

QUICK QUIZ

Life insurers: How well do you know your Millennial customer?

How well do you think you know the relationship between Millennials, those born between 1981 and 1996, and life insurance? Are they the most likely generation to have coverage? Maybe, since they seem to be financially responsible in other areas. A recent Discover survey revealed that 81 percent of Millennials are saving in some capacity, while only 74 percent of Gen Xers and 77 percent of Baby Boomers are doing the same. What do you think?

Take our quiz, add up your score, and see how well you know your Millennials.

- 1 Which generation is most likely to have life insurance coverage?
 - a. Millennials
 - b. Generation X
 - c. Baby Boomers
- 2 What percentage of Millennials carry the right life insurance coverage?
 - a. 62 percent
 - b. 38 percent
 - c. 21 percent
- 3 What's the No. 1 reason Millennials don't have life insurance?
 - a. Not a priority
 - b. Not sure where to start
 - c. No patience for the process
- 4 Beyond cost, what one driver would compel Millennials to engage with a life insurer?
 - a. Interactive digital application
 - b. Personal relationship with agent/broker
 - c. Education about available products
- 5 How can life insurers better engage Millennials?
 - a. Build stronger customer relationships
 - b. Invest in robust content services solutions
 - c. Evolve digital transformation efforts
 - d. All of the above

SCORE

5 - 4 correct

You're a Millennial whisperer!

3 - 2 correct

You have an idea of the market, but could dig a little deeper to understand your audience.

1 - 0 correct

It might be time to buckle up and take a close look at your future insurers.

ANSWERS

1: C - Baby Boomers

Only 10 percent of Millennials have enough life insurance to cover self-reported needs, according to New York Life's 2018 Life Insurance Gap Survey. Those Millennials that carry life insurance have, on average, \$100,000 in coverage. It's enough to cover one-fifth of their stated needs, or a 78 percent shortfall. That's compared to Gen Xers, who report a 48 percent shortfall, and Baby Boomers, with a 37 percent shortfall.

2: B - 38 percent

Our survey of more than 315 Millennials found that only 38 percent carry a policy that would cover all major expenses, including a mortgage and outstanding debt. Around 62 percent of those surveyed were either uninsured or only carried the life insurance offered by their employer (36 percent).

Those numbers line up with a number of national surveys. Life Happens, a nonprofit organization, found that only 52 percent of Millennials own life insurance, and Bestow, an online life insurance platform, reports that 75 percent of Millennial parents are without life insurance coverage.

3: A - Not a priority

This was a bit of a trick question. All three answers are reasons Millennials share when asked why they lack life insurance coverage, but prioritization tops the list.

"It's not an issue of Millennials not wanting to get life insurance; it's more a prioritization issue," says Brian Madgett, who leads New York Life's national life sales and its advanced planning group, as reported in Forbes' The Big Millennial Life Insurance Gap. While Madgett suggests Millennials are more concerned with "the big screen TV, car and even that daily cup of coffee," Millennials are more likely to prioritize paying off student loans and saving for big ticket items like a mortgage down payment.

4: C - Education about available products

When they weren't talking about cost, our respondents talked more about education than anything else. Millennials told us they were looking for an open and transparent relationship with any potential insurer. The majority — nearly 70 percent — are looking for an easy way to both learn about life insurance (33.9 percent) and to purchase a policy (35.4 percent).

"If there were easier ways to learn about it," one respondent explained. "Life insurance feels very complicated and difficult to learn. If they could 'dumb it down' and show how policies/payments/industry worked, it would be so helpful."

It's an interesting response, especially when you consider it against Life Happens' survey results. It found that 50 percent of its respondents had never discussed life insurance with a parent, peer or life insurance representative.

5: D - All of the above

Okay, maybe a bit of a gimme since No. 5 is the only question with four multiple choice options. After all, investing in a robust content services solution will both evolve your digital transformation efforts and enhance your customer relationship efforts.

Life insurers can bridge the gap between today's core systems and the 22nd century digital insurer by implementing a solution that integrates with modern core systems and business applications while extending legacy systems. Insurers need a way to manage the content, cases and processes that core systems can't. This requires filling gaps in core systems with comprehensive content services capabilities such as enterprise content management, intelligent capture, document management, secure file sharing, workflow and customer communication management.

Ready to learn more? Download *Millennials and the 22nd Century Insurer* or visit Hyland.com/Insurance.