

2025 DISTRIBUTION AND MARKETING CONFERENCE

Shaping Our Future

Unlocking Growth
Together





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Four key messages for today



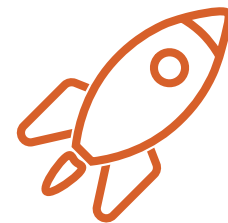
The life insurance industry has a growth challenge, even as demand for its core products is strong



The heart of the issue is around access and (perceived) affordability, leading to a failure to convert interest and awareness to action



Marketing can help close this gap, but needs greater investment and improved coordination with Distribution

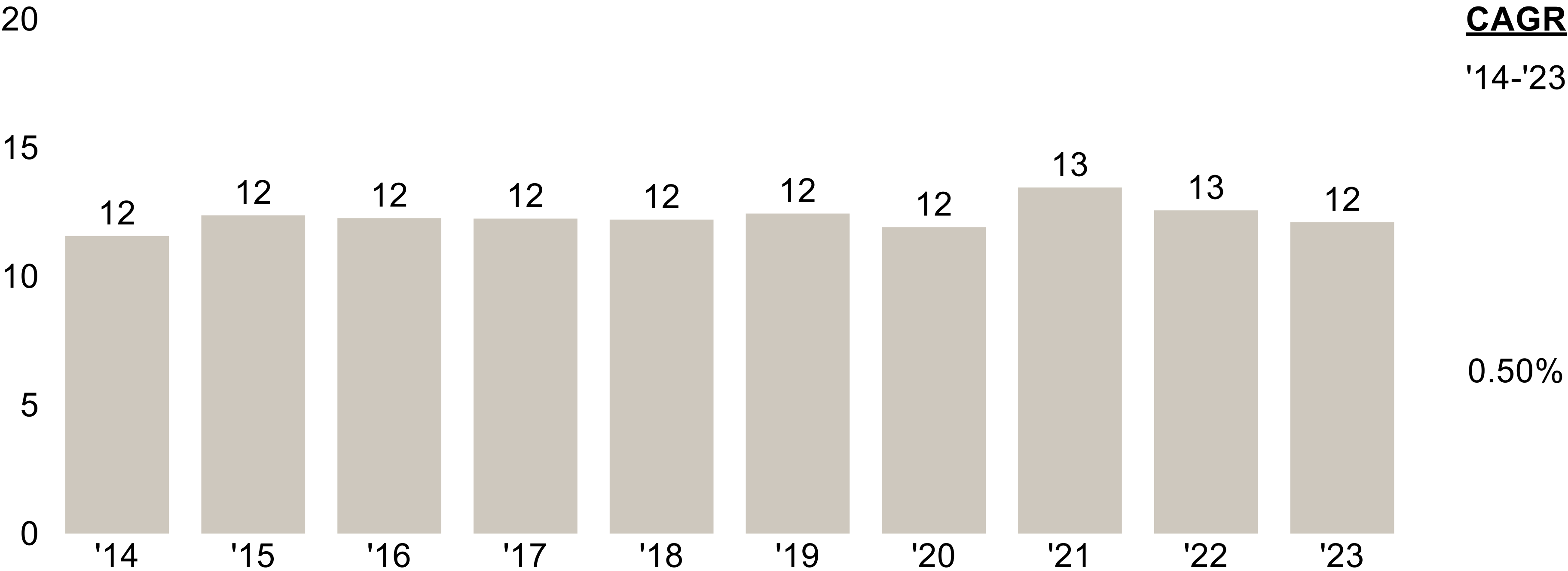


Done right, the payoff can be significant!



The life insurance industry has a growth challenge

US individual life insurance APE, inflation-adjusted (\$B)



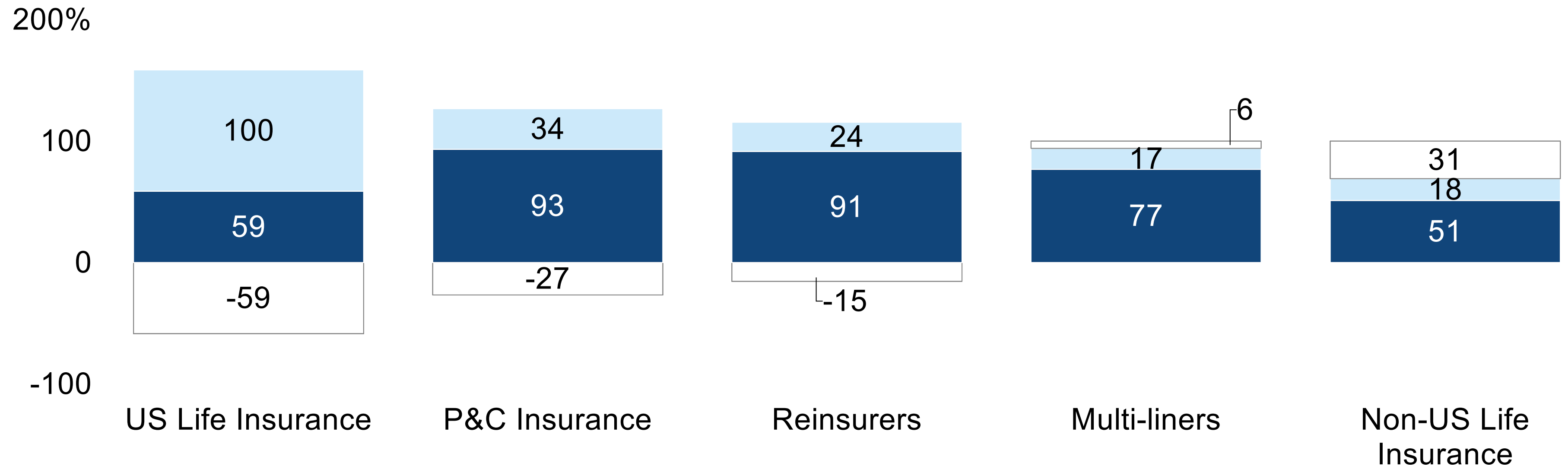
Source: LIMRA's U.S. Individual Life Insurance Sales Survey and LIMRA estimates; US Bureau of Labor Statistics (BLS)



Investors do not see a forward-looking growth story either

/Q3' 2024

Share price contribution from current earnings vs. expected future growth (%)



■ Current earnings (Perpetuity value of LTM Q4 2023 EPS)¹ ■ Expected EPS growth 23-FY25E (Perpetuity value of near-term EPS growth) □ Expected EPS growth beyond Dec-25E (Implied value of EPS growth post 2025E)

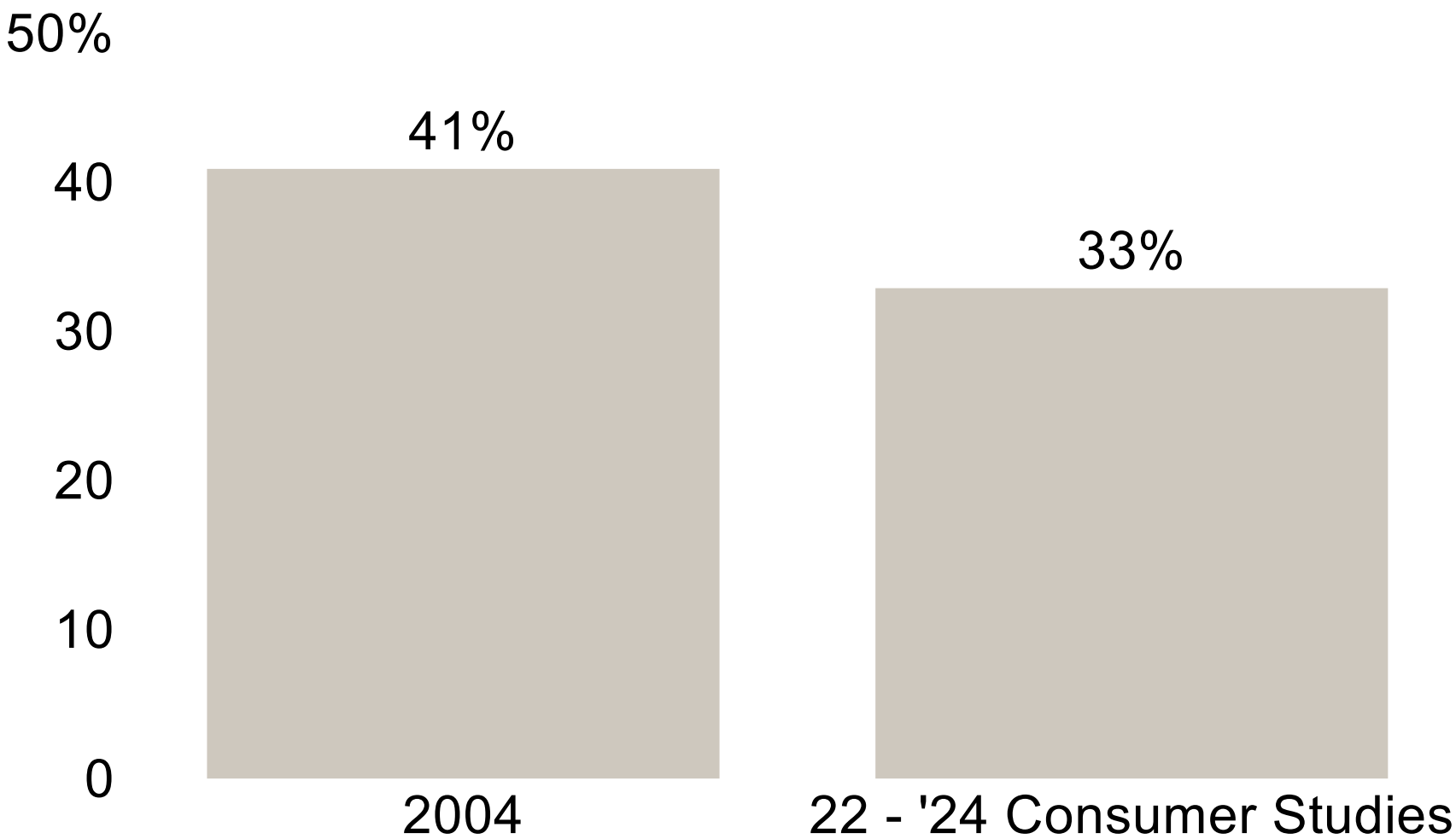
Note: Bars represent weighted average; EPS taken as of 31st Dec 2023 and cost of equity taken as of 30th Sep 2024; EPS forecasts sourced from analyst reports and S&P Cap IQ Pro; Market cap. considered for 30th Sep 2024.

Source: S&P Capital IQ Pro, Company financial supplements, Refinitiv, Analyst reports, Lit. search, Bain analysis

The protection gap has grown to over 40% of US adults

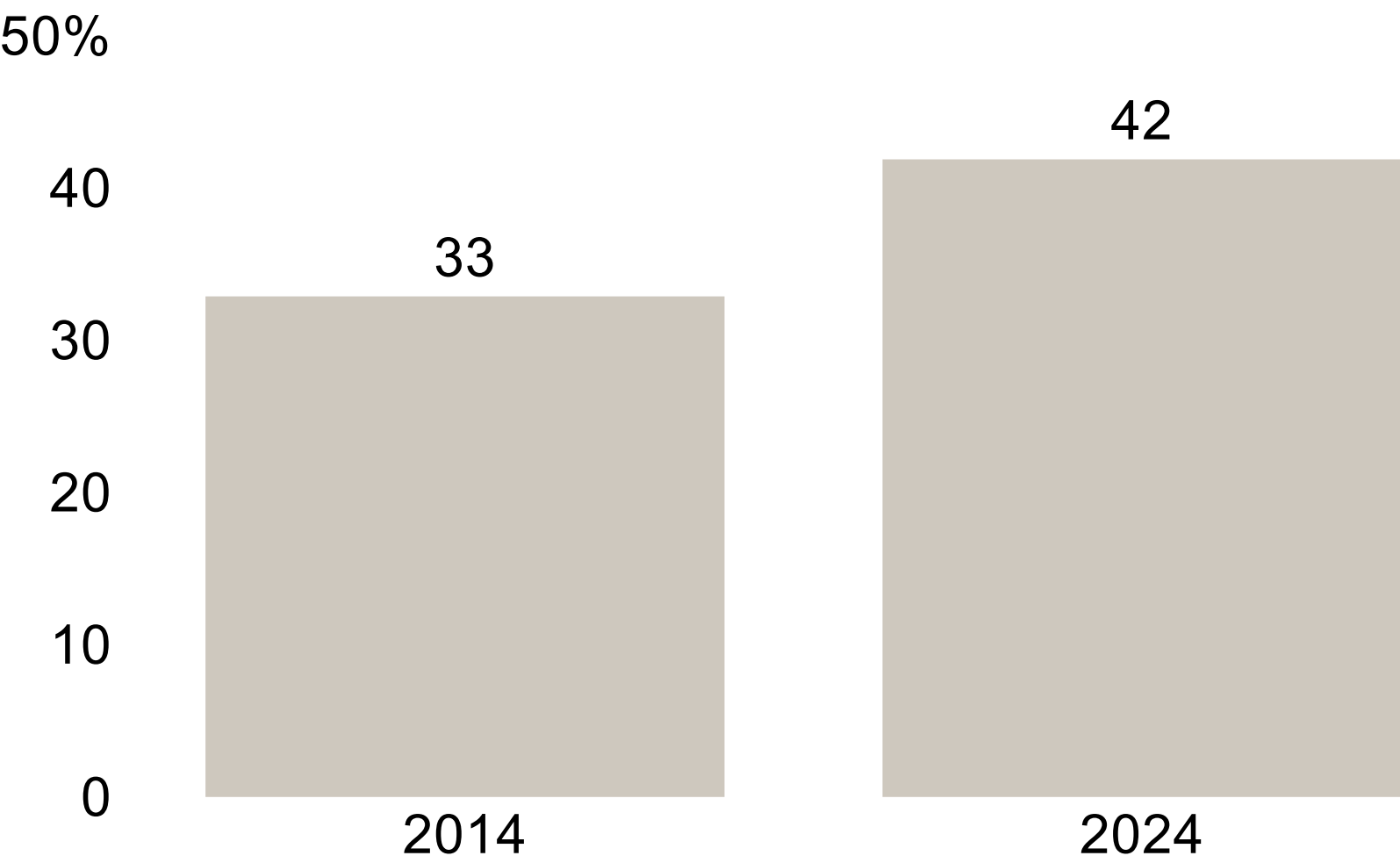
Retail life ownership has declined ~8ppts over last 20 years

Consumer perception of retail life insurance ownership
(% US adults reporting coverage)



The protection gap has increased ~9ppts over the last 10 years

Life insurance protection gap, 2014 - 2024
(% of US adults)

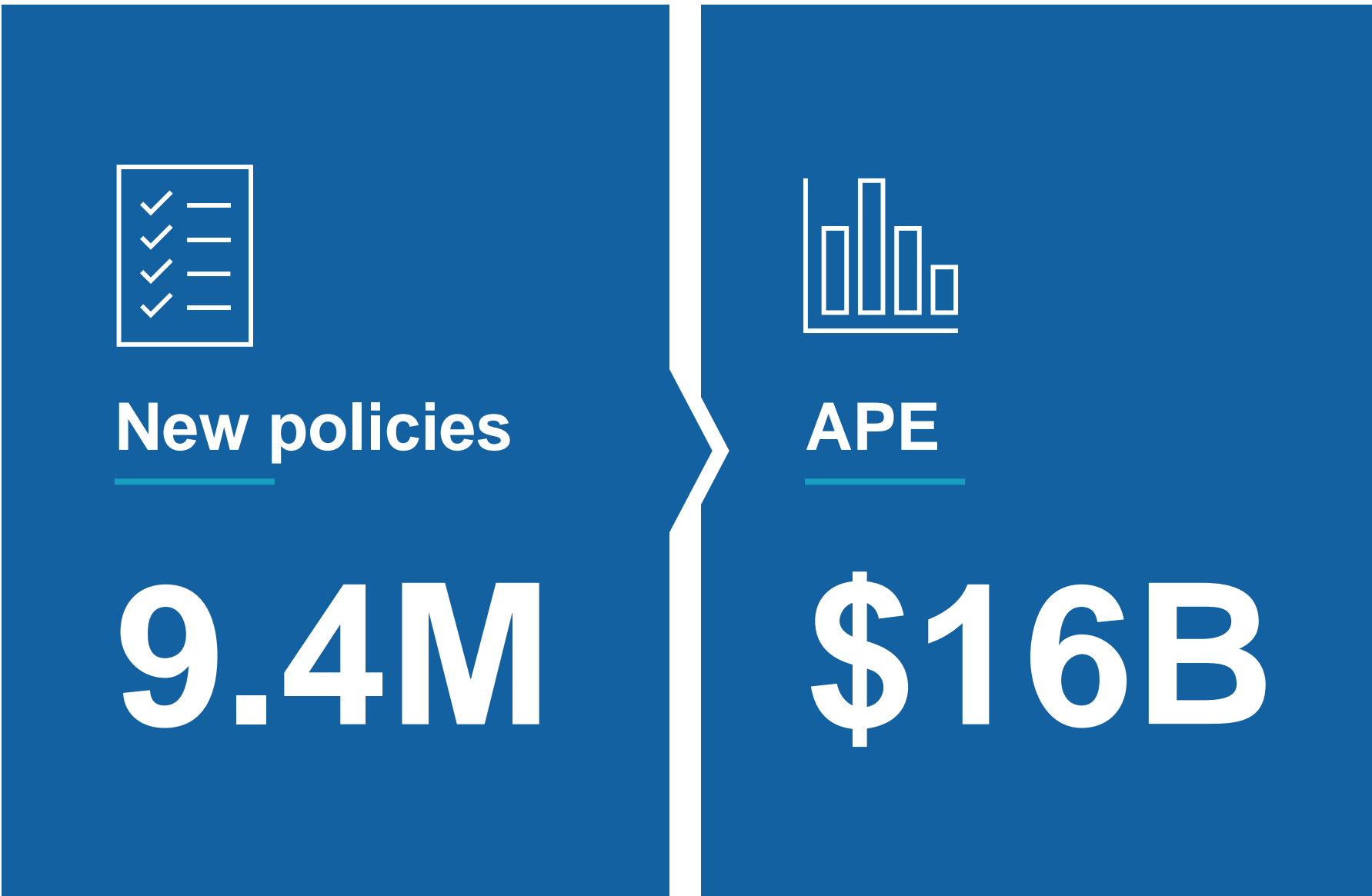


Source: LIMRA_US Ownership Study 1960-2016; LIMRA_’22 Financial Wellness, ’23 & ’24 Barometer, 1Q23 & 1Q24 Consumer Sentiment; US Survey of Consumer Finance

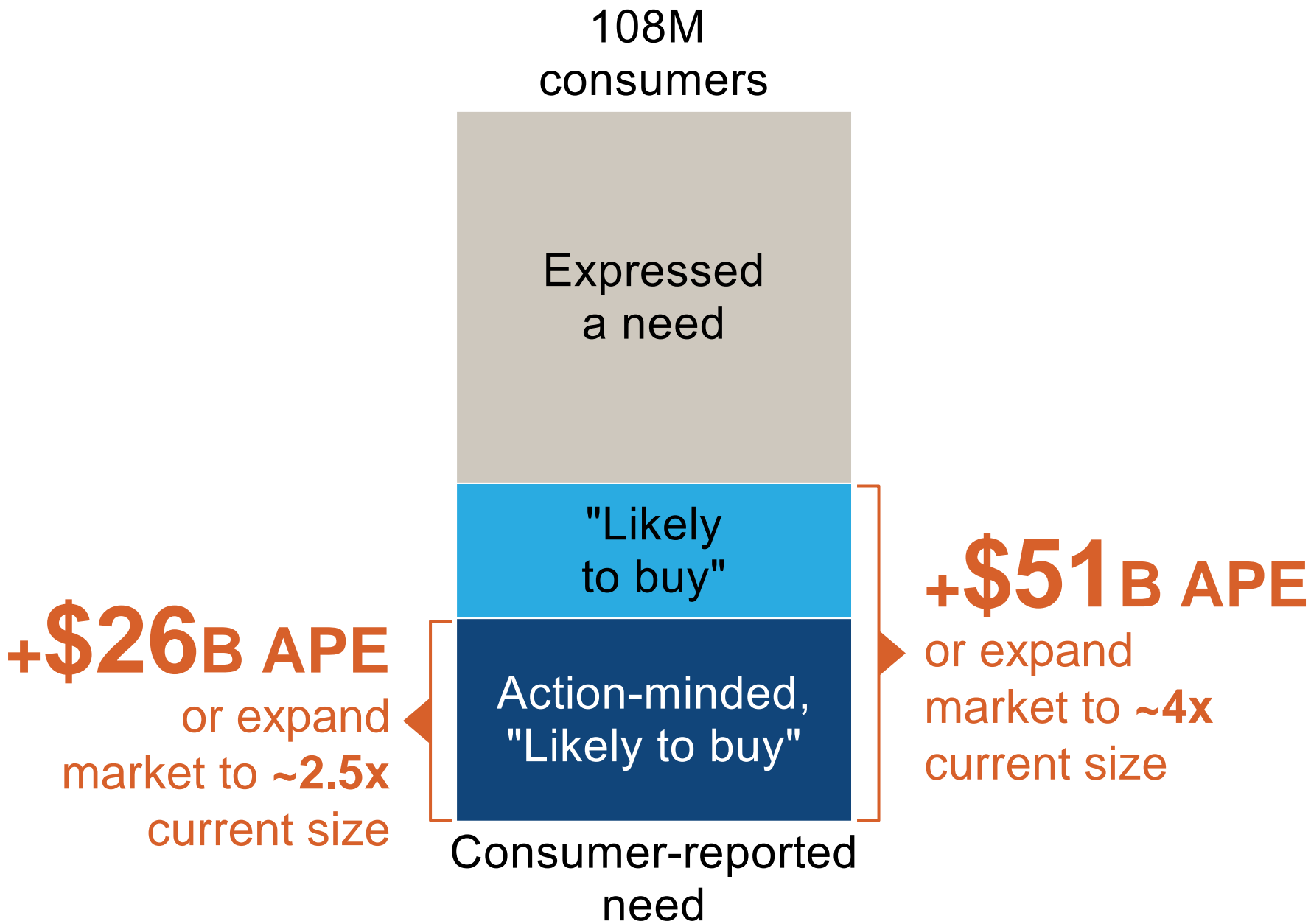
Addressing latent demand could 3-5x current market size

Current US individual life market

Sales estimates (2024)



Latent demand represents an opportunity to grow market by a factor of 3-5x (or more)



Note: Protection gap includes non-owners who say they need coverage and owners who say they need more coverage.
Source: LIMRA's 2024 Insurance Barometer, LIMRA's Quarterly Consumer Sentiment Study, both April 2024, LIMRA's U.S. Retail Life Insurance Sales Survey and LIMRA estimates

This need exists across all segments – not just a “middle market” issue

% of opportunity*	Gen Z	Millennials	Gen X	Baby boomers	Total
Less than \$50K HHI	3%	4%	3%	3%	13%
\$50K-149K HHI	10%	18%	17%	9%	54%
More than \$150K HHI	5%	11%	11%	6%	33%
Total	18%	33%	31%	18%	100%

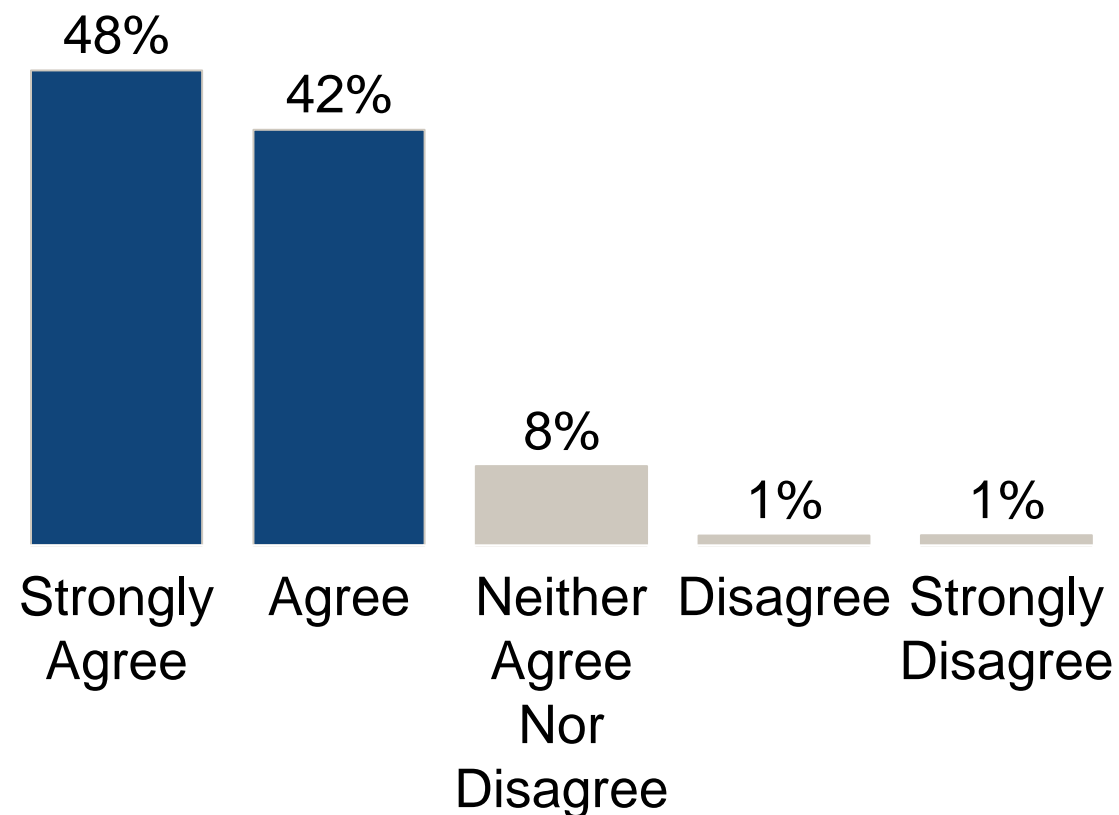
*Percentages based on % of US adults in each segment multiplied by the median income in that segment to approximate their value relative to the total opportunity
Source: Limra_2024 Insurance Barometer Study Report 1 (Page 9), LIMRA Insurance Barometer survey (N=4934)



Why the persistent gap? Failure to convert interest into action

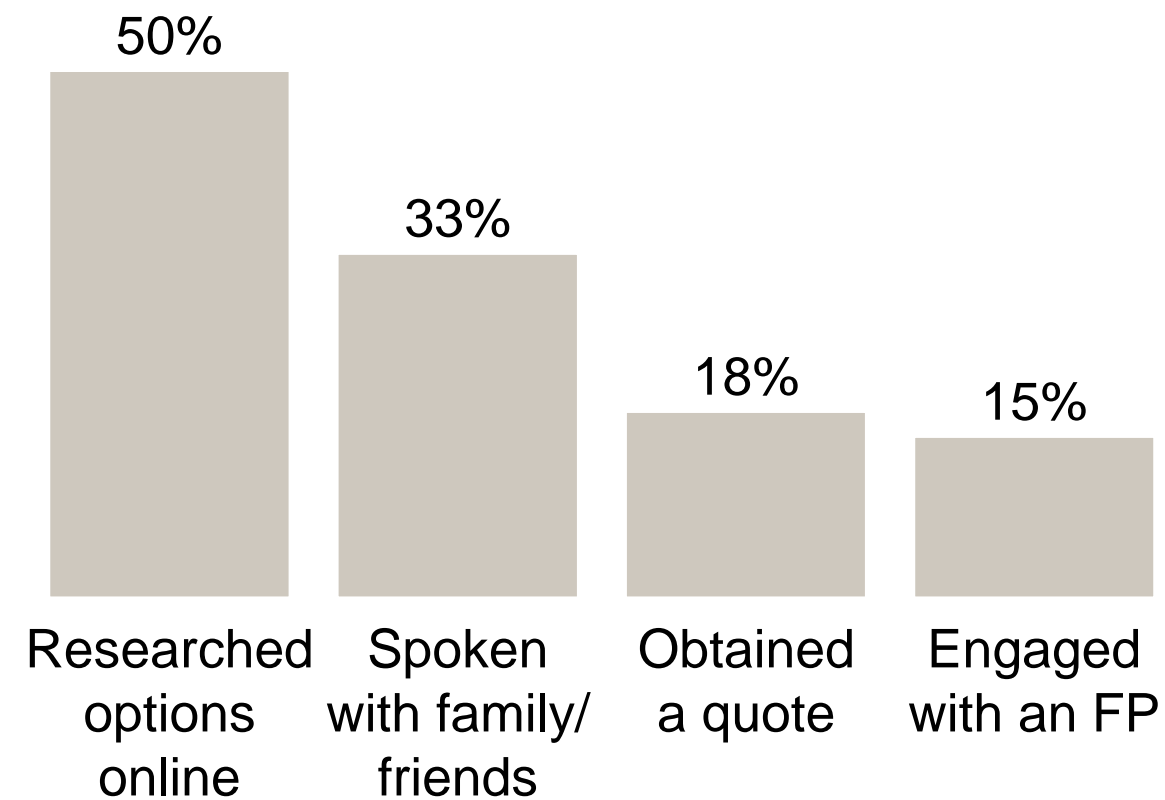
90%

of prospects need to understand life insurance themselves before purchasing



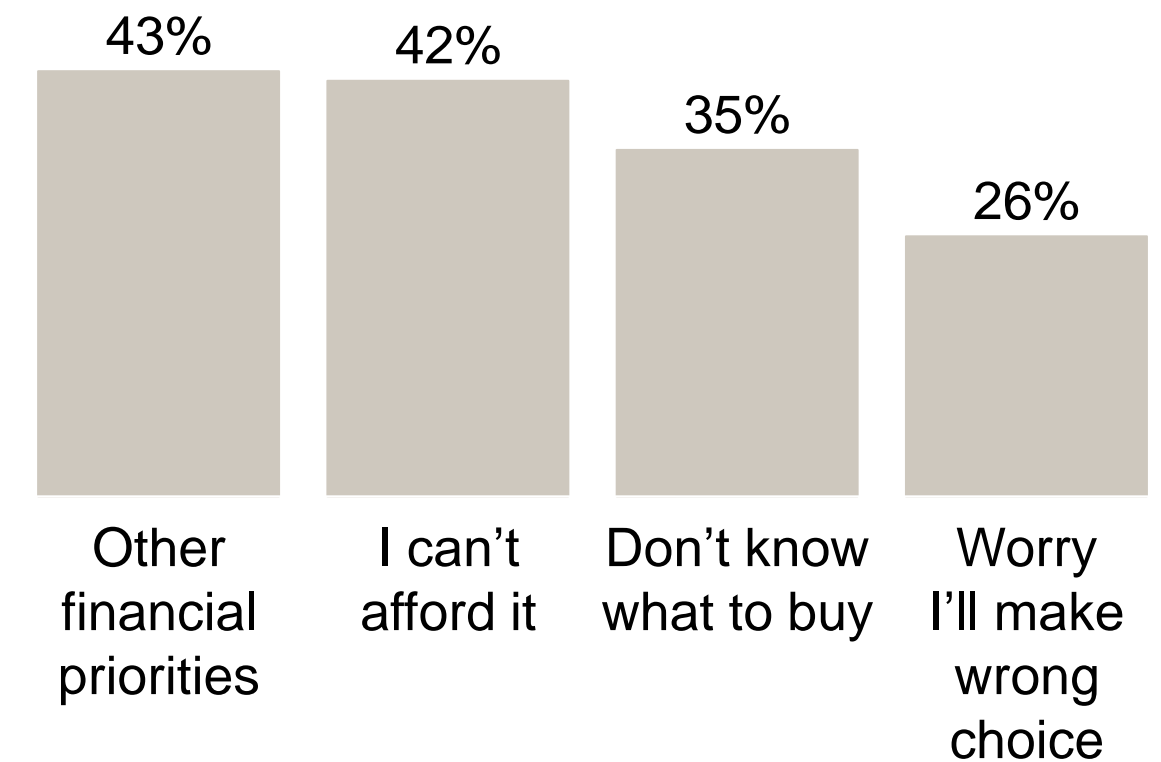
68%

of prospects acted in response to their need for coverage



66%

of prospects have not purchased due to cost and/or other financial priorities

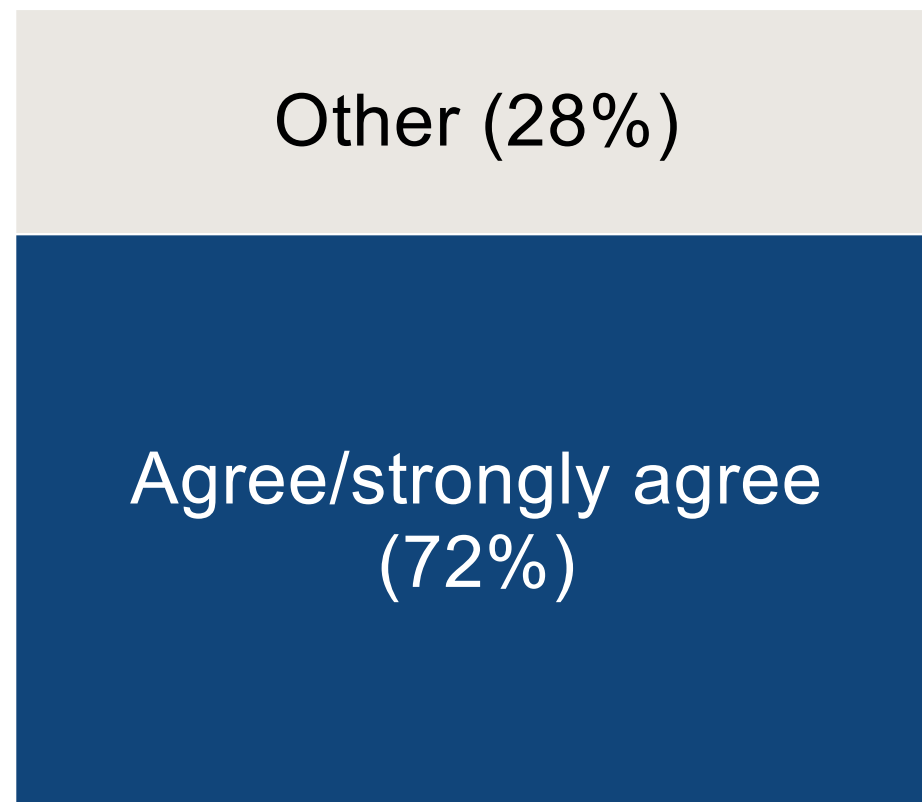


Note: Prospect is a consumer who self-reports they have a need for (more) life insurance)
Source: Bain LIMRA Consumer Survey (N=1887) – Q42, Q13, Q18

FPs play a critical role in conversion, but access is a real challenge

Prospects want to engage an FP before purchasing

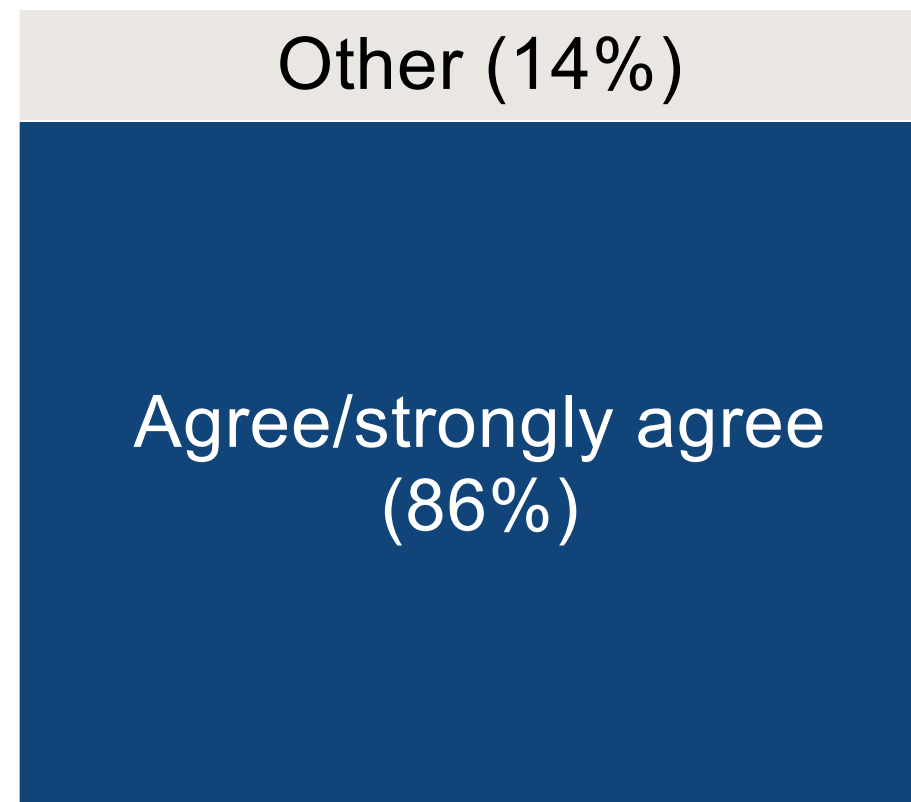
% prospects who need to engage an FP to purchase



Prospects

When clients seek coverage, FPs indicate they convert sales

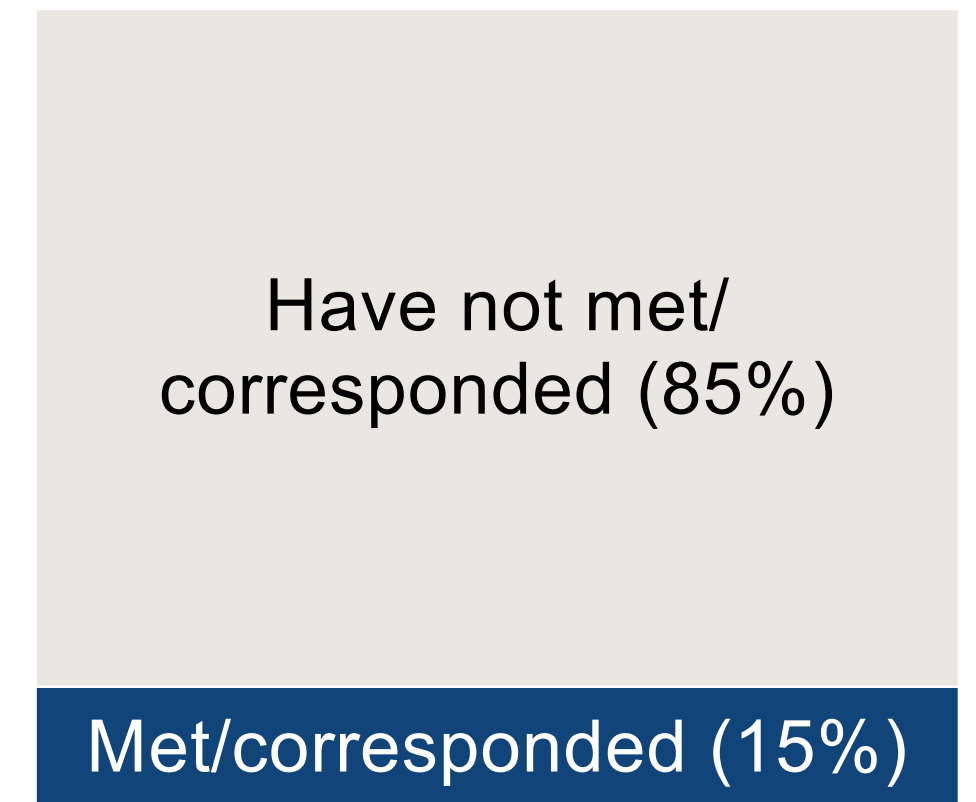
% FPs who agree that most clients who ask for coverage purchase from them



FPs

But very few prospects are engaging with an FP

% prospects who met or corresponded with an FP

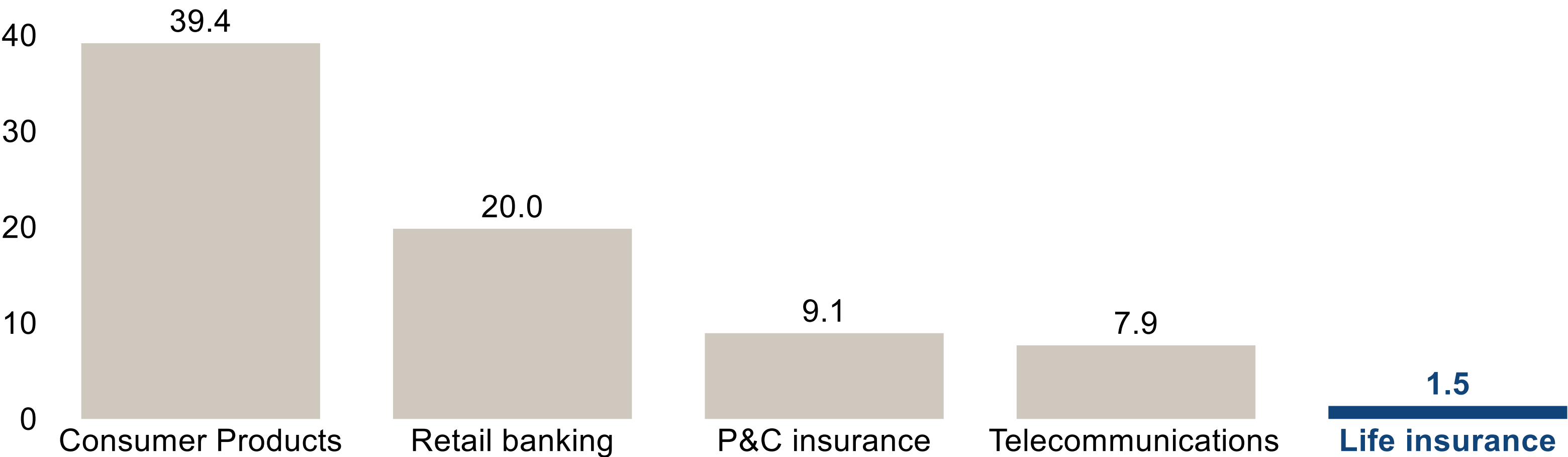


Prospects

Note: 'Other' includes the following responses: neither agree nor disagree, disagree, and strongly agree.
Source: Bain LIMRA FP Survey (N=512) – Q43; Bain LIMRA Consumer Survey (N=1887) – Q43, Q13

Life insurers drive significantly less traffic on their websites vs. other consumer industries, despite consumers citing their sites as a primary source of self-education

Average number of monthly relevant* website visits for a firm by industry
(M, scaled for avg. revenues/firm), Dec. '23 - Nov. '24



Actual avg monthly visits/firm	159.1	39.6	13.8	19.8	1.5
Est. % of marketing spend on mid-funnel	15%	5%	7%	10%	4%

Relevant visits = Visits(1-bounce rate); focused on customers with “real” intention to purchase as it excludes those customers who leave the webpage after the first click. Market share data has been rounded-off.

**Mix by funnel stage estimated based on classification of media channels by funnel stage (e.g., Search = Low funnel)

Source: SimilarWeb; Vivvix, 2023



Four areas for improved coordination between Marketing and Distribution

Awareness and interest



1

Optimize outbound marketing to reach consumers when they have a felt need for coverage

Engagement and education



2

Help consumers self-educate and find a well-matched FP

3

Focus on both expanding FP networks and driving additional share among existing FPs

Conversion



4

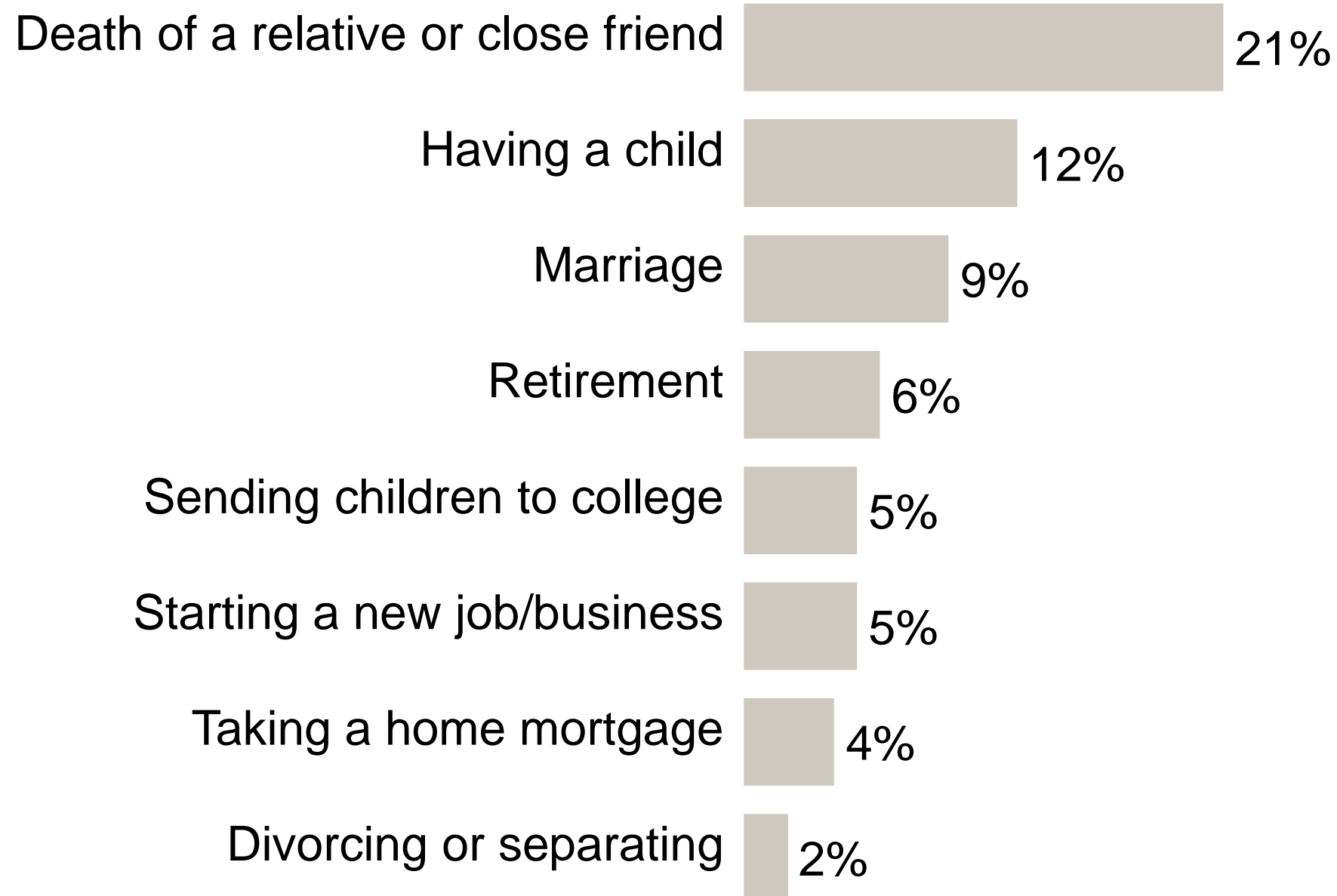
Leverage alternative channels for low-cost test & learn



Outbound consumer marketing via digital channels to better target consumers around life events

1

2 in 5 prospects cite life event(s) as a key driver of life insurance need



Performance marketing can help precisely target key segments

- Digital channels enable tailored outreach at relatively **low cost** at key life events
- More precise messaging can **address factors driving drop-out and pose direct calls to action**
- A/B testing can be used to refine messaging and **identify the most effective approaches for different audiences**

“

*Our ability to slice and dice the audience is greatly increasing. **We can now easily find that 32-year-old who's just had their first child** and specifically target them with our messaging*

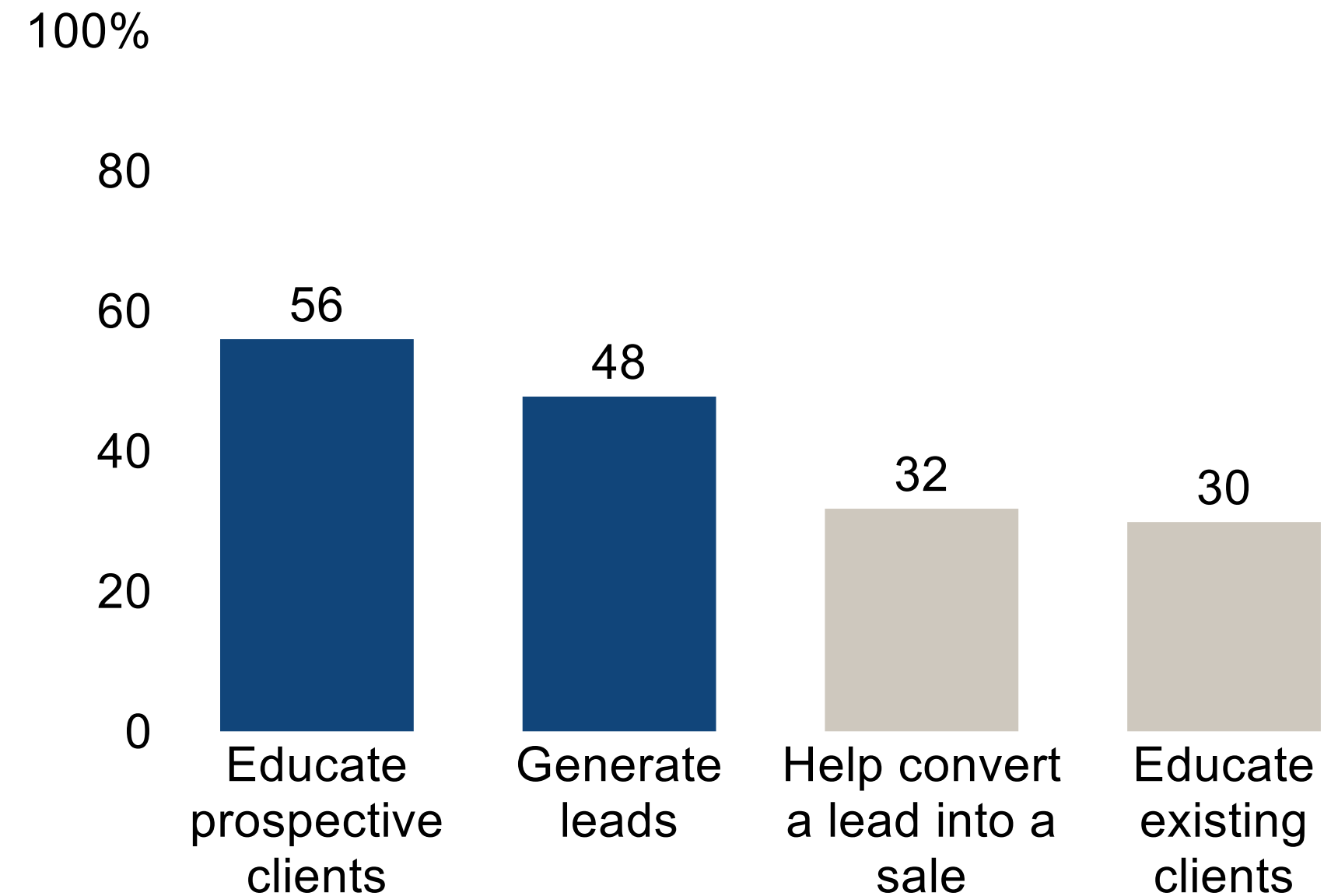
CMO, LIFE CARRIER

Carrier support with driving qualified and educated leads is a top request from FPs

2

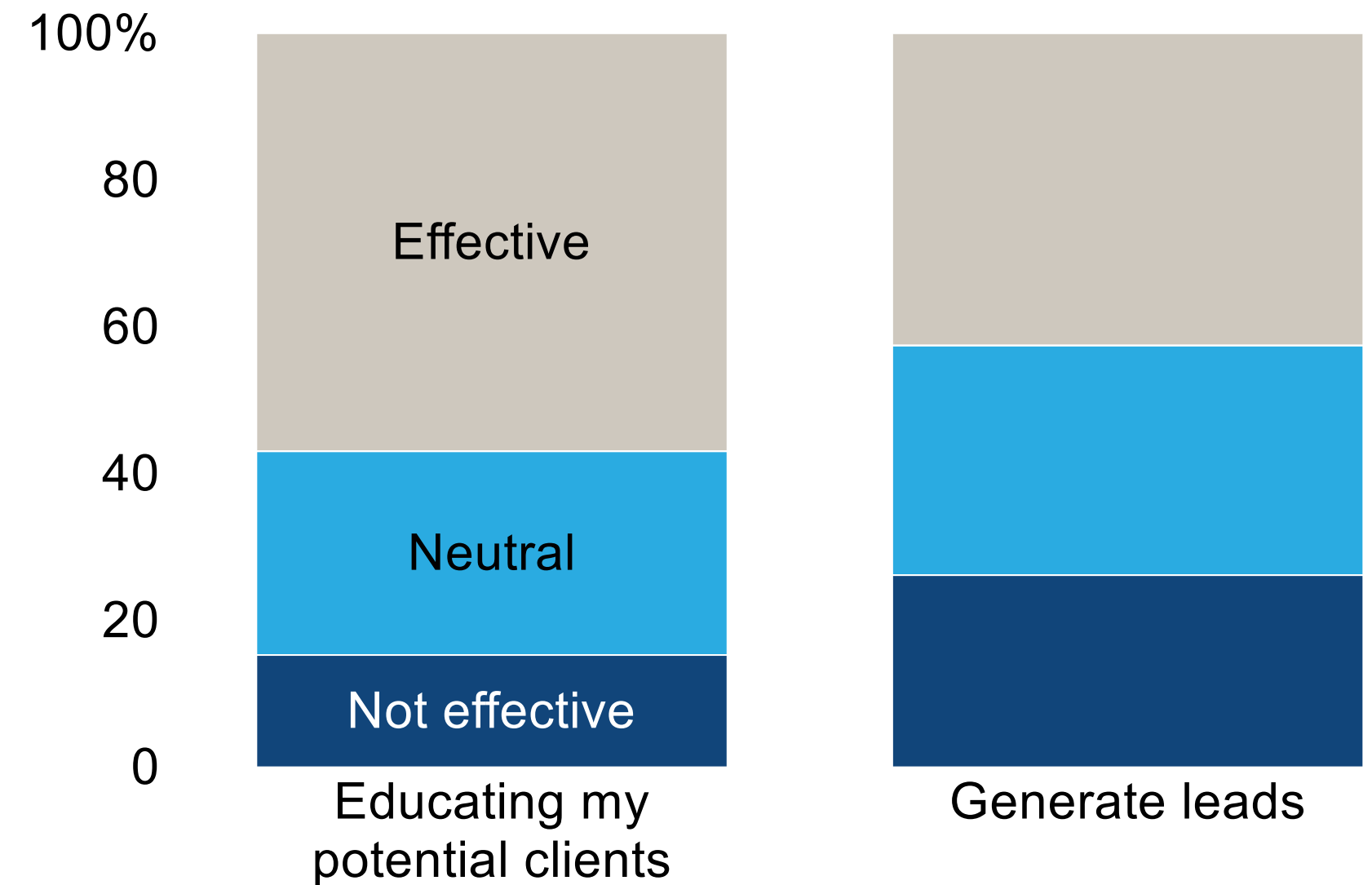
FPs cite educating prospective clients and generating leads as most important areas of support

% of respondents, how marketing & sales support from carriers and IMO/BGAs can best support their business



FPs cite an opportunity for carriers to be more effective, particularly with lead generation

% of responses, how effective FPs find support from carriers and IMO/BGAs



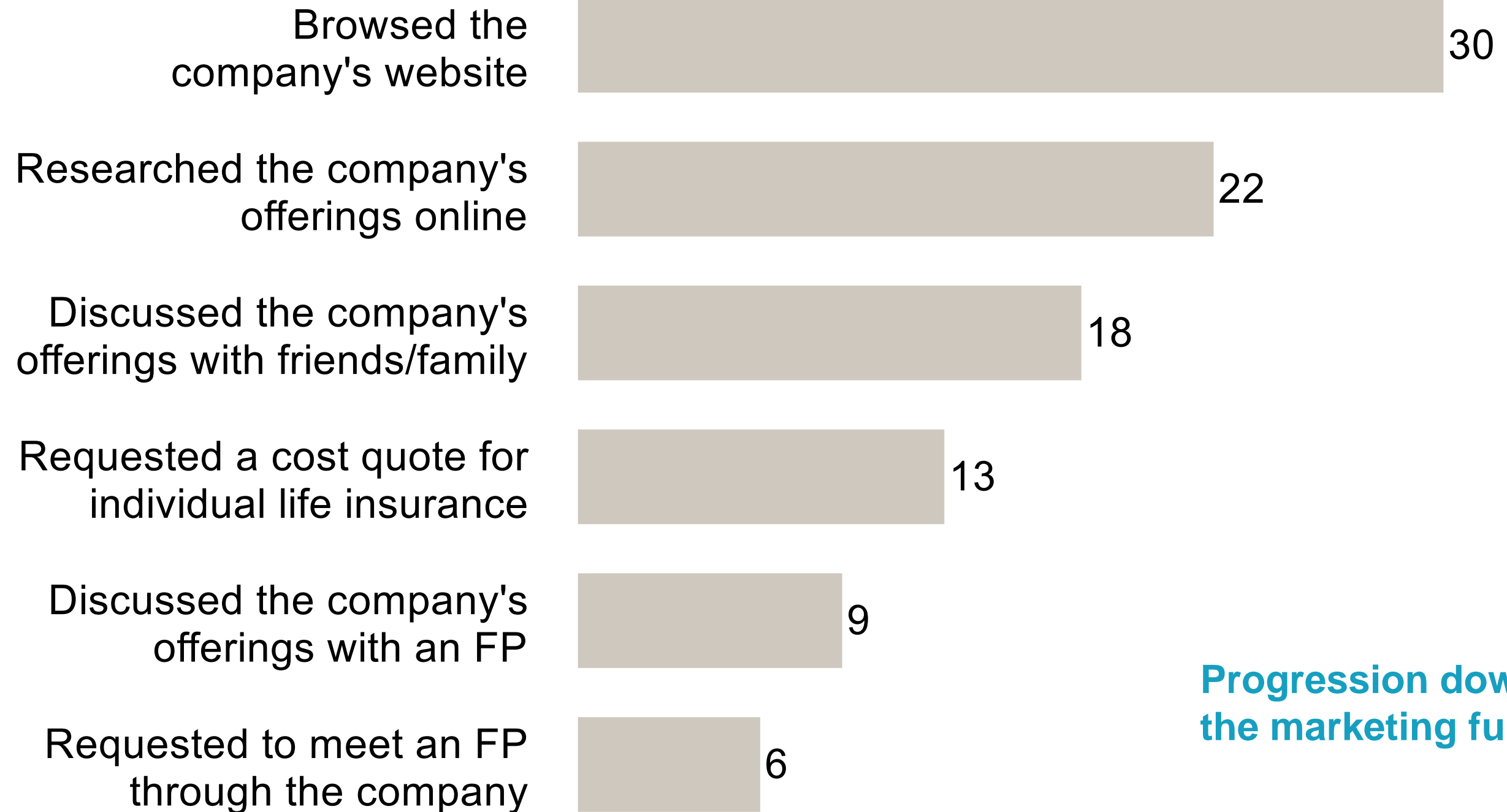
Carriers are generating website traffic through investments in top-of-funnel awareness marketing, however meaningful engagement is less frequent

2

~30% of prospects browsed the websites of carriers they are most familiar with...

...but only ~6% requested to meet an FP through the carrier

% prospect respondents, interaction with insurance companies they are most familiar with



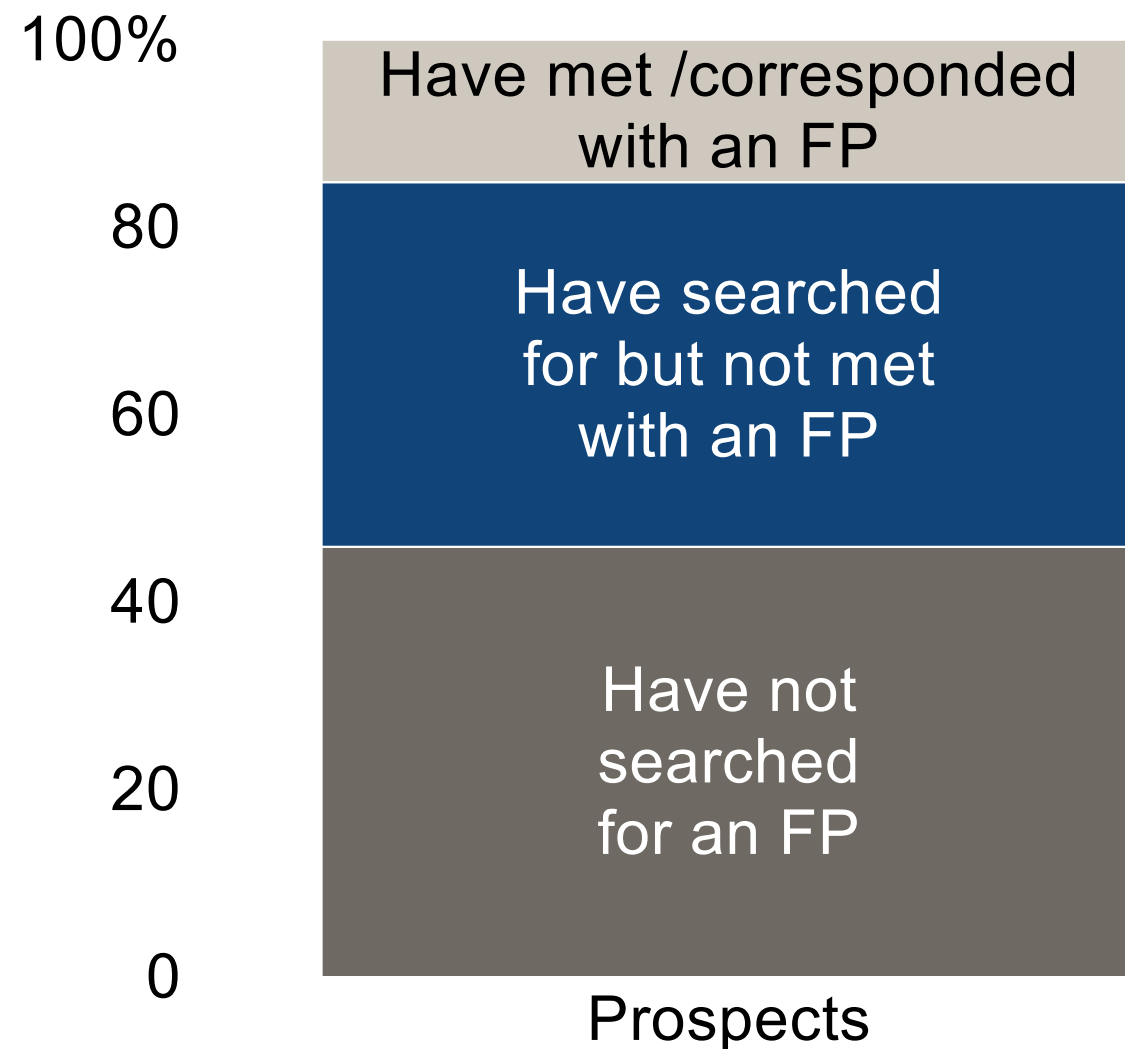
Progression down the marketing funnel

Carriers can reduce the friction preventing consumers from engaging with an FP

2

~40% of prospects have searched for but not engaged with an FP

% of prospects, level of engagement in search process/with FPs



Challenges with FP search today

- Prospects **struggle to find an FP that they trust**, largely relying on word of mouth
- Cost of engaging FPs is unclear, leading to **misconceptions about affordability and eligibility**
- Many carrier websites do **not provide an option to match** and/or don't provide prospects with **choice as to how they engage**

Opportunities to improve



Publish **client reviews online** and encourage FPs to join other online review forums



Increase transparency around cost before consumers fill out forms and meet with FPs



Meet prospects where they are – e.g. more user-friendly follow-up processes (e.g., text message outreach, digital calendars to schedule appointments in advance)

For independent distribution, opportunity to intentionally balance reaching more FPs and driving greater share of book

3

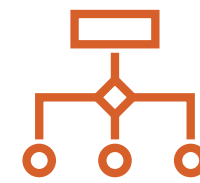
B2B Marketing and Commercial Excellence

Carriers using independent distribution **allocate the vast majority (>80%) of marketing spend to B2B** (FP and Intermediary focused) vs. B2C

Within their B2B spend, carriers tend to **make a binary choice of whether to focus more on FP base expansion or driving greater production** from their existing FP base

Carriers should focus on both vectors to generate meaningful growth

Generating leads for FPs can both attract new FPs and enhance a carrier's value prop. to its existing FP base



Preferred lead flow



Concierge services (including tech and CX)*



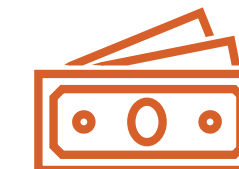
Co-marketing (e.g., local events)



Tailored products*



Better **wholesaling support**



Preferred **pricing/commissions***



Better **marketing & sales enablement**

*Programs require cross-functional effort beyond marketing

Modern tools can improve lead quality and conversion

3



**Lead generation
best practices**



Collect data to build a consumer profile beyond demographic information



Use predictive models to identify and score leads



Share lead profile with FPs in structured, high-fidelity way



Monitor leads to **ensure FP follow through**



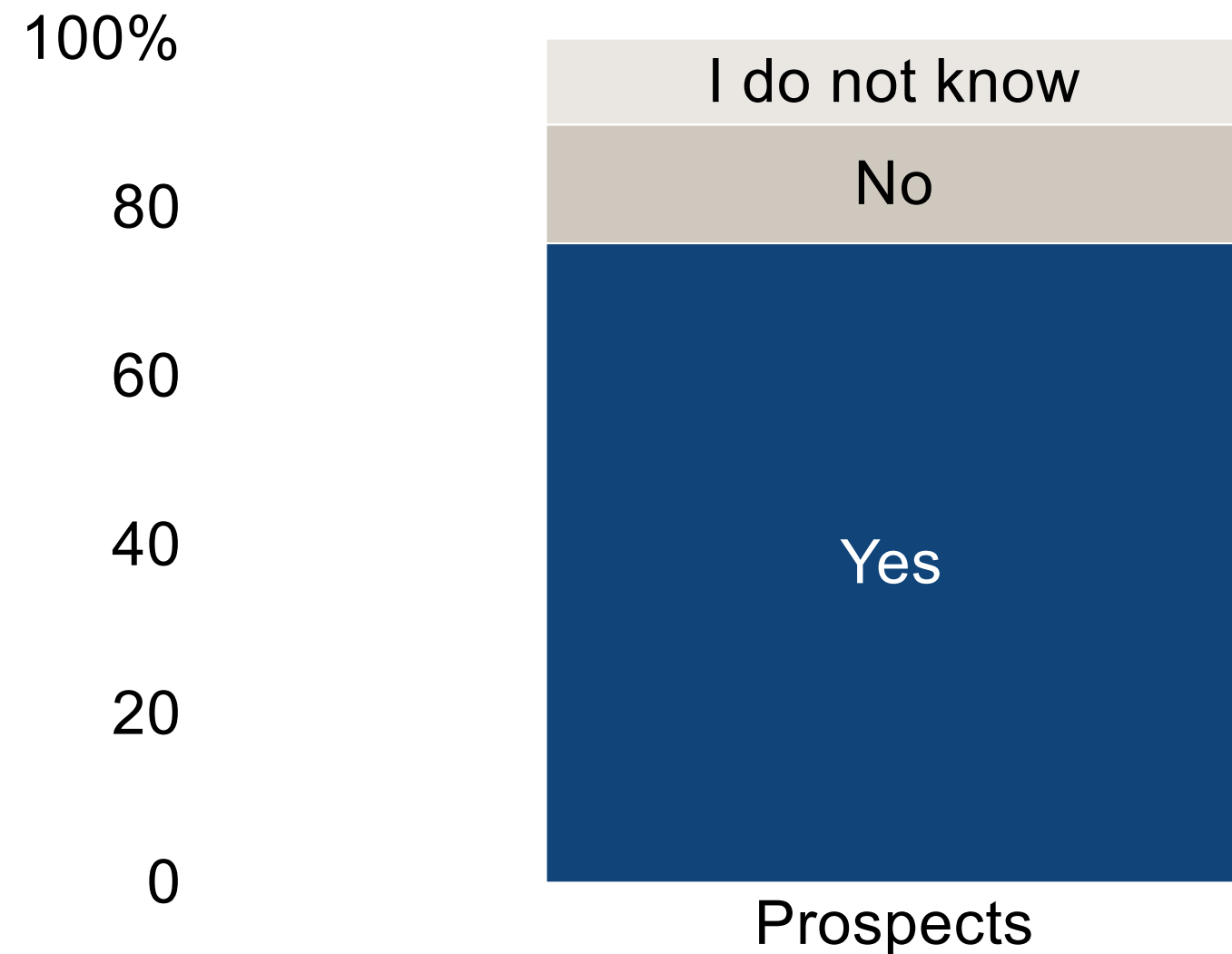
Make initial meeting logistics seamless for both consumers and FPs

Alternative channels (e.g., direct, embedded) are effective ways for low-cost experimentation and test & learn

4

Prospects indicate a willingness to purchase DTC

% of prospect respondents, willingness to buy directly through a carrier's website



Carriers are beginning to do this with success



Protective has **exclusive products and direct online channel** for Costco members

Streamlined application and discounts directly through Protective's website

Test & learn channel for marketing: direct access to consumers provides insight on **efficacy of marketing content / messaging**

Recap: Four key messages for today



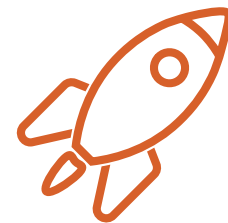
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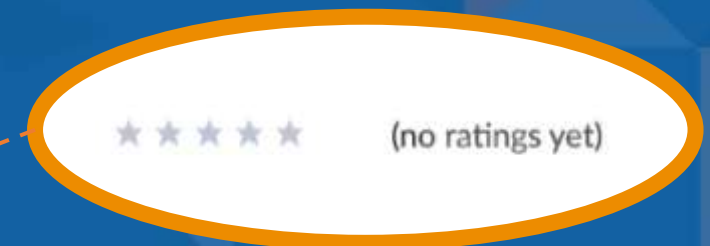
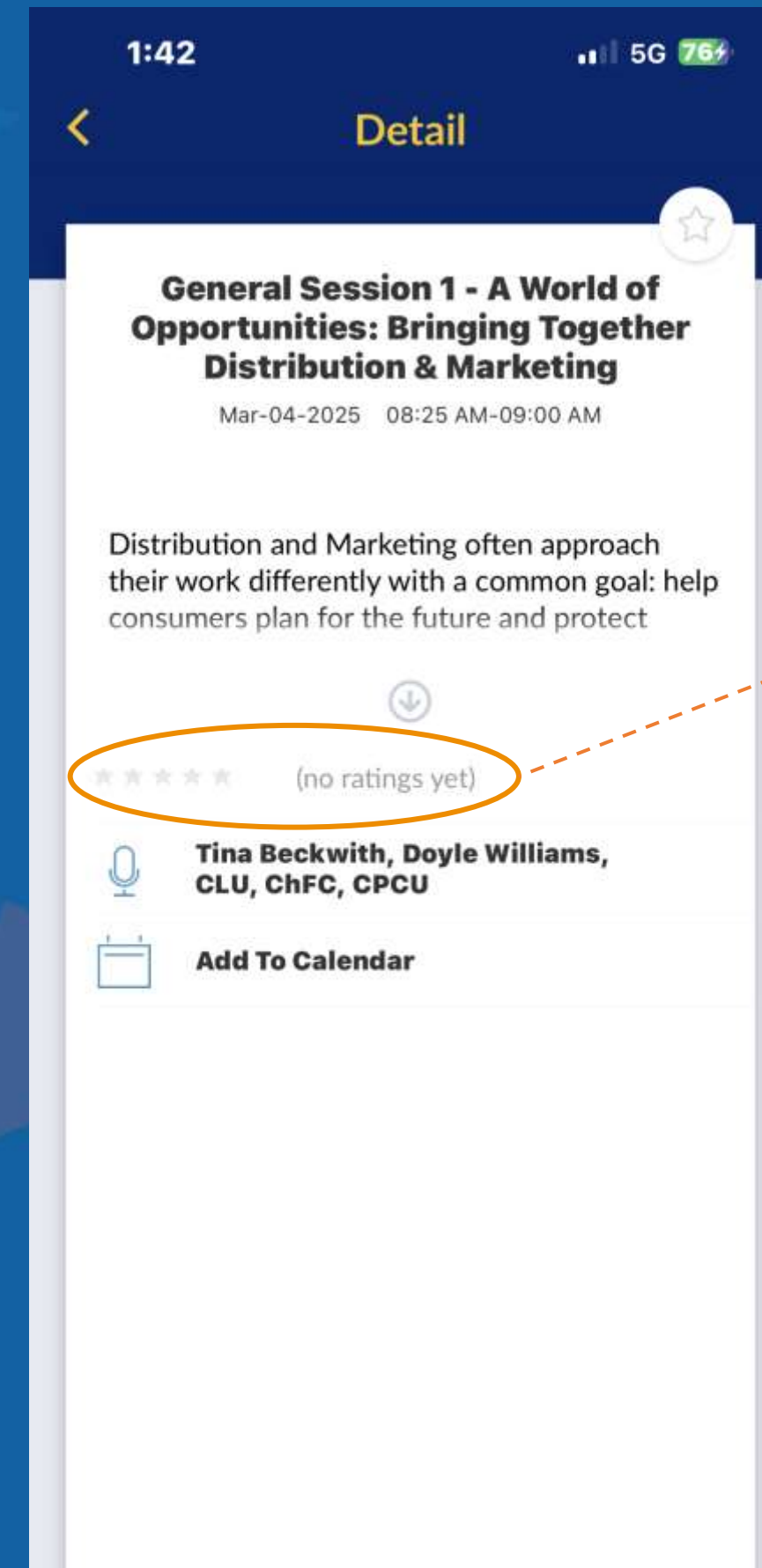
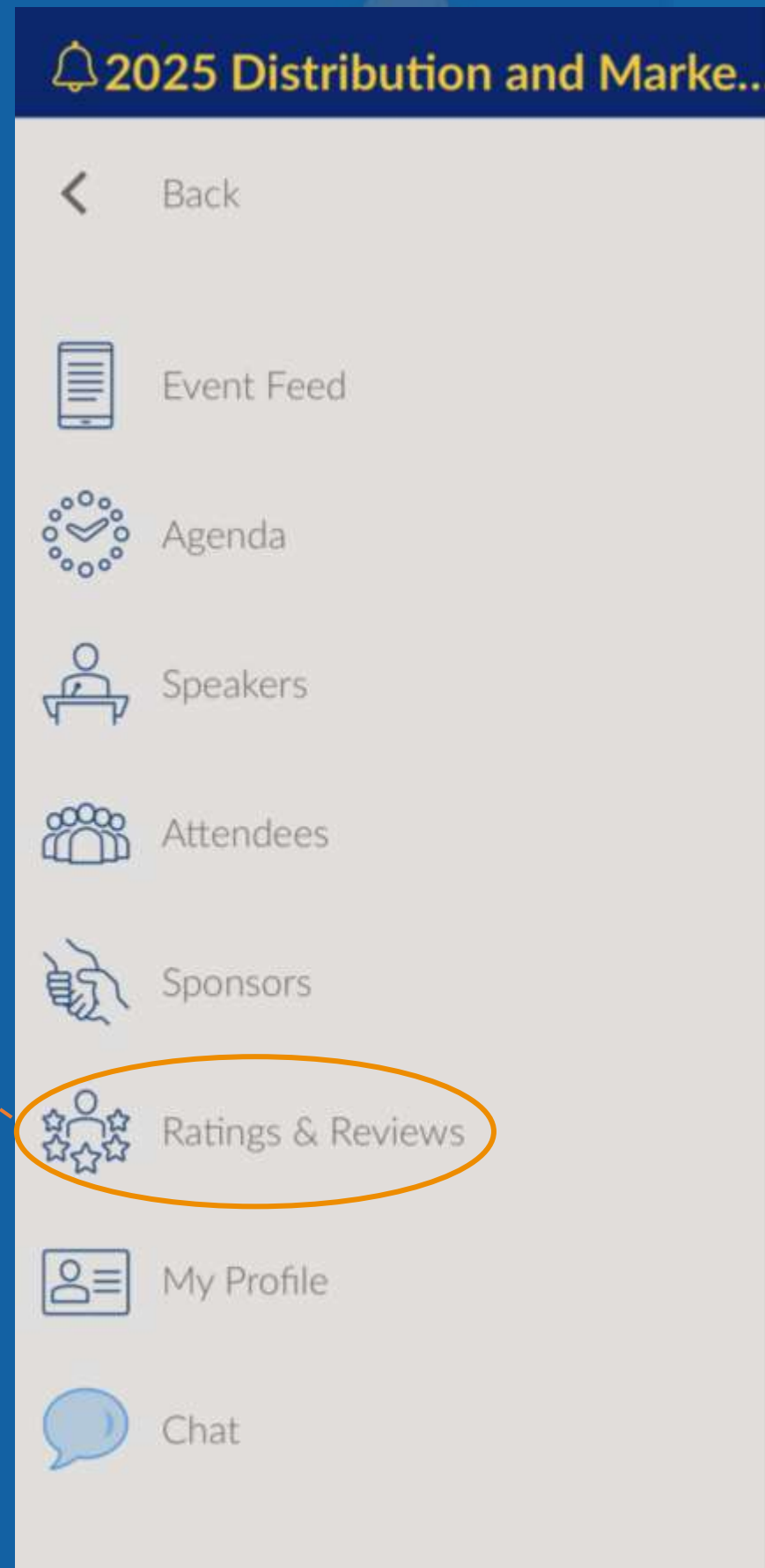
Marketing can help close this gap, but needs greater investment and improved coordination with Distribution



Done right, the payoff can be significant!



Please Provide Your Feedback on the Conference App



Thank You



Navigate With Confidence

