

# The Current State of Life Insurance Sales

**SUMMIT PROFESSIONAL NETWORKS**  
Life & Health Insurance Group



LIFE INSURANCE  
**SELLING**

**LifeHealthPRO**

**NU** NATIONAL  
UNDERWRITER  
LIFE & HEALTH

 **agentmedia™**

**PRODUCERSWEB.com**

**Advisor** Senior Market

**PROVEN LEADERS IN THE LIFE & HEALTH INSURANCE INDUSTRIES SINCE 1897**

# Interactivity Tips

- **Social Networking Widgets**



- **Ask A Question**



- **Download Sponsor Resources**



- **Participate in Polling**

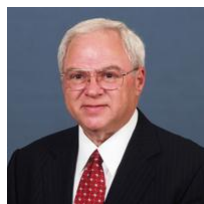
***The more interactive you are, the more valuable this experience will be.***

# Speakers



**Kevin M. Brayton**

*Vice President, Independent Distribution and Sales,  
Individual Life Insurance*  
Prudential



**Marvin H. Feldman**

*President and CEO,*  
LIFE Foundation



**Juli McNeely, CFP, CLU, LUTCF**

*Owner/President*  
McNeely Financial Services



**Moderated by:**

**Jamie E. Green**

*Vice President, Market Strategy,* Custom Solutions Group  
Summit Professional Networks

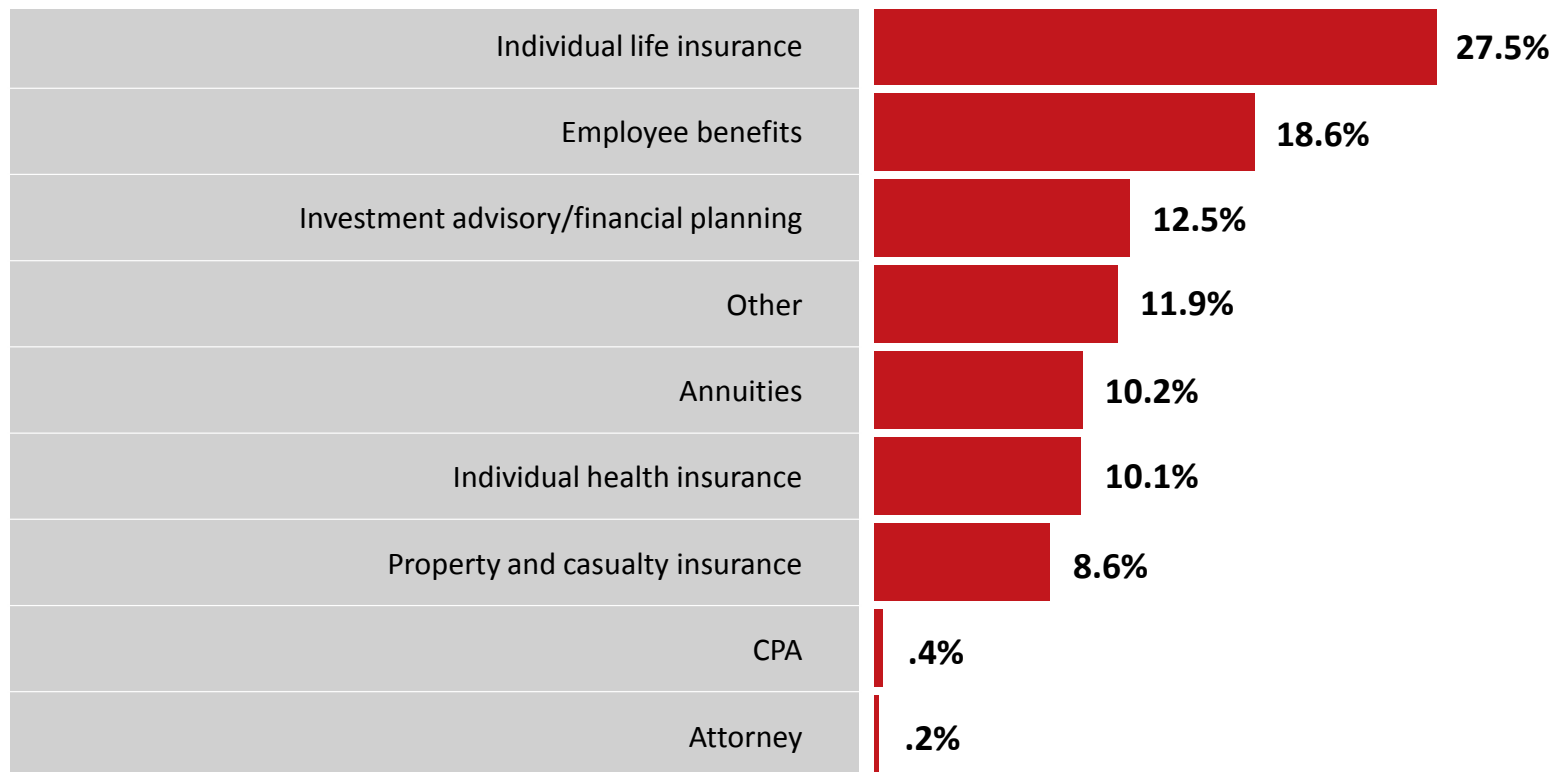
# NATIONAL UNDERWRITER 2013 Life Insurance Study

- Conducted in July
- Surveyed 2,000+
- Proprietary database of 1.2 million life insurance licensed individuals
- Qualified responses = Respondents who have sold life insurance policy to at least one client in the past 12 months



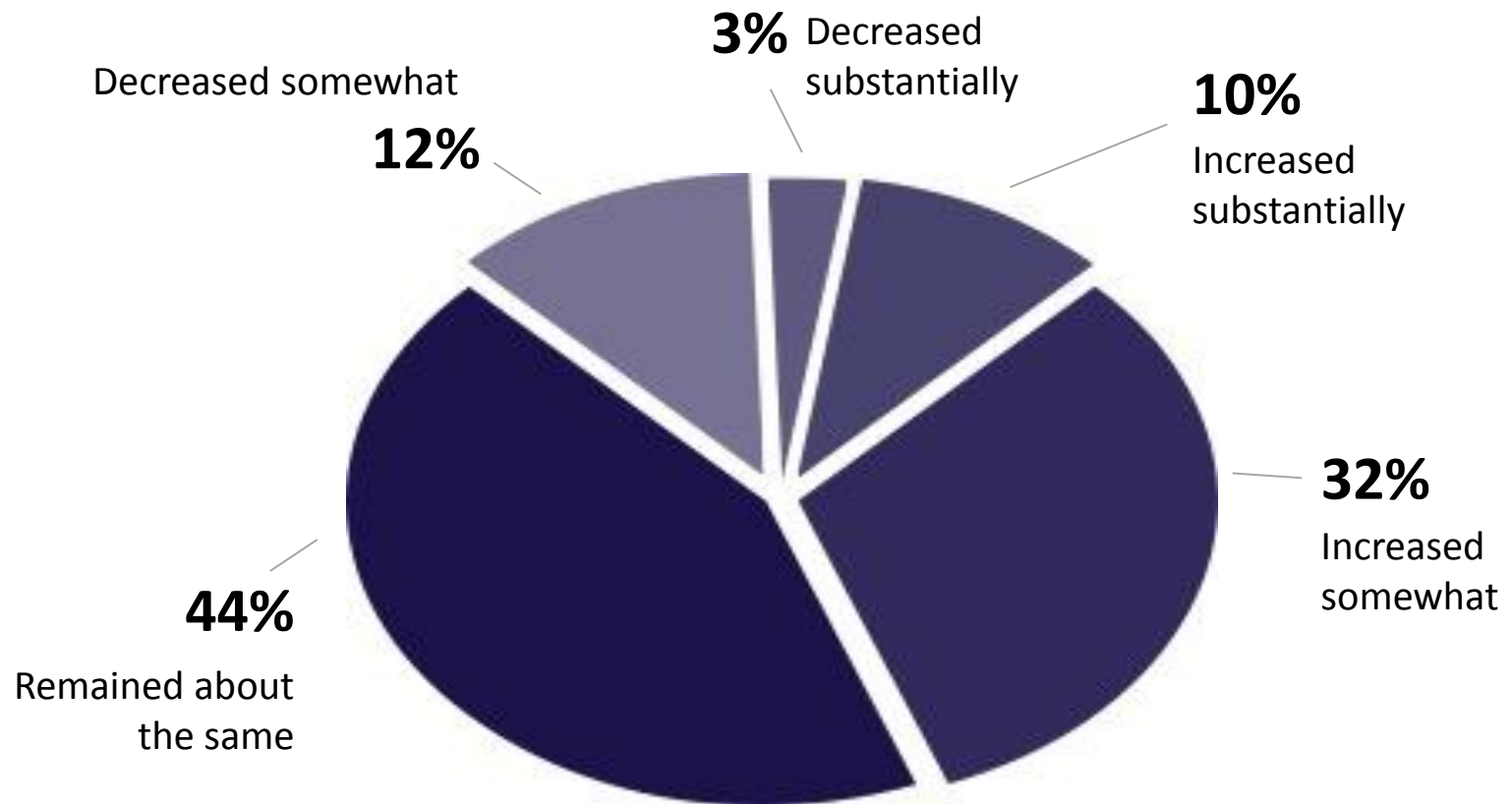
# Primary focus of advisors selling life insurance

## What is the primary focus of your practice?



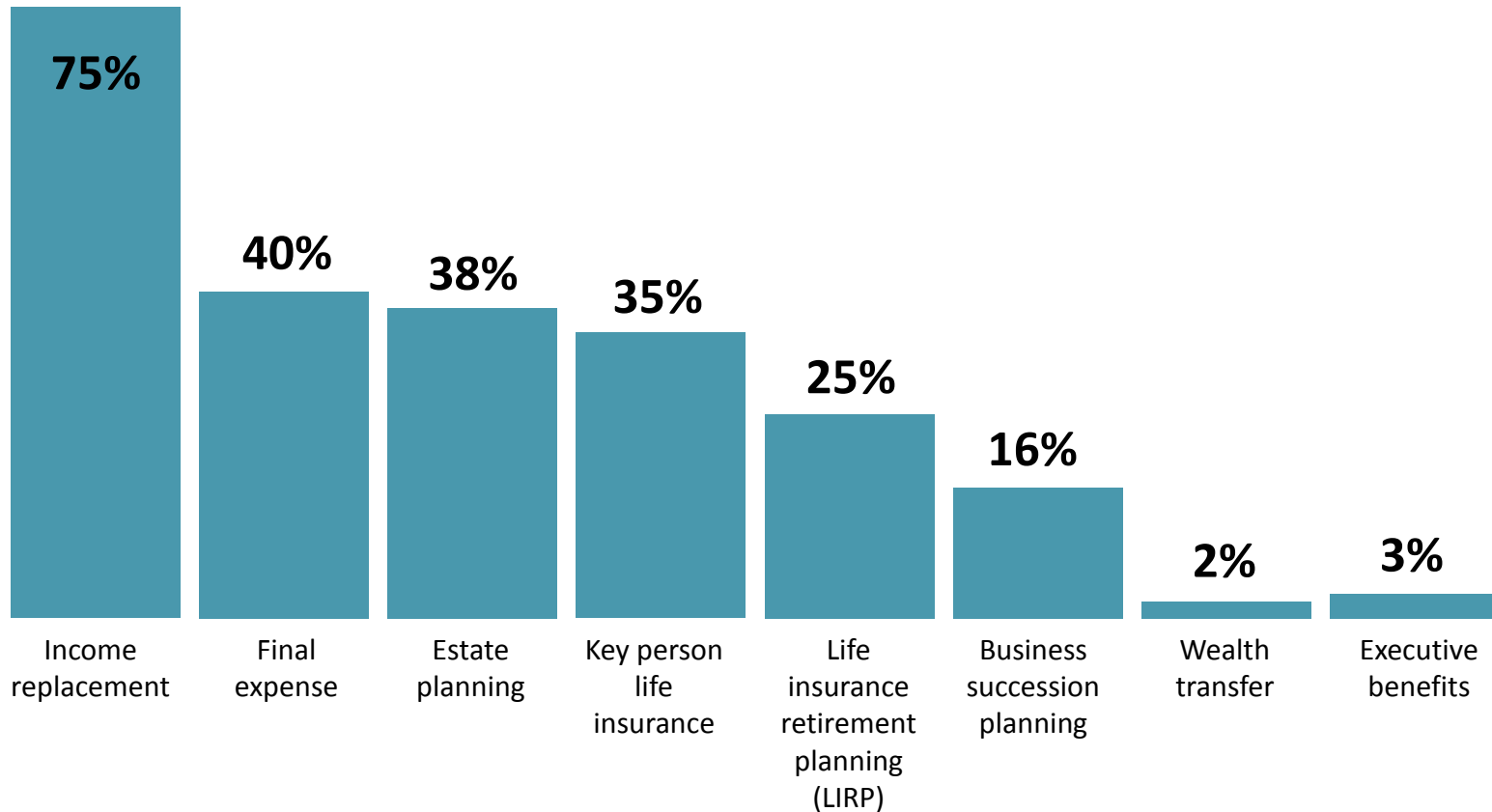
# How have life insurance sales been for advisors over the past year

In the past 12 months, have your new life insurance sales:



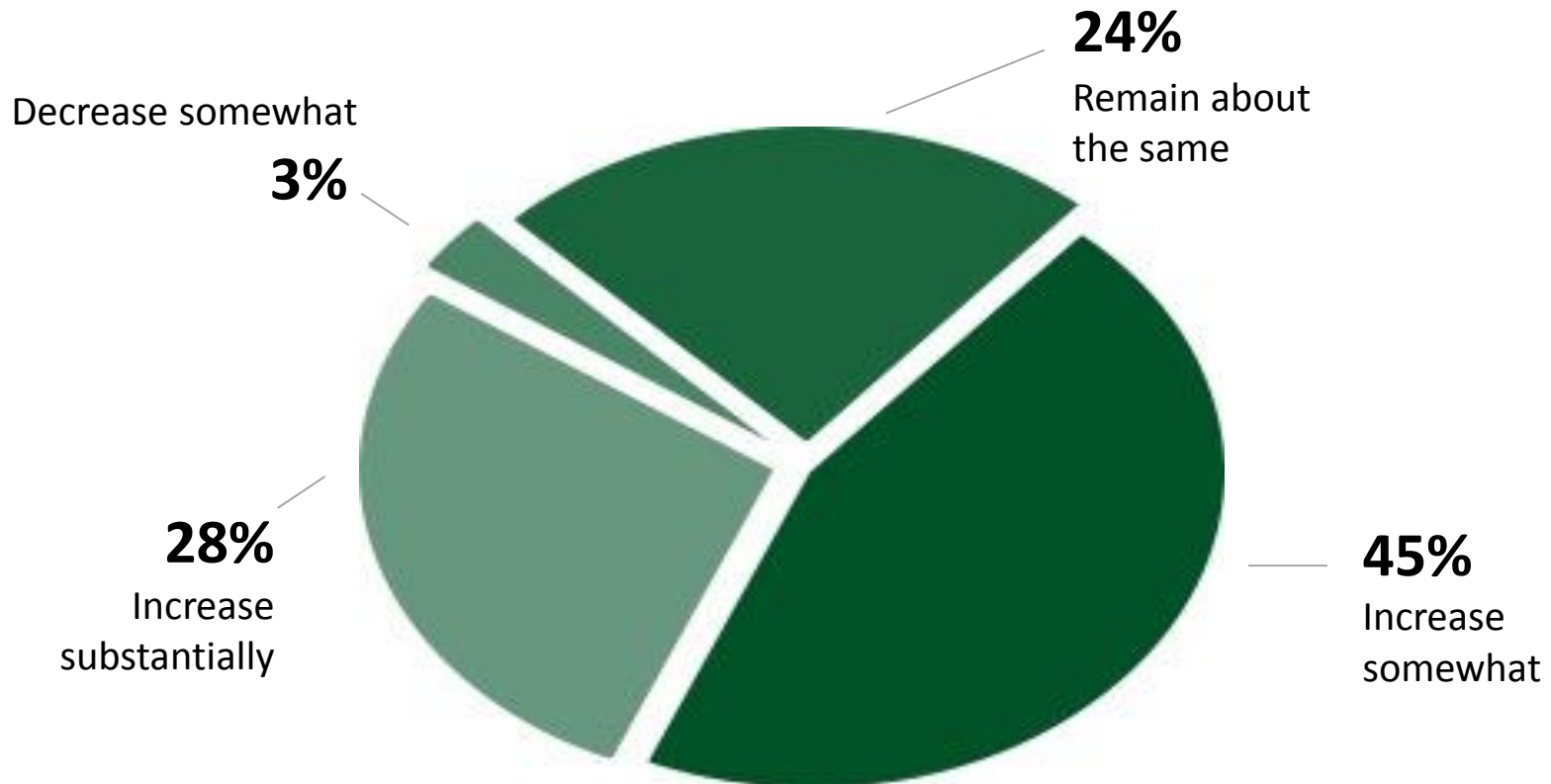
# Why consumers buy life insurance

**Primary concerns/goals clients communicate to their advisors when considering the purchase of a life insurance product**



## Advisor optimism for the coming year

In the next 12 months, do you expect your new life insurance sales to:





# Advisor challenges with selling life insurance

## Challenges advisors face when selling life insurance



# Advisor challenges with selling life insurance

## Challenges advisors face when selling life insurance

	Combined	Male	Female
Client procrastination	53%	55%	49%
Finding new clients to sell to	44%	47%	34%
Clients do not recognize the need for life insurance	38%	37%	40%
Clients state they cannot afford life insurance	35%	33%	42%
Underwriting problems	29%	29%	30%
Clients already have coverage from other sources	23%	20%	31%
Consumer mistrust of insurance industry	14%	13%	6%
Low interest rate environment	12%	13%	6%
Competition from other sources	9%	9%	9%
I need more product knowledge/sales training	6%	4%	11%
Compliance issues	4%	4%	2%
Other	4%	4%	3%

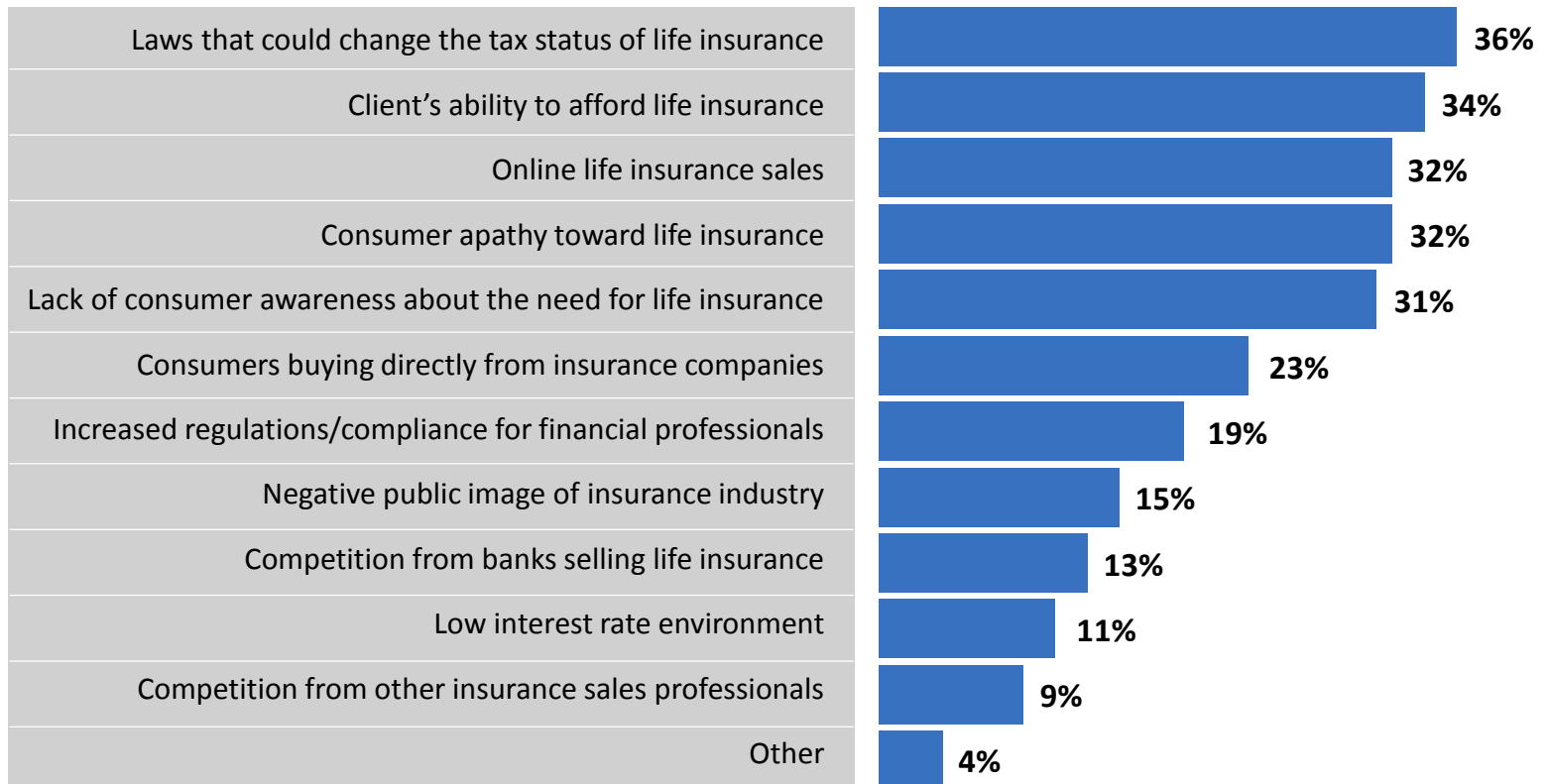
# Advisor challenges with selling life insurance

## Challenges advisors face when selling life insurance

	Combined	Male	Female	
Client procrastination	53%	55%	49%	♂
Finding new clients to sell to	44%	47%	34%	♂
Clients do not recognize the need for life insurance	38%	37%	40%	
Clients state they cannot afford life insurance	35%	33%	42%	♀
Underwriting problems	29%	29%	30%	
Clients already have coverage from other sources	23%	20%	31%	♀
Consumer mistrust of insurance industry	14%	13%	6%	
Low interest rate environment	12%	13%	6%	
Competition from other sources	9%	9%	9%	
I need more product knowledge/sales training	6%	4%	11%	
Compliance issues	4%	4%	2%	
Other	4%	4%	3%	

# Threats to advisors' business

## What do you perceive to be the greatest threat to your future life insurance sales?



# Most important product attributes

Please rate the importance of the following attributes when selecting a life insurance product to recommend to a client

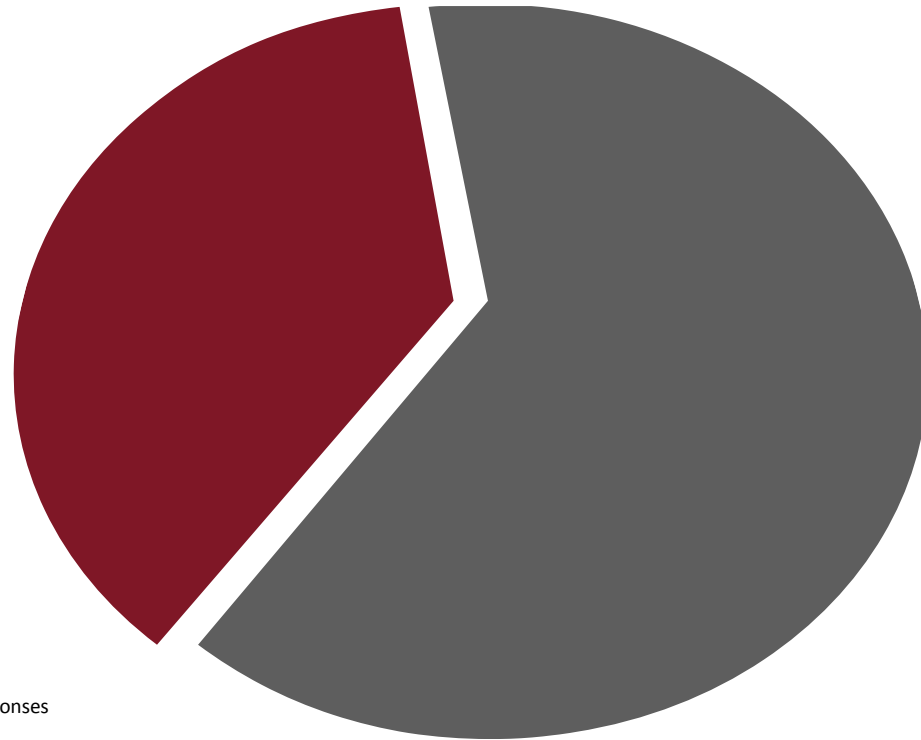
	Absolute must-have	Near must-have	Nice to have, but not essential	Not important	Rating average*
Company reputation/financial strength	67%	25%	7%	1%	1.41
Underwriting flexibility	31%	51%	17%	1%	1.89
Simple application process	31%	42%	26%	2%	1.98
High retention limits	20%	39%	32%	9%	2.31
Lowest rates	15%	38%	43%	5%	2.37
High commissions	13%	27%	52%	8%	2.57

\*Rating average is based upon the number respondents assigned to each product attribute. '1' represented a product attribute that is an absolute must-have when making a product recommendation; '2' is a near must-have; '3' is a nice to have, but not essential; and '4' is a product attribute that the respondent deems not to be important. The lower the score, the more important the attribute is to advisors.

## Sales to middle market clients

Percentage of income derived from product sales to middle market clients

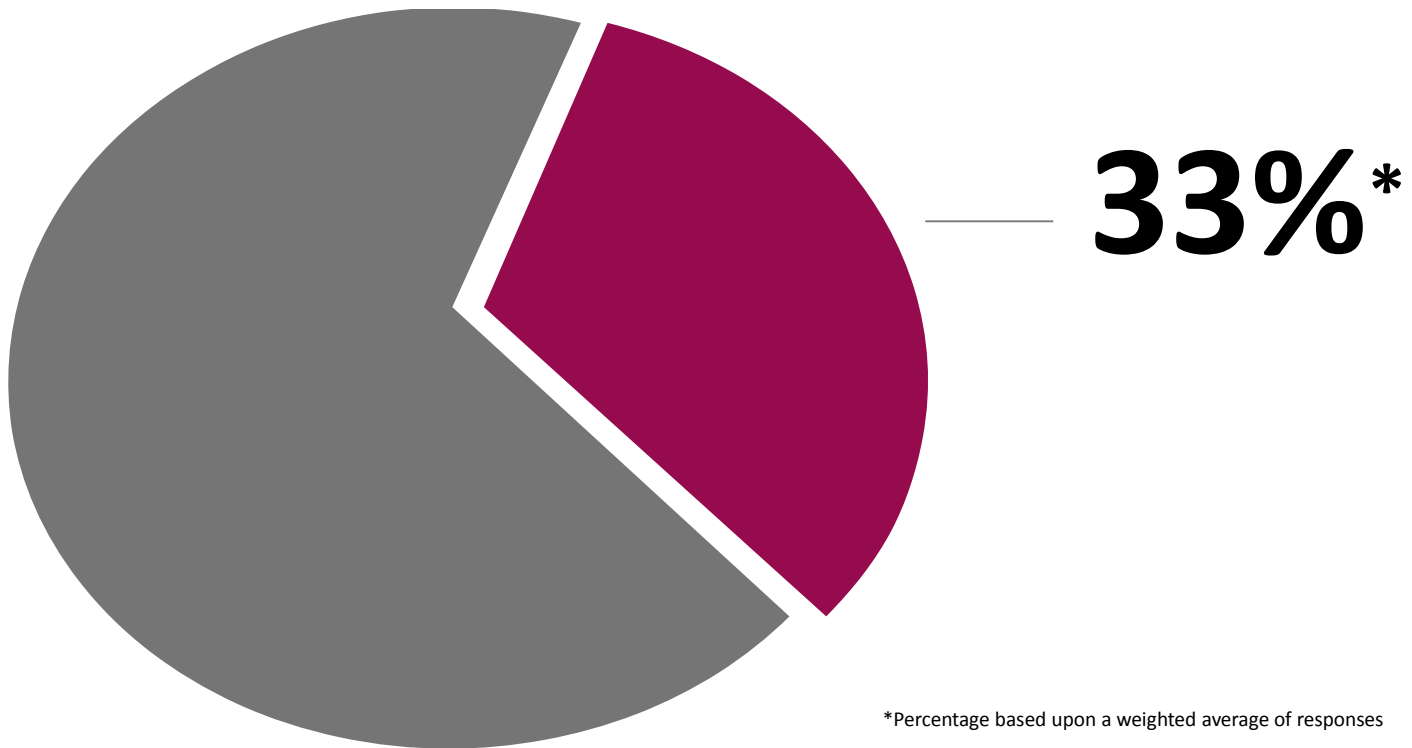
**38%\***



\*Percentage based upon a weighted average of responses

## Sales to female clients

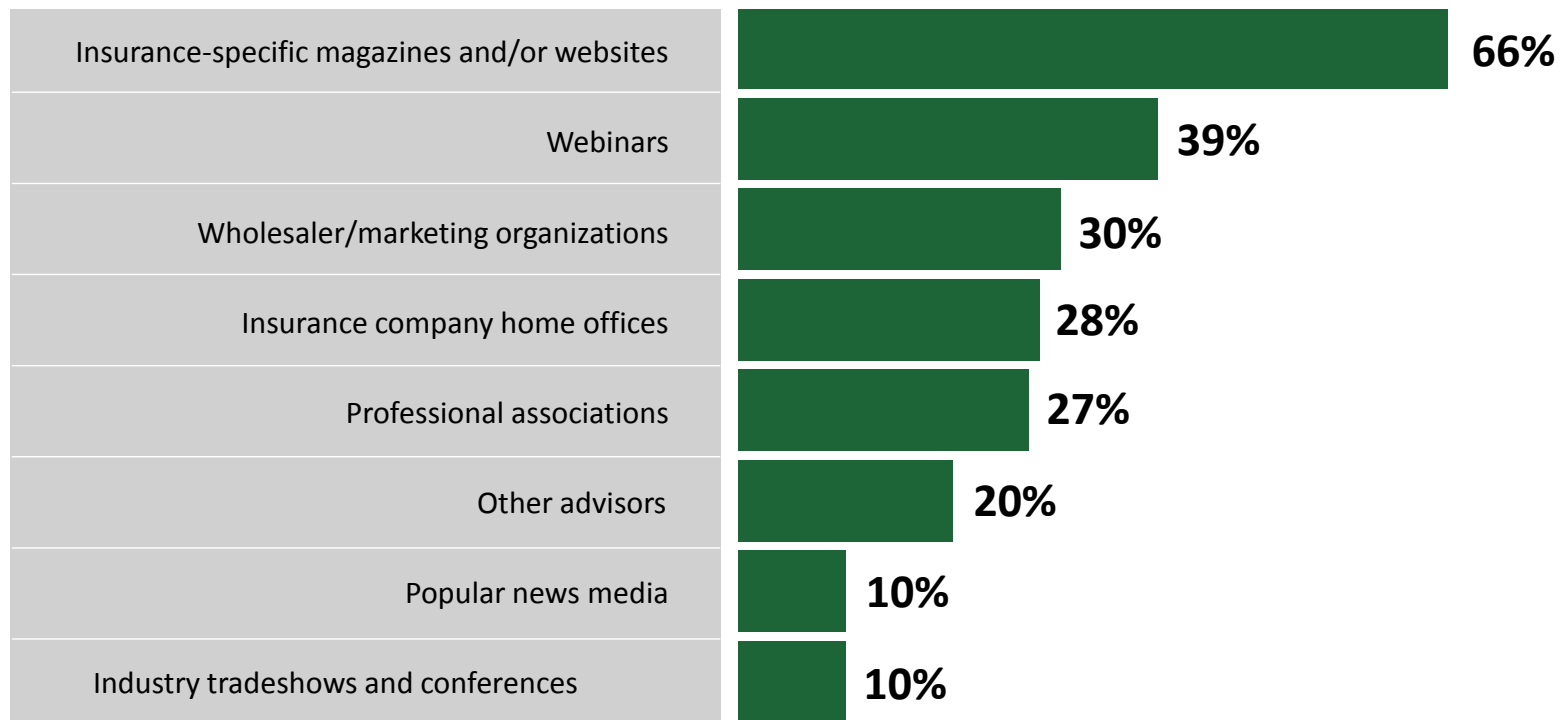
### Percentage of individual product sales to female clients



\*Percentage based upon a weighted average of responses

## Preferred sources of information

**What is your most helpful source of news and information pertaining to your life insurance sales?**





# 3 Habits of Highly Successful Producers



# Habit 1: Successful producers are more likely to utilize life insurance sales concepts

## Which of the following life insurance sales concepts have you sold in the past 12 months?

Answer Options	Less than \$100k in life production
Income replacement	53%
Final expense	53%
Estate planning	34%
Key person life insurance	26%
Life insurance retirement planning (LIRP)	23%
Business succession planning	21%
Wealth transfer	19%
Executive benefits	10%
Impaired risk	7%
Deferred compensation	6%
Charitable endowment	3%
Other	3%
None of the above	9%

# Habit 1: Successful producers are more likely to utilize life insurance sales concepts

**Which of the following life insurance sales concepts have you sold in the past 12 months?**

<b>Answer Options</b>	<b>Less than \$100k in life production</b>	<b>More than \$100k in life production</b>
Income replacement	<b>53%</b>	<b>55%</b>
Final expense	<b>53%</b>	<b>46%</b>
Estate planning	<b>34%</b>	<b>51%</b>
Key person life insurance	<b>26%</b>	<b>43%</b>
Life insurance retirement planning (LIRP)	<b>23%</b>	<b>35%</b>
Business succession planning	<b>21%</b>	<b>40%</b>
Wealth transfer	<b>19%</b>	<b>39%</b>
Executive benefits	<b>10%</b>	<b>23%</b>
Impaired risk	<b>7%</b>	<b>14%</b>
Deferred compensation	<b>6%</b>	<b>16%</b>
Charitable endowment	<b>3%</b>	<b>8%</b>
Other	<b>3%</b>	<b>3%</b>
None of the above	<b>9%</b>	<b>2%</b>

# Habit 1: Successful producers are more likely to utilize life insurance sales concepts

**Which of the following life insurance sales concepts have you sold in the past 12 months?**

Answer Options	Less than \$100k in life production	More than \$100k in life production	Differential
Income replacement	53%	55%	
Final expense	53%	46%	-7
Estate planning	34%	51%	17
Key person life insurance	26%	43%	17
Life insurance retirement planning (LIRP)	23%	35%	
Business succession planning	21%	40%	19
Wealth transfer	19%	39%	20
Executive benefits	10%	23%	
Impaired risk	7%	14%	
Deferred compensation	6%	16%	
Charitable endowment	3%	8%	
Other	3%	3%	
None of the above	9%	2%	

## Habit 2: Successful producers are more likely to talk about the living benefits of life insurance

**Advisors who wrote more than \$100K in life premium are much more likely to talk about living benefits.**

## Habit 2: Successful producers are more likely to talk about the living benefits of life insurance

**Advisors who wrote more than \$100K in life premium are much more likely to talk about living benefits.**

This habit seems to have translated into product sales activity . . .

<b>Chronic care riders</b>	<b>50% more likely</b>
<b>Disability income riders</b>	<b>46% more likely</b>
<b>Long term care riders</b>	<b>42% more likely</b>

## Habit 3: Successful producers are more likely to leverage relationships from other financial professionals to generate new product sales

**By which of the following methods do you secure most of your product sales?**



## Habit 3: Successful producers are more likely to leverage relationships from other financial professionals to generate new product sales

**By which of the following methods do you secure most of your product sales?**

	Total Response	Less than \$100k in life production	More than \$100k in life production
Client referrals	71%	72%	69%
My existing book of business	65%	66%	62%
Professional referrals (i.e., CPAs, attorneys)	25%	23%	32%
Cold calling	18%	18%	18%
Leads purchased from a lead company	11%	11%	12%



## Questions?

**Please submit your questions to our presenters through your webcast console by clicking on the Q&A widget and typing in the question field.**

A screenshot of a webcast console window titled 'Q&A'. The window has a grey title bar with standard window controls (minimize, maximize, close) on the right. Below the title bar, there is a blue link labeled 'Refresh Now'. Underneath is a large, empty white text input field. Below that is a smaller, empty white text input field. To the right of this smaller field is a grey button with the text 'Submit' in black. A red arrow with a blue outline points from the text 'insert your question here' to the smaller input field.

insert your  
question here

## Thank you

- A recorded version of this seminar will be available at <http://www.lifehealthpro.com/webseminars>
- Thank you for attending today's event!