

Sales trends in voluntary products

Last month, we gave you an estimated total of \$5.397 billion for new voluntary sales in 2009, according to the findings in Eastbridge's annual U.S. Worksite Sales Report. This represented an increase of 3.3 percent over 2008 results. In this month's column, we'll look at the sales mix by line of business.

Voluntary life sales accounted for 24 percent of all voluntary sales in 2009, according to the study. This gave life insurance the top market share for the year. New life sales were \$1.3 billion for the year, up about 14 percent over 2008. Term life generated the most sales premium in 2009 with more than \$940 million, up almost 21 percent over 2008. Universal life and whole life sales were basically flat with \$371 million.

Disability products accounted for the next largest share of voluntary sales, coming in at 20 percent of the total. Sales for disability products were actually down in 2009 as compared to 2008. Total voluntary disability sales were just under \$1.1 billion, down 6 percent.

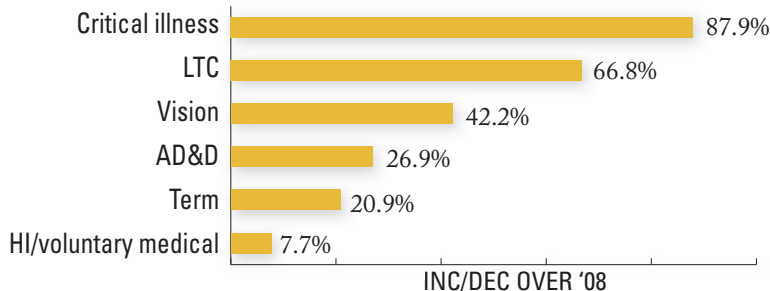
The following graph shows the mix of sales by product line.

Perhaps the biggest surprise was the increase in critical illness sales for 2009, up almost 88 percent in 2009. This extremely strong increase followed a very healthy increase of 19 percent in 2008, indicating that we may be seeing the sales pattern that people have been predicting for critical illness for the last 10 years.

Other product lines that grew substantially in 2009 include long-term care (though total sales are still very small for this line), vision, AD&D, and term life. The following chart shows all lines that experienced an increase in 2009.



Voluntary sales increases for 2009



The biggest losers in 2009 were long-term disability (down 15 percent), dental (down 11 percent) and cancer (down 8 percent).

Next month, we'll finish up our review of the 2009 U.S. Worksite Sales Report findings. The U.S. Worksite Sales Report is an annual report conducted by Eastbridge for the past 11 years.

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