

# Head first

Supporting consumers' mental wellbeing through insurance



Enabling everyone to maintain a high degree of mental wellbeing throughout their lives brings benefits for individuals, employers and society.

Swiss Re research finds a segment of consumers who would welcome innovative protection from insurers for their mental health and wellbeing. We explore the challenges that these consumers highlight and potential solutions for forward-thinking insurers to use to help strengthen resilience.



Poor mental health creates a burden on society. It is estimated to cost the economy more than USD 1 000 per citizen each year in Australia, Canada, France, Germany, the UK and the US.<sup>1</sup> Each person in the workforce loses on average two working days per year to poor mental health.<sup>2</sup> Insurers also pay an estimated USD 15 billion of mental health-related disability claims globally each year.<sup>3</sup>

Now re-read the first sentence. It includes the word “burden”. For too long, society has viewed consumers’ mental wellbeing as a challenge, but this is changing fast. Our latest research finds people openly discussing their mental health and taking steps to actively manage it. We also find a gap between the mental wellbeing support and protection that people desire, and the solutions that the insurance industry offers.

Insurance is vital in society as it transfers risks away from individuals to strengthen their ability to withstand shocks. But are consumers willing to engage with insurers to help to strengthen their mental health resilience? If so, what profile of customer might insure this risk, and what cover do they need?

Swiss Re’s global consumer investigation into mental wellbeing aims to build springboards toward solutions to people’s needs in an under-served and under-insured area. Swiss Re spoke to more than 4 500 consumers aged 25–70 with income above the national median in Australia, Canada, France, Germany, Japan, the UK and the US, in two phases.<sup>4</sup>



The findings uncover consumers’ mental wellbeing needs and the relevance of insurance in meeting them. These insights offer an opportunity for forward-thinking insurers to provide increased support in an area where the sector’s interests align with those of the consumer.

<sup>1</sup> RANZCP, 2016 (AU), CAMH, 2020 (CA), OECD, 2020 (DE, FR, UK); Health Affairs, 2016 (US); inflation assumed 2% per annum for all markets.

<sup>2</sup> WMHI, 2020 (AU), CAMH (CA), Mental Health Foundation, 2020 (UK), Fair Health, 2019 (US). France and Germany calculated as the per capita average of the other four markets.

<sup>3</sup> Swiss Re Institute estimate, based on various sources for global mental health proportions of disability claims in different markets, 2021.

<sup>4</sup> Consumers with income higher than the national median are those most likely to be able to afford insurance cover.

# A market of 45 million potential customers

Our findings tell us that a significant proportion of consumers are potential customers for insurance products that support their mental wellbeing.

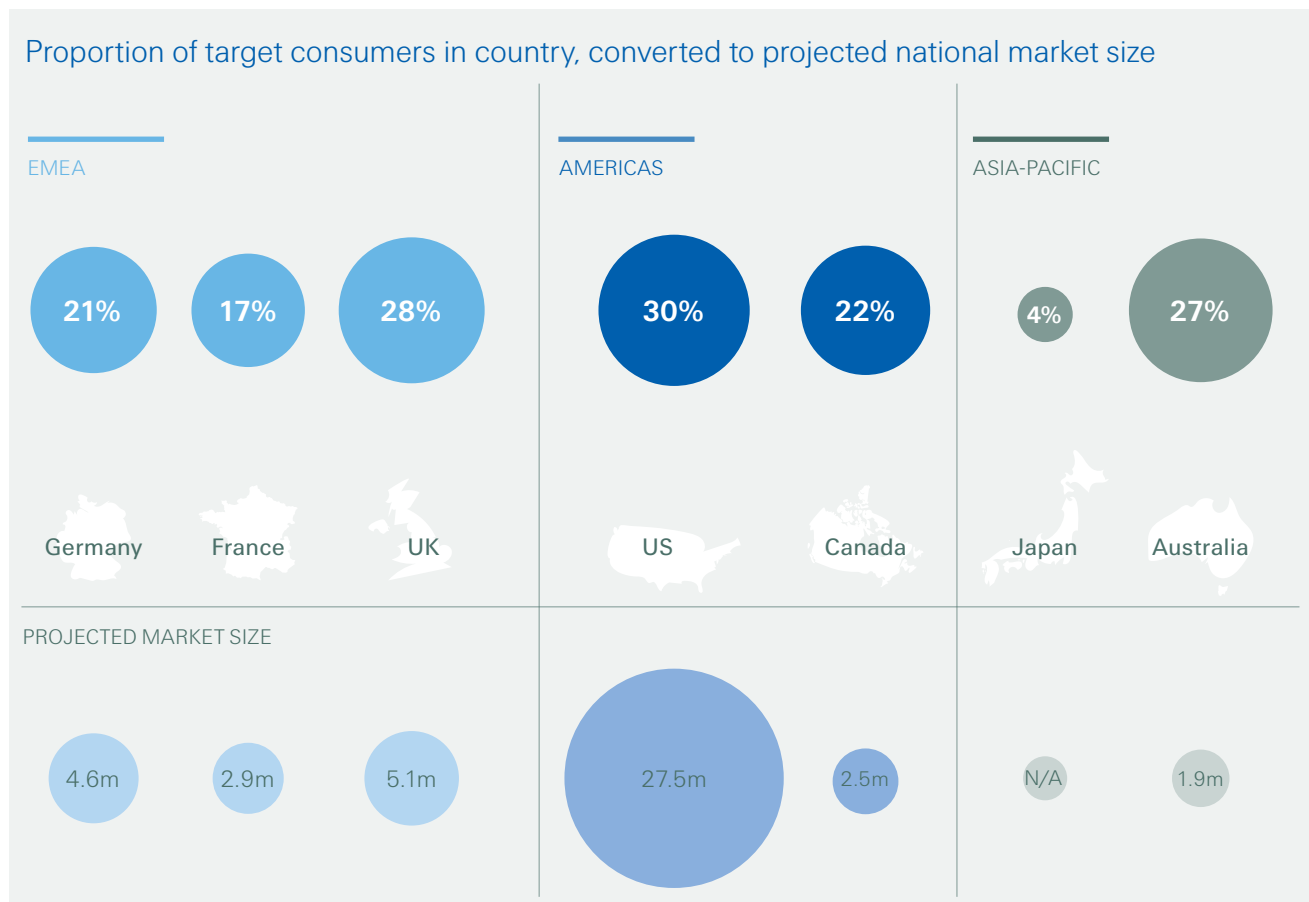
In phase one of the research, more than a fifth (21%) of respondents scored highly across two key factors:

- They view a future negative mental health event as being highly disruptive for themselves or their family;
- They see value in an insurance product covering mental wellbeing.

This forms the target market segment: people who recognise not only that a negative mental health event can be disruptive, but also the crucial role of insurers. Phase two of our research involved talking only to this segment to deeply investigate these consumers' needs.

Extrapolating this customer segment across age and income brackets in each country, we estimate the market size to be about 45 million consumers.

This consumer segment is sizeable in all of the focus markets except Japan. Though the research shows that respondents in Japan are very concerned about mental health, in general Japanese respondents prefer not to admit to mental health issues or to talk about insurance as a solution. This creates a challenge for insurance companies, which will need to build psychologically safe environments that demonstrate empathy and willingness to support clients. This is true for many areas, but especially mental health, which remains a very personal topic for so many. Given these challenges, the second phase of the research does not include Japan.



Source: Swiss Re Institute

# The target consumer: urban, millennial and parents of younger children

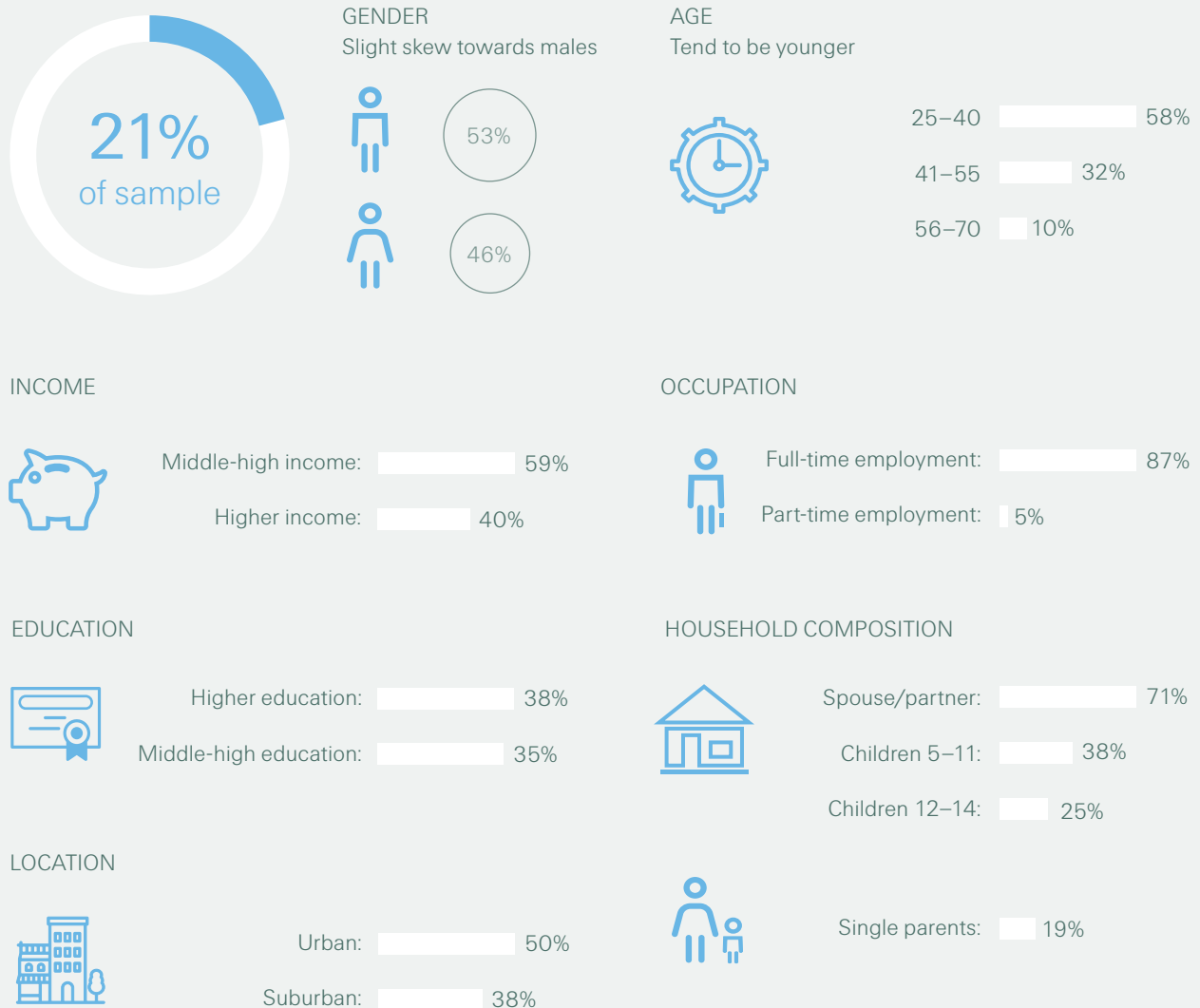
Consumers aged 25–40 are the most enthusiastic about the potential for insurance in support of mental wellbeing, making up 58% of the target market segment.

“Millennials” have been a focus for re/insurers for several years and mental wellbeing is a topic that evidently engages this generation.

The generations preceding millennials have different stances on mental wellbeing. The 41–55-year-old age group makes up 32% of our target segment, but there is still a clear break in attitude with those under 40. Interest was lowest among respondents aged 55 and over (10% of segment).

Our target consumers tend to live in urban areas and have young children at home, a reflection of the skew to younger adults. Many support those children without a cohabiting partner: the research found single parents are almost twice as likely to fall into the target segment, representing 19% of target consumers compared to a 10% share of the consumers not targeted.

**The target segment:** tends to be younger, live in an urban environment, with children at home – including a high proportion of single parents



Note: Only the largest categories of results are shown.  
Source: Swiss Re Institute

They have often experienced poor mental health – but still rate their mental wellbeing highly

We know target consumers are more aware of their vulnerability to negative mental health events than other respondents.

“I think the **trauma** I have been through has **caused my [self-diagnosed] OCD to worsen.**”



“I was **diagnosed with anxiety and depression.** The loss of my father and my marriage breakdown finally **broke the floodgates.**”



“**Neither I nor anyone close to me has ever been burdened with mental health problems.**”



“I’ve never experienced it but **someone in my family has** and it can **impact everyone in the family.**”



What is target consumers’ experience of negative mental health events? One in five say have had mental health difficulties in the past year (the 12 months to early 2020), compared with just under one in 10 consumers outside the target segment.

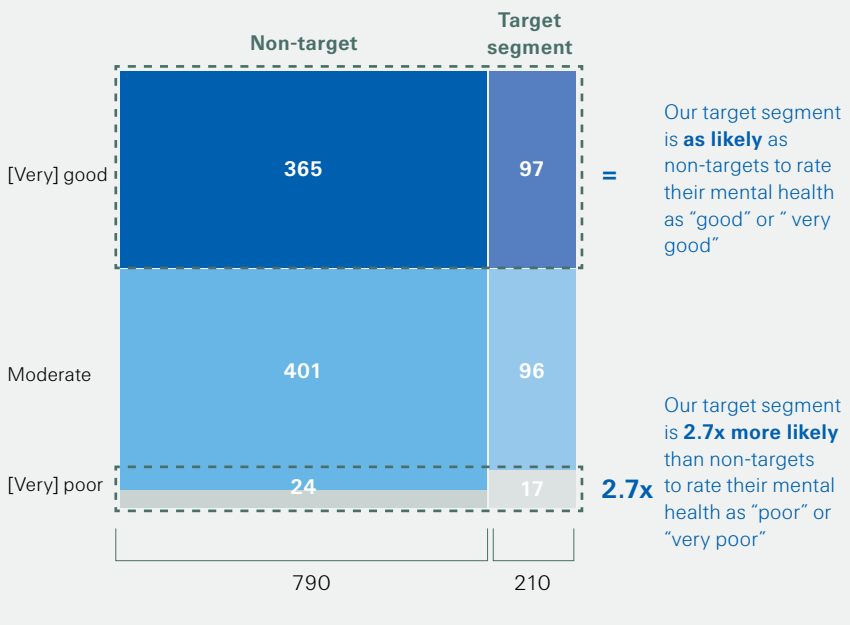
However, this statistic does little to tell the full story. These people range from those with significant ongoing issues, to the “self-diagnosed” and the “high-functioning” anxious or depressed, who manage their conditions well and maintain work and family life. Such a broad spectrum points to the complexity associated with mental wellbeing.

When considering their own mental health, 8% of our target segment rate it as “poor” or “very poor”. However, almost half (46%) rate their mental health as “good” or “very good” – the same proportion as those who are not in the target segment. This suggests that a person’s past mental health is not necessarily a good predictor of present and future mental wellbeing: a potential challenge for underwriting models.

Indeed, most of our target segment have no recent experiences of negative mental health and, for some, their concern is from seeing people close to them experience difficulties. These insights provide food for thought for more effective underwriting of applicants for mental health coverage.

Our target segment is as likely to rate their mental health as “good” or “very good” as non-targets

Self-rating of personal mental health for every 1 000 people



Source: Swiss Re Institute

# The target consumer sees value in insurance, but is not aware of the protection on offer...

"[The insurer] may have policies, it's just that **dealing with battles with mental wellbeing** and then getting knocked back and limited support **can be quite disheartening.**"



The 21% of consumers who form the target segment see value in an insurance product that covers mental health. Despite this, more than seven in 10 (71%) of these respondents cannot confidently name an insurance product that covers them against an episode of negative mental wellbeing. By country, the proportion ranges from 64% in the US and Canada, to 81% in the UK.

Mental health cover is available as part of disability and medical insurance policies; even critical illness typically covers severe mental health conditions. The findings suggest that insurance companies could raise awareness of the protection people can access, and ensure policyholders are aware of their cover should they need it.

"[My health insurer] **wouldn't pay for the medication** as it was AUD 2 below their minimum for payments."



**29% of our target segment are aware** of policies offering cover for negative mental health episodes

**71% of our target segment are unaware** of policies offering cover for negative mental health episodes

"I would have a **claims team who was qualified in mental health issues** who would deal with customers with the care and compassion they need during this difficult time ... The claimant would also **deal with the same team member at all times** as it's important that that they do not suffer any more distress by repeating the same information."



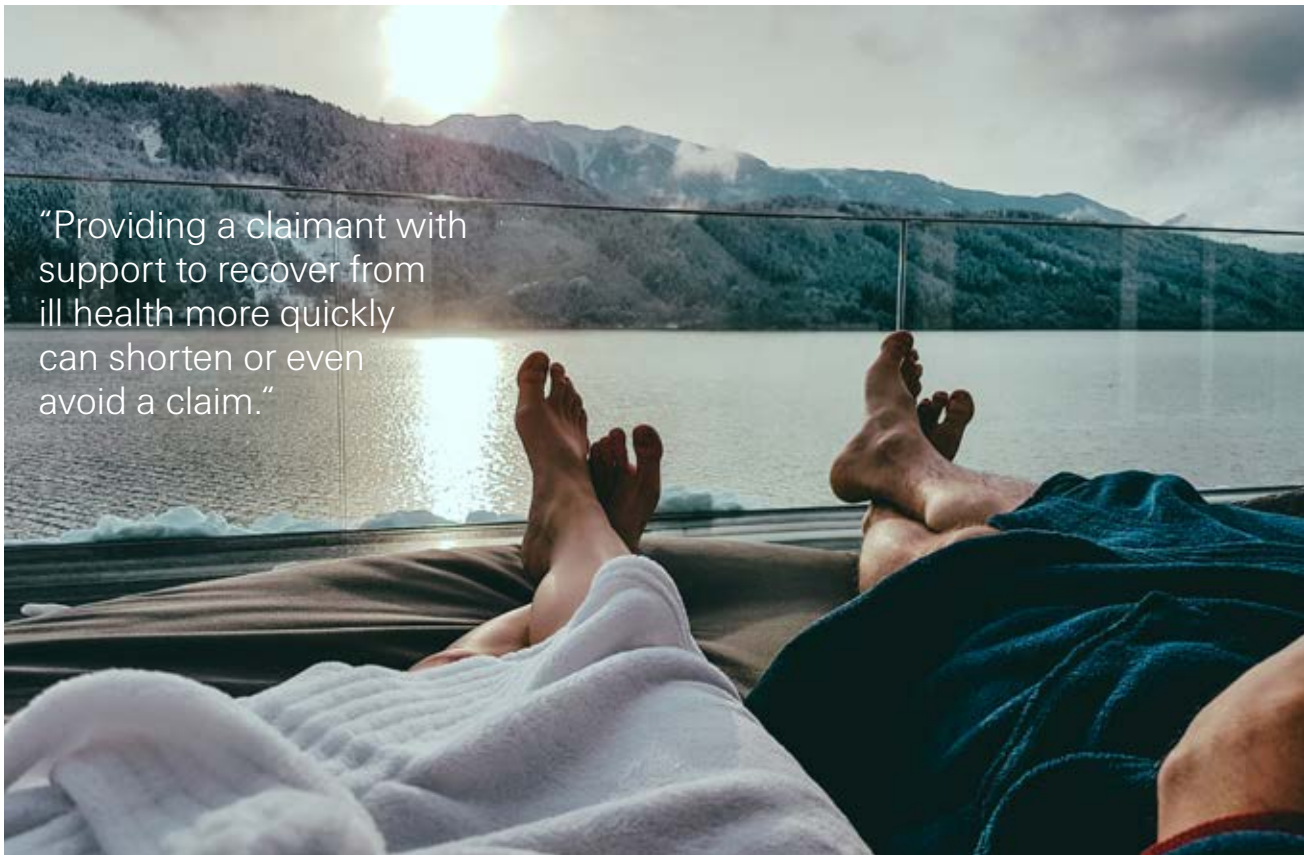
Source: Swiss Re Institute

## ...and many of those who are aware cite a negative experience with insurance

Of the 29% of respondents who can name an insurance product providing coverage for mental health, many of those who have made a claim – mainly through medical insurance – have not received a positive impression. People speak of being passed from one claims handler to another, and having to tell and retell an experience that is often harrowing. Many feel they are not trusted.

The insurance industry could benefit enormously from a wider implementation of a best practice holistic approach to claims for mental ill health. Stephanie McCahon, Swiss Re's claims medical manager, shares her insights on how to implement a holistic claims field (see *Best practice approaches to mental ill health claims*).





“Providing a claimant with support to recover from ill health more quickly can shorten or even avoid a claim.”

### Best practice approaches to mental ill health claims

Stephanie McCahon, claims medical manager

Insurance companies’ primary function is to pay their customers’ valid claims. This requires fast, accurate assessment to ensure excellent customer service. The industry is increasingly adopting a holistic approach to claims, which recognises individuals’ differences and circumstances, and the complex inter-relationships between physical and mental health. The starting point is always robust upfront assessment. The claims team will efficiently triage, gather objective supporting evidence, quickly identify which claims are valid, and communicate effectively. The team provides an appropriate level of support for each claim. For example, providing a claimant with support to recover from ill health more quickly could avoid a claim entirely or enable early closure of the claim. For invalid claims, an insurer could offer the person support to ease the course of a claim decline.

“Subjective” claims, in which there is little objective evidence corroborating the reported diagnosis and/or related functional incapacity, can be hard to assess. Mental ill health claims can fall into this group and are open to potential exaggeration (or even fraud), since diagnosis often relies on self-reported symptoms rather than “objective” tests. Independent medical examinations and other claims tools or approaches can help to identify fraudulent claims, with approaches varying in stringency depending on the market levels of fraud for different health conditions.

It is rare that someone’s mental wellbeing isn’t affected when they experience ill health, even if the primary cause of claim is a physical condition. Research shows that it is not someone’s medical diagnosis alone – whether for physical

or mental illness – that determines their recovery; it’s mainly how they think and feel, what they believe and do, and the support structures around them.

As a result, good practice encourages a biopsychosocial (BPS) approach to claims management. This is an evidence-based, holistic approach that takes into consideration biological factors including a claimant’s physical health, diagnosis and treatment; psychological factors such as personal beliefs or thought patterns, and social factors including environmental influences such as family structure. Taken together, these consider the whole person to assess their individual drivers, motivation and needs, and, where appropriate, provide tailored support to aid their recovery and return to work. Swiss Re’s Resilience Pathfinder is an evidence-based claims management tool based on 10 years of in-house (UK) research. This uses a BPS claims management approach and a machine-learning predictive model to triage disability claims and devise tailored management plans.

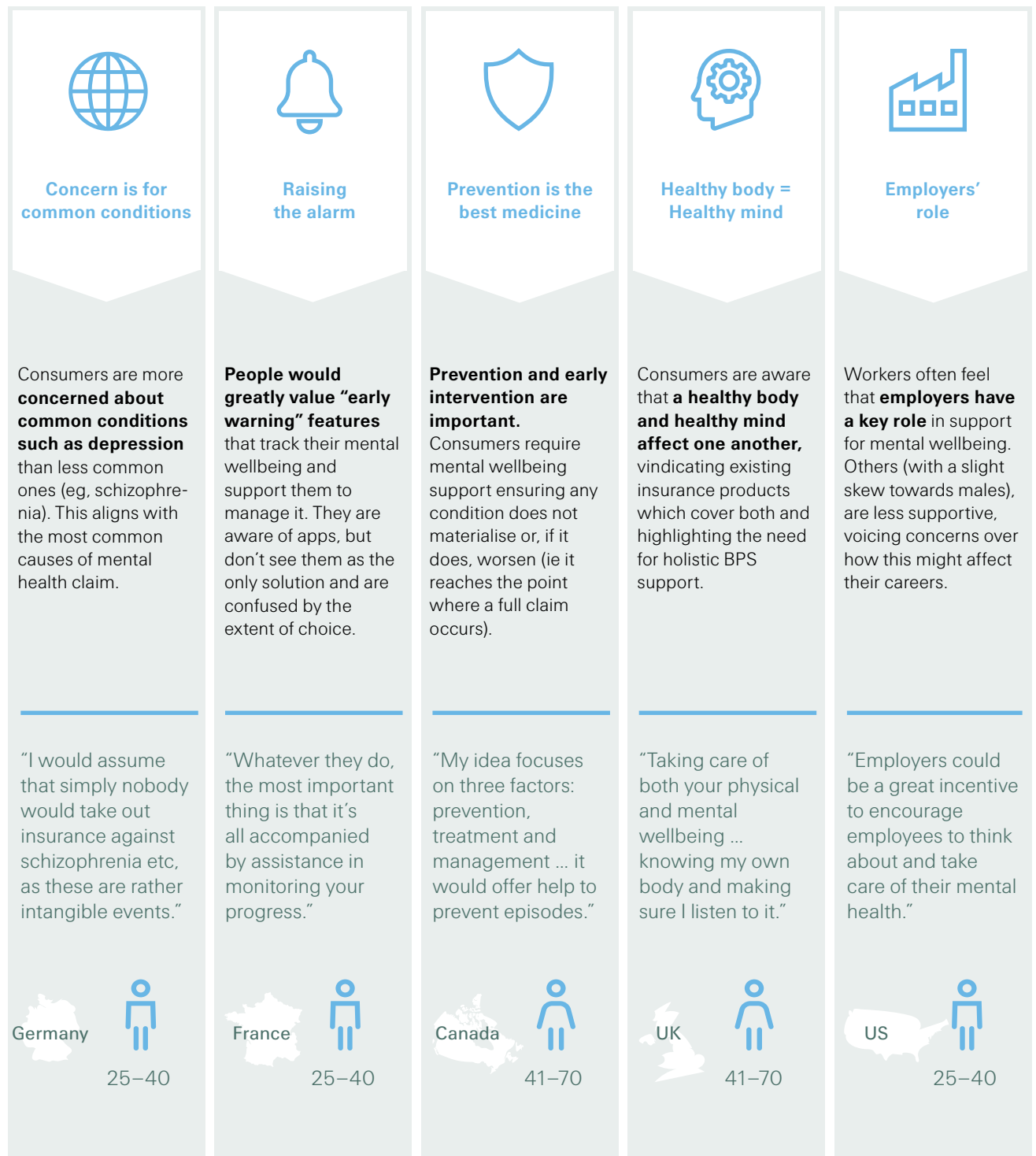
Promoting this approach to claims teams, especially with respect to mental ill health claims, often involves training and upskilling. The starting point is the why and how of integrating a holistic claims management approach, including evidence for the BPS approach. For mental ill health claims, the teams focus on “bio” factors such as common conditions and their diagnosis and treatment. Teams can also be trained on conversation management and other soft skills that are key to elicit, synthesise and act on the “psychosocial” factors that influence a person’s symptom presentation and recovery. A core skill of the holistic claims assessor is to use empathy and sensitivity to reassure, encourage and support a claimant’s recovery and – in most cases – their sustained return to work.

# It is clear that insurance can provide solutions

An exemplary claims process for mental ill health is just part of what consumers say they need from their insurer. Above all, consumers want to avoid needing to make a claim. Insurance providers can do more to support them in this goal.

The conclusion from the qualitative research with our target segment reveals five clear areas for action from insurance.

## Our target consumer base identifies five action areas for insurance solutions



Source: Swiss Re Institute

## Are apps the solution?

"I use [guided meditation apps].  
**They can help with managing stress, anxiety,** and general mindfulness."



25–40

"[If a negative mental wellbeing episode were to occur] I would try to find any apps or digital portals which could help – **to try and alleviate some of the costs.** This would also make me feel in charge of my wellbeing."



25–40

The increasing digitisation of our daily lives can tempt insurers to view digital apps for mental wellbeing as a panacea to democratise mental health treatment and support. However, consumers' views towards this technology are complex.

A proportion of the target consumer segment actively use digital apps to monitor and support their mental wellbeing, and they typically speak positively of them. The practice is not universal but, when we ask our target consumers to design their own insurance product that supports mental health, almost all respondents include an app, and they typically expect it as a minimum within any offer. The consumers can also see the cost-benefits of a digital solution over human interaction.

Most feel that an app alone is not enough. Several of our target consumers prefer apps to be recommended by experts. There is broad support for apps to provide evidence-based advice and have quick access to offline support when needed.

Swiss Re's behavioural research specialists, Komal Shah and Lizzy Lubczanski, provide some useful guidance for insurers considering including a mental wellbeing app in an offering:



## Six factors to maximise customers' use of your app



1

**Human feedback**  
Therapist advice



2

**Peer support**  
Forums to speak to other users



3

**Tracking and self-monitoring**  
Ideally automatic and less manual tracking



4

**Real-time engagement**  
Coping strategies for stressors as they occur



5

**Habit information**  
Triggering cues, routine behaviours and rewards



6

**Language framing**  
Simple, concrete, confident, hopeful, non-judgemental, all-inclusive

### Recommendations for insurers

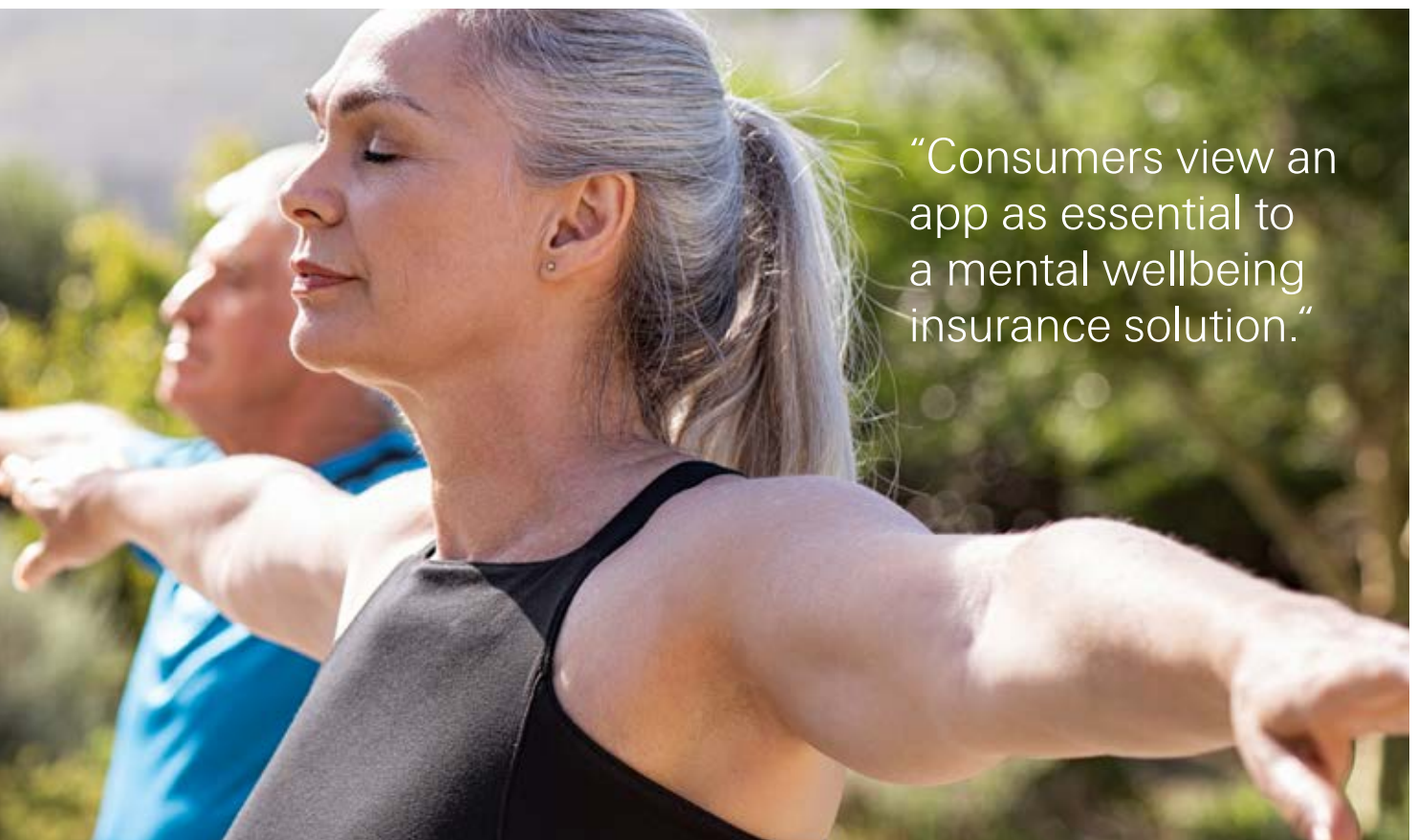
What does this mean for Swiss Re and our clients? Our advice when it comes to offering mental health apps to policyholders is to:

#### Do

- Go in with your eyes open – manage your expectations for continued uptake and impact
- Have a strategy for what you want it to achieve – this could just be to signal to customers your awareness of its importance
- Use an app that is evidence based and scores highly on the six key factors to maximise customers' use

#### Don't

- Necessarily create a new one from scratch
- Forget to measure the impact it is having on business to see if it is worthwhile
- Just give customers an app – think about how to embed it into the product design
- Underestimate the importance of data privacy



“Consumers view an app as essential to a mental wellbeing insurance solution.”

# The COVID-19 pandemic will increase the need to act

Our research took place during what is likely to be considered a period of profound mental health stress.

“A shared experience creates community and breaks down barriers. But ... I think **once things go back to normal, people will be less accepting** of others revealing that they suffer from mental illness.”



“No, it did not change my perception. I have always spoken freely about mental health and wellness with my family and friends... **The COVID pandemic has only accentuated this.**”



Our research took place during the COVID-19 pandemic, likely to be considered a period of profound mental health stress. Governments imposed strict lockdown restrictions that kept people indoors and isolated from their normal support network. Our research findings provide valuable insights into how affected our participants feel. Across all respondents, 45% of consumers are more concerned about mental health because of COVID-19. About half of this 45% believe this is a temporary or short-term concern, while the other half say their concern will continue after the immediate challenge of the pandemic has passed. Of the remaining 55% for whom COVID-19 is not the catalyst, 37% say they have always been concerned about their mental health – it was a concern before COVID-19 and continues to be. The final 17% report that they are not concerned about mental health now, were not previously, and do not expect to be after the pandemic is over.

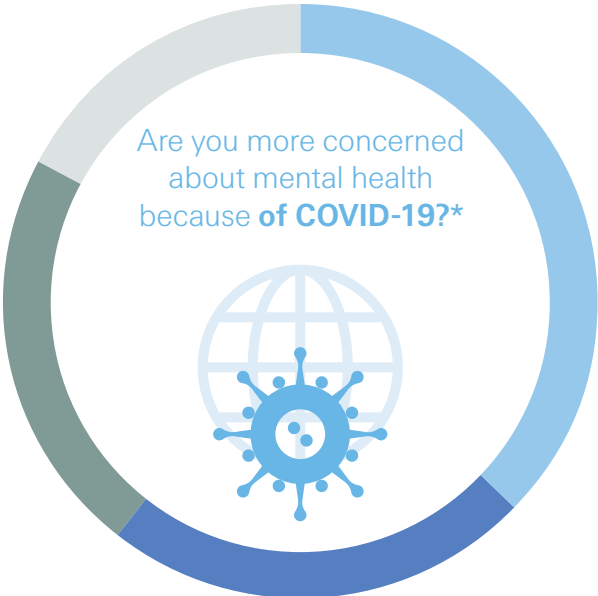
This is a point-in-time assessment and views may change, but these findings indicate that the pandemic has affected attitudes towards mental wellbeing. Respondents aged 40 and over are more likely to believe that this openness about mental health will be transient, with attitudes becoming less open again after the pandemic. However, among under-40s, respondents were more likely to see the shift in attitudes as an accelerating phenomenon. We expect the COVID-19 pandemic to have a deeper impact on public mental wellbeing beyond simply greater awareness. The emotional impact of bereavements, the potentially debilitating effects of “long COVID”, and the after-effects of isolation from repeated lockdowns will likely all increase the need for mental health resilience in society.

### Swiss Re: strengthening mental wellbeing solutions for our insurance partners

We believe the COVID-19 pandemic will increase the need for greater consumer protection against the potential impacts of a future, negative mental health episode. Our research findings corroborate a logical consideration: that people do not want to become mentally unwell and – if they do – they would like to have the tools to stop their condition becoming so serious that it affects their work and home life. These objectives of consumers correspond with ours as re/insurers. Insurance can both play its traditional role of providing financial support when things do not go to plan and do more to help people achieve their aims. To this end, Swiss Re has developed a solution in association with mental wellbeing experts in response to these research findings. The solution is targeted at solving the challenges around mental wellbeing that both consumers and insurers face. Clients interested in learning more should speak to their Swiss Re representative.



Nearly half of respondents are more concerned about mental health due to COVID-19, and one in four will take mental health more seriously in future



37%

I have always been concerned about mental health

23%

COVID-19 has increased my concern, I will take mental health more seriously in future

22%

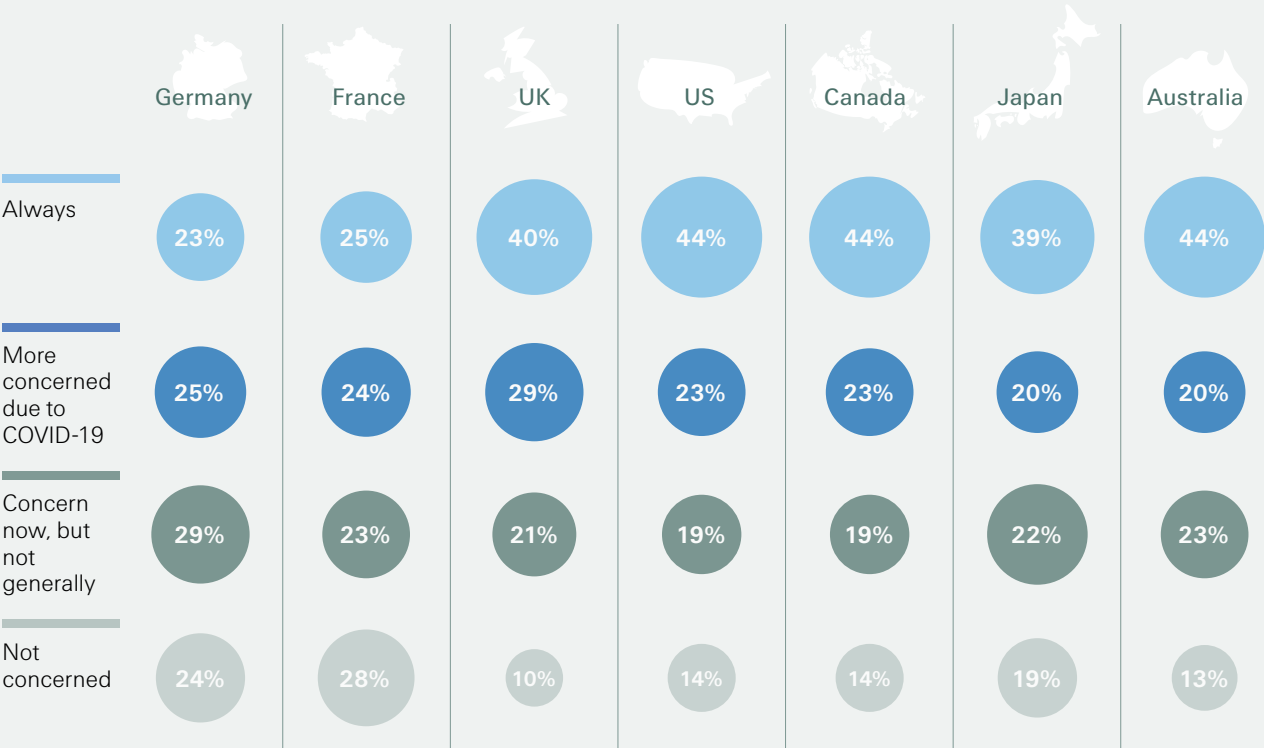
I am concerned now, but I do not generally feel concerned

17%

I am not concerned about mental health

\* All global respondents

Increasing concern about mental health due to COVID-19 - responses by country



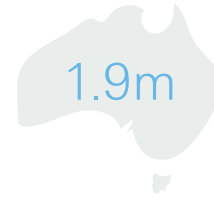
Note: the sum of percentages may not add up to exactly 100% due to rounding.  
Source: Swiss Re Institute

# Markets in focus

## Australia

PROPORTION OF CONSUMERS IN SEGMENT

NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

“There is a **major stigma in telling your employer**, like he/she may dispense with your services or not give any advancement that you may deserve.”



“My employer is pretty supportive and **places great importance on mental health**. I am confident that they would support me...”



“I try to **exercise regularly**, take time out to visit friends ... I also **love spending time with my dog**.”



“**Anxiety is an insidious thing**, it can creep in at the most unexpected times ... Until I saw a counsellor **I had no idea** just how affected I was, and **how much I was struggling**.”



### Findings from all participants

Australians are generally open and honest about the challenges of maintaining good mental health, and this is a country with high penetration of disability cover. They also tend to be very positive about their own wellbeing. Despite nearly a third saying they or their family have been “stressed” or “extremely stressed” in the past year, respondents are still highly likely to rate their mental wellbeing as “good” or “very good” (41%) with just 5% saying it is “poor” or “very poor”. Consumers in the target segment are as likely to rate their mental wellbeing at five or more out of seven as the non-targets (both 64%).

Mental health awareness and concern have risen with COVID-19. Two thirds of people we talked to are concerned for the longer-term. Australia avoided the extensive deaths from COVID-19 that have been seen in the Americas and Europe, but strict government lockdowns and economic uncertainty could accentuate mental health concerns.

### Findings from our target consumer segment

On diving deeper into our target segment, the COVID-19 view is different in Australia to our other focus markets. Australians are particularly concerned that the permission to talk about mental wellbeing will pass after the pandemic – a contrast to the view for themselves.

Australia’s superannuation system provides insurance protection products covering mental health – Total & Permanent Disability in particular – but opinion is divided over the extent of employer understanding when it comes to mental wellbeing issues. Unlike other markets, there is no clear difference between age or gender, but views are more related to individuals’ relationship with their employer. The research finds strong evidence of proactivity in managing mental wellbeing by exercising, eating well, practising hobbies and having pets. The emphasis is on prevention and there is a strong awareness that quick diagnosis and early intervention are important before things spiral out of control.

### Outlook

The combination of awareness, concern and positivity regarding mental wellbeing make Australia a market with great potential for insurance solutions. However, mental health conditions account for a large proportion of claims in Australian disability books.<sup>1</sup> We believe a more solution-focused approach to the topic could enable policyholders to manage their mental wellbeing and intervene early to lower the likelihood of needing to claim. Re/insurers might also benefit from looking at ways to improve the management of this claims risk, for instance through policy conditions or underwriting.

Australia is one of the world’s more mature markets in its approach to mental wellbeing. The Australian government is putting the topic of mental wellbeing high on the agenda, for example by tackling suicide, for younger men in particular. However, awareness of insurance cover is low, with only one in three respondents confidently naming a product covering mental wellbeing. Tackling this, and increasing innovation in this field, could provide insurers with a competitive edge.

<sup>1</sup> A. Lyons, “Mental health dominates total permanent disability claims”, *RACGP*, 7 October 2019.

## Canada

PROPORTION OF CONSUMERS IN SEGMENT

NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

“Through the programme at my workplace **you can access three free counselling sessions**. I have **made use of this programme** in the past and it was quite helpful.”



“I have **heard some horror stories** about my work not being very helpful for people on leave.”



“[Prevention techniques include] Lots of exercise. **Lots of exercise**. A self-imposed work ban (periods during which I do not look at my work inbox). Regular work hours.”



“I realised, in enough time, **that I needed to get help for the issue**, before it adversely affected everyone around me, including my infant son. **I am so glad that I realised** that when I did.”



### Findings from all participants

In percentage terms Canada’s target segment is among the smaller of our focus markets, largely because the research finds that most Canadians are little concerned about negative mental health episodes. In Canada respondents are largely positive about their mental wellbeing, with more than two-thirds (68%) rating their mental wellbeing at five or more out of seven, and nobody rating themselves as “one”. Additionally, close to half (44%) of respondents say they “never worry” or “almost never worry” about developing mental health issues. This is about double the proportion of respondents in the UK, which scores lowest of our markets on this question. Nonetheless, Canada’s target segment is still sizeable in absolute terms, at 2.5 million people, due to its large population.

COVID-19 has increased concern about mental wellbeing in Canada. About a fifth of people we talked to (21%) have recent and continuing concern, suggesting that the insurance market may grow.

### Findings from our target consumer segment

Qualitative discussion of COVID-19 with our target segment supports this quantitative finding, as there is little concern that the newfound openness about mental wellbeing may go away after the pandemic.

The Canadian target segment is also more comfortable sharing mental wellbeing concerns with their employers than in other markets. Only very few respondents do not see the importance of employers.

The Canadian target consumer segment is very aware of the link between physical and mental wellbeing, and many take regular physical exercise, eat healthily and own pets. They are also aware that mental health conditions can become more serious without them noticing and, among all markets, there appears to be the most openness to using apps.

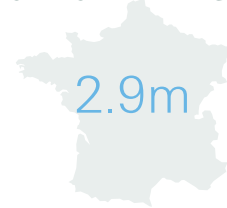
### Outlook

With a clear target segment demanding solutions, the opportunity to enhance mental wellbeing propositions is exciting. People are willing to take preventative steps and would welcome support in the form of early-warning systems alerting them to when their mental health may be declining. With more effective risk management through more suitable policy conditions, 22% of Canadian insurance buyers can be better supported through innovation in the medical and disability cover market.

France

PROPORTION OF CONSUMERS IN SEGMENT

NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

“I would **count on the understanding and help of my employer**, then they can understand my illness and **put in place measures** which would help me at work.”



25–40

“Yes I think it is necessarily **my employer (who I would talk to)** because they see me every day and can **help me quickly.**”



41–70

“With basic mutual insurance, **psychotherapy is surely not covered.** On the other hand I think that **all take care of the meds.**”



25–40

“Although it must exist, I **do not know of any insurance policy** covering ‘mental health’ problems.”



25–40

**Findings from all participants**

Other than Japan, France has the smallest proportion of people who express interest in or a need for an insurance offering incorporating mental wellbeing (17%). This low appetite for insurance is likely a consequence of France’s strong social support safety-net and greater protections for workers and for the sick. However, the target consumer segment still represents a sizeable addressable market of almost 3 million consumers.

French respondents are among the least likely to report feeling “extremely stressed” in the past 12 months, with just 18% selecting this. They come across as broadly positive, and more than half rate their mental health as “good” or “very good”, but indicate a preference for additional support in prevention and early intervention.

**Findings from our target consumer segment**

Despite only worrying occasionally about their mental wellbeing, consumers in the target segment in France have the highest anticipated disruption of a negative mental health event for themselves or their family. Eight in 10 target respondents (81%) say such an occurrence would have a very high impact.

French target consumers also respond differently from our other focus markets on engaging with employers. Respondents are almost universally comfortable about talking to their employer about mental health issues, in contrast to other markets.

People’s concerns about an episode of negative mental wellbeing centre on the impact it would have on their ability to work. Men in particular fear disruption to their work from poor mental health.

On insurance, respondents are not at all clear whether and in what circumstances mental health is covered by insurance policies. They are unsure whether it is included, supplemental or whether there are standalone packages, or what benefits they would receive if it were included.

Yet there is an undoubted need for – and willingness to pay for – insurance that covers these eventualities among the target market segment in France.

**Outlook**

The market size and lack of awareness among respondents of what our industry may offer, provides a market opportunity for insurance. The French target consumer segment would benefit from greater knowledge of the products that include cover – whether inclusive or supplemental – and how to buy them. They would also welcome additional support to prevent negative mental health episodes, as a means to safeguard their work, along with cover for the anticipated disruption should one occur.

## Germany

PROPORTION OF CONSUMERS IN SEGMENT

NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

### "I don't feel more comfortable because it's a sensitive topic

and it didn't change during the lockdown."



25–40

### "The stigmatisation that existed before is being broken up

more and more, I think that's a good thing because nobody should feel left alone with this topic."



41–70

"I would **never ask my employer for help**, because I would be afraid for my job."



25–40

"I'd like to **rely on my employer**, because I like to work there, feel good and would have **more problems getting a comparable interesting and well-paid job** at my age."



41–70

### Findings from all participants

Germany is a market with considerable potential: 21% of people aged 25–70 earn above-median income, see the relevance of insurance and have a need for it. Combined with Germany's large population this results in a target market of 4.6m consumers, the third-largest of our focus countries by absolute size.

Germany as a nation is relatively relaxed about mental wellbeing. Only one in five respondents reports experiencing high stress in the past year, and a very low proportion of people rate their personal mental wellbeing as poor (only 4% score themselves a one or two out of seven). However, in our target market segment, only 56% of people rate their mental wellbeing at five out of seven or above, compared with two-thirds (67%) of non-target-segment consumers.

The COVID-19 pandemic is causing Germans to question their relaxed approach. Although the proportion who say they have always been concerned about mental health is 23%, the lowest of our seven markets, a further 25% have a newfound concern that they believe will continue post-pandemic.

### Findings from our target consumer segment

Speaking in more detail to target market consumers, we see one of the few instances of a gender difference in responses. Women are much more comfortable talking about mental wellbeing than men, for whom the topic still carries stigma. This is especially true when discussing mental wellbeing in relation to COVID-19.

The segment in Germany shows strong proactivity towards one's own mental wellbeing, with physical exercise playing an important role. Although there are only a few, mainly male, active app users, the appetite for apps – and other services – is apparent.

### Outlook

Despite Germany's relatively relaxed approach towards mental wellbeing, there is a strong segment that is aware of the risks and prepared to take action to stay that way. With an estimated market of 4.6m Germans who see the value that insurance can bring to their mental wellbeing, there is a clear opportunity for forward-thinking insurers to act. In addition, the insurance sector could consider how to make products attractive and affordable – especially for the younger, under-insured generation.

United Kingdom

PROPORTION OF CONSUMERS IN SEGMENT



NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

“I have **always been comfortable discussing it**, but I **find others are more open now** ... I feel that COVID has made it more **socially acceptable.**”



41–70

“I find that people I know are now asking me ... [if] I am doing well now. I **don’t think they would have been as comfortable** asking me about this if we didn’t have the COVID crisis...”



41–70

“At the moment, **unless you pay a substantial amount of money, there are no services to help** – unless you see your GP who will just give you medication.”



25–40

“I’d love it for my **employer to help but in a private way** where nobody could know I was accessing the services ... in my workplace often people are nosy and I don’t feel it is private.”



25–40

**Findings from all participants**

We estimate that more than 5m consumers in the UK are interested in an insurance solution that covers mental wellbeing as well as having sufficient income to buy one, a sign that the market shows exciting prospects. This is the second-largest market size after the US and is likely to be linked to the fact that 31% of all respondents say they have been either “stressed” or “extremely stressed” in the previous 12 months. Further responses give a more nuanced picture, as two-thirds of all respondents (irrespective of whether or not a person is in the target consumer segment) score their own mental health highly, at five or more out of seven, and just 17% rate this low, at three or less out of seven.

The findings suggest that the fallout from COVID-19 may grow the size of the target consumer segment – and therefore the appetite for insurance solutions – further. Respondents voiced mixed opinions of the mental health provision in the public National Health Service (NHS), which may encourage consumers to consider private insurance. Of all our focus markets, the UK has the lowest proportion of respondents who have never been concerned about mental health (10%) and a substantial 40% say they have always been concerned. Given that a further 29% say their concern has increased and they expect this concern to continue, now is the time to act.

**Findings from our target consumer segment**

Speaking only to the target segment highlights the acceleration of openness towards mental wellbeing. In the UK, respondents almost universally feel that this phenomenon is growing and will remain post-pandemic – in contrast to our other markets.

The NHS is much-loved, but some consumers are concerned that the public health system is more focused on physical than mental health. Employers often organise support for their employees. Access to support through employers is important for many respondents, although they typically also feel that anonymity is essential, especially for younger women.

The target consumer segment shows strong awareness of preventative measures, including physical exercise and diet, with some actively using websites, podcasts or apps to support their wellbeing. Many would welcome further support and the insurer is seen as a positive partner for this.

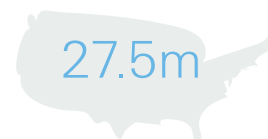
**Outlook**

Insurance knowledge is sparse in the UK target segment. Of all the focus markets, the UK has the highest proportion of respondents (81%) who could not confidently name an insurance product that covers their mental health. In addition to increasing awareness, UK insurers have an opportunity to demonstrate what they can deliver to those concerned about mental wellbeing, and create bespoke solutions to stand out in a competitive market.

## United States

PROPORTION OF CONSUMERS IN SEGMENT

NUMBER OF PEOPLE IN TARGET MARKET



Consumers ages 25–70 with above median income

“I would **rely on my employer to support in the event of an episode of poor mental health** and wellbeing.”



41–70

“I **don’t think that my employer would be much help**, unfortunately ... I could probably **get help from my church** – at least I’d like to believe that.”



41–70

“[If I were to experience a negative mental health event] I could give up and **stop working** which would lead to a **huge financial strain**.”



41–70

“How much I would have to **spend on childcare?** Having to take time off work and potentially **losing my income would be an issue**.”



25–40

### Findings from all participants

The US target segment is the largest in terms of both proportion of consumers and population size, with 30% of relevant consumers showing an interest in – and a need for – mental health coverage through insurance. This implies a potential market of 27.5m people.

Respondents report the highest stress levels of all our focus markets, with 33% saying they have been “stressed” or “extremely stressed” in the past 12 months. Yet they also rate their current mental wellbeing positively. Irrespective of whether they fall into the target consumer segment or not, more than 70% rate their mental health at five or above out of seven, with three in 10 giving themselves full marks – the highest proportion of all our focus markets. However, the US target segment also has the highest proportion (6%) who give themselves the lowest-possible score.

As in other countries, COVID-19 is likely to extend mental wellbeing concerns in the US, and so potentially grow the market for insurance. The 23% of consumers who have newfound concern for mental health as a result of the pandemic, which they expect to continue, will join the 44% who have always been concerned.

### Findings from our target consumer segment

The US target consumer segment almost universally believes that COVID-19 has increased openness towards mental health and expects this to continue. This finding is irrespective of gender and age.


There is also consensus in support of being open with an employer about one’s mental health challenges. Only a small minority would feel uncomfortable sharing their issues.

Our target consumer segment has a broad range of reasons for why they might need insurance cover. These include the costs of treatment and therapy – for which they are not always certain what their health insurance covers – but also the consequences of stopping work and losing income. The ability to pay for childcare is a particular concern for mothers.

When it comes to self-management of wellbeing and preventing negative mental health episodes, US target consumers are prepared to act. Physical exercise, staying social and managing their diet are three areas that they cite, along with many who find meditation supportive. Apps are not uncommon in supporting physical and mental wellbeing, although not widespread. The US stands out from our other focus markets because women are likely to use an app – in other markets, app use is either more universal or skews towards men.

### Outlook

Many respondents believe they are covered by their employer’s health insurance for certain treatments, but are not fully aware of what they are covered for. As a result, two in three consumers cannot confidently name an insurance product that would cover them against negative mental health episodes. Insurers who can demonstrate the benefits of insurance, increase engagement and solve the pain points identified by consumers would see an advantage in this promising market of 27.5m people.

A woman with long brown hair is sitting on a grassy hillside, looking out over a vast mountain range at sunset. The sky is filled with soft, colorful clouds in shades of orange, pink, and blue. The woman is wearing a blue shirt and dark socks, and she is holding a camera. The overall mood is peaceful and contemplative.

“Prevention is vital: consumers need mental wellbeing support to ensure a condition does not materialise. Insurers can support this goal.”



# Appendix: Methodology

Swiss Re delivered this data in partnership with consumer research provider Catalyx using its Consumer Activation System™.

## Phase 1

### Objective

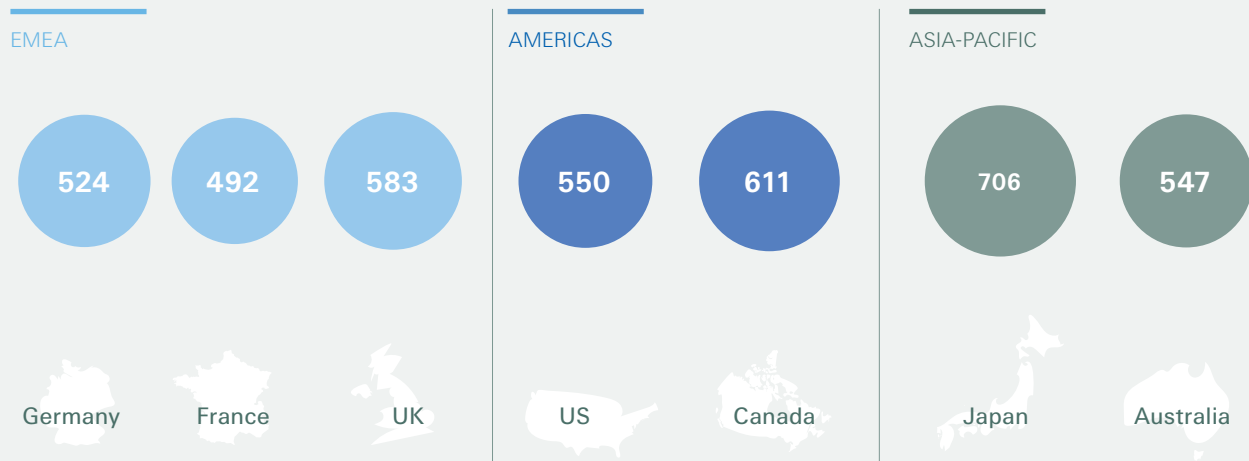
To establish whether there is a segment of consumers prepared to engage with insurers on the topic of mental wellbeing and, if there is, to establish the overall profile of this segment

### Dates

24 to 30 March 2020;  
with follow up in France from 5 to 6 May 2020.

### Recruitment criteria

- Age – 25–70 (25–40, 41–55 and 56–70)
- Gender – female and male (evenly split)
- Personal income required to be at least the median income for their country
- No recent participation in market research about insurance



Total 4 013

Source: Swiss Re Institute

## Phase 2

### Objective



A deep-dive into the target consumer segment to establish their attitudes, needs and problems to solve

### Dates

28 May to 10 June 2020

### Recruitment criteria

- Age – 25–70
- All have purchased insurance product(s) in the past
- All earn at least median income for their country
- All must score 5/7 or more for the extent to which mental health symptoms (experienced personally or by a member of their immediate family) would disrupt their life
- Plus, they must score 6/7 or more for their interest in an insurance product which includes elements of support for mental health conditions

	Australia	Canada	France	Germany	UK	US
	48	63	53	38	70	40
	37	36	40	28	48	32
25–40	55	49	55	30	72	36
41–70	30	50	39	36	46	36
<b>TOTAL</b>	<b>85</b>	<b>99</b>	<b>93</b>	<b>66</b>	<b>118</b>	<b>72</b>

Total 533



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Swiss Re Management Ltd  
Swiss Re Institute  
P.O. Box  
8022 Zurich  
Switzerland

Telephone +41 43 285 2551  
Email institute@swissre.com

**Author**

Matt Singleton

**Contributors**

Lizzy Lubczanski  
Stephanie McCahon  
Komal Shah

**Peer review**

Adam Strange

**Editor**

Alison Browning

**Managing editor**

Jolee Crosby  
Head of Global Life & Health Global Core Solutions,  
Underwriting and Medical Reinsurance

**Design**

Elena Strano

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Swiss Reinsurance Company Ltd  
Mythenquai 50/60  
P.O. Box  
8022 Zurich  
Switzerland

Telephone +41 43 285 2121  
Fax +41 43 282 2999  
[www.swissre.com](http://www.swissre.com)