

kiri 국제세미나

# 판매채널 환경 변화와 대응방안 모색

The Environmental Changes of Distribution Channels and Countermeasures

일시 2019년 11월 15일(금), 14:00~17:30 장소 플라자호텔 그랜드볼룸(별관 LL층)

Date Friday, November 15, 2019 Place The Plaza Hotel Seoul Grand Ballroom(LL Floor)

kiri 보험연구원  
Korea Insurance Research Institute



# ***Case Study of Life Insurance and Financial Advice Reform in Australia***

**Korea Insurance Research Institute**

**15 November 2019**

**Phil Anderson**

**General Manager, Policy and Professionalism**

**[afa.asn.au](http://afa.asn.au)**

 **@AFA\_Voice**  **AFAVoice**  **afavoice** **#AFAau**



**Great advice** for more Australians

# Australian Life Insurance Market

The Australian life insurance market:

- \$16.4 Billion Annual Premiums in 2018 (\$11.2 Billion USD)
- Three Primary Channels (Advised, Group Superannuation and Direct)
- Life Insurance Products are risk only (no investment)
- Two key Regulators (plus one for Financial Advisers)
- Substantial Recent Structural Change
  - Rapidly Consolidating with Increasing Overseas Ownership
- Long History of Significant Regulatory Change
- Significant Industry Pressure across all Three Channels

# Life Insurance Channels

There are three primary life insurance channels in Australia that each have their own products:

- **Retail Individually advised**, which is life insurance sold predominantly on the basis of financial advice (Australia has 25,250 financial advisers) that is fully underwritten.
- **Group Superannuation**, which is insurance that is provided through employment based superannuation (pension) funds. Employers pay 9.5% of salary towards an employees superannuation (pension) account and life insurance and Total and Permanent Disability insurances are automatically included (subject to recent change). Income protection insurance is available on an opt-in basis. Group super insurance is provided on an automatic acceptance limit basis and is only underwritten where extra insurance is required.
- **Direct**, which is retail life insurance sold via the telephone or direct mail without the provision of financial advice.

# Life Insurance Products

The Australian market is now a risk only market, where there is no investment element to the cover. Whole of Life insurance, which included an investment element, was sold until the 1990s. The life insurance policy vehicle is still used for some investment only products (life insurance bonds etc). The four key life insurance products are:

- **Life (Death) insurance.**
- **Total and Permanent Disability insurance** – which is a lump sum benefit payable on the basis of a permanent inability to return to work.
- **Trauma** or critical illness, which is the payment of a lump sum benefit on the diagnosis of specific defined medical conditions.
- **Income Protection** or disability income insurance, which is an income replacement product on the assessment of a temporary inability to return to work on the basis of specific defined conditions.

# Industry Structure



Australian Parliament

## Regulators



APRA



## Life Insurers

TAL



LIFE INSURANCE



[afa.asn.au](http://afa.asn.au)

@AFA\_Voice AFAVoice afavoice #AFAau

 afa  
Great advice for more Australians

# Life Insurance and Advice Regulators

The key Australian regulators relevant to life insurance and the provision of life insurance advice are as follows:

- **APRA – Australian Prudential Regulation Authority.** APRA is the prudential regulator for banks, life insurers and superannuation funds.
- **ASIC – Australian Securities and Investments Commission.** ASIC is the conduct regulator responsible for oversight of compliance with the Corporations Act (Licensing, Disclosure, Financial Advice etc).
- **FASEA – Financial Adviser Standards and Ethics Authority.** FASEA are responsible for setting the education standards, exam requirements, continuing professional development, professional year and Code of Ethics for financial advisers.

# The Australian Life Insurance Market

\$Billion AUD	Individual Advised	Direct	Group Super	Total
Total Lump Sum Cover	2,274	219	4,820	7,314
	31.1%	3.0%	65.9%	100.0%
Total Premiums	8.4	0.8	7.2	16.4
	51.4%	4.9%	43.7%	100.0%

Source: APRA/ASIC – 27 June 2019 - Life Insurance Claims and Disputes Statistics publication, covering a rolling 12-month period from 1 January 2018 to 31 December 2018



# The Australian Life Insurance Market

		Death	TPD	Trauma	Income Protection
<b>People</b>	Million	16.0	13.5	1.1	6.5
<b>Total Cover</b>	\$Billion AUD	4,189	2,898	227	27
<b>Premiums</b>	\$Billion AUD	6.4	3.5	1.5	5.0

Note: Income Protection cover is the monthly benefit.

Source: APRA/ASIC – 27 June 2019 - Life Insurance Claims and Disputes Statistics publication, covering a rolling 12-month period from 1 January 2018 to 31 December 2018

# Industry Structural Change

There has been significant structural change through consolidation. Very soon, three of the big four Australian banks and Australia's largest wealth manager (AMP) will have left the life insurance market:

Life Insurer	Owner	Country
TAL Life Limited	Dai-ichi Life Group	Japan
Zurich Australia Limited	Zurich Insurance Group	Switzerland
AIA Australia Limited	AIA Group	Hong Kong
MLC Life Limited	Nippon Life Insurance (70%)	Japan
Resolution Life	Resolution Life Group	UK/Bermuda
BT Financial Group	Westpac Bank	Australia
MetLife Insurance Limited	Metlife Inc	USA

# Financial Advice Sector - Structural Change

Financial advisers are authorised by a licensee, although now they can typically choose from a range of products. The dominance of the Big four Banks and AMP, as Financial Advice licensees, has also changed substantially in recent years:

Institutional Group	Adviser Numbers	
	May-15	Nov-19
AMP	3,444	2,253
National Australia Bank (NAB	1,703	1,320
Commonwealth Bank of Australia (CBA)	1,634	662
Westpac Bank (WBC)	1,279	
Australia and New Zealand Bank (ANZ)	891	366
<b>Sub Total</b>	<b>8,951</b>	<b>4,601</b>
Other Groups		
<b>Grand Total - Financial Advisers</b>	<b>22,558</b>	<b>25,234</b>

Source: ASIC's Financial Adviser Register – November 2019. Note: Excludes Private Bank Advisers



# Regulatory Reform

[afa.asn.au](http://afa.asn.au)

 @AFA\_Voice  AFAVoice  afavoice #AFAau

 afa  
Great advice for more Australians

# Regulatory Reform Timeframe

**2001**

## Financial Services Reform Act

- Licensing regime
- Product Disclosure
- Statements of Advice
- Reasonable Basis for advice

**Feb 2017**

## Life Insurance Framework

- Cap on upfront life insurance commissions
- Two year clawback

**2019 - 21**

## Group Super Reforms Royal Commission Reforms

**June 2012**

## Future of Financial Advice

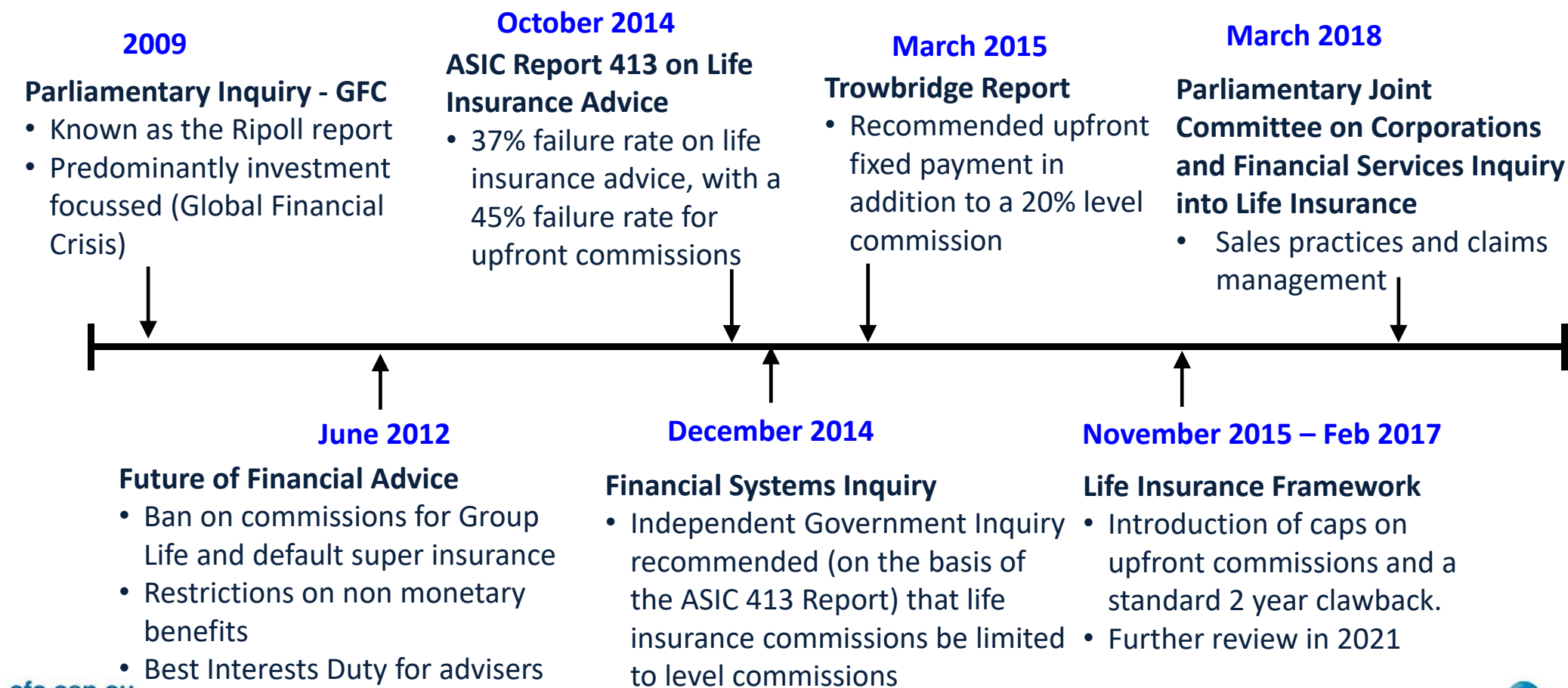
- Ban on Conflicted Remuneration (life insurance exemptions)
- Best Interest Duty

**Feb 2017**

## Professional Standards for Financial Advisers

- Education Standard
- Exam requirement
- CPD Standard
- Code of Ethics

# Life Insurance and Advice Reviews and Reforms



# Financial Adviser - Risk Commissions

Prior to the commencement of the Life Insurance Framework, the commission options for financial advisers included:

- Upfront – typically 110% - 120% initial commission and then 10% ongoing
- Hybrid – typically 80% initial commission and then 20% ongoing
- Level – Typically 27% – 30% initial and ongoing

## **The 2017 Life Insurance Framework included the following:**

- A cap of 80% on upfront commissions from 1 January 2018, reducing to 70% from 1 January 2019 and then finally 60% from 1 January 2020
- A cap of 20% on ongoing commissions
- No Limitations on level commission business
- A two-year clawback with 100% repaid for lapses in year one and 60% in year 2

# Education and Ethics Requirements

The Professional Standards for Financial Advisers Act (2017) created the Financial Adviser Standards and Ethics Authority (FASEA), who are an independent Government body, with a separate Board who have been responsible for setting the following:

- A degree equivalent education requirement, which is set at a minimum of an eight subject Graduate Diploma, which needs to be completed by Dec 2023.
- A three and a half hour exam, which needs to be completed by Dec 2020
- A Code of Ethics, commencing 1 January 2020, which is above the requirements of the law and particularly challenging, including the following Standard 3:
  - You must not advise, refer or act in any other manner where you have a conflict of interest or duty.

On 30 August 2019, the Australian Government announced an intention to introduce legislation to provide a 12 month extension for the completion of the exam and a 2 year extension for the education requirement.





## 2017-19 Royal Commission into Misconduct in the Banking Superannuation and Financial Services Industry

[afa.asn.au](http://afa.asn.au)

[@AFA\\_Voice](#) [AFAVoice](#) [afavoice](#) [#AFAau](#)

[Print](#) [Email](#) [Facebook](#) [Twitter](#) [More](#)

### Malcolm Turnbull backflips on banking royal commission after big four call for inquiry to restore public faith

By political reporter [Lucy Sweeney](#) and political correspondent [Louise Yaxley](#)

Updated 30 Nov 2017, 5:52pm



# The Royal Commission - a Huge Impact

The Royal Commission was run by one Commissioner - Kenneth Hayne, a retired High Court Judge



The final report was handed to the Australian Federal Treasurer on 1 February 2019

# Life Insurance Commissions

The Report included a general rule that exceptions to the ban on conflicted remuneration should be eliminated.

There was a specific recommendation on life insurance commissions. As part of the Life Insurance framework, ASIC are required to do a review of life insurance advice quality in 2021. The Government has stated, if a significant improvement is not demonstrated, then they will move to mandate level commissions. The Royal Commission Recommended:

- **Recommendation 2.5 – Life risk insurance commissions.** When ASIC conducts its review of conflicted remuneration relating to life risk insurance products and the operation of the LIF Instrument, ASIC should consider further reducing the cap on commissions in respect of life risk insurance products. Unless there is a clear justification for retaining those commissions, the cap should ultimately be reduced to zero

# Life Insurer Response on Commissions

NEWS	RESOURCE CENTRE	CASE STUDIES	UW REQ'S	QUICK QUOTES	LIFE QUOTES	LIFE SU
------	-----------------	--------------	----------	--------------	-------------	---------



## Zurich Call to Retain Risk Commissions

March 7,

### MLC Life Insurance Steps-Up to Support Risk Commissions

Zurich ha

The insur  
research  
are unwill

### March 19, ClearView Statement in Support of Commissions

MLC Life II March 25, 2

of life insur

ClearView V  
commission

### TAL Joins Call to Retain Risk Commissions

March 26, 2019

TAL Life has stepped up to back the retention of life insurance commissions.

[afa.asn.au](http://afa.asn.au)

[@AFA\\_Voice](#) [AFAVoice](#) [afavoice](#) [#AFAau](#)





# Media and Other Issues

[afa.asn.au](http://afa.asn.au)

 @AFA\_Voice  AFAVoice  afavoice #AFAau

 afa  
Great advice for more Australians

# Key Media Issues

The Life Insurance industry has been subject to some intense media coverage:

- **March 2016** – Australian Broadcasting Corporation story on the Commonwealth Bank’s life insurance arm (“Money for Nothing”) with respect to outdated terms and poor claims management practices.
- **September 2016** – ASIC Report 492 on the sale of add-on insurance by car yards that included life insurance products with poor sales practices and poor products that delivered limited client benefits.
- **August 2018** – ASIC Report 587 on the Direct Life insurance market was damning in terms of sales practices and consumer outcomes.
- **September 2018** - The Royal Commission insurance round hearings heard stories of poor sales practices including cold calling and the payment of life insurance by dead people.
- **October 2019** – ASIC Calls on the industry to make changes to TPD Insurance



# Other Legislation

[afa.asn.au](http://afa.asn.au)

 @AFA\_Voice  AFAVoice  afavoices #AFAau

 afa  
Great advice for more Australians

# Reforms to the Group Super Market

In 2019, the Australian Parliament has passed two pieces of legislation aimed at reducing duplicate superannuation accounts (including insurance) and to minimise the depletion of balances as a result of the payment of fees and insurance premiums. This includes fundamental changes to the automatic way that Australians currently get life insurance through their employer super arrangements:

- Life insurance changes to opt-in for inactive accounts (16 months)
- Life insurance changes to opt-in for new members under the age of 25.
- Life insurance to become opt-in for anyone with a balance of less than \$6,000.





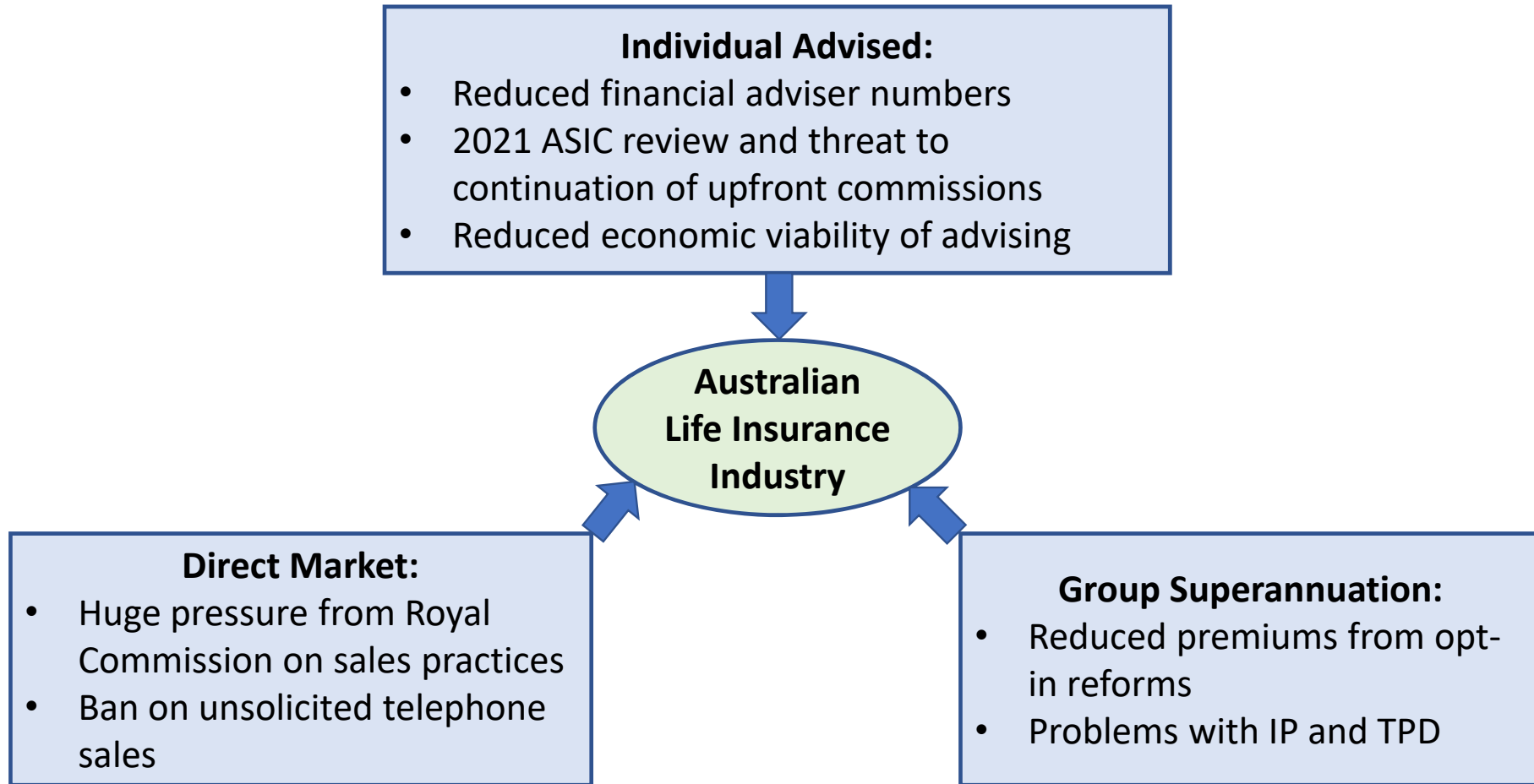
# A Challenging Future for Life Insurance

[afa.asn.au](http://afa.asn.au)

 @AFA\_Voice  AFAVoice  afavoice #AFAau

  
Great advice for more Australians

# Life Insurance – Unprecedented Challenges



# Summary – Life Insurance and Advice

The Australian Life Insurance and Financial Advice Market:

- Significant ongoing levels of regulatory reform and industry change.
- Three of the four Big Banks and AMP are exiting life insurance.
- The big banks and AMP are exiting or reducing financial adviser numbers. Advisers are leaving due to increased requirements and other reforms.
- The Banking Royal Commission has resulted in huge changes and the expectation of further reform.
- Reforms to life insurance financial adviser commissions are challenging the market with a reduced adviser focus upon life insurance.
- Premium increases and commission reductions impacting client retention.



---

# Thank You

[afa.asn.au](http://afa.asn.au)

 @AFA\_Voice  AFAVoice  afavoice #AFAau

 afa  
Great advice for more Australians

A hand is shown writing the words 'LIFE INSURANCE' in blue marker on a white surface. The word 'LIFE' is on the top line and 'INSURANCE' is on the bottom line. A blue horizontal line is drawn below the word 'INSURANCE'.

# US GA Distribution Channel and Consumer Protection

Presented on November 15, 2019

# Table of Contents

## 1. US Insurance Industry

1. US Insurance Industry at-a-glance
2. Employment in Insurance
3. Top 10 Life Insurance Companies in 2018
4. 2018 Life Insurance Total Volume  
(Group, Term, Credit Life, Ordinary Life)
  1. Market Share by Distribution Channel
  2. Independent Distribution Channel Structure
  3. Commission Structure

## 2. US Consumer Protection

1. Governmental Control
  - Code and Ethics
  - Lapse Prevention Measures
2. Company Requirements
  - Errors and Omission Insurance
  - Due Diligent
  - Insurance Company Contract

# US Insurance industry at-a-glance

---

- U.S. insurance industry **net premiums written totaled \$1.2 trillion in 2017**, with premiums recorded by **life/annuity (L/A) insurers accounting for 52 percent**, and premiums by property/casualty (P/C) insurers accounting for 48 percent, according to S&P Global Market Intelligence.
- Health insurance is generally considered separate. The sector includes private health insurance companies as well as government programs. Expected to be **\$1.0 trillion in 2019** according to IBIS World.
- Although most private health insurance is written by companies that specialize in that line of business, life/annuity and property/casualty insurers also write this coverage, referred to as accident and health insurance on their annual statements. Total private health insurance direct written premiums were \$867.5 billion in 2017, including: \$670.1 billion from the health insurance segment; **\$190.8 billion from the life/annuity segment**; and \$6.5 billion from property/casualty annual statements, according to S&P Global Market Intelligence.
- There were **5,954 insurance companies in 2017 in the U.S.** (including territories). According to the National Association of Insurance Commissioners those were comprised of the following: P/C (2,509); **life/annuities (852)**; health (907); fraternal (82); title (58); risk retention groups (240) and other companies (1,306).
- Insurance carriers and related activities contributed \$602.7 billion, or **3.1%, to the nation's gross domestic product (GDP) in 2017**, according to the U.S. Bureau of Economic Analysis.

# Employment In Insurance, 2009-2018

2018 US Total Population 327.2 million

(Annual Average, in 000)

Insurance carriers					Insurance agencies, brokerages and related services			
	Direct insurers (1)							
Year	Life and health (2)	Property/ casualty	Reinsurers	Total	Insurance agencies and brokers	Other insurance- related activities (3)	Total	Total industry
2009	802.8	632.9	27.5	1,463.2	653.3	254.2	907.4	2,370.6
2010	804.1	614.3	26.8	1,445.2	642.3	253.1	895.5	2,340.6
2011	788.9	611.6	25.6	1,426.1	649.2	261.1	910.3	2,336.4
2012	811.3	599.5	25.7	1,436.5	659.6	272.3	931.8	2,368.3
2013	813.2	593.7	26.2	1,433.1	672.3	283.5	955.8	2,388.9
2014	829.0	594.7	25.1	1,448.8	720.0	297.1	1,017.1	2,465.8
2015	829.8	611.6	25.1	1,466.5	762.8	309.1	1,071.8	2,538.3
2016	818.9	643.5	25.3	1,487.7	783.5	321.5	1,105.0	2,592.7
2017	850.4	639.7	26.6	1,516.7	809.6	333.3	1,142.9	2,659.6
2018	870.6	621.8	29.1	1,521.5	825.2	343.7	1,168.9	2,690.4

(1) Establishments primarily engaged in initially underwriting insurance policies.

(2) Includes establishments engaged in underwriting annuities, life insurance and health and medical insurance policies.

(3) Includes claims adjusters, third-party administrators of insurance funds and other service personnel such as advisory and insurance ratemaking services.

Source: U.S. Department of Labor, Bureau of Labor Statistics.



# Top 10 Writers Of Life Insurance/Annuities By Direct Premiums Written, 2018

Gross Premium in \$1,000

Rank	Group/company	Direct premiums written (1)	Market share (2)
1	MetLife Inc.	\$96,451,607	14.10
2	Prudential Financial Inc.	53,148,550	7.8
3	New York Life Insurance Group	35,452,211	5.2
4	Massachusetts Mutual Life Insurance Co.	27,154,611	4.0
5	American International Group (AIG)	26,446,934	3.9
6	Lincoln National Corp.	25,804,565	3.8
7	Principal Financial Group Inc.	25,322,774	3.7
8	AXA	22,579,431	3.3
9	Transamerica	22,352,418	3.3
10	Jackson National Life Group	21,511,557	3.2
		\$356,224,658	38.34%

(1) Includes life insurance, annuity considerations, deposit-type contract funds and other considerations, and accident and health insurance. Before reinsurance transactions.

(2) Based on U.S. total, includes territories.

Source: NAIC data, sourced from S&P Global Market Intelligence, Insurance Information Institute.

## U.S. Life/Health – 2018 Total Life Issued

Ranked by 2018 total life business issued.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 15, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Total Life Issued	% Change
1	2	Prudential of America Group	070189	\$238,487,350	19.5
2	3	Lincoln Finl Group	070351	179,162,183	2.6
3	4	Northwestern Mutual Group	069515	159,173,392	0.9
4	6	New York Life Group	069714	132,144,116	3.5
5	5	Securian Finl Ins Group	069565	122,595,851	-18.1
6	7	Unum Ins Group	069743	113,193,027	3.8
7	8	Principal Finl Group Inc.	020516	96,168,815	9.9
8	9	Massachusetts Mutual Life Group	069702	85,631,623	-2.1
9	10	Primerica Group	070183	84,742,899	-0.9
10	13	AIG Life & Retirement Group	070342	82,308,777	13.1
11	11	State Farm Life Group	070126	79,760,966	-5.0
12	14	Guardian Life Group	069685	69,990,506	-1.7
13	15	Mutual of Omaha Group	070203	68,406,904	11.9
14	23	Voya Finl Group	070153	63,594,992	24.3
15	26	Sun Life Finl Group	069740	62,060,533	82.2
16	21	Protective Life Group	069728	61,773,587	17.4
17	12	CIGNA Group	070173	60,537,456	-20.9
18	20	Legal & Gen America Group	069539	58,533,984	10.2
19	18	Hartford Life & Accident Ins Co	007285	53,029,511	-7.4
20	17	Meiji Yasuda US Life Group	070499	50,964,121	-11.0
21	1	Metropolitan Life & Affiliated Cos	070192	45,274,703	-83.1
22	19	Aegon USA Group	069707	44,505,650	-19.2
23	22	John Hancock Life Insurance Group	069542	42,596,821	-17.1
24	27	Pacific Life Group	069720	41,329,703	40.1
25	24	Torchmark Life Group	070443	39,507,005	-3.9
Top 25 Insurers				\$2,135,474,475	-8.2
Total U.S. Life/Health Industry				\$2,894,394,817	-6.0

## U.S. Life/Health – 2018 Total Life In Force

Ranked by 2018 total life business in force.

(\$ Thousands)


Source:  — Statement File - L/H, US; Data as of: July 16, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Total Life In Force	% Change
1	1	Prudential of America Group	070189	\$4,390,296,408	5.1
2	2	Metropolitan Life & Affiliated Cos	070192	4,384,428,249	7.6
3	4	Great-West Life Group	070366	3,241,620,997	63.7
4	7	Lincoln Finl Group	070351	2,069,656,889	25.1
5	3	RGA Group	069611	1,935,571,865	-4.4
6	5	Scor Life US Group	070253	1,840,027,921	2.0
7	6	Northwestern Mutual Group	069515	1,832,393,235	4.2
8	8	Securian Finl Ins Group	069565	1,521,622,142	2.9
9	12	New York Life Group	069714	1,465,565,197	3.6
10	10	Swiss Re Life Group	070469	1,408,082,640	-1.6
11	11	Aegon USA Group	069707	1,368,943,398	-3.7
12	13	Munich Amer Group	069170	1,354,817,191	15.4
13	9	Hannover Life Reassur America	068031	1,307,947,537	-9.3
14	16	Hartford Life & Accident Ins Co	007285	1,166,679,491	16.2
15	15	AIG Life & Retirement Group	070342	1,081,863,690	7.2
16	14	Voya Finl Group	070153	1,040,224,343	-3.9
17	17	Protective Life Group	069728	952,700,055	4.0
18	18	State Farm Life Group	070126	926,698,573	2.8
19	21	Unum Ins Group	069743	802,002,724	6.5
20	19	CIGNA Group	070173	798,823,977	-3.2
21	23	Principal Finl Group Inc.	020516	774,343,525	11.2
22	20	Genworth Finl Companies	070527	761,683,583	-4.6
23	22	Legal & Gen America Group	069539	734,374,256	4.4
24	25	Massachusetts Mutual Life Group	069702	718,781,054	7.4
25	24	Primerica Group	070183	695,728,208	3.0
Top 25 Insurers				\$38,574,877,148	7.5
Total U.S. Life/Health Industry				\$52,233,645,642	4.9

## U.S. Life/Health – 2018 Group Life Issued

Ranked by 2018 group life business issued.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 15, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Group Life Issued	% Change
1	4	Prudential of America Group	070189	\$138,469,566	39.6
2	3	Lincoln Finl Group	070351	105,903,650	-0.5
3	5	Unum Ins Group	069743	100,119,006	3.0
4	2	Securian Finl Ins Group	069565	96,802,022	-22.1
5	12	Sun Life Finl Group	069740	62,020,621	82.3
6	6	CIGNA Group	070173	60,401,937	-20.9
7	10	Voya Finl Group	070153	58,118,054	29.8
8	8	Hartford Life & Accident Ins Co	007285	53,004,626	-7.4
9	9	Meiji Yasuda US Life Group	070499	50,852,293	-11.0
10	14	Principal Finl Group Inc.	020516	44,240,135	47.7
11	13	Mutual of Omaha Group	070203	40,569,243	26.8
12	1	Metropolitan Life & Affiliated Cos	070192	39,886,144	-84.6
13	11	Guardian Life Group	069685	35,829,518	-6.1
14	16	New York Life Group	069714	33,998,868	38.2
15	15	Tokio Marine US Life Group	069195	27,549,334	2.4
16	7	Aetna Life Group	070202	27,402,800	-54.6
17	17	Symetra Life Group	070123	11,290,799	-50.7
18	23	Oneamerica Group	070399	11,130,543	41.4
19	21	5 Star Life Ins Co	008069	10,880,460	22.8
20	19	UnitedHealth Life Companies	069973	9,926,203	5.2
21	20	AAA Life Group	070388	9,582,466	5.7
22	31	Zurich Amer Life Group	070470	9,335,568	214.1
23	18	Dearborn National Life Ins Group	069637	9,156,739	-17.0
24	22	Anthem Life Cos	070064	8,553,620	4.1
25	27	Nationwide Mutual Life Group	070822	6,631,250	51.5
Top 25 Insurers				\$1,061,655,465	-15.6
Total U.S. Life/Health Industry				\$1,118,406,701	-15.0



## U.S. Life/Health – 2018 Group Life In Force

Ranked by 2018 group life business in force.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 16, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Group Life In Force	% Change
1	1	Metropolitan Life & Affiliated Cos	070192	\$3,850,851,727	9.8
2	3	Great-West Life Group	070366	2,892,383,953	75.9
3	2	Prudential of America Group	070189	2,062,345,108	7.1
4	4	Securian Finl Ins Group	069565	1,320,136,062	2.5
5	5	Hartford Life & Accident Ins Co	007285	1,164,503,086	16.2
6	8	Lincoln Finl Group	070351	1,036,769,393	62.8
7	6	CIGNA Group	070173	779,508,661	-3.1
8	7	Unum Ins Group	069743	731,374,851	7.0
9	9	Aetna Life Group	070202	472,081,737	-6.7
10	10	New York Life Group	069714	431,934,445	9.3
11	11	Meiji Yasuda US Life Group	070499	405,437,458	4.9
12	12	Munich Amer Group	069170	378,228,373	32.0
13	14	Guardian Life Group	069685	271,461,367	5.5
14	13	Sun Life Finl Group	069740	264,949,923	-0.6
15	15	Tokio Marine US Life Group	069195	239,306,600	3.2
16	16	Mutual of Omaha Group	070203	221,188,700	13.4
17	17	Voya Finl Group	070153	217,879,561	13.2
18	19	Principal Finl Group Inc.	020516	152,034,464	5.3
19	23	Anthem Life Cos	070064	124,370,923	15.0
20	22	Swiss Re Life Group	070469	117,224,103	-0.5
21	21	Dearborn National Life Ins Group	069637	116,468,741	-1.7
22	24	RGA Group	069611	96,378,105	6.2
23	25	UnitedHealth Life Companies	069973	73,137,905	1.3
24	27	Zurich Amer Life Group	070470	72,932,460	9.7
25	26	Massachusetts Mutual Life Group	069702	72,897,284	1.2
Top 25 Insurers				\$17,565,784,990	15.8
Total U.S. Life/Health Industry				\$18,558,548,825	13.7

## U.S. Life/Health – 2018 Term Life Issued

Ranked by 2018 term life business issued.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 15, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Term Life Issued	% Change
1	1	Northwestern Mutual Group	069515	\$119,896,398	-0.2
2	2	Primerica Group	070183	84,742,899	-0.9
3	3	Prudential of America Group	070189	79,863,483	0.3
4	6	AIG Life & Retirement Group	070342	71,984,631	15.2
5	4	State Farm Life Group	070126	66,797,646	-5.4
6	5	New York Life Group	069714	61,854,664	-6.6
7	7	Legal & Gen America Group	069539	58,428,735	10.1
8	9	Lincoln Finl Group	070351	53,818,672	10.1
9	10	Massachusetts Mutual Life Group	069702	48,992,057	1.5
10	8	Principal Finl Group Inc.	020516	47,079,308	-10.8
11	34	Protective Life Group	069728	38,970,773	424.8
12	17	Pacific Life Group	069720	29,779,439	52.8
13	11	John Hancock Life Insurance Group	069542	28,226,606	-25.8
14	13	Allstate Life Group	070106	26,086,304	1.4
15	14	USAA Life Group	070364	25,322,320	6.2
16	16	Guardian Life Group	069685	22,511,148	4.5
17	15	Mutual of Omaha Group	070203	20,612,933	-6.4
18	12	Aegon USA Group	069707	20,197,792	-30.3
19	18	Torchmark Life Group	070443	17,432,275	-7.3
20	25	Southern Farm Bureau Life Ins Co	007053	16,968,592	41.2
21	19	Farmers New World Life Ins Co	006373	16,534,835	-2.9
22	23	AXA Equitable Group	070194	13,690,879	8.5
23	21	Securian Finl Ins Group	069565	13,236,289	-0.4
24	20	Sammons Enterprises Group	070533	13,127,661	-7.4
25	26	Amer Natl Group	070166	11,830,388	2.0
Top 25 Insurers				\$1,007,986,727	2.8
Total U.S. Life/Health Industry				\$1,211,320,662	2.2

## U.S. Life/Health – 2018 Term Life In Force

Ranked by 2018 term life business in force.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 16, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Term Life In Force	% Change
1	1	RGA Group	069611	\$1,782,536,171	-4.5
2	2	Scor Life US Group	070253	1,639,108,668	1.3
3	3	Prudential of America Group	070189	1,586,219,192	5.4
4	4	Swiss Re Life Group	070469	1,286,245,055	-1.7
5	5	Hannover Life Reassur America	068031	1,270,355,389	-0.4
6	6	Northwestern Mutual Group	069515	1,135,703,797	5.4
7	7	Aegon USA Group	069707	1,019,524,831	-4.8
8	8	Munich Amer Group	069170	975,641,316	10.1
9	9	AIG Life & Retirement Group	070342	905,374,718	13.1
10	11	Legal & Gen America Group	069539	725,871,843	4.5
11	10	Voya Finl Group	070153	695,445,923	-9.2
12	12	Primerica Group	070183	693,239,336	3.0
13	13	State Farm Life Group	070126	674,921,346	3.8
14	14	Lincoln Finl Group	070351	648,313,096	1.8
15	16	Protective Life Group	069728	608,350,902	4.4
16	15	Genworth Finl Companies	070527	586,468,092	-4.1
17	17	New York Life Group	069714	527,391,204	2.8
18	19	Principal Finl Group Inc.	020516	487,484,251	16.3
19	18	Brighthouse Ins Group	070516	466,749,338	-4.5
20	20	USAA Life Group	070364	411,234,383	2.3
21	21	Berkshire Hathaway Group	070158	359,379,131	-6.3
22	23	Pacific Life Group	069720	351,091,334	2.4
23	22	Allstate Life Group	070106	350,151,870	-1.5
24	24	Massachusetts Mutual Life Group	069702	318,919,533	11.1
25	25	AXA Equitable Group	070194	268,613,212	-1.7
Top 25 Insurers				\$19,774,333,931	1.5
Total U.S. Life/Health Industry				\$24,384,420,448	0.3



## U.S. Life/Health – 2018 Credit Life Issued

Ranked by 2018 credit life business issued.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 15, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Credit Life Issued	% Change
1	2	Life of the South Group	069913	\$9,799,002	10.1
2	1	CMFG Life Group	070262	9,217,569	-21.2
3	3	OneMain Hldgs Life Group	070506	8,788,038	12.6
4	4	Securian Finl Ins Group	069565	5,020,469	10.9
5	5	Amer Natl Group	070166	3,093,048	-17.4
6	8	Assurant Inc Group	070135	2,674,854	17.5
7	7	Plateau Group	070039	2,502,533	-5.4
8	6	Central States H & L Group	070363	2,183,989	-22.2
9	11	Fransisco Life Ins Co	008800	646,886	22.0
10	10	SWBC Life Ins Co	009027	560,671	-26.7
11	13	Amer Federated Life Ins Co	068071	477,517	15.1
12	9	Pekin Life Ins Group	070155	457,625	-61.3
13	12	Protective Life Group	069728	408,067	-20.3
14	14	Old Spartan Life Ins Co Inc	007878	373,434	46.8
15	16	Investors Heritage Life Ins Co	006580	200,160	-6.3
16	18	Popular Life Re	060399	193,617	6.1
17	15	Berkshire Hathaway Group	070158	193,530	-19.2
18	17	LDS Group	069572	190,009	-7.7
19	19	Kentucky Natl Life Ins Group	070538	157,553	-9.3
20	20	Wichita Natl Life Group	069833	153,195	-5.7
21	26	Assurity Life Ins Group	070511	135,177	50.7
22	22	Gulf Guar Life Ins Co	008081	132,018	-0.8
23	24	Trans-City Life Ins Co	008051	122,587	14.4
24	23	MAPFRE Life Ins Co of PR	007981	101,984	-17.6
25	40	Cooperativa de Seguros de Vida de PR	007607	73,995	999.9
Top 25 Insurers				\$47,857,527	-4.0
Total U.S. Life/Health Industry				\$48,252,782	-4.1

Note: Data for some companies in this report has been received from the NAIC.



## U.S. Life/Health – 2018 Credit Life In Force

Ranked by 2018 credit life business in force.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 16, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Credit Life In Force	% Change
1	2	RGA Group	069611	\$23,157,824	17.0
2	1	CMFG Life Group	070262	21,135,929	-4.7
3	3	Assurant Inc Group	070135	13,392,097	6.0
4	4	OneMain Hldgs Life Group	070506	10,352,949	8.8
5	5	Securian Finl Ins Group	069565	8,780,460	2.6
6	6	Central States H & L Group	070363	5,904,222	-16.0
7	8	Life of the South Group	069913	4,784,766	5.7
8	9	Amer Natl Group	070166	2,299,257	-8.0
9	7	Metropolitan Life & Affiliated Cos	070192	2,202,242	-54.1
10	10	Plateau Group	070039	2,081,050	-7.9
11	11	Cooperativa de Seguros de Vida de PR	007607	1,526,738	2.2
12	12	Protective Life Group	069728	1,211,425	-17.4
13	13	Global Bankers Ins Group	070491	1,077,271	-19.9
14	15	Pekin Life Ins Group	070155	892,510	-2.9
15	16	LDS Group	069572	810,805	-11.6
16	17	SWBC Life Ins Co	009027	800,726	-9.0
17	19	Munich Amer Group	069170	665,312	-4.1
18	18	Berkshire Hathaway Group	070158	591,203	-23.2
19	20	Popular Life Re	060399	577,546	-1.0
20	21	Trans-City Life Ins Co	008051	539,312	5.2
21	14	Aegon USA Group	069707	532,555	-44.3
22	22	Amer Federated Life Ins Co	068071	503,244	8.0
23	23	Fransisco Life Ins Co	008800	489,125	26.9
24	24	Great-West Life Group	070366	371,010	1.1
25	25	MAPFRE Life Ins Co of PR	007981	290,781	-13.6
Top 25 Insurers				\$104,970,359	-0.8
Total U.S. Life/Health Industry				\$107,088,515	-1.2

Note: Data for some companies in this report has been received from the NAIC.

## U.S. Life/Health – 2018 Ordinary Life Issued

Ranked by 2018 ordinary life business issued.

(\$ Thousands)


Source:  — Statement File - L/H, US; Data as of: July 15, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Ordinary Life Issued	% Change
1	1	Northwestern Mutual Group	069515	\$157,118,849	-0.3
2	3	Prudential of America Group	070189	100,017,784	-0.3
3	2	New York Life Group	069714	98,145,249	-4.8
4	4	Primerica Group	070183	84,742,899	-0.9
5	7	AIG Life & Retirement Group	070342	82,306,982	13.1
6	6	Massachusetts Mutual Life Group	069702	81,366,741	0.3
7	5	State Farm Life Group	070126	79,556,619	-5.0
8	8	Lincoln Finl Group	070351	73,258,533	7.3
9	12	Protective Life Group	069728	61,358,539	17.7
10	10	Legal & Gen America Group	069539	58,512,029	10.2
11	9	Principal Finl Group Inc.	020516	51,928,680	-9.8
12	13	John Hancock Life Insurance Group	069542	42,596,821	-17.1
13	17	Pacific Life Group	069720	41,329,703	40.1
14	11	Aegon USA Group	069707	40,871,880	-21.6
15	14	Torchmark Life Group	070443	37,276,034	-4.5
16	16	Guardian Life Group	069685	34,160,988	3.3
17	15	Allstate Life Group	070106	33,430,976	0.7
18	21	Natl Life Group	069953	31,760,818	36.7
19	18	Mutual of Omaha Group	070203	27,837,661	-4.5
20	19	USAA Life Group	070364	26,428,284	5.6
21	22	Nationwide Mutual Life Group	070822	24,094,675	4.1
22	23	AXA Equitable Group	070194	22,465,848	5.7
23	20	Sammons Enterprises Group	070533	22,173,823	-10.9
24	26	Penn Mutual Group	069722	21,478,975	5.7
25	25	Securian Finl Ins Group	069565	20,773,360	0.0
Top 25 Insurers				\$1,354,992,750	1.0
Total U.S. Life/Health Industry				\$1,727,714,657	0.9

## U.S. Life/Health – 2018 Ordinary Life In Force

Ranked by 2018 ordinary life business in force.

(\$ Thousands)

Source:  — Statement File - L/H, US; Data as of: July 16, 2019

2018 Rank	2017 Rank	Company/Group	AMB#	Ordinary Life In Force	% Change
1	1	Prudential of America Group	070189	\$2,323,662,124	3.3
2	4	Northwestern Mutual Group	069515	1,829,172,504	4.1
3	2	RGA Group	069611	1,816,035,936	-5.1
4	3	Scor Life US Group	070253	1,807,229,786	1.3
5	5	Aegon USA Group	069707	1,340,701,955	-3.7
6	6	Hannover Life Reassur America	068031	1,306,835,586	-0.6
7	7	Swiss Re Life Group	070469	1,290,858,464	-1.7
8	10	AIG Life & Retirement Group	070342	1,072,970,599	11.6
9	8	New York Life Group	069714	1,033,630,753	1.4
10	9	Lincoln Finl Group	070351	1,032,868,418	1.5
11	14	Munich Amer Group	069170	975,923,506	10.1
12	11	Protective Life Group	069728	944,970,773	4.1
13	13	State Farm Life Group	070126	913,432,013	2.9
14	12	Voya Finl Group	070153	822,236,827	-7.6
15	15	Genworth Finl Companies	070527	759,248,106	-4.7
16	16	Legal & Gen America Group	069539	734,243,603	4.4
17	17	Primerica Group	070183	695,715,764	3.0
18	19	Massachusetts Mutual Life Group	069702	645,883,770	8.1
19	18	Brighthouse Ins Group	070516	634,100,882	-4.4
20	22	Principal Finl Group Inc.	020516	622,309,061	12.8
21	20	John Hancock Life Insurance Group	069542	620,380,929	6.5
22	21	Metropolitan Life & Affiliated Cos	070192	529,865,889	-5.2
23	23	AXA Equitable Group	070194	506,465,422	-1.1
24	25	Pacific Life Group	069720	501,923,436	2.5
25	24	Allstate Life Group	070106	495,245,649	-0.3
Top 25 Insurers				\$25,255,911,755	1.3
Total U.S. Life/Health Industry				\$33,556,800,060	0.6



# U.S. Life/Health – 2018 Ordinary Life Average Policy Size and Lapse Ratios

Ranked by 2018 ordinary life business issued.

2018	2017			Ordinary Life Issued	Average Policy Issued				
Rank	Rank	Company/Group	AMB#	(\$000)	2018	2017	2016	2015	2014
1	1	Northwestern Mutual Group	069515	\$157,118,849	\$487,848	\$480,903	\$459,461	\$434,986	\$432,821
2	3	Prudential of America Group	070189	100,017,784	692,409	519,244	538,882	565,128	603,669
3	2	New York Life Group	069714	98,145,249	301,480	299,506	288,464	290,812	296,628
4	4	Primerica Group	070183	84,742,899	304,378	295,939	292,686	293,977	296,075
5	7	AIG Life & Retirement Group	070342	82,306,982	512,810	469,168	471,856	446,310	407,327
6	6	Massachusetts Mutual Life Group	069702	81,366,741	617,903	539,359	427,397	553,090	606,205
7	5	State Farm Life Group	070126	79,556,619	139,471	138,400	132,203	134,306	130,465
8	8	Lincoln Finl Group	070351	73,258,533	691,053	606,706	385,948	548,969	542,792
9	12	Protective Life Group	069728	61,358,539	488,749	533,454	528,239	508,917	465,759
10	10	Legal & Gen America Group	069539	58,512,029	581,041	592,218	586,406	514,784	551,557
11	9	Principal Finl Group Inc.	020516	51,928,680	1,033,078	974,796	946,342	992,055	1,064,171
12	13	John Hancock Life Insurance Group	069542	42,596,821	1,028,934	1,121,371	1,108,302	1,026,137	1,037,635
13	17	Pacific Life Group	069720	41,329,703	741,646	806,492	876,618	950,906	938,243
14	11	Aegon USA Group	069707	40,871,880	160,178	174,857	181,074	184,851	184,650
15	14	Torchmark Life Group	070443	37,276,034	21,269	20,919	21,538	21,938	22,033
16	16	Guardian Life Group	069685	34,160,988	832,647	823,756	791,720	742,571	709,044
17	15	Allstate Life Group	070106	33,430,976	198,637	197,444	203,145	177,882	111,318
18	21	Natl Life Group	069953	31,760,818	320,263	298,299	290,355	281,215	273,747
19	18	Mutual of Omaha Group	070203	27,837,661	61,868	69,000	90,219	87,472	46,053
20	19	USAA Life Group	070364	26,428,284	403,098	400,425	383,912	378,470	386,618
21	22	Nationwide Mutual Life Group	070822	24,094,675	465,616	430,602	387,113	351,237	335,915
22	23	AXA Equitable Group	070194	22,465,848	744,593	714,472	718,050	720,675	745,595
23	20	Sammons Enterprises Group	070533	22,173,823	373,517	361,305	339,064	334,374	342,900
24	26	Penn Mutual Group	069722	21,478,975	804,305	771,295	701,577	617,674	502,706
25	25	Securian Finl Ins Group	069565	20,773,360	668,040	701,401	712,240	706,696	664,627
Total U.S. L/H Stock Cos				\$1,003,087,808	\$146,949	\$142,940	\$136,891	\$147,602	\$160,379
Total U.S. L/H Mutual Cos				\$684,826,209	\$220,579	\$216,229	\$197,224	\$195,797	\$193,579
Total U.S. L/H - Excl. Fraternal				\$1,687,914,017	\$169,968	\$165,436	\$155,084	\$162,273	\$171,059
Total U.S. L/H Fraternal Cos				\$39,800,640	\$113,461	\$106,741	\$95,337	\$92,051	\$92,434
Total U.S. Life/Health Industry				\$1,727,714,657	\$168,040	\$163,441	\$153,171	\$159,942	\$168,409

Source:  — Statement File - L/H, US; Data as of: July 15, 2019

**Average Policy In Force**

2018	2017	2016	2015	2014
\$309,535	\$300,869	\$291,696	\$283,121	\$275,364
297,602	286,389	272,643	256,631	228,704
182,724	174,144	167,578	161,578	191,494
282,587	277,802	273,394	268,833	263,795
203,837	183,108	166,582	218,299	208,346
353,552	332,863	312,019	298,627	283,901
117,468	114,846	112,112	109,871	107,652
211,165	199,242	188,130	176,285	167,068
253,415	266,405	256,429	242,677	234,122
563,642	560,529	556,860	552,963	553,891
688,869	650,138	602,226	555,822	505,366
328,802	296,642	275,497	262,642	250,376
75,476	71,769	67,397	61,114	60,067
128,509	127,200	132,724	129,442	124,379
15,479	15,546	15,848	16,258	17,263
300,450	276,668	335,034	317,007	264,063
182,755	180,557	168,888	165,155	164,674
247,580	234,006	223,391	214,158	204,965
68,069	66,997	64,488	57,495	51,016
353,804	349,126	344,535	340,227	332,492
240,148	227,506	214,581	202,052	190,404
95,298	94,512	93,151	93,539	95,116
255,073	248,793	241,235	233,296	225,470
458,254	426,560	393,320	361,878	322,589
533,270	518,831	499,270	478,885	453,944
\$107,070	\$106,949	\$112,231	\$109,435	\$107,190
\$153,732	\$129,606	\$122,655	\$115,687	\$111,993
\$114,678	\$111,071	\$114,225	\$110,641	\$108,101
\$62,694	\$60,062	\$57,440	\$55,492	\$54,039
\$113,364	\$109,795	\$112,741	\$109,206	\$106,701

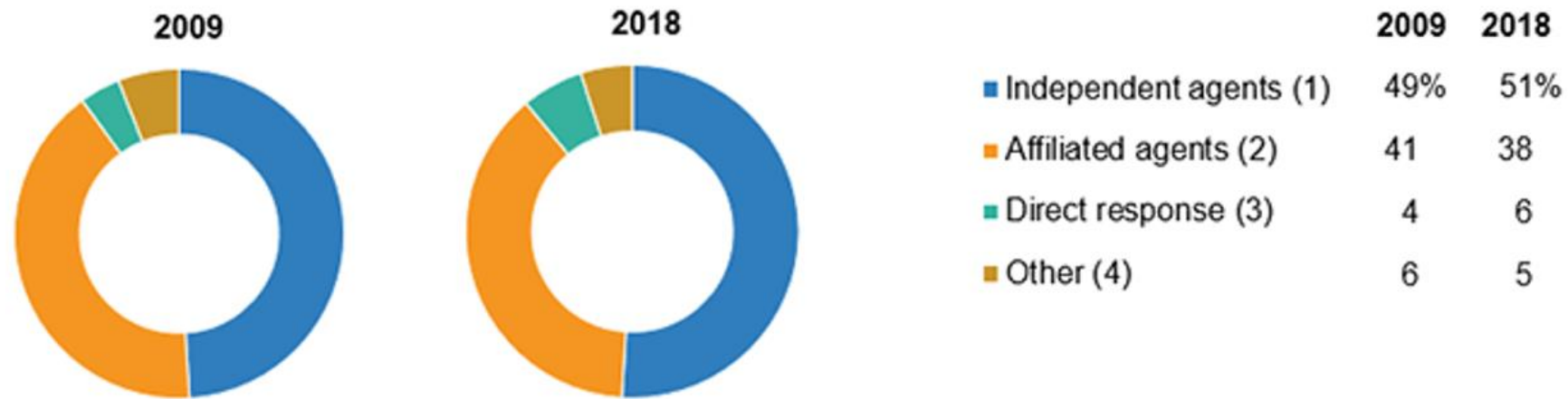
**Lapse Ratio Published**

2018	2017	2016	2015	2014
3.9	3.9	3.8	3.5	3.6
4.3	4.1	3.5	3.9	3.1
4.4	5.0	5.1	5.3	6.5
7.8	7.6	6.9	6.7	6.9
2.9	3.6	5.3	5.1	4.5
4.6	4.7	4.2	4.2	4.2
5.0	5.4	5.6	5.8	5.8
4.8	4.3	4.1	4.0	4.2
5.2	4.1	5.0	4.1	4.7
3.5	3.7	3.8	3.6	3.7
2.1	2.1	2.2	2.3	2.3
-0.3	4.8	5.3	5.0	3.7
5.9	5.0	4.7	4.0	6.4
5.9	6.4	4.1	5.1	5.9
16.7	18.1	20.7	17.2	13.4
3.8	3.6	3.6	4.0	4.1
6.4	1.1	6.8	5.9	13.6
6.1	6.2	6.5	6.4	7.0
5.6	4.8	4.4	5.6	6.2
3.0	2.8	2.5	2.6	2.8
4.5	4.0	4.2	4.7	4.9
4.9	4.6	4.9	5.5	5.2
5.1	4.5	4.4	4.4	4.8
4.3	3.7	4.0	3.8	4.2
4.5	4.5	4.6	4.7	5.5
5.8	5.3	4.7	5.5	6.2
4.7	4.7	4.6	4.6	5.1
5.6	5.2	4.7	5.3	6.0
4.0	3.5	3.4	3.5	3.8
5.6	5.2	4.7	5.3	5.9

**Renewal Premium Persistency**

2018	2017	2016	2015	2014
93.8	94.5	94.5	94.8	94.7
76.5	79.6	79.4	88.7	77.9
93.6	94.1	94.0	91.8	91.6
91.2	91.4	91.8	91.9	91.4
92.0	92.2	90.9	90.4	91.1
95.2	94.9	93.6	93.0	94.6
92.9	93.2	93.0	92.4	92.1
73.0	74.4	73.3	73.2	76.5
86.8	86.4	88.6	87.1	83.3
94.8	95.3	95.8	95.3	94.1
91.9	91.8	91.5	93.2	91.5
83.5	79.2	78.7	80.3	79.0
72.2	74.5	72.3	69.2	69.1
93.7	92.6	91.5	83.5	91.1
90.9	91.0	90.8	90.5	89.9
95.7	95.4	95.5	94.9	95.1
91.4	91.3	92.8	92.6	93.2
89.0	88.6	87.0	84.7	83.3
89.2	88.9	89.8	89.1	88.8
95.3	95.1	96.2	95.3	94.9
78.5	78.5	71.5	69.1	72.1
86.1	88.0	86.7	86.9	86.1
52.0	50.8	54.2	53.2	50.4
76.9	78.2	75.4	77.3	70.8
76.8	85.7	75.6	75.9	70.4
82.1	85.0	85.9	85.3	85.1
89.9	90.7	89.7	88.8	88.7
85.0	87.1	87.2	86.5	86.4
92.3	93.3	92.8	91.2	90.0
85.2	87.2	87.4	86.6	86.5

# Market Share by Distribution Channel



(1) Includes brokers, broker-dealers, personal producing general agents and registered investment advisers.

(2) Includes agency building, multiline exclusive and home service agents.

(3) No producers are involved. Excludes direct marketing efforts involving agents. Includes internet sales where consumers submit online applications.

(4) Includes financial institutions, worksite and other channels.

Source: *U.S. Individual Life Insurance Sales Trends, Industry Estimates, 1975-2018*, LIMRA, 2019.

# Independent Distribution Channel Structure

## Independent Marketing Organization

- National Level
- Marketing Service
  - Advanced Market
  - Specialty Market
- Advertising and Promotion
- Hiring and managing MGA

Insurance Carrier

IMO/FMO

IMO/FMO

MGA

MGA

MGA

## Managing General Agent

- State or Regional Level
- Product Training
- Compliance Training
- Hiring and managing GA

Insurance Carrier hires GA and Agents

GA

GA

GA

GA

GA

GA

GA

GA

GA

GA

GA

Agent

Agent

Agent

Agent

Agent

Agent

Agent

Agent

Agent

Agent



## Whole Life and Term

	IMO 2	IMO 1	IMO I	MGA 4	MGA 3	MGA 2	MGA 1	IGA 9	IGA 8	IGA 7	IGA 6	IGA 5	IGA 4	IGA 3	IGA 2	IGA 1
<b>Patriot 15 &amp; Contender 15</b>																
FIRST YEAR	129	124	120	120	115	110	105	100	95	90	85	80	70	65	60	55
YEAR 2-3	15	15	12	12	12	10	10	5	5	5	5	5	5	5	5	5
YEAR 4-10	10	10	8	8	8	6	6	4	4	4	4	4	4	4	4	4
YEAR 11 +	3	3	2.5	2.5	2.5	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<b>Patriot 15 &amp; Contender 15 Guaranteed Issue, no change in renewals</b>																
FIRST YEAR Lives 05-25	114	109	105	105	100	95	90	85	80	75	70	65	60	55	55	55
FIRST YEAR Lives 26-75	109	104	100	100	95	90	85	80	75	70	65	60	55	55	55	55
FIRST YEAR Lives 76 +	104	99	95	95	90	85	80	75	70	65	60	55	55	55	55	55
<b>Heritage 15</b>																
FIRST YEAR	124	120	115	115	110	105	100	95	90	85	80	75	70	65	60	55
YEAR 2-3	15	15	12	12	12	10	10	5	5	5	5	5	5	5	5	5
YEAR 4-10	10	10	8	8	8	6	6	4	4	4	4	4	4	4	4	4
YEAR 11 +	3	3	2.5	2.5	2.5	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
<b>Heritage 15 Guaranteed Issue, no change in renewals</b>																
FIRST YEAR Lives 05-25	109	105	100	100	95	90	85	80	75	70	65	60	55	55	55	55
FIRST YEAR Lives 26-75	104	100	95	95	90	85	80	75	70	65	60	55	55	55	55	55
FIRST YEAR Lives 76 +	99	95	90	90	85	80	75	70	65	60	55	55	55	55	55	55
<b>Sentinel 15 (life paid up at 65)</b>																
FIRST YEAR	24	22	20	20	19	18	17	16	15	14	13	12	11	10	10	10
YEAR 2-10	18	18	16	16	15	14	13	12	11	10	9	9	9	9	9	9
YEAR 11 +	3	3	2.5	2.5	2.5	2	2	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5

Source: La Fayette Life Insurance Commission Schedule (Confidential Information)





### PRODUCER COMMISSION LEVEL ASSIGNMENT

**Producer Name** \_\_\_\_\_

**Effective Date** \_\_\_\_\_

Fill in Producer's name in the payout level selected. Also fill in any additional Producers (up to three) who should be included in this Producer's hierarchy.

#### First Year Commission Percent Of Premium

<b>Payout Levels</b>	<b><u>Producer Name</u></b>	<b><u>Explorer Plus UL / Indexed Explorer Plus UL / Legacy Plus SUL / Legacy G SUL / Voyager UL / Nautical Term</u></b>
<b>PGA Level</b>	_____	<b>90%</b>
<b>Level 1</b>	_____	<b>85%</b>
<b>Level 2</b>	_____	<b>80%</b>
<b>Level 3</b>	_____	<b>75%</b>
<b>Level 4</b>	_____	<b>70%</b>
<b>Level 5</b>	_____	<b>65%</b>
<b>Level 6</b>	_____	<b>60%</b>
<b>*Level 0</b>	_____	<b>0%</b>

**\*Compensation is assigned to:** \_\_\_\_\_



Subject to a background check, first year commissions can be annualized on monthly PAT cases. If you would like first year commissions annualized, please check here: ☐ **Annualize**. If this box is not checked, first year commissions will be paid as earned. Commissions for policies issued on the lives of the producer or the producer's family are paid as earned.

**Signed** \_\_\_\_\_

(Producing General Agent)

**PGA# CL000** \_\_\_\_\_

**Date:** \_\_\_\_\_

## CHARGE BACKS SPREADSHEET – LIFE PRODUCTS

Info is believed to be current as of 1-11-16

Carrier	Charge back details listed – always check carrier commission schedules, agent contracting packet and/or contact the carrier if you have any questions
<b>Accordia</b>	<ul style="list-style-type: none"> <li>- You are not entitled to any compensation with respect to such contracts or applications that are rescinded, declined or cancelled by us for any reason</li> <li>- You will immediately refund to us and such compensation on contracts which are rejected, cancelled, rescinded, not taken or modified, or on returned premiums</li> <li>- With respect to contracts which are refunded within the free look period, we will charge back the entire commission on such insurance contract</li> <li>- In the event of a lapse or surrender, commissions will be charged back during the first policy year as follows: months 1-6 = 100%; months 7-12 = 50% of the commissions paid</li> </ul>
<b>AG</b>	<ul style="list-style-type: none"> <li>- 100% charge back on surrenders in the first 6 months; 50% on surrenders in the second 6 policy months; EGI SVETR is 100% in the first year on full surrenders</li> </ul>
<b>Allianz</b>	<ul style="list-style-type: none"> <li>- 100% charge back in the first 12 months; 50% in the 13-18th policy months</li> <li>- You guarantee any debt your agent or agency has to us pursuant to the contract we have with your agent or agency. We may offset and deduct such debt from any money due you from us or our subsidiary, together with interest and any collection costs including attorney fees we incur.</li> </ul>
<b>AXA</b>	<ul style="list-style-type: none"> <li>- If policy is surrendered or terminated in the first two policy years, there is a charge back. 100% if during the first 12 months, then reduced % to 50% at month 18. From 41 to 0% from months 19 through 24. See "Schedule 2 to BGA sales agreement" for the breakdown month-by-month</li> <li>- If policy has the "NEW" CVBR on it, If policy is surrendered or terminated in the first 3 policy years, there is a charge back. 100% if during the first 24 months, then reduced % to 50% at month 30. From 41 to 0% from months 31 through 36. See "Schedule 2 to BGA sales agreement" for the breakdown month-by-month</li> </ul>
<b>Banner</b>	<ul style="list-style-type: none"> <li>- If the company shall become liable for the return of any premiums for any cause, including but not limited to, premiums returned under the company's rights to contest a claim and to limit benefits when the insured dies by suicide, the agent shall repay the company on demand the total amount of commissions previously paid to the agent on such premiums. Banner does not chargeback commissions solely due to a lapse in the first 13 months.</li> </ul>
<b>Genworth</b>	<ul style="list-style-type: none"> <li>- No commissions will be payable on account of waived premiums or premiums refunded for any reason. Any commissions received on account of any such premiums shall be promptly returned in full</li> </ul>
<b>John Hancock</b>	<ul style="list-style-type: none"> <li>- If a policy lapses during the first 12 months following its date of issue, the company will chargeback 50% of the basic first year commission earned on year 1 premium paid up to target. See JH comp schedules for charge backs on riders</li> </ul>
<b>Lincoln Life</b>	<ul style="list-style-type: none"> <li>- Charge back shall apply to all earned commissions paid by the date of a policy surrender/lapse or face amount decrease. When a policy is decreased or partially surrendered, the amount of commission recalled pertains to the decreased portion of the policy rather than to the policy as a whole</li> <li>- Full or partial surrender/lapse – months 1 to 6 is 100% chargeback; months 7 to 12 is 50% chargeback, and on Term only months 13 to 18 is 25% chargeback</li> <li>- Policy face decrease – months 1 to 6 is 100% chargeback; months 7 to 12 is 75% chargeback; months 13 to 24 is 50% chargeback</li> </ul>
<b>Met</b>	<ul style="list-style-type: none"> <li>- When a chargeback occurs all parties that received any portion of the compensation (agent, MGA) will be effected; the chargeback will be reflected on the compensation statement. Each party is responsible for their own chargeback however if after 60 days the broker (agent/agency) has not paid back their chargeback then this will roll up to the managing GA that the broker works through and the managing GA will be responsible for clearing this debt. If the policy or contract owner exercises any right to cancel a policy or contract, and as a result Met refunds or returns any amount of payment made on such policy or contract, any compensation thereon paid by Met shall be promptly repaid. If Met waives a premium for any reason, broker shall not be entitled to compensation on such waived premium</li> <li>- At the end of the first policy year, if the actual premium received is less than the planned monthly cash flow times 12, a chargeback will be assessed.</li> <li>- If the billing mode is changed to an ineligible annualization mode the unearned annualized commissions will be reversed. Any policies which lapse or are surrendered during an annualization period will have the unearned annualized commissions reversed. If any coverage face amount (including riders) is decreased or terminated during an annualization period the unearned annualized commission for all coverages that are currently annualized will be reversed. Any increase in coverage or addition of reider added off anniversary and during and annualization period will immediately have the unearned commissions reversed to avoid overpayment of the first year comp.</li> </ul>
<b>Nationwide</b>	<ul style="list-style-type: none"> <li>- In the event an Ultimate UL insurance policy shall terminate within six months from the date of issue, the full compensation paid thereon shall be charged back</li> <li>- In the event an Ultimate UL insurance policy shall terminate after the six month and before the 25<sup>th</sup> month from the date of issue, 50% of the compensation paid thereon shall be charged back</li> <li>- Reductions during the first 4 years and reductions in the specified amount during the first 4 years following an increase will result in a chargeback as follows: in year 1, 100% of the commission target premium commission paid on the amount of reduction; during year 2, 75%; during year 3, 50%; during year 4, 25%</li> </ul>

# Code and Ethics

---

## Education

- 12 hours pre-license education, top of 40 hours Life license training
- 24 hours continuing education including 3 hours ethics every 2 years
- Anti-Money Laundering (AML) Training every 2 years

## Customer

- Ethical Solicitation and Sales Tactics
- Competence
- Appropriate Sales
- Confidentiality
- Customer Service

# Code and Ethics

---

## Regulators

- rebating
- improperly disclosing confidential information
- redlining
- taking applications with misrepresentations
- defaming an insurer
- unfairly discriminating
- committing fraud
- **Churning** (Replacement with **same insurance company**)

Churning occurs when an insurance agent **replaces a policyholder's insurance** policy for **another insurance** policy, usually **without consulting the policyholder** and often with no changes to the coverage itself. ... **Churning** is an illegal practice and it has no benefit for the **insured**

- **Twisting** (Replacement with **different insurance company**)

Twisting occurs when an **insurance** agent replaces an existing **life** policy with a new one using **misleading tactics**. It does not mean that every time an agent replaces a **life insurance** policy that **twisting** has occurred

# Code and Ethics

---

## Insurance Company

- Accurately disclose product features
- Write profitable business
- Accept applications for suitable risks, based on the underwriting specifications of the insurer
- Accurately complete applications
- Gather and complete any additional required documentation
- Perform tasks in a timely manner
- Keep paperwork and other business organized
- Appropriately handle premium
- Maintain required records
- Consistently transact business in a legal and ethical manner.

# Code and Ethics

---

## Type of Violations

**Premium Theft** - The theft of insurance premiums is the most prevalent type of misconduct in the agent/broker arena. Illegal conduct ranging from single thefts to multi-million dollar scams victimizes the insurance industry and competitive businesses.

**Senior Citizen Abuse** - Certain segments of the insurance industry target their marketing efforts toward senior citizens. Unscrupulous agents abuse elderly customers by unnecessarily replacing existing policies to earn greater commissions. Initial sales or replacement policies may be wholly unsuitable products further victimizing seniors. The misconduct may involve criminal activities including theft, falsifying documents, Ponzi schemes and confidence games.

**Deceptive Sales and Marketing Practices** - The failure of some insurers to properly monitor and control their sales force can lead to unethical and misleading marketing practices such as bait and switch schemes, misrepresentation, and the use of misleading titles and designations.

**Unauthorized Insurance Companies** - This type of fraud includes everything from phony insurance cards sold in DMV parking lots to fully operational offshore insurance companies issuing policies they have no intention of honoring.

**Title Company Rebates and Kick-Backs** - Kick-backs and commercial bribery are among the anti-competitive practices used to gain business from realtors.

## ***N.A.S.D. Fines Prudential \$20 Million***

**By Joseph B. Treaster**

Receiving yet another sanction for **misleading customers** for more than a decade, the **Prudential Insurance Company of America** was **fined \$20 million** yesterday by the National Association of Securities Dealers, the highest fine ever imposed by the association.

Barry R. Goldsmith, the head of enforcement for the N.A.S.D., said investigators found that Prudential, one of the largest insurers in the country, had committed "serious violations of securities law and our rules" in the **sale of variable life insurance policies**, which are a combination of life insurance and investments similar to mutual funds. Officials of the association said they thought the highest previous fine had been \$5.6 million.

Prudential had already paid more than **\$70 million in fines to state insurance regulators** for widespread deception of customers. It also paid **\$1 million to Federal authorities for allowing the destruction of sales documents**, and it has set aside **\$2.6 billion for restitution to policyholders nationwide**. No other insurer has faced such heavy sanctions.

The sale of Prudential's hallmark product, life insurance, has slumped under the repeated pillorying of its reputation. Earlier, **Prudential paid \$1.5 billion in a settlement with Federal and state regulators** over improper sales of limited partnerships through its subsidiary, Prudential Securities.



# Lapse Prevention Measure

---

## California Requirement

**Free Look Provisions** - You may review a policy of Life, Annuity, Long-Term Care, or Medicare Supplement for 30 days after you receive the policy in order to decide whether you wish to keep the policy. If you return the policy to the company by the 30th day after receipt, you are entitled to a full refund of the premium paid, in a timely manner. Except, if you bought a variable annuity and you did not allocate all your money to a fixed interest account or money market fund, you will get back the "account value", which may be less than a full refund.

**Replacement Consequences** -A "Replacement" occurs when the consumer cancels or surrenders his or her existing policy and purchases a new policy (i.e. Life, Annuity, Long-Term Care or Medicare Supplement). You must receive a full disclosure of all information relating to the benefits and possible negative consequences regarding this replacement.

Source: California Department of Insurance



# Replacement Form

---

COMPARISON TO YOUR CURRENT COVERAGE: I have reviewed your current coverage. To the best of my knowledge, the replacement of insurance involved in this transaction materially improves your position for the following reasons:

\_\_\_\_\_ Additional or different benefits (please specify) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ No change in benefits, but lower premiums.

\_\_\_\_\_ Fewer benefits and lower premiums.

\_\_\_\_\_ Other (please specify) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
Signature of Agent

\_\_\_\_\_  
Name of Insurer

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Complete two copies; one copy for the applicant/owner, return one copy to the Home Office.

Source: Columbus Life Insurance Company, Replacement form page 2

## 2010 California Code

### Article 5. Unlawful Referrals

#### INSURANCE CODE SECTION 750

---

750. (a) Except as provided in Section 750.5, any person acting individually or through his or her employees or agents, who engages in the practice of processing, presenting, or negotiating claims, including claims under policies of insurance, and who offers, delivers, receives, or accepts **any rebate, refund, commission, or other consideration**, whether in the form of money or otherwise, as compensation or inducement to or from any person for the referral or procurement of clients, cases, patients, or customers, is guilty of a crime.

(b) A violation of subdivision (a) is punishable upon a first conviction by imprisonment in the county jail for not more than one year, or by imprisonment in the state prison, or by a fine not exceeding fifty thousand dollars (\$50,000), or by both that imprisonment and fine. A second or subsequent conviction is punishable by imprisonment in the state prison or by imprisonment in the state prison and a fine of fifty thousand dollars (\$50,000).

(c) Nothing in this section shall prohibit a licensed collection or lien agency from receiving a commission on the collection of delinquent debts nor prohibits the agency from paying its employees a commission for obtaining clients seeking collection on delinquent debts.

(d) Nothing in this section is intended to limit, restrict, or in any way apply to, the rebating of commissions by insurance agents or brokers, as authorized by Proposition 103, enacted by the people at the November 8, 1988, general election.



American General Life Insurance Company  
A member of American International Group, Inc. (AIG)

**Sale of Life Insurance and  
Annuities to Seniors in California**

This notice is to inform you of a future or a follow-up visit from your agent.

Agent's Full Name:

\_\_\_\_\_

Agent's License Number:

\_\_\_\_\_

Agent's Mailing Address:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Agent's Telephone Number: \_\_\_\_\_

I am a licensed insurance agent. My purpose for coming to your home is to sell, discuss, and/or deliver one of the following (indicate all that apply):

- ☐ Life insurance, including annuities  
☐ Other insurance products (specify):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

I wanted to make you aware of certain rights you have at this visit:

- You have the right to have other persons present at the meeting, including family members, financial advisors or attorneys.
- You have the right to end the meeting at any time.
- You have the right to contact the Department of Insurance for information or to file a complaint.

California Department of Insurance  
Consumer Communications Bureau  
300 South Spring Street, South Tower  
Los Angeles, CA 90013  
1-800-927-HELP (4357) or 213-897-8921  
The Hotline hours are from 8:00 a.m. – 5:00 p.m.,  
Monday – Friday (Except Holidays)

The following individual(s) will be coming to your home for an

appointment on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

DATE

MONTH

YEAR

at \_\_\_\_\_  
TIME

Agent/Attendee Name (Please Print)

Insurance License No. (if applicable)

Agent/Attendee Name (Please Print)

Insurance License No. (if applicable)

Agent/Attendee Name (Please Print)

Insurance License No. (if applicable)



AGLC100950 Rev0415



AGLC100950 Rev0415

# Insurance Company Requirement

---

1. Valid Insurance License
  - No insurance law violation
2. Good Personal Credit History
  - No Bankruptcy in past 7 years
3. US Legal Residency with valid social security number
  - US Citizen
  - Permanent Alien
4. US \$1,000,000 Errors and Omission Insurance
  - Errors and omissions insurance (E&O) is a type of professional liability insurance that protects companies and their workers or individuals against claims made by clients for inadequate work or negligent actions
5. Due Diligent
  - Vector One for unpaid debit
  - Background check

# Errors and Omission Insurance

---

- **Professional mistakes**

Mistakes happen, and insurance professionals are susceptible to legal action. If a client sues over a mistake or an oversight, you could face a significant loss. E&O coverage for insurance agents helps pay for your legal fees, which can mount up even for a frivolous lawsuit.

- **Failure to deliver promised services**

As a liaison, insurance agents connect clients with insurance providers and lenders. Expectations are high, and if your business fails to perform its professional duties, you could face a lawsuit. E&O for insurance agents can help pay for your legal fees, including court-ordered judgments or settlements decided out of court.

- **Accusations of negligence**

Life agents and other insurance professionals are not immune to claims of professional negligence. For example, a client could claim that your advice led to insufficient coverage. When a client files a lawsuit to recoup for financial losses, an E&O insurance policy can cover your legal expenses, including the cost of hiring an attorney.

# Errors and Omission Insurance

---

- **Purchased by Agent**
  - \$1,000 Annual Premium for \$1,000,000 Limit
  - Many general agent offers discounted E&O insurance program
- **Purchased by General Agent**
  - General Agent becomes more selective hiring agents
  - Premium usually average \$500 per agents
- **Positives**
  - Can afford defense cost
  - Can pay for civil law suit
- **Negatives**
  - Unable to obtain coverage after at fault claims
  - Insurance company contract cancels if not renewed

# Due Diligent

---



## Debit-Check Agent/Agency Information Request Form

*Vector One Operations LLC dba Vector One manages the interactive computer services provided by Debit-Check.  
This form is for use by Agents (or Agencies) wishing to be provided with their current Debit-Check status.*

Within five business days of receipt of this completed form, we will respond by sending you a letter with information about Debit-Check, information regarding how to dispute and/or request documentation, and the name of the company(ies) currently posting you to Debit-Check, including the specific contact information for the posting company(ies). (If you are not currently posted to Debit-Check, we will respond by sending you a letter indicating such.)

- Not to hire agents with insurance company unpaid chargebacks
- Compliance requirement for lower persistency insurance companies

# Insurance Company Contract

---

- Insurance Companies usually requires 70 to 80% Persistency in 3 years
  - Based on target premiums and Policy Count

### **III. Persistency**

At all times while this Agreement is in force, you shall maintain a 36 Month Current Persistency or partial period persistency, based upon or published formula, when less than 36 months production is available, of not less than 75%.

Source: La Fayette Life Insurance Company IGA (Independent General Agent) Contract



# Insurance Company Contract

---

- Automatic Termination for personal bankruptcy

**(c) Automatic Termination.** This Agreement terminates automatically:

- (1) Upon your death,
- (2) Upon revocation, termination or non-renewal of your agent's or broker's license(s),
- (3) If you are a partnership, upon the death of any partner or any change in the partners composing the firm, or dissolution of the partnership for any reason,
- (4) If you are a corporation, upon the dissolution of the corporation or disqualification of the corporation to do business under applicable state laws, or
- (5) Upon your filing a petition for bankruptcy or one being filed for you or your being adjudged bankrupt or by your executing a general assignment for the benefit of creditors.

Source: La Fayette Life Insurance Company IGA (Independent General Agent) Contract

# Insurance Company Contract

---

- Violation of any insurance laws or regulations
- Violation of any criminal law
- All Compensation stops

**(d) Termination For Cause.** We may terminate this Agreement for cause by mailing notice of such termination to you at your last known business address and that termination shall be effective upon mailing. Cause for termination shall be:

- (1) Violation of any of the terms of this Agreement,
- (2) Violation of any insurance laws or regulations, or state or federal criminal law,
- (3) Inducing or attempting to induce one of our policyholders to relinquish or replace our policy, in violation of our published rules on external replacement,
- (4) Any interference with the collection of renewal premiums,
- (5) Misappropriation or commingling of our funds, or
- (6) Engaging in a fraudulent act or misrepresenting policy benefits or premiums.

If this Agreement is terminated for cause, no further compensation of any kind shall be payable to you after termination.

Source: La Fayette Life Insurance Company IGA (Independent General Agent) Contract

# Thank you

- Questions
- Comments

KIRI International Seminar

---

# The characteristics of tied agent in Japan

Prudential Holdings of Japan, Inc.  
Advisor, Shoichiro Ichitani

# *Today's Agenda*

---

## ■ Life insurance industry in Japan

- *Regulatory agency, Industry group*
- *Classification of life insurance companies*
- *History of insurance sales by sales representatives*

## ■ Difference in the business model of direct insurance sales through captive agents

## ■ Characteristics of Prudential of Japan

## *Life insurance industry in Japan (Regulatory agency, Industry group)*

---

### ■ Financial Services Agency (FSA)

- Approve, inspect and supervise financial institutions

### ■ Finance Bureau (Each prefecture)

- Implement measures for finance, etc. in response to Entrustment of Duties from FSA

### ■ The Life Insurance Association of Japan

- Registration/management of agents, preparation of tests/guidelines common to the industry (each life insurance company president takes turns the role of chairman)

## ■ History of establishment

- Domestic life insurance
- Non-life insurance
- Foreign affiliated insurance

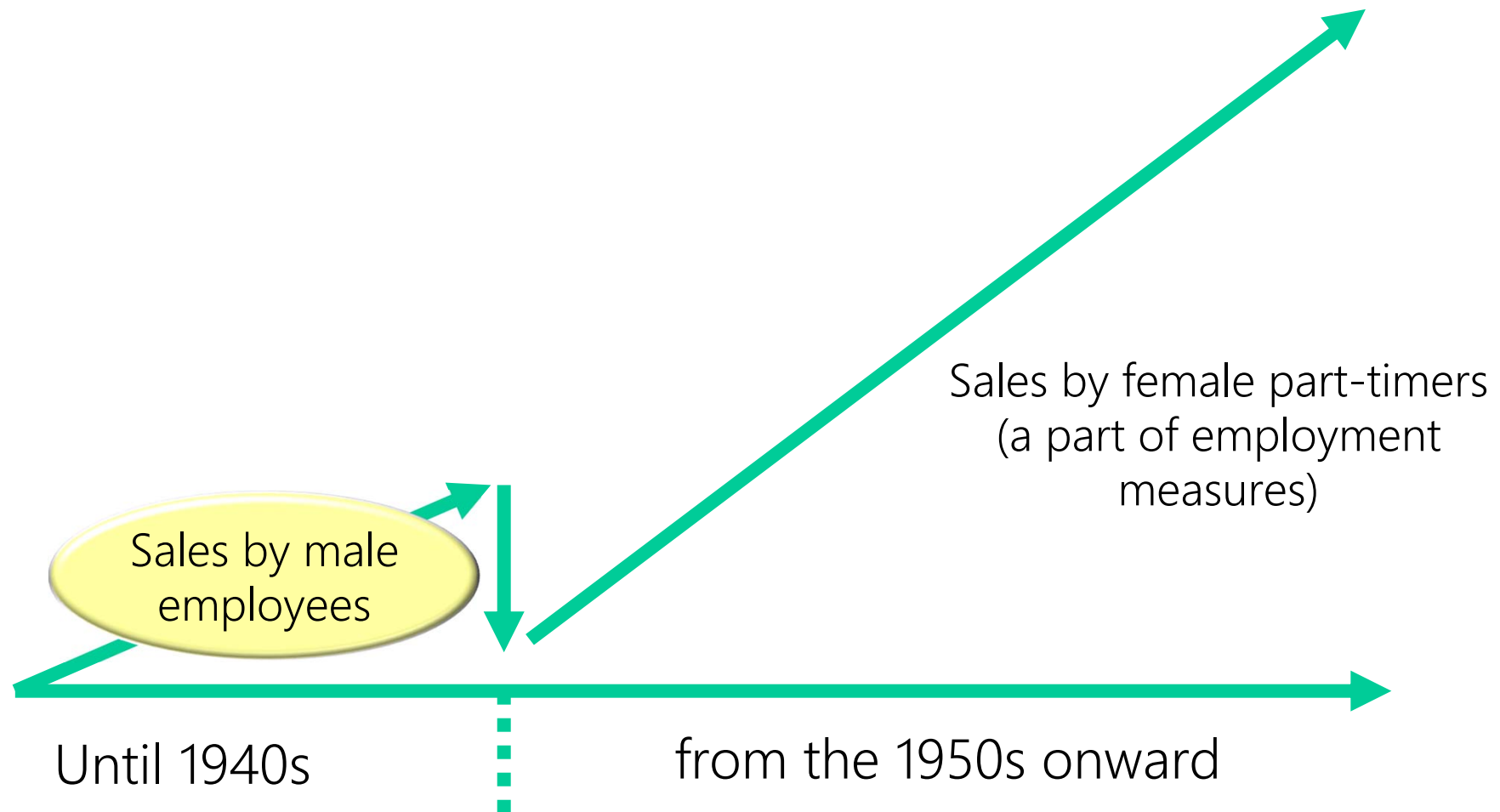
## ■ Distribution channel

- Direct insurance sales through captive agents
- Independent Agency
- Bancassurance
- Mail order, Internet etc



## *History of insurance sales by sales representatives*

### Japan as insurance superpower



## ***Difference in the business model of direct insurance sales through captive agents***

	POJ	Major Japanese insurance company
Salary/compensation	Full commission	Fixed salary available
Main sales force	Breadwinner	Housewives, etc. (there are many cases of another income earner in a household)
Detection of prospect	Self-development	Company offers markets
Sales area	Unlimited	Vicinity of one's office
Product	Mainly, needs-based selling of death protection	Mainly package, 3 <sup>rd</sup> sector, saving type product
No. of people	Small	Large

## *Summary (Enabling factor for captive agent channel)*

---

- Does a sales representative grasp the job as lifetime work?
- Is a sales representative the breadwinner of the household?
- Are sales representatives protected by the industry-wide cooperative operation?

### ■ Beck's 10

- Free to work
- Build Clients
- Lifetime Learning

### ■ C=C(Contribution = Compensation)

### ■ Money and Medal

# 비대면채널 활용을 위한 규제개선방안

『판매채널 환경 변화와 대응방안 모색』 국제세미나  
2019.11.15(금)  
정원석 연구위원

# 목차

---

- I. 연구배경
- II. 비대면채널 규제 현황
- III. 미래채널과 규제 방향
- IV. 결론 및 요약

# I. 연구배경

---

1. 연구배경

2. 연구필요성



# 채널의 역할

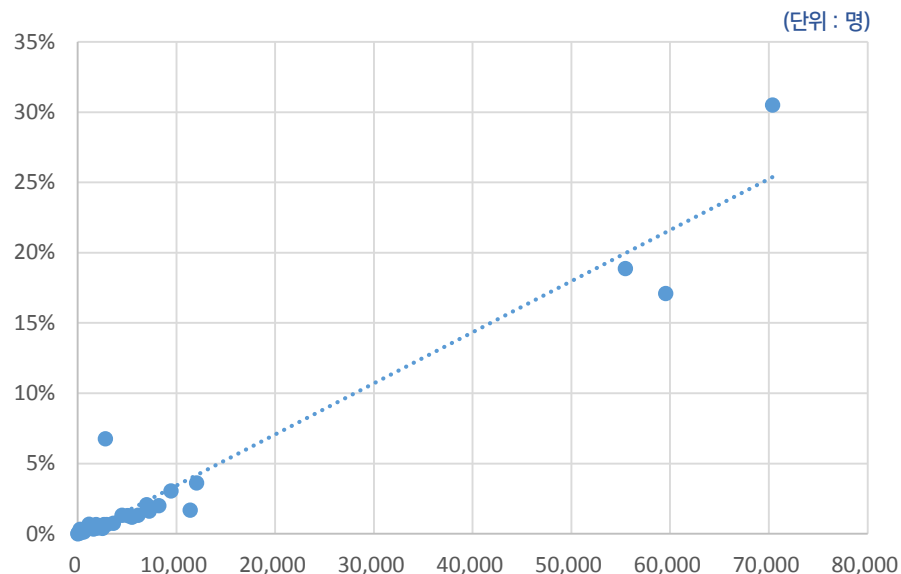
- 판매채널은 소비자와 보험회사를 연결해 주는 역할을 수행해 왔음
  - 위험에 대한 인식과 대응방안에 대한 정보가 부족한 소비자에게 위험 환기와 해결책을 제시함
  - 2000년대까지 소비자와 보험을 연결해 주는 판매채널은 전속설계사 채널이 거의 유일하였음
- 따라서 전속설계사 규모가 곧 보험회사의 경쟁력을 결정하였음

## 보험 판매 채널의 역할



자료: Getty Image Bank

## 생명보험 설계사 숫자와 시장점유율 1997년



자료: 보험통계연감, 건수 기준

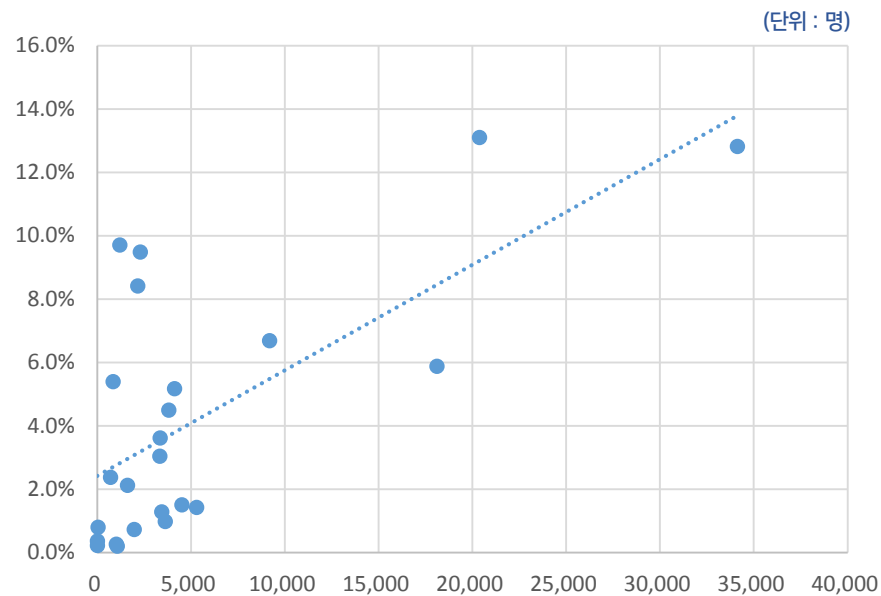
# 채널 변화

- 2000년대 이후 새로운 채널이 등장함
  - 전화를 이용한 TM, 인터넷을 이용한 CM, 은행의 방카슈랑스와 여러 상품을 판매하는 GA 등장
- 새로운 채널들의 등장으로 소비자가 보험 상품을 접할 수 있는 경로가 다변화됨
  - 이는 소비자의 보험가입 행태 및 보험시장에 대한 보험회사의 영향력에 변화를 일으킴

## 다양해지는 판매채널

연도	변화	특징
2001년	직판도입 (TM, CM)	소비자에 직접판매
2003년	방카슈랑스	은행의 보험판매
2005년	GA활성화	판매의 외주화
2014년	보험다모아	비교가능

## 생명보험 설계사 숫자와 시장점유율 2016년



자료: 보험통계연감, 건수 기준

# 채널 규제 변화 필요

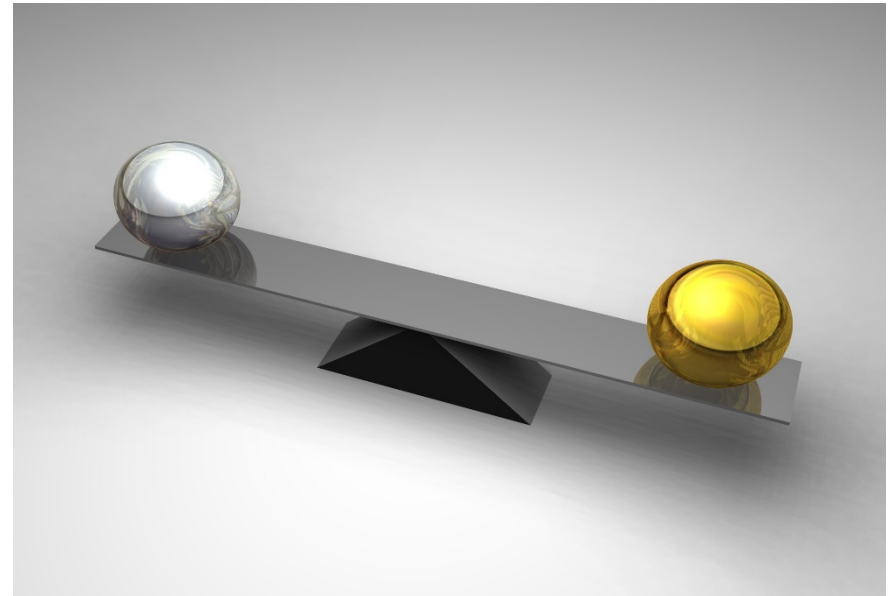
- TM, CM 중심의 비대면채널은 인공지능을 활용한 미래채널로 발전하고 있음
  - 중국의 핑안(平安)보험의 경우 이미 2016년부터 인공지능 중심의 보험회사로 변화를 선언했음
- 비대면 채널이 미래채널로 발전할 수 있도록 규제 방향 개선에 대한 검토가 필요함
  - 소비자 보호와 고객 편의성 증대 및 금융보험산업의 경쟁력 강화를 함께 고려할 필요가 있음

## 비대면채널 진화 - 핑안(平安)보험 사례

	전통적기술 (2004)	모바일기술 (2014)	인공지능 (2016)
설계사	일부 온라인	전 과정 온라인	인공지능 모집
훈련	온라인 훈련	온라인 원거리 훈련	인공지능 기반 훈련
설계사관리	일부 온라인 기반 관리	모든 관리 온라인 기반	인공지능 활용 관리
판매모델	온라인 기반 판매	모바일 기반 판매	인공지능 판매
서비스	컴퓨터 활용 서비스	모바일 활용 서비스	인공지능 활용 서비스

자료: Boston Consulting Group, 재구성

## 소비자 보호와 편의성 증대를 고려한 규제 모색



자료: Getty Image Bank

## II. 비대면채널과 규제 현황

---

1. 판매채널 변화와 원인
2. TM 관련 규제
3. CM 관련 규제

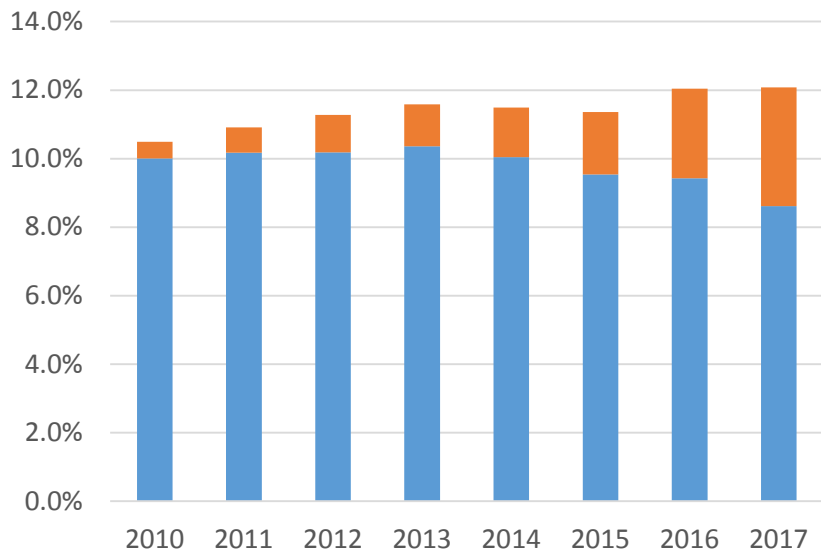
---

## II.1. 판매채널 변화와 원인

# 보험가입에 대한 영향력 변화

- 보험가입 결정에 대한 영향력은 보험회사에서 대리점으로 그리고 소비자로 넘어가고 있음
  - 과거 전속설계사를 보유한 보험회사의 영향력이 가장 컸음
  - 대리점 계약을 맺고 여러 보험회사 상품을 판매하는 은행과 GA 등의 영향력이 커지고 있음
  - 비대면채널 확대와 함께 보험가입결정은 소비자가 주도하는 시대가 다가오고 있음

비대면 채널 점유율 추이(손보)



자료: 보험통계연감, 원수보험료 기준 ■ TM ■ CM

보험가입에 대한 영향력

	과거	현재	미래
전속채널	보험회사		
대리점		판매자	
비대면채널			계약자

# 비대면채널 성장

- 새로운 채널을 활용한 새로운 보험상품 판매
  - 설계사 판매 시 특약으로 보장하던 급부들은 비대면채널에서 저렴한 주 계약 상품으로 판매
- 위험환기 및 상품설명 등 필요가 적은 분야에서 온라인 보험 점유율 확대
  - 온라인을 통한 자발적 보험가입 영역은 자동차 보험에서 건강, 여행자, 자녀보험 등으로 확대되어 가고 있음

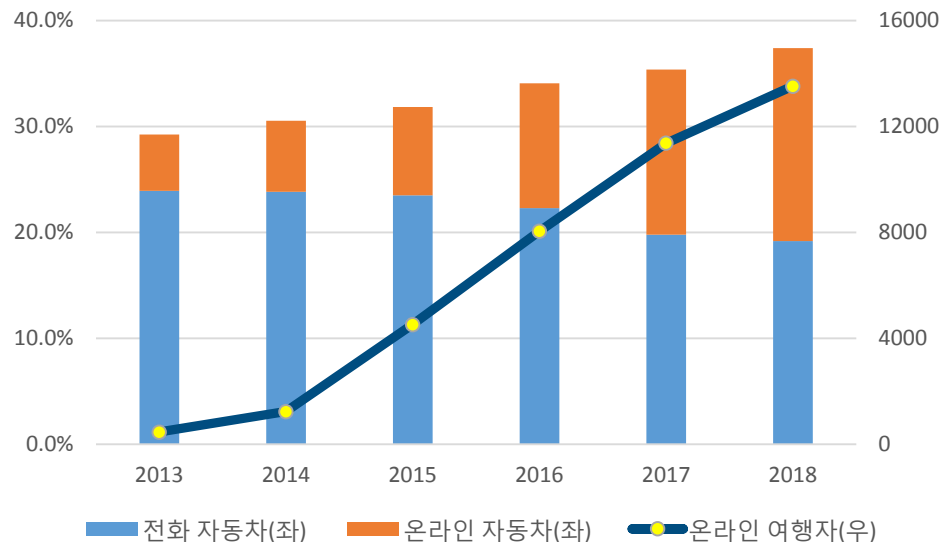
## 나누어 팔기



자료: ShortcutsUSA(2016)

## 자동차와 여행자보험 비대면채널 성장 추이

(단위 : %(좌), 건(우))



자료: 보험통계연감, A 보험회사 내부자료

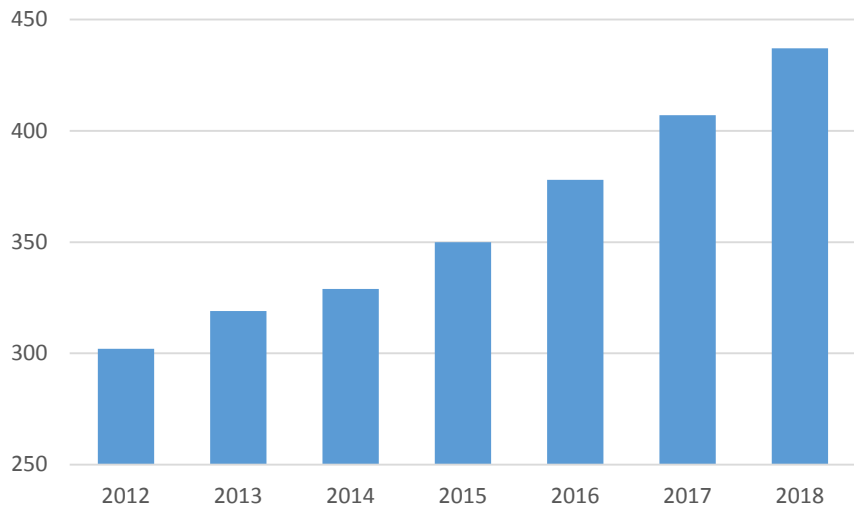


# 소비계층 변화

- 새로운 소비계층은 정보획득에 능하고 이를 바탕으로 스스로 해결책을 찾는 세대임
  - 기성품 시장에서는 이미 고객이 스스로 판단하고 상품을 구입하고 있음
  - 보험시장에서도 고객 스스로 정보를 얻고 가입하는 것을 선호함
- 밀레니얼세대가 주요 소비계층으로 부상할 경우 이러한 경향은 가속화될 것임

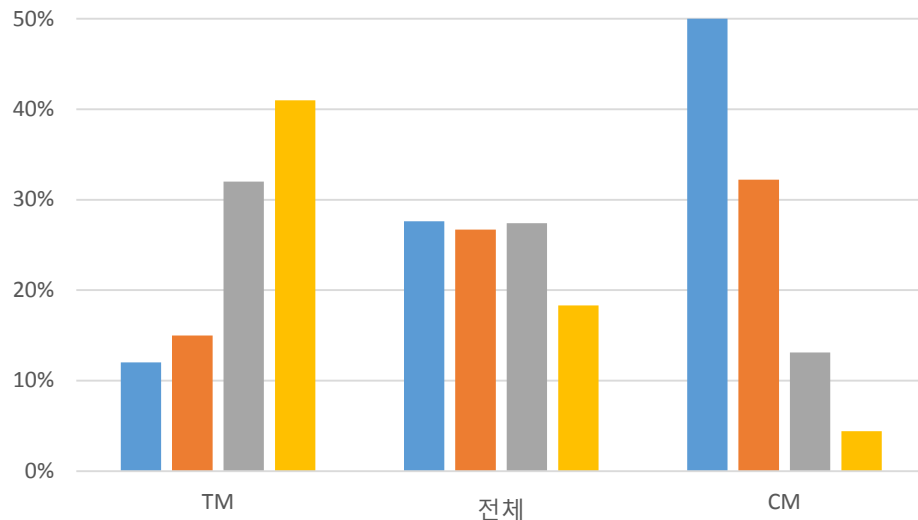
## 스스로 처리하는 밀레니얼 세대 - DIY 시장규모

(단위 : 억 달러)



자료: Statista (2018)

## 채널별 가입자 연령분포



■ 30대 이하 ■ 40대 ■ 50대 ■ 60대 이상

자료: 보험통계자료집, 보험연구원 내부자료 (2018)

# 기술 발전에 따른 중심 채널 변화

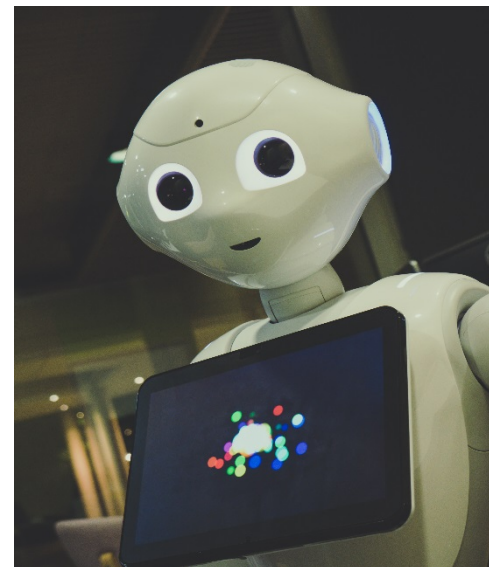
- 기술 발전은 소비자 스스로 보험에 가입하는 행태를 더욱 강화할 것임
  - 더욱 정확한 의사결정을 내리기 위해 소비자들은 새로운 기술을 적극적으로 활용함
  - 양방향 소통이 가능한 인공지능채널 등장은 복잡한 상품도 비대면채널로 가입할 수 있도록 할 것임
- 보험판매 중심이 대면채널에서 기술을 활용한 직접판매로 이동할 것임
  - 따라서 미래채널로 발전해 나가는 중간단계인 비대면채널(TM,CM) 활성화를 위한 제도 개선 필요

채널별 특징

판매채널	소비자 니즈 발굴	상품복잡성 설명	비용	소통	채널구축
전속설계사	우수	우수	고비용	양방향	어려움
GA	우수	우수	고비용	양방향	쉬움
방카슈랑스	보통	우수	저비용	양방향	쉬움
Online/TM	보통	보통	저비용	단방향	쉬움
홈쇼핑	보통	보통	저비용	단방향	쉬움
AI	우수	우수	저비용	양방향	쉬움

자료: 김석영 외(2017)

인공지능 채널로 발전



자료: Photo by [Owen Beard](#) on [Unsplash](#)

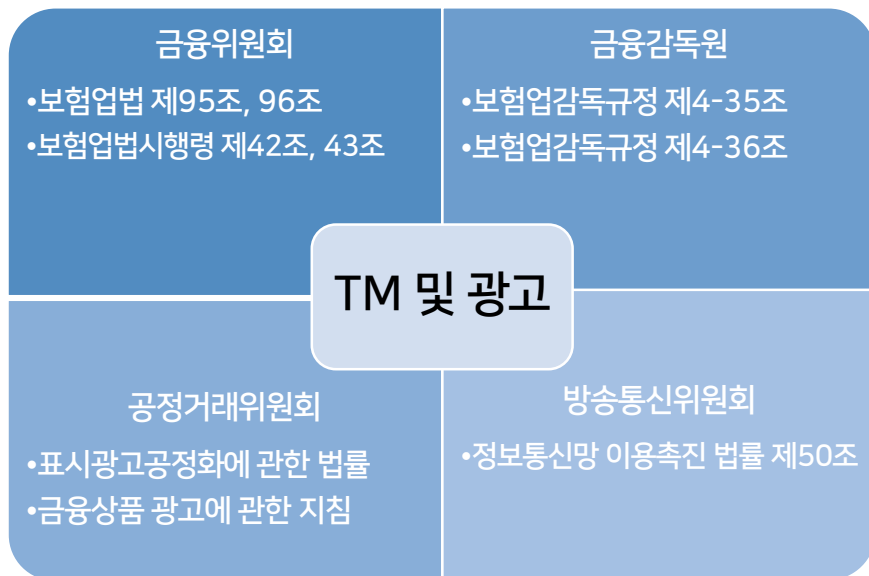
---

## II.2. TM 관련 규제

# 복잡한 규제

- 현재 TM 채널은 복잡한 규제를 적용 받고 있음
  - 대면채널이 적용 받는 규제와 더불어 통신판매에 적용되는 규제를 동시에 적용 받음
  - 금융위(보험업법), 금감원(감독규정)은 물론 공정위 그리고 방통위 규제까지 받고 있음
- 관련 기관이 많은 만큼 다양한 행정지도가 수반되며, 이는 비대면채널의 효율성을 저해함
  - 2000년 TM규제 도입 이후 규제의 기본 틀을 유지하며 필요 시 마다 추가 되었음

## 중첩된 TM 관련 규제



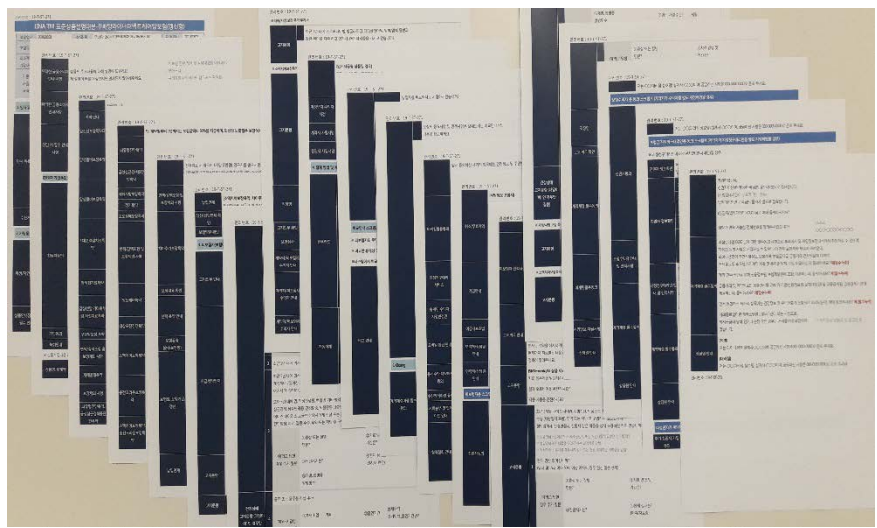
## TM 규제 업데이트

	내용
2000.8	모집 시 준수사항 최초 규정
2003.1	통신판매 가이드라인 통보
2003.5	통신사항 모집관련 준수사항 최초 규정
2006.5	모집가이드라인 시행
2006.11	통신판매 시 준수사항 추가 규제(표준 스크립트)
2010.7	통신수단을 이용한 철회/해지 추가 통신판매 업무 모범규준 마련
2014.4	통신판매 규제강화
2016.3	해피콜 제도 법규화
2018.1	불합리한 관행 개선 추진

# 설명의무 : 지나치게 긴 설명

- 현재 TM 채널은 보험상품을 판매하기 위한 통화시간이 과도하게 긴 문제가 있음
  - 표준스크립트를 고객에게 읽어주는데 평균 15~20분, 상품판매를 위한 상담시간을 포함하면 30~40분 소요
  - 해외는 상품관련 핵심내용만 확인(10쪽 내외)하는 반면 우리는 부가적인 확인사항이 많아 표준스크립트 길이가 약 20~40쪽에 이름
- 장황한 설명으로 인해 소비자 피로도 증가 및 집중력 저하 초래

우리나라 TM 표준 스크립트



우리나라와 싱가포르 스크립트 항목 비교

	대한민국	싱가포르
정보취득경로	●	▲(문의 시)
안내장발송	●	
취약금융소비자	●	
상품설명	●	●
건강상태고지	●	●
결제정보	●	●
비교안내	●	
계약체결필수동의	●	

## 설명의무 : 과도한 일률적 설명

- 자금세탁 방지를 위한 실소유자 확인 의무 (특금법 5조의 2항)
  - 보험료 수준이 낮은 보장성 보험의 경우 자금세탁 우려가 적음
- 취약한 금융소비자에 대한 일률적 중복안내
  - 한번을 설명하더라도 고객이 알아 들을 수 있도록 설명 하고 고객 요청에 따라 추가 설명 제공 필요

### 자금세탁 방지

	내용
자금 세탁 방지	<ul style="list-style-type: none"> <li>• 이 보험계약의 실소유자가 맞으시죠?</li> <li>• '아니요' 의 경우 실소유자의 성명과 주민번호를 말씀해 주시겠어요?</li> <li>• 국적은 대한민국이신가요?</li> <li>• '아니오'의 경우 국적이 어떻게 되시는지요?</li> <li>• 미국 시민권 또는 영주권이 있거나, 해외국가에 납세 의무가 있으신가요?</li> <li>• 미국시민권자 또는 영주권자 조세법상 미국거주자 중 어디에 해당하시나요?</li> <li>• 미국이외에 다른 나라에 세금을 납부하고 계신가요?</li> <li>• 예의 경우 해당국가 명을 말씀해주세요</li> </ul>

### 취약 금융소비자에 대한 안내

	내용
취약한 금융 소비자	<ul style="list-style-type: none"> <li>• 고객님의 안내해 드리는 ○○○건강한치아보험V(갱신형)은 5년(10년)마다 갱신되고 갱신 시 보험료가 인상 될 수 있습니다.</li> <li>• 중간에 해지하시면 해지환급금은 납입한 보험료보다 적거나 없을 수 있으며, 만기 시 보험료 환급은 없으나, 지급기준에 따라 (30만원)의 특약 만기지급금을 받게 됩니다.</li> <li>• 고객님의, 이해되시죠?(예)</li> </ul> <p>[취약한 금융소비자는 동일한 내용을 한 번 더 설명]</p>

## 설명의무 : 중복 및 필요성 낮은 설명

- 중복되는 개인정보 활용 동의 문제
  - 보험가입 설계를 위해 주민번호 제공 동의, 안내장 발송 추가동의, 계약체결이행 필수 동의 등
  - 소비자 입장에서 길고 복잡한 형식상 동의절차를 간소화할 필요가 있음
- 실효성이 적은 승환계약 방지를 위한 비교안내
  - 신 계약 모집 6개월 이내에 소멸계약이 있는 경우 보장내용을 달리한 계약에 대해서도 비교 안내 필요
  - 보장내용을 달리한 승환계약이 일어나는 경우는 적음 (백철, 김석영, 김헌수 2019)

### 과도한 개인정보 동의

동의 목록	동의 내용
가입설계 시	주민번호 등 개인정보 제공 동의
고객에 안내장 발송	주소, 전화번호 등 개인정보 활용 동의
계약체결이행 필수 동의	개인식별정보, 보험금지급, 신용정보원 이용 동의 등

### 실효성 적은 비교안내

		승환계약				
		생존	사망	양로	변액	계
해 지 계 약	생존	1.5%	3.5%	0.7%	3.1%	8.9%
	사망	2.7%	50.3%	2.6%	10.9%	66.5%
	양로	0.8%	3.0%	1.5%	2.5%	7.7%
	변액	1.6%	7.1%	1.0%	7.1%	16.9%
	계	6.6%	63.9%	5.9%	23.6%	100%

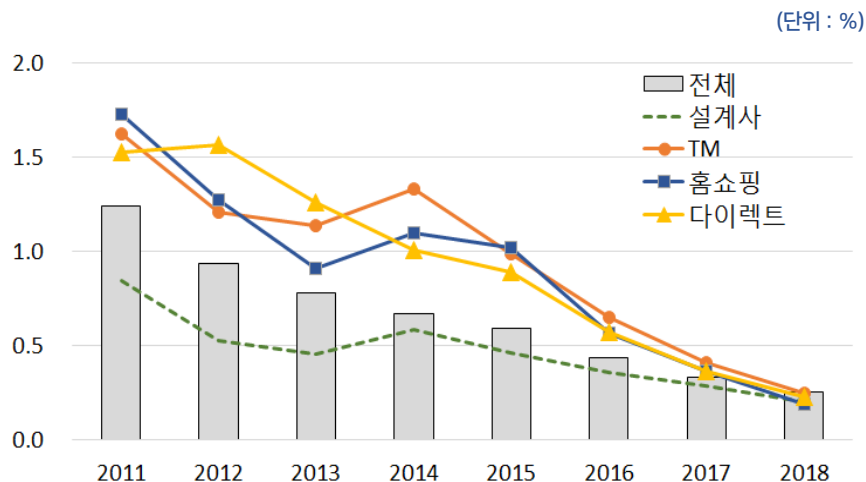
자료: 백철, 김석영, 김헌수(2019)



## 과도한 홈쇼핑규제

- 상대평가가 적용되는 녹화방송 기준 강화 제고 필요
  - 상대평가 시 보험회사가 최선을 다해도 누군가는 결국 제재를 받게 되어 불완전판매율 관리 유인 감소
- 보험을 판매 광고모델에 대한 설계사 자격 규제
  - 광고 및 방송의 경우 사전심의를 마친 것으로 규제로 인한 소비자 보호 효과보다 보험료 상승요인으로 작용

채널별 불완전 판매율



자료: 안철경\*정인영(2018)

보험가입 권유 시 자격증 보유

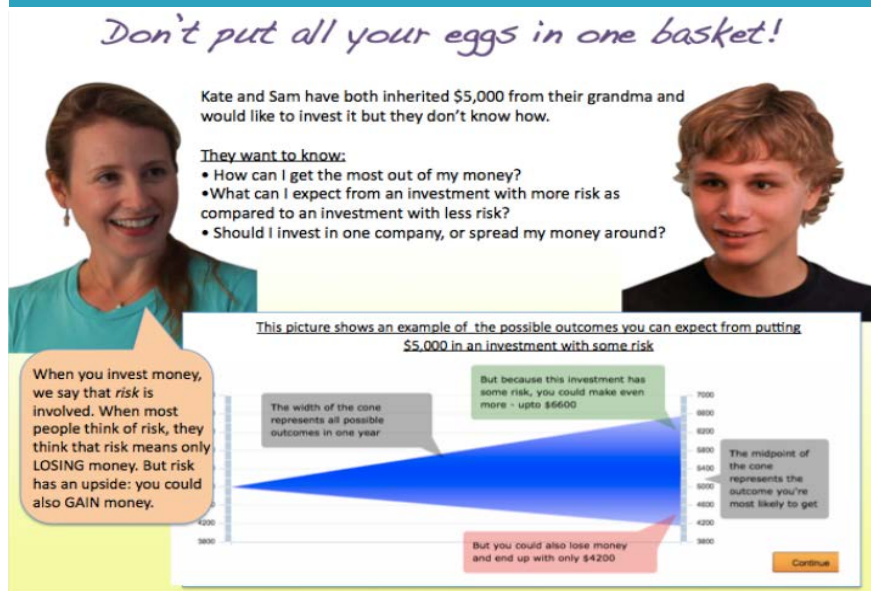


자료: TV 광고화면

# 첨단기술을 활용한 대체 설명 불가

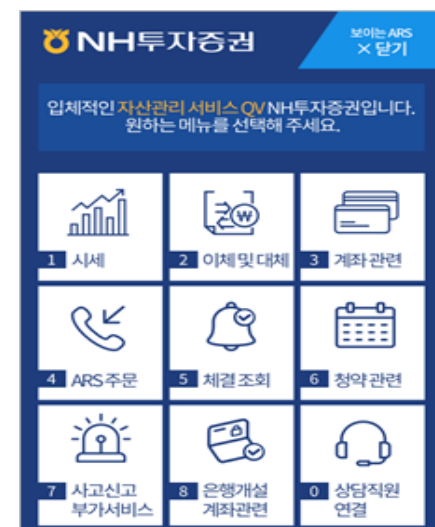
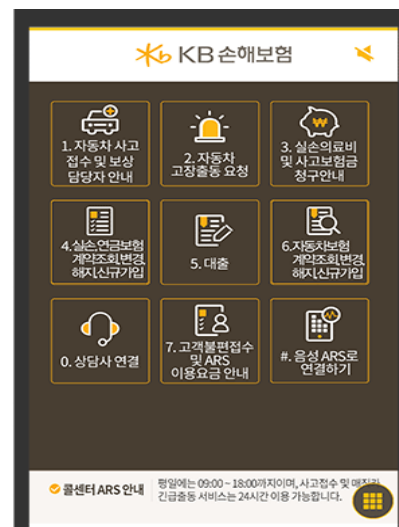
- TM판매에 음성 이외의 컴퓨터, 모바일 기기 등을 활용한 대체 설명 불가
  - 보험업법시행령 제43조 제2항 “전화를 이용하여 보험을 모집하는 자는 모든 과정을 음성녹음하고 보관해야 한다”
  - 어플리케이션 등을 활용한다 해도 스크립트는 모두 읽고 녹음해야 함 (법령해석180144, 유권해석170281)
- 다양한 매체를 판매에 활용할 경우 소비자에게 보다 정확한 정보를 편리하게 전달할 수 있음
  - 다양한 매체 활용은 정보전달 질을 높임(Reeves & Hedberg 2002, Lusardi et al 2015)

## 대화 및 시각정보를 활용한 금융정보 전달 효율 제고



자료:Lusardi et al (2015)

## 시청각 및 반응을 활용한 정보전달 예



kiri 보험연구원

## 규제완화와 사후관리 강화

- 규제완화에 대한 보완책으로 청약철회에 대한 안내 강화와 기간 연장 등을 생각할 수 있음
  - 가입단계에서는 편의성을 증대시키되 가입 이후 청약 철회를 쉽게 하는 방안을 고려할 수 있음
  - 2018년 65세 이상 고령자에 대한 청약철회기간이 연장된 이후 해당 연령층의 청약철회가 증가하였음
- 사후 모니터링을 강화하는 방안을 고려할 수 있음
  - 인공지능 STT(Sound to Text)기술 등을 활용해 통화내용품질 모니터링 비율 등을 강화

TM 연령별 청약 철회율 추이

구분	2016	2017(A)	2018	2019(B)	차이(B-A)
30~39세	9.8%	11.3%	11.1%	10.6%	-0.7%
40~49세	8.8%	10.3%	10.9%	10.8%	0.5%
50~59세	10.5%	11.7%	12.8%	13.7%	2.0%
60~69세	12.1%	13.6%	15.3%	17.4%	3.8%
70~79세	16.2%	17.9%	22.0%	23.5%	5.5%
80세 이상	18.9%	18.0%	22.6%	23.1%	5.1%
평균	11.1%	12.3%	13.8%	15.1%	2.9%

자료: 보험연구원 내부자료

인공지능을 활용한 판매 모니터링



자료: Persona System

kiri 보험연구원

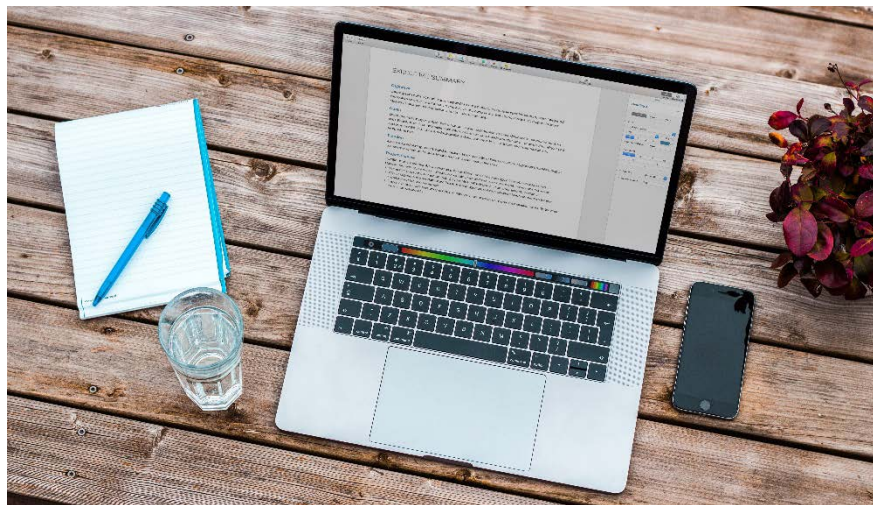
---

## II.3. CM 관련 규제

## 종이와 다를 바 없는 CM

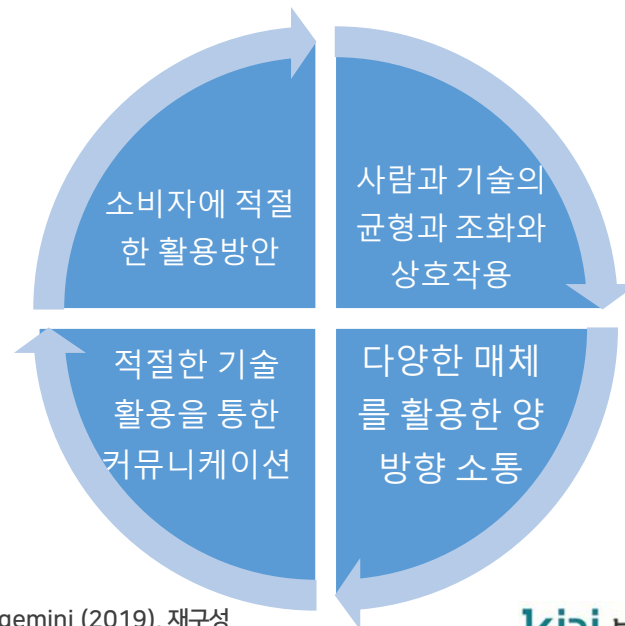
- 현재 CM 가입 방식 및 절차는 종이 문서를 컴퓨터 화면으로 옮겨 놓은 것에 불과함
  - 기술을 활용한 가입편의성 도모는 불가능함
- 따라서 CM 채널 발전을 위해서는 새로운 기술과 판매채널의 접목이 필요함

### 종이와 다를 바 없는 CM



자료: Photo by [Bram Naus](#) on [Unsplash](#)

### 기술과 접목 필요

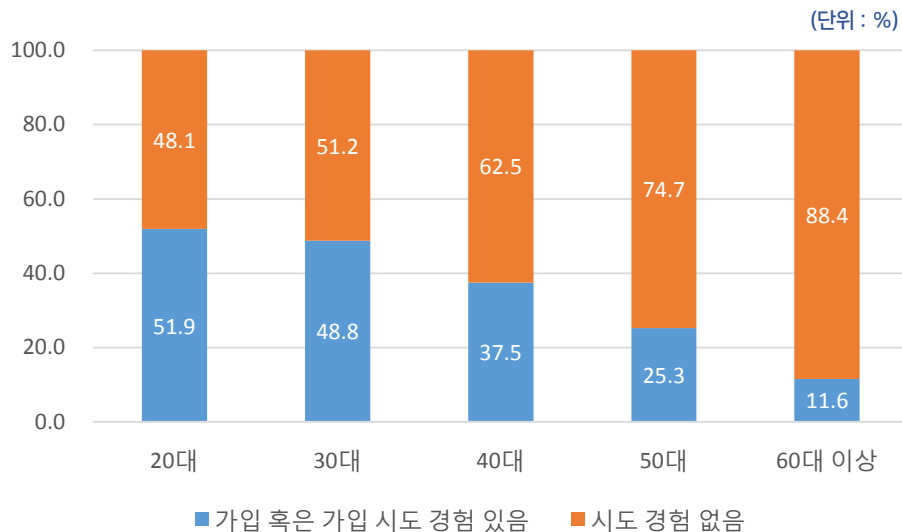


자료: Capgemini (2019), 재구성

## 계약의 복잡성

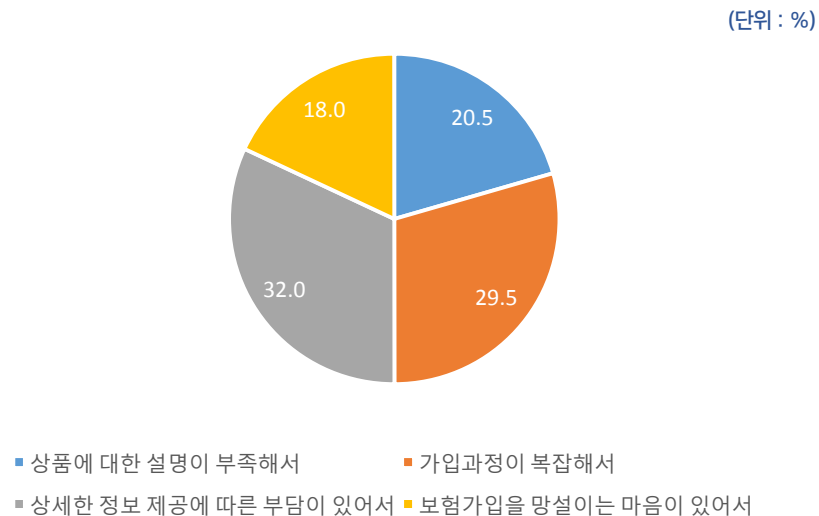
- 젊은 층을 중심으로 온라인을 통해 보험에 가입했거나 시도한 비율은 높은 것으로 나타남
  - 40세 미만 계층의 경우 50% 이상이 온라인 보험에 가입했거나 가입을 시도함
- CM채널에서 가입에 이르지 못하는 가장 큰 이유는 가입과정이 복잡하고 설명이 부족하기 때문
  - 온라인 보험의 경우 모든 가입 과정을 스스로 수행해야 하나 상품과 가입의 복잡성이 큰 걸림돌임

### 온라인 보험가입 시도 비율



자료: 보험소비자설문조사(2019)

### 가입에 이르지 못한 이유



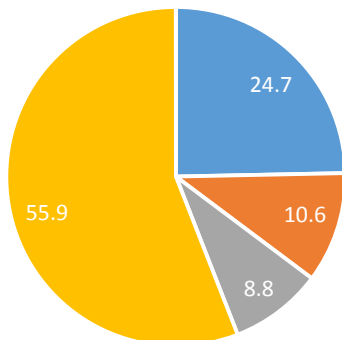
자료: 보험소비자설문조사(2019)

## 새로운 계약형태 필요

- 계약의 복잡성 및 설명 문제를 해결해 줄 수 있는 하이브리드 계약 허용이 필요함
  - 보험가입 중 어려움에 직면할 경우 사람과의 전화통화를 선호하는 비중이 56%에 달함
- 시각과 청각을 동시에 활용한 정보전달 시 소비자의 정보획득능력이 크게 개선됨
  - 다양한 기술 및 매체를 사용한 정보전달 향상을 위한 규제 변화가 필요함

### 어려움을 겪을 시 선호하는 도움방법

(단위 : %)



- 자세한 설명서 제공
- 인공지능과 음성 및 문자 대화
- 사람과 문자(채팅) 대화
- 사람과 전화 통화

자료: 보험소비자설문조사(2019)

### 다양한 매체 활용



자료: Unsplash.com, Christopher Gower

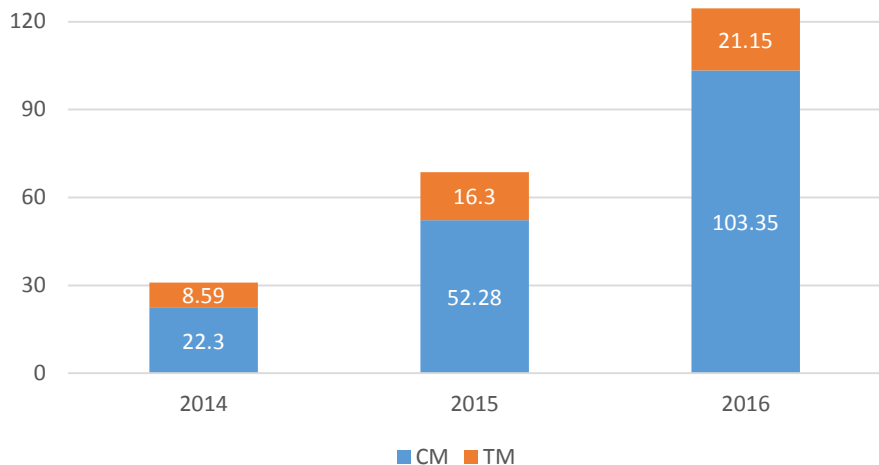


## 중국 비대면채널 사례

- 중국 역시 비대면채널이 빠르게 성장하고 있음
  - CM 비중이 TM보다 크고 빠르게 성장하고 있는 특징을 보임
- 하이브리드 판매가 비대면 채널의 핵심적 역할을 하고 있음
  - 생보 TM을 제외한 모든 비대면 채널에서 하이브리드 판매가 널리 활용되고 있음

중국 비대면채널 성장(손보-자동차제외)

(단위: 억 위안)



중국 하이브리드 채널 규제

업권	채널	매체 활용	업권	채널	매체 활용
생보	TM	일부 가능	손보	TM	가능
	CM	가능		CM	가능

자료: 중국보험협회(2017.3), "2016年财险电商市场基本情况报告"

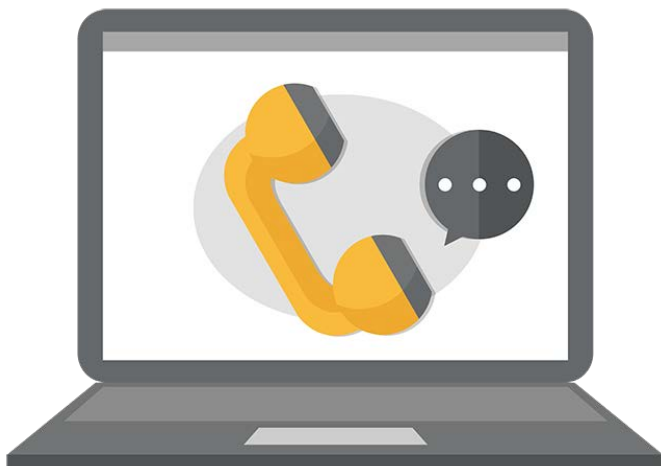
### III. 미래채널과 규제 방향

---

# 미래채널 변화

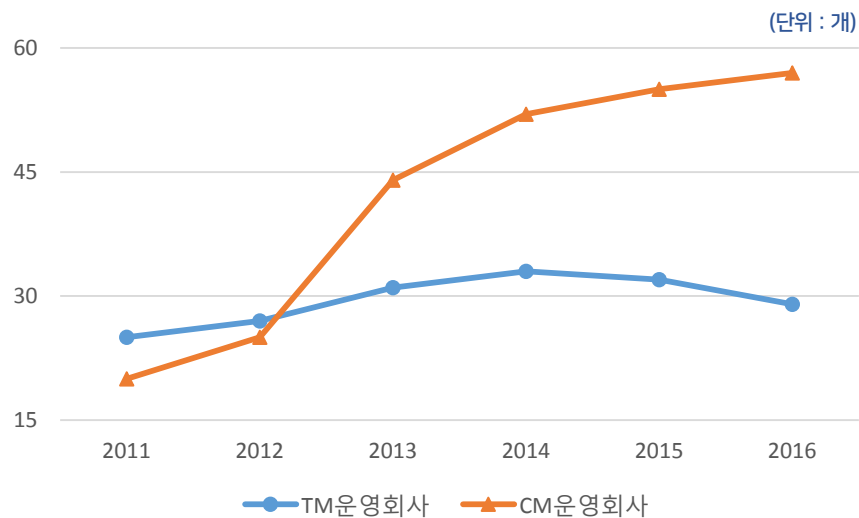
- 온라인 보험 가입 시 전화를 통한 상품설명을 제공받고 계약을 완료하는 채널이 등장할 것임
  - 이러한 채널이 등장할 경우 TM과 CM의 경계는 없어지고 하이브리드 비대면채널로 통합될 것임
- 기술 발달에 따라 비대면채널은 인공지능 등 새로운 기술을 활용한 채널로 발전할 것임
  - 빠른 기술변화로 인해 현재 우리가 상상하지 못하던 판매채널이 등장할 수 있음

## 하이브리드 채널



자료: Getty images

## 중국 TM 및 CM판매 생명보험회사 숫자



자료: CIRC, 중국보험보 재구성

# 세밀한 규정중심 규제의 한계

- 현재는 다양한 매체를 이용한 하이브리드 채널은 활용이 어려움
  - 감독규정 및 사업비 부과 등까지 세밀한 감독은 판매채널과 상품 설계의 유연성을 저해함
- 이러한 경직된 감독체계는 새로운 기술을 활용한 채널 도입의 걸림돌이 되고 있음
  - 상품 및 판매행위의 세밀한 부분까지 가해지는 현재 규제는 빠르게 변화하는 소비자와 기술을 따라가지 못함

현재 세밀한 규정중심 규제



자료: Photo by [Mael BALLAND](#) on [Unsplash](#)

미래 기술을 활용한 다양한 채널

전통적 판매채널							주요 판매채널
배치 나열 기법 요법		설계사	직접 채널	은행	대리점		
	생명	보험모집				소셜	
	건강					P2P	
	은퇴					AI	
		의료	건강 관리	여행	자산 관리		
파트너쉽							

자료: Boston Consulting Group (2019), 재구성

## 미래채널 규제 : 원칙중심의 사후규제

- 비대면채널의 경우 2003년 수립된 규제체계에 새로운 항목이 추가되는 방식으로 현재에 이르고 있음
  - 지금의 규제체계로는 빠르게 발전하는 핀테크, 인슈어테크 등 새로운 기술 도입 및 활용에 한계가 있음
- 새로운 기술이 적용되는 비대면 채널은 원칙중심의 사후규제 적용이 필요함
  - 창의적인 새로운 기술 활용을 장려하되 과정을 모니터링 하며 소비자 피해가 우려될 경우 안전장치를 작동

### 규정중심 규제



자료: Photo by [pixpoetry](#) on [Unsplash](#)

### 원칙중심 규제



자료: Photo by [Denise Jans](#) on [Unsplash](#)

## 원칙중심의 사후규제 사례

- 영국 및 싱가포르에서 원칙중심의 사후규제를 일부 도입하였음
  - 규제 샌드박스를 통해 창조적 파괴형 핀테크를 활용 공간을 열어 두고 진행 상황을 면밀히 관찰함
- 중국은 2017년 발표한 “보험판매행위 추구관리잠정방법”에서 보험판매 사후규제 강화를 강조함
  - 감독당국은 소비자 보호를 위해 현장조사를 통해 보험 판매자에게 녹음/녹화 자료를 요구하고 위반 시 제재함

### 영국 규제 샌드박스와 사후규제

The sandbox provides access to regulatory expertise and a set of tools to facilitate testing. The tools include restricted authorization, individual guidance, informal steers, waivers and no enforcement action letters. Find out more information about sandbox tools.

We closely oversee the development and implementation of tests, for example by working with firms to agree bespoke consumer safeguards.

자료: FCA, UK

### 싱가포르 규제 샌드박스와 사후규제

Depending on the experiment, MAS will provide the appropriate regulatory support by relaxing specific legal and regulatory requirements prescribed by MAS, which the sandbox entity will otherwise be subject to, for the duration of the sandbox.

The sandbox will includes appropriate safeguards to contain the consequences of failure and maintain the overall safety and soundness of the financial system.

자료: MAS, Singapore



## 미래채널 규제 : 방향

- 원칙중심 사후 규제 도입 목적이 신기술을 활용한 창의적 서비스 제공임을 명확히 할 필요가 있음
  - 원칙중심 규제로 재량권이 커진 감독자가 문제가 생기지 않을 것만을 강조한다면 더 큰 걸림돌이 될 수 있음
- 부작용 등을 고려하여 원칙중심의 사후 규제는 비대면 인바운드 채널 먼저 적용을 고려
  - 인바운드 채널 소비자들은 정보를 미리 숙지하고 접근하므로 제도개편으로 인한 혼란 발생 가능성 적음
  - 또한 새로운 기술의 활용 가능성이 높은 분야 역시 CM등 인바운드 채널임

### 창의적 놀이공간 SandBox



자료: Alexander Dummer on Unsplash.com

### 개편 순서

		고객 정보	
		적음	많음
기술 활용	적음	대면 아웃바운드	
	많음		비대면 인바운드

## IV. 결론 및 요약

---



# 결론 및 요약

## 미래채널 대응필요

- 머지 않은 미래에 판매채널 중심이 인공지능 채널 등 비대면채널로 이동할 것임
  - 이에 대한 활용 및 규제 대응 방안에 대한 고민이 필요함

## 원칙중심의 사후 규제

- 기술 변화에 대응해 규제가 대응해 나가려면 원칙중심의 사후 규제로 전환 필요
  - 창조적 기술활용을 위해 해외에서는 원칙중심의 사후규제를 적용하는 나라들이 등장함

## 규제개선의 원칙

- 규제개선을 통해 부작용을 최소화 하면서 실질적인 효과를 얻을 수 있어야 함
  - 규제 당국은 규제개선 목적이 기술활용, 소비자 편의성 제고 그리고 산업발전임을 명확화
  - 부작용 최소화를 위한 인바운드 채널을 중심으로 한 점진적 도입 검토 필요

## 결론 및 요약

R. Dokins

“체스게임이 그렇듯이 생명체가 맞닥뜨릴 수 있는 우발적 사건이란 수없이 많기 때문에 도저히 그 모든 것을 예상할 수는 없다. 체스 프로그래머와 마찬가지로, 유전자는 생존 기계에게 생존 기술의 각론이 아니라 일반 전략이나 비결을 ‘가르쳐’ 주지 않으면 안 된다”

- The Selfish Gene 중에서



감사합니다