

PLOT POINTS

By Gil Lowerre and
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Voluntary sales keep growing

“We will continue to see carriers make large investments in capabilities.”

— Steve Hesler, assistant vice president of product and market development at Colonial Life

ACCORDING TO our annual U.S. Voluntary/Worksite Sales Report, new business annualized premium (voluntary sales) for 2015 was \$7.138 billion, up 3.6 percent over 2014 sales. The graph (below left) shows the industry’s sales since 1997.

The voluntary market is one of the only insurance industry segments that has seen consistent growth year over year. The only year to see a decrease was 2010, and that was mostly due to the impact of implementing—or trying to implement—Affordable Care Act provisions. The graph at the bottom of the page shows the growth curve between 2004 and 2015.

Based on our industry research with employers, employees, producers, and carriers, we expect sales to continue growing at a level between 3 percent and 6 percent for the next few years.

In terms of market share, the top five carriers for 2015 were:

- Aflac (21 percent)
- MetLife (9 percent)
- Unum (7 percent)
- Colonial Life (6 percent)
- Allstate Benefits (5 percent)



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The top 15 carriers accounted for almost 78 percent of total voluntary sales in 2015. These companies in total achieved a 4.2 percent increase over 2014 results, which is somewhat above the industry rate. Four carriers had decreases, and four had double-digit increases.

Takeover business (i.e., business that moves from one voluntary carrier to another with a similar product) also increased in 2015, which has been the trend over the past several years. Last year, takeovers accounted for 53 percent of new sales, up from 51 percent in 2014 and 50 percent in 2013. The highest takeovers continue to occur in the group term life and dental lines, but all lines are experiencing takeovers.

In-force premium was also up, totaling an estimated \$38.8 billion in 2015, up 4 percent over 2014. The graphic below shows the in-force sales numbers since 1997.

In our next column, we will review the results by product line and product platform.

NEW VOLUNTARY SALES PREMIUM (IN MILLIONS)

YEAR	PREMIUM
1997	\$2,000
1998	\$2,200
1999	\$2,600
2000	\$3,100
2001	\$3,500
2002	\$4,027
2003	\$4,100
2004	\$4,223
2005	\$4,366
2006	\$4,715
2007	\$5,038
2008	\$5,225
2009	\$5,397
2010	\$5,243
2011	\$5,657
2012	\$6,030
2013	\$6,644
2014	\$6,890
2015	\$7,138

