

The gap between risk and protection Young professionals in the 21st century

The generation born between 1981 and 1992, called Generation Y or the Millennial generation, are considered highly risk-averse when it comes to investing. And yet, they take a nonchalant attitude toward other types of risk and their need for specialized protection.

The Millennial generation watched as their parents and loved ones experienced significant losses in the global financial crisis. Many carry hefty student loans after graduating from college, and therefore struggle to save money. So it is understandable that they are widely known to be the most risk-averse generation of investor since the Great Depression, choosing to shy away from the stock market.

But, despite their risk-aversion, this generation takes a very nonchalant attitude toward risks of other kinds as well as their need for specialized insurance.

One reason may be their distrust of professional advisors. Many believe that because the internet brings services and experts directly to their fingertips, they have little need for professional help. However, a “do-it-yourself” attitude may not be the best formula for success if these individuals are unaware of the risks they face. Just because a product or service is available directly does not necessarily mean that it is appropriate, safe, or will satisfy their specific circumstance or risk.

Talking to an experienced professional can open young professionals’ eyes to the risks they face, providing a better understanding of how their actions can have ripple effects.

Here are some examples of typical Millennial actions that might put them in risky situations:

Using social media. Many Millennials are active social media users, with years of digital expertise. After all, they grew up using the internet, mobile technology and social media. But these “digital natives” often put themselves at risk for identity theft and defamation lawsuits, due to careless practices, such as using the same password for all of their logins, or voicing complaints online.

How can they protect themselves? A liability insurance policy may provide protection, payment and assistance in case of identity theft or defamation lawsuit.

Traveling. Millennials are known for valuing experience over possessions. Many travel frequently to exotic locations for pleasure or work, putting them at risk each time. Any number of things can go wrong when you travel, including cancellation of the trip, medical emergencies, civil unrest, terrorism and personal liability. If these situations happen, the results can be disastrous and expensive.

How can they protect themselves? A travel insurance policy can provide the assistance and expenses needed in case something happens while they’re traveling.

Renting an apartment. Most Millennials are still renting apartments. But many don’t have rental insurance, to protect their possessions. With an affinity for expensive high-tech equipment, they may face a large bill if they had to replace it all.

How can they protect themselves? A renter’s insurance policy is a cost-effective way to protect belongings when renting an apartment.

To learn more about protecting your Millennial clients from the risks they face every day, contact your Chubb agent.


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