

From generation to generation: Securing tomorrow's clients today

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Many financial advisers are facing a very real concern: the clients you have built long-standing relationships with are ageing, and their life insurance needs are declining. If your books are weighted toward clients nearing retirement age, it can feel like the market is shrinking. But there is another way to look at it.

According to ASISA's 2022 Life and Disability Insurance Gap Study¹, 56% of South African income earners are under 40 – but are considerably underinsured. Of those who have life insurance, income earners under the age of 30 have R1.7m less disability cover and R1.6m less life cover than what they might realistically need. For those aged 30-39, the gap is R1.8m (disability) and R1.4m (life).

This is not just a statistical gap. It is an upselling business opportunity, if you can navigate your way around these clients' main concern: affordability. Being able to structure the right product mix for younger clients' budgets and real risks can go a long way towards providing the cover they need, and your starting point should always be income protection.

The need for income protection shows up in our Bidvest Life Claims Report every year. In 2022, we had 200 times more income protection than lump sum disability claims². When it comes to younger clients' claims, full-time tertiary students were the occupation group most likely to claim on income protection among Gen Zs (aged 13-28) in 2023.

These are not abstract trends. They are real-life situations affecting real young people, right now.

Understanding the lifecycle of cover is key. Students may not need death cover now but, as the claims statistics show, they need income protection in case a temporary illness or disability keeps them from completing their studies. Young professionals buying their first homes need a different mix of benefits, as do those who are starting families. Early engagement with these clients means better understanding and affordability, and your ability to position yourself as relevant at every life stage can play a huge role in whether your student clients are still with you after they graduate.

This next generation is not a cold-start audience. You have already built years of trust with your existing clients; clients who are now parents, mentors and role models. Encourage them to think beyond their own cover, and to have life insurance conversations with their children, who may be students, young professionals, or new parents. Start with the families you already know and begin with the fact that you are not just a retirement specialist – you are there for every stage of life, for every member of the family.

Partnering with a life insurer that equips you to have these conversations, and that provides holistic support to back up a range of products that protect your clients from childhood through all their life stages, can make all the difference.

Tomorrow's clients are not strangers. They are already sitting at the dinner table with today's clients. By sitting with them now, you can secure your place at the table for decades to come.

¹ <https://www.asisa.org.za/media/1104911/the-south-african-insurance-gap-2022.pdf>

² Bidvest Life 2022 Claims Report

³ Bidvest Life 2023 Claims Report