



Thought Leadership in Action for Life Insurance

Adapting to Sell Life Insurance in a Changing Landscape



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With the extended presence of COVID-19 and the hybrid work environments, it seems like everyone is online. Consumers are shopping online and emerging technology makes it quicker and more convenient to compare products and pricing—including life insurance, but that doesn't mean customers don't need financial professionals* to help them make informed decision about life insurance. Here are some options on how to leverage the changing landscape to help build your business and reach more customers.

As a financial professional, you may think this means your role in the sales process could diminish. The opposite is true. Given how quickly consumers are changing how they shop, the role of a knowledgeable professional to help navigate and guide could be more important than ever.

How Consumer Behavior is Changing

Today, 1 in 3 consumers shopped on a comparison-shopping website before they applied for life insurance.¹

Here are some reasons as to why consumers may prefer online shopping

- They can shop on any device, including phones, laptops, and tablets
- They can shop anytime they want
- They can shop anywhere they are
- No high-pressure sales pitch

A total of 29% of consumers preferred to shop for life insurance online in 2020.²

* In order to sell life insurance products, a financial professional must be a properly licensed and appointed life insurance producer.

1 Source: Jeff Piotrowski. "What 2020 Shows Us About Selling Life Insurance in 2021." ThinkAdvisor.com, December 31, 2020. <https://www.thinkadvisor.com/2020/12/31/what-2020-shows-us-about-selling-life-insurance-in-2021/>

2 Source: Insurance Information Institute. "Facts + Statistics: Life Insurance." June 23, 2021. <https://www.iii.org/fact-statistic/facts-statistics-life-insurance>

Online shopping lets consumers be in control, and they can research and hop from website to website as their needs dictate. If they are dissatisfied with your website or customer service, they probably won't be back.

However, human beings are still social creatures. Social media is influencing what people buy, how they shop, and how they interact with companies. Up to 54% of social media users use these platforms to research products, and 71% are more likely to make a purchase if someone they know recommends it.³

“Some may think that since people buy their insurance online, the role of the life insurance professional is reduced. Actually, the life insurance agent or financial professional’s role may be more important than ever.”

Life Insurance in 2021

The first part of 2020 saw a decline in life insurance sales, with annuities especially taking a nosedive.⁴ However, the industry is expected to rebound, with a 3% growth predicted for 2021.⁴ The pandemic caused more people to face their own mortality, though: 1 in 4 customers say they bought life insurance for the first time due to the pandemic.⁵

Non-term life insurance may remain a difficult sell, as the Federal Reserve is predicted to keep rates at near zero until 2023. On the other hand, there was a needs gap of 16% in 2020 — 41 million customers said they needed life insurance but didn't have any.⁶

There are customers out there. But you may need to adapt to the changing marketplace to find them. How do you do that?

Adapting to Consumer Behavior

Some may think that since people buy their insurance online, the role of the life insurance professional is reduced. Actually, the life insurance agent or financial professional's role may be more important than ever.

Consumers may need someone to help them wade through the many options. Just because they can read about life insurance doesn't necessarily mean they understand it, especially with unfamiliar product features that may be difficult to understand, such as conversion options.

Recall that 41 million people said they needed life insurance but didn't have any. Moreover, it may surprise you, but millennials and Gen Zers also see the value in life insurance and are interested in purchasing it. However, more than half of them either don't have any or don't know if they have it.⁷

There is a market out there: how do you reach them?

- 3 Source: Aleh Barysevich. “How social media influence 71% consumer buying decisions.” Search Engine Watch. November 20, 2020. <https://www.searchenginewatch.com/2020/11/20/how-social-media-influence-71-consumer-buying-decisions/>
- 4 Source: Gary Shaw and Neal Baumann. “2021 insurance outlook - Accelerating recovery from the pandemic while pivoting to thrive.” Deloitte.com. December 3, 2020. <https://www2.deloitte.com/us/en/insights/industry/financial-services/financial-services-industry-outlooks/insurance-industry-outlook.html#endnote-sup-11>
- 5 Source: Cameron Huddleston. “2021 Outlook For Life Insurance Buyers.” Forbes.com. January 11, 2021. <https://www.forbes.com/advisor/life-insurance/2021-buyers-outlook/>
- 6 Source: Insurance Information Institute. “Facts + Statistics: Life Insurance.” June 23, 2021. <https://www.iii.org/fact-statistic/facts-statistics-life-insurance>
- 7 Source: Adam Winslow. Closing the Life Insurance Gap for Millennials and Gen Z. Insurancenewsnet.com. July 20, 2020. <https://insurancenewsnet.com/inarticle/closing-the-life-insurance-gap-for-millennials-and-gen-z>

Use Technology to Help You

Many consumers expect every online buying process to be simple and speedy. Take advantage of accelerated underwriting to move things along. Accelerated underwriting uses data from external sources, new analytics, and modeling techniques to calculate life expectancy and generate an insurance quote.⁸

This can make getting life insurance a faster process than it used to be. However, many people still have questions about how life insurance works or figuring out how much they need. That's an area where financial and life insurance professionals can provide value.

Engage with Social Media

You and your company can leverage social media to connect with both current and potential customers. There's a lot of misinformation out there about life insurance: more than half of Americans think life insurance costs at least twice as much as it does, with younger Americans thinking it costs five times more.⁹

Not only can you answer questions on social media, but others can also see how helpful and friendly you are. You can help build a customer community through give and take.

Before you say life insurance is a boring topic to post about, consider Maersk, a shipping container company that posts entertaining videos and photos to engage with their audience. They have more than 3 million followers on Facebook.¹⁰

From 2019 to 2020, the use of Facebook and YouTube to research financial topics doubled.¹⁰

“People tend to buy insurance from people they like and trust, and that’s still true today. It’s just the methods of connecting with customers that are different.”

8 Source: NAIC. “Accelerated Underwriting.” May 27, 2021.

https://content.naic.org/cipr_topics/topic_accelerated_underwriting.htm

9 Source: LIMRA . “2020 Insurance Barometer Study Reveals a Significant Decline in Life Insurance Ownership Over the Past Decade.” Life Happens and LIMRA announce results from its 10th annual consumer study. June 2, 2020. <https://www.limra.com/en/newsroom/news-releases/2020/2020-insurance-barometer-study-reveals-a-significant-decline-in-life-insurance-ownership-over-the-past-decade/>

10 Source: Alina Gorbach. “5 “boring” brands with amazing social media strategies.” Awario.com. June 14, 2017. <https://awario.com/blog/5-boring-brands-amazing-social-media-strategies/>

Some tips for getting the most out of social media:

- ✓ **Respond quickly:** Set an alert to let you know every time someone posts.
- ✓ **Post frequently:** Post a tidbit or a tip every day, or even more than once a day.
- ✓ **Deal politely and quickly with complaints:** Not only can you make it right for the disgruntled customer, but everyone else can see how you respond. This can help build trust and brand loyalty.

To learn more, visit <https://cloud.email.pacificlife.com/social-media-tools> for a selection of complementary social media business-building tools and resources. Be sure to follow your company's compliance guidelines before posting to social platforms.

Keep Consumer Needs in Mind

People buy life insurance for many reasons but having a child or someone who is financially dependent is often a primary reason people purchase. Other reasons may include:

- ✓ Buying a home
- ✓ Getting married
- ✓ Planning to leaving a financial legacy for heirs
- ✓ Protecting business partners

Pay attention to consumers' motivations and goals. Uncover what they're really saying. Life insurance can be an emotional purchase. Figure out where your customers are coming from and respond to that.

Summary

Consumer buying habits change continuously: the key to creating value for customers is to be adaptable in your approach. Your people skills are still vital in a digital world because they help to create and maintain customer relationships. Customers can find information online, but many may still need—and desire—help making sense of it all.



The primary purpose of life insurance is to protect the policy beneficiaries from the adverse financial consequences of the insured's death.

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