



## The Great Canadian Online Insurance Wars Heat Up

### Description

About a year ago **Berkshire Hathaway Inc.'s** (NYSE:BRK.A)(NYSE:BRK.B) insurance operations thought it would be a good idea to create an online site where small businesses could buy business-related insurance products, such as general liability insurance, without having to deal with real agents, saving them time and money.

“**Amazon.com** can deliver something to you in four hours,” biBERK chief operating officer Rakesh Gupta said recently. “If people can buy paper towels on the internet, why not insurance?”

Up here in Canada, online insurance is still relatively immature, but an announcement May 11 by Invisor Financial Inc., one of Canada’s up-and-coming robo-advisors, suggests things are about to get a whole lot more interesting.

The product is called Invisor TermLife; it provides coverage for up to \$500,000 on terms ranging from 10 years to 40 years. With no medical tests required, residents of Ontario and Manitoba can purchase insurance virtually immediately through a quick, paperless process.

Underwritten by Teachers Life Insurance Society, a Toronto-based not-for-profit fraternal benefit society, Invisor is the first Canadian robo-advisor to offer a fully digital insurance solution.

“We are excited about our partnership with Teachers Life and the opportunity to offer Canadians a flexible, fully underwritten life insurance solution through our unique online experience,” said Dan Poole, co-founder and COO at Invisor.

“Invisor was founded on the principles of simplifying the buying process for Canadians, and providing them with great products at affordable prices. Our partnership with Teachers enhances our abilities in these areas.”

That’s great news for consumers, but where are the big boys in all of this?

What are **Great-West Lifeco Inc.** ([TSX:GWO](#)), **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)), and **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)) doing to further their online ambitions?

As far as I know, and I don't pretend to be an expert, Great-West Life doesn't offer any form of life insurance, term or permanent, that you can buy online without meeting an insurance advisor. Given that Canadians have something like \$4.3 trillion in life insurance coverage; Great-West Life really should consider moving online.

Recently, the company [announced](#) 1,500 job cuts to simultaneously save money and make its business more customer friendly. We won't know until sometime late in 2018 or early 2019 if it's been successful. In the meantime, nimbler organizations, such as Invisor, are taking market share.

Over at Manulife, it has the "Cover Me" group of products which you can purchase online. For instance, if you are between 18 and 55 and require term life insurance of \$250,000 or less, the entire process from application to approval to coverage (no medical exam necessary) is virtually instantaneous. You'll want to go to the company's website to get all the details.

As for Sun Life, whose [latest](#) quarterly profits were less than stellar, it too is old school, preferring to let its advisors do the selling of insurance.

Times are changing, folks.

I see more robo-advisors wading into the online insurance business in the coming months and years. If you're a shareholder of any of these larger organizations, you ought to be concerned about the pace of change.

I'm not saying you should sell your stock, but you ought to keep an eye on any progress made by them because, as the biBERK COO says, if you can buy paper towels online, you ought to be able to buy insurance online.

Kudos to Invisor and Teachers Life for jumping into the online insurance game. I'm sure they'll be very successful.

## CATEGORY

1. Investing

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3. NYSE:MFC (Manulife Financial Corporation)
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