



SOCIETY OF ACTUARIES

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Affinity Marketplace for Actuaries

by Dwayne Thompson

About 50 years ago, during a period when many associations were forming, a broker named Albert H. Wohlers recognized the potential for affinity groups to provide their own insurance to their members. This would allow members to capitalize on the benefits of group insurance rates. Wohlers evolved into what is today known as Marsh Affinity Group Services, a Marsh and McLennan company.

Throughout the years, association membership markets have implemented the offering of several other non-insurance products that could benefit members. These alliances diversify and enhance the total membership package.


For years, the SOA has provided a diverse package of benefits to its membership. Offerings such as library access, a resume matching service and a speakers kit, are strong incentives to maintain ties with the organization. However, the SOA has never previously offered insurance products to its membership. That changed in January 2003 when SOA began presenting several insurance options, further enhancing their total member benefits package. The products offered to SOA members now include Professional Liability underwritten by Lloyds of London, Disability, Catastrophe Major Medical and Term Life underwritten by United States Life Insurance, and Individual Major Medical underwritten by multiple carriers.

The SOA acknowledges that its membership tends to fall into two general categories: members looking to supplement employer-provided insurance benefits, and members that are self-employed and looking for independent insurance options. Employed members' interests may lean towards products such as Term Life Insurance whereas self-employed members are likely motivated by the need for their own Professional Liability insurance. The reality is that more and more professionals are facing allegations of professional negligence. Years of hard work could be compromised by a costly lawsuit. Actuaries need to evaluate their risk factors, whether or not these claims are

factual, and the benefits of obtaining professional liability insurance outweigh the risks.

The offering of insurance products to SOA members came about through mutual meetings between Marsh Affinity Group Services and SOA. Marsh Affinity Group Services' specialists in affinity group marketing presented evidence of how a strong opportunity existed for actuaries to take part in SOA-sponsored insurance programs. When assessing the needs of any new group, Marsh evaluates age demographics and other key characteristics of membership to help tailor programs and foster genuine interest in participation in those programs.

Marsh Affinity Group Services determined that because of the high concentration of Internet users among SOA membership, they would obtain permission to initially test response with direct e-marketing efforts. Marsh Affinity has provided the SOA with a paragraph highlighting each of its insurance programs and the SOA e-mails these highlights to its membership according to an SOA-determined schedule and in coordination with select direct promotions. A hyperlink within the text directs users to a Web site where they can view or download applications and brochures describing the plans in detail. The Internet provides an easy way to establish a relationship with SOA members.

Marsh Affinity Group Services' overall approach to affinity marketing is very direct—seek to forge a partnership with their clients. They use a simple combination of efforts: understand the audience, build lasting relationships, anticipate needs and offer appropriate solutions. With the SOA, Marsh has applied these tactics and they are building the bonds for a successful relationship that will prosper for years to come. 

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Dwayne Thompson has been involved in the insurance industry for 12 years and holds a masters degree in Business Administration. He has specialized in association-sponsored programs for the past 10 years and is currently an assistant vice president for Marsh Affinity Group Services, a service of Seabury & Smith, the SOA's business insurance administrator.