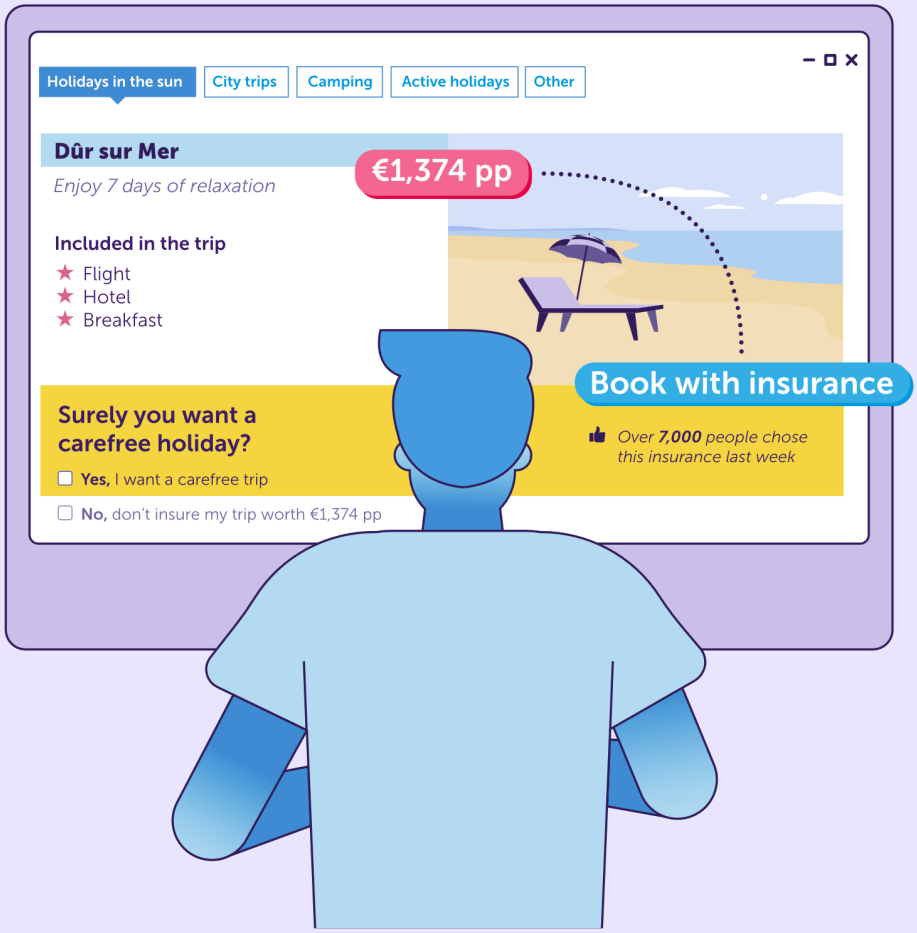
REPORT ANALYSIS

'Do you want to add insurance?' - online steering towards embedded insurance

In short – The AFM has explored how insurance is offered online during purchases of other products and services, such as a bicycle or holiday. Our exploratory study shows that the online choice environment of platforms that offer embedded insurance often contains several elements that steer consumers strongly towards taking out insurance during the purchase decision, including unbalanced presentation of options, low-friction purchasing processes and persuasive techniques such as social proof. The provision of information is often limited. This degree of steering does not seem proportionate to the extent to which these insurances are suitable for consumers. The AFM emphasises the importance of a careful design of the choice environment.



JULY | 2026

AFM

Summary

The AFM has conducted an exploratory study of the online choice environment of platforms that offer embedded insurance. Embedded insurance is insurance that is offered without advice, i.e. execution only, during the purchase of another product or service, often on (online) non-financial platforms. The cover provided by these insurances is often closely related to the product or service with which they are taken out. This cover may overlap with other insurances that consumers already have and therefore lead to overinsurance. This publication is a follow-up to our November 2025 report on the opportunities and risks of embedded insurance.

In this study, the AFM explores the presence of elements that steer consumer choices on platforms that offer embedded insurance and the possible consequences for consumers' ability to make choices that are appropriate for them. For this study, 22 online choice environments were observed in which insurance is offered as an additional product during the purchase of a product or service. In each case, the entire customer journey of the product or service was observed – from the orientation phase to checkout – in order to identify the presence of elements that can steer behaviour.

This study shows that embedded insurance on platforms is often prominently and repeatedly brought to the consumer's attention and can be purchased through a low-friction process. Insurance products are often offered at multiple points in the purchasing process and presented as a service or protection in addition to the main product. On many platforms the choice between insurance and non-insurance is presented in an unbalanced way: insurance options are visually and textually highlighted, whereas the option not to insure is less visible or requires more actions. This offer method can strongly focus consumers' attention on the insurance option and may influence their perception of the necessity of the product.

The information provided on embedded insurance is layered, with information in the top layer being limited and underlying information often complex and difficult to access. On the main page, the focus is on positive elements of the cover, while important aspects such as limitations, term, conditions, cost structure and possible overlap with existing insurance policies are often insufficiently explained. As a result, there is a risk that consumers will make choices based on an incomplete and one-sided picture.

In addition, many platforms use a variety of textual, visual and social influence techniques that can contribute to choice pressure. Examples include an emphasis on security and protection, the use of social proof such as 'most popular choice', eye-catching colours and positive icons when presenting the insurance and the presence of time pressure during the purchase process. These elements may encourage consumers to make quick decisions and steer them towards taking out insurance.

The AFM concludes that the current structure of many choice environments poses a risk that consumers will take out insurance that is not appropriate to their situation or preferences. The combination of a low-friction buying process, information that is limited and difficult to access and the use of multiple elements that steer behaviour towards the insurance may limit consumers' ability to make an informed decision. The AFM therefore emphasises the importance of a careful design of the choice environment to ensure that customers' interests are better safeguarded when platforms offer embedded insurance.

Although the AFM did not examine possible violations of statutory obligations in this study, the design of the choice environment may result in providers and/or platforms not complying with statutory obligations enforceable by the AFM. With regard to the design of the choice environment, we would emphasise that it must meet the legal standards for the provision of information, product development and unfair commercial practices, among other things.

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1. Introduction

Insurance is increasingly offered alongside other products and services on (online) non-financial platforms. For example, insurance may appear as an additional choice during the purchase of a plane ticket, festival ticket or television. This is also called *embedded insurance.* In 2025, one in eight consumers indicated that they had taken out insurance in the past year when purchasing another product or service (AFM, 2025a). In six out of 10 cases, this took place online. This usually involved cancellation insurance, for example in the case of a plane ticket or concert ticket, but also often theft, warranty or travel insurance (AFM, 2025a).

Embedded insurance differs in several ways from insurance policies that consumers can take out independently online through an insurer or a comparison website.[1] When consumers take out insurance, it is often because they are explicitly looking for insurance on an insurer's website or on a comparison website, where they can take the time to compare providers, conditions and prices. With embedded insurance, this option is more limited. This is because such insurance is often specific to the product or service, so it is more difficult or even impossible to compare with alternatives. In the case of embedded insurance, the insurance is automatically offered as part of another product or service –often among many other 'extras'. As a result, consumers will likely have less time or opportunity to assess the product.

Due to the expected growth of embedded insurance, the AFM focused on the opportunities and risks of embedded insurance in a recent study (AFM, 2025b). In this study, we stated that this form of insurance distribution can help consumers to prevent uninsured damage. This is amongst others because these insurance products are brought to the consumer's attention in an accessible way, in combination with a relevant insurable product or service. At the same time, the accessible nature of this distribution method also poses an increased risk of consumers purchasing an unsuitable insurance, because their attention during the purchase is focused primarily on the main product (AFM, 2025b). This can lead to consumers being overinsured, for example because they take out insurance that – at least to some extent – covers the same risk as an existing policy. We also see a risk of underinsurance, where consumers think they are sufficiently insured, but the embedded insurance only offers a limited or superficial level of cover. As well as identifying opportunities and risks, the AFM also explained the most important regulations for providers and platforms in this report. We also made recommendations to safeguard the customer's interests when embedded insurance is offered. These include the importance of a careful design of the online choice environment. The box below outlines the key features of the embedded insurance market.

The embedded insurance market.
Embedded insurance is a digitally driven market in which insurance is integrated into the purchasing process of products and services, often on online platforms outside the traditional financial sector.

The market partly consists of an international and fragmented value chain.
Providers, such as insurers and authorised agents, regularly operate from an EU member state outside the Netherlands, while platforms ranging from small online stores to large banks act as the customer contact point. This increases the scale and growth potential of the market but also makes the structure and supervision of the market more complex.

[1] Consumers can also purchase insurance through an advisor. This form of distribution falls outside the scope of this study.

To integrate embedded insurance into a platform, consumer data is shared.
High-quality data and technology are essential to ensure that the offering aligns with consumers' needs and that they can easily purchase the product.

Platforms often distribute these insurances without being licensed by the AFM.
To this end, they make use of exceptions or exemptions to the licence requirement. This creates a hybrid distribution model, in which responsibilities for compliance with laws and regulations are divided between the provider and the platform.

The AFM sees a risk that taking out embedded insurance may not be suitable for the consumer in all cases. Embedded insurance policies often provide cover that is strongly related to the product or service with which they are taken out. This cover may overlap with other insurance policies that consumers already have and thus lead to overinsurance. For example, consumer research shows that 78% of consumers have home contents insurance, and there is a significant chance that the cover under that insurance will overlap with, for example, warranty insurance (AFM, 2025a). In other cases, too, it is questionable whether taking out embedded insurance is suitable for consumers, for example if they are already entitled to another form of warranty or can receive a refund in another way. That is precisely why it is important that embedded insurance is offered in a careful manner, with the consumer being given sufficient information to assess whether the insurance is suitable for them.

For many consumers, the choice of whether to take out insurance is complex, causing them to rely on simplified decision rules, emotions and intuition (Sydnor, 2010; Ranyard et al., 2017). The decision to take out insurance requires a complex assessment of the likelihood of a risk materialising, the possible financial consequences and the extent to which insurance affords protection. When making these kinds of complex choices, consumers often rely on heuristics, emotions and intuition, instead of systematically weighing up all relevant information (AFM, 2021; Ranyard et al., 2017).

The way in which platforms structure the online choice environment when offering insurance can therefore have a major impact on consumers' choices. The design of a website can strongly determine how consumers perceive and process information, weigh up alternatives and make choices (AFM, 2021). Design choices such as language use, sequencing and visual emphasis can therefore – intentionally or unintentionally – influence consumers' choice behaviour. In our earlier study, the AFM therefore emphasised the importance of a careful design of the online choice environment when embedded insurance is offered (AFM, 2025b).

The design of the choice environment also touches on several relevant legal standards that providers and/or platforms must adhere to. For example, certain information, such as the Insurance Product Information Document (IPID), must be provided and all information presented to consumers must be clear, fair and not misleading. Furthermore, the design of the choice environment may be part of the distribution strategy, which must ensure that insurances are offered to the right target group. In addition, if the design and functionality of the choice environment steer consumers' decision-making in such a way that they make a decision they would not otherwise have made, this constitutes an unfair commercial practice.[2]

[2] As of 19 June 2026, with the entry into force of the DMFSD in Section 4:25(1) of the Financial Supervision Act in conjunction with Section 81.0a of the Decree on Conduct of Business Supervision of Financial Undertakings, additional specific requirements for the design of the choice environment will apply to financial service providers. In addition, under the DMFSD, the requirements for distance selling have been tightened, with Article 230oa of Book 6 of the Dutch Civil Code stipulating that, under certain conditions, consumers must be able to terminate the insurance agreement on the platform's website by means of an easy and accessible function.

For this exploratory study, we assessed the presence of steering elements in the choice environment of platforms that offer embedded insurance and the associated risks to consumers. We examined the choice environments of 22 products and services in which insurance was offered as an additional product. The study included products and services in six sectors in which embedded insurance is common: event and airline tickets (cancellation insurance), tour operator travel (travel insurance), electronics (warranty insurance), mobile phones (device insurance) and rental cars (various additional insurances). This selection was made because of the majority of consumers who indicated that they had taken out one or more embedded insurance policies in the past year, around eight in 10 did so in one of these sectors (AFM, 2025a). Within each sector, platforms were selected that serve a significant group of consumers.

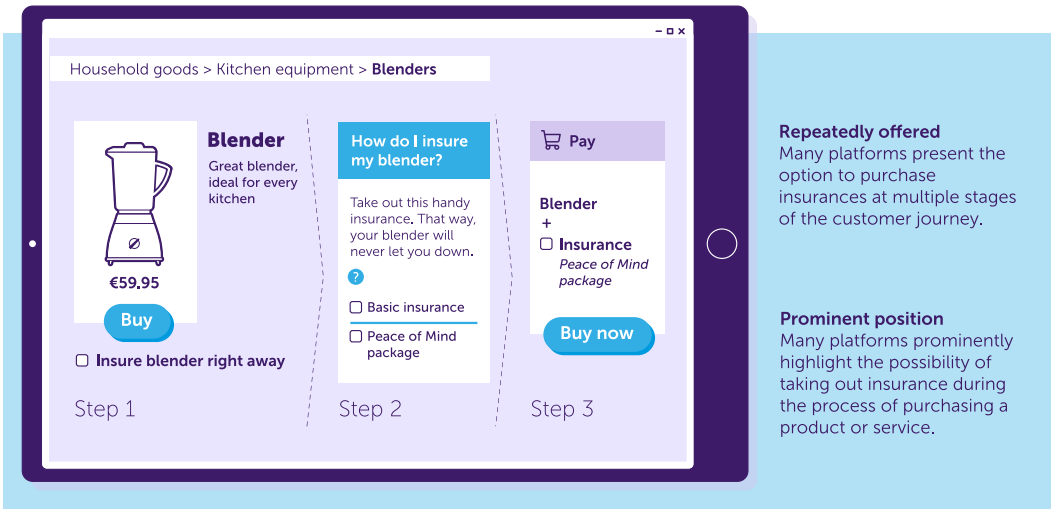
The observations covered the entire customer journey of the product or service from the orientation phase to checkout. To assess the choice environment, a predetermined observation form was used that was completed by two independent observers for each customer journey. This form was based on insights from the behavioural science literature. The observations in this report are based on a snapshot taken in November and December 2025. While the number of customer journeys observed provides important insights into potential risks, it is not a complete and representative reflection of the overall embedded insurance market.

Chapter 2 summarises the most important observations, which are divided into three sections: (2.1) How is the insurance offered? (2.2) What information does the consumer receive? (2.3) What other triggers are used? Chapter 3 presents our conclusions regarding the risks identified through these observations.

2. Observations

2.1 Choice structure: how is the insurance offered?

2.1.1 Insurance products are prominently and repeatedly presented throughout the customer journey

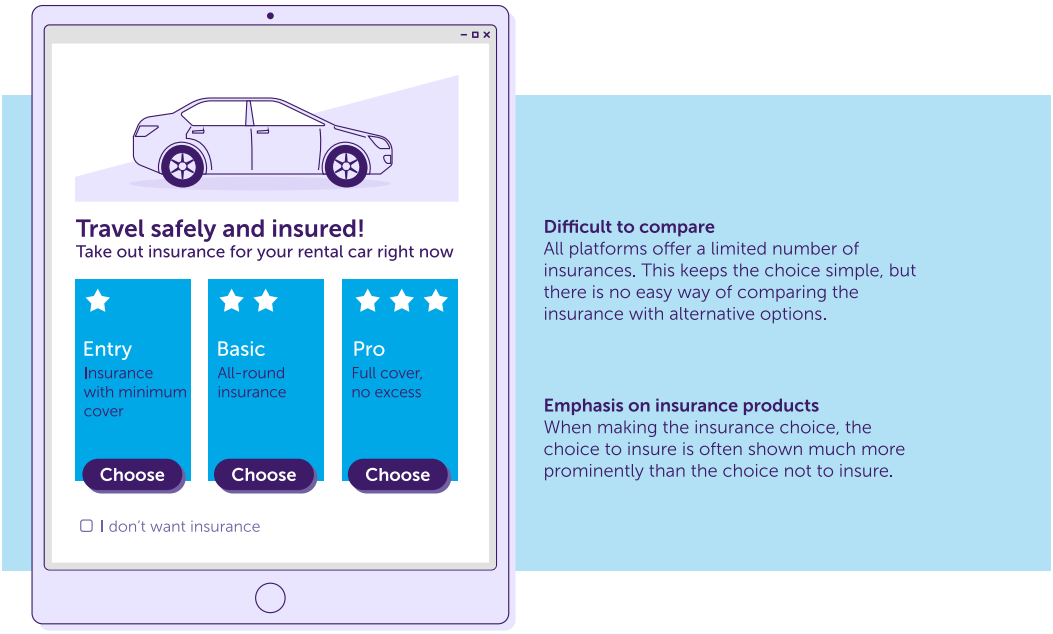


Many platforms prominently highlight the possibility of taking out insurance during the process of purchasing a product or service. The amount of attention focused on the insurance in the customer journey varies between platforms. On some platforms, consumers go through an entire web page, devoted entirely to one or more insurance policies, to complete the purchase. Other platforms show the insurance(s) as part of a page with several 'extras' that can be taken out. There are also platforms that highlight the insurance(s) by means of a box on a page with other information, for example, on the product page or during the checkout phase. The insurance policies attract different levels of attention depending on the way in which these boxes are designed by the platforms.

Many of the platforms draw consumers' attention to the possibility of taking out insurance at multiple stages of the customer journey. There are differences between the observed platforms in the frequency with which insurance products are offered during the customer journey. In the case of providers that highlight the insurance at multiple stages, this often starts with information on the product page, followed by a separate page devoted entirely to the insurance, and ends with a final opportunity to add the insurance during the checkout phase.

Because insurance is offered prominently and repeatedly during the customer journey, the estimated need for this product can become distorted. The prominent and repeated presence of the insurance options during the customer journey is likely to increase the attention paid to these products (Bardelo et al., 2013) and may influence consumers' perception (Krijnen et al., 2017). As a result, consumers may overestimate the risks and the estimated need for insurance and be more inclined to take it out.

2.1.2 The choice between insurance and non-insurance is presented in an unbalanced way and it is not possible to compare the insurance with alternatives

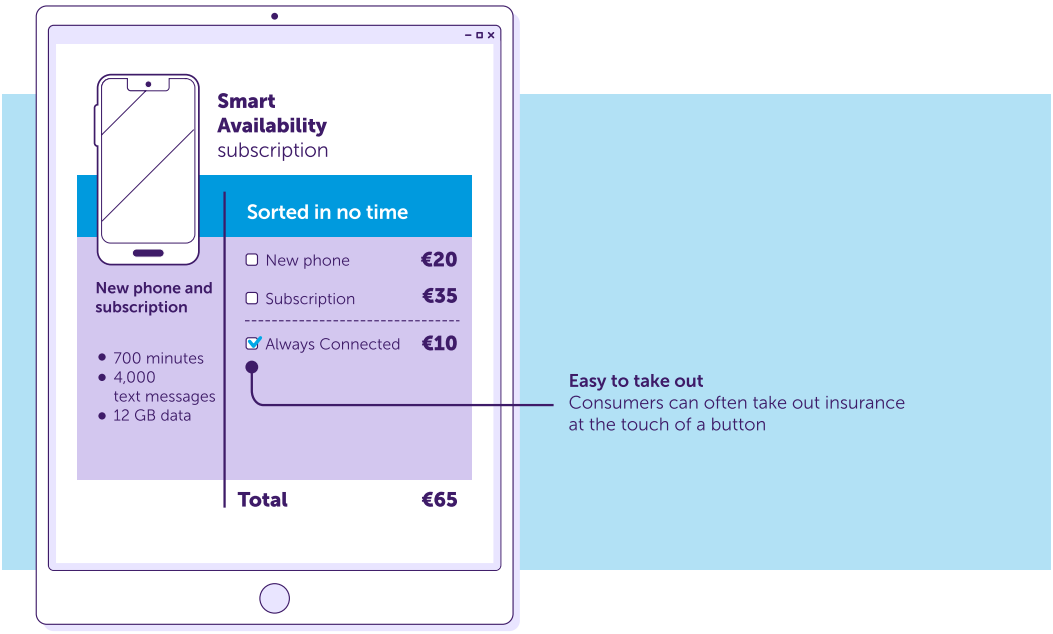


When making the insurance choice, the choice to insure is often shown much more prominently than the choice not to insure. The way in which the choice of whether to insure is presented differs depending on the platform. Many platforms make the option to purchase insurance more visible than the option not to purchase. To this end, they use a variety of methods. The insurances are often highlighted by means of eye-catching designs, colour schemes or boxes, with the 'no' option not always given equal prominence next to the insurance products. For example, it may be placed below the options or at the bottom of the page in a less conspicuous design, such as in smaller or grey letters, without a coloured box. In other cases, there is no explicit 'no' option at all. The consumer then chooses not to insure by selecting none of the insurances and moving to the next step in the process. However, it is not always clear that this is the process, and the fact that this is not made explicit may make consumers think that they have to choose one of the insurance products.

All platforms offer a limited number of insurances. The observed platforms all offer between one and three insurance products. When multiple options are offered, they often differ in terms of the type of insurance (e.g. travel or cancellation insurance) or the degree of cover. Often, the options are shown in order of increasing price and cover. Platforms that offer insurance with different levels of cover often give consumers information on the differences. These are highlighted, for example, in text or in a table with ticks and crosses, which shows which elements are covered and which are not. None of the observed platforms make clear whether it is possible to take out the insurance later or to take out a similar insurance through another provider.

Due to unbalanced presentation of insurance and non-insurance and the lack of comparison options, consumers are steered towards the insurance offered. The unbalanced presentation of options can steer consumers towards taking out insurance (Mertens et al., 2022; Orquin et al., 2021 Hilchey et al., 2023). Although the limited number of insurances offered keeps the choice set manageable for the consumer, this also means there is no (easy) way to compare the offered products to alternatives. Moreover, embedded insurance is often tailored to a specific product or service. Compared to other insurance products, this makes comparing terms, conditions and prices between policies more difficult or even impossible.

2.1.3 Taking out insurance is a low-friction process



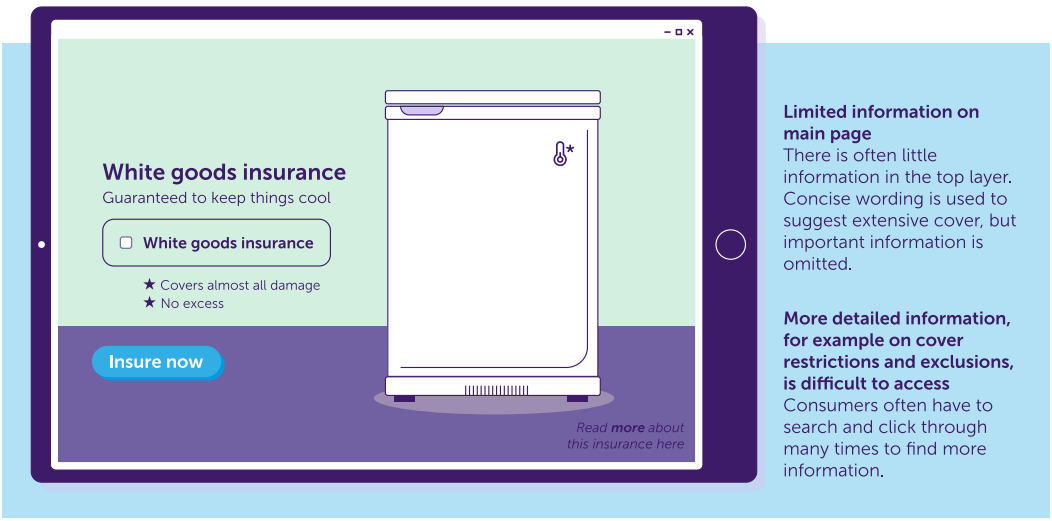
On almost all platforms consumers can take out insurance through a low-friction purchasing process. Consumers can often take out insurance at the touch of a button. Many platforms state in small print, for example under the insurance option or next to a checkbox, that consumers automatically agree to the general terms and conditions by selecting the insurance. In addition, on most platforms, consumers do not have to provide additional information before taking out insurance. The platform is likely to use information that has already been provided by the consumer in the process of purchasing the product or service (such as personal data and payment details). Taking out insurance is therefore a barrier-free experience.

On a number of platforms, not taking out insurance requires more actions than taking it out. On these platforms, consumers have to confirm multiple times that they do not want insurance. For example, there are platforms where a pop-up appears in which the insurance is offered again or the consumer is asked whether they are sure that they do not want to take out insurance.

The convenience and low-friction process of taking out insurance can contribute to more consumers taking out insurance and taking less time to do so. In general, the easier it is for people to perform a certain task, the more likely it is that it will be completed (AFM, 2021; Mertens et al., 2022). While this ease of access may offer convenience to consumers, it also entails a risk of less well-considered decisions (Zhao et al., 2022). As a result, consumers may pay less attention to the terms and conditions of the insurance, possible overlaps with cover they have under existing policies or the question of whether the cover provided by the insurance is appropriate. In extreme cases, the ease with which the insurance is taken out can even lead to consumers taking it out accidentally.

2.2 Choice information: what information does the consumer receive?

2.2.1 Information in the top layer is often limited, while information in the underlying layers is complex and inaccessible



Almost all platforms present information about insurance in layers. Virtually all platforms place core information on the main page, while more detailed explanations and information documents are available under information icons and on deeper click layers. Layered presentation of information is an effective way to support consumers, as it prevents them from becoming overwhelmed by the quantity and complexity of information. However, it is important that the information in all layers is presented in a balanced manner and is easily accessible.

The information in the top layer is usually limited. In the top layer, in addition to general marketing communications, the emphasis is mainly on what the insurance covers. This is done, for example, using lists with ticks and concise wording that emphasises extensive cover (such as '*covers almost all accidents*'). Usually, no attention is paid to important limitations. Many platforms also omit other important information from the main page, such as the term, the deductible excess, the insurance provider, cancellation options or the possibility of taking out the insurance later.

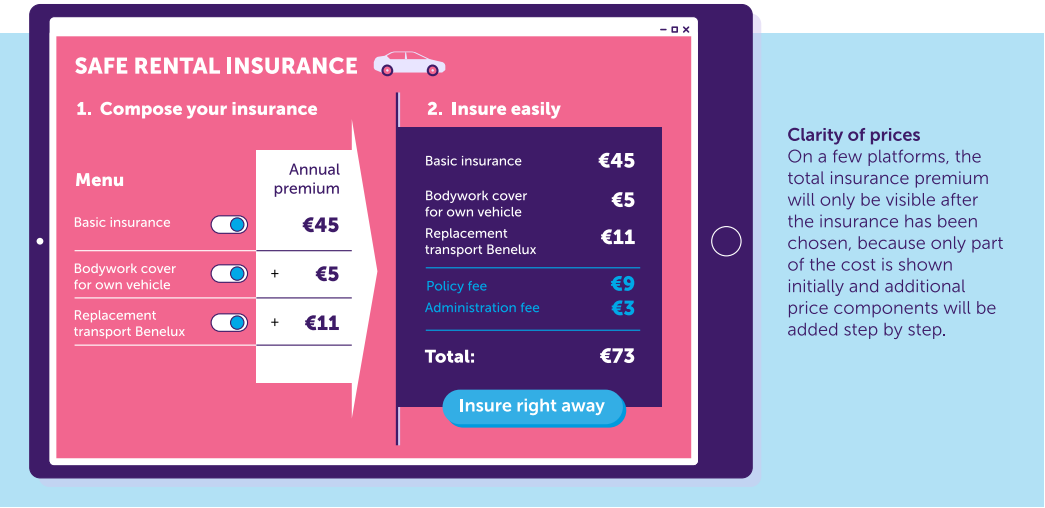
Platforms offer little clarity about overlaps with existing insurance policies or whether insurance policies can be purchased and used individually in a group booking. It is possible that consumers will unintentionally become double insured for all or part of the same risks by taking out embedded insurance because they already have cover, for example through annual travel insurance or purchase protection. However, in the information presented about the insurance, almost all platforms pay no attention to this. In addition, on several platforms it remains completely unclear in the case of group bookings, such as insurance for holidays or tickets, whether the insurance can be purchased individually, or whether, for example, in the event of a cancellation, all tickets or trips are covered.

Pages and documents with more extensive product information are difficult to access and understand on many platforms. To access the full product information, consumers often have to click and scroll through frequently. This is often done by means of small information icons or subtle hyperlinks in smaller, inconspicuous fonts. Sometimes, consumers must first scroll and click through pop-ups or web pages with more explanations to get to the IPID and documents with general terms and conditions. In some cases, links to access these documents only become visible after the insurance has been ticked. Some of these references also lead to general, non-product-specific pages, which means consumers have to find out for

themselves on these pages which documents are relevant to the insurance they have selected. A small number of platforms have no link whatsoever to more information. The information documents are often very extensive (e.g. 35+ pages) and often peppered with jargon or text that is difficult to interpret. In addition, on at least two platforms, information documents still contain parts in English and German that have not been translated into Dutch.

The current provision of information in embedded insurance increases the chance that consumers will make choices based on an incomplete and one-sided picture. The information highlighted on the main page will receive more attention from consumers and therefore be given more weight in decision-making (Bordalo et al., 2013; Orquin et al., 2021). Because the platforms highlight limited and mainly positive information here, they may present a rosy and unbalanced picture of the insurance and the cover provided. This can contribute to uninformed choices with no understanding of crucial aspects, such as possible overlap with existing insurance, existing warranties or risks that are not covered. In addition, the additional steps described to obtain further information will prevent many consumers from accessing potentially relevant information, since minor barriers – such as an additional click-through step – may already have a relatively large impact on behaviour (Johnson et al, 2012; Sunstein, 2021). When consumers do reach this information, it is likely that the long, complex and sometimes untranslated documents will hinder them from processing the information properly due to cognitive and time limits (Eppler & Mengis, 2004). This may result in consumers making choices that do not reflect their actual preferences.

2.2.2 Cost information is sometimes shown in an unclear way

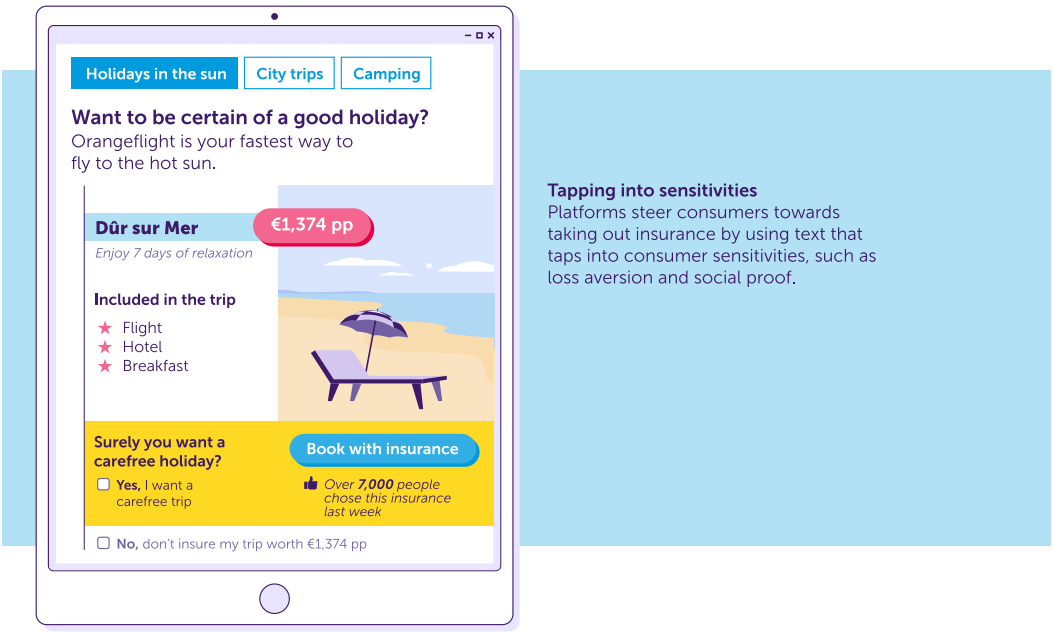


Most platforms clearly highlight the total premium or the monthly cost of insurance, with a few exceptions. Several platforms opt for a different form of cost communication. For example, one of the platforms shows the cost as a percentage of the purchase amount. As a result, the consumer must make a calculation themselves to arrive at the price. On a few platforms, the total insurance premium is not directly clear, because only part of the cost is shown initially and additional price components are added step by step. Jargon is sometimes used for the various price components, such as policy fees or insurance premium tax. Almost all platforms that offer insurance with monthly premium payments do not clearly state the term or whether consumers can also choose to pay the amount in one go. On several platforms, the price varies greatly between different insurance products.

The way in which the costs are shown by some platforms can contribute to uninformed decisions. For example, percentages are difficult for many people to understand (Parker & Leinhardt, 1995). In addition, making the costs of the insurance visible step by step can lead to only part of the total costs being immediately transparent. This can cause an insurance policy to appear cheaper at first than it ultimately turns out to be and affect consumers in their decision to purchase the insurance (Santana et al., 2020). The complex jargon that is sometimes used for these price components will also be difficult for many consumers to interpret. Finally, consumers may also be steered by relative pricing of insurance policies, for example towards taking out insurance that seems relatively cheap alongside a very expensive option (Simonson & Tversky, 1992).

2.3 Choice pressure: what triggers are used?

2.3.1 Communication strategies are used that encourage people to take out insurance



Many of the platforms emphasise protection and security when presenting the insurance. All platforms use reassuring wording to emphasise that insurance can provide peace of mind and security. Examples are texts such as '*security knows no price*', '*protect your product*' or taking out insurance for a '*carefree journey*' or '*peace of mind*'.

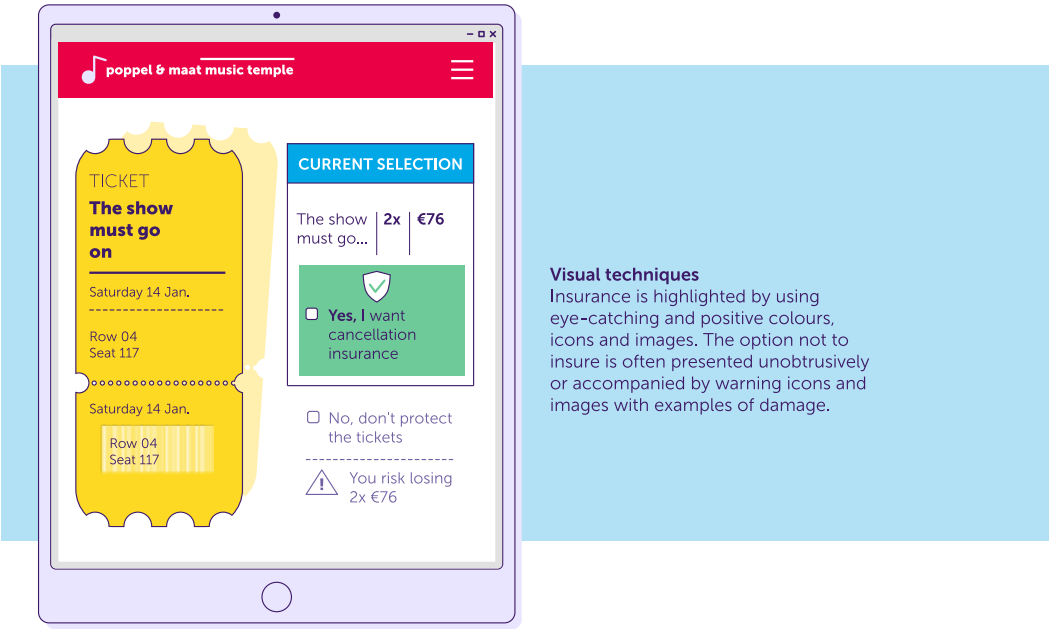
At the same time, many platforms describe non-insurance as 'the waiver of protection'. For example, the non-insurance option is described as '*do not protect my product*'. Several platforms also highlight the cost of the main product/service, emphasising the extent of potential loss. Examples include texts like *'do not protect my €... product* ' or '*without protection your product worth €... is non-refundable*'.

Many platforms use social influence in the presentation of insurance products. Specific insurance products have visually striking badges with '*most frequently chosen*' or '*popular*' or advisory texts such as '*RECOMMENDED*'. Some platforms even mention the number of customers who purchased a specific insurance policy in the past period ("*8,000 customers bought this product in the past week*"), missing important context – such as the total number of customers.

Platforms steer consumers towards taking out insurance by using text that taps into consumer sensitivities, such as loss aversion and social proof. Although referring to risks and emphasising protection is common when offering insurance, including in other distribution channels, it is notable that some of the platforms observed do this to a significant extent. Research has shown that risk decisions are strongly driven by emotions such as fear and peace of mind (Loewenstein et al, 2001; Lerner et al., 2015). Similarly, research on insurance decision-making has shown that consumers are often driven more by emotions associated with security than by rational economic considerations (Huysentruyt & Read, 2010; Jasper & Aseervatham, 2017). The framing that is used to tap into this feeling of security might therefore influence the choice that consumers make (Johnson et al., 1993). In addition, emphasising the extent of the potential loss or damage will also be an effective way to steer consumers towards insurance (Jindal, 2015), as people tend to react strongly to potential losses and are willing to pay to avoid it (Kahneman & Tversky, 1979). Finally, it is plausible that prominent references to other consumers' choices and recommendations increase the likelihood that people will select the recommended insurance. Research

has shown that such forms of social proof have a strong influence on the choices people make (Barnes et al., 2016; Cialdini., 2001; Salganik et al., 2006).

2.3.2 The insurance option is highlighted with visual techniques



Platforms use various visual techniques to offer the insurance option, with the insurance products being presented in a more visually striking and positive way compared to the non-insurance option.

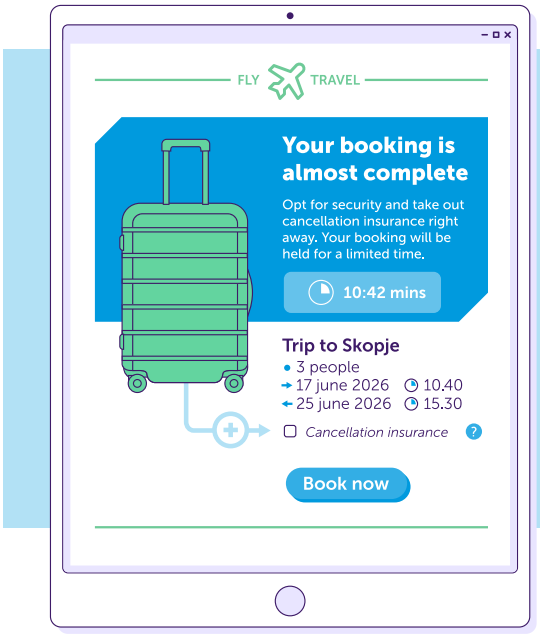
Insurance policies are often highlighted with strikingly coloured boxes, menus and contrasting buttons. Selection buttons often have eye-catching contrasting colours or are designed in such a way that purchasing the insurance appears to be the preferred option and the next logical step in the customer journey. For example, presenting selection buttons in green or matching with the colour of other primary action buttons in the customer journey. In addition, texts related to taking out the insurance are presented more strikingly than texts about not taking it out. This is done by differences in font, font size and bold emphasis, among other things. Many platforms use icons such as green check marks, shields or thumbs up when presenting the insurance. In some cases, when several insurance products are presented, forms of ranking are used, for example by assigning more checkmarks or stars to specific certain (often more extensive or expensive) options. In addition, certain platforms show positive images, portraying smiling people or emphasising protection.

The option not to insure is often presented less prominently or accompanied by warning icons and images with examples of damage. This option often has a less visual prominence, a neutral or light colour, minimal formatting, a less prominent position or is even omitted altogether. In some cases, icons are used, such as warning triangles, exclamation marks or stop signs. In some cases, images are shown with examples of situations with damage.

Salient visual elements can influence the decision-making process because they automatically attract more attention and unconsciously steer consumers' decision-making (Bordalo et al., 2013). The use of certain colours, icons and images around the options can contribute to the way these options are perceived. The positive colours, icons and images accompanying the insurance option may give the impression that this is the best choice. On the other hand, the choice not to insure is often accompanied by a more neutral or explicitly risk-oriented visual presentation, which means that it receives less attention or seems less attractive. Research has shown that marketing and communication that taps into consumers' emotions can influence their insurance behaviour (Jaspersen & Aseervatham, 2017;

Loewenstein & Lerner, 2001). Also, making risks explicit by means of images with examples of damage can lead to consumers perceiving them as more likely and therefore playing a greater role in decision-making (Keller et al., 2006; Jaspersen & Aseervatham, 2017).

2.3.3 The decision to take out insurance sometimes has to be made under time pressure pressure



Time pressure
Some platforms allow consumers only a limited time to complete their purchase of a product or service, for example in the case of concert tickets. This means the choice of insurance also has to be made under time pressure. It is not made clear whether it is possible to take out the insurance later.

On some platforms, there is time pressure in the purchase process of the primary product, such as a ticket or service, because availability or reservation time is limited. As a result, the choice of taking out insurance must be made within the same time limit. This is often accompanied by a timer on the web page that expires, usually in 10 to 15 minutes. None of these platforms make clear whether the insurance can still be taken out at a later time.

The limited time available will encourage consumers to make quick decisions about insurance, increasing the likelihood that they will make an uninformed choice. Time pressure can demonstrably reduce the quality of decisions, because people more often rely on heuristics rather than careful consideration (Guhar Sarka & Mehta, 2026). Time pressure can also contribute to making impulsive choices, driven by the fear of regretting the action if the action is not carried out (Abendroth & Diehl, 2006).

3. Conclusion

This exploratory study shows that the online choice environment of platforms with embedded insurance often contains multiple elements that steer consumers towards taking out insurance during their purchase. In many cases, taking out insurance is a low friction process, insurance products are prominently and repeatedly brought to the consumer's attention and the option not to insure is presented in a less visible or less accessible way. In addition, the provision of information is often limited, complex or difficult to access, which means that consumers do not always have the information they need to make an informed decision. Visual, textual and social forms of influence also steer consumers towards taking out insurance. Although the presence and form of these elements vary from platform to platform, there is often a combination of multiple factors that jointly steer consumers towards taking out insurance.

The degree of steering in the online choice environment does not seem proportionate to the extent to which these products are suitable for consumers. Embedded insurance policies often have cover that is strongly related to the product or service they were purchased with, which may overlap with other insurance policies that consumers already have. This poses a risk of overinsurance. Since the observed choice environments steer consumers strongly towards taking out insurance, regardless of the consumer's situation, the question arises whether this degree of steering is proportionate.

Moreover, the provision of information within the choice environment is often insufficient to enable consumers to make an informed decision. Although the practice of layering information that is often applied on the platforms is potentially an effective way to support consumers, this study shows that the first layer regularly paints an incomplete and unbalanced picture and that underlying layers are difficult to access and complex in nature. This is at odds with the requirements for clear and non-misleading information, which should, among other things, be easy to find, understandable and balanced.[3] As a result, consumers may be less able to assess whether the product also provides relevant, appropriate cover. This increases the risk of over- and underinsurance.

The design of the choice environment may result in providers and/or platforms not complying with the statutory standards supervised by the AFM. Although the AFM did not explicitly assess whether any violations of statutory requirements had been committed in this exploratory study, it emphasises that providers and/or platforms must comply with the requirements regarding the provision of information, product distribution and unfair commercial practices when designing the choice environment.

The AFM calls on platforms and providers that offer embedded insurance to design their online choice environment carefully. A careful design of the choice environment is essential to support consumers in making informed choices that lead to taking out appropriate insurance. In the box below, we therefore make recommendations for platforms and providers regarding the design off the choice environment when offering embedded insurance.

[3] wetten.nl - Regulation - Policy rule on the provision of information - BWBR0050237

Recommendations for the design of the online choice environments for platforms and providers offering embedded insurance

Provide clear, complete and accessible information, including on costs

- Present costs transparently and clearly: show the premium in its entirety instead of adding cost elements step by step, avoid using percentages instead of total amounts and show costs for each insured individual.
- Provide key information about cover, limitations, duration, terms and the provider in an understandable way and at the right time within the customer journey.
- Make additional documentation easily accessible and avoid unnecessary barriers, such as multiple click-through layers or hard-to-find information documents.
- Make clear whether the cover offered may overlap with insurance policies or existing warranties that the consumer already has.

Provide a balanced presentation of options

- Present insurance options and the choice not to insure in an equal and clear manner.
- Choose a visual design that makes it clear taking out insurance is not a mandatory or standard choice.

Use low-friction carefully

- Make the option not to insure at least as simple as the option to insure.
- Design the choice environment in such a way that that the decision to take out an insurance requires a conscious consideration.
- Set up the process in such a way that explicit agreement is requested for conditions and additional obligations.

Limit the use of elements that strongly steer behaviour

- Use behavioural triggers, such as social influence or time pressure, with restraint and only do so when they support careful consideration by consumers.

In light of the results of this exploratory study, the AFM will conduct further research into the added value of these insurances for consumers. In this study, we have seen that consumers are being steered towards taking out embedded insurance. Providers and platforms have a responsibility to ensure that the embedded insurance policies they strongly steer towards add value to the consumers to whom they are offered.

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