



The Financial Value of Core Values

Limited interaction with customers...Benefits are too difficult to understand and haven't adapted to modern needs...Innovation happens more slowly than in other industries.

Professionals in the insurance industry have heard it all. And in some ways these thoughts ring true. But we know we're still getting it right when it comes to the key role we play in providing critical support to our economy, companies, and most importantly, individuals: Every day the insurance industry pays out \$1.7 billion to families and businesses.¹ That is about 70 percent of what Social Security pays out every day. Our industry has contributed to security, recovery, and well-being for centuries.

This year LIMRA has challenged us to think about how we can better communicate our value and relevance to consumers and the greater public. And for good reason. We've long struggled as an industry to get past negative perceptions — some valid and some stereotypes — and in today's competitive and noisy environment, it's as tough as ever to break through. However, as a long-time member of the industry I see this as a fundamental challenge that we must overcome — collectively.

I believe we can maintain our financial strength and be proud of our business results, and at the same time recognize the role our core values play in attaining them. Our industry is rooted in a tradition of keeping the promises that matter most, and that distinguishes it from other factions of financial services. Strange, perhaps, for a CFO to emphasize values alongside financial metrics, but the two are intrinsically connected. Companies that do the right thing by their employees and customers tend to be the beneficiaries of goodwill and a trusted reputation, and often enjoy stronger long-term financial results.

I think we drive the value and relevance conversation when our clients and employees tell our stories and build



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our reputation as an industry upon their positive experiences. How can we ensure that happens?

Never Lose Sight of the People We Insure

People often call upon us during times of immense need or hardship. We should do all we can to make these discussions as easy as possible and make it simple for customers to understand and use their benefits. They have enough on their minds. As an industry

we respond well to the big disasters, but in our specific business the everyday crises we handle have life-changing impact on our clients and their families. Sometimes this requires us to look beyond the financial demands of the day and invest in a client's future.

One of our customers was on the verge of realizing his dream of becoming a physician when the unthinkable happened — he suffered an accident that left him paralyzed. He didn't even realize he had our disability product, but we fast became partners in getting his life back on track. He invested his time and effort, and we our staff and resources beyond what was compulsory, and the results were inspiring. He earned a master's degree during the rehab process and now practices medicine. His story reminds me that betting on our clients is often a winning proposition.

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**Betting on our clients is often
a winning proposition.**



A Balance of Virtual and Personal Touch

While online resources are increasingly important to consumers, the majority still want personal contact with a professional when buying life insurance. Millennials are most likely to want to meet with a financial professional before purchasing life insurance (73 percent), compared with Gen X (64 percent) and Boomers (69 percent).

The Insurance Barometer Study paints a clear picture of what consumers expect from the financial service industry. Financial professionals need to provide consumers with a more seamless experience, blending online resources and social platforms with in-person consultation. Consumers want to take advantage of both personal networks and professional help, online research, and in-person guidance. Agents and advisors must present an “always on” persona as consumers utilize a multi-channel approach to purchasing insurance. 🌐



James T. Scanlon, M.S., HIA, leads LIMRA’s research program focused on insurance markets. This program includes time series studies, which track consumer financial behavior across generations; and topical studies, which examine topics influencing present-day markets. The studies identify business opportunities in key consumer segments, such as affluent households, single-mothers, and small business owners. Scanlon holds an M.S. in resource economics from the University of Massachusetts, where he also earned a B.A. in economics. He can be reached at jscanlon@limra.com.

¹Experienced Advisor Study, LIMRA/EY, 2018.

²Insurance Barometer Study, LIMRA/Life Happens, 2018.

³Quick Facts, U.S. Census Bureau, 2017.

⁴Discovering Gen Z, LIMRA, 2017.

⁵Yurieff, Kaya, “Facebook Data Scandal Questions Answered,” *Money CNN*, 2018.

FOCUS COMMENTARY

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Grow and Innovate With the Client Relationship in Mind

The American workforce is constantly changing. Insurance companies are creating cultures of innovation internally to better serve the consumer of today, including the millions of people who don’t have employer benefits. We need to take it further and go beyond the group vs. individual paradigm to create consistency and opportunity for people whose employment status is more flexible than any generation in recent memory. How will we keep up with the growing population of independent workers as they transition to and from traditional employment benefits? With retirees as they transition to part time or gig work and maybe back again? As an industry, we must stop the cycle of disconnect and find ways to reconnect and develop flexible lifetime relationship models first, and products to fit second.

Commit to Employee Growth and Development

As a unique cohort of companies that look to the long-term, we recognize that automation, AI, and machine

learning will impact how people live and work. This year, Guardian will be using robotic processing automation and intelligent agents to assist open enrollment for our own employees, both to test our tech and to provide our employees with a view of the systems we’re putting in place to serve our customers. As some of the nation’s largest employers, the industry has a responsibility to upskill and retrain employees to ensure that they are prepared for technology as it changes the way we work. We must realize that our business and customers need both the efficiency brought by technology and data, and the care brought by our people.

Insurance is a great industry in which to grow a meaningful career. Many professionals yearn for the type of purpose that our work affords. This year, I ask that you embrace the core values that separate us from the rest. Let’s all be prepared to go beyond the numbers to ensure our relevance and show the best of our industry in every interaction with our customers, colleagues, and communities. 🌐

¹ “Across America,” Industry Facts, ACLI, <https://www.acli.com/Industry-Facts/State-Fact-Sheets/NY>, 2018.