

Study: Agents Getting Left Out of the Loop

by NAMIC

According to "Customer Focus Insurance" published by Vertis Communications, 40 percent of American adults would purchase automobile insurance directly via phone, Internet, or mail without first consulting an agent, an increase from 29 percent in 2003. In particular, adults ages 35 to 49 are 15 percent more likely than their counterparts in 2003 to make a direct auto insurance purchase without seeing an agent, up from 30 percent in 2003 to 45 percent in 2007.

"Today's consumer, particularly Generations X and Y, have become accustomed to accessing information through various media, and it is no surprise that the insurance industry has turned to new methods for selling their services to a wide range of consumers," said Jim Litwin, vice president of market insights at Vertis Communications. "However, it is important to note that it is the combination of these response system services and not just one method that will be most effective. For example, insurance companies could provide information via direct mail, but offer a phone number or website for consumers to respond."

Furthermore, the number of total adults in the United States considering the purchase of identity theft insurance grew to 17 percent in 2007 compared to 12 percent in 2003. Most other types of specialty insurance purchases, including long-term care, mortgage, critical illness, high face-value life, juvenile, and accident products have either declined or remained constant since 2003. Surprisingly, the number of middle-aged adults, ages 50 to 64, considering purchases of hospital/surgical benefits has also decreased from 28 percent in 2003 to 21 percent in 2007.

The Vertis Communications "Customer Focus Insurance" study, which surveyed 2,000 consumers via telephone, also revealed the following:

Men in the 50 to 64 and 18 to 24 age ranges and women ages 35 to 64 appear to be the most likely to read direct mail insurance offerings. Men who are 25 to 34 and women who are 65 and older are the least likely to read these direct mailings.

Twenty-seven percent of adults said a knowledgeable agent or representative is the most important service an insurance company can offer. Twenty-nine percent of 18- to 24-year-old adults said having 24/7 access to an insurance company is the most critical service for them. Adults in the 25- to 34-year-old age range who value online access to an insurance company rose drastically, from 2 percent in 2003 to 9 percent in 2007.

Hispanic adults seem more willing to purchase insurance than non-Hispanic adults. Thirty-three percent of Hispanic adults and 25 percent of non-Hispanic adults indicated they would consider purchasing life insurance. Mortgage insurance is also more popular with Hispanics than with non-Hispanics " 24 percent and 18 percent, respectively, would purchase it. Accessibility to a company and prompt claim payments are also important to Hispanic adults.

Source: Vertis Communications news release

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