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Digitization Of Life Insurance Industry In Surprising Ways



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Leadership Strategy

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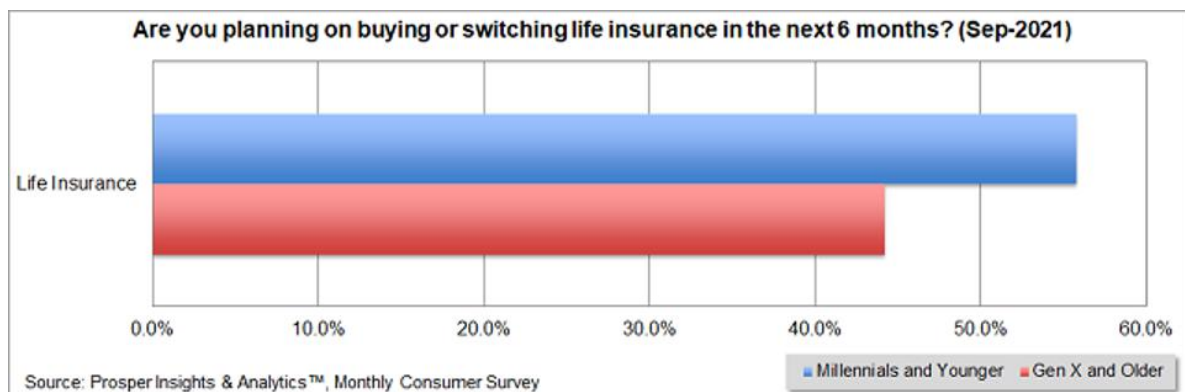
Millennial Family ADOBESTOCK_198236032

In the ever-changing post-pandemic world, the digital transformation of various legacy industries continues to evolve at a faster pace. Traditionally slow-moving industries such as life insurance make for fascinating examples, where technology startups are tackling well known and age-old problems, such as poor customer experience, in innovative ways.

To find out more about what's happening within the life insurtech industry, we spoke with Nelson Lee, the founder of [iLife Technologies](#), a B2B insurtech SaaS (Software-as-a-Service) startup whose product allows life insurance brokers to build interactive client experiences that involve zero coding. The company launched its product in mid-2021 and has over 1000 insurance brokers as users after four short months.

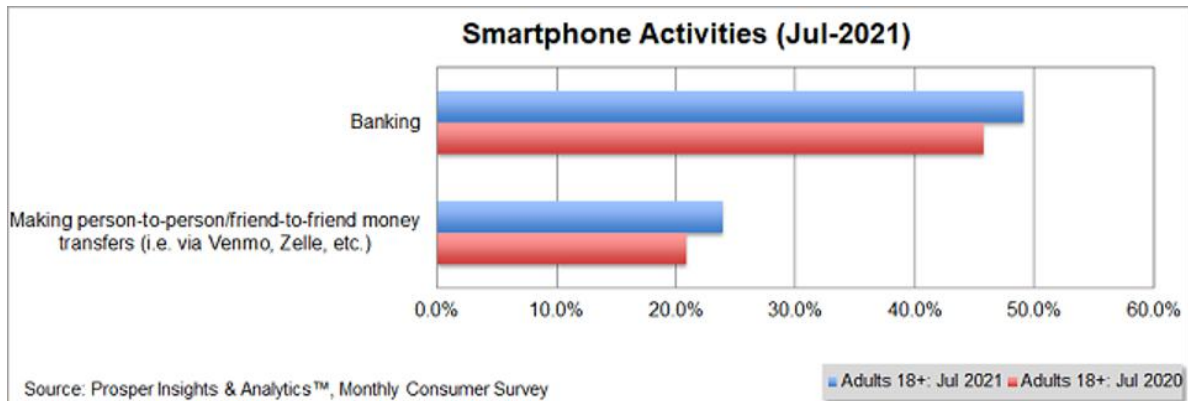
Gary Drenik: What trends have you noticed around life insurance during and post pandemic? Are more people buying life insurance these days?

Nelson Lee: Life insurance as a financial product has definitely been trending upwards in awareness. A recent [Prosper Insights & Analytics](#) survey shows that on average 8.6% of adults in the US indicate they are considering buying or switching a life insurance policy in the next 6 months, with over half of that group being millennials or younger, debunking that stereotype that life insurance buyers are typically seniors.



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On a broader scope, fintech as an overall landscape is quickly expanding, with over 49.1% of smartphone users engaged in mobile banking, 23.9% making direct payments to another, both of which, according to [Prosper Insights & Analytics](#), are up year over year. This indicates an overall accelerated migration towards digital experiences and transactions in the world of financial services, insurance included.



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Drenik: On-demand insurance options have been the norm for a while now in areas like auto and home, so why hasn't the life insurance space been transformed yet?

Lee: I think the answer to that really starts with the actual concept of "on-demand" itself, in that an on-demand offering is only feasible and valuable if it's actively in demand without another human being involved in the transaction process.

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Classic consumer on-demand makes the most sense when consumers are both well-educated on a simple product, as well as proactively looking for it.

We see that Auto and Home are classic examples of consumers demanding products without necessarily needing context built by human professionals, the same way we want video content on demand, and therefore an on-demand offering there makes a lot of sense.

In the life space, products are neither simple nor very well understood by the average consumer, and therefore the need and desire for a human expert to provide guidance essentially changes what on-demand really is in that vertical context.

In life insurance, most consumers don't wake up suddenly wanting a life policy, they slowly build awareness and contextual background on why a policy may financially make sense via a human professional such as a financial advisor or insurance agent, and therefore the demand generation comes from human context and interaction, not from spontaneous desires. This explains why despite all the D2C innovations going on in the P&C space with Home and Auto, over 95% of Life Insurance premiums are still distributed in some way via a human being.

Drenik: It seems like the vast majority of technology innovation in the insurance space has been in direct-to-consumer, so why is iLife keeping human brokers a part of the process?

Lee: This is somewhat related to the earlier question regarding on-demand offerings. Life insurance as a product category is infinitely more complex compared to many other types of consumer-oriented insurance, and therefore human guidance will always be a key element in the consumer education and decision-making process. When we founded the company, it was always clear to us that the big problem to solve wasn't how to replace millions of agents, but rather how to help them and their consumers both have easier times interacting with one another in a digital environment. We are a b2b SaaS company with the firm belief that there is more value to be created by helping other human beings rather than replacing them in this industry, and that's both for the industry as a whole, as well for the consumer themselves. We're very fortunate to have [VC investors who are aligned and feel the same way](#), which is always helpful.

Drenik: How does iLife change life and business for brokers themselves?

Lee: With remote work quickly on the rise in various industries, it was clear that whatever made remote work easier would also enhance the quality of life outside of work, and that to us was a huge problem in the industry that many have overlooked.

The technology we've built lets brokers run a successful business from anywhere at minimal cost, without requiring any coding knowledge or in-house tech personnel. This means more time with family, less money spent on unnecessary manual back-office processes, while consumers enjoy better digital experiences. A huge win-win for all parties involved.

Internally we say that everything we build should work right out of the box within 60 seconds. The product needs to be like a household appliance, plug it in and immediately working to deliver value.

Drenik: What's the future like for the life insurance industry, and what will agents and brokers of the future look like?

Lee: I think we will continue to see fast emerging group of tech-savvy players that clearly sees the digital age as the present and makes significant investments early on to realize the gains sooner than later. [RTB Financial Group](#), an iLife customer, is a great example of this type of tech-enabled digital broker. They offer functionalities powered by our technology to support their agents' success remotely from anywhere, and as a result they have an edge not only in client experience, but also in recruiting, because for agents it's simply better, easier, and happier to be working for an agency that helps them succeed from anywhere, as opposed to traditional agencies that have very little meaningful technology infrastructure in place, and still mostly rely on manual processes.

On the industry level, digitally savvy carriers and brokerages will continue to attract tech savvy brokers, who will then in turn attract tech savvy consumers, all of which are fast growing categories. Legacy players will continue to retain brokers who insist changes are not needed, and the two different types of brokers will continue to look more different with each passing technology cycle, and consumers will end up with many more options than they use to have in terms of experiences.

Drenik: Thank you, Nelson, for sharing insights about the life insurance space with us. Hopefully, consumers can all begin to enjoy better digital experiences in the industry no matter where they buy from soon enough.

Check out my [website](#).



Gary Drenik

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