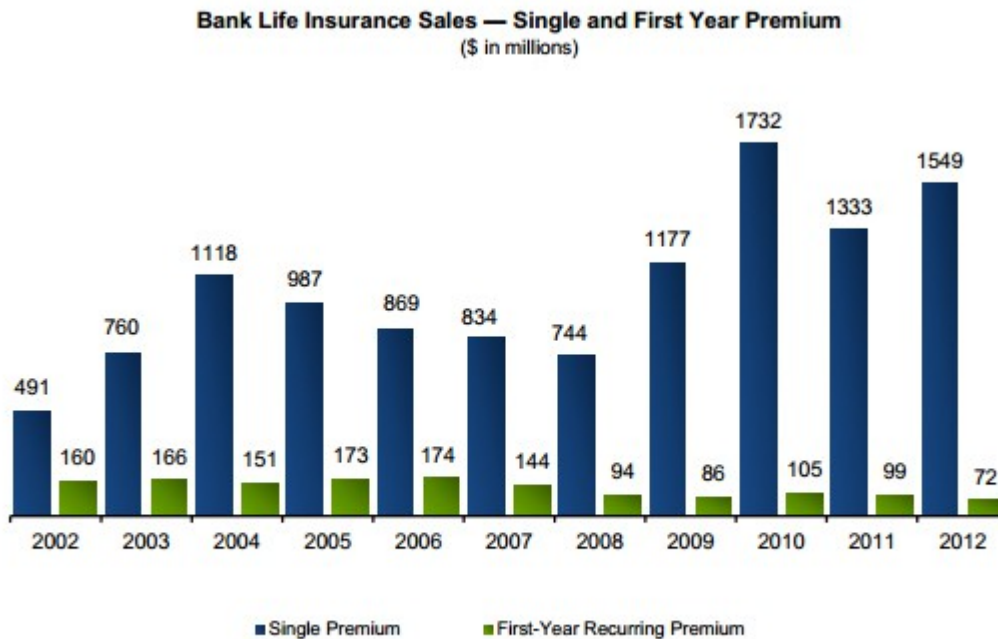


2012 Bank Life Sales Close to All Time High

BISRA

Windsor, CT March 18th, 2013... Total life insurance premium sold through financial institutions reached \$1,621 million in 2012, up 13 percent from the prior year. This represents the second highest annual production level in history for the bank channel, only 12 percent below the record \$1,837 million sold in 2010.



Source: *The BISRA Life Report*

- Universal life products accounted for over half of single premium sales and three-fifths of first-year new premium in 2012.
- Market share for single whole life premium fell from 52 percent in 2011 to 46 percent in 2012, while variable life maintained one percent.
- UL first-year premium share fell 5 percentage points in 2012 while the term life market share rose from 14 percent to 19 percent.
- First-year WL and variable life market share held steady in 2012 at 15 percent and 5 percent, respectively.

Single premium life products have long dominated first-year premium products in generating

new sales premium in banks due to the transactional nature of financial advisors in the channel. “Since 2009, at least 9 out of every 10 dollars in new life sales premium sold in the bank channel has come from single premium products” stated Dan Beatrice, Associate Research Director at BISRA. In 2012 96 percent of total new life insurance premium was reported coming through single premium transactions.

“While the life insurance sales results for 2012 are impressive, it’s discouraging to see the amount of recurring premium decline fairly steadily since the mid 2000’s” said Scott Stathis, Managing Director of BISRA. “We need to move beyond life insurance baby steps and get to real protection products. As banks evolve into providers of integrated wealth management we should see the amount of recurring premium increase. If we don’t I feel it will be a sign that the bank reps are not doing their jobs as true advisors for managing their client’s wealth.” Stathis continued.

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