

The future of short-term insurance

 By [Gideon Galloway](#)

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If clients are at the centre of our businesses, we have to adapt to their shopping preferences. If they want to shop online, then we have at least to meet them half way by creating the necessary channels and platforms for them to evaluate their options properly.

Online shopping is on the rise in South Africa; convenience and speed are paramount to the modern-day consumer experience. This means that brokers have to be more flexible to ensure that they are able to provide sound advice more than just the traditionally accepted channels. Brokers not only have to evolve with the industry, they have to evolve with the customer.

Is faster always better?

There is often a perception that direct sales is the best way to go about it. Today, pretty much everything is available at the click of a button, from communicating to buying. Consumers have more options available to them and are saturated with information.

This is exactly why brokers play such an important role. Insurers cannot claim that they know the intricacies and circumstances of each of their clients, but we have to trust that brokers do - and that they will give their clients the right advice at the right time. The broker is still the person best situated to offer advice and direction when it comes to choosing an insurance provider, or building a financial portfolio.

Reaching the next generation

So how do brokers and advisers use technology to reach the next generation? Two words: big data. Capturing and analysing data associated with the target consumer base and unstructured data from sources - including social media - can help brokers and advisers evaluate and build customer profiles to provide customers with the same in-depth advice without the cumbersome process of obtaining that information through an arduous registration process.



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This provides them with a way to marry their in-depth knowledge and expertise with the speed and convenience of technology. Brokers and advisers are incredibly important to ensure that customers receive the insurance plan that is most

compatible with their individual needs, but instead of competing with the ease of online communication, they need to begin leveraging off it.

Moreover, today's brokers and advisers cannot rely on yesterday's engagement tactics, their audience has shifted and it is time to adopt, and embrace, these new technologies. The next generation has wildly different engagement and savings preferences than the last generation.

In most instances, next-gen customers do not have too many long-term financial goals - they need the service and savings today, and if they cannot find it on Instagram, it probably does not exist in their world.

The onus is thus on the broker and financial advisor, first and foremost, to listen to their customers, using these big data analytical tools to sketch a complete picture of their needs and requirements. Then that broker can use the same channels to engage with their customers directly with bespoke products.

The role of the broker is more important than ever. While the next generation are not worried about their financial well-being just yet, a lot of wealth is squandered during their twenties, as most only start to plan and save in their thirties. Through using these tools and engaging with their customer on the right platform at the right time, not only can they give their customers the best possible advice, they can play an active role in shaping the way the modern customer perceives insurance and financial services.

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