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...March 1-4, 2009, Four Seasons, Las Vegas, NV

A Global Gathering for Senior Life Insurance and Reinsurance Executives

ReFocus 2009

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Las Vegas, NV

**B3 – Why Can't We Increase Life
Insurance Sales?**

The Debate between Products and Distribution

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Moderator



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Why Can't We Increase Life Insurance Sales?

The Debate Between Products and Distribution



Question 1:

It is often pointed out that “Distribution is from Mars and Home Office Staff is from Venus”. How can the communication between distribution and home office be strengthened so that products and sales are improved? Are there existing best practices that can be cited?



Question 2:

Is the profitability of life insurance sales to insurers sufficient to justify the associated capital commitments? If not, what can be done from the product side to improve that picture? A commonly-quoted opinion is that insurer profitability (and product competitiveness) is hampered by the expensive nature of insurance distribution. True or False? If true, are there ways to develop “win-win” situations? Why can’t everyone be happy with levelized compensation?

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Question 3:

Many people bemoan product complexity. Are insurance products really too complex, or are producers insufficiently trained or just unsophisticated? Do producers really want innovation in life insurance products, or do they want simplicity, even if the product is unimaginative? If products really are too complex, what are two or three quick fixes that could improve the picture?

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Question 4:

What risks and benefits are the Internet and other technologies bringing to companies and distribution in the sales of life insurance products? Where could the landscape be improved?

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Question 5:

The global economic crisis has increased challenges in selling life insurance products. With specific reference to the difficult financial environment, what product and distribution approaches can be adopted to firm sales?

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Question 6:

Which two are most likely to result in stronger life insurance sales and why?

- More agents should be hired
- More products should be developed
- Better products should be developed
- Agents should be better trained and/or have improved skills
- Home office staff should better support agents' efforts
- Regulatory environment should be more accommodative
- Underwriting, customer service, and other life insurance administrative processes should be improved and modernized

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