

# Greying lines: Group and Individual

SEAC Conference  
June 20, 2019

# Agenda

- What do we mean by “greying lines”... and why?
- Where do they converge?
- Where are we now, and where are we heading?

# What do we mean by “greying lines” ... and why?

- Worksite
- COLI/BOLI
- Executive Carve-Out
- Key Man

# Where do they **converge?**

# Product features

vs. Issue Age

vs. Individual policies

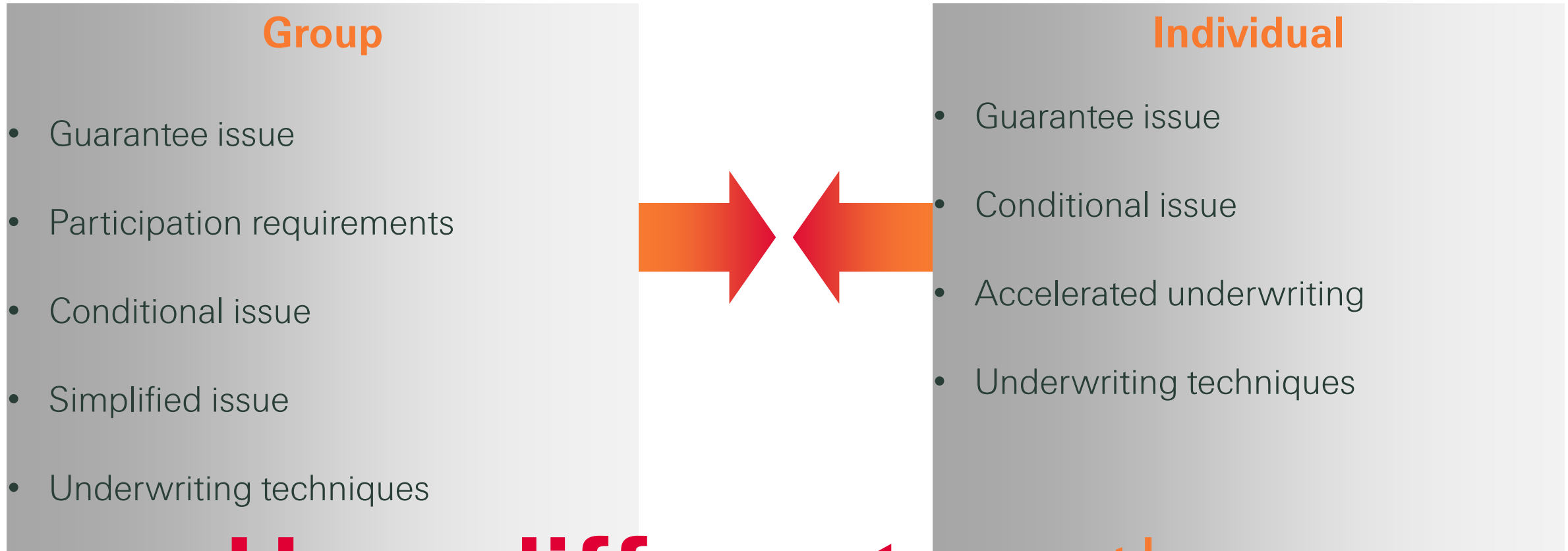


vs. Permanent products

vs. Durational rates

vs. Each sold separately

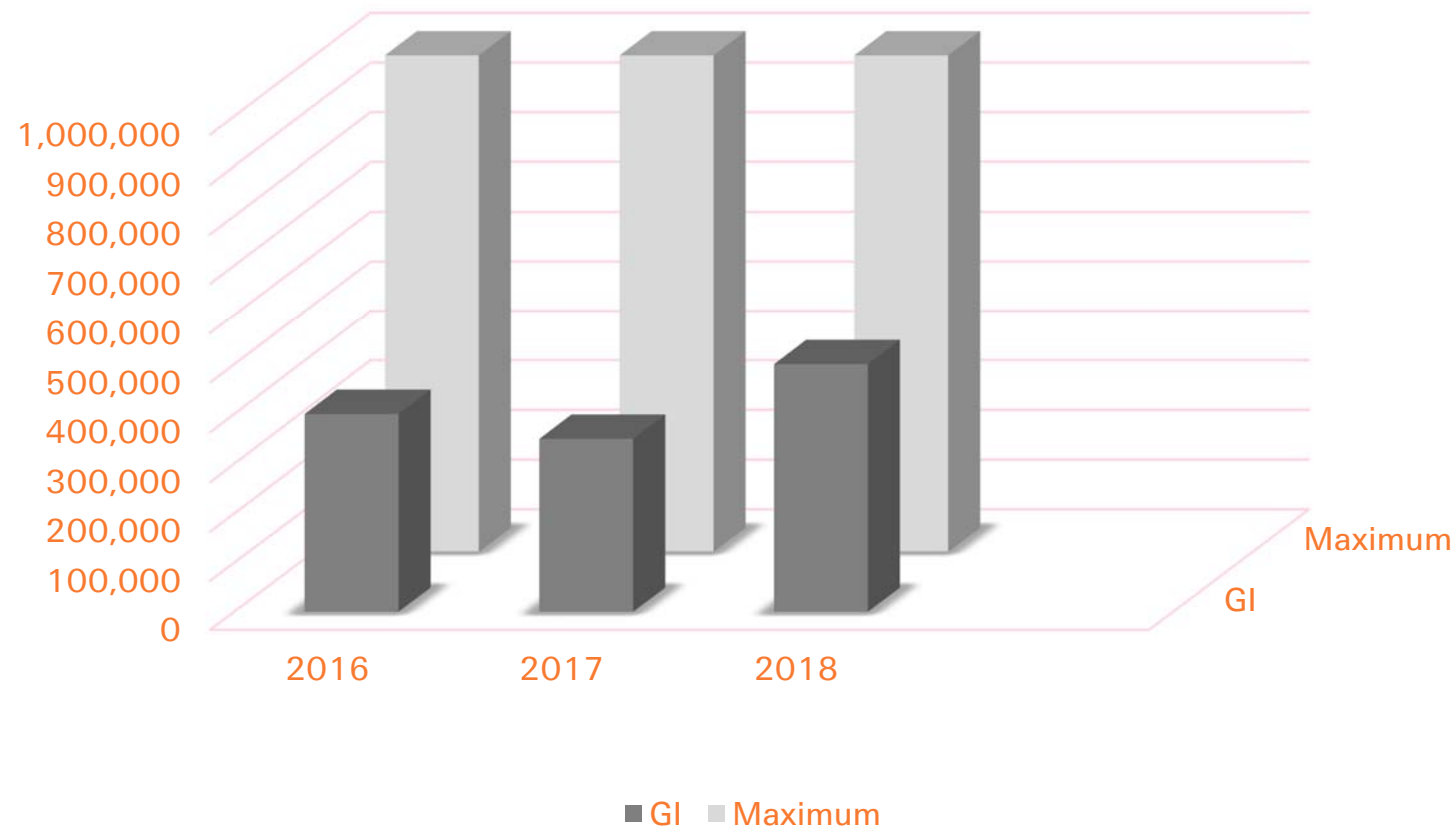
# Underwriting



**How different** are these  
at the end of the day?

# Group voluntary life benefit amounts

## Example: Group GI\*



\*Median max and GI quoted facultatively by Swiss Re

Salary-based benefits **increase** over time

# Distribution

- Business increasingly generated by group producers as market gains in the worksite space came to be seen as key to offsetting potential losses of revenue on the medical side.
- Key roles remain for individual agents and enrollers.
- Compensation: heaped vs. level
- Technology:
  - Platforms
  - Support for employer admin
  - Education
  - Calculators
- Is DTC a threat? Or inspiration?



It's *all* about  
**Enrollment**



# Consumer

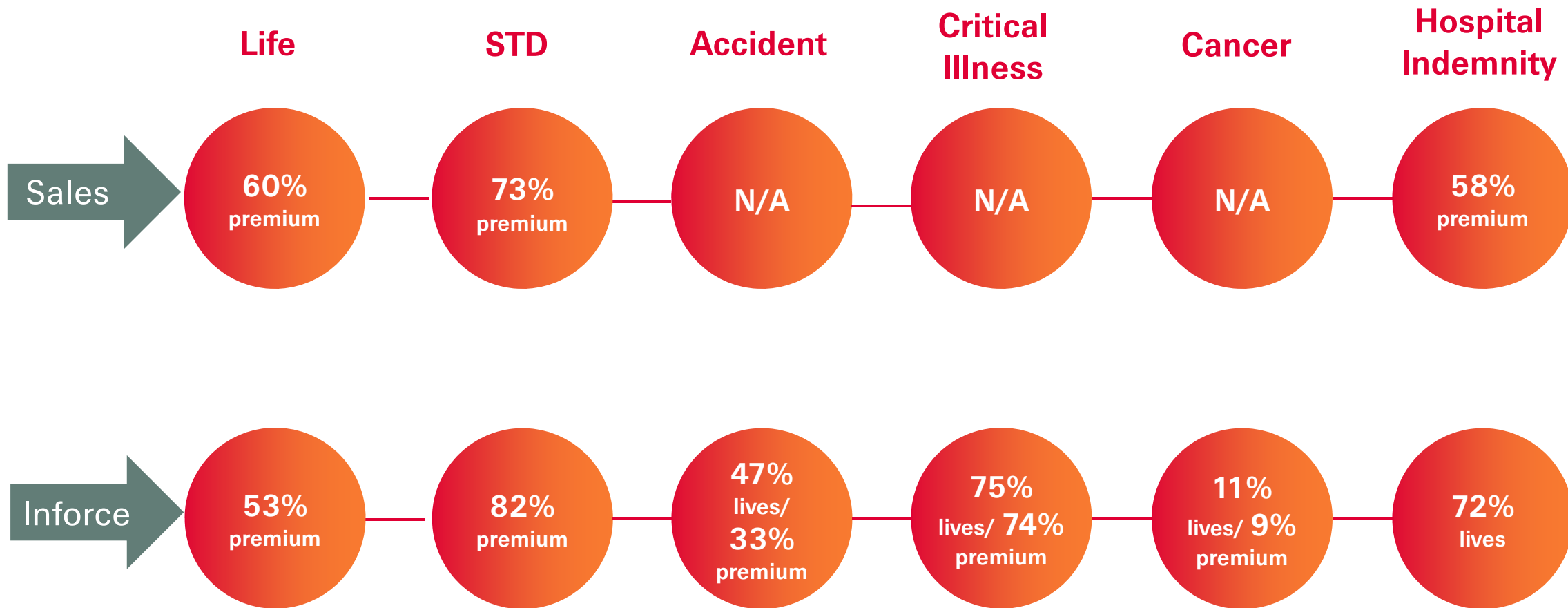
- The ultimate consumer of products likely does not care what platform we use.
- They want it to be easy and have some confidence they are buying the right coverage
- We aim to resolve the protection gap in the best way we can, using white labelling and partnerships to solve for gaps in capabilities.
- Most carriers can improve their results around conservation and post level term conversions.



Where are we now, and  
**where are we heading?**

# Group/individual mix

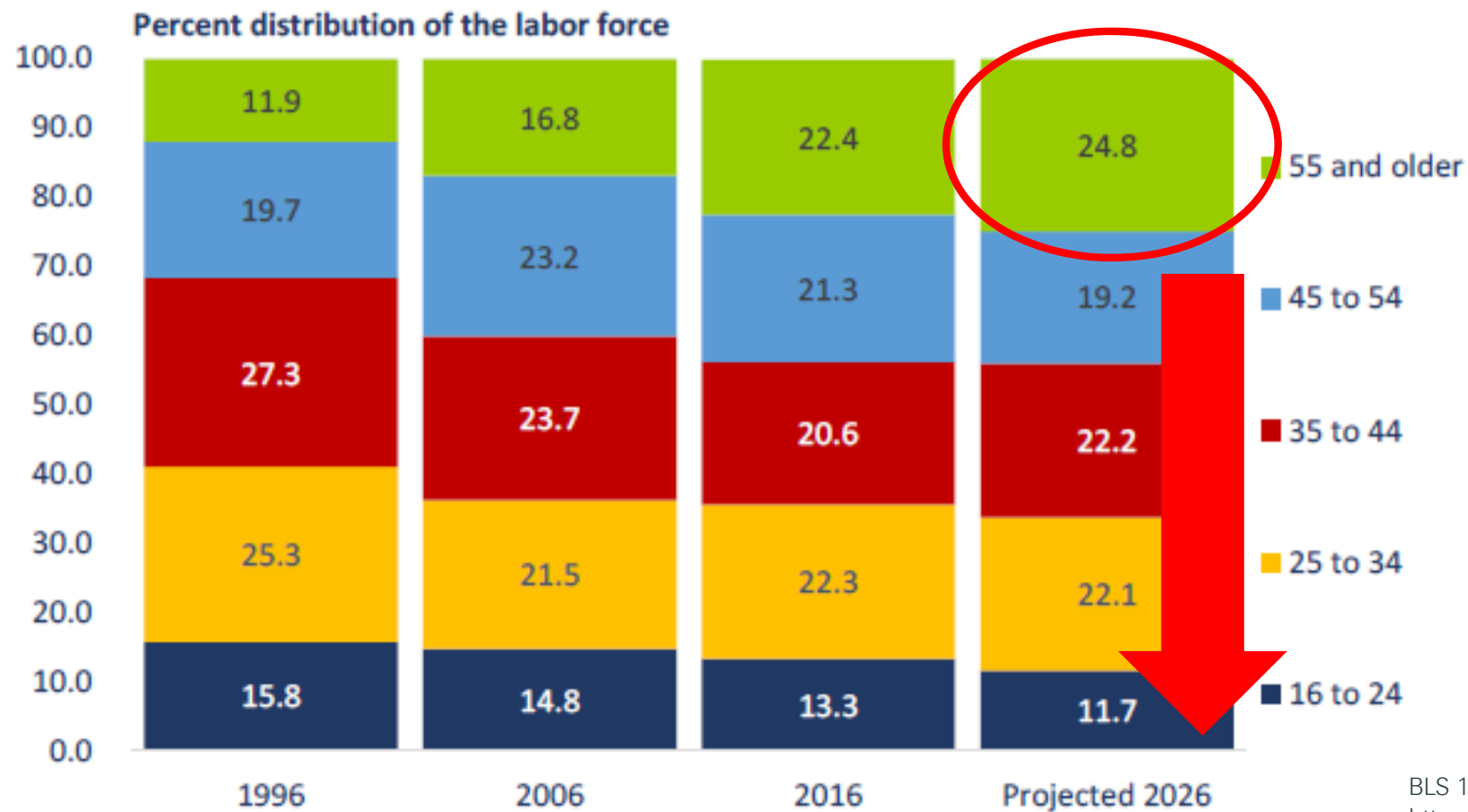
% Group represented



Data source: LIMRA Workplace Benefits Resource Guide (data from 2017 survey)  
<https://www.limra.com/globalassets/limra/research/research-abstracts/2019/workplace-benefits-resource-guide/190215-01.pdf>

# Labor force Demographic projections

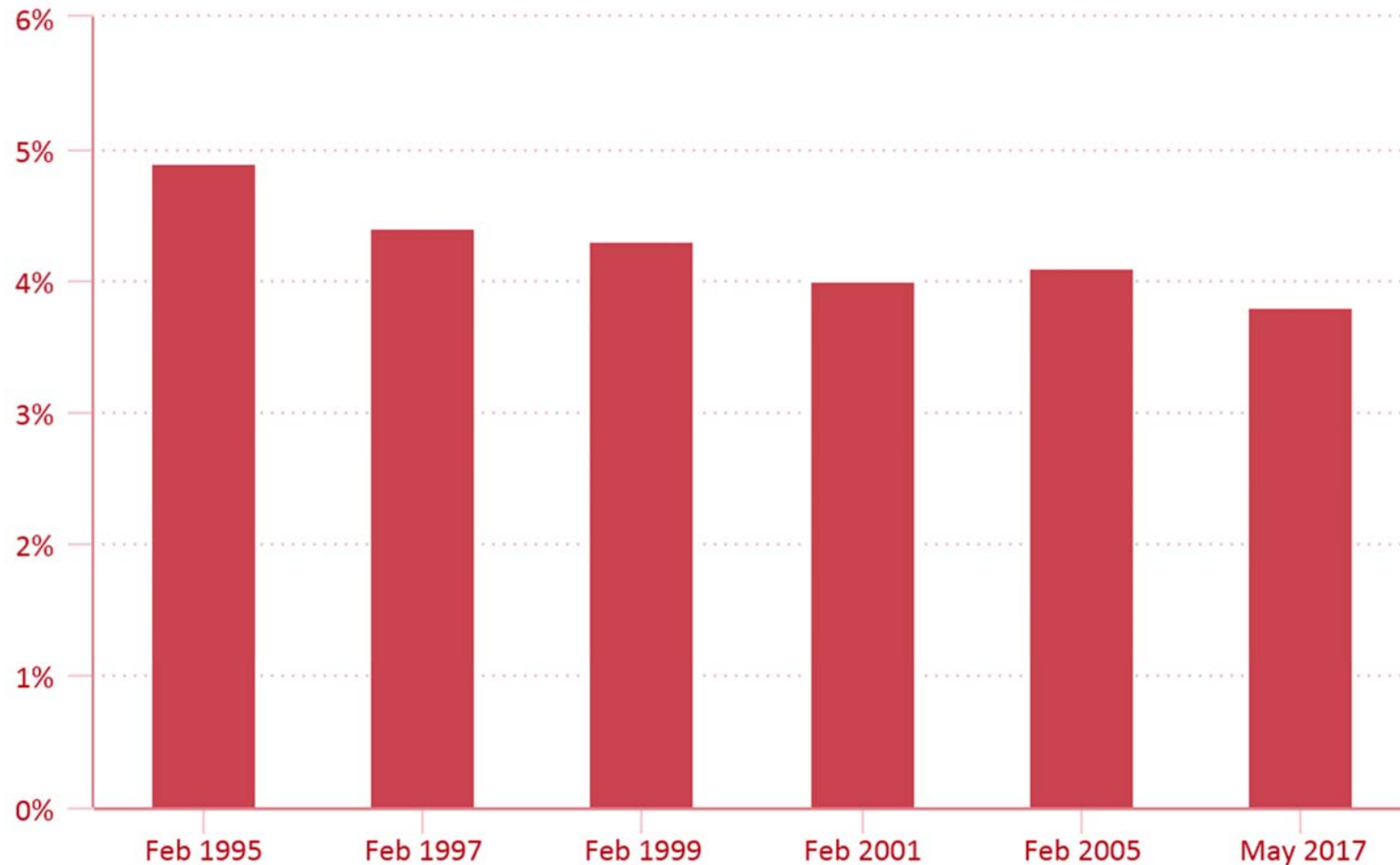
Chart 2. Labor force share, by age group, 1996, 2006, 2016, and projected 2026



BLS 1/30/18  
<https://www.bls.gov/emp/graphics/2019/labor-force-share-by-age-group.htm>

# Contingent workers

as a percentage of total employed



7% - Independent contractors (including self-employed and wage-and salary workers)

2% - On-call workers

1% - Temporary help agency workers

1% - Workers provided by contract firms

55% of contingent workers would prefer a full-time job.

BLS Economic News Release, Contingent and Alternative Employment Arrangements (6/7/18) and A Look at Contingent Workers (September, 2018)  
<https://www.bls.gov/news.release/conemp.htm> and <https://www.bls.gov/spotlight/2018/contingent-workers/home.htm>

The product platform *isn't*  
*critical* **to the consumer...**  
what vehicle helps you  
deliver?

- Balance enrollment with risk
- Resist chasing competition until you know what makes it viable
- Keep it simple



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