



Inside the Intermediary 3.0:
A LIMRA-NAILBA Study
BGA and IMO Survey Results



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ABOUT THE STUDY

LIMRA and NAILBA collaborated for a third consecutive year to learn more about brokerage general agencies (BGAs) and independent marketing organizations (IMOs) in the United States. The goal was to gain a better understanding of the BGA/IMO (intermediary) marketplace, and its composition, challenges, and opportunities. Between September and November 2023, over 60 BGAs and IMOs completed the survey.

This report is designed for ease of reading and use. The format is primarily graphs and charts to allow simple navigation throughout the report. It is divided into five sections:

1. Organization Profile
2. Producer Network
3. Carrier Service and Support
4. Mergers and Acquisitions
5. Future Outlook



10 Key Takeaways

- 1 Year-over-year sales growth expectations **remain strong** with 68 percent of intermediaries expecting an average of 19 percent growth in 2023 over 2022.
- 2 Forty-two percent of intermediaries have experienced an **increase in life insurance** production over the past two years.
- 3 Sixty-five percent of intermediaries expect their **producer network to grow** in the next three years.
- 4 Forty-two percent of producers are **above age 55**.
- 5 Seventeen percent of firms currently have specific programs devoted to recruiting **female producers**.
- 6 Seventy-eight percent of intermediaries offer **tailored training** based on the experience level of recruited producers.
- 7 Sixty percent of intermediaries agree producers in **teaming arrangements** are more successful.
- 8 Forty percent of intermediaries agree **incentive trips** will continue to be an effective motivator; 30 percent disagree.
- 9 Sixty percent of intermediaries, up from 31 percent in 2022, expect revenues from financial planning/wealth management products and services to **increase 10 percent or more** over the next three years.
- 10 Twenty-nine percent of intermediaries are currently using **ChatGPT and AI**.

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Section 1: Organizational Profile

Description of Organization

- 78%** — Brokerage general agency that provides access to multiple carriers and offers technical expertise and back-office support to individual, independent producers, and agencies
- 14%** — Independent marketing organization that provides services directly to individual, independent producers, and agencies
- 8%** — Independent marketing organization that provides services to brokerage general agencies

Number of States Organization Licensed

Minimum	5
Median	49
Average	42
Maximum	50

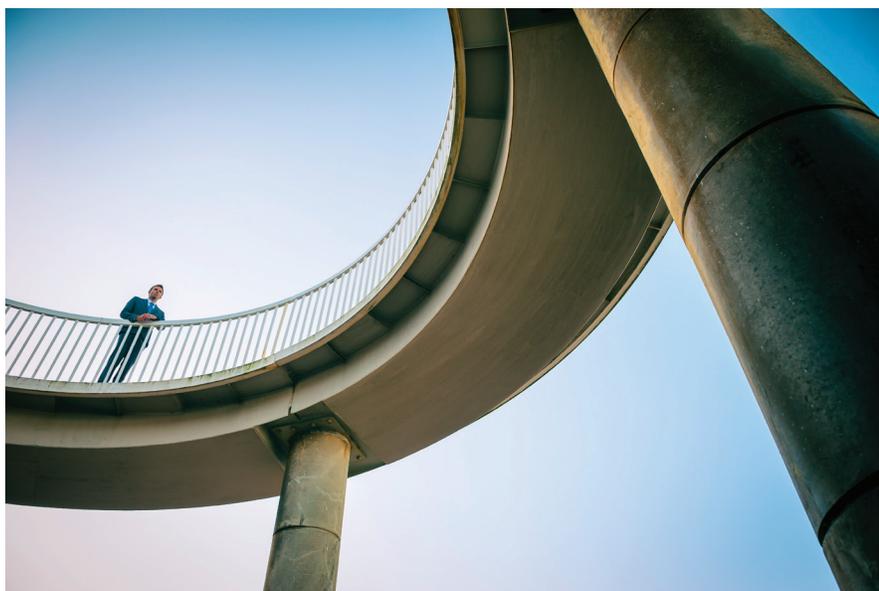
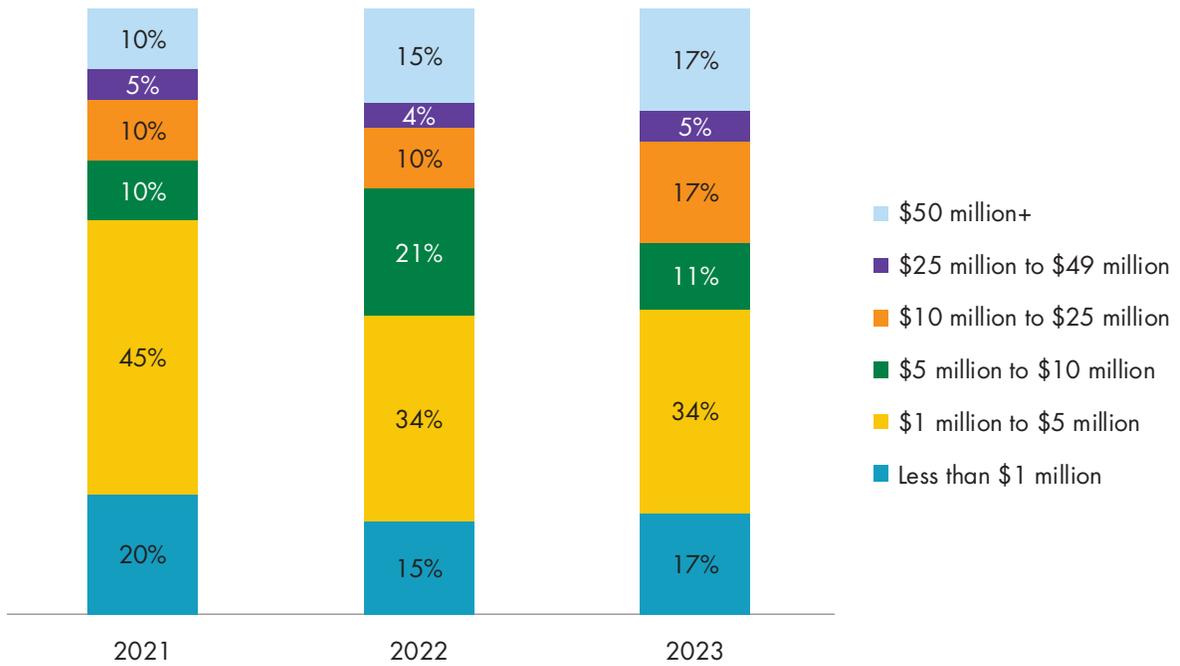
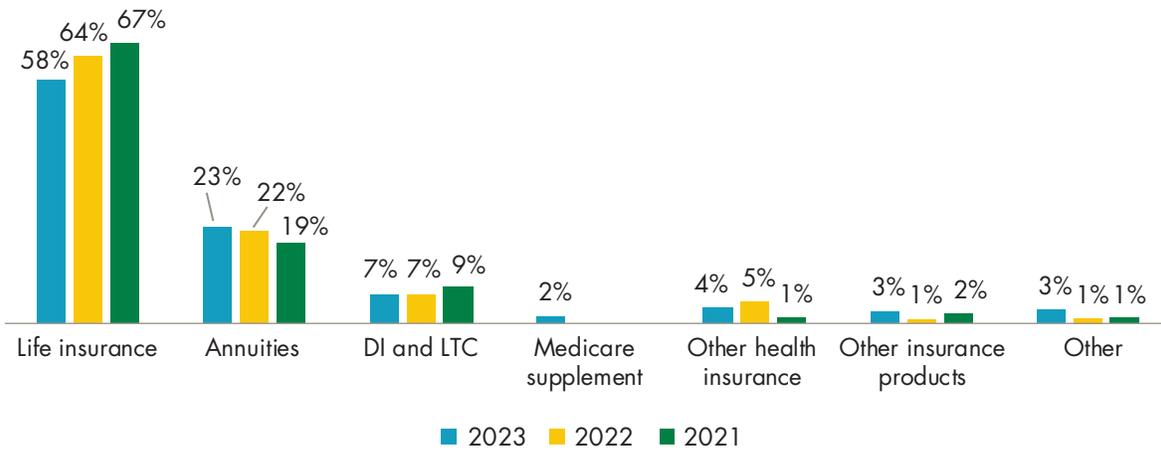


Figure 1: Organization Size in Terms of Revenue



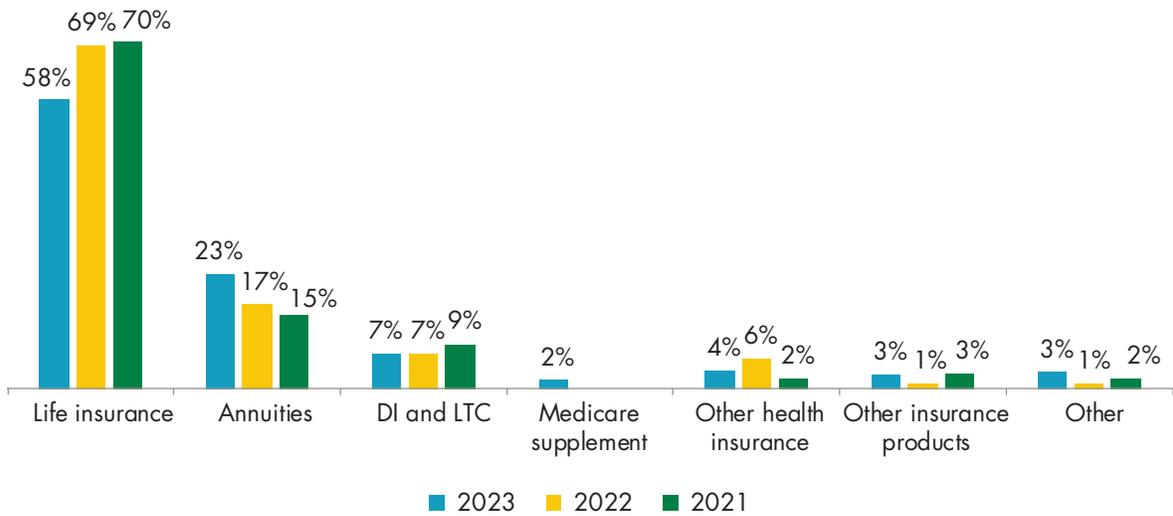
Totals might not add to 100% due to rounding.

Figure 2: Business Mix — Sales



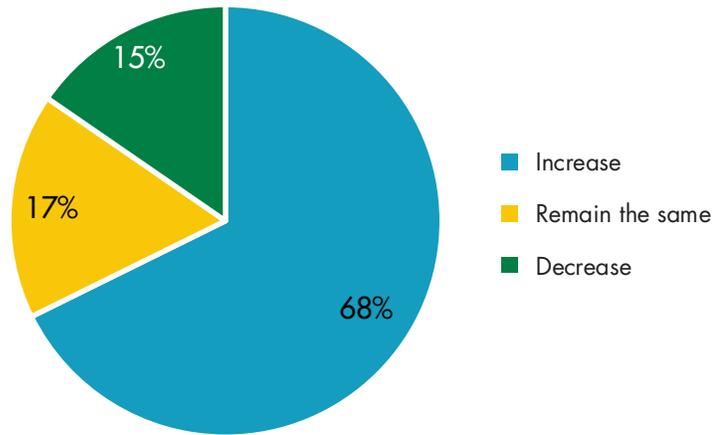
Note: Sales from Medicare supplement only captured in 2023.

Figure 3: Business Mix — Revenue



Note: Sales from Medicare supplement only captured in 2023.

Figure 4: Expected Change in Sales for 2023 over 2022



Totals might not add to 100% due to rounding.

Table 1: Expected Percent Change in Sales for Full Year 2023

	Expected Sales Increase	Expected Sales Decrease
Minimum	1%	5%
Median	15%	13%
Average	19%	15%
Maximum	100%	30%

Figure 5: Total Life Insurance Production Over the Last Two Years

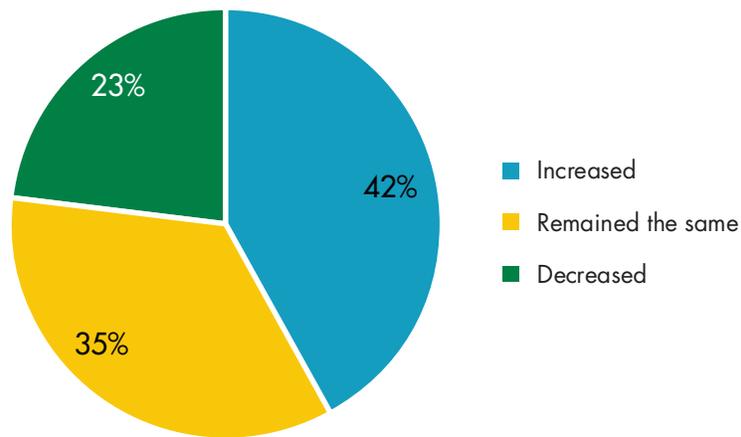
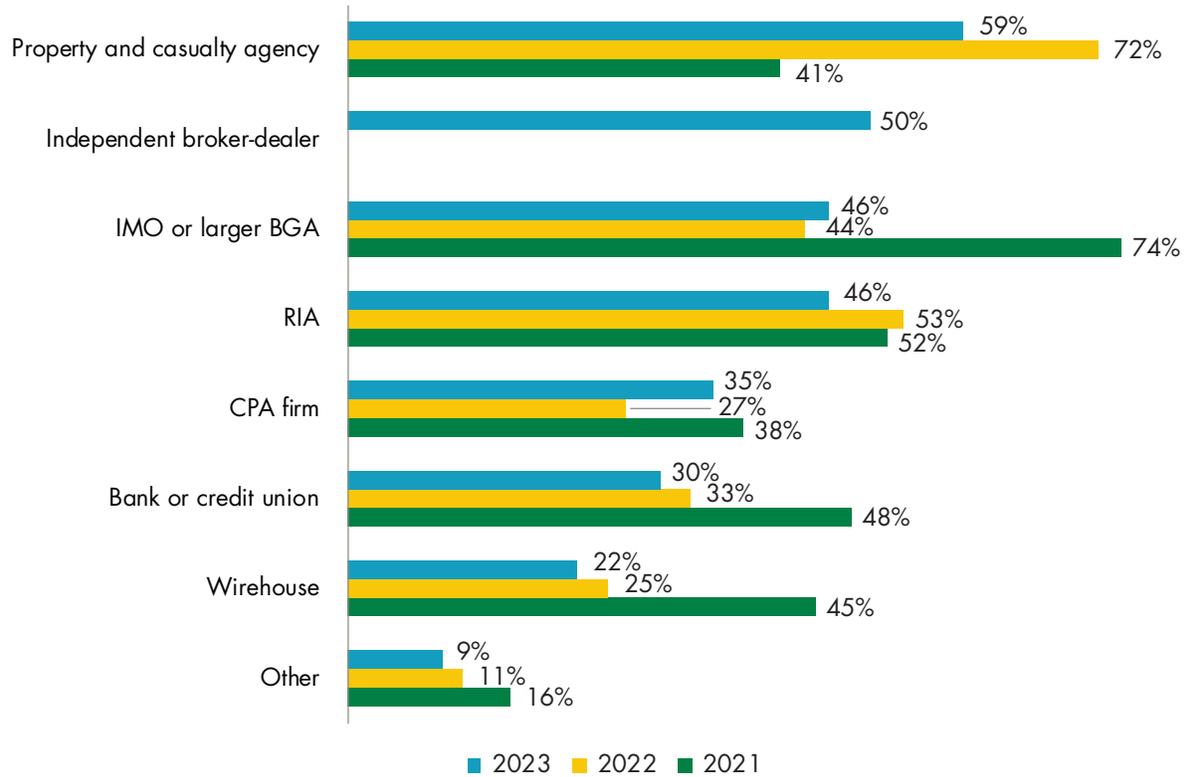


Table 2: By Approximately What Percent Has It Increased/Decreased

	Increase	Decrease
Minimum	2%	5%
Median	10%	15%
Average	14%	18%
Maximum	60%	45%

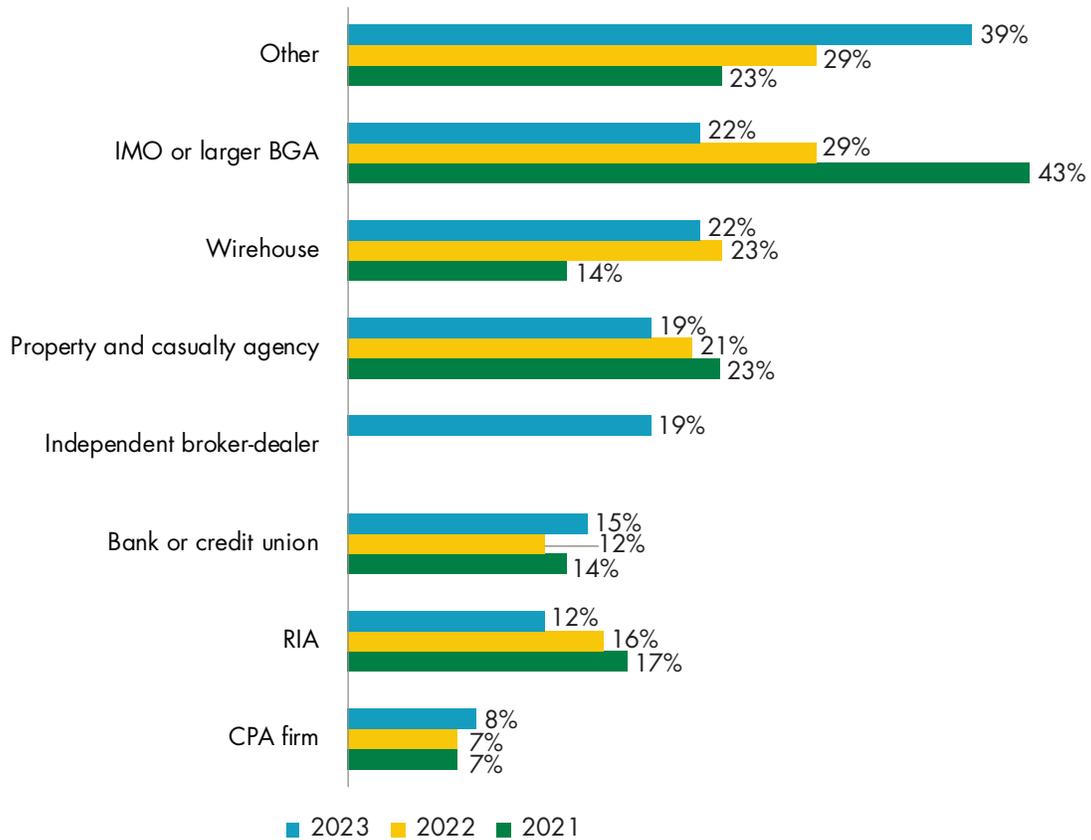
Other Distribution Partners

Figure 6: Percent of BGAs Partnering With Other Types of Distribution Partners/Firms in Addition to Contracted Producers



Note: Independent broker-dealer added as an option in the 2023 survey.

Figure 7: Percentage of Your Overall Business Attributed to Those Distribution Partners



Note: Independent broker-dealer added as an option in the 2023 survey.

Section 2: Producer Network

Table 3: Number of Contracted Producers in Network

	2023	2022	2021
Minimum	1	4	9
Median	600	500	775
Average	6,275	5,216	6,085
Maximum	200,000	100,000	80,000

Figure 8: Number of Life Insurance Policies Written per Producer

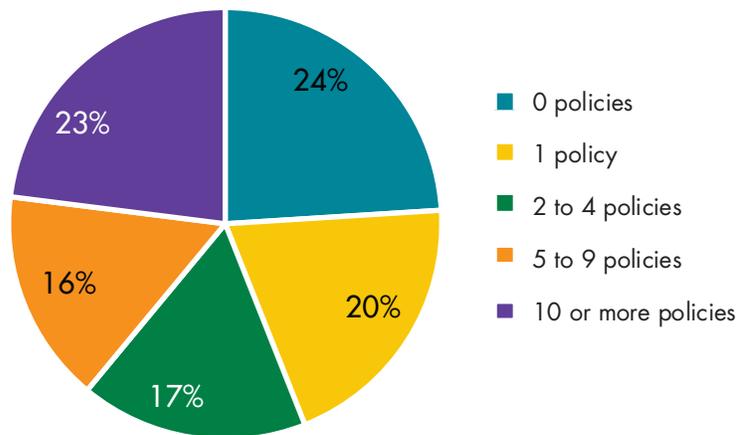


Figure 9: Definition of a Top Producer Based on the Number of Life Insurance Policies Sold in a Year

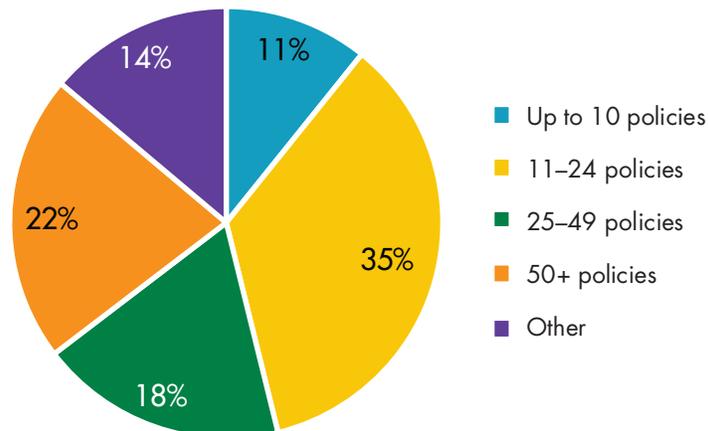


Table 4: Percent Considered a Top Producer

Minimum	1%
Median	11%
Average	21%
Maximum	100%

Figure 10: Three-Year Expected Change in Size of Producer Network

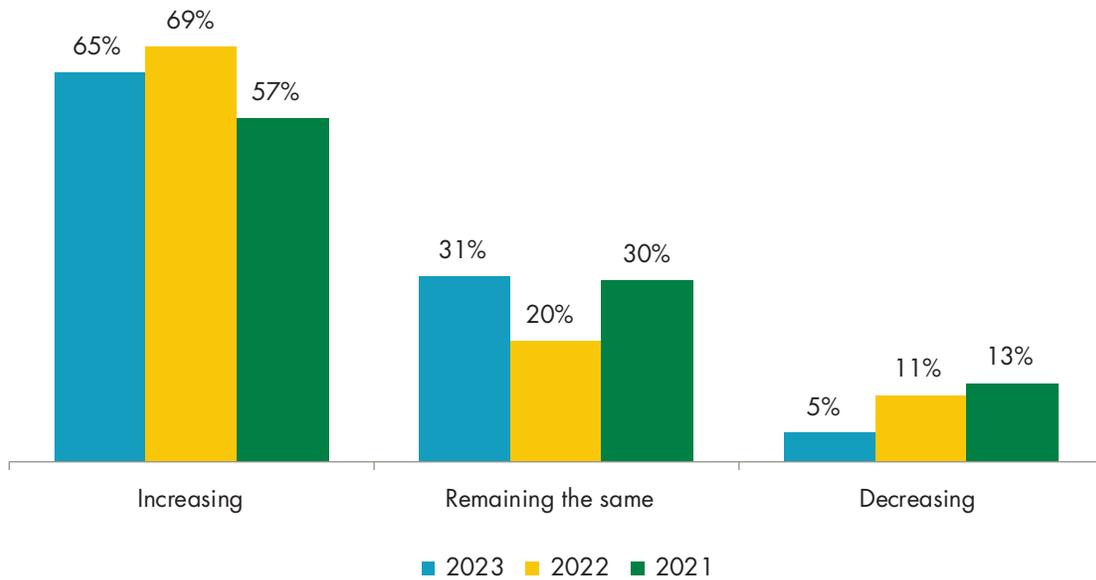


Table 5: Three-Year Expected Increase in Size of Producer Network

	2023	2022	2021
Minimum	0	3%	5%
Median	13%	15%	15%
Average	16%	22%	27%
Maximum	100%	100%	100%

Figure 11: Associated Producers' Ages

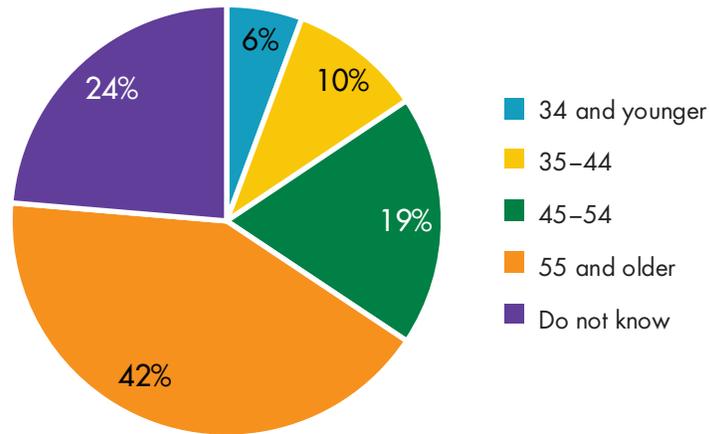


Figure 12: Recruitment of Producers

Do you recruit independent producers/advisors to work with your organization?

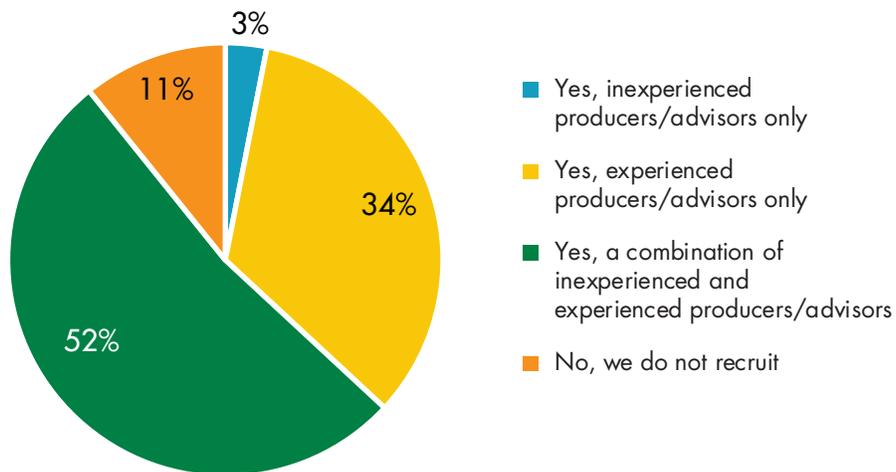


Figure 13: Top Sources of New Producers

Intermediaries were asked to rank their top 3 sources of new producers



Figure 14: Tailored Training Offered to the Experience Level of Recruited Producers

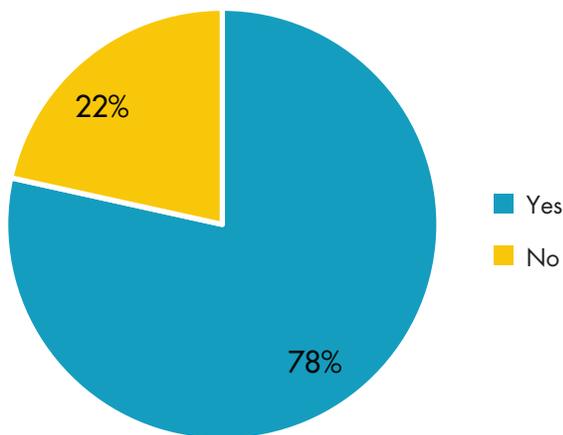


Figure 15: Percent of Producers in Network (Male vs. Female)

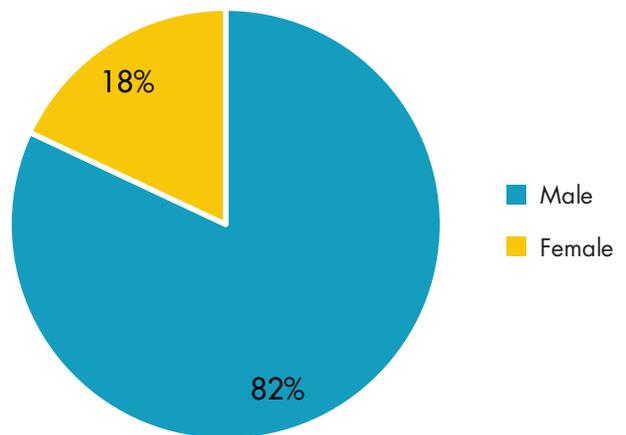


Figure 16: Programs Devoted to Recruiting Female Producers

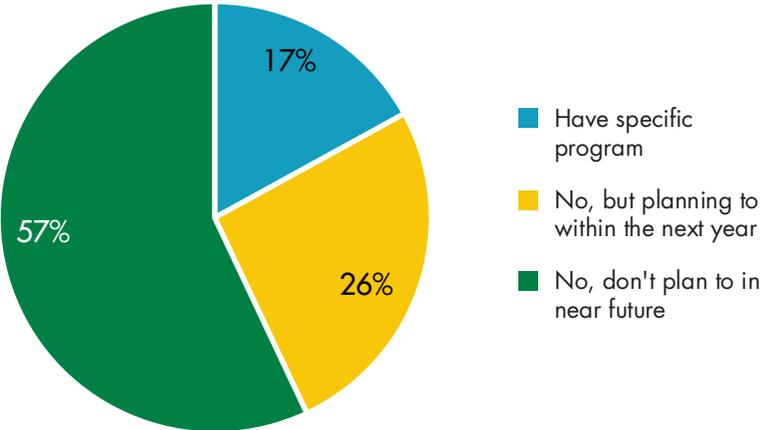


Figure 17: Programs Devoted to Supporting Female Producers

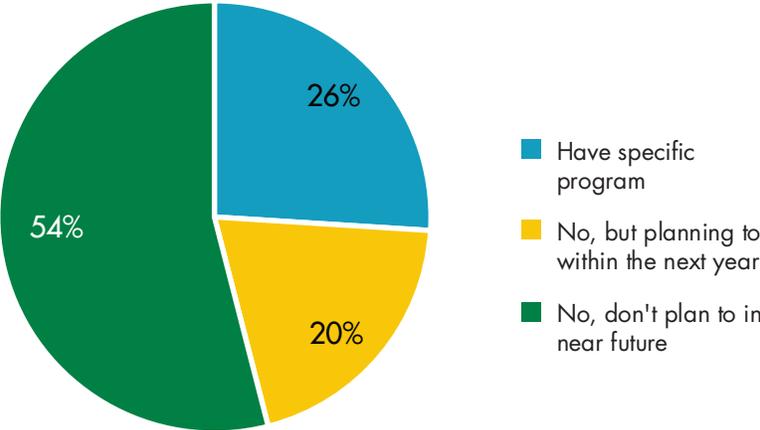


Figure 18: Two-Year Outlook on Intermediary Sales Support Provided to Associated Producers

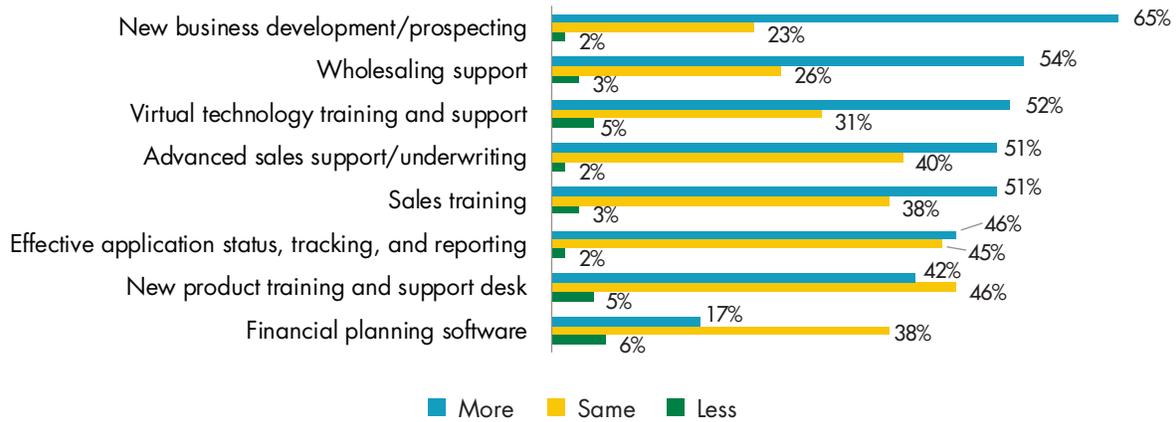


Figure 19: Two-Year Outlook on Intermediary Practice Support Provided to Associated Producers

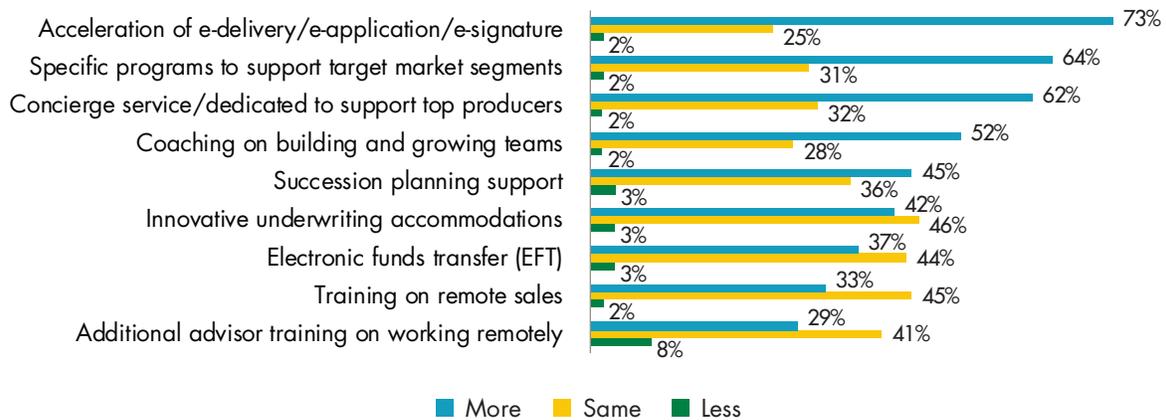


Figure 20: Two-Year Outlook on Intermediary Marketing Support Provided to Associated Producers

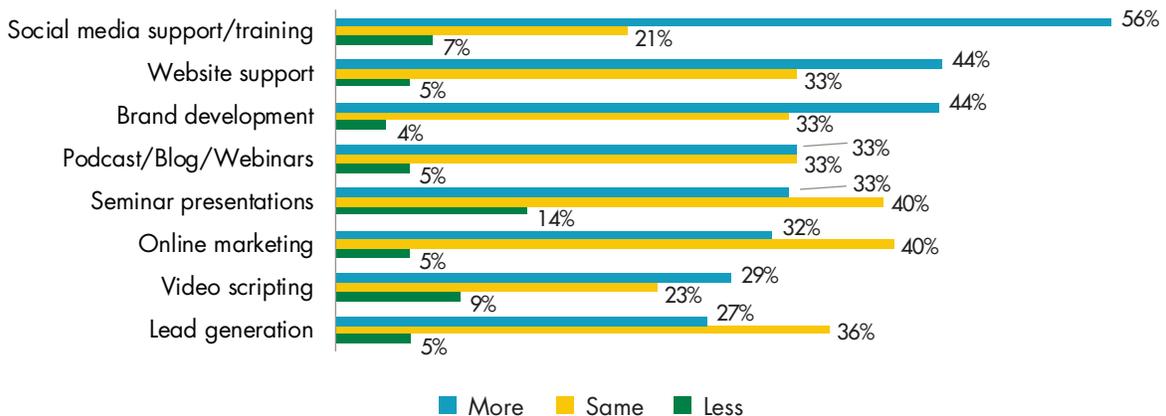
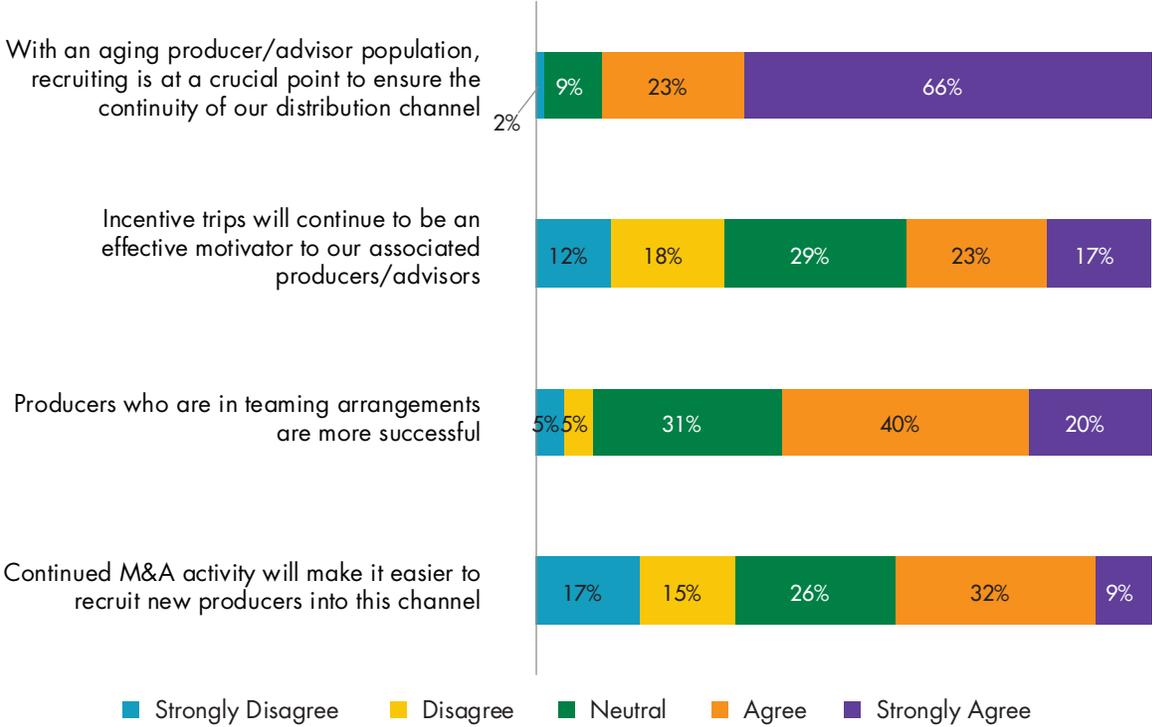


Figure 21: Thoughts on Recruiting, Incentive Trips, Teaming Arrangements, and M&A Activity



Section 3: Carrier Service and Support

Table 6: Number of Contracted Life Insurance Carriers

	2023	2022	2021
Minimum	4	4	4
Median	26	25	22
Average	33	29	25
Maximum	100	70	80

Table 7: Business Placed YTD* With Contracted Carriers

	2023	2022	2021
Minimum	2	4	4
Median	20	18	17
Average	24	22	17
Maximum	75	60	56

*YTD figures were collected throughout the third quarter of 2021, 2022, and 2023.

Table 8: Largest Percentage Placed With Any One Carrier YTD*

	2023	2022	2021
Minimum	8%	4%	10%
Median	25%	18%	25%
Average	34%	22%	29%
Maximum	90%	60%	75%

*YTD figures were collected throughout the third quarter of 2021, 2022, and 2023.

Figure 22: Leading Reasons to Place With Top Carrier

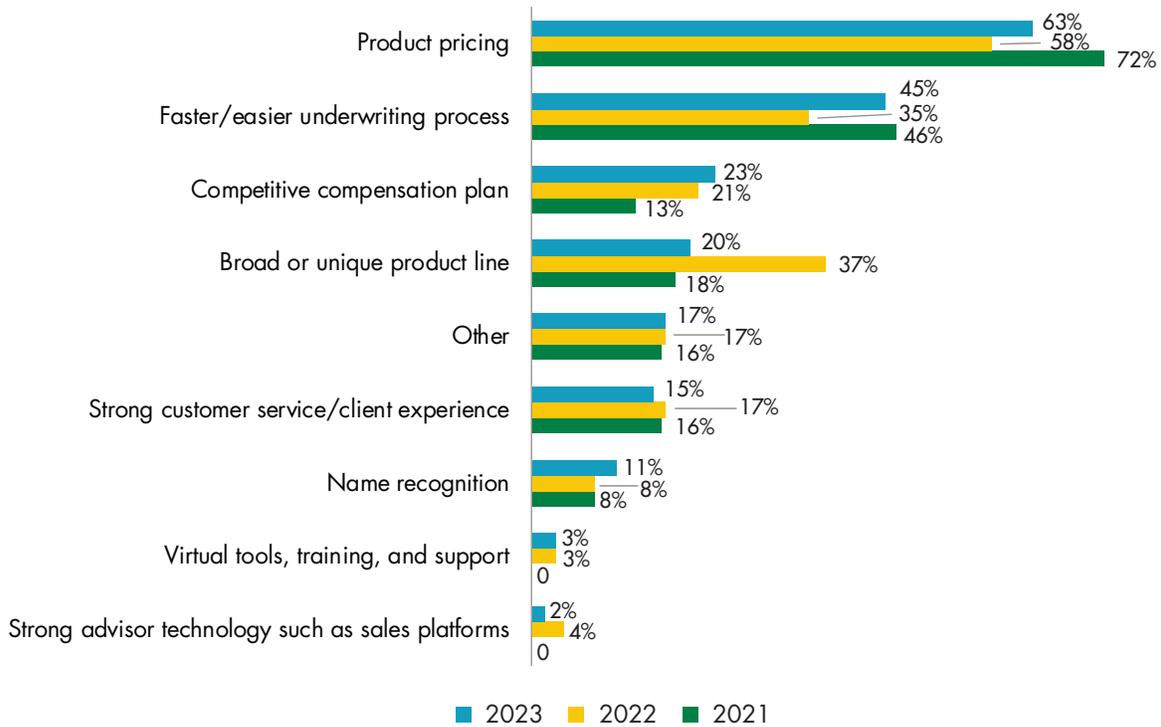


Figure 23: Satisfaction With Services Provided By Carriers

Percent using

- 98% — E-signature, e-application, e-delivery, e-service forms, etc.
- 97% — Dedicated underwriting team
- 94% — Dedicated wholesaling support
- 92% — Accelerated underwriting for face amounts in excess of \$1 million
- 97% — Virtual tools, training, and support

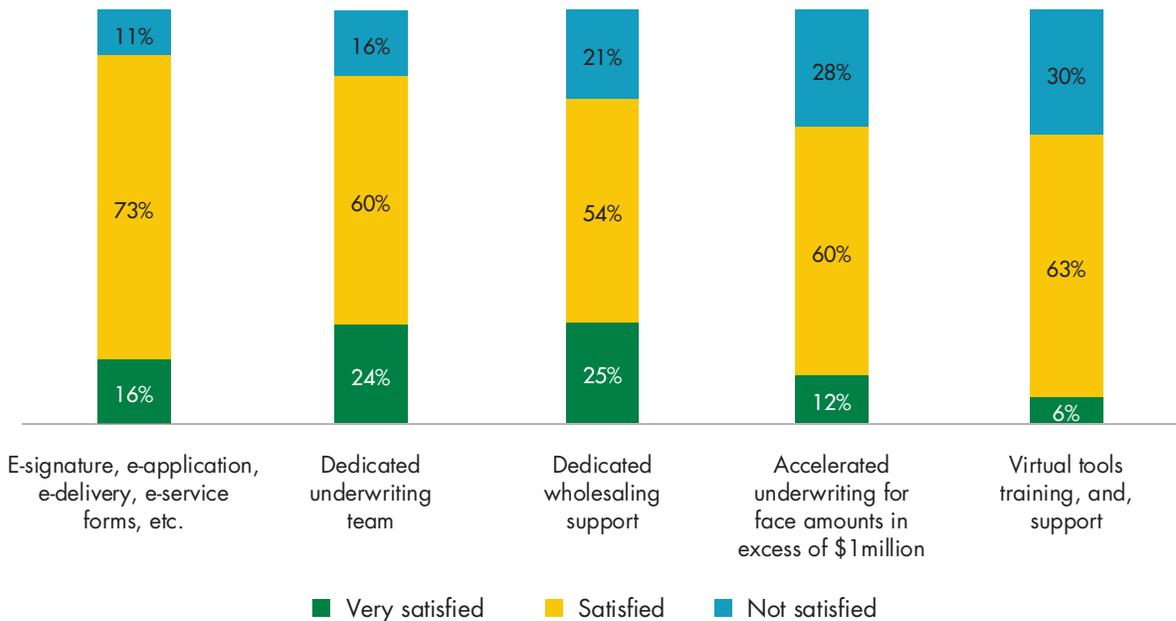
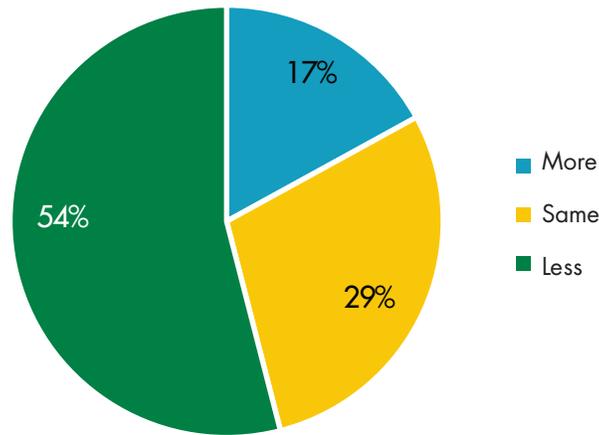


Figure 24: Two-Year Change in Services Received From Contracted Carriers

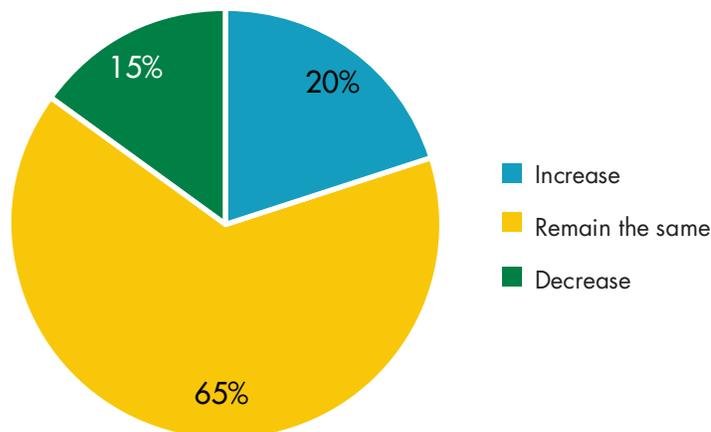


Support From Carriers to Help Producers Succeed

Intermediaries were asked what support from carriers helped them most to succeed. The main themes were:

- Faster and easier underwriting processes
- Direct contact to home office personnel that can resolve issues immediately
- Competitive and innovative products that will perform well in the long run

Figure 25: Two-Year Expected Change in Revenue Share Agreements



Section 4: Mergers and Acquisitions

Figure 26: Three-Year M&A Activity Outlook

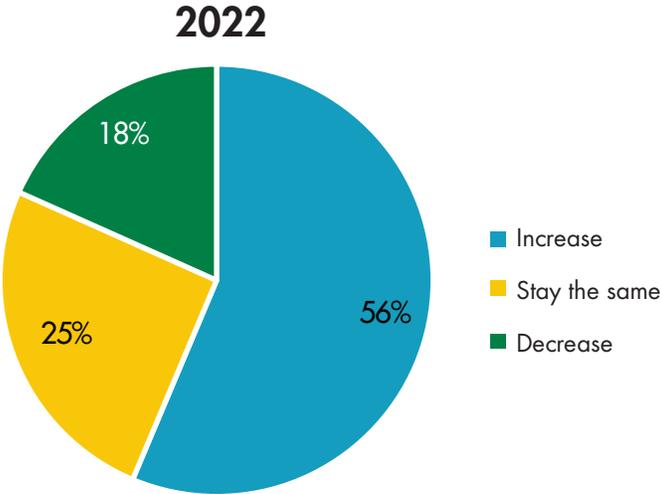
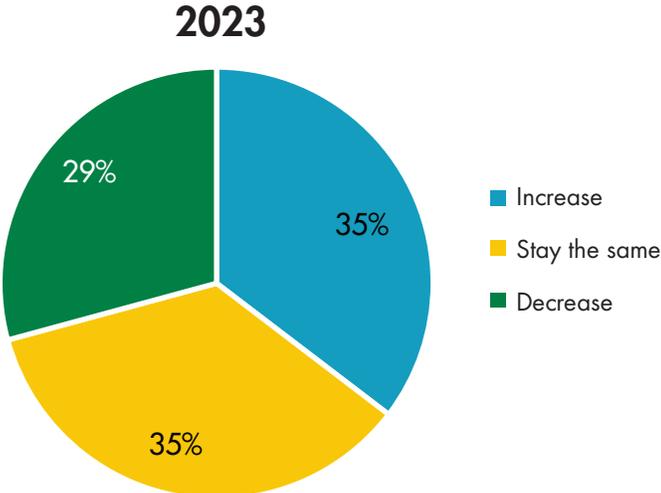
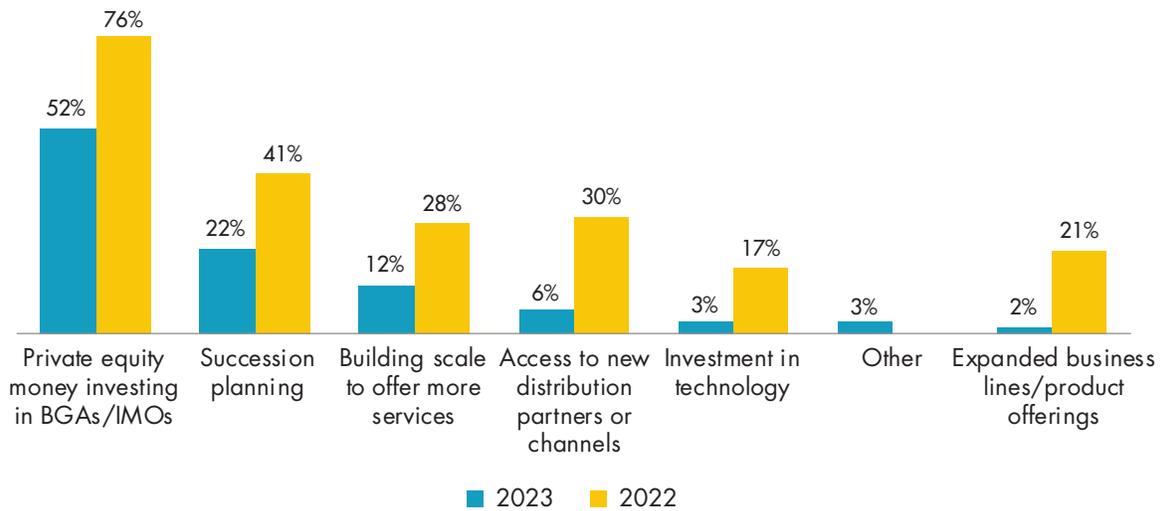


Figure 27: Drivers of M&A Activity

Intermediaries selected all the things they felt were driving M&A activity.



Note: "Other" not offered as an option in 2022 survey.

Figure 28: Exit Strategy of a Private Equity Firm That Invested in a BGA or IMO

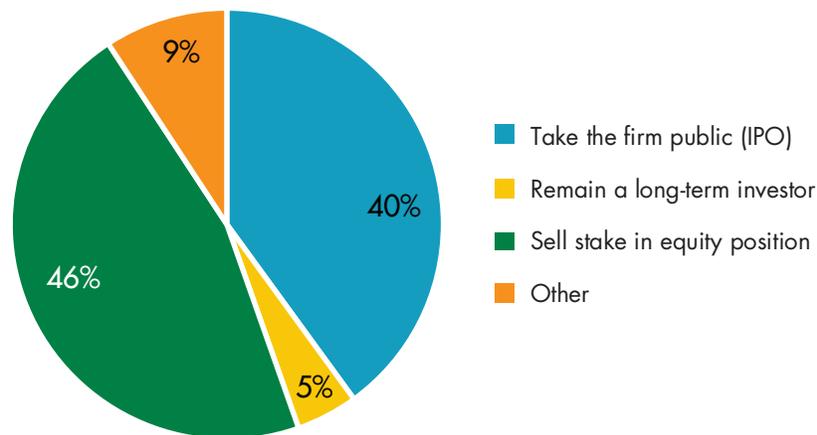
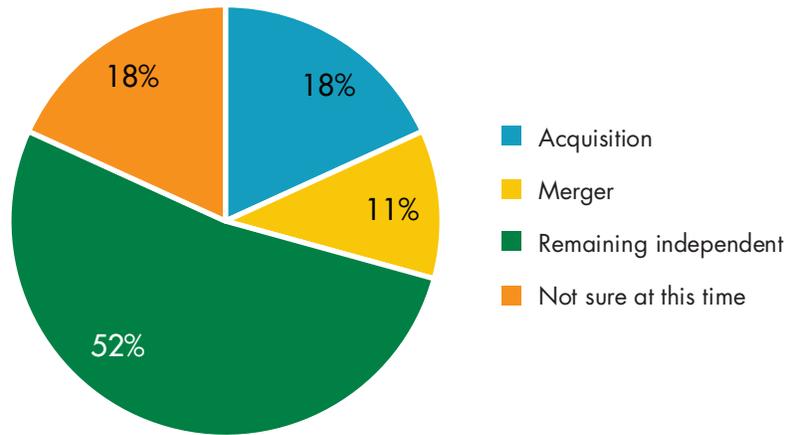


Figure 29: BGA Three-Year Outlook on Merger, Acquisition, or Remaining Independent



Intermediary Views on the Impact of M&A on Industry Over Next 3–5 Years

Intermediaries widely agree that continued M&A activity will lead to a deterioration of customer service. For BGAs, larger firms will offer higher compensation, thereby decreasing competitiveness among fellow BGA firms. As organizations grow, service will suffer. Carriers will continue to compress compensation schedules making it more difficult for smaller firms to compete or even exist in the market.

Section 5: Future Outlook

Figure 30: Top Three Business Priorities

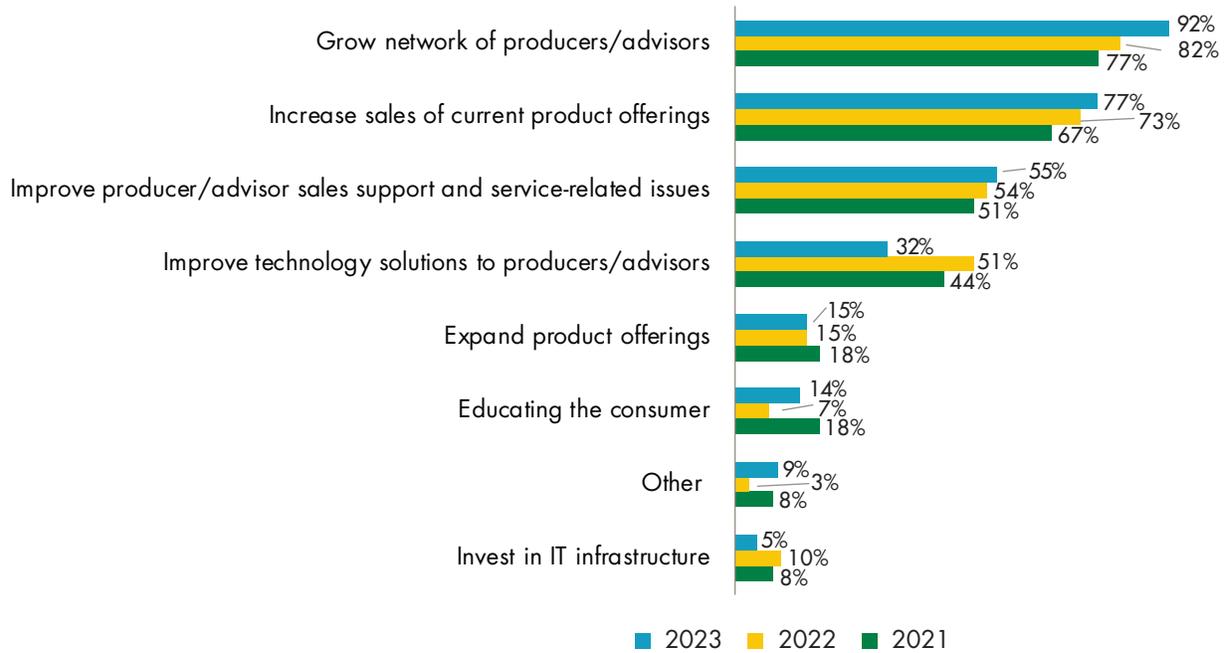


Figure 31: Cost of Distribution

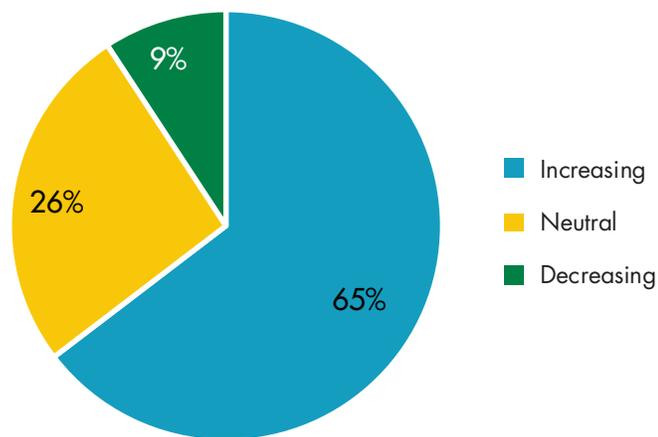


Figure 32: Current Technology Investments

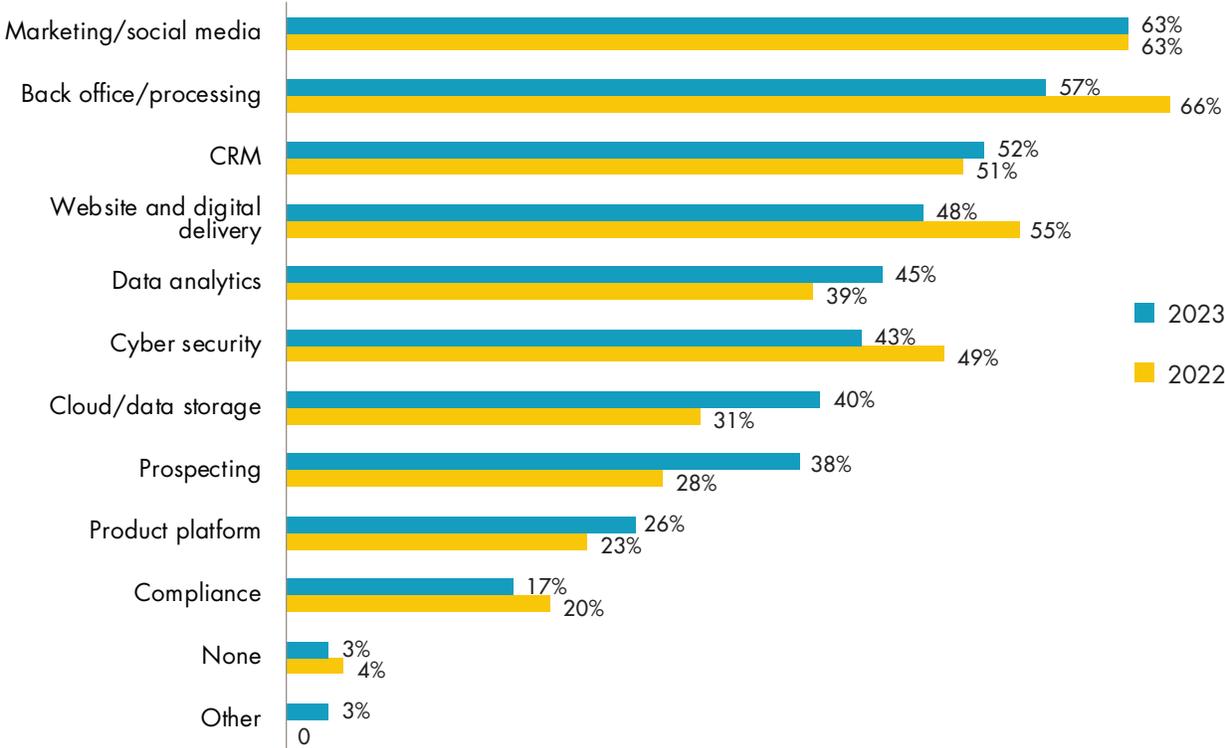


Figure 33: Reaching Underserved Markets

Intermediaries were asked how they are helping their associated producers reach underserved markets.



Figure 34: Incorporation of ChatGPT and AI in Business Model

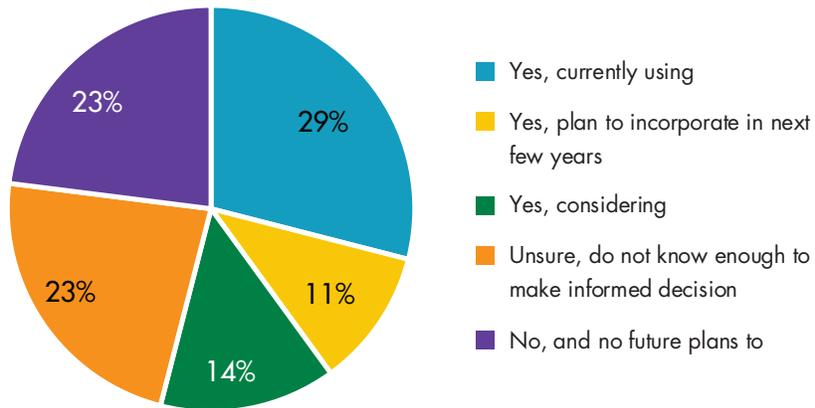


Figure 35: Three-Year Expected Revenue From Financial Planning/Wealth Management Products and Services

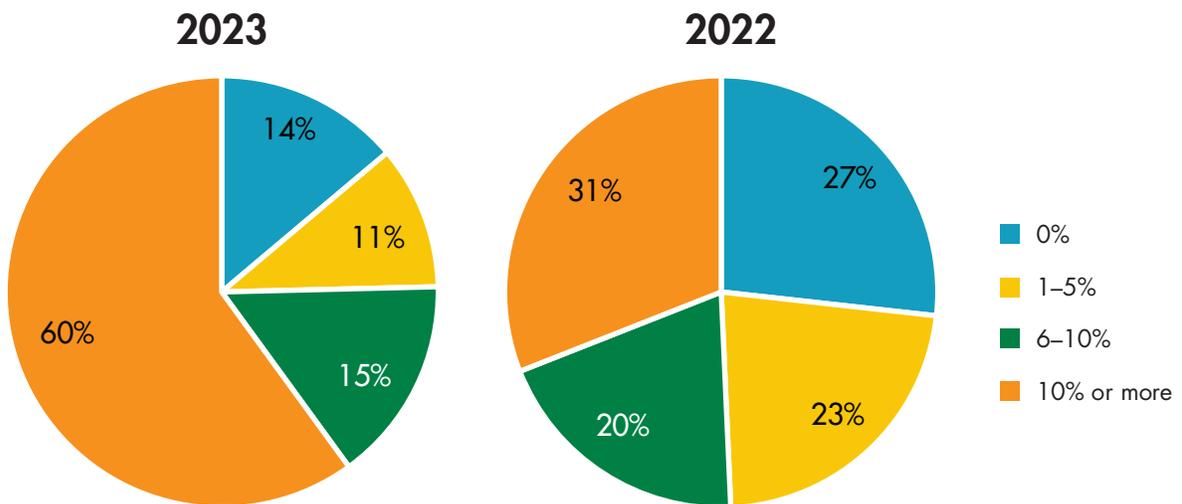


Figure 36: Fastest Growing Services — 3-Year Outlook

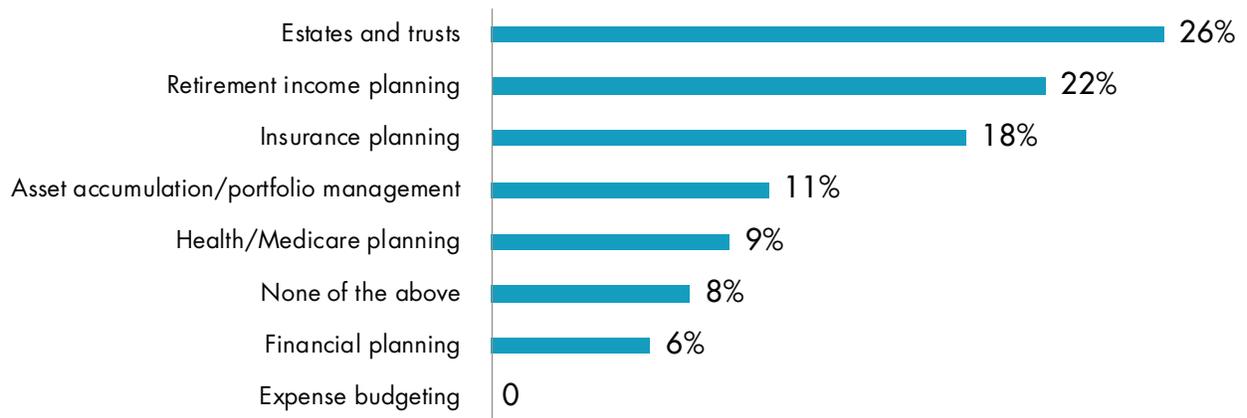


Figure 37: Fastest Growing Products — 3-Year Outlook

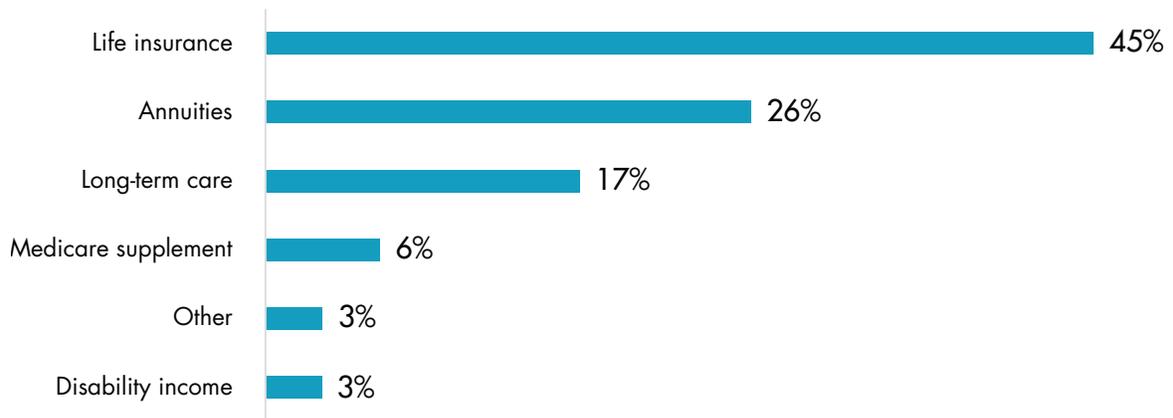


Figure 38: Slowest Growing Products — 3-Year Outlook

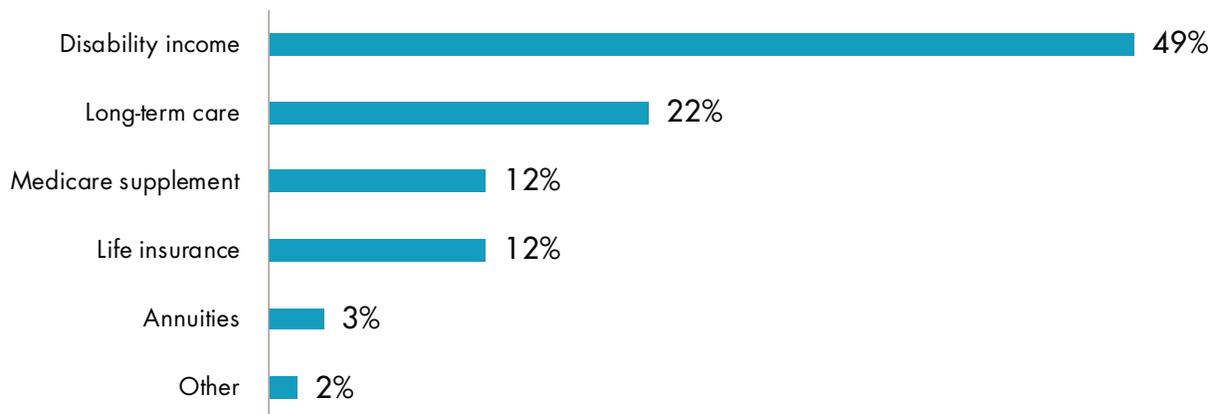
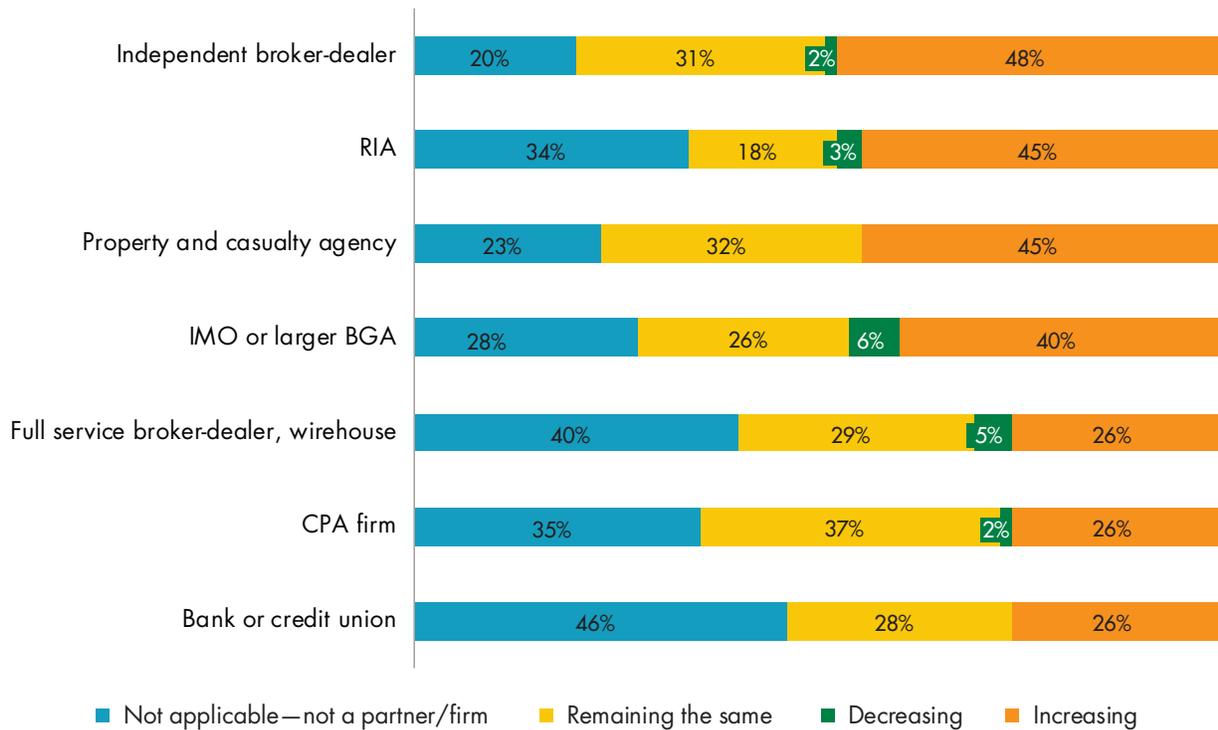


Figure 39: Three-Year Outlook on Sales With Distribution Partners

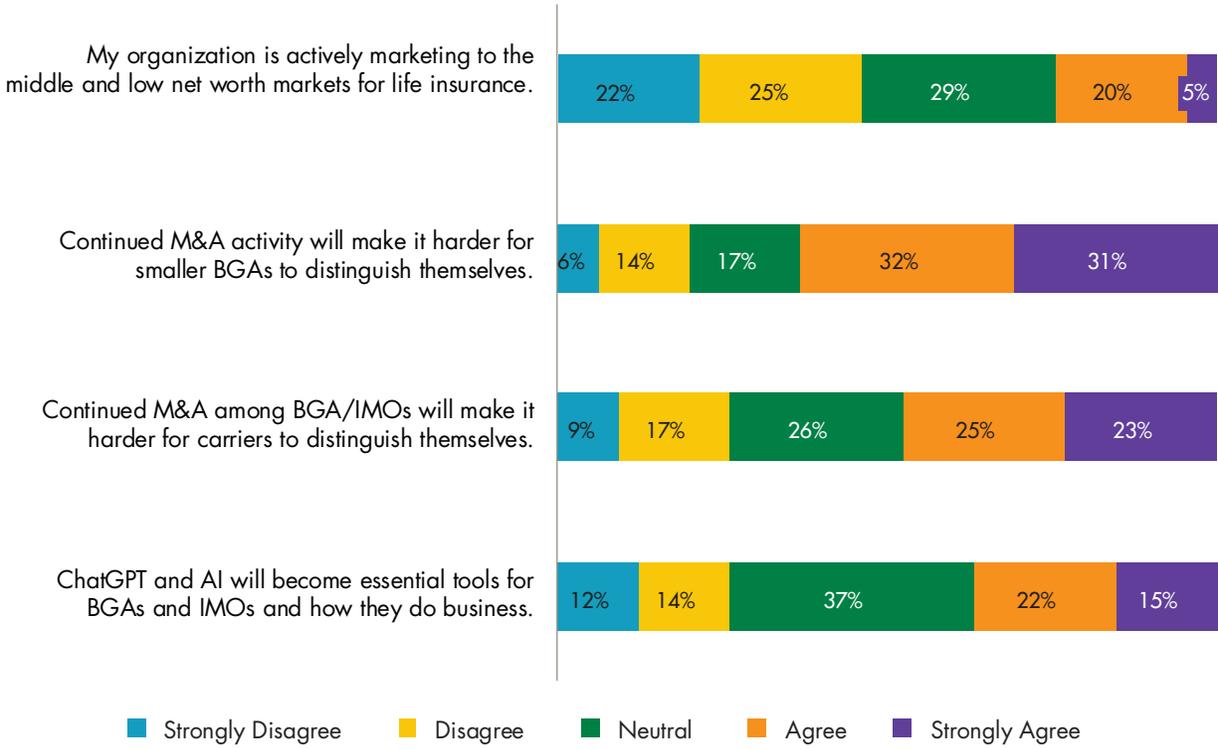


BGA Succession Planning

BGAs were asked if there is a succession plan for their organization to transfer ownership of the business to maintain the business and its continuation into the future.

- 45% of BGAs have a formal succession plan in place.
- 10% indicate there is a succession plan, but it has yet to be formalized.
- 12% state a succession plan has been considered but not documented yet.
- 33% have no succession plan nor has one been considered.

Figure 40: Intermediary Views on the Future of Doing Business



ABOUT LIMRA

Serving the industry since 1916, LIMRA offers industry knowledge, insights, connections, and solutions to help more than 700 member organizations navigate change with confidence.

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ABOUT NAILBA, A FINSECA COMMUNITY

The National Association of Independent Life Brokerage Agencies, better known across the insurance industry as NAILBA, is the trade association representing independent brokers and brokerage general agencies (BGAs) committed to providing American consumers with various financial and retirement security products such as life and health insurance, annuities, and other supplemental benefits. In August 2022, NAILBA announced that it had merged with Finseca in pursuit of stronger brokerage distribution and accelerated efforts to reunify the financial services profession and had become NAILBA, a Finseca Community.

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