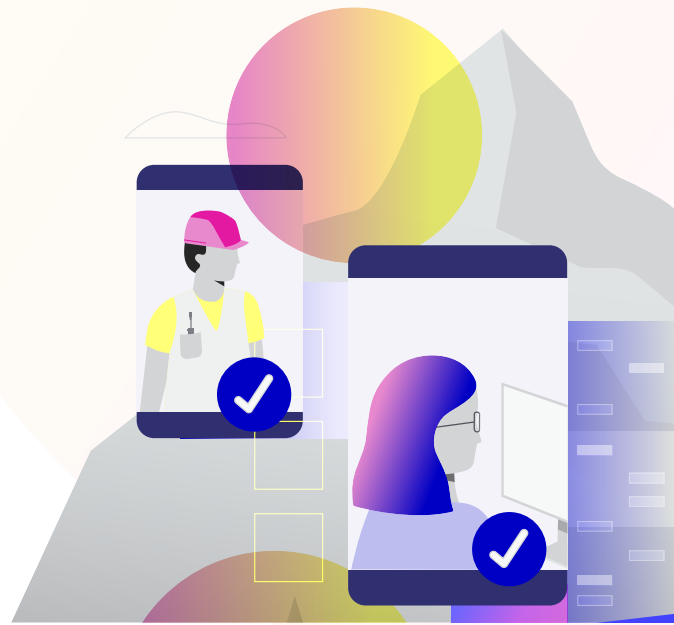


Embedded Insurance Report 2025



duuo
co-operators

Table of Contents



03	Introduction
04	Methodology/Executive Summary: Canadians are ready for embedded insurance
08	Canadians want more control over their insurance rates
10	Canadians want to be rewarded for brand loyalty
13	Canadians need to trust a brand before they start offering insurance
15	Canadians are open to purchasing insurance through embedded experiences
21	Appendix

Introduction

Welcome to the Duuo by Co-operators Embedded Insurance Report 2025



With so much buzz around the innovations in embedded insurance, we decided to **survey over 1,200 Canadians** to connect the dots between consumer preferences and the opportunities for non-insurance brands to jump into this emerging space.

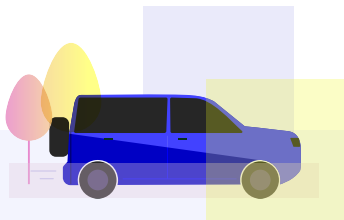
This report is based on a survey conducted by [Centiment](#) in June 2024 of 1,200+ Canadians.

Methodology/Executive Summary:

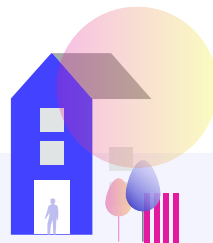
Canadians are ready for embedded insurance

While the average Canadian has probably never heard the term “embedded insurance”, there are driving indicators we can focus on to determine if the embedded insurance value proposition appeals to them.

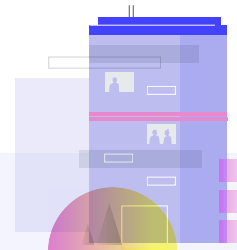
Duuo by Co-operators **surveyed over 1,200 Canadians** (ages 21-65) to gauge interest. Here’s who responded:



75%
car owners



52%
homeowners



48%
tenants

*Total respondent percentage is a result of surveyees being able to select more than one option to describe themselves.

The four key findings overwhelmingly revealed by the survey show that Canadians:



1. Want more control over their insurance rates

Canadians want more financial autonomy. We found that **81%** would try a new insurance brand to gain more control over the cost of their coverage.



2. Want to be rewarded more for their brand loyalty

69% of Canadians aren't feeling rewarded enough by their favourite brands. However, **95%** would be more likely to stay with a brand if they received more perks.



3. Need to trust a brand before buying insurance

Canadians value good coverage, and even better service. **87%** say it's very important for them to trust that their claims will be paid quickly and fairly.



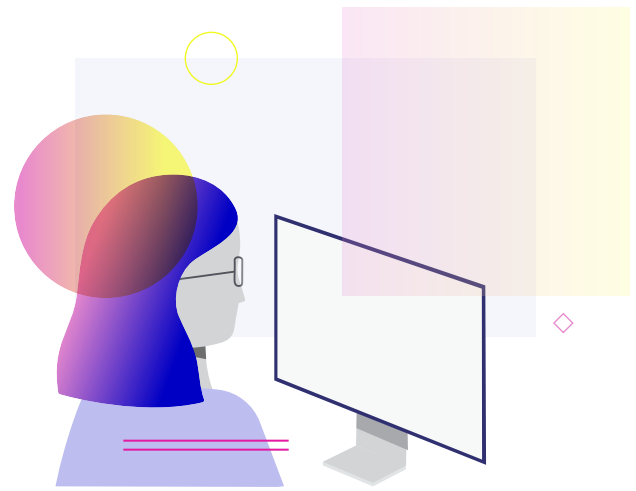
4. Are open to purchasing insurance through embedded experiences

Canadians clearly see the benefit of embedded insurance. In fact, **67%** would rather purchase home & auto insurance the same way they purchase travel insurance while booking their flights.

What do we mean by “embedded insurance”?

Great question! When we say “embedded insurance” we’re referring to any situation where an insurance purchase journey is seamlessly placed (embedded) into a partner’s app, platform, or website.

For example, the last time you purchased plane tickets you were almost certainly offered travel insurance just before the digital checkout. In this case, the airline has embedded an insurance offering directly into their journey, precisely at their customer’s moment of need.



An embedded insurance partnership usually requires at least two parties:

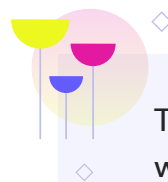
1. The non-insurance partner (the airline in this example)
2. The insurance partner (providing the travel insurance in this example)

Why is embedded insurance suddenly trending?

In short, because the technology has finally caught up to the vision. Imagine if the airline had suggested customers call an insurance agent between 9am-5pm to get a quote. That’s a low-conversion journey filled with potential headaches. But for many years that’s exactly how it worked.

Now that customers can simply select an insurance package and “add to cart” with their plane tickets, it’s a game-changer for all parties involved:

1. It fulfils a job the customer wants done (safety and protection while travelling)
2. It expands the overall value prop of the airline. Increasing customer loyalty and generating insurance referral revenue in the process.
3. It opens a new distribution channel filled with high-intent customers for the insurance partner.



These win-win-win situations are why non-insurance brands are now rushing into the embedded insurance space.

Which brands are good candidates for an embedded insurance partnership?

To be successful in embedded insurance, a company or organization generally needs to score well in three areas:



Brand trust

- Customers will only value your suggestion on complementary offerings like insurance if they already firmly trust your brand.
- Many non-insurance partners are actually choosing to “white-label” their insurance offering to further leverage their high brand trust.



Digital scale

- For an embedded insurance partnership to be worthwhile, your app, website, or platform must host tens of thousands of active Canadian consumers.



Organic customer journey connections

- An embedded insurance offering that feels disjointed from your core offering will lead to skepticism and low conversion.
- For example, an airline offering travel insurance for your trip makes total sense. But an airline offering auto insurance feels like a stretch.

1

Canadians want more control over their insurance rates



Canadians are looking to have more autonomy over their finances.

Given that insurance is often mandatory for big life events like buying a home or a vehicle, we wanted to know whether they feel they have much control over these costs.

More than half (56%) of respondents said no.

Considering that reducing risk level is the best way to get control over insurance rates, we were curious to find out:

1. What additional actions would Canadians take to get more control over their insurance rates?
2. How could an embedded insurance solution create new growth opportunities for brands while also providing their customers with more control and better rates?

81%

We discovered that **81% of respondents** surveyed would be willing to try a completely new insurance brand to gain more control over the cost of their coverage.

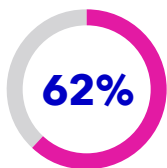
This statistic should start to give Canadian brands a better understanding of the potential interest in their own insurance offering.

Whether organizations choose to launch their own insurance brand or leverage the brand of an insurance partner, embedded integrations help customers access more personalized and affordable coverage.

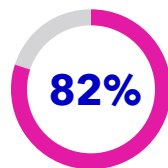
According to a 2023 report, a Canadian household needs to spend 63.5% of their income to cover the costs of owning an average home, up from 46% in 2020¹. We also found that the average cost of a new car in Canada rose nearly 20% in 2023 alone².

With that in mind, we wanted to know if Canadians would be open to purchasing adjacent products and services to reduce their home and auto insurance rates.

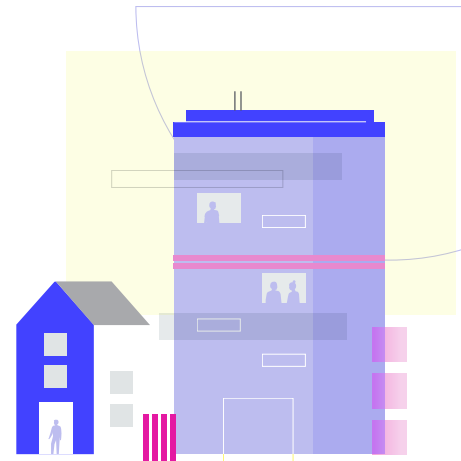
We found out:



of respondents would be interested in installing a new home security system if it reduced their overall home insurance cost.



would be interested in purchasing auto insurance from their favourite car brand if it meant they could receive exclusive insurance rates.



Brands that offer new products that directly lower insurance rates could not only increase customer value, but also unlock new revenue opportunities.

¹<https://thoughtleadership.rbc.com/toughest-time-ever-to-afford-a-home-as-soaring-interest-costs-keep-raising-the-bar/>

²https://editorials.autotrader.ca/media/olznqnf0/2023-q3.pdf?_ga=2.229059611.628400920.1705436837-27586831.1705436836



2

Canadians want to be rewarded for brand loyalty

Everyone enjoys rewards - that's why so many brands create loyalty programs to provide incentives to their customers.

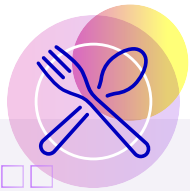
We asked Canadians whether they felt like the brands they use every month are rewarding them enough for being a loyal customer.

69% said no.

Given this response, we were curious to see if there was an opportunity for brands to utilize embedded insurance as a part of their rewards strategy.

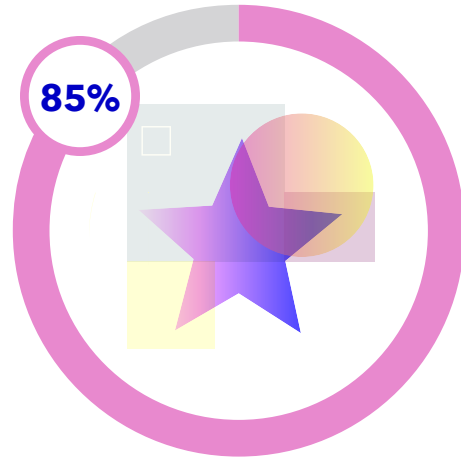
While our research shows that Canadians aren't feeling recognized enough by their favourite brands, **95% of respondents** said they would be more likely to stay with a brand if they received additional rewards and services.

Here's what else Canadians would be willing to do to earn rewards:

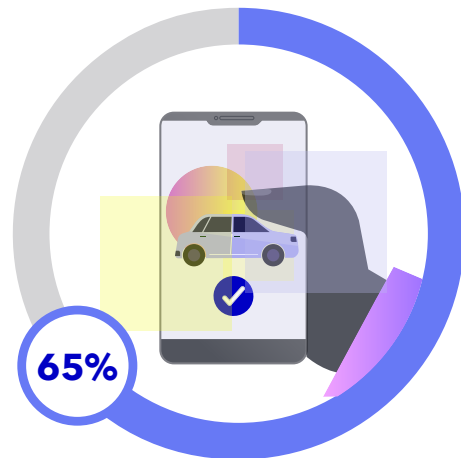


55% would eat more vegetables to earn more of their favourite loyalty points.

Whether that includes brussels sprouts or not, it's clear that Canadian consumers are willing to adjust their habits to earn more from the brands they love.



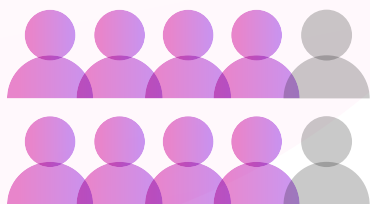
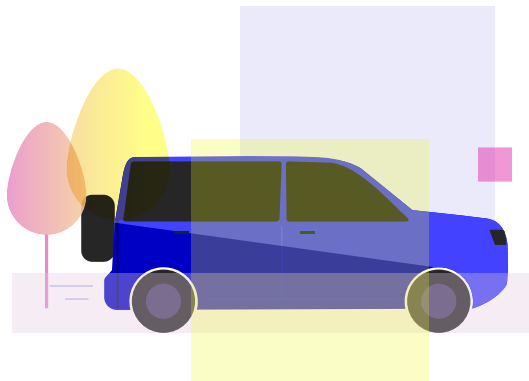
85% of Canadians would be more likely to make additional purchases from brands that reward them with loyalty points.



65% would be open to letting their auto insurance provider track their driving habits to receive discounts on coverage.

Here's what else we found:

93% of respondents think safe drivers should be rewarded by paying less for auto insurance than those who drive more recklessly.



80% of respondents think homeowners who invest in security/smart home devices should be rewarded with lower home insurance costs.

This data shows us that Canadians are looking to be rewarded for their risk-reducing behaviour.

We can see a clear opportunity here for brands who are looking for new ways to reward their customers while decreasing churn.



3

Canadians need to trust a brand before it starts offering insurance



Our study found that **92% of respondents** are open to trying new products and services from brands they trust.

Although that may seem obvious, this suggests to brands that integrating new products (like insurance) will be well-received by customers if they feel like they can really trust the brand behind the coverage.

Diving deeper on the subjects of brand trust and insurance, we were curious to know what Canadians value when it comes to selecting their coverage.

Through our survey we found that consumers are looking for more than just the right policy—they're looking for an overall experience that is quick, easy, and most importantly, reliable.

77% of Canadians agreed that it's very important for them to:



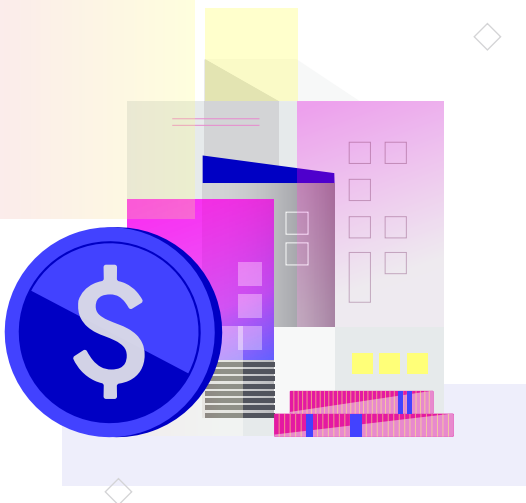
1. Trust an insurance company before buying a policy from them.



2. Select an insurance company that has fast and reliable customer service.

Moreover, **87%** say it's important for them to trust that their insurance company will pay their claim quickly and fairly.

When customers trust a brand, there's an assumption that any new products and services offered will meet the same high standards set by that brand previously. This is why brands must select an embedded insurance partner capable of meeting those standards.



4

Canadians are open to purchasing insurance through embedded experiences



Plenty of digital insurance options exist today, however, customers still have to hunt for the right coverage option in a sea of sameness—and this is where an insurance integration can make all the difference.

How? For starters, customers can purchase insurance directly through a brand they're more familiar with. Better yet, they'll be able to get the coverage they need at the exact moment they purchase their new car, sign their mortgage, or rent their first apartment.

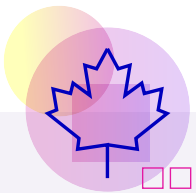
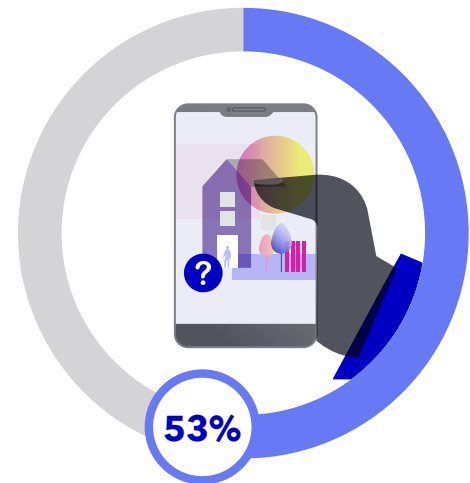
Embedded insurance can add value to a brand by expanding:

1. Their overall product suite.
2. Their customer relationships and average lifetime value.

Let's explore these opportunities a bit further.

Our study found that **more than half (53%)** of Canadians feel overwhelmed with options when shopping for insurance.

When brands embed an insurance option into their platforms, that choice becomes easier for customers. Why? Because the option they're being offered is designed and endorsed by a name they trust.



A key theme from our study was the fact that Canadians are ready for embedded insurance purchasing experiences.

They understand the value and convenience of having an embedded insurance add-on offered by the brands they're already using. We also saw that there is a clear appetite to move away from the traditional insurance purchase process. When we asked Canadians, it was clear that many would rather do just about anything than fill out a lengthy insurance application on a Saturday afternoon.

For example, **26%** would prefer to watch paint dry.

Before even getting to the point of filling in an application, you need to shop around to find the right insurance to fit your needs. We found that this task has also become a pain point, with **31%** of survey respondents saying they would prefer to go to work than shop for insurance on a Saturday.



Think of the travel insurance example we mentioned at the beginning of this report.

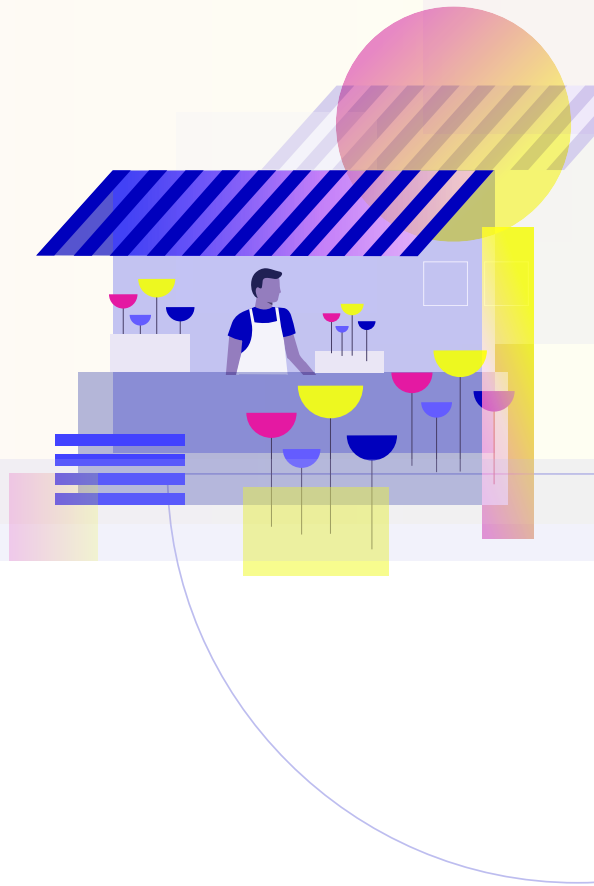
We asked Canadians if they had the option, would they prefer to purchase auto and home insurance the same way they get insurance for their flight tickets?

67% said yes.

Clearly, Canadians see the benefit of embedded insurance (even though they may not know that term yet) and they're open to purchasing insurance from their favourite non-insurance brands.

Based on the information gathered from this survey, we can see that embedding an insurance option is a beneficial experience for Canadian brands, saving customers time and money while adding new value to a brand's overall purchase experience.

What does this mean for Canadian brands?



From buying a home to insuring a car, there will always be a need to protect the assets we value most. What is changing is how Canadians can access insurance coverage.

We conducted our survey to determine if the value of embedded insurance appealed to Canadians.

What we found is that Canadians:



Want more control over their insurance rates



Need to trust a brand before buying insurance



Want to be rewarded more for their brand loyalty



Are open to purchasing insurance through embedded experiences

These findings show us that Canadians are willing to do things a little differently when it comes to insurance, which historically, isn't known for being an innovative industry. Canadians value autonomy over their purchases and want to be rewarded for brand loyalty. They're also willing to try something new and purchase insurance from the brands they already know and trust.

The good news for brands is that these findings present an exciting opportunity to dive into the space of embedded insurance technology. The findings captured in our study make it clear that with an embedded partner, a brand can drive new revenue streams while enhancing overall customer experience.



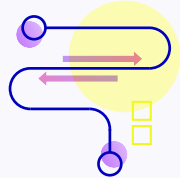
If you're a Canadian brand that:



Has high brand trust



Is digitally scalable



Has organic customer journey connections

It might be time to consider embedded insurance.



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»» co-operators

Your embedded insurance partner

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Appendix

Finding a partner

The key to launching a successful embedded insurance strategy is selecting the right partner. Our report shows that Canadians need to trust a brand before purchasing insurance, and whether an organization creates its own insurance brand or leverages the brand of an insurance partner, customers need to feel confident that they'll be supported.

We've [published an article](#) that dives into the process of finding the right embedded insurance partner. Like finding the right life partner, your insurance partner needs to tick some non-negotiable boxes (like having a reputation for excellent customer and claims service) before a brand can say yes to the SAAS.

The findings in this report show that embedded insurance presents a great opportunity for brands and customers alike. While buzz around this topic has been steadily growing, consumer interest in new insurance experiences is likely to expand once brands start to take advantage of this unique growth opportunity.

