



SOCIETY OF ACTUARIES

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complete the application process electronically. Companies also need to see a measurable return. Technology was oversold in the '90s, and as a result companies now need to see a real measurable benefit before an investment of this magnitude will be taken on. How will STP contribute to the bottom line? Companies need to answer that before moving forward. The current status of e-signatures also presents a challenge. From a regulatory perspective, there is still ambiguity regarding the validity of e-signatures. Many companies do not accept e-signatures at this time, and are waiting until the rules become clearer before implementing e-signature technology.

## Conclusion

Direct response marketing will continue to play a major role in insurance distribution. Environmental, industry and other trends point to direct response as a key distribution channel for several product lines. Technology will play a major role in building efficien-

cies in direct distribution, particularly as it relates to leveraging the Internet and straight-through processing. But technology will also be a challenge as companies struggle with incorporating new processing with existing systems. And those methods that leverage technology will play an increasingly important role in direct distribution. Despite these challenges, direct response will continue to play a key distribution role in the future. ■



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## SOA INTER-COMPANY EXPENSE STUDY:

### We're looking for participation from companies focused on nontraditional products and/or nontraditional distribution too!

**T**he Society of Actuaries' Committee on Life Insurance Company Expenses is continuing its series on inter-company studies of expenses. This series of studies began with a study of 2001 insurer expenses for individual life insurance and annuities, subdivided by type of product and distribution channel. A copy of past studies can be downloaded from the Experience Studies part of the Research & Publications section of the SOA Web site.

Its objectives include the development of publicly available inter-company expense benchmarks. We are

interested in obtaining expense contributions in several areas of interest to members of the nontraditional marketing section, including those associated with direct response marketing for life insurance and annuities and specialty channels for annuities, including stockbrokers and financial institutions. Only through adequate contributions can these studies provide meaningful information.

We are now seeking contributions for the 2004 calendar year. You can find the description of and data templates for contributions on the Experience Studies part of the Research & Publications section of the SOA's Web site. If you have questions about this study, please call Steve Siegel at the SOA's office or send him an e-mail at [ssiegel@soa.org](mailto:ssiegel@soa.org). We welcome additional contributions. ■

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co-chair, SOA's Committee on Life Insurance  
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