

PLOT POINTS

By Gil Lowerre and
Bonnie Brazzell

Voluntary turns in another year of growth

New Voluntary Sales Premium (in millions)

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	\$6,038
2013	\$6,644
2014	\$6,890
2015	\$7,138
2016	\$7,630

ACCORDING TO OUR annual *U.S. Voluntary/Worksite Sales Report*, new business annualized premium (voluntary sales) increased again last year. Total sales for 2016 were \$7.630 billion, up almost 7 percent over 2015 sales. The graph at left shows the industry's sales since 1997.

This grow rate is the highest realized since 2007 (although 2012 came close) and stems primarily from increased productivity (sales) per broker, rather than simply new brokers entering the market. (Currently, 90 percent to 95 percent of all benefit brokers sell voluntary.) The graph at bottom left shows the growth curve between 2004 and 2016.

In terms of market share, the top five carriers for 2016 were the same as in 2015, and include:

- Aflac (19 percent)
- MetLife (11 percent)
- Unum (7 percent)
- Colonial Life (6 percent)
- Allstate Benefits (5 percent)

This group had a total sales increase of 5 percent for 2016.

The top 15 companies accounted for approximately 75 percent of



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

total voluntary/worksite sales in 2016, down slightly from 78 percent in 2015. Among the top 15 companies, the average growth rate was 6.4 percent, which is slightly below the industry rate of 6.9 percent. Five carriers among these top 15 had decreases, while six had double-digit increases.

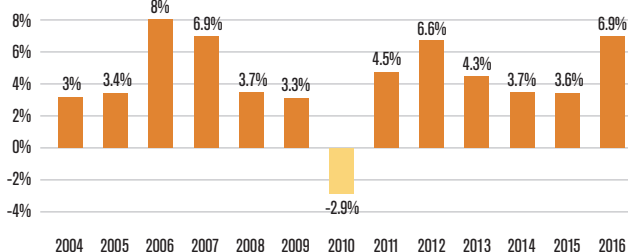
Takeover business (i.e., business that moves from one voluntary carrier to another with a similar product) stabilized somewhat in 2016. The estimated percentage of sales that were takeovers (on an aggregated basis) was 53.6 percent, just slightly above 2015.

Inforce premium increased about 5.7 percent in 2016 to an estimated \$41.0 billion. The graphic at bottom right shows the inforce sales numbers since 1997.

Look for our next column on voluntary sales results by product line and product platform.

The annual U.S. Voluntary/Worksite Sales Report includes data from 1997 through 2016 and detailed results for 65 carriers. The report is available only to carriers participating in the survey. For more information about participating in next year's survey, contact us at info@eastbridge.com.

Voluntary Sales Growth Rate



Inforce Premium (in billions)

