



WHITE PAPER

Insurance Uncovered: Why Financial Literacy Must Include Insurance Education for the Next Generation



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EXECUTIVE SUMMARY

Insurance Uncovered: Why Financial Literacy Must Include Insurance Education for the Next Generation

Despite living in an increasingly complex financial and risk-based world, most UK schoolchildren know little about insurance – and even fewer learn about it in the classroom. A national survey¹ commissioned by SSP UK&I of 1,000 children aged 12–16 reveals that:

- Fewer than 1 in 5 (18%) say they've learned about insurance in school
- Just under 15% haven't learned anything about insurance at all
- Social media (40%) and TV (46%) are more influential sources of insurance information than teachers or textbooks
- 69% of respondents said they would definitely or may consider working in insurance in future – while this is encouraging, turning that potential interest into definite career choice depends on ongoing exposure and education

These findings point to a significant gap – but also a real opportunity.

Insurance becomes a necessary part of adult life, yet young people seem to learn about it by accident rather than intention such as in family conversations or social media. As public and private institutions work to improve financial literacy and economic resilience, insurance must be included in national education efforts. Doing so not only builds a more financially capable generation – it also strengthens the future of the insurance sector by nurturing early career interest.

This white paper from SSP UK&I calls on education leaders and insurance industry stakeholders to act together: embedding insurance into financial education curricula, investing in school engagement, and promoting the critical role insurance plays in everyday life and future careers.



"At SSP UK&I, we don't believe insurance is a product – it's a promise of protection, and an important part of everyday life. But, as this white paper illustrates, too many young people in the UK are growing up lacking the insurance education to understand or value that promise. The report is both sobering and encouraging: awareness levels are low, interest is high. This is our moment to act. By including insurance education in the school day and making our industry more visible and accessible to young people, we have a chance to make the customers of the future feel more informed, understand how they can protect their possessions and perhaps think about a career in this vital industry. The opportunity is clear – and the responsibility is ours to share."

Martyn Mathews, Managing Director, **SSP UK and Ireland**



"At the Chartered Insurance Institute, we firmly believe that insurance education should not just be about understanding policies – it's about equipping young people with the knowledge to protect what matters most and to see the substantial role our profession plays in society. This research shows both the urgency and the opportunity, by embedding insurance into financial education and ensuring the sector is promoted more visibly in schools as a career of choice and one that offers a fulfilling professional pathway. By working together to deliver this, we can build financial resilience amongst young people whilst strengthening public trust and inspiring a new generation of professionals to join a sector that truly makes a difference."

Laura Wharfe, Career and Talent Lead, **Chartered Insurance Institute (CII)**

"This White Paper is insightful, timely and constructive. I strongly support the goal of improving insurance literacy and agree that a more unified industry effort is needed. Our own research in 2024 found similar gaps in access to knowledge that prepared young people for transitions to jobs and the inequalities within it. I was particularly struck by the suggestions that insurers could collaborate on toolkits, school programmes, or even digital content to engage young people. These are practical ideas and align closely with what I have seen work in other sectors – a more coherent, unified approach by industry can make a real difference in demystifying professions and broadening access."

Dr Elnaz Kashef, Director of Policy, Research and Impact, **Futures for All**

"Those in our sector understand the clear benefits of insurance protection and a career in the industry, but this report highlights that understanding among young students could be higher. We really want younger people to engage with how insurance will be vital to them in their future and how working in the sector could be an excellent career option with many and varied progression opportunities. At BIBA, we see the potential in young people who are curious, tech-savvy, and wish to make a difference. By bringing insurance into the classroom and into careers discussions, we can build a new generation of vibrant and diverse professionals ready to meet the risk challenges of tomorrow."

Graeme Trudgill, Chief Executive, **British Insurance Brokers' Association (BIBA)**



1. INTRODUCTION:

What Teens Don't Learn About Insurance – and Why That Matters

**MANY
MISUNDERSTAND
WHICH TYPES
OF INSURANCE
ARE LEGALLY
REQUIRED**

**RESEARCH
SHOWS
69%**

**of 12-16-year-olds
might be open to
working in insurance**

Insurance plays a vital but often invisible role in protecting people, families, and communities from financial shocks. Yet, for most UK schoolchildren, insurance is absent from the classroom. Instead, they form their earliest impressions through second-hand experiences, fleeting ads, or social media – sources that may be inaccurate, limited in scope, or overly simplified.

Our 2025 national survey of 1,000 young people aged 12-16 reveals that:

- Only 18% reported learning about insurance in school
- Nearly 15% haven't learned anything about insurance at all
- Most turn to family (75%), general online search (41%), ChatGPT or other AI tools (31%) with their insurance related questions. 26% said they would ask an insurer or broker.
- Many misunderstand which types of insurance are legally required
- Over half (54.7%) believe someone in their household has made an insurance claim – well above actual market data, suggesting confusion about what insurance actually covers

These knowledge gaps matter. Insurance not only provides financial resilience – it helps provide economic stability, and supports recovery from crises like natural disasters or pandemics.

At the same time, while the insurance industry faces a significant recruitment challenge, our research shows 69% of 12-16-year-olds might be open to working in insurance and around half of these young people would definitely consider insurance as a career.

This white paper explores:

- What young people know (and don't know) about insurance today
- How this affects their financial preparedness and future choices
- What policymakers and industry leaders can do to close the knowledge gap and spark interest in insurance careers

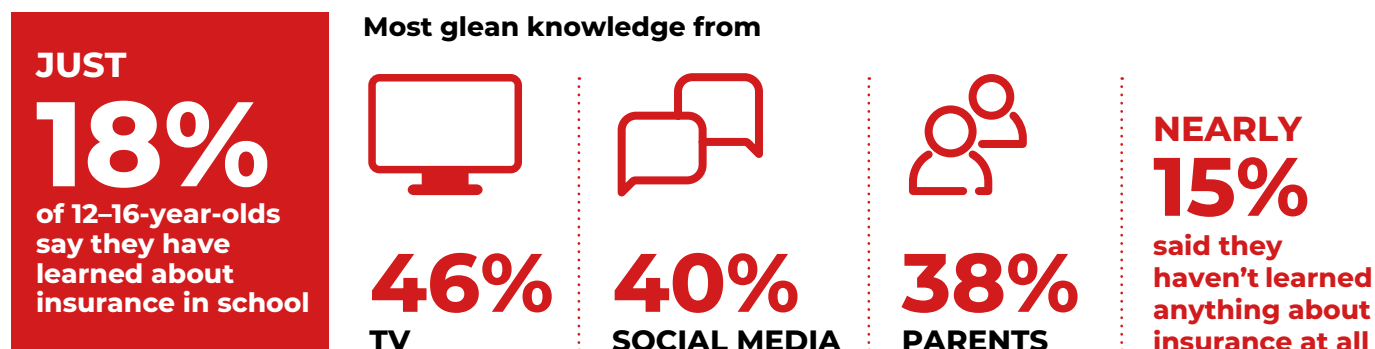
2. KEY FINDINGS & ANALYSIS:

What Young People Understand About Insurance



2.1 Learning Sources: Schools Lag Behind Social Media

The survey results show a concerning gap in how young people gain knowledge about insurance:

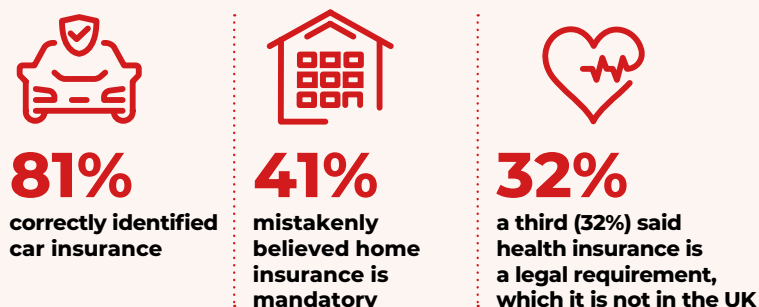


Even at age 15 – when students can begin facing real financial decisions – education in school only rises to 21%. This suggests formal education is missing a clear opportunity to build early financial resilience through insurance literacy.

Implication: Without education in schools, young people will learn from informal, potentially misleading sources. Insurance as part of the curriculum can help to create a consistent understanding of risk and protection.

2.2 Awareness of Mandatory Insurance Is Patchy

When asked which types of insurance are legally required:



Implication: It is clear that students would benefit from greater clarity around what is *required* versus what is *advised* in insurance.

2.3 Household Claims Experience May Be Misunderstood

More than half of young people (54.7%) say someone in their household has made an insurance claim, while 31.6% say no, and 13.7% are unsure.

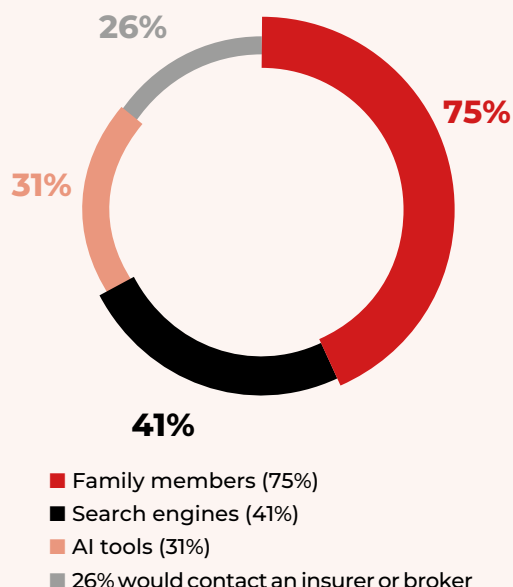
These responses align more with the market experience in private medical insurance than in general insurance according to the FCA's Financial Lives surveyⁱⁱ which shows 29% of policyholders have made a pet insurance claim in the past two years, 9% of policyholders have had a motor claim, 5% have had a home contents claim and 5% have had a property insurance claim.

Implication: There may be confusion about what constitutes a formal claim, again underlining the need for more structured education around the basics of insurance policies and processes.



2.4 Where Would They Turn With Questions?

When faced with a question about insurance, respondents say they would ask:



Implication: There is untapped potential for insurers to establish trust and relevance by creating dedicated, youth-focused resources – such as digital help tools, explainer videos, or school partnerships.

2.5 Pricing: What Do They Think It Costs to Insure a Young Driver?

Respondents were asked to estimate the annual cost of insuring an 18-year-old new driver. The most selected range across all age groups was

£1,900-£2,000,

even though the average real-world figure is around

£2,329ⁱⁱⁱ (as at June 2025).

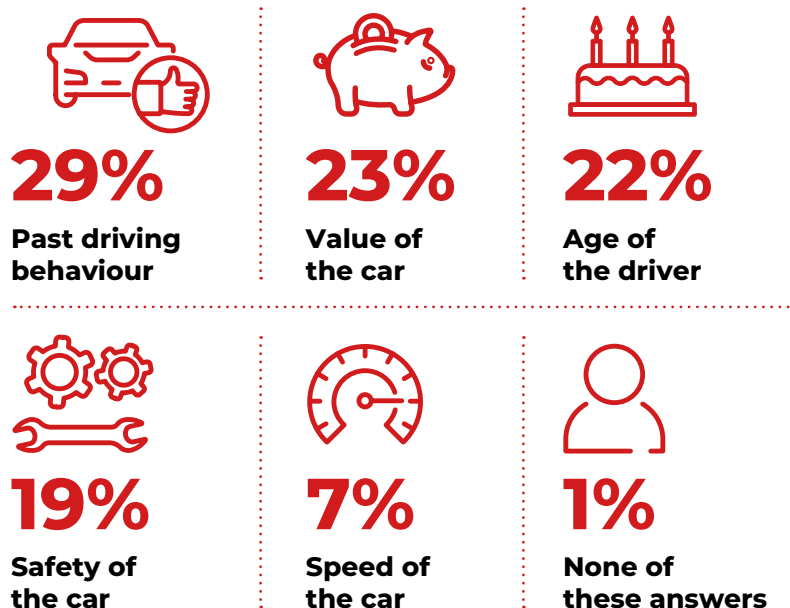
Implication: It seems young people are quite unprepared for the real cost of motor insurance with most underestimating the current average cost. Indeed, the spread of responses suggests a lack of practical knowledge about insurance pricing. Some may argue that engagement is low as most respondents are unlikely to pay premiums themselves in the near future – however, an appreciation of costs could help young people prepare and consider ways to mitigate those costs.



2.6 What Factors Affect Car Insurance Pricing?

Students were asked what they think matters most when insurers decide on pricing.

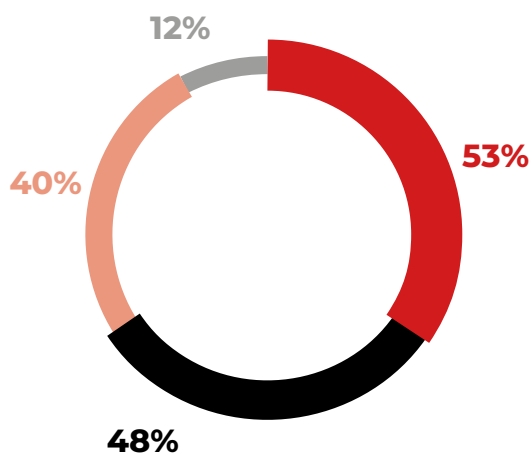
Top answers:



Implication: Encouragingly, students show awareness of key risk-rating factors – a solid base to build on. Reinforcing this understanding early can promote safer habits and trust in fair pricing.

2.7 Cutting Costs: Openness to Usage-Based Models

When asked how they'd reduce the cost of insurance, students chose:



- Allowing driving to be monitored (53%)
- Shopping around (48%)
- Sharing a car (40%)
- Only 12% selected "rent a car when needed," suggesting ownership is still seen as the default.

Implication: There is strong potential to educate young people about usage-based insurance (UBI), telematics, and flexible ownership models – all of which support safer driving and cost efficiency. It is also interesting to note that young people think they could cut motor insurance costs by shopping around.



2.8 Attitudes Toward Driverless Cars and Future Risks



85%
have heard of
driverless cars

62%
would like
to own one

Asked what insurance types would be needed in 20 years, students predicted:

- | | |
|--------------------------------------|--|
| ■ Car insurance 61% | ■ Business insurance 37% |
| ■ Home insurance 54% | ■ Robot insurance 35% |
| ■ Health insurance 51% | ■ Space travel insurance 23% |
| ■ Travel insurance 47% | ■ Bicycle insurance 15% |
| ■ Cyber insurance 46% | ■ No insurance will exist or be needed 2% |
| ■ Pet insurance 38% | ■ Not sure 4% |
| ■ Mobile phone insurance 38% | ■ Others 0.1% |
| ■ AI insurance 38% | |
| ■ Car breakdown insurance 37% | |

Implication: Only 60% see car insurance existing in 20 years, and cyber insurance will be more relevant than pet insurance or mobile phone insurance, according to the survey. The future of the humble pedal bike also looks in doubt as only 15% saw this in our future, notably this was less than those who saw robot insurance as a future need. Students are already thinking about future risk. This presents an ideal opportunity to introduce concepts like cyber insurance, embedded insurance, and emerging coverage types in school settings.

2.9 First Insurance Purchase & Career Interest

38%

expect their
first insurance
purchase to be
car insurance

14%

said health
insurance –
reflecting
an evolving
mindset
post-COVID

35%

said they would
definitely
consider a career
in insurance and
34% said they
think they might

Implication: The appetite is there – what's missing is the exposure. Schools, insurers, and government need to collaborate to convert curiosity into capability.

This survey paints a clear picture: young people are willing to engage with insurance, but they lack structured opportunities to learn. By integrating insurance into financial education and making industry outreach more youth-friendly, both government and the sector can address a real need – and secure the future.

3. WHY THIS MATTERS:

The Broader Impact on Society and Industry



The data from this survey makes one thing clear: the UK's next generation is entering adulthood with only a fragmented understanding of insurance. This is not just a problem for the individuals concerned – it represents a missed opportunity for society and a strategic risk for the insurance sector.

3.1 Financial Literacy Without Insurance Is Incomplete

Insurance is a fundamental component of modern financial life – yet it's frequently absent from school financial education frameworks. While students often learn about saving or budgeting, based on the survey, many leave school without understanding how to protect their property.

Implication for education policy: Not including insurance in financial literacy lessons is like giving someone the keys to a car without teaching them the rules of the road. It's essential for future financial resilience.

3.2 Misinformation Fills the Vacuum

In the absence of structured education, young people are left to learn from social media, TV, or family anecdotes – sources that often focus narrowly on car or home insurance, or even portray insurance in a negative light (e.g. claims disputes, premiums rising).

- Over half of 12-16 year olds think someone in their family has made a claim, yet this exceeds actual claim rates – suggesting a misunderstanding of what claims are.
- 32% believe health insurance is a legal requirement, which it is not in the UK

Implication for young people: Incomplete or inaccurate information could lead to poor decision-making as adults such as underinsuring themselves, not understanding policy terms and exclusions, and misstating key information in an application. All this can lead to distrust of the sector.

Implication for insurers: Misconceptions about risk, pricing, and claims can erode consumer trust before these individuals even enter the market as policyholders.

3.3 A Career Opportunity That's Being Missed

The UK insurance industry contributes over £35billion^{iv} to the UK economy and employs more than 300,000 people – yet it suffers from a perception problem. Too often, young people view insurance as dull, inaccessible, or irrelevant to their lives.

Encouragingly, the survey shows that **69% of 12–16 year olds would definitely or may consider a career in insurance** – far higher than many in the industry might expect, even if taking into account an acquiescence bias (the behaviour of selecting more positive options within a survey), which may account for perhaps a 5% swing. Of course, consideration is quite broad, but this does suggest that if there was more a sustained effort to engage young people, this initial interest could mature into intent.

Implication for the industry: Early outreach can reshape perceptions, diversify recruitment, and secure the next generation of talent. The interest is there – but the industry must act now to nurture it.

3.4 Insurance Supports Social Justice and Stability

As well as protecting people from financial loss, insurance is an enabler in social mobility and recovery. Insurance supports families and businesses after disaster, it underpins major public infrastructure and helps drive innovation.

If the insurance customers of the future are not taught about the role of insurance in a functioning society – or if they see insurance as a burden rather than a benefit – the risk is that there will be lower take-up of insurance, leading to greater vulnerability to shocks, and a lack of trust in the insurance businesses meant to help.

Implication for government: Improving insurance education is not just about economic literacy – it's a long-term investment in societal resilience, trust in institutions, and public health.



In Summary

Young people are willing to learn about insurance.

They are open to careers in the industry.

But they are not being taught what they need to know – and that must change.

This section sets the stage for practical recommendations.

4. RECOMMENDATIONS: Bridging the Gap Together



Solving the insurance literacy gap requires collaboration. Schools cannot carry the responsibility alone, and the insurance industry must play an active role in creating meaningful, accessible learning experiences for young people. Based on the survey insights and wider policy context, we propose the following strategic actions:

4.1 Recommendations for Education Ministers & Curriculum Bodies

1. Include Insurance in Financial Education Curriculum

Why: Only 18% of 12–16-year-olds said they had learned about insurance in school.

- Introduce insurance concepts into existing financial education classes
- Emphasise the importance of these lessons to teachers of all levels. They need to believe in the project for it to succeed
- Walk through central insurance procedures, like processing a claim, to give an example of all the people and skills needed to establish robust protection

2. Use Real-Life Milestones

Why: 38% of respondents expect car insurance to be their first purchase.

- Frame insurance literacy lessons around key life stages such as learning to drive, renting, travelling, working – each with relevant insurance decisions.
- Highlight mandatory vs. non-mandatory cover (e.g. motor insurance vs. health insurance)
- Explain the implications of not having a mandatory policy, from both a legal and consequence perspective (e.g. having no motor insurance and having an accident can have long term consequences for all parties)

3. Develop Cross-Disciplinary Resources

Why: Insurance connects to economics, law, data science, health, and engineering.

- Collaborate with insurance bodies as well as insurers, brokers and MGAs to develop teaching materials that are real-world, case-based, and cross-curricular.
- Use relatable scenarios (e.g. “What happens when your phone is stolen on holiday?”)

4. Promote Insurance Careers Through Schools

Why: 69% of young people would definitely or may consider working in insurance.

- Include insurance careers in careers advice frameworks
- Encourage schools to host industry speakers, field trips, and career fairs involving insurance professionals

Showcase diverse, tech-driven and purpose-led roles (e.g. climate risk analysts, cyber insurance, fraud detection)

38%
of respondents
expect car
insurance to be
their first purchase

**LONG-TERM IMPACT
DEPENDS ON SYSTEMIC
CHANGE IN THE
CURRICULUM**



4.2 Recommendations for the Insurance Industry

1. Create a National Insurance Education Partnership

Why: Schools need content and access – the industry can provide both.

- Collaborate across associations (ABI, CII, BIBA) to launch a joint education initiative
- Fund the creation of a national insurance education toolkit for secondary schools
- Sponsor lesson plans, explainer videos, and interactive games aligned with the curriculum

2. Engage Directly With Schools

Why: 75% of students say they would ask their family about insurance – but only 26% would ask an insurer.

- Offer school visits, career talks, and Q&A sessions
- Offer visits to insurer offices, particularly if this helps illustrate the business
- Provide internship pathways or “day in the life” videos to demystify careers
- Create youth-friendly websites or forums where students can ask questions safely
- Offer work experience and intern opportunities to students

3. Build Youth-Centric Digital Content

Why: Social media and online search are major sources of information for Gen Z.

- Develop engaging insurance explainer content for TikTok, Instagram, YouTube Shorts
- Use influencers to promote insurance literacy campaigns
- Partner with AI education platforms to provide simple, accurate responses to common questions

4. Support Policy Advocacy

Why: Long-term impact depends on systemic change in the curriculum.

- Use these findings to advocate jointly with education organisations for the inclusion of insurance in UK national curricula
- Provide evidence of talent pipeline concerns to support the case for early engagement

75%
of students say they
would ask their family
about insurance

**BUT ONLY
26%**
would ask an insurer



In Summary

By working together, the insurance industry and education policymakers can:

- Equip students with life-ready financial skills
- Increase public trust and understanding of insurance
- Inspire the next generation of diverse, informed professionals

The gap is clear. The appetite is real. Now is the moment to act.

5. CONCLUSION & CALL TO ACTION



This white paper reveals a clear and compelling message: young adults in the UK are growing up becoming adults without a true understanding of insurance – what it is, why it exists, and how it protects their future. But it also suggests a tremendous opportunity.



69%

of 12–16 year olds would definitely or may consider a career in insurance

- Students are already aware of emerging risks like driverless cars, cyber threats, and AI
- There is openness to usage-based insurance, digital tools, and new models of engagement

The interest is there. The infrastructure is not.

This paper calls for a joint commitment from education leaders and the insurance industry:

- **Education ministers:** embed insurance in national financial literacy standards, ensure that young people understand protection as well as budgeting
- **Insurers and brokers:** invest in engagement, build digital tools for youth, and be visible in classrooms and career pathways

TOGETHER WE CAN:



Build a more financially resilient generation

Strengthen public understanding and trust in insurance

Secure the talent pipeline that will sustain and modernise the industry

Next Steps

To move from insight to action, we propose:

1

Convene a national roundtable

with education representatives, regulators, insurers, and youth groups

2

Launch a pilot insurance-in-education programme

in 10-20 secondary schools across the UK

3

Publish an annual Insurance Literacy Tracker

to monitor young people's understanding and engagement over time

The conversation starts now – and the responsibility is shared. The more young people understand insurance, the stronger our society, economy, and industry will be.

- i The research was conducted by Censuswide, among a sample of 1,000 12-16 year olds in the UK. The data was collected between 16.06.2025 - 19.06.2025. Censuswide abides by and employs members of the Market Research Society and follows the MRS code of conduct and ESOMAR principles. Censuswide is also a member of the British Polling Council.
- ii <https://www.fca.org.uk/publication/financial-lives/fls-2022-general-insurance-protection.pdf> page 50
- iii <https://www.confused.com/car-insurance/price-index>
- iv <https://www.abi.org.uk/globalassets/sitecore/files/documents/publications/public/2016/keyfacts/abi-ukinsuranceandlongtermsavings-keyfacts.pdf>





ABOUT US

SSP UK and Ireland is a business unit of SSP Worldwide, a leading software provider to the insurance industry with over 700 insurance clients in 6 continents supporting over 40 business classes. In 2021, Vencora an Operating Group of Constellation Software Inc. (CSI), completed the acquisition of SSP Worldwide. CSI, listed on the Toronto Stock Exchange, has a market capitalization of \$6 billion and provides services to more than 125,000 customers across over 100 countries. Overview | Constellation Software (csisoftware.com)).

SSP UK & Ireland builds and delivers the technology platforms that power insurance businesses - from policy administration and distribution to AI-enabled product development. We work with brokers, MGAs and insurers across the UK and Ireland, providing the tools, integrations and expertise they need to launch new products, reach new markets and run more efficiently. Our platform is built for the realities of modern insurance: flexible enough to support niche and specialist lines, robust enough to handle scale, and open enough to connect with the wider ecosystem of data providers, price comparison sites and third-party services that today's market demands.

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