

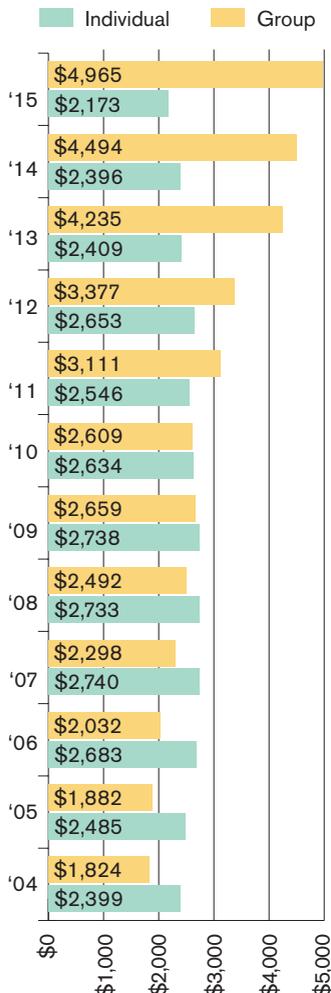
PLOT POINTS

By Gil Lowerre and
Bonnie Brazzell

Voluntary sales keep growing

About 70% of millennials will look to buy life insurance online rather than through a life insurance agent.
— 2016 Life Ant survey

VOLUNTARY SALES BY PLATFORM



LAST month in our first of a three-part series, we reviewed the voluntary industry's overall sales for 2015, which were \$7.138 billion, up 3.6 percent over 2014. This column takes a closer look at these results by product line and platform.

Life insurance once again claimed the largest share of total voluntary sales at \$1.959 billion, representing 27 percent of the total market. This was an increase of 4.4 percent over 2014. Term accounted for 79 percent of the total life new business annualized premium (NBAP), with sales for the line up almost 9 percent. UL/WL sales were down almost 10 percent.

Total disability sales were \$1.37 billion in 2015 and accounted for just under 20 percent of voluntary NBAP. Short-term disability sales still represent the majority of sales at 67 percent of the disability totals. STD sales were up 2 percent compared to 2014, while LTD sales increased just over three percent.

The big winners again this year, in terms of the largest increases in sales over the prior year, were critical illness and accident insurance, up 25 percent and 11 percent respectively. Critical illness continued to outpace cancer sales, with \$491 million in NBAP compared to \$346 million for cancer. Cancer sales were relatively flat for the year, up only 0.9 percent. Total accident sales were \$943 million and accounted for about 13 percent of total voluntary sales.

Hospital indemnity/supplemental medical product sales,



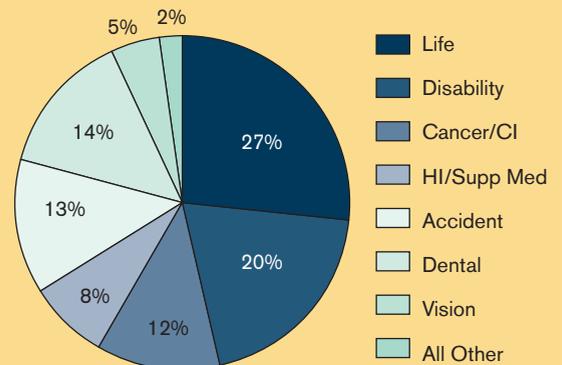
Gil Lowerre and Bonnie Brazzell, Eastbridge Consulting Group, Inc.

which include hospital indemnity, gap and supplemental medical products, were down this year after having one of the highest product increases in 2014. Total sales for this line in 2015 were about \$535 million, down from \$608 million in 2014. The year-over-year change was down by 12 percent, primarily due to several companies having slight decreases and some having larger decreases as a result of discontinuing their limited benefit sales.

When looking at voluntary sales by product platform, products filed on a group platform continued to dominate over individual products. The mix of sales by platform for 2015 was 70 percent group and 30 percent individual. Group product sales increased by 10.5 percent this year, while individual sales were down about one tenth of a percent.

Our next column will review the results by distribution segment and discuss the future outlook of voluntary sales.

MIX OF SALES BY PRODUCT FOR 2015



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