

PLOT POINTS

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Life insurance: Do you know what to look for?

RECENT EASTBRIDGE research has found that while just over half of carriers offer a universal life/whole life (UL/WL) product today, almost a quarter of carriers see UL/WL as a growth product for the industry over the next few years. In addition, UL/WL was the top product (tied with hospital indemnity) listed as most likely to be added to carriers' voluntary portfolios in the next two years.

Despite carrier investment in developing and enhancing permanent life products, most brokers did not include UL/WL in their top five most frequently sold products. Our joint *BenefitsPRO*/Eastbridge survey found that four of the top five most frequently sold products are the same for benefit brokers and voluntary brokers. With such similar portfolios, learning more about permanent life options may be a point of differentiation with your employer clients.

UL/WL is in the top 10 most offered voluntary products, with 11 percent of employers offering it. Overall, with 70 percent of employers not offering a UL/WL product, and 75 percent of employees not owning a UL/WL product, substantial opportunity exists to add permanent life coverage.



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Employers have also voiced interest in permanent life offerings. According to Eastbridge's *Employer Viewpoint* study, employers surveyed said life insurance (some UL/WL) is one of the benefits most likely to be added to their offerings in the next 18 months and also one of the benefits most likely to be moved to voluntary.

Brokers who sell permanent life plans today find they provide an excellent complement to an employer's term life offerings, filling the longer-duration life insurance need. Today, whole life plans are becoming more popular than universal life, primarily due to interest rate uncertainty. Plans are generally guaranteed issue with simplified underwriting options available and can extend coverage to spouses and children. Riders that cover long-term care/chronic illness are also becoming more common and are positioned as a way around the "use it or lose it" limitation of traditional LTC insurance. Savvy brokers have a solid command of enrollment dynamics of this complex product and can guide employers on the best possible enrollment and education conditions to achieve good participation.

As carrier investment and employer interest in permanent life plans continue to grow, brokers who are comfortable with product nuances and who actively position these plans to their employer clients may win more business. These products allow employers to offer additional life insurance coverage to more fully meet employee needs, and the best plans allow employees to enroll with minimal underwriting requirements and offer flexible coverage that can be used in case an LTC event arises or, ultimately, as a life insurance benefit.

New products likely to be added

