

ICMG

Inter-Company Marketing Group

DISTRIBUTION SURVEY 2011

Insurance Firms Ride the Frontier Seeking Products for Distribution Channels

Two-thirds of insurance firms currently are seeking new products or services to introduce to their distribution channels in the next 12 months, according to an industry sample taken by the Inter-Company Marketing Group (ICMG) in January 2011.

The sample of 53 companies also showed that product diversification, cross-selling, and agent recruitment are the key reasons why insurance firms offer non-core insurance products.

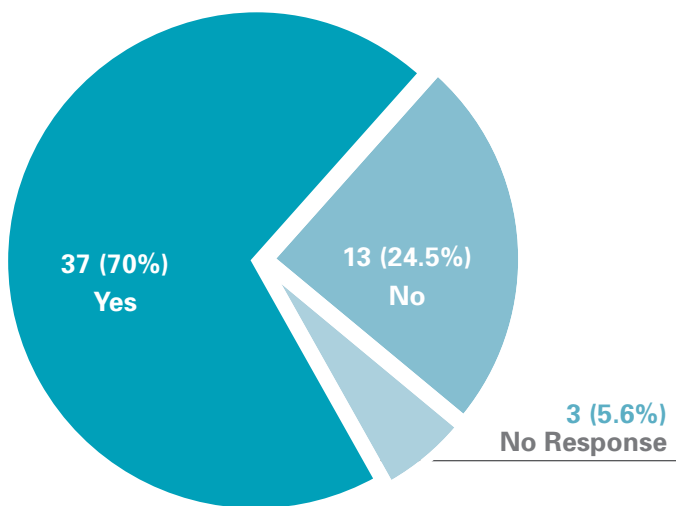
Independent agents are viewed as the most-promising distribution channel for growth by respondents, and are viewed as providing the best retention and placement ratios and predictable production-to-expense ratios.

Complete results follow. For more information, contact ICMG (info@icmg.org/703-729-7701) or visit www.ICMG.org.

DISTRIBUTION SURVEY 2011

Does your company offer, whether manufactured or imported, more than your core products or services to your distribution / sales channel?

Total Responses: 53 companies



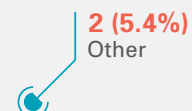
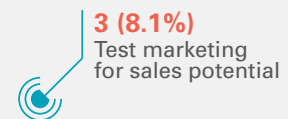
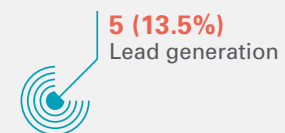
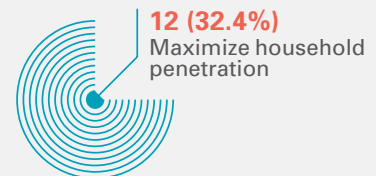
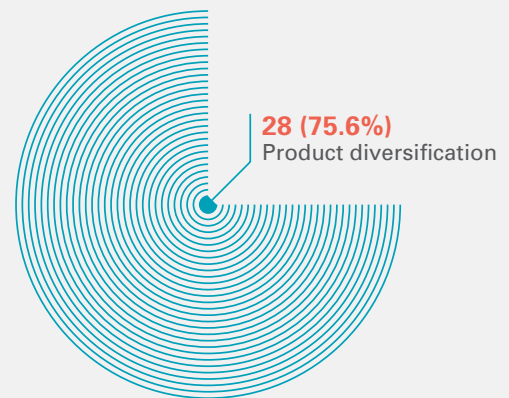
What are your top three resources for identifying new products / services for your distribution?

Top answers from 39 companies

- Market research & customer feedback (59%)
- Distribution feedback & market knowledge (54%)
- Networking with clients & competitors (44%)
- Examination of internal needs/resources/opportunities (44%)
- Industry organizations & publications, including LIMRA, ICMG, PIMA, Conning, Beacon (28%)

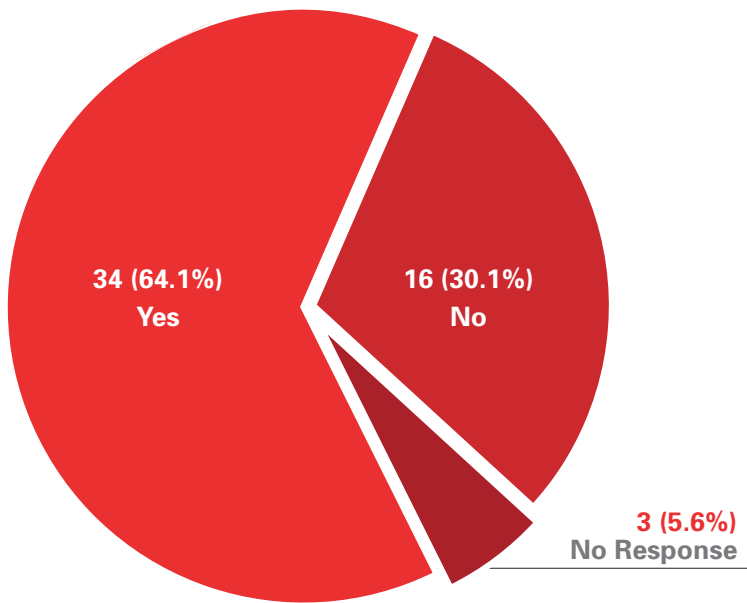
If your company offers non-core products, what is the key reason?

Total Responses: 37 companies



Is your company currently seeking a new product / service to introduce to your distribution / sales channel in the next 12 months?

Total Responses: 53 companies



What are your top three resources for identifying a potential strategic alliance partner?

Top answers from 15 companies

60%
Networking with industry contacts and competitors, producers & vendors

53%
Industry organizations, including ICMG & PIMA

40%
Outside experts including actuarial/consulting firms, IMOs, intermediaries & investment bankers

33%
Online research, including industry recognition of alliance partners

27%
Existing alliance partners

What product/service are you seeking to add?

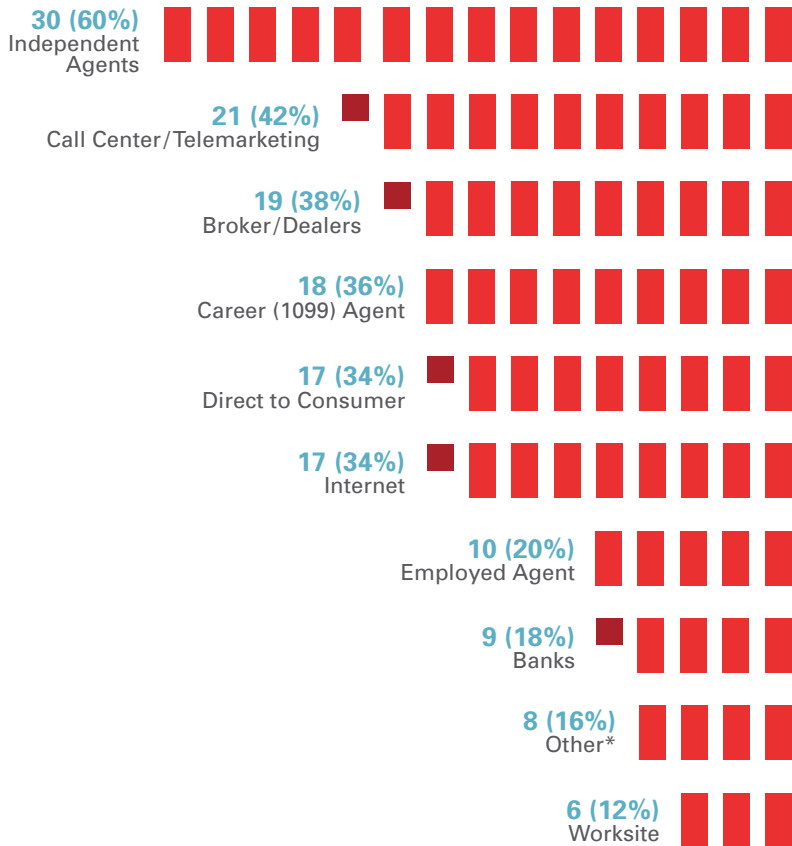
Total Responses: 53 companies

- Life Insurance (5)** ✓ ✓ ✓ ✓ ✓
- Cancer/Illness (4)** ✓ ✓ ✓ ✓
- Medicare Products (3)** ✓ ✓ ✓
- Annuity (3)** ✓ ✓ ✓
- Property & Casualty (3)** ✓ ✓ ✓
- Supplemental Medical (2)** ✓ ✓
- Accident (2)** ✓ ✓
- Other (1 each)***

***Others Include:**
Long-Term Care, Dental, Vision, Hearing, Disability, Reinsurance, Worksite, Health-Related Assistance, Legal Benefits and Financial Education.

What type of distribution / sales channel do you utilize? *(select all that apply)*

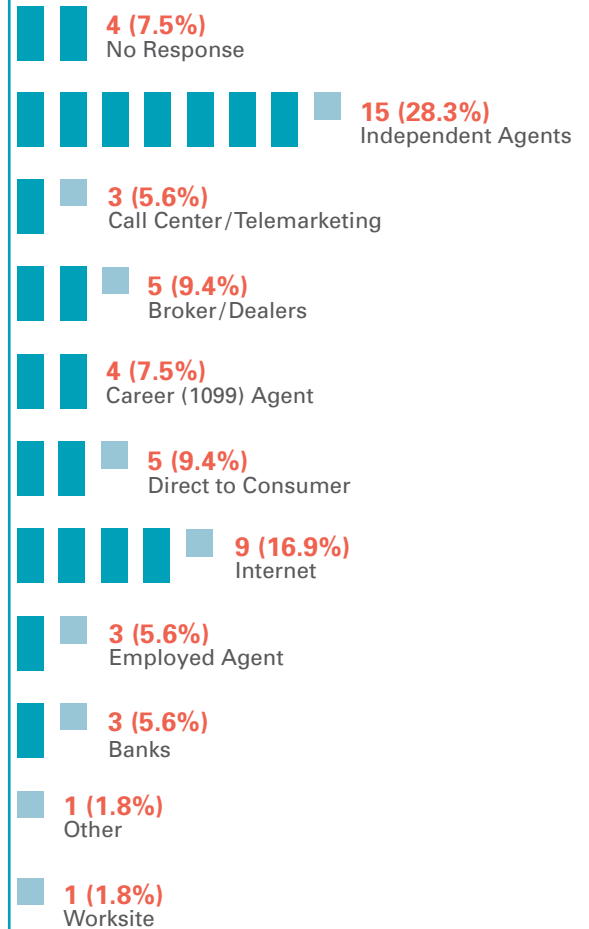
Total Responses: 50 companies



■ = 1 Response ■ = 2 Responses

What type of distribution / sales channel do you feel provides the most or best opportunities for growth? *(select one)*

Total Responses: 53 companies



■ = 2 Responses ■ = 1 Response

***Others Include:** Affinity Groups, Brokerage Agencies, Strategic Alliance Partners, Reinsurance Brokers, Managing General Agents/Underwriters, Third-Party Administrators and General Agents

What type of distribution / sales channel do you feel provides the following:
(a) better distribution retention, (b) better product persistency, (c) better product placement ratios, (d) maximum return on investment, (e) predictable production-to-expense ratios, (f) development of brand identity?

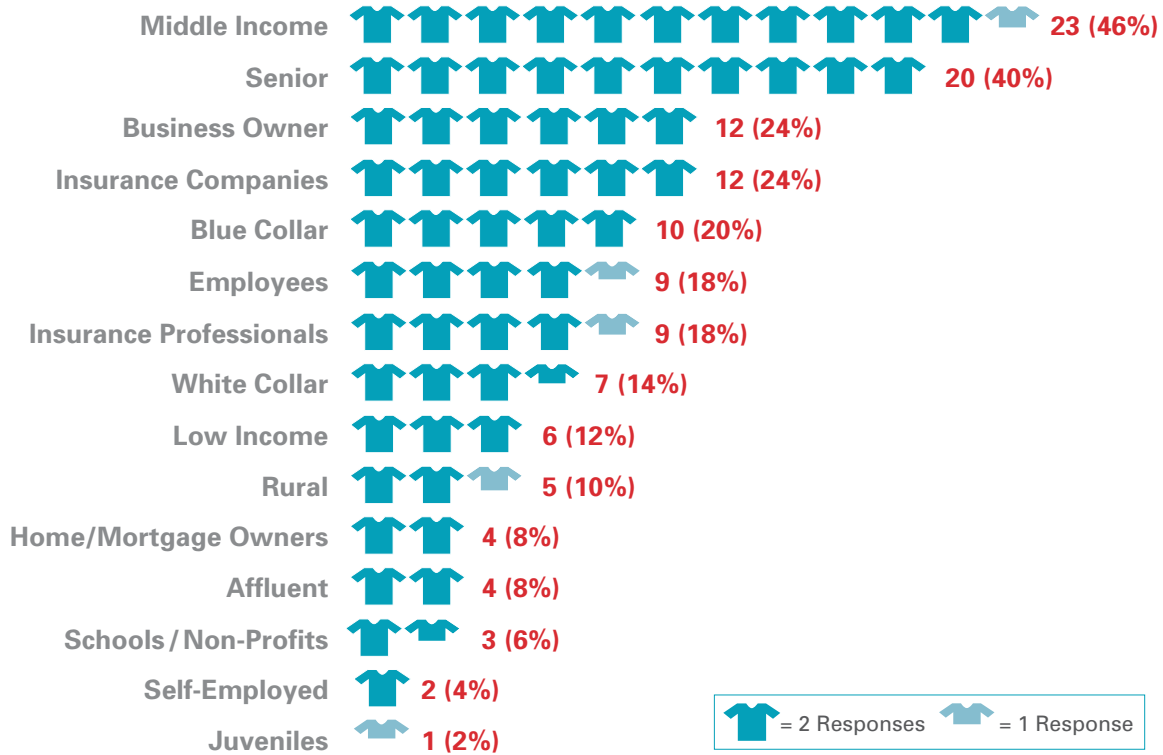
Total Responses: 46 companies

	Broker / Dealers	Independent Agents	Career (1099) Agent	Employed Agent	Banks	Worksite	Call Center / Telemarketing	Direct to Consumer	Internet	Other
(a) Better distribution retention	7 15%	10 22%	6 13%	9 20%	0 0%	3 7%	3 7%	4 9%	0 0%	4 9%
(b) Better product persistency	4 9%	8 17%	9 20%	12 26%	2 4%	5 11%	1 2%	1 2%	1 2%	3 7%
(c) Better product placement ratios	8 18%	12 27%	6 13%	5 11%	1 2%	4 9%	4 9%	2 4%	0 0%	3 7%
(d) Maximum return on investment	3 7%	10 22%	5 11%	2 4%	0 0%	1 2%	3 7%	5 11%	12 27%	4 9%
(e) Predictable production-to-expense ratios	3 7%	10 22%	7 16%	3 7%	0 0%	4 9%	4 9%	4 9%	5 11%	5 11%
(f) Development of brand identity	5 11%	5 11%	10 22%	6 13%	2 4%	0 0%	1 2%	6 13%	6 13%	4 9%

Top number is the count of respondents selecting the option.
 Bottom % is the percent of the total respondents selecting the option.

What do you consider as the primary target audience for your product/services? (Select up to 3)

Total Responses: 50 companies



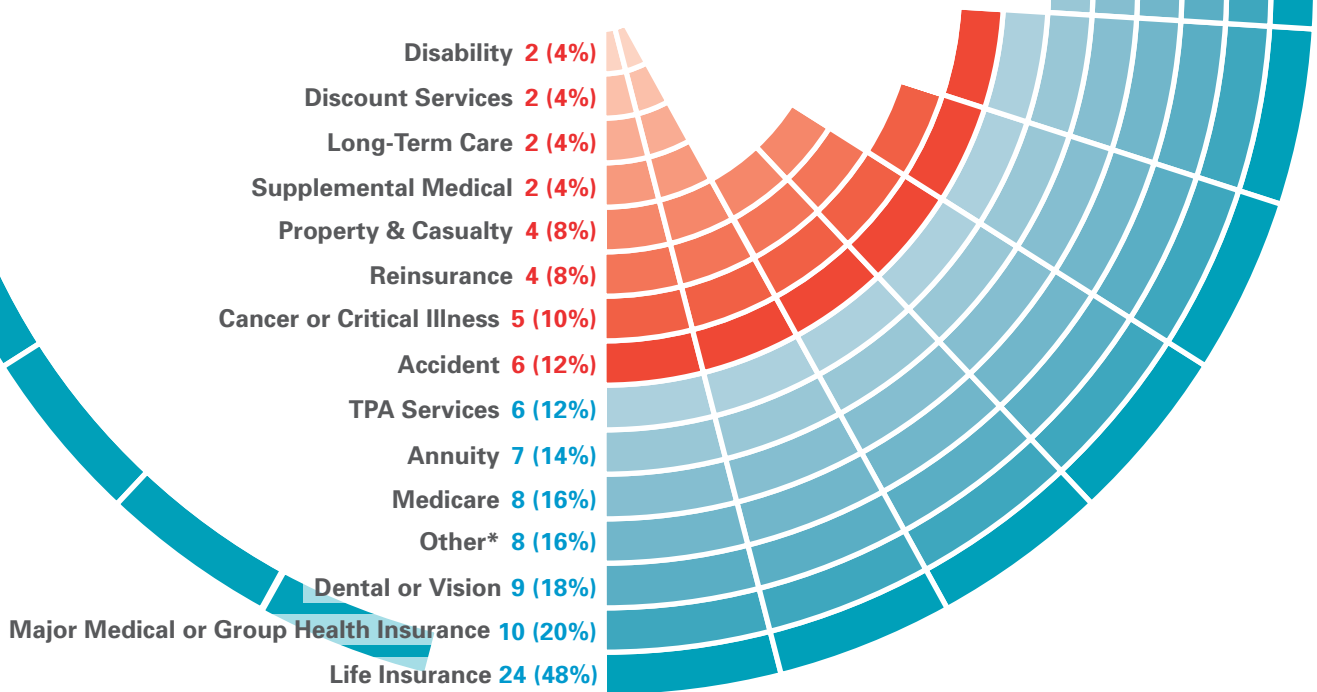
As it pertains to the insurance products / services your company offers, what do you consider your target market? (Select one)

Total Responses: 53 companies



What does your organization consider as its core product or service? *(Select up to 3)*

Total Responses: 50 companies



*Others Include: Travel Insurance, Marketing Technology, Software, Accident, Consulting, Assistance Services and Live Financial Counseling.



ICMG (Inter-Company Marketing Group) is a nonprofit association that fosters insurance industry strategic alliances. Among ICMG's members are marketing and business development decision-makers with insurance carriers, reinsurers, distributors, third-party administrators, service providers and other related companies.

www.ICMG.org

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