

## Looking to Expand Your Target Prospects? Consider the Emerging Hispanic Market

In even the best of economies, successful prospecting and target selling are two fundamentals that undeniably determine the size of your book of business. More than ever, brokers and agents acknowledge the relevance voluntary benefits have in today's environment, both at the individual and group levels. Starting with a high-growth market such as voluntary benefits is certainly the place to start. But, what about narrowing down prospective markets even further? There is one emerging market that presents major opportunities, if approached correctly.

The Hispanic/Latino population is 50 million strong in the U.S., one of the fastest growing in America. In fact, it is growing four times faster than the total population and is projected to nearly triple between 2008 and 2050, according to the U.S. Census Bureau. The Hispanic population is not only sizeable; it has buying power as well. The segment boasts a purchasing power of \$1 trillion, and Latino-owned businesses are the fastest growing segment of small businesses.



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### A PRODUCT TO HELP PENETRATE THE HISPANIC MARKET

One of the biggest mistakes many brokers and agents make is to fall short in understanding the true needs of minority markets. New research from the 2012 Aflac WorkForces Report sheds some light on one area that leaves many Hispanic consumers financially vulnerable — accident coverage.\*

A common problem that plagues most of Americans, denial of the real risks of accidents, exists among the Hispanic population. Seventy-five percent of Hispanic workers believe it is not at all/not very likely they will experience a car accident, and 81 percent don't believe it is likely they'll require a

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long-term hospital stay in the future.\* However, according to the 2008 National Hospital Ambulatory Medical Care Survey, 28.4 million people visited the emergency department for unintentional injuries or accidents.

Although the likelihood of experiencing an accident is often disregarded, the financial implications are top of mind. For example, 67 percent of all Hispanic workers said the first thing they would think about if they learned they or a family member had an unexpected serious illness or were in an accident was “how much it would cost and how I would

pay for related expenses.”\*

This is largely attributed to lack of preparation to pay for medical expenses not covered by major medical insurance. Sixty-one percent of Hispanic workers are admittedly not very/not at all prepared to pay for out-of-pocket expenses not covered by major medical insurance, related to an unexpected serious illness or accident. In fact, more than one-third (36 percent) would have to use a credit card, 24 percent would borrow from friends/family, and 16 percent would borrow from a 401k.\*

## MARKET NEED FOR VOLUNTARY ACCIDENT INSURANCE

**62% OF HISPANIC WORKERS WOULD BE AT LEAST SOMEWHAT LIKELY TO PURCHASE VOLUNTARY INSURANCE BENEFITS IF THEIR EMPLOYER OFFERED THEM.\***

There is abundant opportunity to help shrink protection gaps among Hispanic workers when it comes to voluntary accident insurance. Of the 27 percent of Hispanic workers whose company even offers accident insurance, just 21 percent are enrolled. Yet, the clear majority (62 percent) of Hispanic workers would be at least somewhat likely to purchase voluntary insurance benefits if their employer offered them.\*

Accident insurance pays employees cash benefits, unless otherwise assigned, when unexpected medical and everyday living expenses begin to add up after an accident.

As voluntary accident benefits grow in popularity, the market has also evolved to offer more solutions than ever before, making it an ideal sales opportunity for brokers and agents. Providers like Aflac now offer both individual and group accident insurance, making it more appealing to all sizes of business. In addition, group accident insurance such as Aflac’s is guaranteed-issue with no underwriting required to qualify for coverage. Many events trigger accident benefit payments, including fractures, dislocations, emergency room visits, hospital admission, ambulance rides and physical therapy, among others.

## MEET HISPANIC WORKERS’ EXPECTATIONS WHEN IT COMES TO PURCHASING INSURANCE

Every culture has distinct characteristics, values and expectations that influence purchasing behavior. The Hispanic culture places family ties and interaction of high importance. Therefore, Hispanic insurance consumers

expect face-to-face interaction, a lot of personal service and a trusting relationship.

In fact, 61 percent of Hispanic consumers very strongly/strongly agree

with the statement “I would be more informed about health insurance choices if I sat with an insurance consultant during enrollment.”\* Providing these workers with a call center number or sending them to cyberspace will simply not work in your favor.

In addition to preferring a more personal sales approach, Hispanic work-

ers are also more interested in insurance options that fit their specific life stage or situation. Nearly three-quarters (72 percent) of Hispanic consumers very strongly/strongly agree with the statement “I would be more likely to take advantage of a benefits package tailored to my personal situation.”\*

## CONCLUSION

In a nutshell, brokers and agents who take the time to understand their target market, determine a need exists, and arm themselves with the right products and services will see a healthier book of business. Emerging markets, such as Hispanic consumers and businesses, fit such criteria. Keep

in mind that as you begin to penetrate the Hispanic marketplace, keep it personal, recognize cultural value of family and friends, and deliver in-person customer service excellence. The result will be a loyal customer base that will refer more business to their close-knit community.

## SOURCE

\*2012 Aflac WorkForces Report, a study conducted by Research Now on behalf of Aflac, January 24–February 23, 2012.