



Insurance Loyalty Programmes

The Strategic Guide to Customer Retention and Growth

Shark

B&Q

TKmaxx

WarmZilla

Emma

JOHN
LEWIS
& PARTNERS

SCREWFIX

NINJA

Dunelm

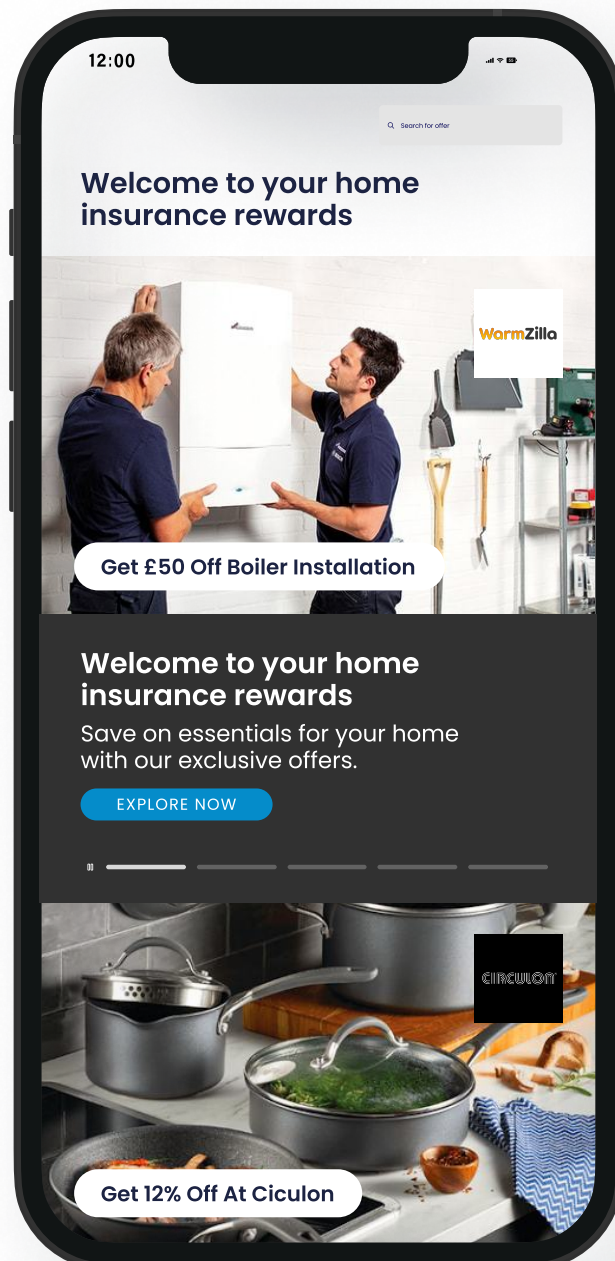
wayfair

sky

IKEA

Argos

Switchd



Contents

03	Introduction
04	Section 1: What are the Core Benefits of Insurance Loyalty programmes?
05	Section 2: The Insurance Loyalty Value Chain
06	Section 3: How Loyalty Programmes are the Answer to Common Insurance Problems
07	Section 4: High-Impact Features of Insurance Loyalty Programmes
10	Section 5: Build vs. Buy: Making the Right Tech Choice
11	Section 6 – Future Trends to Watch
12	Section 7: Insurance Loyalty in Action
14	Section 8: Measuring Success

Introduction

Here's a fact that most insurers don't like to hear: your customers don't like thinking about you.

They try not to think about the premiums they grudgingly pay, all the while hoping secretly that they will never need your services. When it's time to renew, lots of them will switch providers happily to save £50 without giving a second thought to your relationship.

And that puts you in a no-win position. You're racing to win the price war and hoping to somehow build a business that will be sustainable.



Mark Camp

Founder & CEO
Propello Cloud

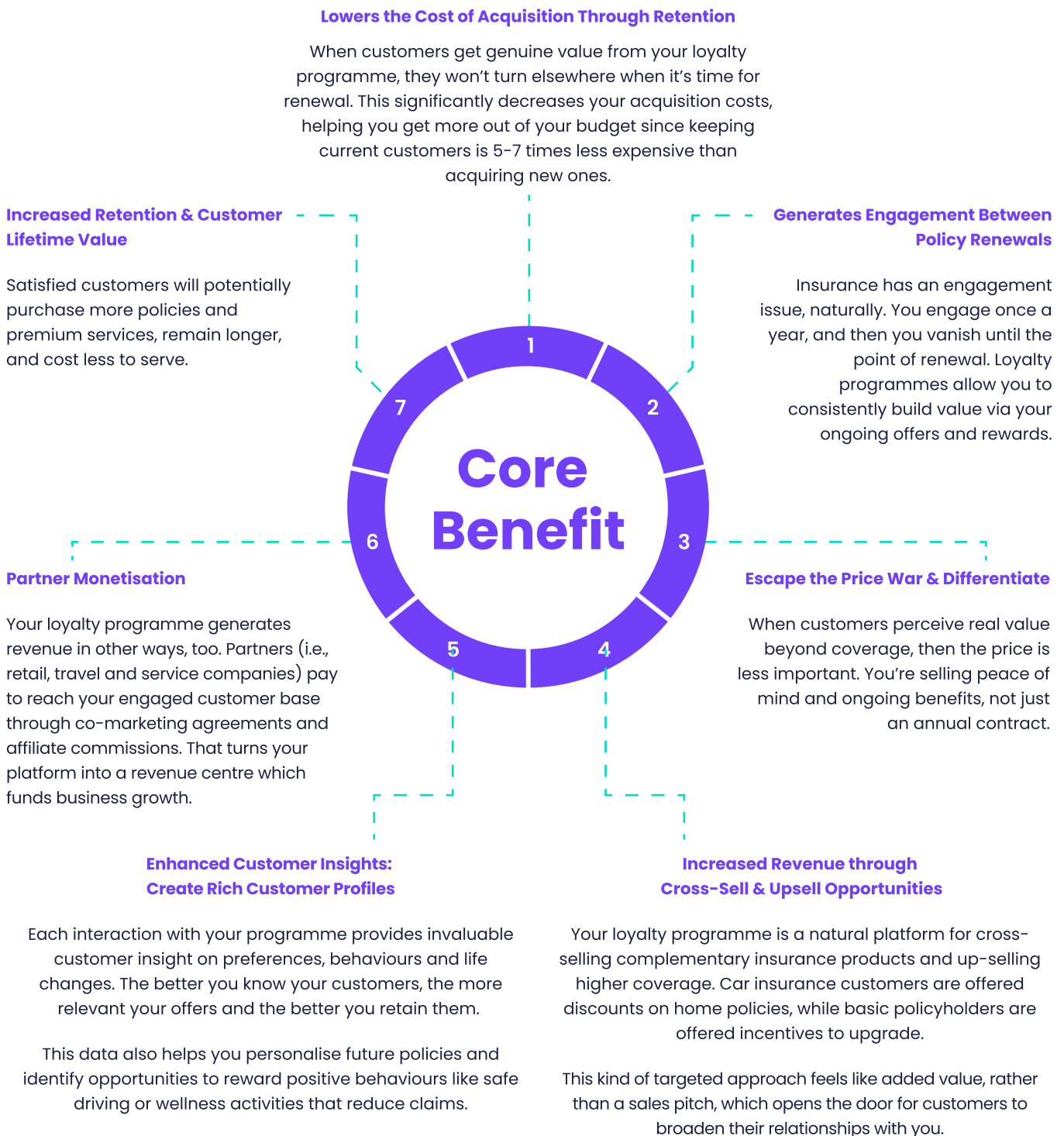
But there is another path forward.

Smart insurers are using loyalty and reward programmes to completely transform the customer relationship. So now you're not just the company they pay and forget; you're the one consistently adding value to their lives every day, providing rewards and cost savings, which help offset the cost of their policy throughout the year. In this guide, we'll demonstrate how to bring about that transformation. You'll get an actionable, step-by-step plan to turn price-sensitive policyholders into engaged advocates who willingly promote your brand.

Section 1: What are the Core Benefits of Insurance Loyalty Programmes?

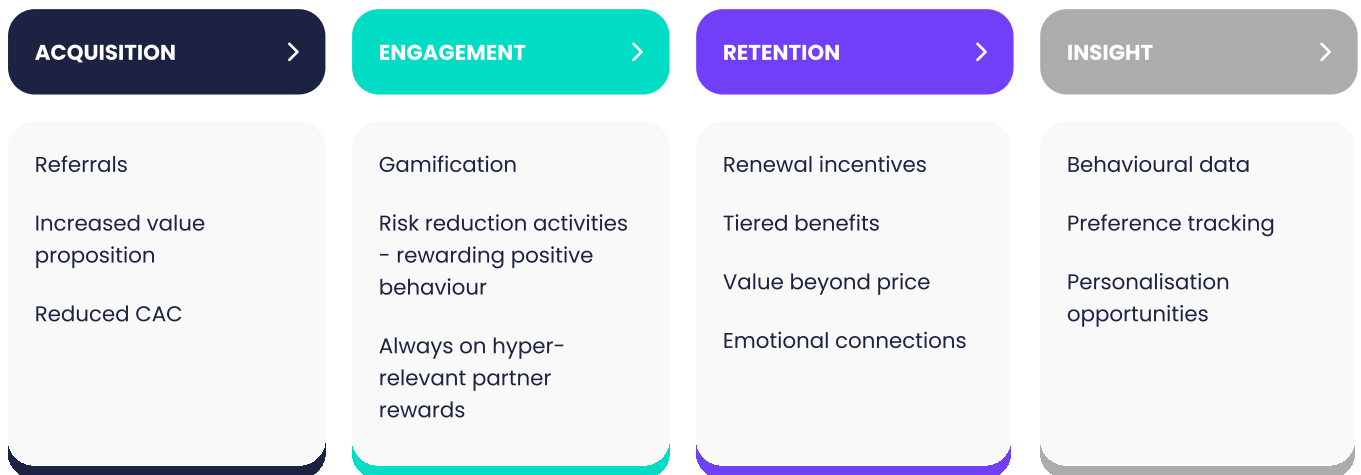
For marketing leaders considering loyalty as a strategic priority, it's no longer a question of whether these programmes work—it's a matter of what specific business outcomes they deliver.

Here are the business benefits of investing in a loyalty programme.



Section 2: The Insurance Loyalty Value Chain.

Done right, loyalty programmes become an essential part of the customer lifecycle. They deliver constant value at each stage, reinforcing your value proposition to policyholders.



Acquisition begins with your current customers being your most effective sales force by providing referrals. Your improved value proposition helps set you apart from price-obsessed competitors, lowers customer acquisition costs and leaves more room in your budget for strategic initiatives.

Engagement encourages customer interaction in between renewals with gamification and incentivising positive customer behaviour such as healthy living choices to reduce risk of claims for health insurers, for example. Partner rewards also help your brand stay top-of-mind with hyper-relevant offers that feel individually curated.

Retention rate is stronger when policyholders receive always-on, relevant perks that create an emotional connection to your brand. By combining continuous value with renewal incentives, you encourage customers to stay beyond the renewal date and build lasting loyalty that extends beyond price.

Insights from every interaction provide in-depth behavioural data and preference profiling that opens up fresh personalisation possibilities. This intelligence will loop back into the cycle, making each stage more successful.

Section 3: How Loyalty Programmes are the Answer to Common Insurance Problems

All insurers face these same roadblocks. It's the reaction that's different. Here's how loyalty programmes can improve yours. The real power is in how these solutions work together. The better the data, the more relevant your offers become. Greater engagement also lowers churn tendency. And happy customers make great unpaid marketing ambassadors.

What Keeps You Up At Night

How Loyalty Programmes Help



High churn at renewal

- Conditional rewards incentivise policy renewal
- Tiered benefits increase rewards over time, rewarding longevity
- Special renewal bonuses or perks to thank loyal customers



Price sensitivity

- Value delivery through non-price benefits customers can't compare on aggregator sites
- Access to discounts on everyday spending offsets policy cost
- Partner perks create perceived savings beyond the policy price



You're invisible between renewals

- Regular engagement (app or reward site visits) through gamified challenges and ongoing rewards
- Always on rewards offers keep your brand top of mind
- Seasonal or life-stage campaigns encourage interaction throughout the year



Cross-sell struggles

- Personalised upsell and cross-sell offers with relevant rewards
- Bonus points or perks for bundling multiple policies
- Programme data reveals purchase-ready moments for timely product recommendations



Lack of customer data

- Rich behavioural and preference insights captured through loyalty interactions
- Better segmentation based on reward choices and redemption behaviour
- Insights can improve targeting of retention and upsell campaigns



Acquisition cost pressure

- Built-in referral incentives convert loyal customers into advocates
- Word-of-mouth drives high-quality, warm leads
- Rewards can be offered for social shares and reviews to boost reach



Product commoditisation

- Differentiation through exclusive partnerships and unique rewards
- Brand positioning shifts from transactional to value-added
- Harder for competitors to replicate a well-established partner network

Section 4: High-Impact Features of Insurance Loyalty Programmes

To deliver the substantial business benefits we've just covered, your loyalty programme needs certain core capabilities. Based on our experience with successful insurance loyalty programmes, here are the essential features your programme should include:

Personalised Rewards

The best loyalty programmes are not one-size-fits-all – they provide rewards that are relevant to each member's unique situation. Here are the different types of rewards you should offer.

Behaviour-Based Rewards

Offer incentives and encouragement to customers who practise healthy lifestyle choices that reduce insurance risk.

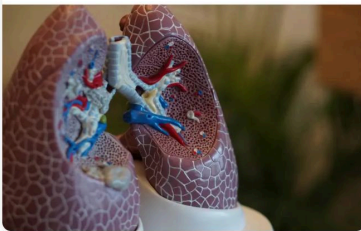
Rewarding customers for joining wellness programmes, taking health screenings, and prioritising healthy behaviour are all possible ways to do this. The rewards could take the form of premium discounts, free gym memberships, and other health-related benefits.

This is a win-win situation for your customers and your business – your customers get tangible rewards, and you can collect valuable risk data and cut claim frequency.



For health insurance

- Fitness tracker integration
- Daily activity goals
- Engaging health challenges



For car insurance

- Telematics device integration
- Safe driving challenges
- Leaderboards



For pet insurance

- Smart collar technology
- Digital pet care log
- Pet nutrition app rewards



For life insurance

- Fitness tracker integration
- Health monitors
- Fitness and activity challenges



For travel insurance

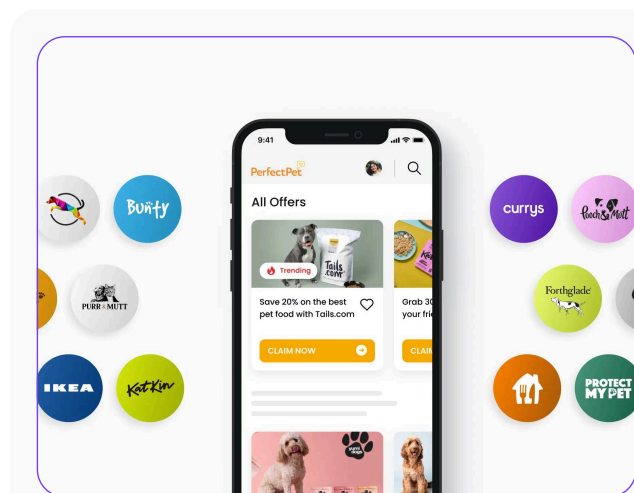
- Trackable luggage monitors
- Health monitor data
- Smart medication apps



For home insurance

- Smart home technology
- Smart security systems
- Smart smoke detectors





Partner Rewards Network

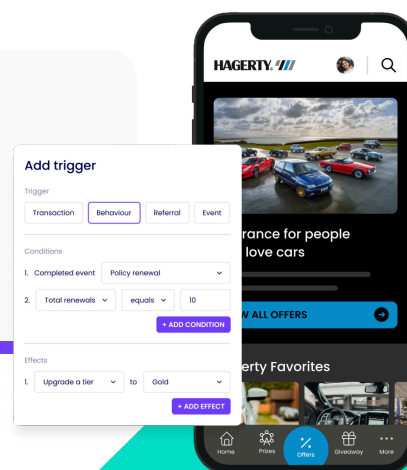
The more relevant the reward, the more satisfaction and value customers receive, and the more emotionally connected they are.

Relevant partner incentives for insurance customers could be rewards linked to home security, travel assistance, or value-adding services that complement their coverage. Additional perks like free travel or brand partner products are another option.

These strategic partnerships with relevant brands create genuine customer value. Our **2025 Loyalty Uncovered Report** reveals 86% of insurers now prioritise strategic brand partnerships as a key investment area.

Conditional Rewards

These rewards are available (triggered) only if customers complete certain actions like renewing policies, bumping up coverage, or staying claim-free. This way, you make loyalty more desirable while simultaneously encouraging behaviours that enhance your risk profile. Your customers will see clear value in staying with your brand rather than shopping around.



Cross-Sell and Upsell Functionality

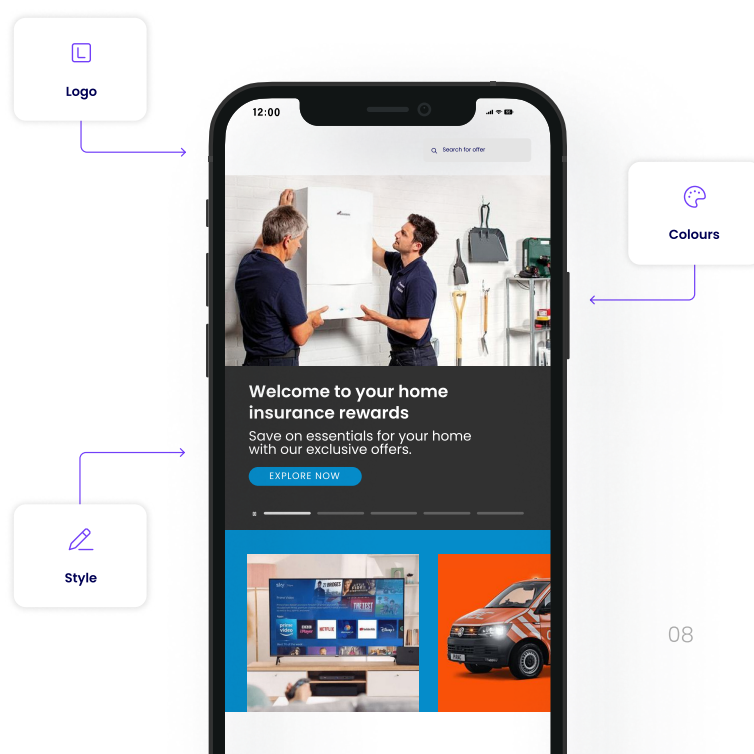
Leverage cross-sell and upsell capabilities to maximise programme impact. Use your loyalty platform to market multi-policy bundles, coverage upgrades, and other related insurance products. This, combined with data-driven recommendations and relevant incentives, strengthens the relationship, raises lifetime value, and reduces churn.

Digital First & White Label Technology

Your programme must perform seamlessly across all digital touchpoints, especially on mobile devices. It's all about meeting customers where they are and leveraging technology to build relationships at scale.

Our 2025 study shows that 77% of insurers now prioritise mobile-first strategies

A white-label loyalty solution allows you to launch your programme quickly and also keep total branding control. You'll get proven tech without high upfront investments. This also means your team gets to focus on strategy and customer relationships instead of developing software.



Gamified Experience

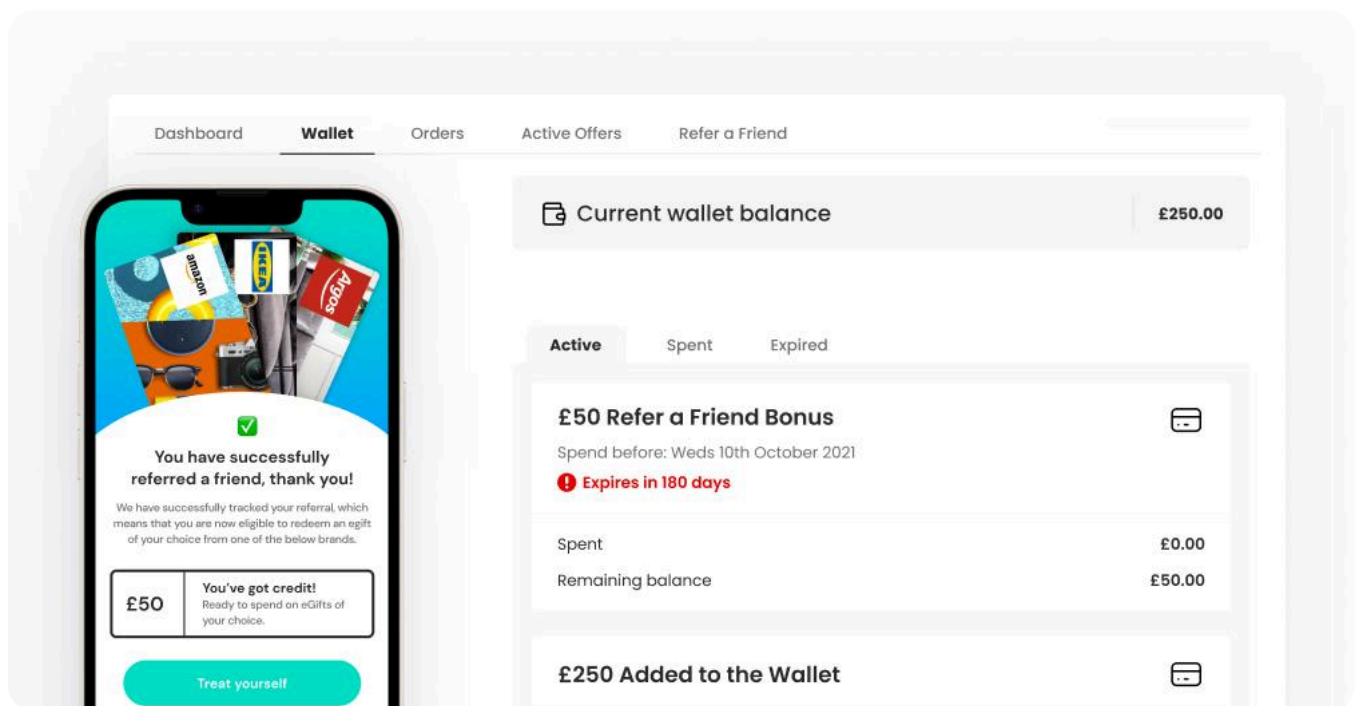
When used effectively, gamification can boost customer engagement by as much as **47%**. Add some game elements to your loyalty programme to boost customer participation and engagement. This could mean adding milestones, badges, leaderboards, and time-limited challenges to your reward strategy.

Adding a fun element to your rewards programme creates a rewarding, memorable experience for customers. It's also an excellent strategy for making your loyalty programme unique.

Our Industry research shows that **65% of insurance businesses** are now investing in gamification.

Referral Systems

There should be built-in mechanisms in your programme that make sharing effortless. Think one-click unique referral codes that track performance. Simplifying the referral experience encourages satisfied policyholders to refer others.



Actionable Data Insights

Our research shows that **84%** of insurance companies are investing in personalisation and data usage to enhance the customer experience. The good news is your loyalty programme can deliver the behavioural insight that makes this possible. Each redemption, click, and engagement uncovers preference signals helping you personalise offers, predict churn risk, and reward positive behaviours.

Test new reward categories, tweak communication timing, and refresh partnerships. The most successful programmes feel relevant and engaging because they evolve along with the needs and preferences of their member.

Section 5: Build vs. Buy: Making the Right Tech Choice

The question is this: Should you build a loyalty platform yourself, or should you use a specialist? Here's a look at how the options compare:

Factor	Build in house	Buy Platform
Time to Launch	12-18 months minimum	4-8 weeks typical
Upfront Investment	£200K-500K+ development	Monthly subscription model
Ongoing Costs	Full technical team needed	Included support & updates
Brand Control	Complete customisation	White-label maintains identity
Technical Risk	Complex, difficult to integrate	Proven technology stack
Feature Updates	Your team builds everything	Regular platform improvements

Here's what's really happening: Our research shows **69%** of businesses are now outsourcing loyalty solutions to accelerate time to value. The ingredients for powerful programmes are surprisingly consistent regardless of the industry. Your competitive edge is strategy and execution, not reinventing proven technology.

The majority of insurers learn that their technical teams are overextended just dealing with core business needs. The types of skills that are needed around gamification, partner integrations and behavioural psychology are difficult to access in-house because they take many years to learn.

Buying a white-label solution provides all this at a fraction of the cost it'll take to build and maintain your programme.

Section 6: Future Trends to Watch

The terrain has shifted in customer loyalty. Here is what the more forward-thinking insurers are gearing up for:



Ecosystem-Based Loyalty Platforms

The programmes of tomorrow won't just exist in a vacuum. You'll build seamless experiences where insurance is central to the lives of your customers. Imagine customers getting shopping, travel and lifestyle bundle services, all earning rewards from within your ecosystem.



AI-Powered Hyper-Personalisation

Machine learning is going to change the way you engage and reward. Rather than broad customer segments, you will deliver individually crafted experiences informed by real-time behaviour and predictive analytics. Your programme will predict needs before customers express them.



Sustainable Reward Models

Environmental awareness is emerging as a loyalty booster. Forward-thinking insurance companies are offering incentives for the adoption of electric vehicles, for further improving home energy efficiency, and for joining carbon offset programmes. By appealing to values-driven consumers and contributing to broader sustainability objectives, these programmes are even more effective.



Community & Emotional Loyalty

The new generation of programmes is about belonging, not transactions. You're going to use communities to drive shared interests, rally your customers around causes they care about, and mark personal milestones in meaningful ways without relying only on points and discounts.



Hagerty, a classic car insurer, which also runs HDC UK, a drivers club, which offers a space for classic car enthusiasts to connect, access exclusive content, and participate in events.

Section 7: Insurance Loyalty in Action

Here are examples of active insurance loyalty programmes and key lessons we can extract from them.

Hagerty Drivers Club

[Access the full case study here](#)

⚠ The Challenge: Hagerty, the global leader of classic car insurance, discovered something their competitors missed. Classic car owners aren't just after coverage. They are passionate enthusiasts who want to live and breathe automotive culture.

✔ **The Solution:** In response, Hagerty created the Hagerty Drivers Club (HDC) to celebrate classic car culture and strengthen customer relationships. They collaborated with Propello Cloud to deliver a comprehensive loyalty platform that could serve their community's unique needs.

The Programme Structure:

- ➔ **VIP Experiences:** Members get VIP access to Hagerty events and experiences
- ➔ **Premium Content:** Quarterly HDC magazine available in print and digitally
- ➔ **Digital Clubhouse:** A thriving online community for member interaction
- ➔ **Curated Partnerships:** Exclusive offers and value-added services with key suppliers, as well as discounts on Hagerty merchandise

Why It Works: HDC creates the "always on" engagement that traditional insurance lacks through an active community of enthusiasts and exclusive experiences. Instead of thinking about Hagerty once a year, members interact with the brand and community regularly.

The programme looks set to reach

3,000

members in Year 1

The expected insurance retention rate for HDC members is

90%

The HDC programme is expected to have a

75%

retention rate

HDC members are predicted to record a

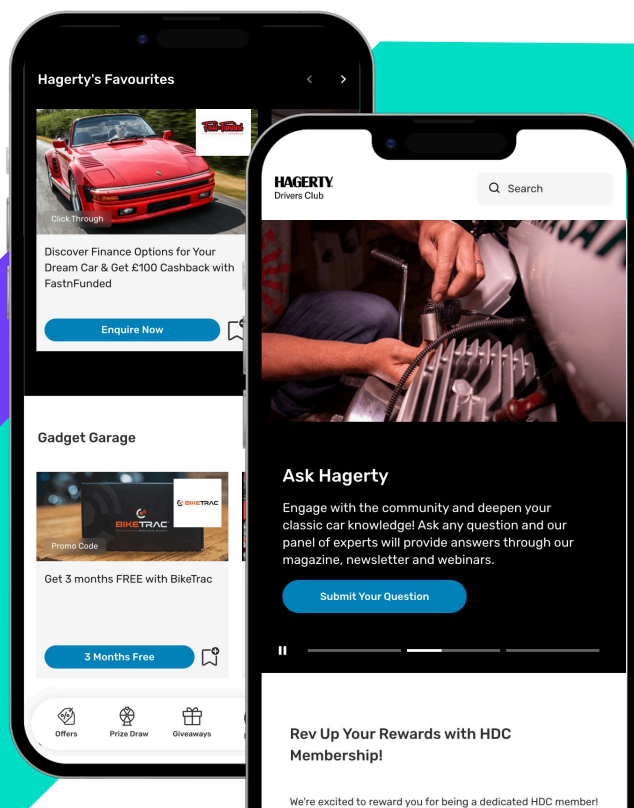
Higher NPS

(Net Promoter Score) than non-members

Financial projections indicate programme

profitability

by Year 2



Vitality

▲ **The Challenge:** Vitality identified several missed opportunities in traditional health insurance. They believed they could help policyholders improve their health and simultaneously lower their risk exposure.

✓ **The Solution:** To achieve their goal, Vitality launched a tiered loyalty programme. Smooth integration with wearable devices, fitness apps, and other health tracking platforms allows members to earn exciting partner rewards for practicing healthy habits.

The Programme Structure:

➔ **Connected Health Ecosystem:** The programme integrates with fitness apps to track activities like steps, workouts, and other health markers

➔ **Progressive Tiers:** Members can advance to higher tiers to earn more valuable rewards within the programme

➔ **Real-Time Rewards:** Members get instant rewards as they hit daily goals and other milestones

➔ **Premium Partnerships:** Tier-based discounts with leading brands (Apple, Expedia, etc.)

Why It Works: Vitality has effectively built a model that encourages customers to stay healthy and cuts insurance costs. Members practice healthy habits to earn valuable rewards while Vitality keeps claims costs in check.

Your loyalty programme becomes essential when you provide immediate value beyond your core offering. Policyholders are less likely to go shopping around for lower premiums when they see your commitment to improving their daily lives instead of covering potential losses.

Compared to 71% of the general population,

87%

of Vitality members meet their weekly exercise targets.

Vitality members increase their physical activity by

22%

after one year

Fatty food consumption drops

27%

after one year

Programme members saved a combined

£82 million

in 2023

The Lesson: The most effective way to boost retention and loyalty in insurance is to provide genuine value to policyholders. These programmes we've discussed are successful because they use value-adding rewards to create emotional connections that keep customers loyal.

Section 8: Measuring Success

Here are several existing programmes that have produced measurable results with varying customer segments:

Retention Indicators

→ **Churn Rate:**

Percentage of customers leaving at renewal time

→ **Renewal Rate:**

Policy renewal from one year to the next

→ **Tenture:**

Average customer relationship length

Engagement Signals

→ **Platform Visits:**

Monthly active users and session frequency

→ **Redemption Rate:**

What percentage of earned points are actually used

→ **Feature adoption:**

How people engage with cross-sell tools and referral schemes

Advocacy Measures

→ **Net Promoter Score (NPS):**

The likelihood a customer will recommend your business

→ **Referral rate:**

New customers acquired through referrals by existing members

→ **Social sharing:**

Programme-related content shared on customers' personal profiles

Business Value

→ **Customer lifetime value:**

The sum of the total revenue per customer account

→ **Cross-sell conversions:**

Percentage of additional products sold

→ **Programme ROI:**

Revenue impact versus operational costs

Begin with a baseline measure prior to launch. This allows you to monitor progress accurately and to optimise on the basis of actual data rather than guesswork.



Your Next Steps Forward

There's more to insurance loyalty programmes than just feel-good marketing efforts. They're strategic imperatives for growing sustainably in an increasingly competitive market.

The proof is in the pudding: customers who engage with loyalty programmes stick around longer and spend more, and are happily committed to spreading their love of the brand. In an industry where the cost of acquiring new customers is still on the rise, a loyalty programme is now your best asset.

Your customers are loyal to brands that 'get' them and reward them for their business. Make sure that yours is among them.

Book your free consultation today!

[Book a demo >](#)



propellocloud.com/contact



0333 202 88 33



sales@propellocloud.com