



2024
DISTRIBUTION
CONFERENCE

**Winning
Together**

Unlocking Potential: Strategies for Sustaining Momentum in Digital-Enabled Sales



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LIMRA LOMA



Pace of Technological Change

The Pace of Technological Change is Speeding Up

Interesting Facts

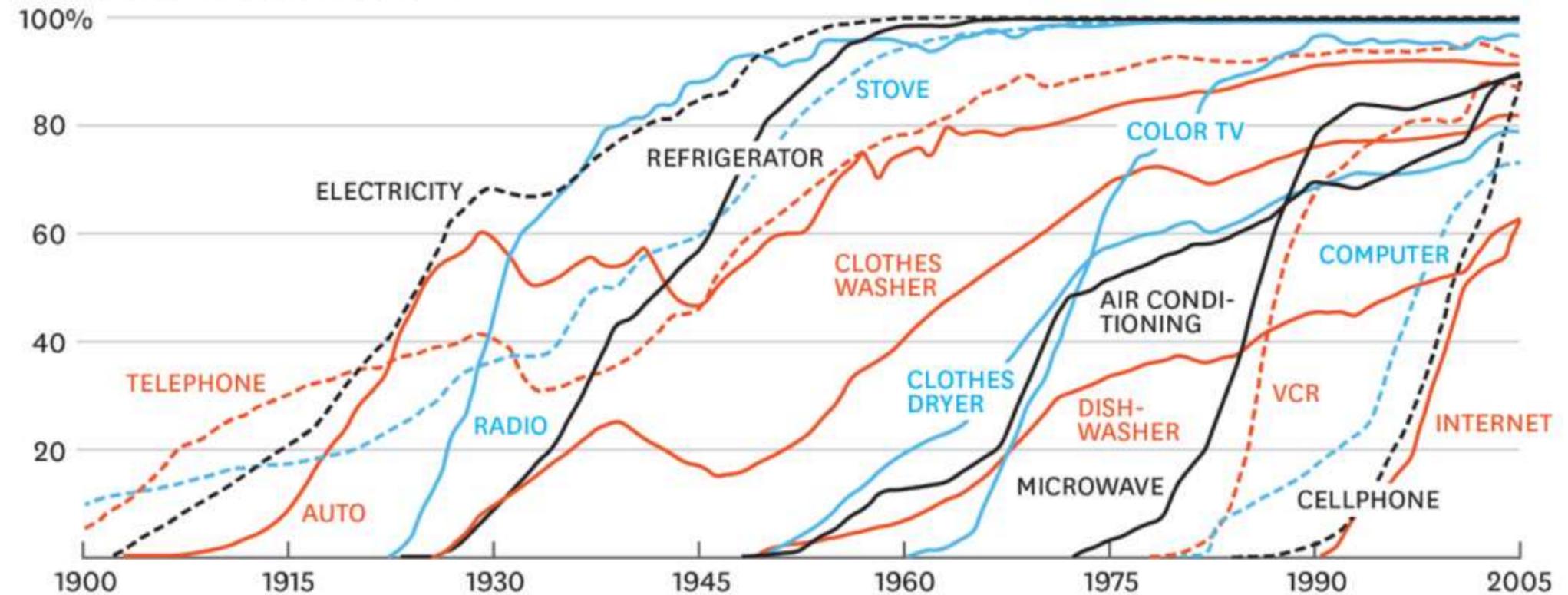
- **90%** of the world's data was generated within the past two years alone.
- **5 billion** people in the world own a mobile device.
- **2.65 billion** people in the world use social media.
- The number of IoT devices is expected to reach **75.44 billion** by 2025

What is next?

- Use of things like: AI, Gene editing, cloud computing, autonomy

CONSUMPTION SPREADS FASTER TODAY

PERCENT OF U.S. HOUSEHOLDS

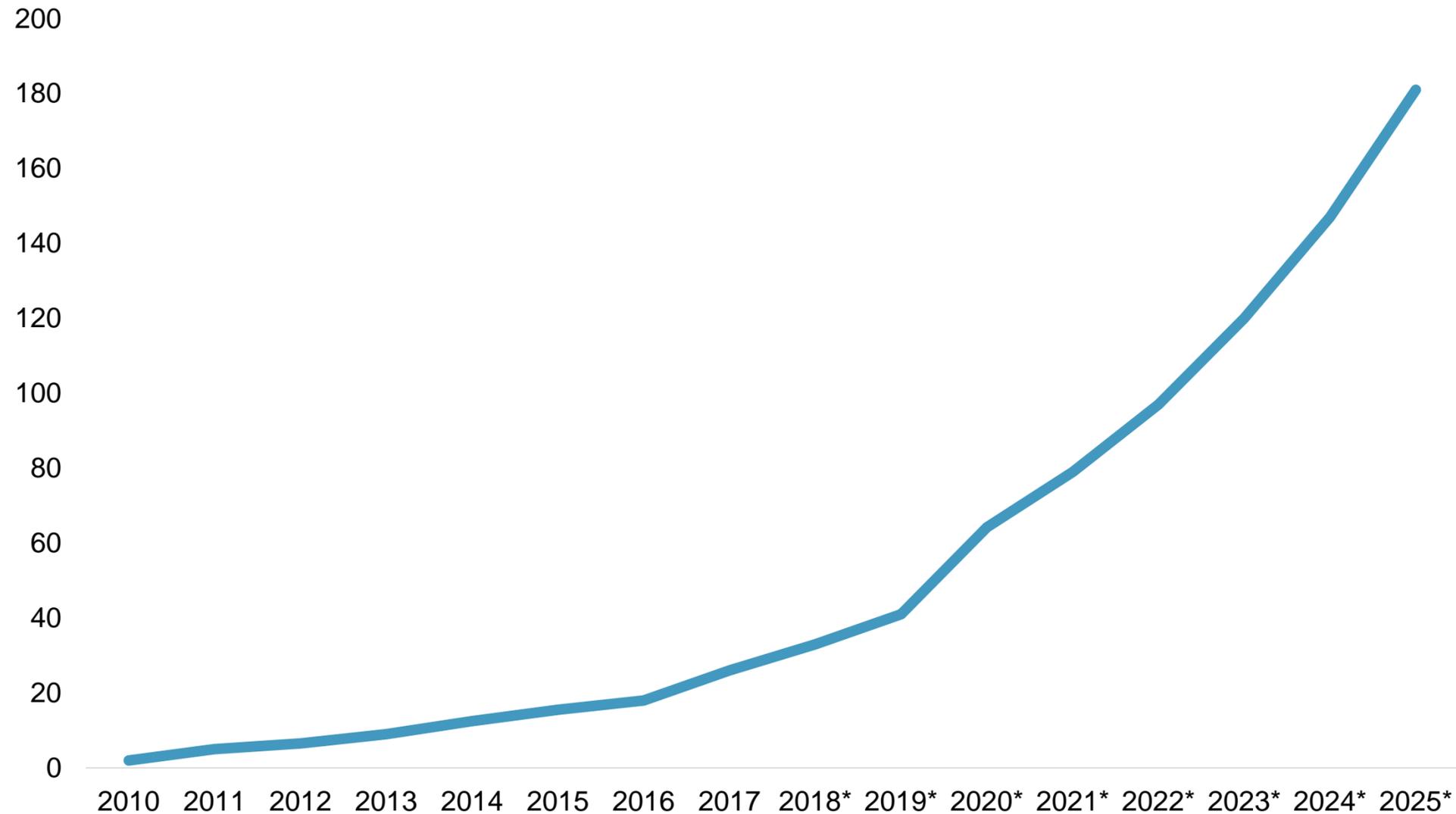


SOURCE NICHOLAS FELTON, THE NEW YORK TIMES

HBR.ORG

Global Data Creation is Exploding

Data Generated Annually (Zettabytes)



1 Zettabyte = 1 billion Terabytes

Types of Data Created

- Video, Social, Gaming
- Web browsing, Messaging
- Marketplace
- File Sharing, Cloud
- VPN
- Audio

No One Here Wants To Be The Next...

1

Blackberry

BlackBerry went from controlling over 50% of the smartphone market to having a phone of the past

2

Kodak

Kodak developed the world's first consumer digital camera but could not get approval to launch or sell it because of fear of the effects on the film market

3

Xerox

Xerox invented, then ignored, the first personal computer. Management thought going digital would be too expensive

4

Sony Music

The Walkman was a must have gadget for every teen. It was the iPhone of its day. Sony Music however was more focused on avoiding piracy than with the success of the new digital product

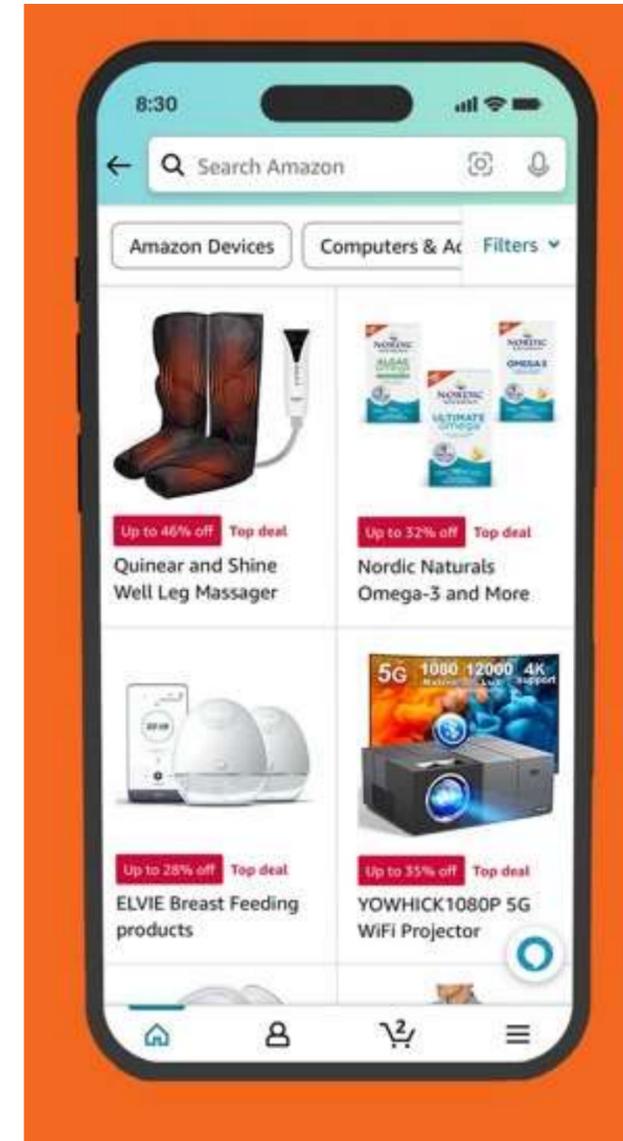


Changing Shopping Habits

Changing Shopping Habits



Changing Shopping Habits





Dwindling Attention Spans

Dwindling Attention Spans

“Social media platforms invite the brain to practice mindless and quick consumption”

- The average attention span on a screen has decreased by **103 seconds** between 2004 and 2023. ¹
- Television content is now seen as **bland** and uninteresting compared to highly engaging short-form content such as **TikTok** videos and **Youtube** Shorts.²
- **44%** of people engage in “phubbing” at least twice a day. The term describes the act of interrupting a person you’re talking to by scrolling on your phone instead.³

¹ [CNN Health](#)

² [Wall Street Journal](#),

³ [Thrive Global](#)



Long-Term Impact of the Pandemic

Long-Term Impacts From The Pandemic

- All Things Digital
- Building Relationships
- Mental Health & Wellness
- Trust

The Rise of Instant Gratification Culture

- **Technology**

The Digital Era – Capabilities have made it easier to get more things, better things, quicker

- **The Pandemic**

Forced us to use all things digital

- **Buying Habits**

Convenience & Personalized Services

Instant feeling of happiness vs. **long-term Satisfaction**

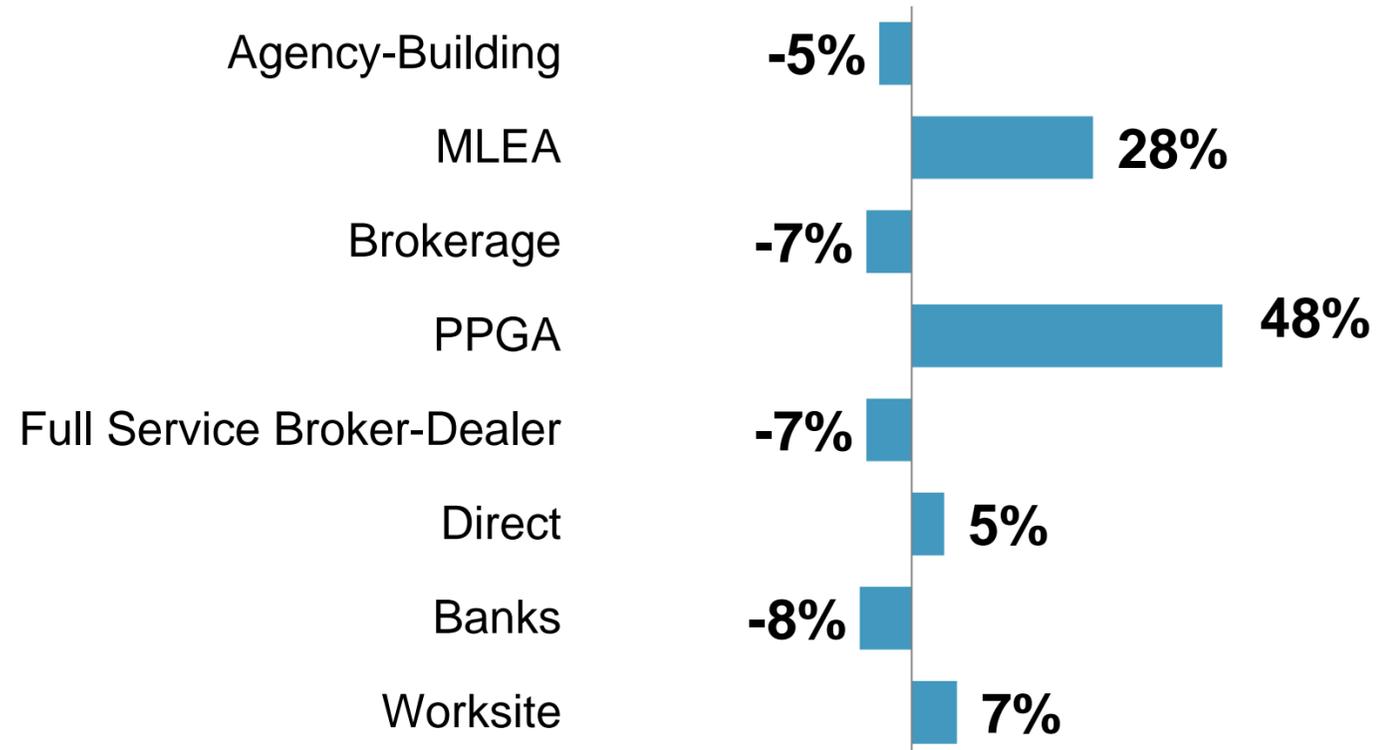


So, Let's Talk About Life Insurance

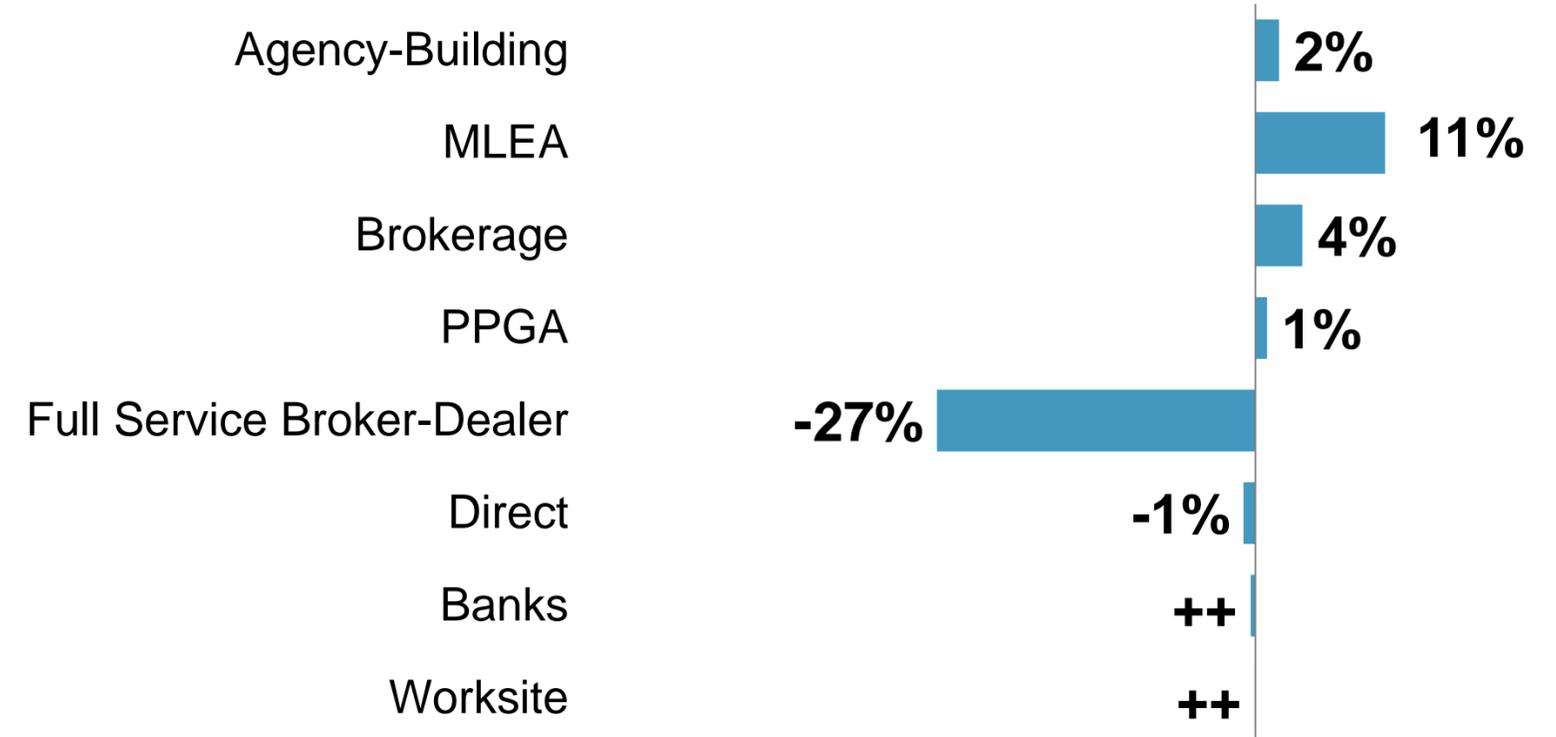
Retail Individual Life Insurance Sales By Channel

Estimated 5% - 7% of annualized premiums were from the direct channel, consistent with the prior decade averages.

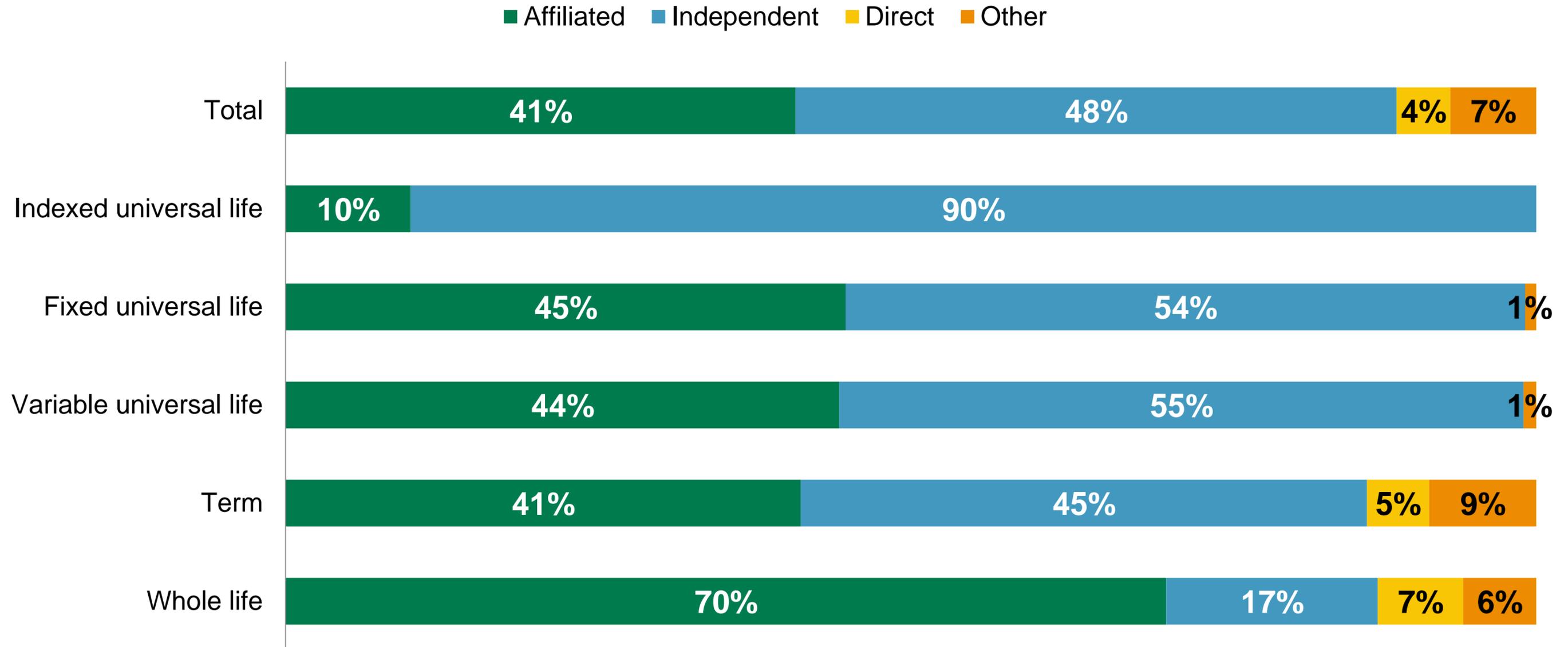
**Annualized Premium growth by Channel
(Third Quarter 2023 Year-to-Date)**



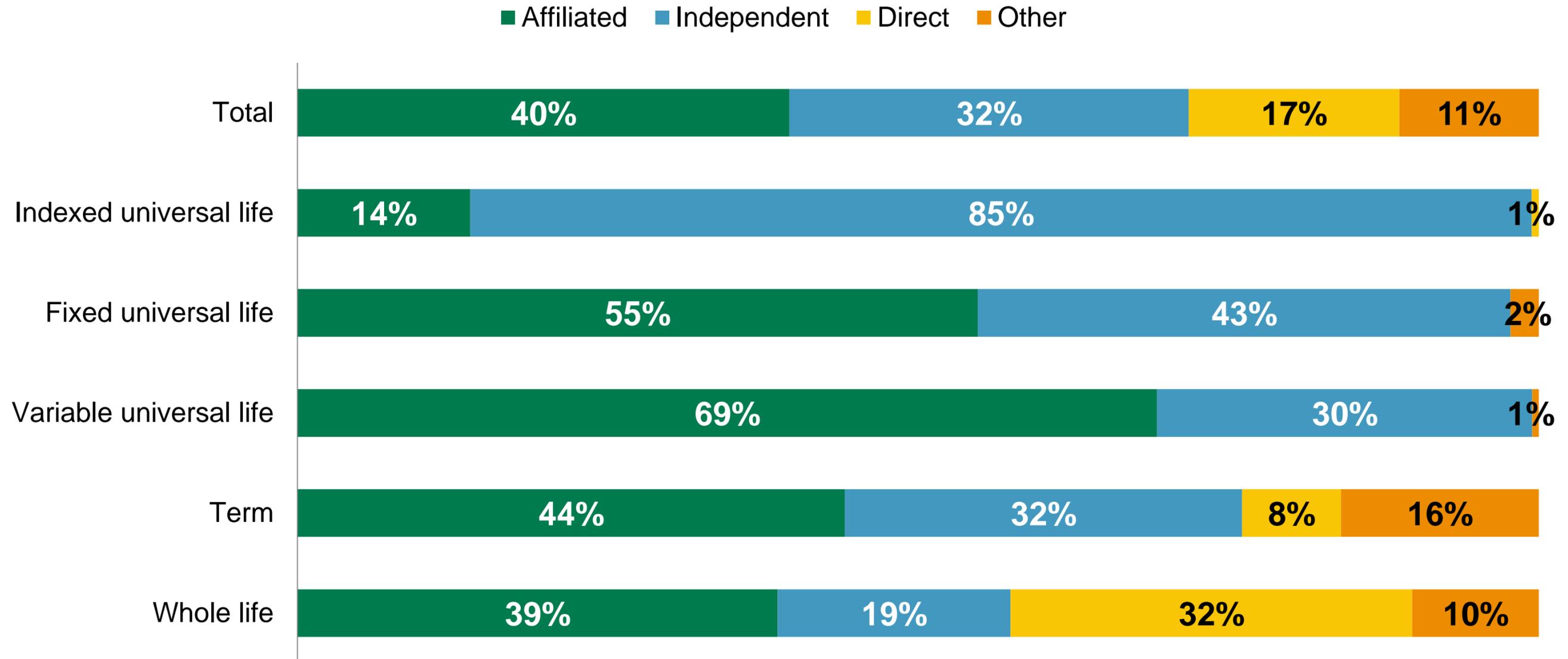
**Policy growth by Distribution Channel
(Third Quarter 2023 Year-to-Date)**



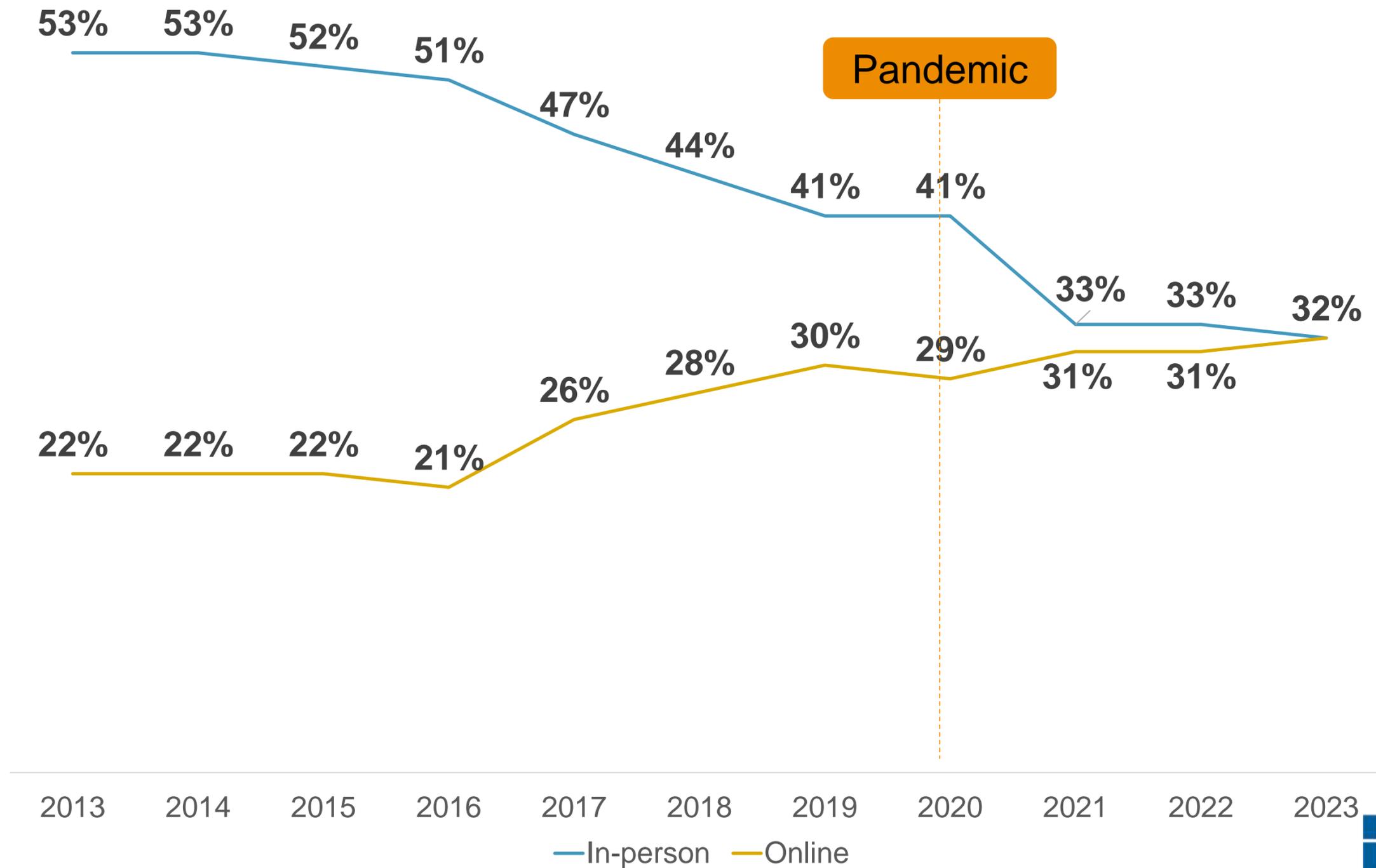
Product Face Amount Market Share by Distribution (3Q YTD)



Product Policy Market Share by Distribution Group (3Q YTD)



Life Insurance Shopping and Purchase Preference Over Time



How Buyers Buy Individual Life Insurance

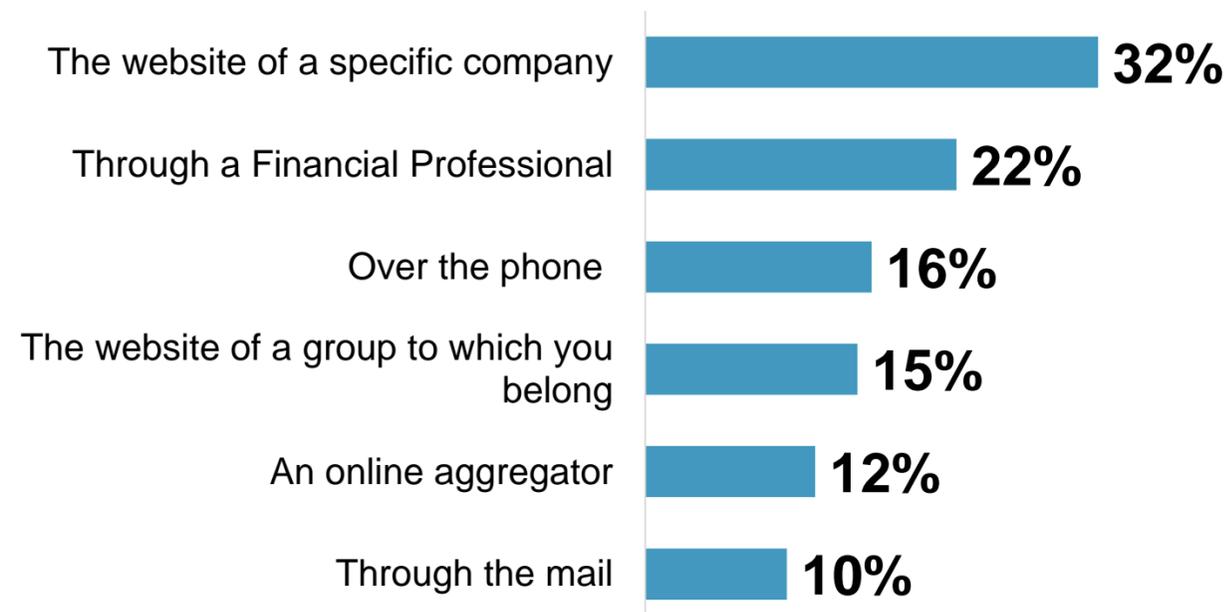
Using the website of a specific company followed by a financial professional are the preferred methods for buying individual life insurance.

- Of those who buy online, most complete and submit the application online, or start online and finish with a financial professional.

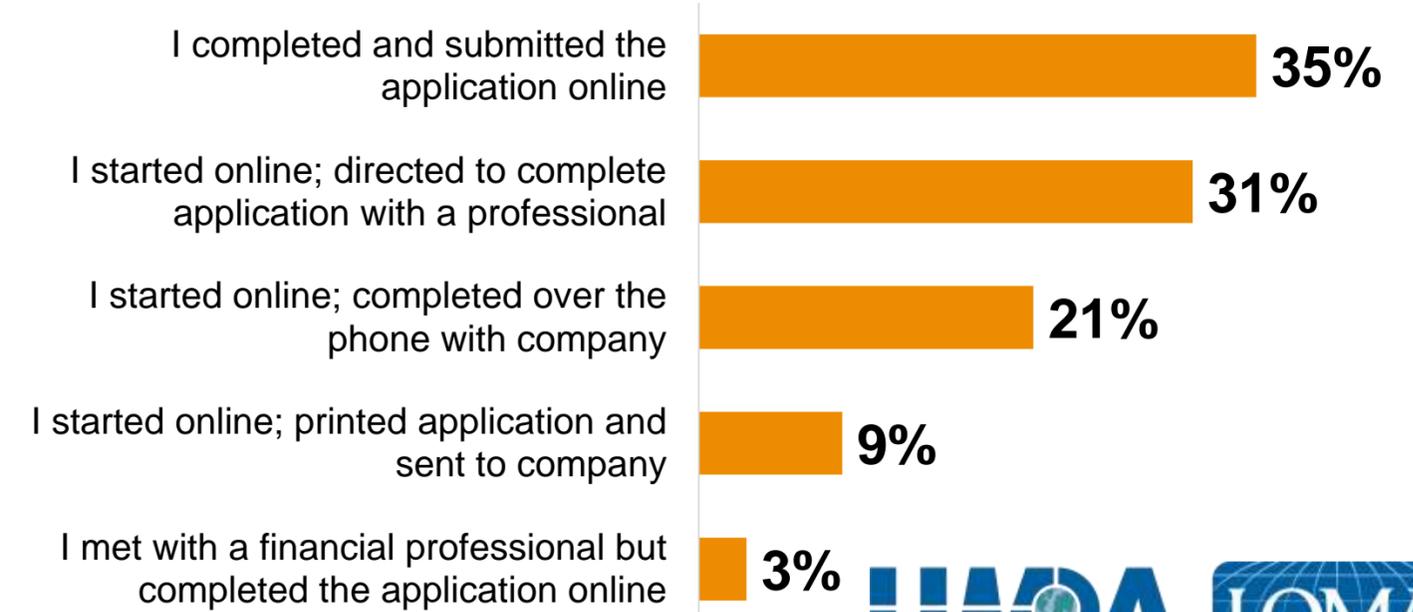
Consumers use multiple sources when shopping for ILI, with online sources becoming increasingly popular across all generations and income groups.

- There is a higher likelihood to buy when consumers shop/gather information and obtain quotes from a financial professional.

How Buyers Purchase Life Insurance



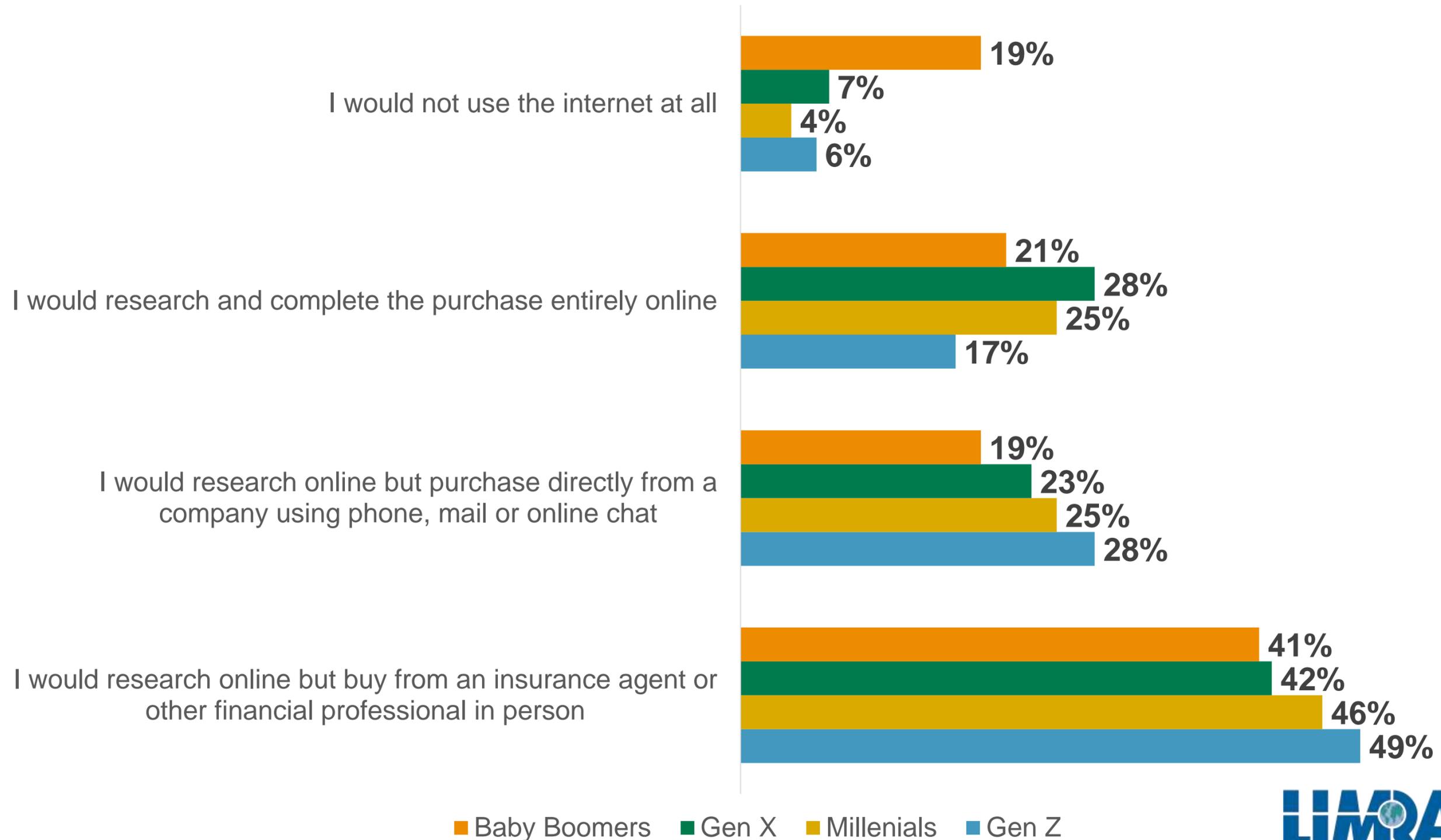
How Buyers Buy Online¹



Source: The Purchase Funnel 2022, LIMRA.

¹ Among buyers who said they bought insurance online.

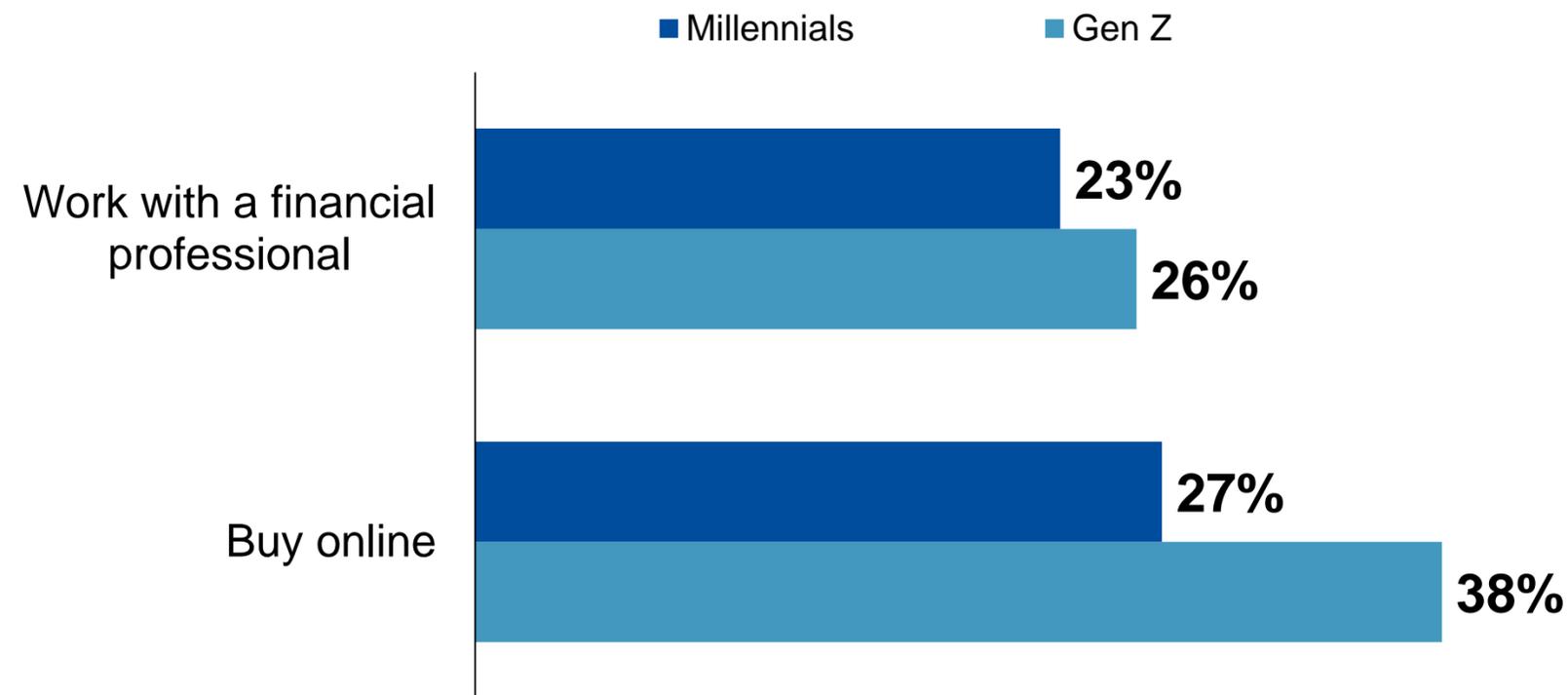
Experience-Based Shopping and Purchase Method



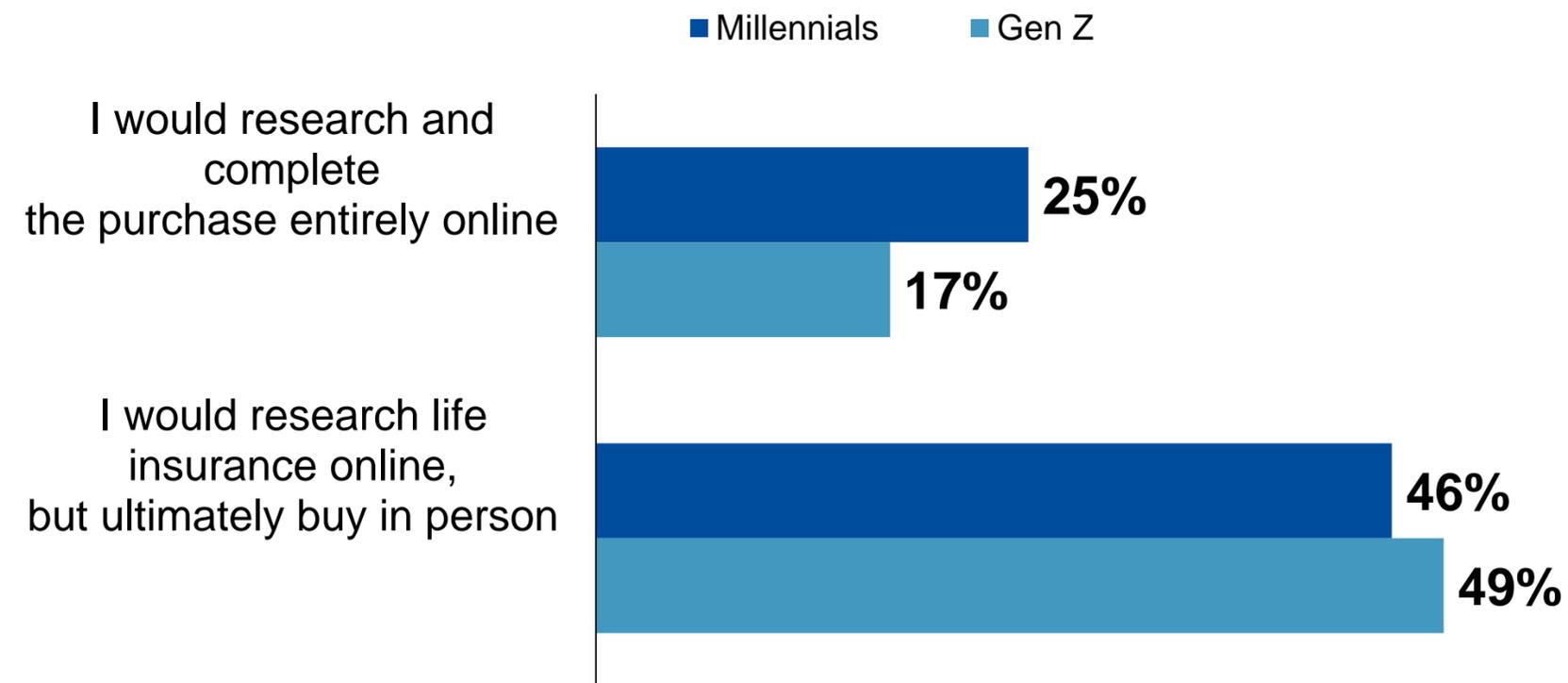
Younger Generation Preferences

While younger consumers are attracted to the convenience and ease of buying online, they also recognize the value of working with a financial professional. Four in 10 Gen Z and Millennials express little confidence in their knowledge about life insurance and more than a quarter say they haven't purchased coverage because they don't know what to buy or how much they need.

Younger Generations Say They Would Prefer to Buy Life Insurance Online

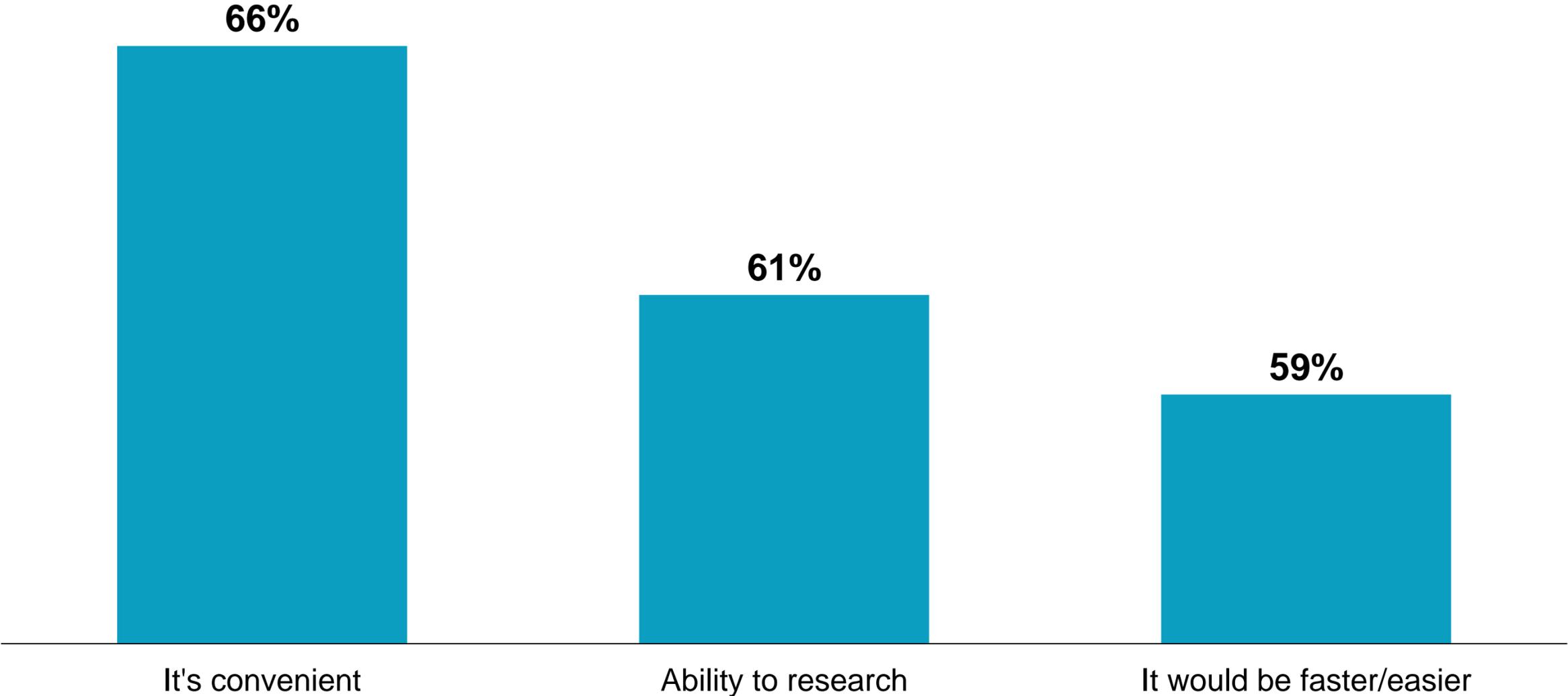


Younger Generations Expect to Work with a Financial Professional to Buy Life Insurance



Online Purchase Perceptions

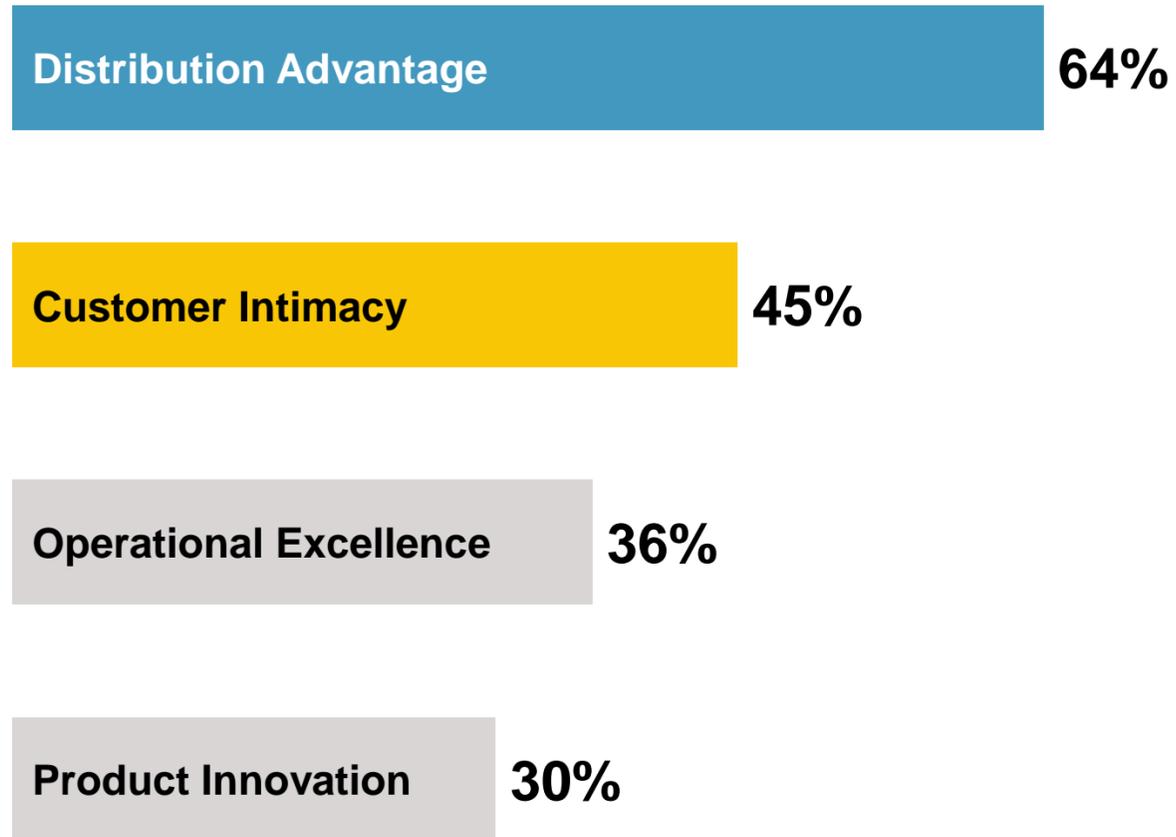
Top three reasons people prefer to purchase life insurance online:



Source: 2023 Barometer Study, Focus on: Life Insurance: Ownership, Behaviors, and Attitudes, LIMRA and Life Happens, 2023.



Pick Your Competitive Advantage and Invest Accordingly



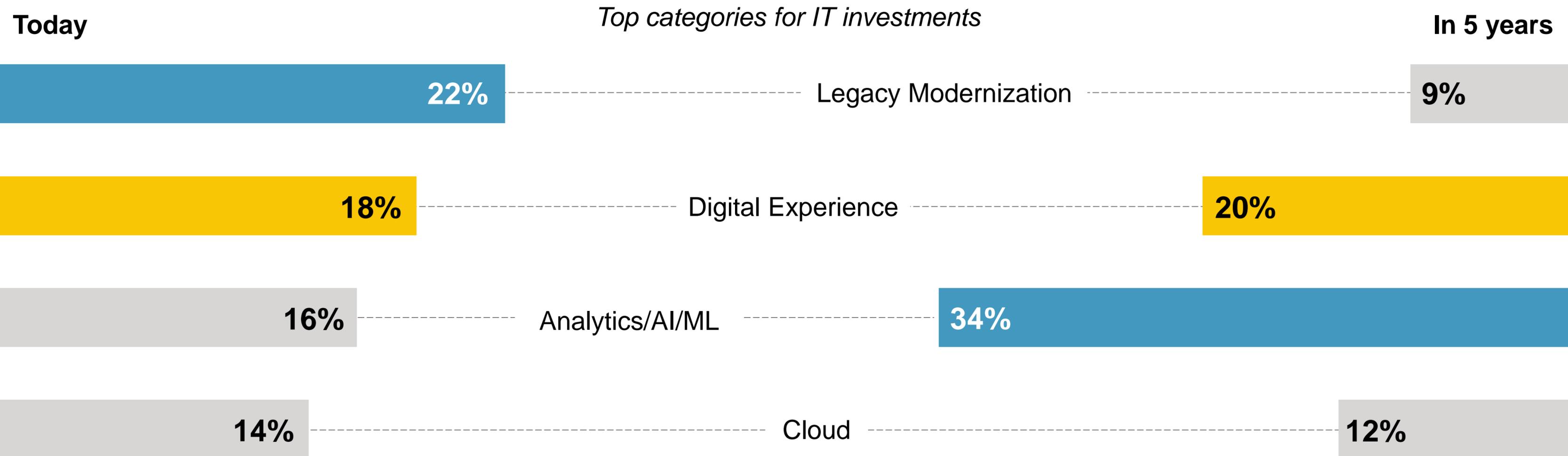
Main sources of competitive advantage for carriers

While competitive compensation is table stakes, **streamlined new business** and underwriting processes, and strong support tools will differentiate carriers.

Partnerships allow carriers to quickly enable new capabilities to offer **digital and personalized experiences** in a cost effective and efficient way.

The Future Is Digital Experience, Analytics, and AI

As capital from investments tied up in legacy modernization free up, there will be a dramatic shift towards Analytics/AI/ML with **more than 2x the investment.**



Modernization Journey Research

New technologies and **evolving consumer expectations** are going to have the largest impact on carriers in the next 5 years

90%

of carriers have considered these two in their top strategic priorities

Distribution and **customer intimacy** are the most common sources of competitive advantage

88%

of carriers have these two in their top priorities

Carriers are investing primarily in **product development, new business & underwriting, and policy servicing**

58%

of current spend is in these three areas

Legacy modernization still consumes significant resources

67%

of carriers are still challenged by legacy systems and outdated infrastructure

In 5 years, we expect to see a dramatic **shift towards analytics/AI/ML** as capital from legacy investment frees up

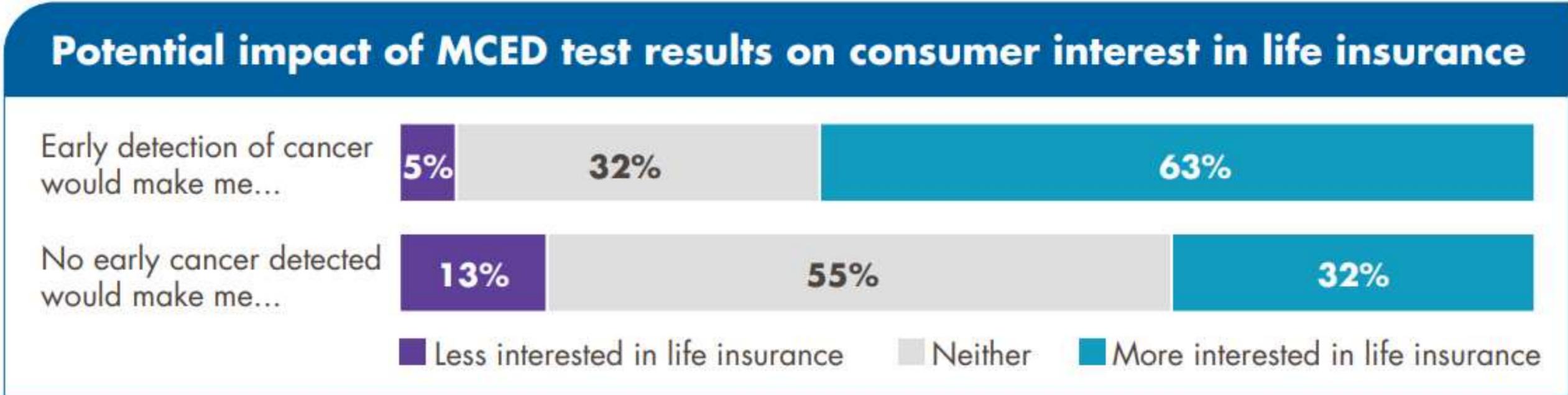
2x

the investment towards analytics in next 5 years as carriers prioritize it as a top investment area

Are You Thinking About Incorporating MCED Tests?

What is MCED? A multi-cancer early detection (MCED) test is a blood test that can simultaneously screen for multiple types of cancer in otherwise healthy people

57% of adults would be interested in taking a blood test to screen for cancer



Source: U.S. Consumer Sentiment Survey, LIMRA, 2023



So, What Does This Mean?

- 1. Digital Enabled Sales is bigger than just direct.** Digital technologies are helping consumers and agents (i.e. buying process, shortening sales cycle, improving applications, illustrations, underwriting improvements, managing etc)
- 2. What is your competitive advantage?** Can't be all things to all people. Where will you invest digitally to make a difference? Where do you want to innovate?
- 3. The need for channel switching is real.** Having the ability to seamlessly channel-switch aligns with the needs of consumers and their shopping preferences. According to [BCG](#), 50 percent of consumers are digital-first when they begin their research. As they continue, and the decisions around products become more important, there is a much higher shift toward human support. Sixty-five to 70 percent of customers will make at least one channel-switch, jumping from digital to human assistance or vice versa, especially for purchase completion.
- 4. What are your strategies to overcome:** customer boredom, inertia, day to day distractions, lack of understanding, and lack of care.
- 5. How are you incorporating AI?** By 2025, more than **115 million US users of Generative AI** (Insider Intelligence). Are you looking at virtual assistants, underwriting support, marketing, client acquisition, data processing, fraud, AI-assisted advice, personalization?

You Mean There Is More?

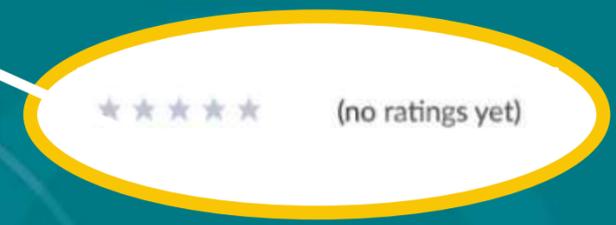
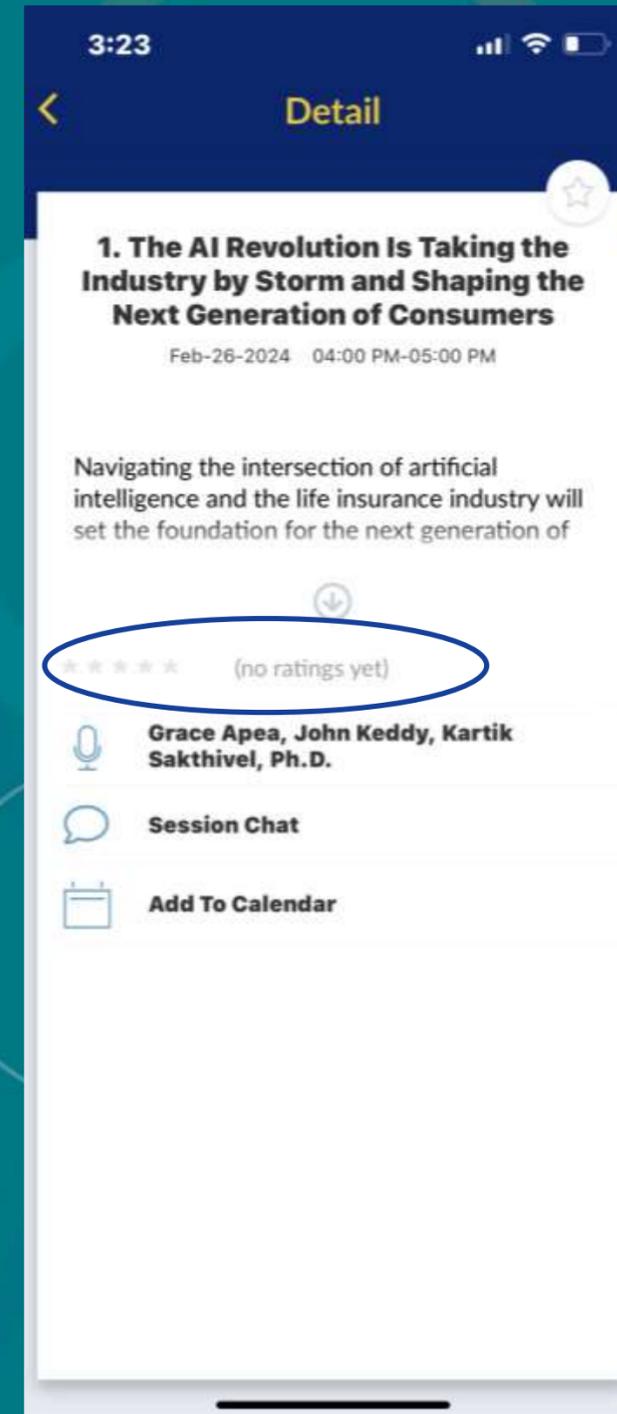
6. **Need for help and support.** Building an ecosystem that helps connect agents/advisors to customers and prospective customers
7. **Strive for seamlessness.** As you modernize and develop digital and in-person capabilities, make sure they are as seamless as possible.
8. **Educate and Train.** How to tackle the continued lack of awareness for insurance products and their value. Train and educate agents on how to use cutting edge technologies and incorporate into their day-to-day operations.
9. **Incorporating Digital-enabled capabilities beyond term and whole.** How to use technology to drive better understanding and engagement around more complex products?
10. **DTC is a valid channel but not the panacea.** 1 component of an omni-channel approach. How do we reduce customer acquisition costs to help maintain and grow.

Please Provide Your Feedback on the Conference App

OPTION 1



OPTION 2



Thank You

