

The Sharing Economy: Digital Risks for Young Professionals

Young American professionals born between 1981 and 1992 conduct more and more of their business and social interactions digitally. There are 53 million people in this group and 15 million of them have incomes in excess of \$100,000 per year. Unfortunately, many of these tech savvy individuals are not protecting their present and future wealth from avoidable risk.

The reason for this disconnect is a combination of inadequate awareness and personal resistance to obtaining the protection they require.

The digital age has created a new world of faster, cheaper, and more convenient business, shopping, and social connections. In fact, this sharing economy is becoming more prevalent every day. Services such as Uber, Lyft, Airbnb, Lending Club, eBay, PayPal, and others connect millions of individuals for commerce and services. But while these new platforms empower consumers, they also present new and potentially dangerous risks.

Unfortunately, these problems can result in financial loss, reputational damage, and legal problems, not only for the young people who are not adequately protected, but for their parents as well.

A short list of the problems that can result from inadequate digital risk management:

- Identity theft
- Defamation or libel on social media
- Travel-related risks
- Liability risks for the individual and the family
- Failure to procure renters' and other non-compulsory insurance

Why aren't these young professionals protecting themselves?

This generation of young people are not the slackers the media makes them out to be. While it is true that 36% are living with their parents, 87% are employed and 64% are living outside of the family home.

However, studies have shown that many take a relaxed attitude toward risk and their need for planned protection. A majority who rent homes do not have renters' insurance. For all their activity on social media, many are unconcerned about the dangers of identity theft or the ease with which they can commit defamation or libel. As a group, they are also wary of financial institutions and skeptical of financial advisors. Surprisingly, these successful young adults are financially conservative and hold a large percentage of their assets as cash.

The solution for young professionals

The bottom line is that successful young professionals need help to protect themselves and their families, including their parents.

1. They need education in the many risks that are present in today's digital world. They need to know exactly what these risks are, and how they can be avoided or mitigated.
2. They need to be educated about the insurance solutions they need and given access to expert advice on how to use them most effectively and efficiently.

Successful young professionals put themselves and their families in harm's way because they have inadequate knowledge and awareness of the risks they are facing. The solution is clear: Experienced professionals who can advise them using a wide portfolio of the right solutions can provide both individuals and their loved ones with the long-term protection.

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