BY BONNIE BRAZZELL AND GIL LOWERRE

Benefit brokers take control

Our last two columns discussed the results of our annual U.S. Worksite Sales Report. So far, w've looked at overall sales (totaling an estimated $5.397 billion) and the sales mix by line of business. This month, we wrap up our review of the 2009 sales results with a look at distribution.

For the first time, the benefit broker segment generated the majority of voluntary/worksite sales. Of the $5.397 billion in new sales, benefit brokers accounted for more than $2.8 billion. The percent of total voluntary sales attributed to the benefit broker was 52 percent, up from 46 percent in 2008. Since 2000, benefit brokers have moved from 39 percent of the annualized new business premium in the market to today's 52 percent.

In terms of total sales, most of the segments showed increases in 2009 as compared to 2008. Benefit brokers were up almost 19 percent and worksite specialists (enrollment companies) were up almost 15 percent. Interestingly, we are seeing more and more specialists who say they get a majority of their business from other brokers, often benefit brokers who need the voluntary expertise of the specialists.

The following chart shows the projected sales for each distributor segment and the segment's increase over 2008 results.

Segment	2009 Sales Estimated (in Millions)	Increase/decrease Over 2008
Benefit broker	$2,826.8	18.8%
Career worksite agent	$1,176.9	-27.2%
Classic worksite broker	$793.6	6.8%
Worksite specialist	$421.8	14.5%
Occasional producer	$177.9	50.1%

Only one of the five segments did not show growth in 2009—the career worksite agent segment. This is likely due to the fact that even companies that historically sold voluntary through their own dedicated career producers are selling more through brokers, especially benefit brokers.

The U.S. Worksite Sales Report is an annual report conducted by Eastbridge for the past 11 years. The 2009 report includes detailed data on the performance of 60 worksite marketing carriers, both group and individual, and represents the largest number of carriers included in any sales report for the industry. The report is free and only available to participating carriers.

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