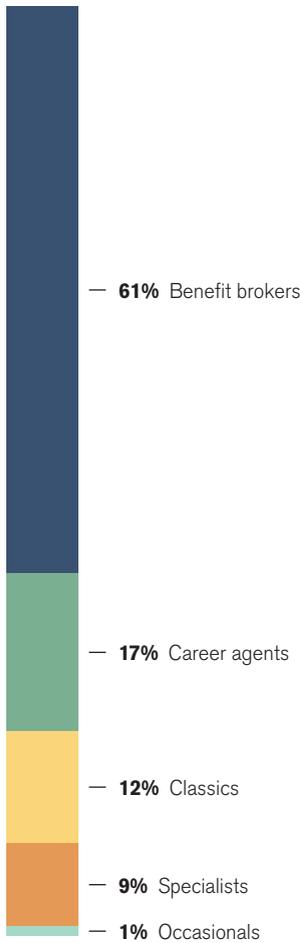


PLOT POINTS

By Erin Marino and Nick Rockwell

Voluntary sales continue to grow, part 3

2019 sales mix by distribution segment



THIS IS THE last in our series of columns on the voluntary industry sales results for 2019. The first article looked at overall voluntary sales for the year, while the second reviewed sales by product line and platform. This column spotlights sales by distribution segment.

The benefit broker segment continued to take the largest share of voluntary/worksite sales, at 61%, and generated over \$5.3 billion in sales. Career agents continue to have the second highest share, at just over \$1.4 billion. Voluntary brokers (classics and worksite specialists) accounted for just under \$1.9 billion.

The graph on the left shows the mix of sales by distribution segment.

All segments except the classics and career agents saw sales increases this year. Worksite specialists produced an increase of 9%, while benefit broker sales increased 8%.

Over the past 10 years, we have seen the benefit broker segment almost double its sales. The compound average growth rate for the segment is 6.6%. Specialists and classics have also seen good growth, at 6.4% and 3.2%



Erin Marino and Nick Rockwell, Eastbridge Consulting Group, Inc.

compound growth, respectively. Career agent growth has been relatively flat, while occasional producers have experienced volatile growth.

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 2019 and detailed results for 70 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.

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.

Growth of sales by broker segment

