



LIFE INSURANCE

IMPACT OF COVID-19 ON THE LIFE INSURANCE INDUSTRY

TENNESSEE BROKERAGE AGENCY

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INTRODUCTION

The impacts of COVID-19 have been felt by everyone, but what about the life insurance industry specifically? That is the question we felt compelled to answer with direct feedback from advisors like you.

We reached out to more than 400 life insurance advisors to gain valuable insight on how it has impacted them personally and professionally, what are their greatest concerns and what they need to move forward successfully in our industry during this time.

This will explore our findings from that research and also key resources for meeting those needs that we uncovered.

HOW AND WHY

In order to gain a perspective from advisors across our industry we provided an anonymous survey to over 400 licensed life insurance advisors across the following sub-sectors within the industry:

- Property & Casualty
- Health & Group Benefits
- Financial Advisors
- RIA & Wirehouse
- Independent Advisors

The experience of the advisors we surveyed range anywhere from new to the industry (<6 months) to more than 25 years' experience.

We provided them a five-question online survey with four multiple choice questions and one open-ended question:

1. Has the coronavirus pandemic had a positive or negative impact on your overall business?
2. What are the top two biggest challenges you are currently facing while working?
3. What specific changes have you made to continue to operate your business during the pandemic?
4. What would be the most helpful resource(s) going into the final quarter?
5. If you had to give advice to a new advisor coming into the Life/LTC business or a veteran advisor who is struggling, what would you say to build their business during the pandemic?

For the multiple-choice questions, we also provided an option for advisors to list "other" answers, should the choices provided not resonate with their current opinions and feelings.

KEY FINDINGS

#1 – COVID-19 Impact



When presented with the question asking about the overall impact of the coronavirus pandemic on overall business, advisors were given answer choices options that included:

- Very Positive
- Somewhat Positive
- Neither Positive/Negative
- Somewhat Negative
- Very Negative

The primary finding from this question that **39.13% felt that there was neither a positive or negative impact** on their business. However, **28.26% did feel that there had been a somewhat negative impact** on their business.

#2 – Primary Concerns



This finding was revealed when advisors were asked to identify the two biggest challenges they faced because of the impact of the pandemic. They were provided with the following options:

- Worrying about production
- Childcare
- Worry about getting sick myself
- Worry about spreading COVID to others
- Worry about spreading COVID to family or people I live with
- Overall mental health
- Getting enough food
- Working too many hours
- Not enough sleep
- Other (please specify)

The findings that were revealed were that the two primary concerns for advisors were: **worrying about production (41.46%) and worry about spreading COVID to family or people they live with (39.02%).**

#3 – What Advisors Need



In an unprecedented time, it's natural that what is typically done is not going to work. We not only asked advisors what changes they had personally made in order to adapt with **55.26% stating that they had added new technology (Zoom, DocuSign, etc.)**, but also what they believed would be the most helpful resources going into the final quarter that included:

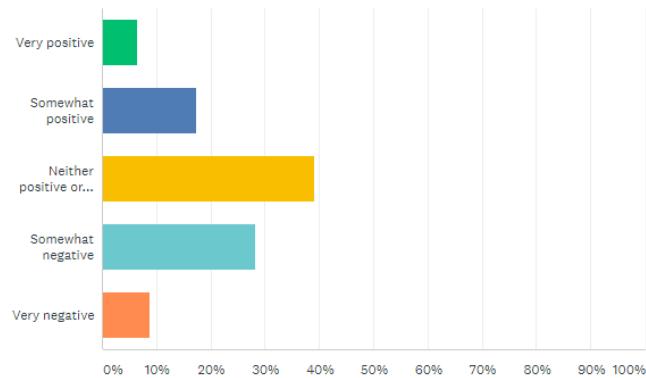
- Marketing Materials
- Best product choices for current climate
- Writing term faster resources
- Policy review info & assistance
- Carrier updates
- Unique solutions for clients – LTC hybrids, etc.
- Podcasts & videos
- Other (please specify)

Although every option was chosen by at least one respondent, **35.14% said marketing materials, 29.73% said best product choices, and 21.62% said writing term faster resources.**

VISUAL DATA

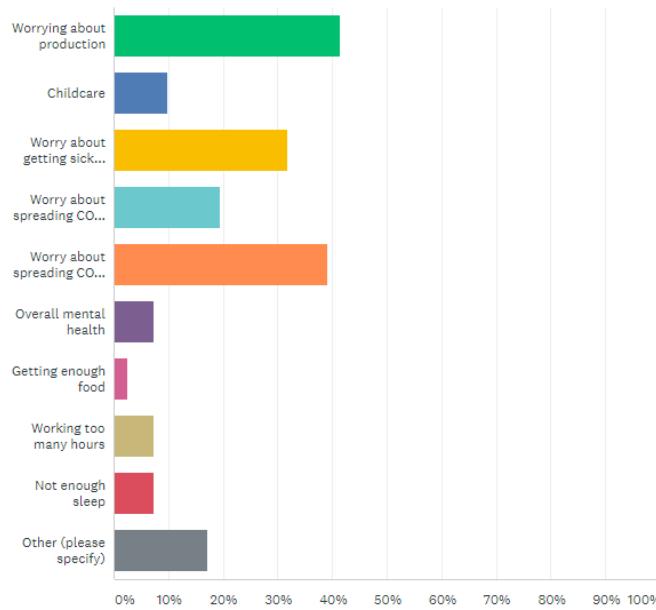
Question 1

Has the coronavirus pandemic had a positive or negative impact on your overall business?



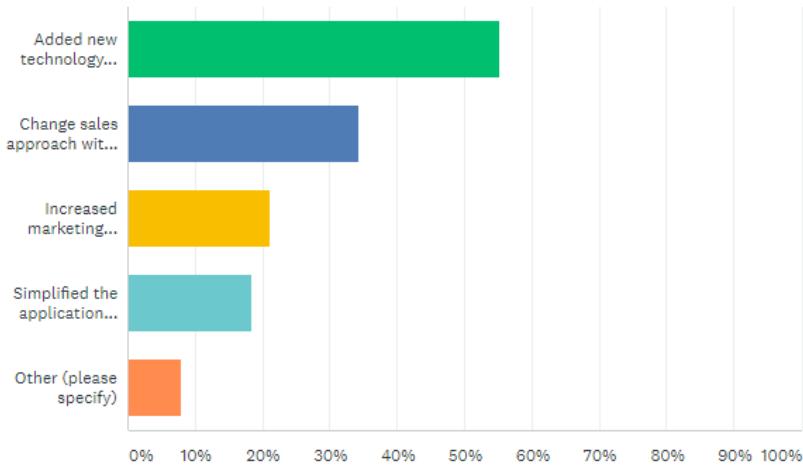
Question 2

What are the TOP TWO biggest challenges you are currently facing while working?



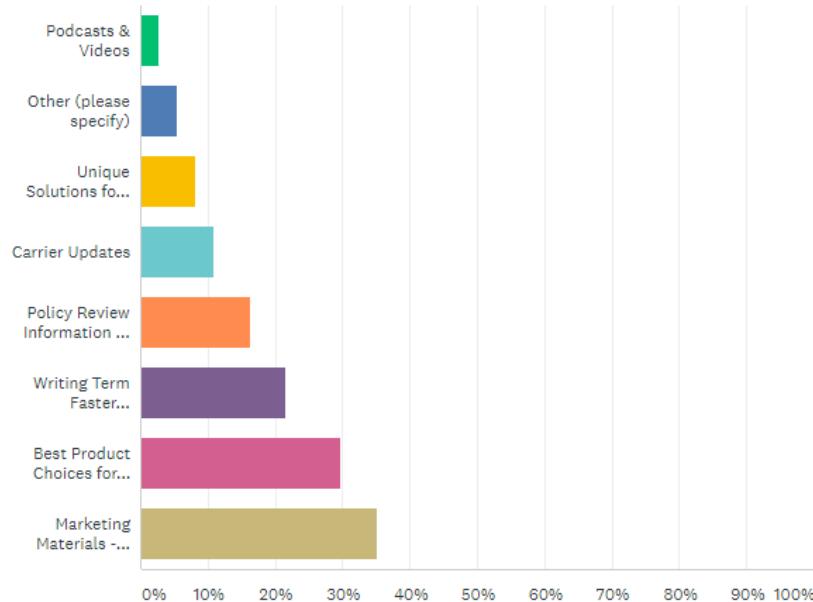
Question 3

What specific changes have you made to continue to operate your business during the pandemic?



Question 4

What would be the most helpful resource(s) going into the final quarter?



QUESTION 5

If you had to give advice to a new advisor coming into the life/ltc business or a veteran advisor who is struggling, what would you say to build their business during the pandemic?

**this is a sampling of the answers provided*

- See the people anyway you can and don't give up on yourself!
- Social media outreach is the best marketing tool.
- Develop a plan and try your best at it while still being able to make adjustments.
- Stay in touch with your clients.
- Upgrade your referral system.
- Learn how to make quotes as easy as possible for clients. Be prepared to do the entire process over the phone, through texting, or via email. The less face time with the client, the better for now. You never know when you'll get exposed to COVID and have to tell clients that they need to get tested themselves. You want to keep your circle of contact as low as possible right now.
- Reach out to existing clients and tell them that our protection provides certainty in times of uncertainty.
- What I've always done when production has lagged – start knocking on doors (literally or by increased marketing efforts) to acquire new clients.
- Communication and asking for referrals from existing clients.
- Be honest and aggressive in the pursuit of solutions for clients.
- Continue to reach out to your current clients and ask them for referrals.
- If you are primarily a P&C agent, always make sure your clients know that you can also help them with Life, Disability, and LTC. Set up a tag line in your e-mail signature and consider adding to your business cards.
- Keep at it. Talk to as many people as possible.
- MARKET, NETWORK and EDUCATE THE PUBLIC.
- Work off of who you have now. Get referrals and cross sell.
- Evaluate your commitment to working hard during the early years. You may not reach your goals working 40 hours per week early in your career. You get out of it what you put into it...the return on your investment of extra hours and effort will be worth it in the end.
- Keep asking & looking for prospects.
- Don't get in a hurry, this is not a get rich quick career for most people.
- Use products that clients can see have real and meaningful benefits without much uncertainty such as whole life and hybrid life/ltc products. Programs that replace uncertainty with positive outcomes.
- Embrace technology.
- Stay strong, you are not alone.
- Stay the course. Be available and continue to serve your clients but find new ways to connect. Don't lose the human touch.
- Call EVERYONE- don't cull or predict, call them all.



CONCLUSION

In summary, although most advisors feel that the pandemic has not had a positive or negative impact on their overall business they have all felt the need to make adjustments to how they do business in order to accommodate their clients – both current and leads.

Their concerns are focus not only on their personal production but also on the health and safety of their families.

Although change can be difficult, adaptions have been made in order to stay relevant and safe in a time when traditional sales tactics have been halted and almost rendered obsolete due to an inability to make face to face connections.

The final quarter will be an important time for all advisors as they try to offset the challenges they have faced in 2020, and they will be looking for marketing resources that provide educational insight for their clients on the best products and solutions for them.

Key Takeaways

- Adaption = success – incorporating new technology, relying on new approaches to social media marketing, and meeting clients “where they are” in a safe way will be key for the final quarter during a pandemic.
- Rely on resources & support teams – whether it is mentors in the industry or resources provided by carriers and brokerage agencies, taking advantage of the materials provided will be key in communicating important and relevant messages to clients.
- Keep moving forward – although the impact of the pandemic will be felt for years to come, advisors will continue to push forward to grow their business during one of the most challenging years in the industry. Focusing on what they can control, and embracing new technology, will allow them to still see success in a challenging year.