

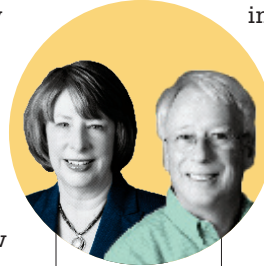
PLOT POINTS

By Gil Lowerre and
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The curve is a game changer

FOR TWO DECADES, industry voluntary sales increased year after year. Growth was largely driven by new brokers entering the business, primarily from the ranks of the traditional medical and group brokers. But these new entrants did not begin growing their sales and increasing production each year as one might expect. Instead, they sold a few cases each year, with results changing only slightly from year-to-year.

Many of these brokers were selling defensively, offering voluntary products when a client asked about them, or when a competitor came on the scene. And apparently, the likelihood of these things happening was not changing much from year to year. Voluntary productivity



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increases were low, but the waves of new entrants kept industry sales growing. About seven or eight years ago, this influx of new brokers came to an end. Since then, our surveys have consistently shown that approximately 95 percent of all benefit brokers now sell voluntary. And that means that essentially, they are all in. We began to see that the days of growth through migration were over, but industry sales kept increasing and even accelerating. As we tracked this, the changes became clear. The data confirmed what common sense predicted: brokers were finally selling offensively with voluntary products, and productivity was increasing and accelerating.

The key is that this growth in productivity also means that brokers are gaining more experience than in past years and that the average broker is now more knowledgeable about voluntary. And that makes him or her a more formidable competitor. The graph shows the state of these traditional benefit brokers as it relates to voluntary business, with three-quarters claiming they now sell voluntary offensively.

In past years, it was easier to survive in the voluntary marketplace when competition was less intense and fewer adversaries had true voluntary expertise. But that is obviously the past, and today—even more so, tomorrow—the bar is being raised and those trying to just get by will wind up being left behind.

The Broker/Voluntary Learning Curve

