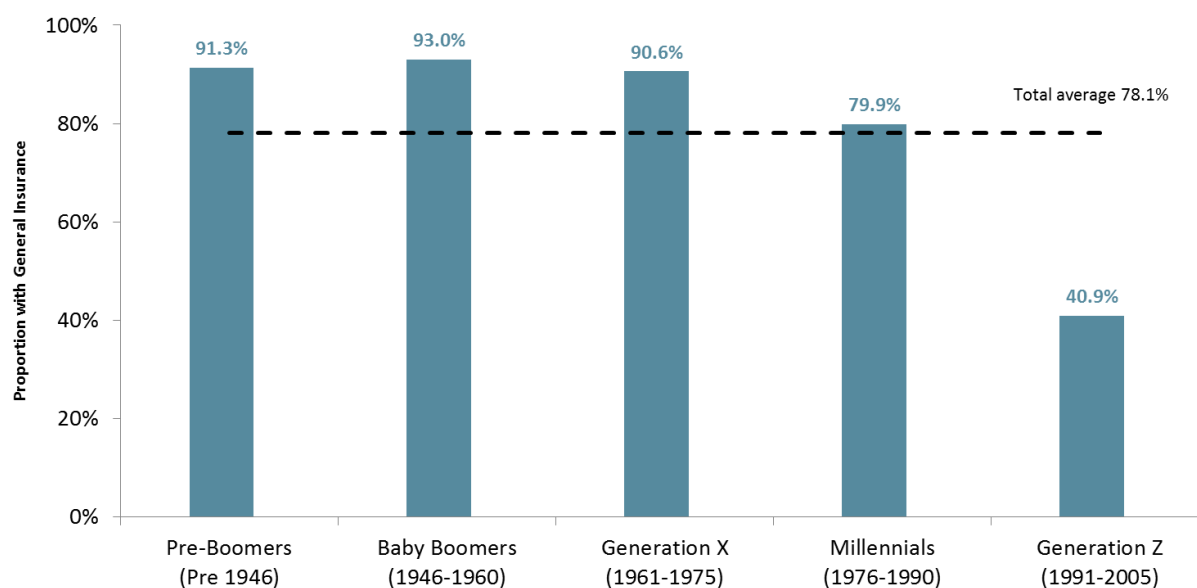
Millennials and Gen Z greatest growth potential for general insurance

New research from Roy Morgan shows that in the 12 months to March 2018, Millennials and Gen Z offer the greatest growth potential for general insurance. These two youngest generations currently have much lower incidence of general insurance than the older groups but offer the greatest potential as they get older and their insurance needs grow.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers per annum, including coverage of over 40,000 general insurance customers.

The following chart shows that only 40.9% of Gen Z and 79.9% of Millennials have any type of general insurance due mainly to their younger age and associated lower property involvement. These two segments are well behind Baby Boomers (93.0% with general insurance), Pre-Boomers (91.3%) and Gen X (90.6%). These older age groups are close to saturation with general insurance, leaving the major future growth potential with Millennials and Gen Z.

General Insurance¹ Penetration by Generations



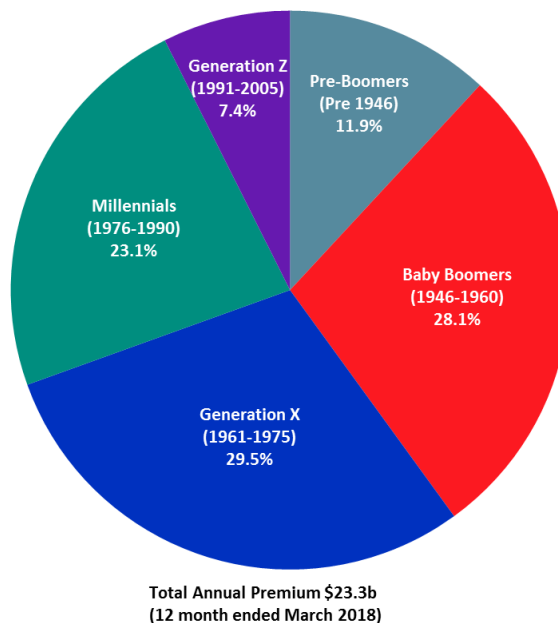
Source: Roy Morgan Single Source (Australia) 12 months ended March 2018, n = 50,014
Base: Australians 14+. 1. Includes all types of general insurance

Gen X and Baby Boomers have highest share of premium value

Generation X currently accounts for 29.5% of the value of the annual domestic general insurance premium market, followed by Baby Boomers with 28.1%. These two generations combined account for 57.6% of the current total estimated annual premium value of \$23.3b for this market, well above their 43.6% of the 14+ population.

Although Millennials account for 23.1% of the total premium value, their general insurance penetration of only 79.9% leaves a large market opportunity as their needs grow over the next decade. Gen Z currently accounts for only 7.4% of market value but with an overall general insurance penetration of only 40.9% there is a great growth opportunity in coming years.

General Insurance Market - Dollar Share of Premium by Generations



Source: Roy Morgan Single Source (Australia) 12 months ended March 2018, n = 50,014
Base: Australians 14+ with general insurance 12 months ended March 2018, n=40,363

Pre-Boomers account for 11.9% of the total premiums but as the oldest group, their numbers are declining. As 91.3% already have general insurance, their growth potential is limited and as a result customer retention should be the major focus.

Norman Morris, Industry Communications Director, Roy Morgan says:

"Domestic general insurance with an estimated current annual premium value of over \$23b is of major significance to the insurance industry. Understanding the major components of this market is important in terms of vehicle, household and the smaller categories but there is also a need to know which segments have the greatest potential and their customer profile."

"The growth prospects appear to be greatest with the growing needs of Millennials and Gen Z but at the same time there is a need to retain the customers in the three older age groups."

"This is a highly competitive market where many shop around at renewal time, so there is a need to focus on customer satisfaction and competitive pricing."

To learn more about Roy Morgan's general insurance data, call (+61) (3) 9224 5309 or email askroymorgan@roymorgan.com.

Please click on this link to the [Roy Morgan Online Store](#).

About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be

95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

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