



SOCIETY OF ACTUARIES

Article from:

News Direct Newsletter

Summer 1999 – Issue No. 32

New Product Development Tool: The Product/Channel Directory

by James B. Smith, Jr.

Question: In the early stages of product development, market research is used to gather information about the competition. Although such research offers helpful insight into product features, its value is limited because there may be only sketchy information about the distribution channels employed by the competition. Typically, product features have been customized for the channel that distributes the product. Is there an informational source that identifies both products and distribution channels that are utilized by insurance companies?

Answer: One of the difficult aspects of unbiased market research is the identification/understanding of product features, which can vary significantly depending on the needs of the distribution channel. For example, a universal life product sold on an individual basis may have

significantly different underwriting, surrender charges, commissions, and cost of insurance rates than a universal life sold via work-site marketing.

Because product/channel combinations being utilized by insurers have not been readily available, the Non-traditional Marketing (NTM) Section has developed a *Product/Channel Directory* of 200+ companies showing combinations of products and channels for each company.

The directory includes categories for life, annuity, health, disability income, credit, and niche products. Within each product category, there are many specific products; e.g., the life category has 20 products.

The directory also shows nine distribution channels, which include career agents, independent agents, banks, broker dealers, direct marketing, telemarketing, Internet, worksite, and other channels.

For each company in the directory,

a contact name and his/her phone number are provided so that actuaries can discuss common issues that are not confidential.

The directory is being mailed to Section members/survey participants with this *NewsDirect*. In addition, the directory can be ordered through Beverly Haynes (phone: 847/706-3526; e-mail bhaynes@soa.org) at the Society office for \$10 for NTM Section members and \$22 for non-members.

The NTM Section is hopeful that the *Product/Channel Directory* will be helpful to actuaries as they deal with an ever-expanding breadth of product and channel combinations.

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Bowles Symposium on Financial Services Integration

by Anne Chamberlain Shaw

The Department of Risk Management and Insurance at Georgia State University in Atlanta, Georgia, will host the 4th Bowles Symposium on December 9-10, 1999. The symposium, entitled "Financial Services Integration: Fortune or Fiasco?" will be led by current Bowles Chairholder Harold D. Skipper, Jr., Ph.D., CLU.

The two-day program will host an interdisciplinary array of experts in insurance and finance:

- Allen N. Berger, senior economist at the Board of Governors of the Federal Reserve System and Senior Fellow at the Wharton Financial Institutions Center.
- Peter Kuys, general manager and group chief actuary of the ING Group

- Robert E. Carlson, executive vice president of the Northwestern Mutual Life Insurance Co.
- Jean-Pierre Daniel, owner of VIGIE, a Paris-based company which provides insurance marketing
- Ian R. Harper, Professorial Fellow in the Melbourne Business School.
- Robert St. Jacques, a senior consultant with Tillinghast-Towers Perrin in Toronto
- Joseph M. Belth, professor emeritus of insurance in the Kelley School of Business at Indiana University (Bloomington) and editor of *The Insurance Forum*
- Ravi Kalakota, director of the Center for Digital Commerce Research at Georgia State University

- Michael Thom of the Insurance and Pension funds division at the Internal Market and Financial Affairs Directorate-General's office at the European Commission
- For more information and registration materials, visit the Bowles Chair Web site at: <http://www.gsu.rmi.edu/bowles/b-chair> or contact Anne Chamberlain Shaw, conference manager, at 404-651-0931 or by e-mail at achamberlain@gsu.edu.

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