

Cost-effective means

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There are many advantages of doing both insurance and banking with the same company. First, it is a cost-effective means of managing assets and insurance concerns, enabling consumers to save time, energy, and money spent on transactions. Second, integrated insurance and banking makes it easier for the consumer to communicate his or her needs in terms of insurance claims and appropriate payment adjustments with respect to emergency and crisis circumstances. Lastly, it enables an individual to build a deeper relationship with the bank and to better get to know its services.

On the downside, doing both insurance and banking with the same company increases the risks of losing insurance payments and other assets when the company loses money from its investments or is affected by criminal activities. Although money and other deposits in a banking or insurance company are insured by the Federal Deposit Insurance Corporation, it only reimburses up to a predetermined amount which might be less than a consumer's actual bank or insurance deposits.

I am not as comfortable with doing my banking transactions online as with a clerk in a brick and mortar bank due to security and privacy concerns. The internet remains an unsafe platform for conducting sensitive transactions as criminals are developing techniques to capture pertinent consumer and financial data almost as fast as online banking security experts are trying to develop more sophisticated means of securing internet banking services.

In the same manner, I would not be as comfortable working with an insurance agent for my banking needs as I would be with a banking clerk since I would worry about an individual having too much information about my financial status and resources. Among the services that a consumer gets

from a brick and mortar bank that might not be as easily provided by an online bank are automated teller machines for convenient deposit and withdrawals, and personal, in-depth consultations about banking services that could be accomplished just by walking into a bank or its branch.