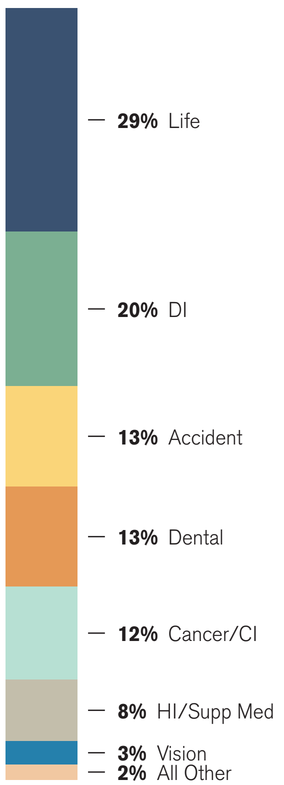
PLOT POINTS

By Bonnie Brazzell and Nick Rockwell

Hot voluntary products

Mix of sales by product line (2017)



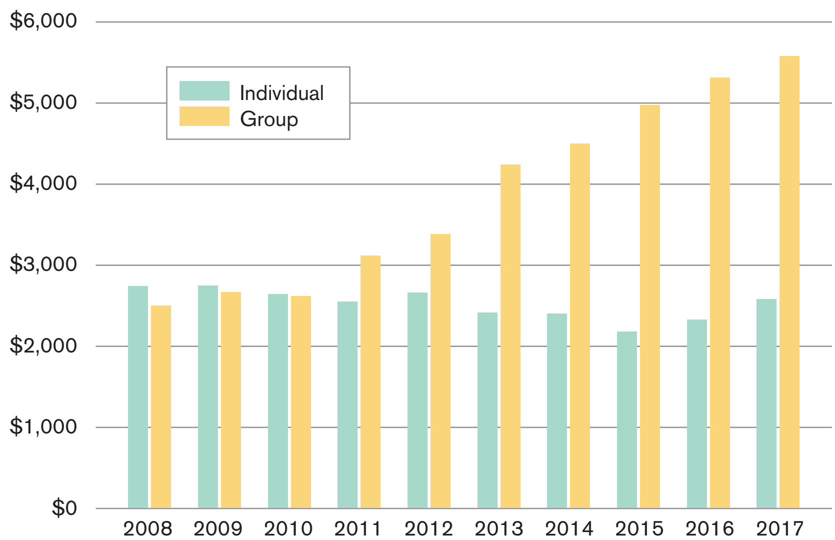
THIS IS THE LAST in our series of columns on the voluntary industry sales results for 2017. The first article looked at overall voluntary sales for the year, while the second reviewed sales by distribution segment. This column takes a closer look at sales by product line and platform.

Bonnie Brazzell and Nick Rockwell, Eastbridge Consulting Group, Inc.

Term life was again the top-selling line of business, followed by accident, short-term disability, dental and critical illness. The graph (left) shows the mix of sales by line of business.

Life insurance sales overall were up almost 13 percent in 2017, reaching $2.3 billion. Term accounted for 78 percent of total life premium, and sales increased by 14 percent compared to 2016, while UL/WL sales were up 7 percent this year. By product, 50 percent of the UL/WL sales were for universal life products and 50 percent were for whole life products.

Group vs. individual sales



Total disability sales were $1.6 billion in 2017. Short-term disability sales continue to represent the majority (67 percent) of disability sales. Both STD and LTD sales increased compared to 2016, at a rate of 7 percent and 4 percent, respectively.

The accident product line saw a strong increase in 2017, at a rate of almost 12 percent compared to the modest 2 percent increase in 2016. Total accident sales were $1.1 billion.

Critical illness sales increased 21 percent in 2017 after increases of 13 percent in 2016 and a 25 percent increase in 2015. Cancer sales increased by 2 percent in 2017. Critical illness NBAP was $673 million compared to $341 million for cancer.

Hospital indemnity, gap and supplemental medical products sales increased to $646 million in 2017, up 4 percent compared to 2016.

When looking at voluntary sales by product platform, group product sales continued to dominate individual products. The mix for 2017 was almost 68 percent group and 32 percent individual. Group product sales increased by 5 percent and individual sales increased by 11 percent compared to 2016.

The bottom graph shows the results over the past 10 years.

The annual U.S. Voluntary/Worksite Sales Report *is the industry's most comprehensive and reliable source of data on voluntary/worksite sales and inforce premium. This year's study includes data from 1997 through 2017 and detailed results for 66 carriers. The report is available only to carriers participating in the survey. For more information about participating in next year's survey, contact us at info@eastbridge.com.*