Life insurance companies miss marketing opportunity to acquire younger customers

CHICAGO, US: While it's true that the Baby Boomer population is increasing, older consumers aren't the only customers life insurance companies should be courting. In fact, latest intelligence from Mintel Comperemedia suggests that Americans under the age of 45 don't have enough life insurance.

"Perhaps this is partially a function of marketing activities," says Gary Wooley, director, Insurance Consulting at Mintel Comperemedia. "When carriers market life insurance directly to consumers, they overwhelmingly continue to target those over the age of 45 - effectively alienating other potentially lucrative demographics."

The 46 and older age bracket saw 85% of the direct mail volume in the first six months of 2011, up from 81% for the same period in 2010. Conversely, the age 18-45 bracket saw 15% of the direct mail volume in the first six months of 2011, down from 19% for the same period in 2010. The 65 and up age bracket had a 28% share of direct marketing mail volume for the first six months of 2011, unchanged from the same period in 2010.

Carriers missing an opportunity

Meanwhile, consumers between the ages of 31-45 received a 13% share of direct marking mail volume for the first six months of 2011, down from a 16% share for the same period in 2010. According to Mintel Comperemedia, the age 31-45 cohort is more likely to consist of families with children, breadwinners approaching their prime earning years, and those beginning the daunting task of caring for aging parents.

"Broadly speaking, the 31-45 age group consists of the folks most in need of life insurance, and carriers are missing an opportunity by not marketing to them directly," adds Gary Wooley. "They are interested, but they need more information and a call to action."

Source: Mintel Comperemedia