

# Advisors Must Know How to Pivot Online to Serve Today's Consumer

▶ Face-to-face remains the preferred method for most consumers to buy life insurance. But online buying is appealing to many consumers, and its popularity will likely increase.

By Ashley Durham

Sometimes, 17 percent represents a huge number. For example, in the LIMRA and Life Happens 2016 Insurance Barometer, 17 percent of adult consumers said they are “very or extremely likely” to purchase life insurance in the next year. This translates into a target market of 40 million prospects!

We also know from the Barometer that just over half (51 percent) of consumers would prefer to purchase coverage face-to-face with a financial advisor or agent. The second most common preference (among all age groups) is online where one in five would get their life insurance protection. Convenience and the ability to buy at their own time and pace are the main reasons.

A small number of people would buy life insurance online because they know what coverage they want. Most people, however, do not have a high level of understanding when it comes to life insurance. So it's not surprising that the highest portion of consumers among all age groups still want to meet with a financial advisor or agent.

People said they generally want to see an expert so they can ask questions and get immediate answers. Most cite the additional information and advice they would get during a meeting as major reasons for their face-to-face preference. The potential to build a long-term relationship with an advisor is another major reason nearly half (47 percent) prefer a face-to-face meeting.

Even those who start their purchase online usually end up completing the sale in more traditional ways. For example, while more than one in four consumers (28 percent) have gone online to purchase life insurance, few of them (15 percent) ended

up submitting their application online. About a quarter of them (26 percent) completed the process on the phone with an insurance company or printed and mailed their application to the company. The highest share (30 percent) ended up completing their application in person with a financial advisor or agent.

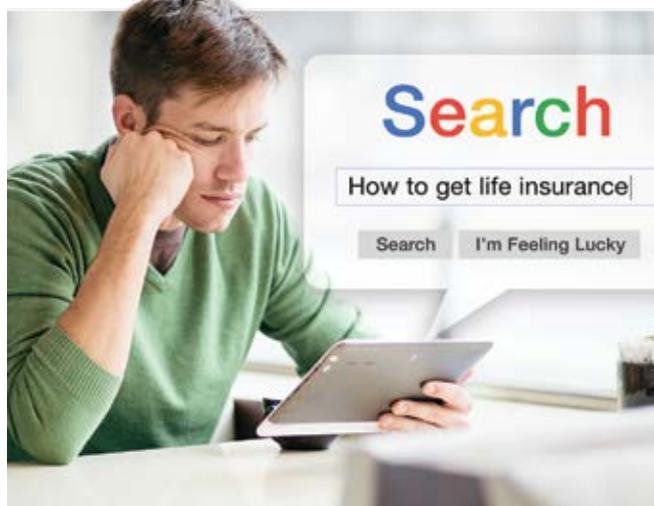
Millennials, who are arguably most accustomed to online shopping, are most likely to try buying online. However, they are twice as likely to end up meeting with a professional to complete the process. This may be a reflection of younger consumers having less experience with financial services and products, making them even less comfortable buying life insurance without help.

That said, nearly all millennials (95 percent) would research life insurance online if shopping for it. And overall, 88 percent of consumers would use the internet for preliminary research. They want to be armed with facts, but most aren't confident that they have real knowledge.

Financial professionals who adjust to the new consumer can remain an important part of the purchasing process. Today, consumers want service on their terms. Sometimes that means face-to-face and other times that means online.

According to LIMRA's Financial Professionals' Use of Technology database, one in three financial professionals do not have a personal website. Among those who do, only one in 10 has an option for clients to submit an application online.

Those without a website should consider creating one that features enough



life insurance material to engage (but not overwhelm) clients and prospects. An informative web presence can be a fundamental step toward building client confidence and encouraging shoppers to move forward. Agents and financial advisors also can ask the companies they represent for links that allow clients to purchase directly through the advisor's website.

Tools such as personal websites allow an advisor to remain central to the purchasing process. An online presence also appeals to those who want to connect with someone local for a question or claim. Two in three people said proximity is one of the major reasons they want to buy from an advisor or agent.

Although in-person remains the channel of choice for most, online already is appealing to many consumers, and its popularity will likely increase. Financial professionals who learn how to pivot and serve both options will be in a better position to meet the ever-changing demands of today's consumers. <sup>11</sup>

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