

# **HDFC ERGO GENERAL INSURANCE,**

One of India's leading non life insurance company,  
conducted a custom survey on

# **‘EXPLORING THE MILLENNIAL AND GEN Z MINDSET’**





# FOREWORD

The Indian health insurance landscape is undergoing a significant transformation, driven by evolving consumer mind sets, technological advancements, and positive regulatory interventions. The Insurance Regulatory and Development insurance Authority of India (IRDAI) has introduced various health insurance related guidelines to propel growth of the sector. India's health insurance market is expected to grow to reach USD 46.37 billion by 2030<sup>1</sup>

As of 2021<sup>2</sup>, Millennials and Generation Z (Gen Z) stood at 52% in India's population, higher than the world average of 47%. This trend is expected to grow till 2030, when the share of India's Millennial and Gen Z and population will be 50%, higher than the world average of 46%.



HDFC ERGO General Insurance Company Ltd., one of the India's leading non life insurance company, commissioned a custom survey on 'Exploring the Millennial and Gen Z mindset, attitudes and consideration towards insurance' to explore the specific triggers, barriers, and behavioural nuances of Millennials and Gen Z, the key demographics shaping India's future. The insurance preferences of Millennials and Gen Z are as diverse as their lifestyles. While these generations prioritise financial security, their approach is shaped by digital influences, peer recommendations, and trust in offline advisors. Health Insurance remains at the forefront of their considerations, reflecting their awareness of the increasing costs of healthcare.

HDFC ERGO's custom survey delves deeper into the factors influencing their insurance decisions, from awareness barriers to the significance of wellness benefits in health insurance and the growing reliance on digital platforms for health insurance.

# RESEARCH METHODOLOGY

## RESEARCH PARTNER

NielsenIQ (NIQ), a leading global consumer intelligence company



### Target Audience

Gender: Males (70%)  
Females (30%)



### Age Group

Gen Z = 18-25 years  
Millennials = 26-40 years



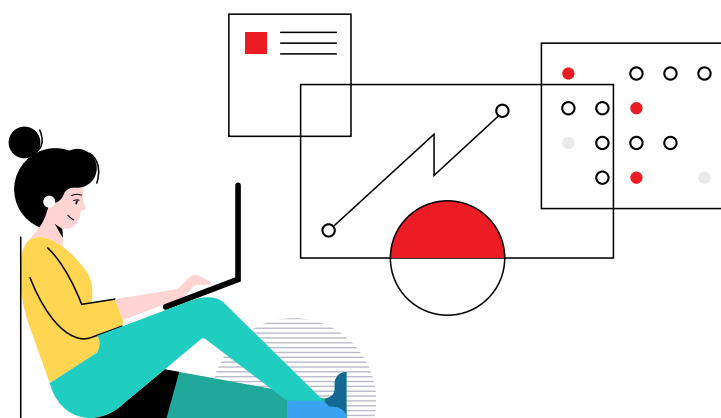
### Target Segment

Health Insurance

## TARGET CITIES

### Health Insurance:

Kolkata, Bengaluru, Chennai, Hyderabad, Patna,  
Bhubaneshwar, Varanasi, Chandigarh, Lucknow,  
Bhopal, Indore, Jaipur, Ludhiana, Gandhinagar, Rajkot



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# **HEALTH INSURANCE**



# **KEY INSIGHTS ABOUT HEALTH INSURANCE**

Post-pandemic, there has been a rise in health insurance awareness among both Millennials and Gen Z, driven by the rising cost of medical procedures and the growing emphasis on wellness benefits. However, there have been generational differences which influence the motivations and barriers prevailing in the health insurance segment.

For Millennials, while corporate health insurance often suffices, they rely on online reviews and seek the opinion of healthcare professionals while buying personal health insurance. Meanwhile, Gen Z highlights a lack of awareness as a key challenge, and thus, prefer to depend more on family members and offline advisors to make their decisions. Surprisingly, despite being digital natives, both Millennials and Gen Z prefer to rely on agents for policy purchases due to the perceived reliability during claims.



**61%**<sup>1</sup> Millennials & Gen Z prefer investing in health insurance



**44%**<sup>2</sup> Gen Z avoid health insurance due to lack of awareness



**60%**<sup>3</sup> policyholders prefer offline purchase mode



**55%**<sup>4</sup> Gen Z depend on family members while taking health insurance decisions

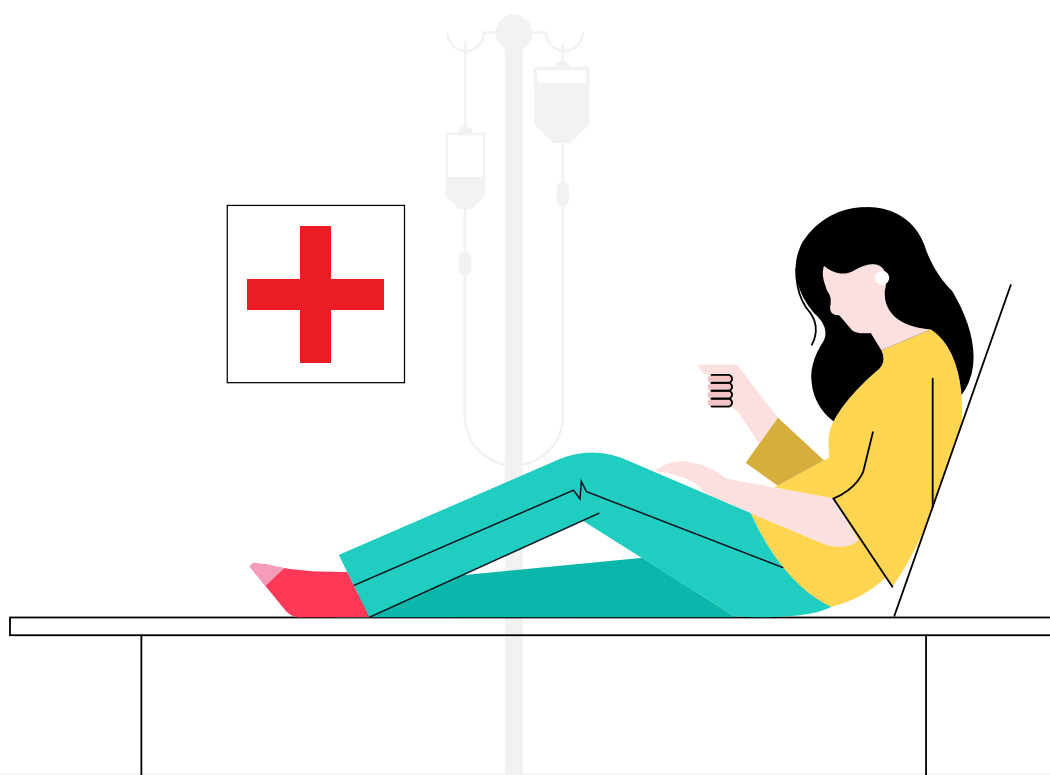
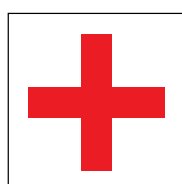
**Sample Size:**

1 - 1400 Millennials & Gen Z

2 - 167 Gen Z

3 - 840 Respondents

4 - 505 Gen Z





# **DETAILED INSIGHTS**



# REASONS FOR BUYING HEALTH INSURANCE

India's medical inflation is rising at an unprecedented rate, which has also made health insurance an essential component of financial planning for Millennials and Gen Z. While Millennials prefer to buy health insurance to stay protected against medical costs, Gen Z is drawn to wellness benefits and holistic health coverage.



**37%<sup>1</sup>** people buy due to increased cost of medical procedures



**36%<sup>1</sup>** people buy due to wellness benefits



**35%<sup>1</sup>** people buy due to protection against immediate medical expense

Sample Size:

1 - 1400 Millennials and Gen Z



# KEY CONSIDERATION

When it comes to buying health insurance, priorities of people vary significantly. Many people place importance on the network of hospitals associated with an insurer, highlighting the need for seamless access to healthcare. Further, people also focus on the clarity of policy terms and conditions, underlining the demand for transparency. Interestingly, many health insurance intenders (Intending to buy insurance in the next 6 months) prefer to compare policies on aggregator websites first, thus, highlighting the importance of digital platforms in informed decision-making.



**27%<sup>1</sup>** people consider hospitals network



**24%<sup>1</sup>** people seek easy policy terms



**60%<sup>2</sup>** intenders compare policies on aggregator websites

Sample Size:

1 - 1400 Respondents

2 - 560 Intenders

# PREFERENCES AMONG GEN Z VS. MILLENNIALS

Health insurance preferences vary between Gen Z and Millennials due to differences in awareness, behaviour, and purchasing habits. While there is a lack of awareness of available health insurance options among Gen Z, many Millennials are already covered under corporate health plans. Further Millennials prefer comparison-based decisions, while Gen Z trusts word of mouth and insurance companies directly. For Gen Z, educational resources play a critical role as they prefer to seek online tools to understand insurance better.



**43%**<sup>1</sup> Millennials have corporate health insurance



**57%**<sup>2</sup> Gen Z rely directly on Insurance companies and word of mouth



**61%**<sup>1</sup> Millennials compare policies on aggregator websites



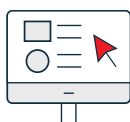
**49%**<sup>3</sup> Millennials seek quick customer service



**46%**<sup>3</sup> Millennials prefer easy policy terms



**44%**<sup>5</sup> Gen Z prefer online educational resources for better understanding



**45%**<sup>6</sup> Millennials buy policies through online platforms while **67%**<sup>6</sup> Gen Z require assistance



**36%**<sup>5</sup> Gen Z purchase through agents



**25%**<sup>3</sup> Millennials buy health insurance through company websites



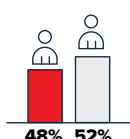
**33%**<sup>7</sup> Gen Z Vs. **19%**<sup>7</sup> Millennials avoid health insurance at their current life stage

**Sample Size:**

- 1 - 393 Millennials
- 2 - 167 Gen Z
- 3 - 502 Millennials
- 4 - 502 Millennials
- 5 - Out of 338 Gen Z
- 6 - Amongst 840 respondents
- 7 - Amongst 560 respondents

# GENDER SPECIFIC PREFERENCES

Gender-specific preferences play a crucial role in health insurance choices. Most of the policyholders prefer personal health insurance, followed by family floater and corporate health insurance plans. Women tend to prioritise quick and responsive customer service and consider pre & post-hospitalisation charges as important factors while choosing health insurance coverage. Interestingly, more men prefer to buy insurance through agents as compared to women. Further, more males fear wasting health insurance premiums on good health, as compared to females. Additionally, more women favour easy policy renewal, compared to men, indicating a stronger focus on hassle-free processes among female policyholders.



**91%**<sup>1</sup> insurance owners prefer personal health insurance, followed by **48%**<sup>1</sup> family floater & **42%**<sup>1</sup> corporate policies



**52%**<sup>2</sup> females want quick customer service



**40%**<sup>2</sup> females want pre and post hospitalisation coverage



**29%**<sup>3</sup> males Vs. **19%**<sup>3</sup> females buy through agents



**36%**<sup>4</sup> males Vs. **28%**<sup>4</sup> females fear wasting health insurance premiums on good health



**54%**<sup>5</sup> females Vs. **43%**<sup>5</sup> males prefer easy policy renewal

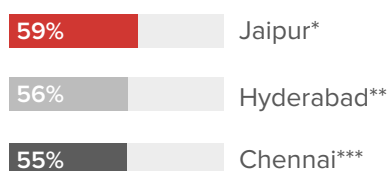
Sample Size:

1 - 1400 Respondents, 2 - 420 Females, 3 - 840 Males and Females, 4 - 560 Intenders, 5 - Amongst 404 respondents

# CITY SPECIFIC PREFERENCES

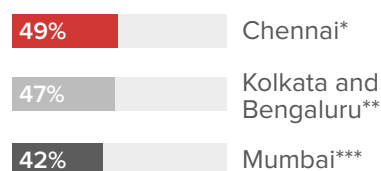
City-specific trends reflect regional preferences and priorities in health insurance. In cities like Jaipur, Hyderabad and Chennai, people rely heavily on online reviews when evaluating policies. Further increasing medical costs are a driving factor for purchases, with most of the people in Chennai, Kolkata, Bengaluru and Mumbai choosing health insurance for this reason. Additionally, wellness benefits are prioritised in cities like Bhubaneswar, Patna, Kanpur and Rajkot.

## Consumer Reliance on Online Reviews:



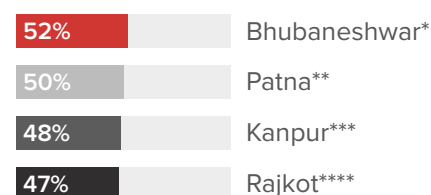
Base Size: 100\* | 150\*\* | 100\*\*\*

## Buying Insurance Due to Medical Costs:



Base Size: 100\* | 300\*\* | 150\*\*\*

## Prioritising Wellness Benefits:



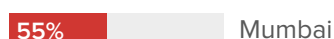
Base Size: 50\* | 50\*\* | 50\*\*\* | 100\*\*\*\*

## Wanting Flexible Premium Payment:



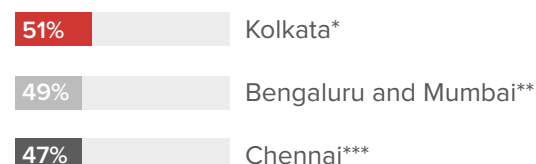
Base Size: 150\* | 150\*\*

## Seeking Quick Customer Service:



Base Size: 150

## Wanting Pre-Hospitalisation Charges as Default Cover:



Base Size: 15\* | 300\*\* | 100\*\*\*

# EXPECTATIONS FROM INSURER

Consumer expectations from insurers revolve around seamless services and added benefits. Many people prioritise quick & responsive customer service and also seek access to educational resources for better understanding. Features like free health check-ups, pre-hospitalisation coverage, post-hospitalisation charges and cashless claims are highly valued. In metro cities like Bengaluru, Mumbai, Chennai, Kolkata, there is a clear demand for pre-hospitalisation coverage as a standard offering.



**48%<sup>1</sup>** seek quick customer service



**47%<sup>1</sup>** want educational resources from insurers



**45%<sup>1</sup>** expect free health check-up, followed by pre- hospitalisation (44%,) post hospitalisation charges (40%) and cashless claims (39%)

Sample Size:  
1 - 1400 Respondents



# MODE OF PURCHASE

While digital platforms are gaining popularity, health insurance purchases remain offline-driven.



**60%**<sup>1</sup> policyholders prefer offline purchase mode

Sample Size:  
1 - 840 Respondents

# BARRIERS IN BUYING HEALTH INSURANCE

The dependence on corporate health insurance policies and the lack of awareness of available options act as a barrier in buying health insurance, highlighting a gap in outreach and education.



**43%**<sup>1</sup> covered under corporate health insurance policy



**40%**<sup>2</sup> lack awareness

Sample Size:  
1 - 393 Millennials  
2 - 560 Intenders

# REASONS FOR POLICY SWITCHING

Many people switch policies primarily due to dissatisfaction with processes and service. Youngsters particularly Gen Z, switch policies to find options with lower premiums, reflecting their price sensitivity.



**46%<sup>1</sup>** seek easy renewal processes



**45%<sup>1</sup>** seek quick customer service



**42%<sup>1</sup>** Gen Z port their policies to get low premiums

Sample Size:  
1 - 404 Respondents





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NielsenIQ (NIQ) is a leading consumer intelligence company, delivering the most complete understanding of consumer buying behaviour and revealing new pathways to growth.