

PLOT POINTS

By Nick Rockwell



Big get bigger in voluntary market

THE PANDEMIC IS mostly in the rear-view mirror. And while it's too soon to say we're back to normal, research shows several major growth trends. From carriers to in-force premium to group platforms, if they were big before, they're getting even bigger now.

The "U.S. Voluntary/Worksite Sales Report" compiles data on the largest number of group and individual carriers in the industry. Only participating carriers get a copy of the complete findings, but here's an insider look.

VOLUNTARY SALES CONTINUE TO CLIMB

Double-digit growth in 2021 was followed by a 5.4% bump in 2022. That pushed total new business premium to \$8.75 billion, the second-highest level ever. Things aren't quite back to pre-pandemic levels, but based on reports of increasing optimism and enthusiasm, we expect this trend to continue and gradually move sales to new highs.

LARGE CARRIERS TAKE LION'S SHARE

The industry's top 15 companies grew an average of 6.3%, higher than the overall industry. Nine of them had double-digit increases last year, while only two saw sales drop. The top 15 account for nearly three-fourths of the market, slightly more than the year before.

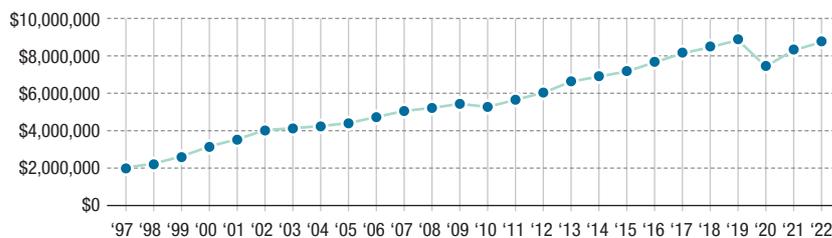
GROUP PLATFORMS DOMINATE

The market continues to shift toward group sales, which increased by 6% compared to 4% growth for individual, and now account for 78% of all sales.

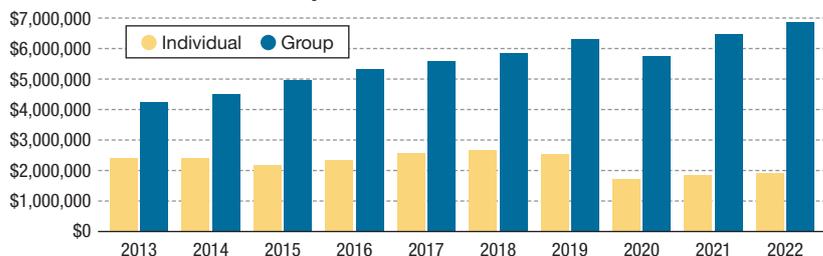
IN-FORCE PREMIUM HITS A RECORD HIGH

In-force premium grew more than 4% in 2022 to an estimated \$50.5 billion,

New business premium



Group vs. individual sales



the highest ever. That reflects continued growth in new sales, but may also indicate more employers/employees are seeing the value of voluntary benefits.

TAKEOVER BUSINESS DROPS

Not quite every trend is on an upswing. Takeover sales as a percent of new business premium declined for the second year, from 54.6% in 2021 to 52.4% in 2022. Carriers continue to report a wide variance, with the majority citing similar rates, but a few reporting significant changes. Still, takeover business appears to have slowed considerably since its initial rapid growth and has been down or flat for the last five years.

So, who's driving this growth—and what exactly are they selling? Watch for our column next month for insights into distribution and product trends.

The annual "U.S. Voluntary/Worksite Sales Report" is the industry's most comprehensive, reliable and current source of data on voluntary/worksite sales and in-force premium. This year's study includes data from 1997 through 2022 and detailed results for 63 carriers. The report is available only to carriers participating in the survey. For more information about participating in next year's survey, contact Eastbridge at info@eastbridge.com.

Nick Rockwell is president, Eastbridge Consulting Group.