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IDEAS FOR LIFE AND HEALTH PROFESSIONALS



Read the featured article by Wesley Wright,
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Tap The Booming Broad Market Life Insurance Need

How Today's Technologies Can Help You
Make The Most Of This Growing Segment



Impaired Risk And Financial Underwriting



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Tap The Booming Broad Market Life Insurance Need

*Here's How Today's Technologies Can Help
You Make The Most Of This Growing Segment*

How many life insurance producers spend all their time chasing rare affluent market life insurance opportunities, only to discover the effort required to acquire and handhold these cases through the process takes all their time and may not net in consistently reliable revenue?

Consider creating a steady revenue stream by serving the broader underinsured market. Today's technologies make it easier to add this transactional opportunity to your life insurance business without sacrificing the time you need to acquire and support your affluent market prospects.

The Massive Underinsured Market Need

Today's U.S. life insurance market contains ample sales opportunities to both affluent and broad market customers. According to a recent LIMRA study, over 60 million U.S. households need more life insurance protection with an average death benefit coverage gap of \$200,000. This means the sales potential of the U.S. underinsured market is \$12 trillion and this potential is expected to grow by over \$300 billion each year.¹

Where Markets Are Tightening

With the federal estate tax exemptions currently at \$5.49 million per individual (\$11.2 million per couple), it's estimated that less than one percent of the U.S. population has an estate tax planning need for life insurance.² That puts those precious few large life insurance cases under fierce competition. And odds are these cases will involve multiple decision-makers including trustees, attorneys, and tax advisors making these complex and involved transactions, likely taking months or even years to close.

Where Markets Are Growing

In the meantime, the bulk of Americans need life insurance today for income replacement for their loved ones, to help pay off a mortgage, or meet other financial obligations in the event of premature death. In other words, many Americans have broad market life insurance needs.

In fact, the greatest unmet need for life insurance protection is among the middle market (U.S. households with \$35,000 to \$99,900 of annual income) and the core mass affluent market (U.S. households with

\$100,000 to \$199,900 of annual income) as shown in Table 1 below.

Technology Can Help You Bridge the Gap

The life insurance opportunity of the broad market (middle market and core mass affluent market combined) is clear. But how can you serve the broad market without pulling too much time away from your ability to nurture your affluent client? Life insurance carriers that offer robust technology capabilities may hold the answer to your dilemma.

Client-Friendly eCapabilities

As today's clients become increasingly tech-savvy, they want services that meet them on their time and in their way. Here's what to look for in a life insurance carrier to help you meet the needs of the broad market client.

- **Voice Signature and eSignature**—Carriers offering voice or electronic signature of the application allow you to conduct a sale over the phone vs. meeting every broad market client face-to-face. Voice signature, in particular, can help avoid needless back and forth with your client and help keep the application process moving smoothly over the phone.
- **Online Client Site**—Carriers offering robust self-service capabilities allow your clients to manage their policies online. Giving clients the ability to take care of simple policy changes online

can save your back-office team hours of service support.

- **eDelivery and Settlement**—Carriers offering eDelivery can help ensure your client's life insurance coverage gets placed promptly and can save you from having to meet physically to deliver the policy. The time savings can be significant, with eDelivery usually taking only five days vs. 20 days with traditional paper delivery.

Sales Enablement eCapabilities

There are also simple technology solutions a carrier can offer to help make it easier for you to acquire new broad market clients. Here's what to look for:

- **Marketing Tools and Prospecting Emails**—A carrier who offers electronic marketing tools and prospecting emails can help you reach multiple clients quickly through the delivery of steady email drip campaigns that can help generate leads for new sales.
 - Some carriers may work with you to help manage campaigns or even set-up email drip campaigns that deliver materials on a predefined schedule to keep initiatives top-of-mind for potential clients.
 - A carrier with a good, usable self-service producer site can help you easily find what you're looking for so you can keep your business moving 24x7.
- **Client Management Tools**—Once you

have a prospective client, keeping track of their interests, needs, and case progress is key to nurturing the relationship to a potential sale. Handling multiple prospects can be time-consuming and firms with an agency management system (AMS) or customer relationship management (CRM) tool can help dramatically. Larger direct marketers have invested in these custom systems for years. For smaller enterprises, other commercial options exist to help you create, curate, and track the success of content for your clients.

- If your firm has an AMS or CRM, look for carriers who can integrate with your system to exchange information and help make it easier to identify customer key events that need follow-up and to help keep track of case progress.
- Even if your firm does not have an AMS or CRM, a carrier with robust online marketing materials can help you simplify a disciplined approach to nurturing your client relationship through the curation of content that can be easy to deliver.

Choose a Carrier to Help You Add to Your Bottom Line

A life insurance carrier with the right technology solutions can help simplify the effort required to serve the transactional nature of the broad market. Look for car-

Table 1: Total Life Insurance Needs Gap by Segment

U.S. Household Segment	Age	U.S. Household Income	Number of U.S. Households With Life Insurance Need Gap	Average U.S. Life Insurance Need Gap	Total U.S. Life Insurance Need Gap
Middle Market	25–64	\$35K–\$99.9K	17,838,224	\$209,903	\$3,744 Billion
Core Mass Affluent	35–64	\$100K–\$199.9K	2,814,010	\$327,572	\$922 Billion
Emerging Mass Affluent	25–34	\$100K–\$149.9K	536,490	\$453,716	\$243 Billion
Retired Mass Affluent	65–74	Not Applicable	434,377	\$53,559	\$23 Billion

Source: "Mass Affluent Market: Financial Product Ownership," LIMRA, June 2016.

riers offering tools to help you save time and expedite the process from completing the application to facilitating outstanding requirements and submitting payment for coverage. A carrier with robust e-capabilities can be critical for success in adding the broad market as a transactional revenue stream to your bottom line. 🌐

References:

1. "Turn Up the Volume: \$12 Trillion Sound Opportunities," LIMRA (Jan. 2017).
2. According to the Tax Cuts and Jobs Act of 2017, the federal estate, gift and generation skipping transfer (GST) tax exemption amounts are all

\$10,000,000 per person (indexed for inflation effective for tax years after 2011); the maximum estate, gift and GST tax rates are 40 percent. In 2026, the federal estate, gift and generation-skipping transfer (GST) tax exemption amounts are scheduled to revert to \$5,000,000 per person (indexed for inflation for tax years after 2011).

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