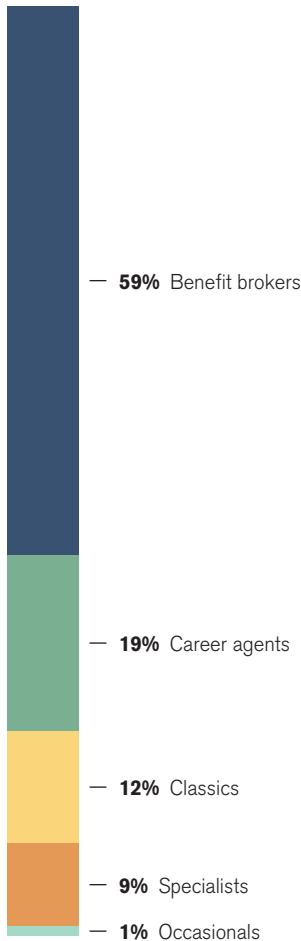


PLOT POINTS

By Bonnie Brazzell and Nick Rockwell

More positive signs

2017 sales mix by distribution segment



LAST MONTH, we reported that voluntary new business annualized premium (sales) for 2017 were \$8.145 billion, up almost 7 percent over 2016 sales. This month, we spotlight sales by distribution segment.

The benefit broker segment continued to take the largest share of voluntary/worksite sales at 59 percent (though their share was down slightly from 62 percent last year); the segment accounted for over \$4.8 billion in sales. Career agents continue to have the second highest share, with around \$1.5 billion. Voluntary brokers (classics and worksite specialists) accounted for about \$1.7 billion.

All segments except occasional producers saw sales increases this year. The biggest gains were in the career agent segment, with an increase over 25 percent. Benefit brokers were up 2 percent, classics were up 12 percent and specialists rose by just short of 2 percent.

Over the past 10 years, we have seen the benefit broker segment more than double its sales. The compound average growth rate for the segment

is 8.1 percent, while specialists and classics have seen 6 percent and 6.4 percent compound growth, respectively.

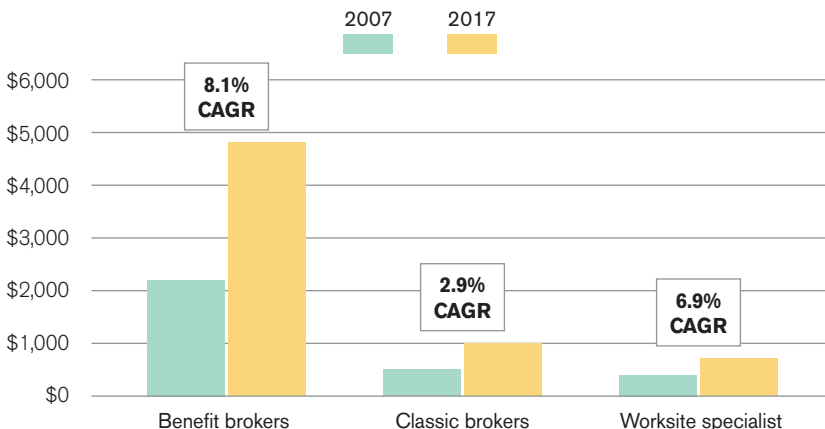
The annual U.S. Voluntary/Worksite Sales Report is the industry's most comprehensive and reliable source of data on voluntary/worksite sales and inforce premium. This year's study includes data from 1997 through 2017 and detailed results for 66 carriers. The report is available only to carriers participating in the survey. For more information

about participating in next year's survey, contact us at info@eastbridge.com.



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Growth of sales by broker segment



Career agents—These producers work primarily for a single company and sell that company's voluntary/worksite products. Aflac and Colonial reps are examples of career agents.

Classic worksite brokers—These producers focus primarily on voluntary sales. Their operations may be small or medium sized, and they typically sell directly to employers and may offer support services to their clients.

Worksite specialists—This segment consists of large marketing organizations whose primary focus is voluntary sales. Benefits communications is a key service offered by this group. Most specialists work on cases brought to them by other brokers who need their expertise in voluntary.

Benefit brokers—These producers typically focus on employee benefits, particularly traditional group benefits. Some are actually benefits agencies inside of a commercial lines agency. For all, voluntary products are generally offered as an additional line.

Occasional worksite producers—These producers are insurance generalists. They have a small agency that sells insurance products other than voluntary/worksite—group, individual, or property/casualty. Worksite products are a small part of their operation.