

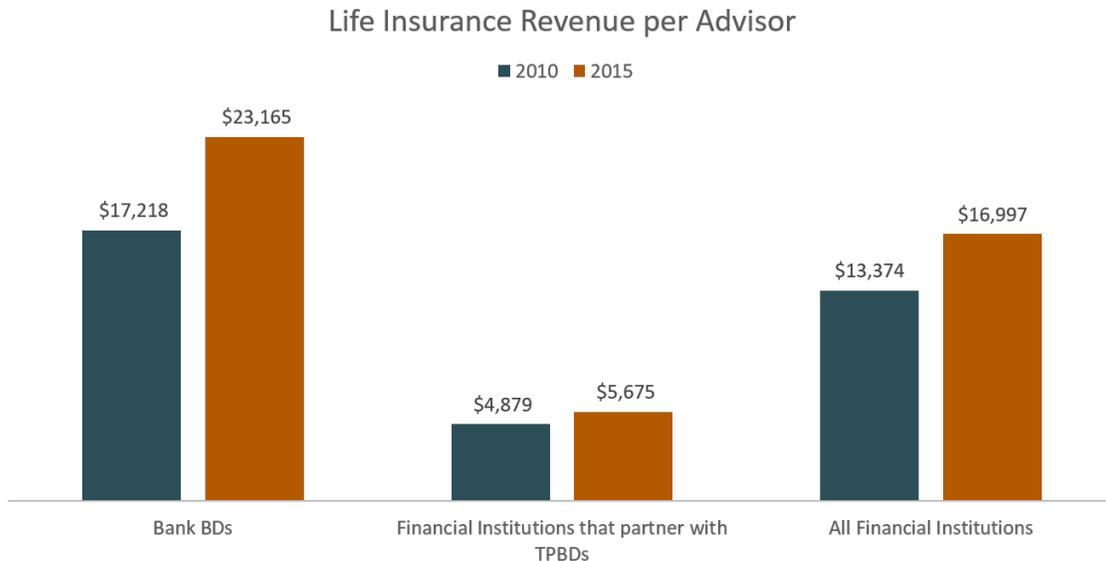
For Immediate Release:

Financial Institutions Grow Life Insurance Sales

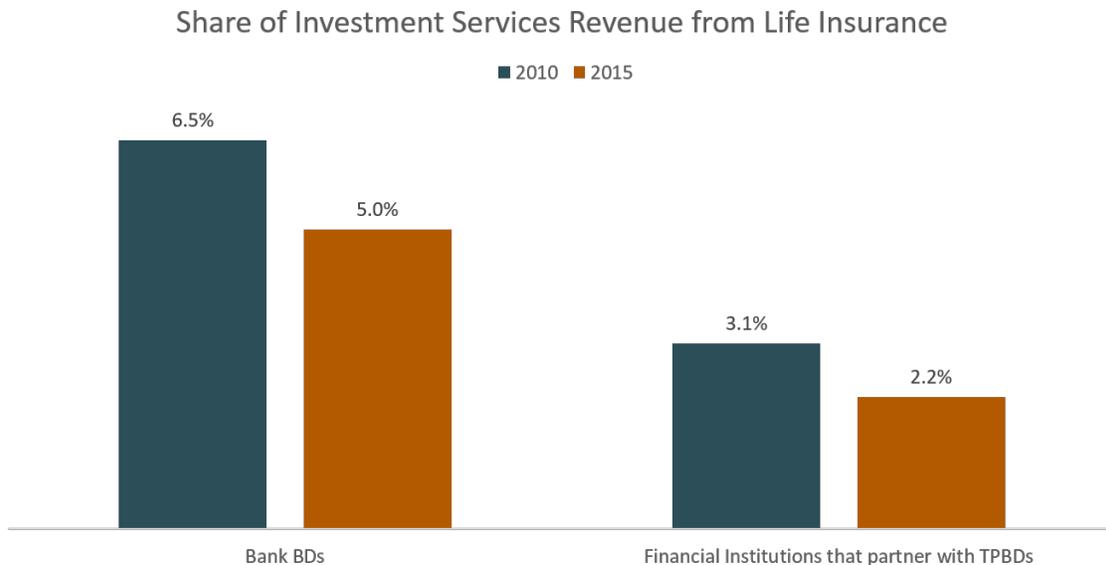
Advisors Life Production Up 27% Since 2010

CHAPEL HILL, NC OCTOBER 11, 2016: Banks and credit unions have made steady progress in growing their life insurance sales over the past 5 years. Average annual advisor life sales revenue increased from \$13,374 in 2010 to \$16,997 last year. That was one of the Kehrer Bielan research findings discussed at the firm’s *DoL Readiness Roundtable –The New Importance of Financial Planning and Life Insurance*.

According to Tim Kehrer, the firm’s senior research analyst, the growth was driven by a 35% rise in life sales productivity among advisors in bank-owned broker dealers. “Advisors in bank BDs averaged \$23,165 in life insurance sales revenue last year, four times the life production of their colleagues affiliated with third party broker dealers,” he noted. “Nonetheless, the advisors in banks and credit unions that partner with third party BDs also grew their annual life sales production, 16% from \$4,829 per advisor to \$5,675,” he added.



According to Dr. Kenneth Kehrer, the increase in life insurance sales may come as a surprise to some industry watchers who have focused on the percentage of investment services revenue generated from life insurance. “The share of revenue has declined both in bank broker dealers and institutions that partner with third party BDs,” he said. “But the average annual production from all revenue sources, particularly advisory business, has surged over the past few years. So life insurance is a somewhat smaller slice of a much bigger pie.”



“This is an example of focusing on the wrong metric,” Dr. Kehrer noted. “From the point of view of the additional consumers whose life insurance needs were met, the advisors who produced the increased sales, and their financial institutions that booked the revenue, the increase in sales volume is what matters, not that advisory business grew faster than life insurance sales.”

Tim Kehrer pointed out that the life insurance sales data are based on the firm’s surveys that cover 2,799 banks and credit unions that offer investment services.

Bob Mittel, vice president for Digital Life Sales at Prudential, a sponsor of the *Kehrer Bielan DoL Readiness Roundtable*, said that the improvement in life sales was welcome, and that banks have barely scratched the surface of their opportunity to meet the life insurance needs of their customers. In addition, the participants discussed the inclusion of life insurance as part of each and every financial plan to ensure clients have a plan of protecting their assets and their growth.

The roundtable participants agreed with Bob that the ramifications of the Department of Labor’s Fiduciary Standard will compel them to give life insurance greater priority and focus.

The Kehrer *Bielan DoL Readiness Roundtable –The New Importance of Financial Planning and Life Insurance* was held at the Fearington House Inn near Chapel Hill September 29-30.

About Kehrer Bielan Research & Consulting. KBR&C provides the financial advice industry with insights based on a melding of research and experience in managing the delivery of investment, insurance, and wealth management services. The firm provides performance assessment and benchmarking, human resource management and development, due diligence, consumer insights, and interpretation of industry trends through its original research, unbiased consulting, and peer study groups.

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