

PLOT POINTS

By Nick Rockwell



Big getting bigger

IF TRENDS IN voluntary sales were put to music, it would be a ballad with many verses, but a repeating refrain.

We recently reported that the largest carriers continue to dominate the market, with the top 15 accounting for approximately 72% of total voluntary/worksite sales in 2021—unchanged from 2020. The top carriers in terms of market share have varied little in recent years: MetLife, Aflac, Colonial Life, Unum and Guardian.

It's a familiar tune for the distribution networks that voluntary carriers rely on. According to our latest U.S. Voluntary/Worksite Sales Report, benefit brokers—those who primarily sell core/employer-funded products but also voluntary—increased their share of the market's sales to 67% in 2021, up from 65% the previous year. These brokers produced a 16% leap in sales last year, exceeding their pre-pandemic numbers and the strong 2021 industry average growth of 11.3%.

Benefit brokers came through the pandemic well, but others joined them in the recovery choir. Voluntary brokers, including worksite specialists and classic brokers who primarily sell voluntary products, also saw significant sales growth last year. Worksite specialists were up 13%, while the classic segment was up 9%. Career agents still have a narrow hold on the second-highest market share, but their sales declined slightly from 14% to 12%. Occasional producers also saw a drop in sales.

VOLUNTARY PRODUCTS STILL SING

Voluntary products continue to play a significant role in brokers' revenue. The lead singers are voluntary brokers. Nearly three-fourths (71%) of them earn more than 50% of their revenue

2021 sales growth by distribution segment

Segment	2021 Sales (in millions)	Change Over 2020
Employee benefit brokers	\$5,557	16%
Career agents	\$1,024	4%
Classic worksite brokers	\$858	9%
Worksite specialists	\$779	13%
Occasional producers	\$89	15%

from voluntary, according to a recent report based on a BenefitsPRO/Eastbridge survey.

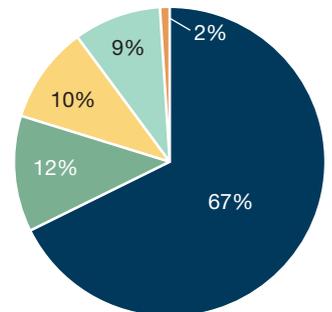
On the flip side, voluntary products continue to represent a minority of benefits revenue for brokers with a broader focus. Voluntary accounts for 50% or less of the benefits revenue for virtually all (98%) of them, and 10% or less for more than half (56%) of them. Those numbers remained fairly steady from 2020 to 2021.

BROKERS EXPECT AN UP-TEMPO FUTURE

Whether focused on voluntary or a broader offering, brokers are singing from the same songbook about the future. Research suggests they are optimistic about future growth, expecting increased employer and employee interest in voluntary. A majority—76% of voluntary brokers and 65% of benefit brokers—say employers will be more enthusiastic about voluntary this year. The numbers are even stronger—90% and 71% respectively—when it comes to increased employee enthusiasm.

That sounds like a future the whole industry can get in tune with.

2021 sales mix by distribution segment



- Benefit brokers
- Career agents
- Classics
- Specialists
- Occasionals

The annual U.S. Voluntary/Worksite Sales Report is the industry's most comprehensive and reliable source of data on voluntary/worksite sales and in-force premium. This year's study includes data from 1997 through 2021 and detailed results for 69 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.

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