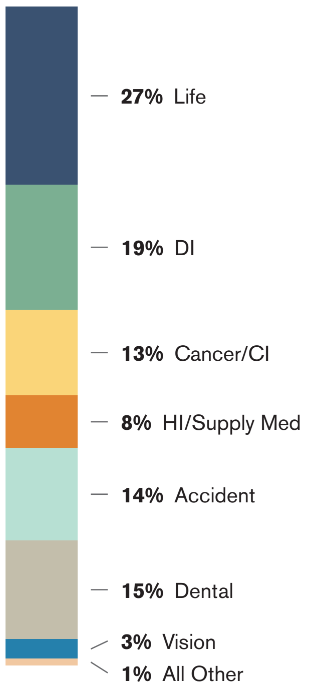
PLOT POINTS

By Bonnie Brazzell and Nick Rockwell

Growth continues for voluntary sales, part 2

Mix of sales by product line for 2018



LAST MONTH, we reported that voluntary new business annualized premium sales for 2018 was $8.5 billion, but since that time, the results have been updated to $8.513 billion, up 4.5 percent over 2017 sales. This article spotlights sales by product line and platform.

Bonnie Brazzell and Nick Rockwell, Eastbridge Consulting Group, Inc.

Term life was again the top-selling line of business, followed by dental, accident, short-term disability and critical illness. The graph (left) shows the mix of sales by line of business.

Life insurance sales overall were up just 1 percent in 2018, at $2.3 billion. Term accounted for 75 percent of total life premium, and sales decreased by 2 percent compared to 2017. Meanwhile, UL/WL sales were up 12 percent in 2018.

Total disability sales were $1.6 billion in 2018, while short-term disability sales continue to represent the majority (68 percent) of disability sales. Both STD and LTD sales were up by 6 percent.

The accident product line saw another year of growth at a 7 percent increase in 2018 after a 12 percent increase the previous year. Total accident sales were $1.146 billion.

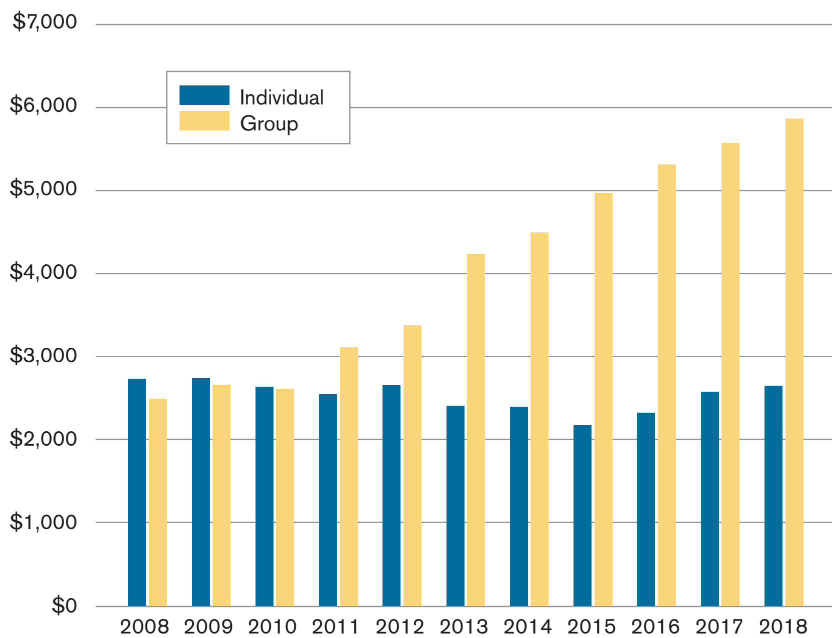
Critical illness sales increased 12 percent in 2018 after increases of 21 percent in 2017 and 13 percent in 2016. Cancer sales increased by 1 percent in 2018, while critical illness NBAP was $755 million, compared to $343 million for cancer.

Hospital indemnity, gap and supplemental medical products sales for 2018 were down 1 percent compared to 2017 at $644 million.

When looking at voluntary sales by product platform, group product sales continued to dominate individual products. The mix for 2018 was 69 percent group and 31 percent individual. Group product sales increased by 5 percent and individual sales increased by 3 percent compared to 2017.

The second graph shows the results over the past 10 years.

Group vs. individual sales



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 2018 and detailed results for over 65 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.*