

Economic insights

Mental health in Europe: younger generations want digital insurance solutions

Key takeaways

- The pandemic has impacted mental health wellbeing in Europe: 40% of those below the age of 35 report deteriorating mental health conditions.
- Younger cohorts are more proactive in taking care of their mental healthcare needs than older generation.
- The variety of mental health support platforms (eg, telehealth, H&W apps) is multiplying beyond traditional medical services and their adoption is highest among younger cohorts.
- Insurers can strengthen mental health resilience and promote preventive care by integrating digital tools into policies and joining forces with new market players.

About Economic Insights

Analysis of key economic developments and their implications for the global re/insurance industry.

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In a nutshell

Mental health has become a major concern among the younger generation in Europe. Increasingly, this cohort is making proactive use of digital support platforms for their mental healthcare needs. Insurers can help improve mental health resilience by adopting in-demand technologies and partnering with providers of associated services, particularly through health and wellness (H&W) apps.

Many people have struggled with mental health issues during the COVID-19 pandemic. A deterioration in overall mental health sentiment has been most prevalent among Europe's younger generations, according to a recent survey by Swiss Re Institute.¹ In Europe, 40% of survey respondents below the age of 35 reported a deterioration in their mental health status in 2021. Older generations also suffered, but less so (see Figure 1, left). Youth in the UK were affected most, with 46% of respondents there reporting a worsening in state of mind. The findings also show that awareness of mental health has become a top priority across all age groups (see Figure 1, right), and that demand for associated healthcare solutions, including digital services, is rising. Providing services to younger generations through health apps is one area where insurers can help improve mental health resilience in the region.²

Younger generations in Europe are most proactive in taking action to deal with mental health issues, indicating that the field is becoming less shrouded in stigma. Our survey reveals that 58% of those below 35 years sought medical help for mental health issues in the last 24 months, against only 29% of older respondents. The intra-generational gap is highest in the UK, with 38% more consultations among the younger than older generations, and lowest in Germany (17%). Sources of mental health services support differ across countries. In France and Germany, primary care doctors are the main port of call while in Poland, patients tend to consult a specialist. In the UK, H&W apps are the main source of support.

Here, insurers have a key role to play in strengthening mental health resilience. The survey responses provide first insights that insurers can use to design products and service offerings to incentivise proactive mental healthcare. When asked about their interest in coverage features, 54% of those below the age of 35 said they favour services support over reimbursements or lumpsum payments. They expressed strong preference for professional diagnostics and general support in case of mild symptoms (see Figure 2). Lower premiums would incentivise consumers across Europe to take action to protect their mental health. In France consumers are interested in wider scope of cover.

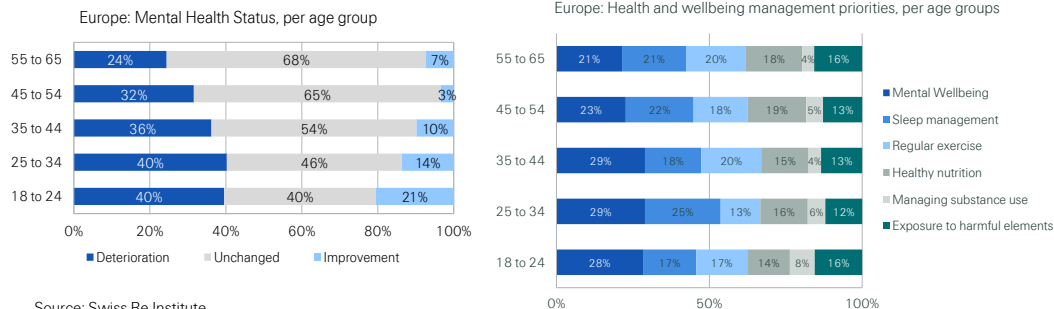
¹ See *Swiss Re global COVID-19 consumer survey 2022*, Swiss Re Institute, 1 June 2022. In this study, overall mental health sentiment is the difference between the percentage of those reporting deteriorating mental health and those reporting an improvement. The decline was most in Europe (24%), followed by the Americas (15%) and Asia-Pacific (-1%: ie, an improvement). The four European market covered by the survey are France, Germany, Poland and the UK.

² For our purpose, we refer to the *young generation* or the *youths* as the group ranging 18-35 years-old.

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Figure 1: Self-assessment of health status over the last 12 months (left) and health and wellbeing management priorities by age (right)



Source: Swiss Re Institute

Yet, consumer behaviour is changing with rising adoption of new, non-traditional support channels offered in the market, particularly among younger generations. The use of telemedicine platforms – still in infancy – is rising steeply, with mental health already accounting for 30% of consultations. We estimate that demand for telemedicine services will more than double in the future, and that H&W apps usage will grow 150% in the coming years.³ Already one third of the young generations are active apps users. Adoption is highest among young professionals (25-34 years), most in the UK (40%) and Germany (37%).

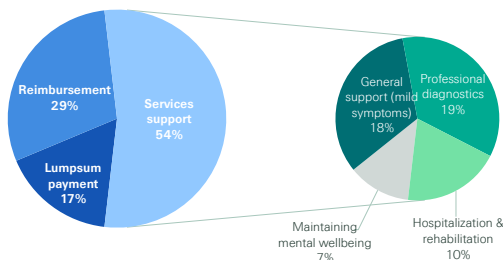
This is a market signal to integrate new mental support platforms into policy offerings. In Germany, H&W apps rewards are appealing, while in the UK and Poland, access to feedback tools on mental resilience is a main attraction. Overall, young Europeans are open to using digital support platforms such as online mental resilience assessments and guided mobile apps (eg, sleep, meditation, breathing). However, the role for face-to-face counselling is still important (see Figure 3), especially in the UK and Germany.

Those insurers that manage to anchor the habits of younger and tech-savvy customers in advance will be best positioned for the future of mental healthcare. We see two complementary actions:

- Incentivise consumer use of diagnostics and care tools through policy-integrated telehealth platforms and apps. This could help lower the general cost of mental healthcare services, promote the adoption of sound lifestyle habits and trigger preventive actions.
- Strengthen links with existing apps and mental health providers. This would allow insurers to tap into an established pool of young customers looking for mental health support services and leverage new sources of personal data to best tailor underwriting strategies. We find that mental health professionals are among the preferred recommendation channels through which youths would download and use H&W apps, while close to 80% of younger Europeans would be ready to share personal data for improvements in health and insurance services.

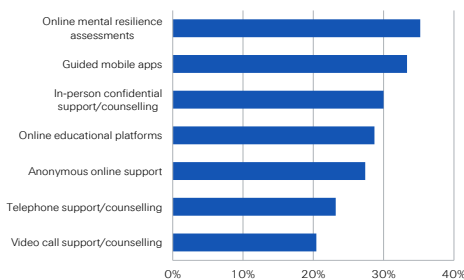
³ Our estimate is based on additional analysis of the data collected as part of the said Swiss Re Institute survey.

Figure 2: What consumers below 35 years want when purchasing mental-health insurance offerings



Source: Swiss Re Institute

Figure 3: Openness to support services, below 35 years



Source: Swiss Re Institute

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