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Online sales of life insurance grow to 349,000

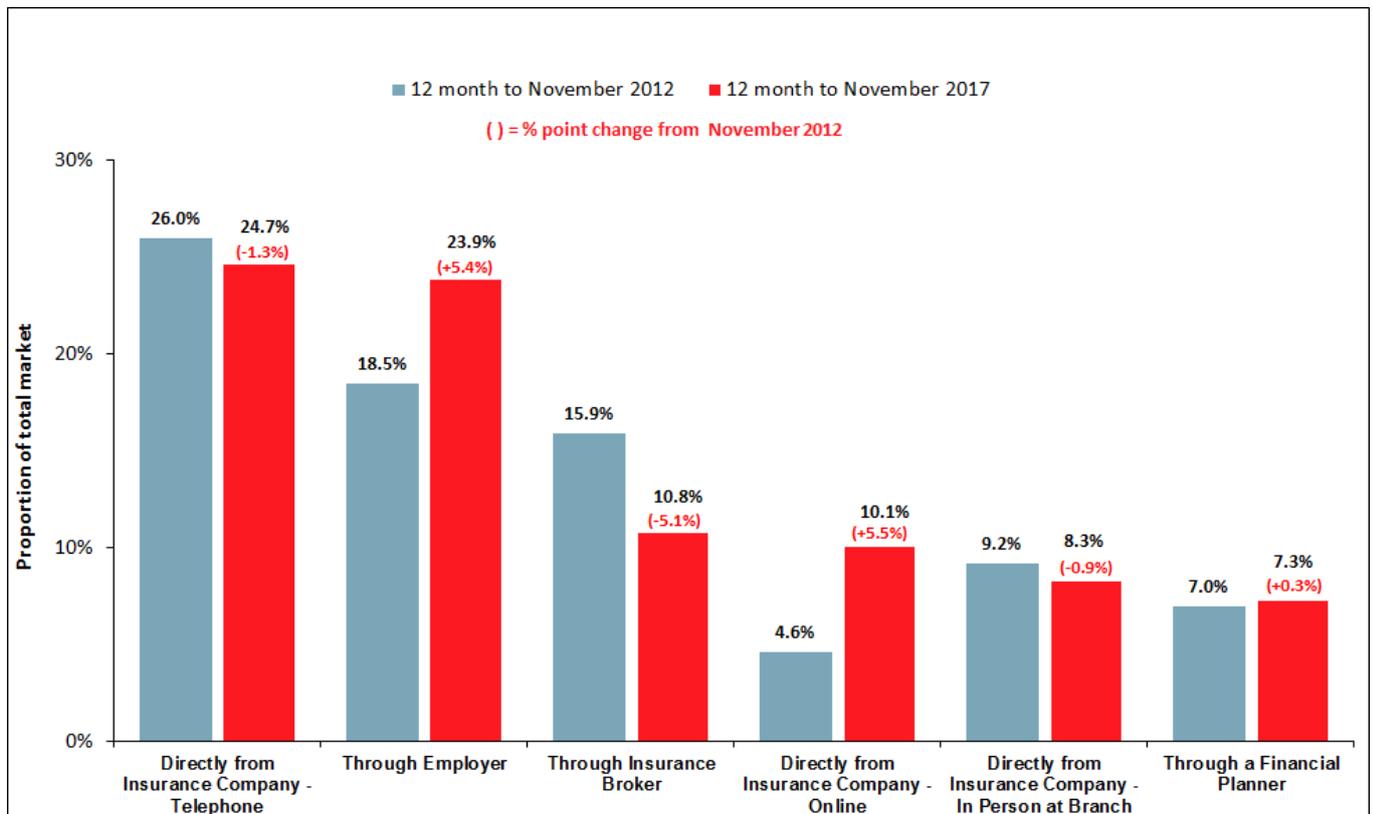
New results from Roy Morgan show that as at November 2017, 349,000 current life insurance policies were purchased online, representing a more than doubling (up 108%) of the number over the last five years. This growth rate is the highest of all channels used to obtain life insurance.

These are the latest findings from Roy Morgan's Single Source survey of over 50,000 consumers per annum.

Telephone remains the main purchasing channel for life insurance but online and employers challenge it

Nearly a quarter (24.7%) of life insurance policies have been obtained by telephoning insurance companies directly, closely followed by using employer with 23.9%. The trend however over the last five years shows that going direct by telephone is down from 26.0% to 24.7%, a reduction of 89,000 policies. On the other hand, the proportion obtaining life insurance through employers has increased over the last five years from 18.5% to 23.9%, an increase of 155,000 policies. The most rapid growth has been in purchasing from insurance companies online, this has grown from 4.6% in 2012 (168,000 policies) to 10.8% in 2017 (349,000) and represent a growth of 108% in policies over this period.

Major Channels Used to Obtain Life Insurance 2012 to 2017



Source: Roy Morgan Single Source (Australia). 12 months to November 2012, n= 9,562; 12 months to November 2017, n= 7,632 **Base:** Australians 18+ with Life Insurance.

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Insurance brokers appear to be the biggest losers over this period, declining from 15.9% in 2012 to 10.8% in 2017, representing a loss of 35% or 202,000 policies. Financial planners account for 7.3% of current policies, up marginally from 7.0% five years ago, with policy numbers showing no real change.

Profile differences of major channel users when purchasing life insurance

Our research shows that there are some major differences in the profile of the people using the various channels to purchase their life insurance.

Higher income groups for example, when purchasing life insurance show a greater preference than lower income groups for using financial planners, insurance brokers and online. Lower income groups have a greater preference than higher incomes for purchasing in person or on the telephone. Older people have a greater preference for using insurance brokers and branches while those obtaining their life insurance through their employer have a lower average age. Males have a greater preference than females for purchasing life insurance online, in person and through insurance brokers, whereas females lean more than males towards using the telephone and financial planners.

These are just some of the basic differences in the profiles of those using the major channels for purchasing life insurance that are important to consider, rather than treating the buyers as one homogeneous group.

Norman Morris, Industry Communications Director, Roy Morgan says:

“How life insurance is obtained is facing a major transformation or disruption, moving away from the more traditional insurance broker (or life insurance salesman) towards purchasing online as well as moving more to the employer, where it is generally combined with superannuation.

“Life insurance has generally been something that has needed more of a selling effort compared to motor vehicle, house and contents or health insurance. This is reflected in its much lower incidence in the Australian population. Our data shows that there are some major differences across a range of demographics regarding the channel preference for obtaining life insurance and as a result it is important to take this into account when marketing to such a diversified group.

“In order to improve the targeting of life insurance even further, Roy Morgan has developed a unique classification system for each Australian. These ‘Helix Personas’ divide the Australian population into 56 segments that go beyond geo-demographic modelling to incorporate attitudes, values and behavioral aspects and as a result provide an enhanced psychographic segmentation. This increased understanding of consumers using Roy Morgan’s ‘Helix Personas’ enables more precise targeting of life insurance holders and potential customers and as a result improve the chances for sales success.

“This analysis has focused on the channel used to obtain a policy - whenever that was. This reflects the state of the customer base today.

“However the shift to online is even greater than these numbers suggest. Among those who have taken out a new policy or changed their policy or insurer the incidence of online is much greater. For greater insight into the emerging online insurance market - contact Roy Morgan.”

To learn more about Roy Morgan’s banking and finance data, please contact:

Norman Morris, Industry Communications Director

Office: +61 (3) 9224 5172

norman.morris@roymorgan.com

Please click on this link to the [Roy Morgan Online Store](#)



About Roy Morgan

Roy Morgan is the largest independent Australian research company, with offices in each state of Australia, as well as in the United States and the United Kingdom. A full service research organisation specialising in omnibus and syndicated data, Roy Morgan has over 70 years' experience in collecting objective, independent information on consumers.

Margin of Error

The margin of error to be allowed for in any estimate depends mainly on the number of interviews on which it is based. Margin of error gives indications of the likely range within which estimates would be 95% likely to fall, expressed as the number of percentage points above or below the actual estimate. Allowance for design effects (such as stratification and weighting) should be made as appropriate.

Sample Size	Percentage Estimate			
	40%-60%	25% or 75%	10% or 90%	5% or 95%
5,000	±1.4	±1.2	±0.8	±0.6
10,000	±1.0	±0.9	±0.6	±0.4
20,000	±0.7	±0.6	±0.4	±0.3
50,000	±0.4	±0.4	±0.3	±0.2

