

PLOT POINTS

By Nick Rockwell and Erin Marino



COVID-19's impact on voluntary sales: Part 3

THIS IS THE last in our series on voluntary sales results for 2020. The first article looked at overall sales for the year, while the second reviewed sales by product line and platform. This column spotlights distribution segments.

The benefit broker segment continued to take the largest share of voluntary/worksite sales, at 65%, and generated over \$4.8 billion in sales. Career agents continued to have the second-highest

Career agents—These producers work primarily for a single company and sell that company's voluntary/worksite products.

Classic worksite brokers—These producers focus primarily on voluntary sales. Their operations may be small or medium sized, and they typically sell directly to employers and may offer support services to their clients.

Worksite specialists—This segment consists of large marketing organizations whose primary focus is voluntary sales. Benefits communications is a key service offered by this group. Most specialists work on cases brought to them by other brokers who need their expertise in voluntary.

Benefit brokers—These producers typically focus on employee benefits, particularly traditional group benefits. Some are actually benefits agencies inside of a commercial lines agency. For all, voluntary products are generally offered as an additional line.

Occasional worksite producers—These producers are insurance generalists. They have a small agency that sells insurance products other than voluntary/worksite—group, individual or property/casualty. Worksite products are a small part of their operation.

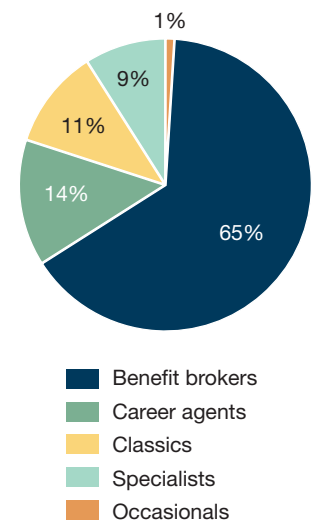
share, with just over \$1 billion. Meanwhile, voluntary brokers accounted for just under \$1.5 billion.

While all segments experienced declines in 2020, the extent varied by distributor. Career agents and classic worksite brokers saw the largest declines, at 28% each. Meanwhile, worksite specialists and occasional producers saw moderate declines of 12% and 14%, respectively. Employee benefit brokers fared best, with just a 10% decrease.

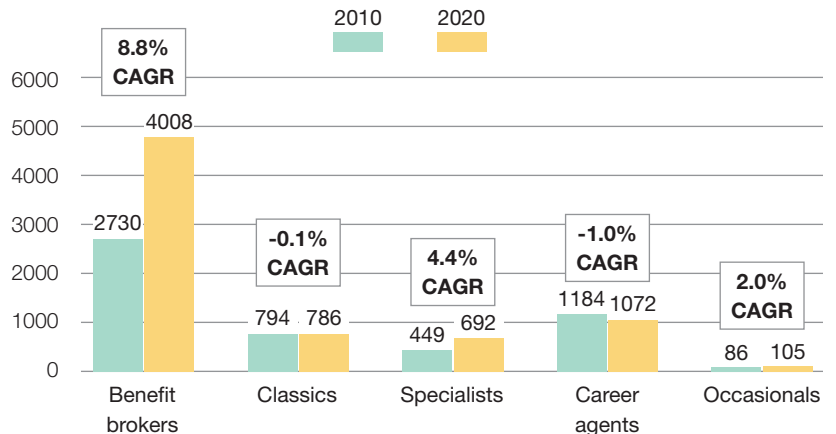
Over the past 10 years, benefit brokers and worksite specialists experienced moderate growth, with compound average growth rates of 5.8% and 4.4%, respectively. Classic and career agent growth has been slightly negative, with compound average growth rates of -0.1% and -1.0%, respectively.

For more information about participating in next year's survey, contact us at info@eastbridge.com.

2020 sales mix by distribution segment



Growth of sales by distribution segment



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