

PLOT POINTS

By Bonnie Brazzell
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What will the future look like?

“We must shift our strategies to use time effectively for new business priorities.”

THE VOLUNTARY industry continues to exhibit signs of growth around nearly every benchmark. More employers are offering voluntary programs and more employees now own worksite products. There are virtually no producers left in the benefits market who won't indicate that voluntary is a growing part of their business. Both producers and carrier executives expect that the voluntary industry will continue to grow. Similarly, all but one of Eastbridge's annual sales reports over the last 20 years have confirmed industry growth. This begs one very specific question about the market: What does the future look like?

Eastbridge periodically produces forecasting reports to project the future growth of the voluntary market. Historically, there has been a strong correlation of worksite industry growth with GDP. However, in recent years, voluntary growth has outpaced GDP, and the correlation between the two continues to dwindle. Our previous forecasting report, published in 2015, offered three models: one built around the GDP, and two (one realistic and one more aggressive) built around distribution factors, inclusive of broker segment trends we know to be influencing the market. That report's realistic model predicted that



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sales in 2017 would be \$8.158 billion. The Eastbridge 2017 Sales Survey confirmed those expectations and found the market sales to be \$8.145 billion.

Eastbridge recently published the *2018 Forecasting Voluntary Sales* report, and we continue to believe that market factors such as increased take-over volumes; a changing and growing product mix; a continuing shift from employer-paid to voluntary programs; and an increased focus from traditional employee benefit brokers will carry on setting growth expectations for worksite benefits beyond those of GDP.

The *2018 BenefitsPRO/Eastbridge Broker Survey* found the number one need employee benefit brokers cite for their success in voluntary is more time to sell. More time is something none of us get, so we must shift our strategies to use time effectively for new business priorities. Are we focused on the right strategies? Does our agency have a sufficient level of focus and organization around our voluntary practice to keep up with the competition?

With so much evidence and recent history to suggest that voluntary is the future of benefits, it's hard to believe any producer wouldn't be giving more time in their business to worksite.

Voluntary Forecast – GDP Model (in millions)

Forecasts	2018	2019	2020	2021	2022	CAGR
GDP Model	\$8,708	\$9,266	\$9,734	\$10,199	\$10,630	
Increase/Decrease	6.9%	6.4%	5.1%	4.8%	4.2%	5.5%