



Buying Opportunity

Using technology to increase insurance sales in today's market

There is a serious problem in the life insurance marketplace today. Insurance consumers don't know what they need to buy, or why they even need to buy it.

According to a TD Bank study released last year, 55 per cent of Millennials have not yet secured life insurance coverage. Of that percentage, only 33 per cent have even considered applying for a policy.

The life and health insurance industry should look within to find the solution. It is likely that the lack of interest from this next generation of insureds stems from a failure to give them the information they need.

Figuring out the types and amounts of coverage is a cumbersome process, and Millennials need to trust the source of information.

Non-licensed entities have taken on the task of educating our market, and they are getting lots of attention in the process. Currently, online life and living benefits insurance comparison tools are doing the best job of educating consumers. But most of these websites do not employ any life-licensed staff.

What can be done to empower consumers with more knowledge on insurance? I have three thoughts on what's needed.

1. CREATE A DEFINITIVE RESOURCE HUB FOR LIFE AND HEALTH INSURANCE

Websites of large financial intermediaries can easily amass considerable domain authority and search engine ranking power by virtue of their sheer size and reach. Insurance carrier websites tend to rank high in search engine results for common

search terms such as "life insurance quotes" or "types of life insurance."

However, these high rankings do not always offer the depth or quality of content that first-page Google results should be producing for highly competitive keyword phrases.

For example, some peculiar results pop up when searching on Google for "types of life insurance," at the time of this writing. The first organic search result belongs to one of the top insurance carriers. The content on the post is about 600 words, not nearly enough to properly explain the various types of life insurance available to consumers. Furthermore, the article only explains the three major types of life insurance policies: term, permanent, and universal life.

This does little to explain key factors that affect the coverage and premium pricing of each type of policy such as policy fees, company history, pure cost of insurance (COI), and health questionnaires.

There are huge opportunities for insurance carriers, brokers, or agencies to create content that completely covers a specific content gap.

2. OFFER A CREDIT CHECK FOR A CLIENT'S INSURABILITY

A good advisor will plan the application process with caution. For example, if a proposed applicant has a health history that could trigger a decline, advise the client to secure a simplified issue plan before losing that opportunity post-decline.

Most major life insurance carriers in Canada will publish underwriting guidelines as part of support documents for their contracted advisors. These guidelines assist

advisors and agents in preparing proposed insureds with the most likely decision to be issued by an insurer on their insurance application.

If there was a resource online that averaged out the most likely outcomes of risky applications, this could be a good way for consumers to assess their own situation and disintermediate that step from the application process.

3. MAKE IT EASIER FOR CLIENTS TO SEE THAT NOT ALL PLANS WERE MADE EQUAL

Comparing term life insurance is easy, as most insurance companies offer similar features and benefits in their term plans. But what about the varying features of other types of insurance?

The industry needs an objective comparison of all life and health insurance plans. For example, when comparing participating whole life policies, there should be a way to score and rank carriers based on their dividend paying history, the number of years they have been operating in that space, cash value guarantees, and numerous other factors.

How policies are issued is another big differentiator. Some applicants may prefer to pay a higher rate than give up more information in a medical disclosure or a blood test. This gives consumers an honest overview and comparison of the plans available to them in the market, and what will be required of them to secure the coverage they want.

Another good example is with disability insurance. Consumers should be immediately prompted on the different definitions of disability and how it will affect them, when shopping for disability coverage quotes.

If the insurance industry can leverage existing data and technology to offer a more level playing field in the marketplace, uninsured consumers may finally secure the coverage they need, once they realize carriers and agents are helping them make better buying decisions. **■**

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