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The Millennial Movement: How to Engage Next-Gen Insurance Buyers

May 1, 2014 by James Fini ([/author/jim-fini/](#))[PRINT \(/FEATURES/2014/05/01/122228.HTM?PRINT\)](#)[EMAIL](#)

By 2030, one generation will comprise 22 percent of the total population, making it the largest generation since the Baby Boomers, according to a 2010 report from MetLife Mature Market Institute (<http://dld.bz/cNBaC>).

By 2030, members of this generation will be 36 to 53 years old and responsible for the vast share of personal lines insurance purchases. In just 16 years, your ability to engage this one generation will be one of the most deciding factors of your success.

This game-changing generation is Gen Y, also known as the Millennials.

The Pew Research Report, also referenced in the article, defines Millennials as people born between 1981 and 1996.

As it turns out, Millennials might be a very good audience for the insurance industry.

Like their Silent Generation grandparents (born during the Great Depression and World War II), Millennials have lived through financial upheaval and greatly value financial security. In fact, the 2014 Insurance Barometer Study released in April 2014 by Life Happens (a life insurance organization, available at

www.lifehappens.org/barometer (<http://www.lifehappens.org/barometer/>)) shows

that Millennials have more anxiety about common financial issues than older generations (<https://www.lifehappens.org/press-releases/millennials-younger-americans-continue-to-show-more-anxiety-about-common-financial-planning-issues-than-older-generations/>). The highest levels of concern are reported for younger Millennials, ages 25-34, the study reveals.

Yet despite their financial challenges, Millennials are economic optimists, with 8 in 10 saying they currently have or expect to have enough money to lead the lives they want (<http://www.pewsocialtrends.org/2014/03/07/millennials-in-adulthood/sdt-next-america-03-07-2014-0-07/>), according to a February 2014 Pew Research

Survey (published in a March 2014 report titled “Millennials in Adulthood: Detached From Institutions, Networked With Friends,” page 10).

How can carriers engage next-generation insurance buyers?

The Pew Research survey provides some clues.

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1. Authentically Empower

The Pew survey found that Millennials have low levels of social trust and are highly independent—largely without religious or political affiliation. They are also highly educated and self-empowered when it comes to decision-making.

What does that mean for insurers?

Transparency and information at every stage of the process will be more important than ever before. Millennials will not accept information you provide at face value. They will research, explore and verify the facts. Clear, accurate communication will be essential.

For example:

Executive Summary

The Millennials, having lived through the Great Recession and its consequences, are judicious shoppers, but they are also fiercely independent and stubbornly optimistic about the future. The combination creates an “ideal” pool of insurance consumers who will shop for personal lines insurance in 2030, according to Enservio’s James Fini, who provides tips on engaging them.

Who Are the Millennials?

The author of this article has used the definition of Gen Yers or Millennials contained in a 2010 report from MetLife Mature Market Institute. The report, “Demographic Profile: America’s Gen Yers (<http://dld.bz/cNBaC>),” defines Gen Yers as people born between 1977 and 1994. (The report is available at: <http://dld.bz/cNBaC> (<http://dld.bz/cNBaC>))

- When searching for an insurance partner, they will gravitate toward those that provide the most helpful, empowering information online.
- Before purchase, they will want to know how their risk factors influence the premiums charged. Because of this, they may be receptive candidates for usage-based insurance options.
- When they need to file claims, they will expect to do so online and to be updated with clear communication at every stage of the process.
- For account services, they will choose insurers that offer a choice of communication vehicles (email, text and paperless alternatives).

2. Give to Get

Millennials have grown up using the internet, social media and mobile technology. As such, they are willing to give up some privacy to get convenience. According to Pew, 81 percent are on Facebook and 55 percent have posted a “selfie” on a social-media site.

The insurance industry takeaway: Millennials are well-versed in our “give-get” culture and will “give” information to “get” something of value.

Use this dynamic to your advantage. Identify the information you need for better risk selection, pricing and ongoing account service and ask for it. But don’t forget to also figure out what you will give in return.

- If you offer a compelling white paper, they are willing to complete a short landing-page form to download it.
- If you offer instant online insurance quotes, they will complete your online application as long as it’s intuitive and easy.
- If it could result in better rates, they will allow you to collect data about their driving behavior or to obtain more information about their homes and contents.

3. Automate Function

While digital solutions are important for convenience as noted above, Millennials also expect digital solutions to contribute to better functionality. In short, technology should make life—and insurance transactions—easier.

While you’re thinking of ways to appeal to Millennials don’t be hindered by your own generation’s technical shortcomings.

Millennials are quite comfortable creating narrated videos, downloading and using mobile apps, and managing online photos.

Use their skills to improve your proficiency at every service touch point.

- Offer an online customer portal where prospects can upload digital photos and home inventories.
- Use interactive tools to determine needed insurance solutions based on a prospect’s response to a series of questions.
- Trigger routine customer surveys to identify changes in insurance needs through the account service customer portal.
- Facilitate the upload of accident scene videos and photos to your claims reporting tool.
- Provide a mobile app to facilitate the most frequent account transactions.

The goal is better service in less time at a lower cost. Millennials are enthusiastic about this value proposition, so you should be too.

A New Skill Set for an Ideal Insurance Audience

Capturing and retaining Millennials will require a new skill set—one quite different than that required by their Baby Boomer parents. Never forget that this generation has lived through the Great Recession and the challenges of low wages, overwhelming debt and high unemployment. They’ve earned the right to be cautious, judicious shoppers.

Equally important—they are highly educated, fiercely independent and stubbornly optimistic. They truly believe they can prevail despite the many obstacles placed before them.

All of these characteristics combine to make Millennials very interesting and perhaps ideal insurance consumers. As an industry, the choices we make now will determine how proficiently we can engage them in 2030, at the apex of their buying power.

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CONTRIBUTOR



(/author/jim-fini/)

James Fini, Enservio (/author/jim-fini/)

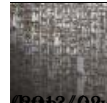
James Fini is Vice President, Research and Development and Founder of Enservio, a provider of software and services for P/C carriers to price policies correctly and settle contents claims with more accuracy. Reach Jim at jfini@enservio.com or www.enservio.com.

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