

GENERATION INSTANT:

Growing Use of Instant Pay for Insurance Disbursements



July 2024 Survey

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JULY 2024

Leveraging Instant Pay to Streamline Borrowing Disbursements

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Acknowledgment

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements was produced in collaboration with Ingo Payments, and PYMNTS Intelligence is grateful for the company's support and insight. [PYMNTS Intelligence](#) retains full editorial control over the following findings, methodology and data analysis.

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Introduction

Filing insurance claims — whether for property and casualty, automobile, healthcare, or life insurance — is tedious but necessary. And waiting to receive the funds after processing the insurance claim can be a challenge for many consumers. Receiving the disbursement in a timely fashion can be crucial, especially if an expense is unexpected and a sizeable amount. The good news is that, now more than ever, consumers use instant payment methods to receive insurance claim payments, indicating how much they value quick access to good funds.

In fact, instant usage reached a high of 33% in 2024 — a 7% increase from June 2022. Moreover, instant payments are rising for nearly all categories of insurance claim disbursements. Instant payments for healthcare disbursements dipped since last year, however, indicating that consumers may be less confident sharing health-related information in real time due to security concerns.

Still, supply is falling behind demand. Despite consumers wanting them more, most insurance claim senders are offering instant payment options less. At the same time, all types of insurance claims are more likely, as of January 2024, to be sent instantly as the only option compared to January 2023. This suggests that some insurers find value in disbursing claim funds to their customers instantly.

These are some of the insights explored in *Generation Instant: Growing Use of Instant Pay for Insurance Disbursements*, a PYMNTS Intelligence and Ingo Payments collaboration. This report is based on a census-balanced survey of 3,898 U.S. consumers conducted between Dec. 28, 2023, and Jan. 22, 2024, examining consumers' growing interest in and satisfaction with instant payment methods when receiving disbursements from government and nongovernment entities.

This is what we learned.

THE ARCHITECTURE OF MONEY MOBILITY



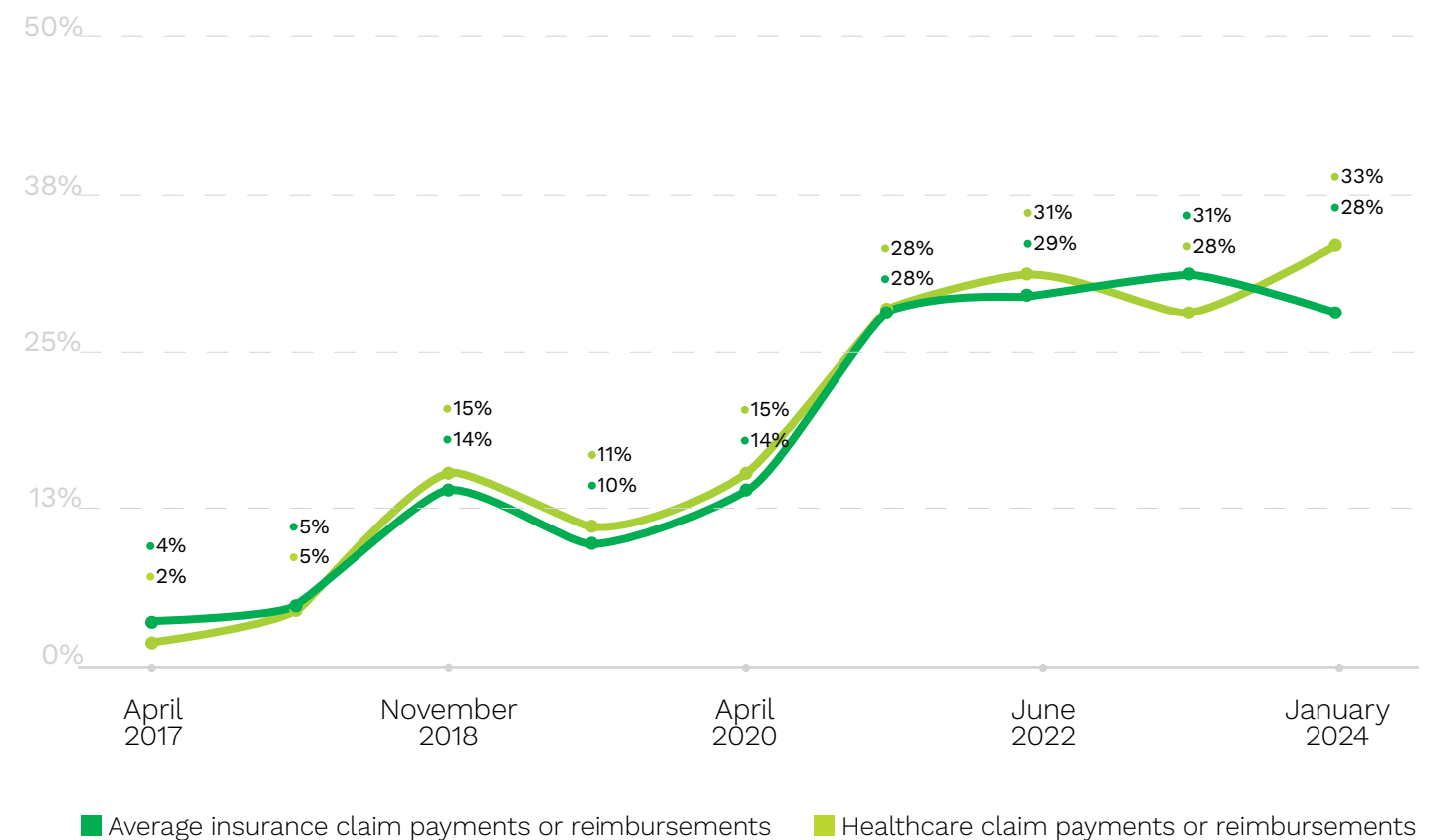
Instant payments are on the rise for nearly all categories of insurance claim disbursements — except for healthcare.

Increasing numbers of consumers are receiving insurance claim payouts via instant methods. In fact, the share of consumers using instant payments as their most common method for receiving insurance claims of all kinds has been on the rise for the last seven years and was at an all-time high of 33% as of January 2024. Even as most insurance claim disbursements are sent instantly more often, healthcare disbursements are an exception. After a relative plateau from 2021 to 2023, the share of consumers receiving healthcare claim payouts via instant payments dropped from a high of 31% in January 2023 to 28% in January 2024. This decline could be attributed to heightened consumer security concerns.

FIGURE 1

Consumers' use of instant for insurance disbursements

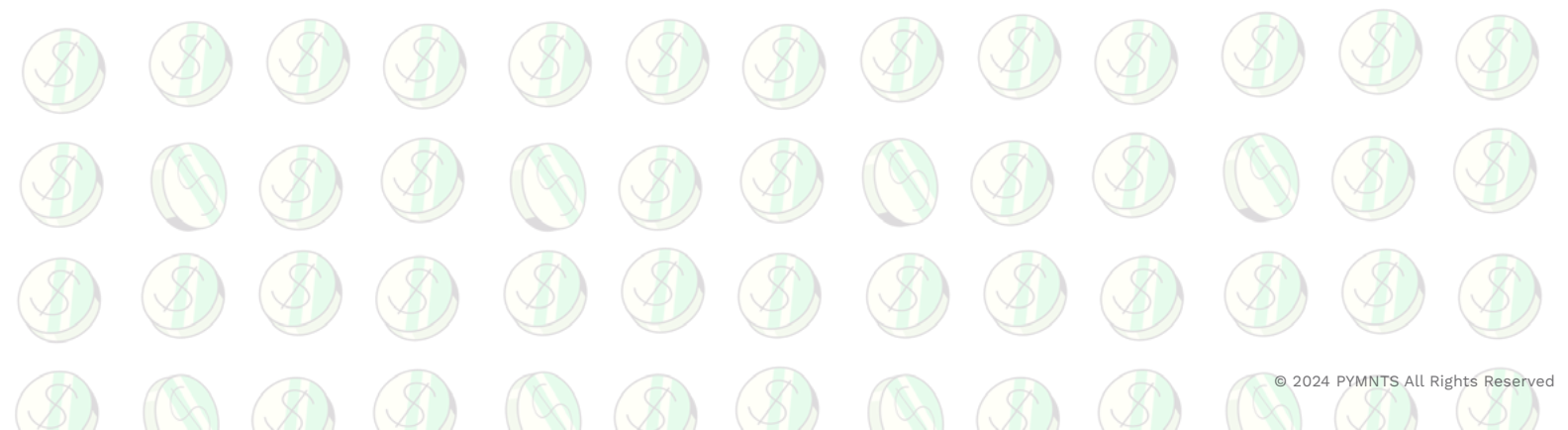
Share of consumers receiving insurance disbursements who primarily receive them instantly



Source: PYMNTS Intelligence

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, July 2024

N = 2,237: Complete responses, fielded Dec. 28, 2023 – Jan. 22, 2024



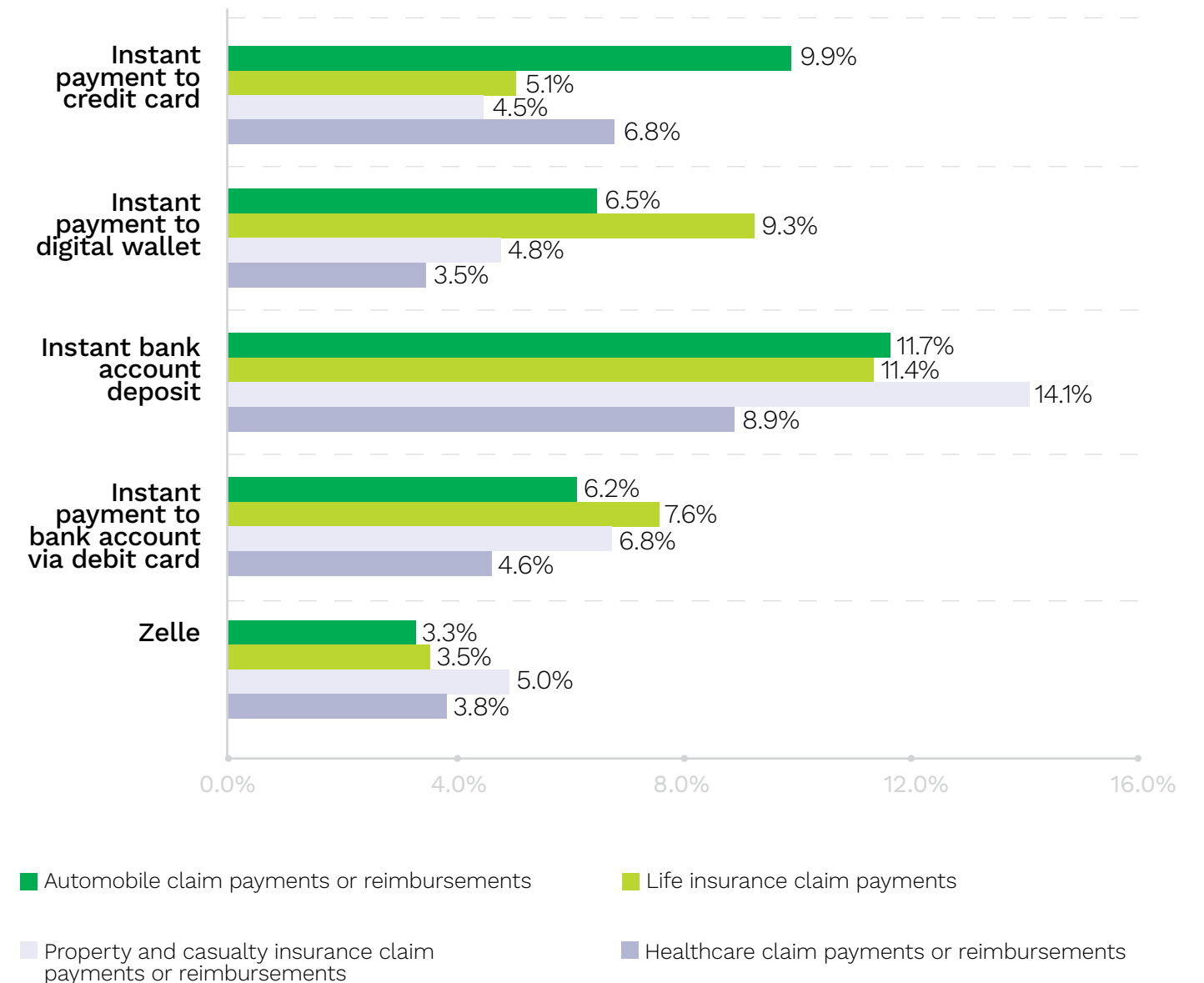
Moreover, consumers receive insurance disbursements via various instant payment methods. The most common way to receive instant payments for all insurance disbursements is payouts directly to consumers' bank accounts: 14% of consumers received property and casualty claim disbursements, 12% received automobile claim disbursements, 11% received life insurance claim disbursements and 8.9% received healthcare claim disbursements via instant bank account transfer.

Instant to credit card is the second-most popular method for automobile and healthcare claim disbursements, with 9.9% and 6.8%, respectively, likely to be received this way. Smaller shares of consumers receive insurance disbursements instantly via digital wallet and debit card, with life insurance claim payments the most likely to be sent via these methods, at 9.3% and 7.6%, respectively. Push-to-debit card ranks second for property and casualty insurance, at 6.8%. Few consumers receive insurance payouts via Zelle, with property and casualty insurance the most likely use case, at 5%. These findings suggest that payout directly to consumers' bank accounts may be the most readily available instant option for both consumers receiving claims and insurance company senders.

FIGURE 2

Consumers' use of instant payment methods

Share of consumers using select instant payment methods for insurance disbursements, by disbursement type



Source: PYMNTS Intelligence

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, July 2024

N = 642: Respondents who received insurance disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024

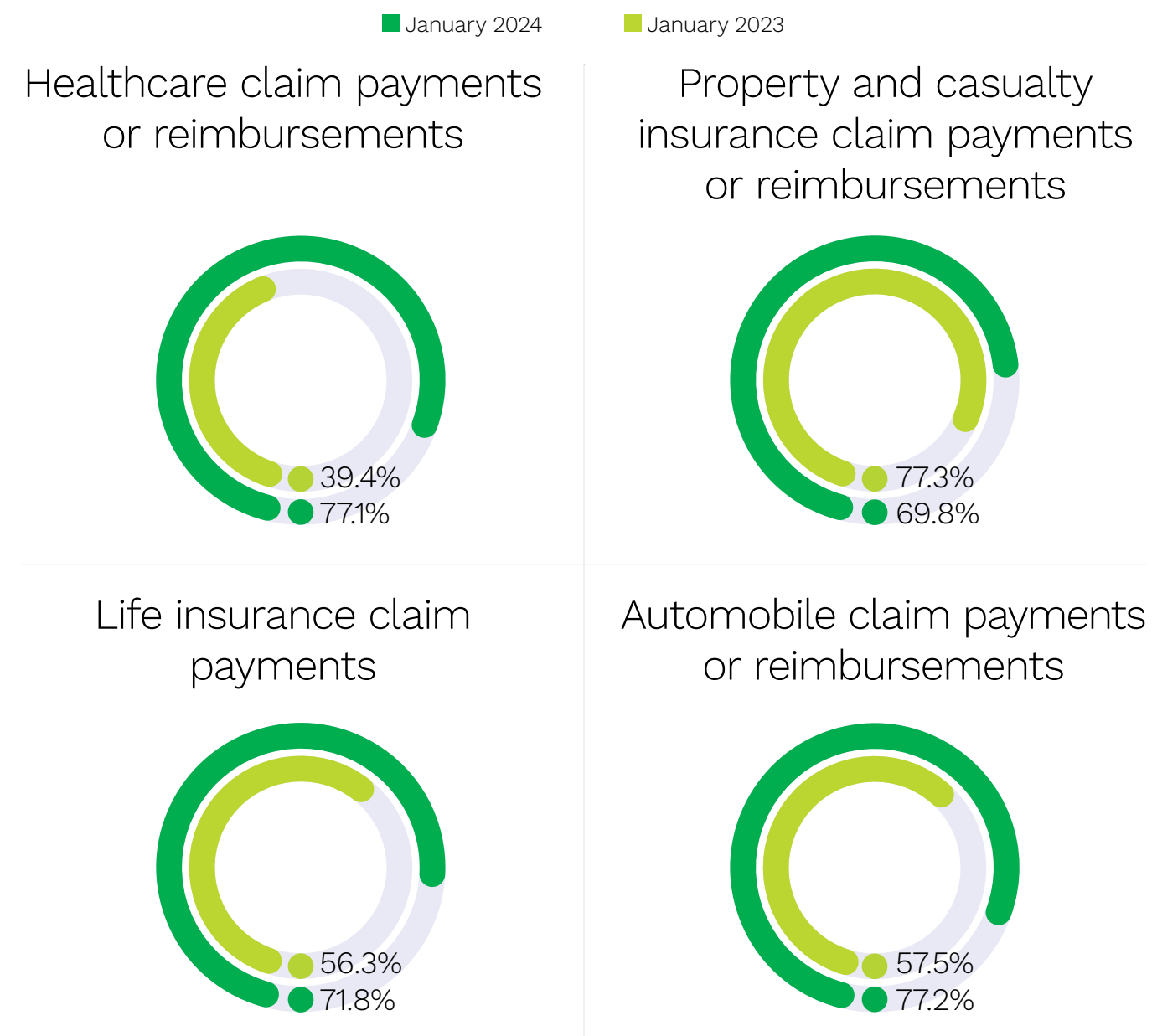
Most insurance claim senders are offering instant payment options less despite consumers wanting them more, yet instant pay is often the only option.

Currently, consumer demand for instant payments for insurance disbursements hovers between 70% and 77% depending on the type of claim, representing an increase in most categories. For example, automobile claim instant disbursements grew 34% and life insurance claim instant disbursements grew 27% between January 2023 and January 2024. Interest in instant payment for healthcare claims rose the most — nearly doubling since last year. The share of consumers who would choose instant payment options to receive property and casualty claim disbursements decreased. This decrease is likely due to an increased share of consumers citing security concerns to explain why they do not want to use instant payments to receive property and casualty insurance disbursements.

FIGURE 3

Consumers who would choose instant for insurance disbursements

Share of consumers who received insurance disbursements saying they would choose instant payment options



Source: PYMNTS Intelligence

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, July 2024

N = 642: Respondents who received insurance disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024

Even as most insurance claim recipients want to use instant payments more than last year, fewer senders currently offer consumers instant payment options. For example, healthcare claim receivers, at 49%, were the most likely to report having no opportunity to receive instant payments. This is in spite of the fact that the share of consumers wanting to receive healthcare claim payouts instantly almost doubled in the past year. That so few healthcare claim disbursement senders offer instant is likely to be one reason for the dip in instant usage for these payments.

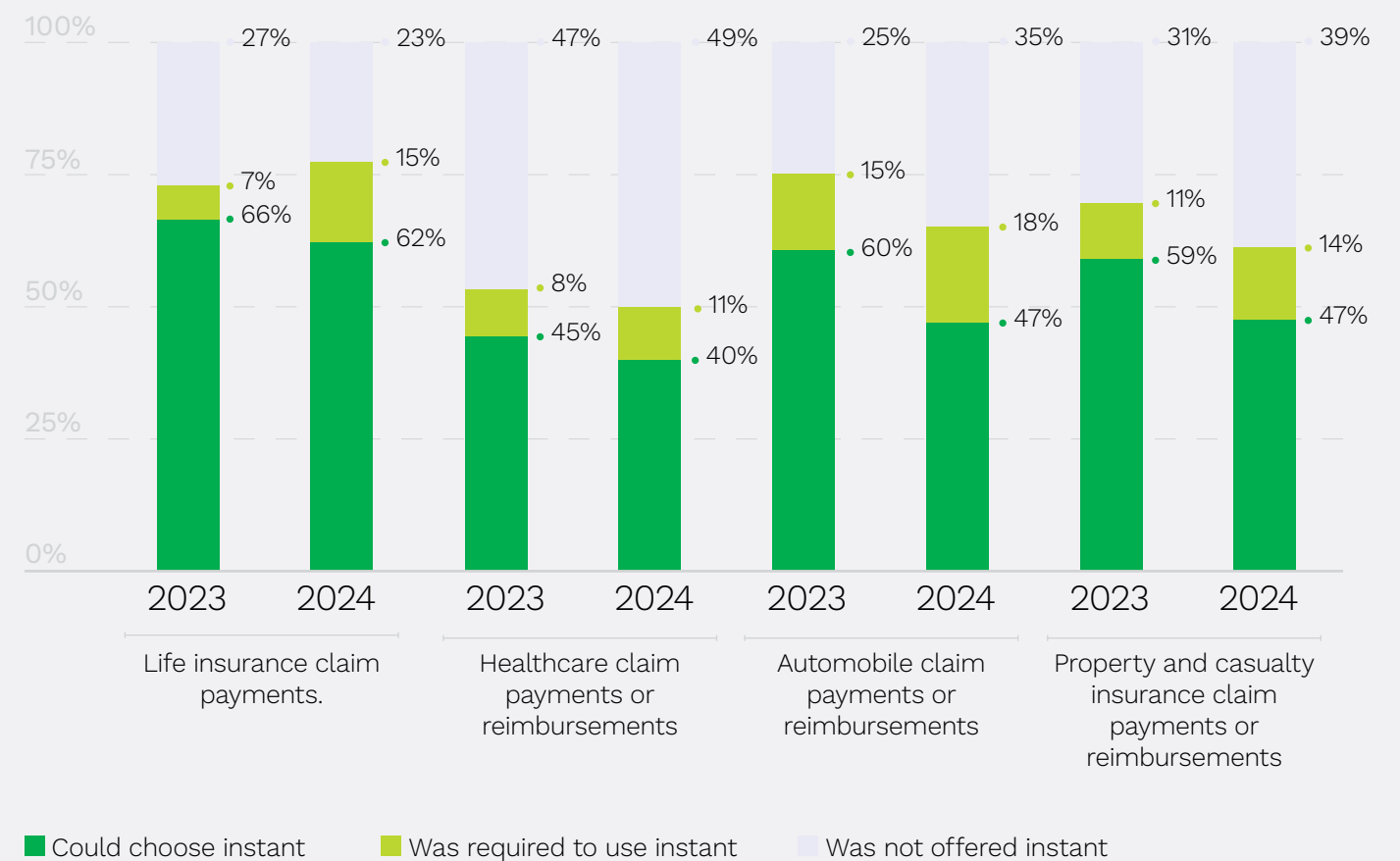
The share of healthcare insurance claim recipients who could not use instant payments increased 5.3% from last year. Furthermore, 39% more automobile claim recipients and 26% more property or casualty insurance claim recipients said they were not offered instant payments this year than last.

Meanwhile, the share of life insurance claim recipients who could not use instant payments dropped 15%. This decrease is because more than twice as many life insurance senders required the use of instant payments in January 2024 than in January 2023. In fact, increasing numbers of receivers across all insurance claim types gave no option but to use instant payments compared to January 2023. This suggests that these senders use instant methods to streamline insurance claim disbursements.

FIGURE 4

Consumers offered instant for insurance disbursements

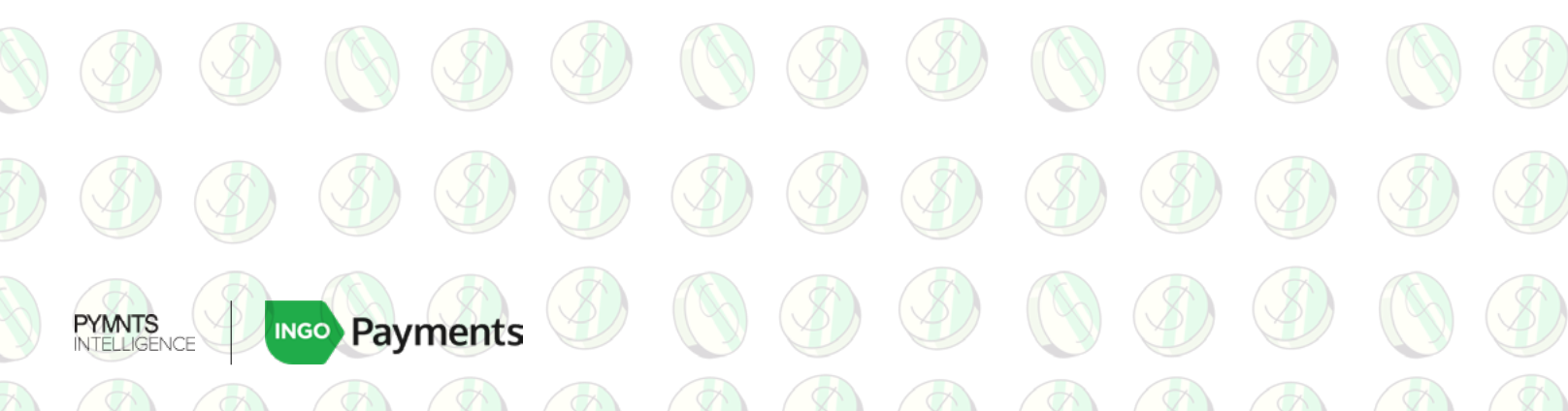
Share of consumers who received insurance disbursements reporting whether they were offered instant payment options



Source: PYMNTS Intelligence

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, July 2024

N = 642: Respondents who received insurance disbursements in the last 12 months, fielded Dec. 28, 2023 – Jan. 22, 2024



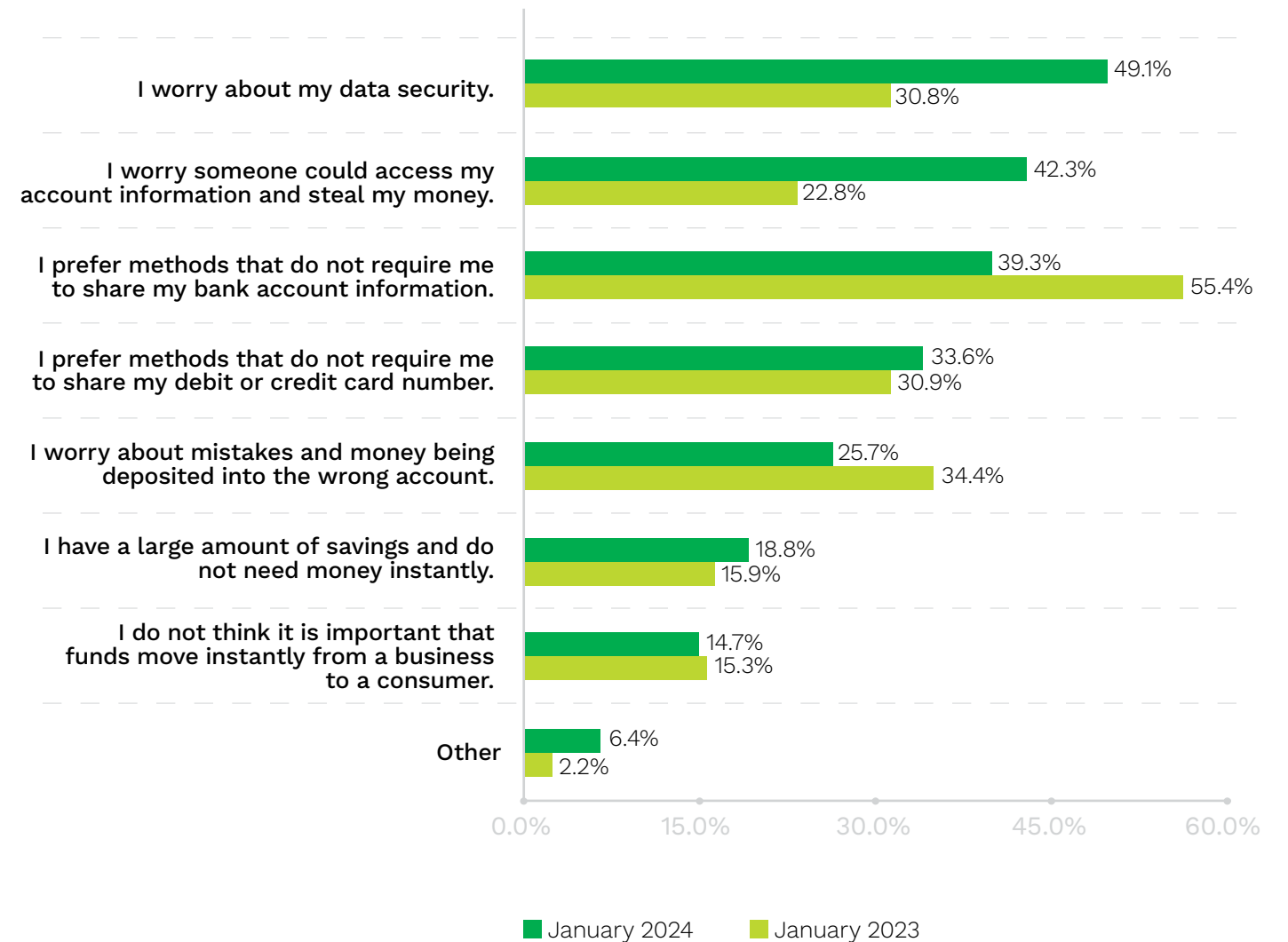
Instant payment usage is uncharacteristically down for receiving medical claim payments — likely because of increased security concerns and limited opportunities.

Security concerns are a primary reason why some consumers are hesitant to receive insurance claim disbursements instantly. Increasing concerns about data security and fraud appear to be negatively impacting the instant usage rate for healthcare-related insurance disbursements in particular. These factors have increased notably in the last year, with data security 59% more likely to be a reason consumers cited for not using instant for healthcare claim payments in January 2024 than January 2023. Data security concerns were also more likely to be reported for medical-related insurance payments than property and casualty, automobile or life insurance payments. The highly public data breaches occurring in the medical insurance industry in recent years combined with the sensitive nature of medical information likely play a role in consumers’ rising concerns about data security in the healthcare industry.

FIGURE 5

Reasons for not receiving healthcare claim disbursements instantly

Share of consumers who received healthcare-related insurance disbursements citing select reasons why they are unlikely to select instant payment options



Source: PYMNTS Intelligence

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, July 2024

N = 147: Respondents who received healthcare claim payments or reimbursements and are not likely to choose instant payments, fielded Dec. 28, 2023 – Jan. 22, 2024

CONCLUSION

The share of consumers receiving insurance claim disbursements via instant payment methods is on the rise for all but healthcare claims. Consumers' heightened concerns about the security of their medical and financial information appears to be a significant factor. Yet, in today's financially challenging times, many consumers processing insurance claims want their funds as soon as possible. However, the availability of instant as a payout option continues to fall behind demand. Most insurers have rolled back offering instant claim disbursements, with healthcare insurers the most likely to do so. On the other hand, increasing numbers of insurers, including healthcare insurers, now require their customers to receive disbursements via instant methods, indicating they recognize the advantages. Such benefits can range from a more streamlined disbursement process to increased customer satisfaction. In other words, insurers may have an opportunity to expand their customer base and drive revenue growth by disbursing claim payouts instantly.

METHODOLOGY

Generation Instant: Growing Use of Instant Pay for Insurance Disbursements, a PYMNTS Intelligence and Ingo Payments collaboration, is based on a census-balanced survey of 3,898 U.S. consumers conducted between Dec. 28, 2023, and Jan. 22, 2024, examining consumers' growing interest in and satisfaction with instant payment methods when receiving disbursements from government and nongovernment entities. Our sample was balanced to match the U.S. adult population in a set of key demographic variables: 51% of respondents identified as female, 32% had a college degree, 38% earned more than \$100,000 annually and 29% were millennials.

ABOUT

PYMNTS INTELLIGENCE

PYMNTS Intelligence is a leading global data and analytics platform that uses proprietary data and methods to provide actionable insights on what's now and what's next in payments, commerce and the digital economy. Its team of data scientists include leading economists, econometricians, survey experts, financial analysts and marketing scientists with deep experience in the application of data to the issues that define the future of the digital transformation of the global economy. This multilingual team has conducted original data collection and analysis in more than three dozen global markets for some of the world's leading publicly traded and privately held firms.

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INGO Payments

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