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## Insurance, the Internet and our Customers

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### Where are we now?

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Internet communications on top of telephony bring an immediacy to communications. Thus it is a challenge to write for the Valentine's Day period when I am wrapping Christmas presents. In spite of the timing, my perspective on the year behind and the one ahead.

The fall 911 WTC tragedy touched us all - and it too has Internet stories. Closer to home, let me touch on three areas: the consumer, business and technology.

### The Year Past.

#### The Consumer:

The acceptance of the Internet by the consumer is increasing. A free daily newsletter from emarketer.com gives tidbits, Canadian too, about the Internet.

A survey by Pollara Inc., Canadian Internet users could increase their online sales by as much as 40% in the upcoming holiday season. The survey also found that 14% of Canadian Internet users are expected to do their holiday shopping online, which is up from the 10% recorded in a 2000 survey. The online shopper are expected to spend \$470 Canadian on average.

Taylor Nelson Sofres (TNS) conducted a survey in July and September 2001 on the use of online government services in 27 countries. Norway has the highest level of e-government usage, with 53% of Norwegians tapping into e-government resources over the previous 12 months. Other high scorers include Denmark (47%), Canada (46%), Finland (45%) and the US (34%)

Similarly Canadians use on-line banking and debit cards way more than our southerly neighbours. Look at the lineups to use the Internet terminals at the local library.

My 15 year old son is a prime example of a recent Globe & Mail article which noted how teens' communications habits have changed dramatically towards chat over the web - that's him.

Many of our Canadian Consumers are being touched by the online world, and now they have different expectations - of us.

**Business** too has accepted the Internet tool, and the transtion

has been this year from early adopters to business as usual.

According to SES Research, Inc., 46% of Canadian SMEs (small- to medium-sized enterprises) have bought or sold online in 2001 -- up from 41% in 2000 and just 27% in 1999. The report also finds that the value of these online transactions in 2001 totaled roughly \$2 billion, compared to just \$760 million in 2000.

I also subscribe to several discussion lists from AudetteMedia ([www.audettemedia.com](http://www.audettemedia.com)). With a focus on good content and not on advertising, they were not self-sustaining. A conversion to a paid-subscription list was a major decision, but done. The media frequently reports on others now considering the same.

The tenor of the Internet is changing. The dot.coms are gone and the business reality is coming to the fore. People will pay for things from which they receive value.

### **Internet technology**

Internet and related technology and infrastructure is becoming more robust and better all the time - in many cases all that I need. Do I really care about the next version of an Internet browser?

- ✍ The move for newsletters from text e-mail to html looks really good and increasingly common. This is one of the things we will do at [Insurance-Canada.ca](http://Insurance-Canada.ca) this year for our free newsletter about insurance in Canada, for insurance professionals, with a technology thread through much of the content.
- ✍ Information is easier to find, the search engines are more comprehensive - and fast. Google has now indexed over billion pages, including 550 from our site alone (I didn't know we had that many!). How do they search their page so quickly? - a news item notes they use over 8,000 servers.
- ✍ Very common are Life or P&C company announcements about another Internet function for their distributors or customers - Sun Life and Clarica (separately) for group customers, Allstate for online quotes, kanetix with more markets, RBC Insurance on-line quotes, London Guarantee for broker Fidelity bonds, Clarica for secure messaging, etc. Many more, for restricted audiences like brokers, are little-publicized.

A peer once said that a tool will be used if it meets two characteristics: provides value, and is usable (easy to use, fast). The Internet is obviously a tool which now enables those characteristics like never before - up to us providers to provide the informational or transactional value.

Not unexpectedly, the Internet has deservedly become more pervasive and entrenched in 2001.