2024 DISTRIBUTION CONFERENCE

WINNING TOGETHER

Strengthening Advisor Retention and Attracting New Talent

LIMRA LOMA

Navigate With Confidence

Meg Vecchi

Head of Practice Development

Guardian Life

Matt Walker

SVP, Distribution Solutions

Thrivent

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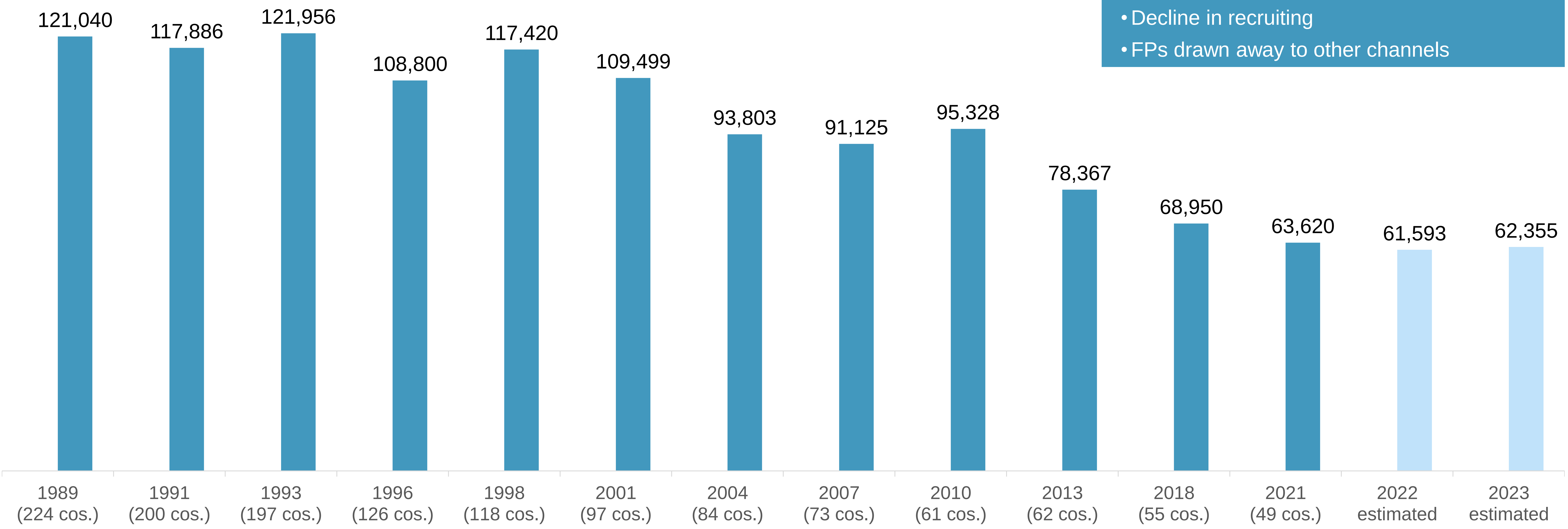
Agenda

- Introductions
- Improving Industry Retention
- Selection
- Development
  - Process
  - Proprietary planning platform
  - Activity building
  - Pacing development of new advisors
- Infrastructure
  - Teaming
  - Joint Fieldwork
  - Leader Development & Technology/Systems

Why the Need to Improve Industry Retention

Agency-Building Salesforce (1989+)



Why the drop?

- Fewer companies (mergers, acquisitions, getting out of AB channel)
- Decline in recruiting
- FPs drawn away to other channels

Source: 2021 U.S. Sales Capacity — A Census of Affiliated FPs, LIMRA, 2022.

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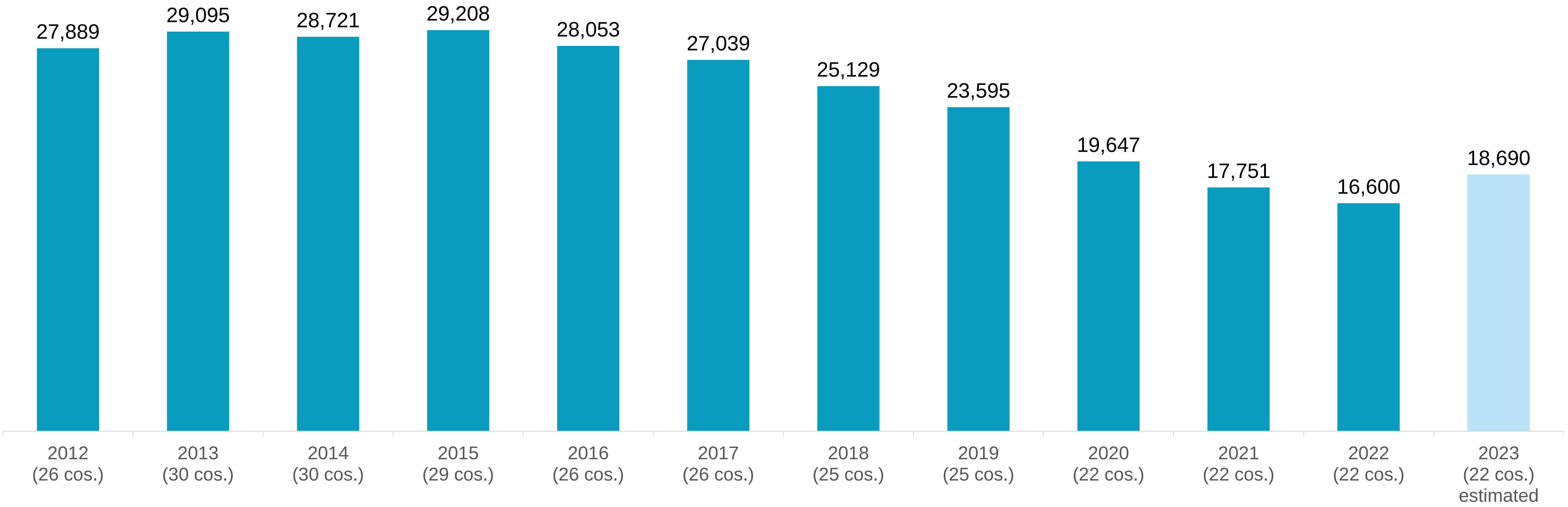
Agency-Building Recruiting (2012+)



Source: Career FP (Agent) Recruiting, LIMRA
All participants based on those participating that year, so not a constant group
2023 is projected based on 8,621 in the first half (on average second half is 17% higher)

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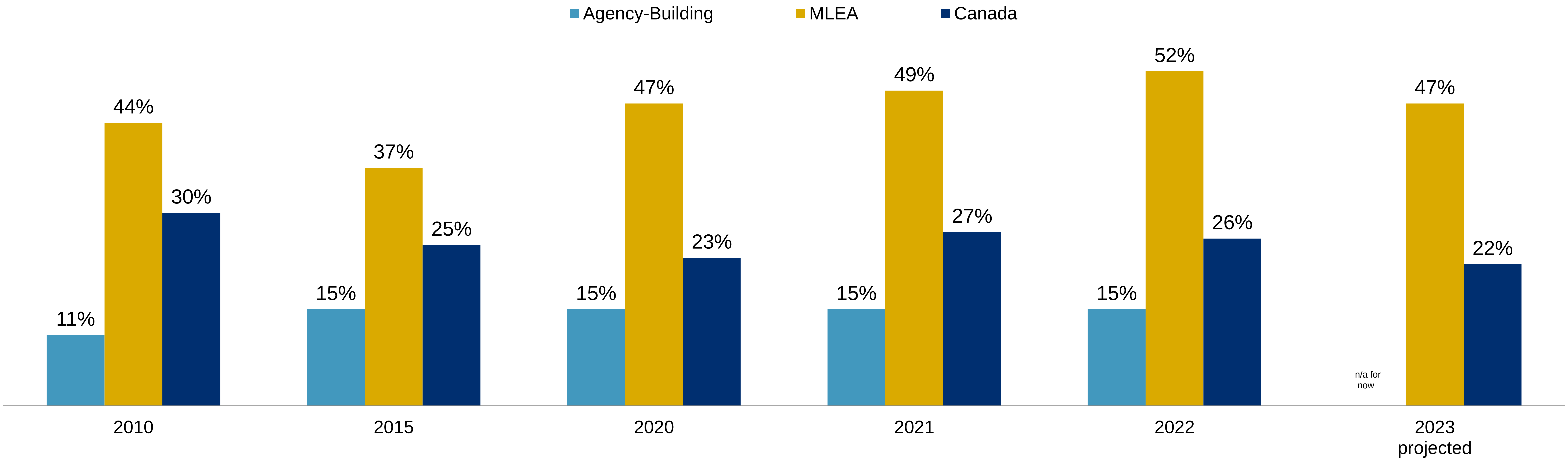
Actual 4-Year FP Retention

The actual four-year FP retention shows the percentage of FPs who are still under contract through December of the fourth year after hire.



Agency-Building (career) - An affiliated distribution system that uses full-time career FPs that primarily represent one company for the sale and service of individual life insurance products, including health, annuity, group life and health, and may sell some property-casualty.

Multiple-line exclusive (MLEA) - An affiliated distribution system that uses full-time career FPs who represent one company exclusively and sell primarily property-casualty and may sell some life, health, and annuities.

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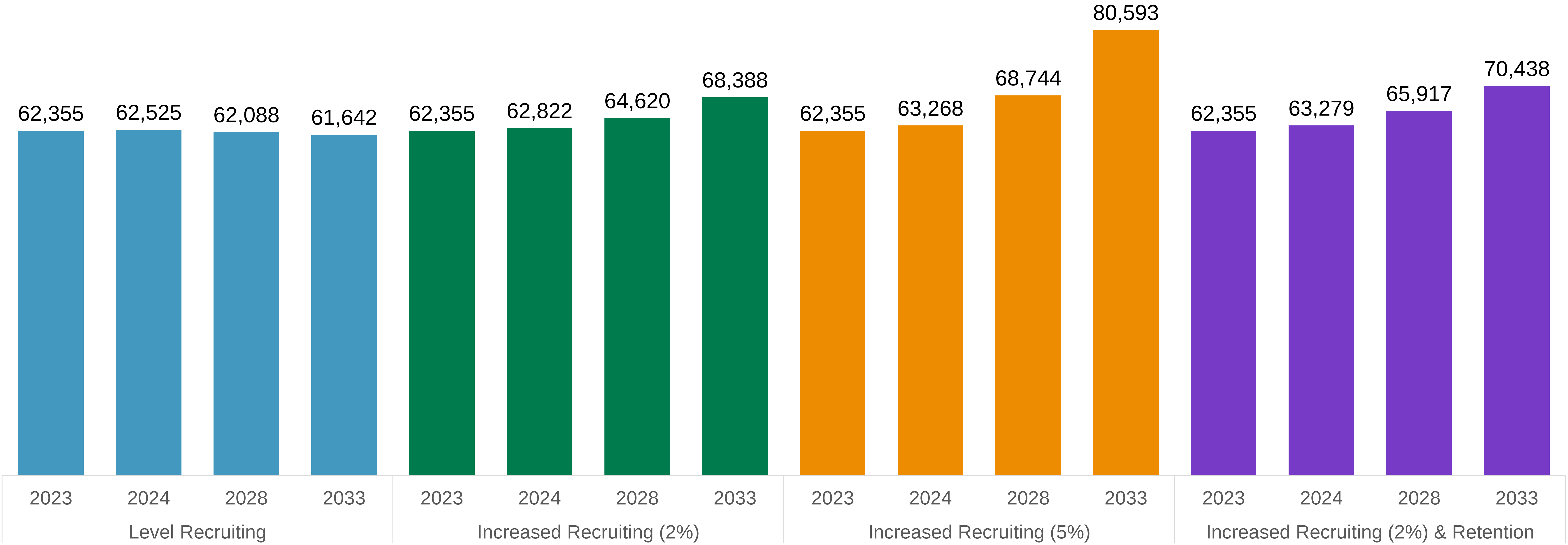
Source: FP (Agent) Production & Retention, MLEA Compensation, Production & Retention, and Canadian Sales Force & Retention, LIMRA
Not a constant group of companies

Summary of Scenarios: Number of Career Agents



Source: LIMRA

Selection

A CONSISTENT FOCUS ON REFERRAL CULTURE

- Methodologies for gathering introductions to candidates: existing advisors, managers, recruiters, centers of influence (COIs), outside recruiting services, and internet leads.
- While the sources remain consistent pre and post COVID, the relative focus is evolving (Figure 1).
- Building a strong referral culture is more critical in this post-COVID world than it was previously.

ED DEUTSCHLANDER
CEO, North Star Resource Group

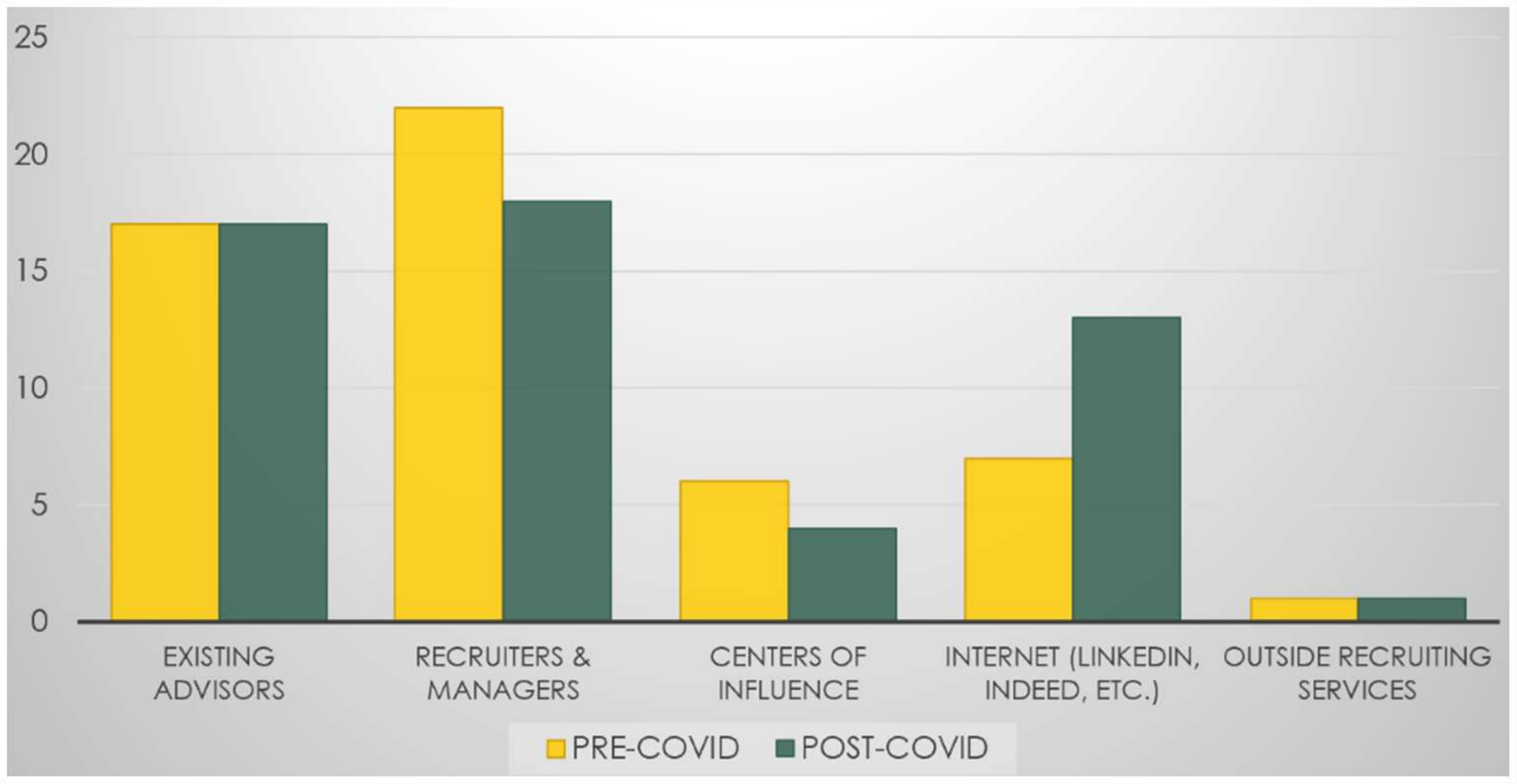
"What has changed for us is not the sources, but the emphasis in each one of these areas. We have placed a much stronger emphasis on both referrals from our team and our COI relationships to get qualified candidates into our recruiting process."

"The best agents have always come from warm referrals. Today, it is even more apparent that warm referrals are necessary, as the cold markets have become dried up and less effective than ever before."

MICHAEL SCOVEL
MP, New York Life

FIGURE 1: SOURCES OF CANDIDATES

Number of Firms



Source: RAG-Finseca Firm of the Future Survey, 2022.

Candidate selection process

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Financial Advisor guide

Career overview

- Introduction to Thrivent and our Advice Philosophy.
- Career profile assessment.
- Formal interview focused on career goals, values, and culture.

Career exploration

- Deeper dive into opportunities.
- Review career profile assessment.
- Overview of training.
- Assign business documents.
- Background check.

Business planning

- Community engagement.
- Market surveys.
- Prospect inventory.
- Financial readiness.
- Envision your business.

Final interview

- Review of business plan.
- Vision for the role.
- Verbal offer.

Launch

- Obtain licenses with personal coaches.
- New advisor training.
- Ongoing in-person and virtual mentoring, training, and support.

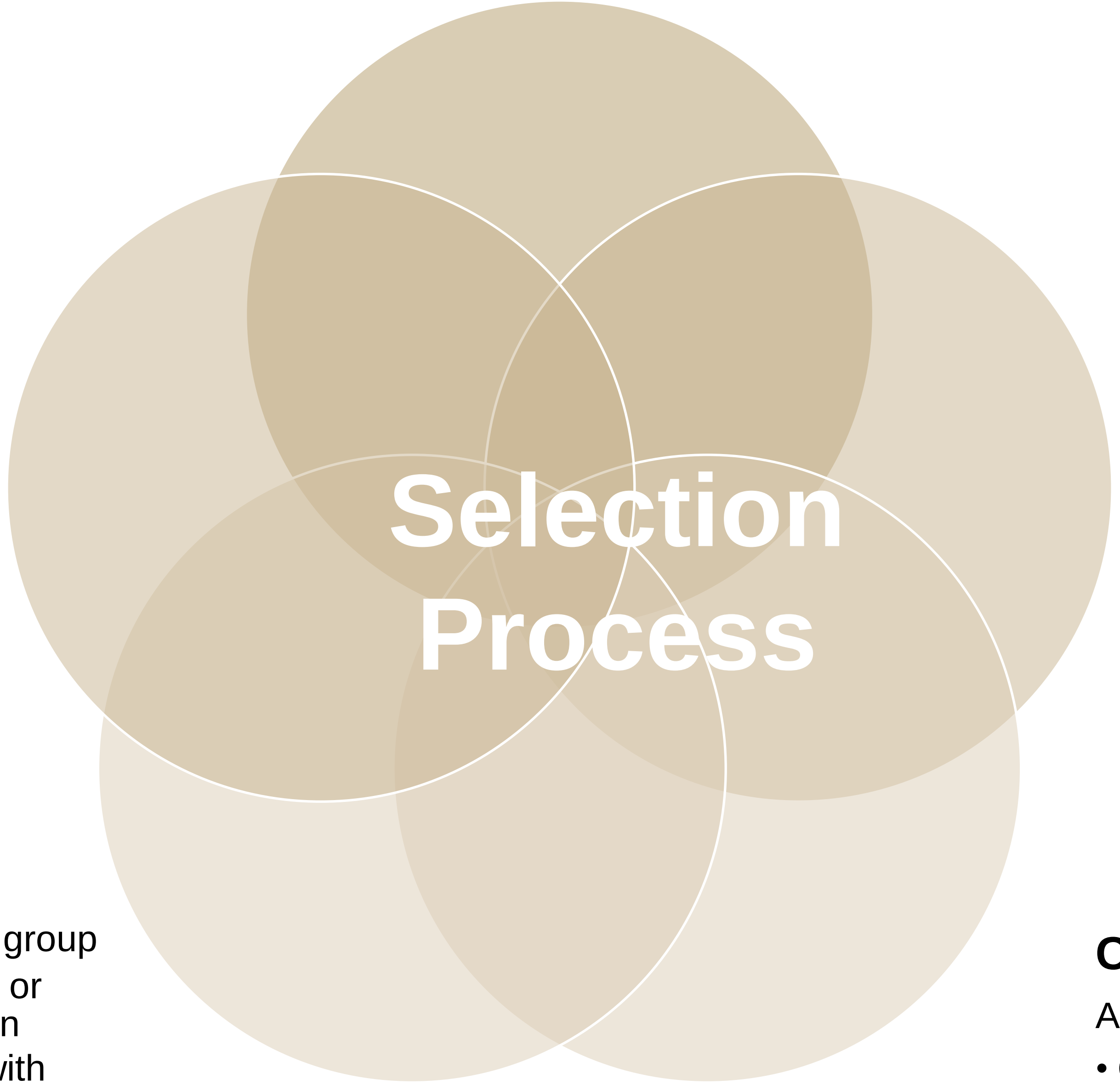
Selection Process

Career Overview Meeting

- Get to know Candidate
- Why are they looking for a new opportunity?
- Learn Candidate’s Why and Share your Why
- Revenue Generating Model
- Candidate Questions
- Assign Right Choice assessment

Assessment Passed

- Qualified Assessment Rating



Career Exploration

- Candidate Questions
- First Interview Guide questions
- Career Review
- Training/Licensing Overview
- Next Level Comp Discussion
- Evaluate culture fit
- Review Right Choice Assessment Results

Check In Call

Answer candidate questions:

- Check in on Business Documents
- Background
- Licensed Candidate Questionnaire

Strategy Meeting

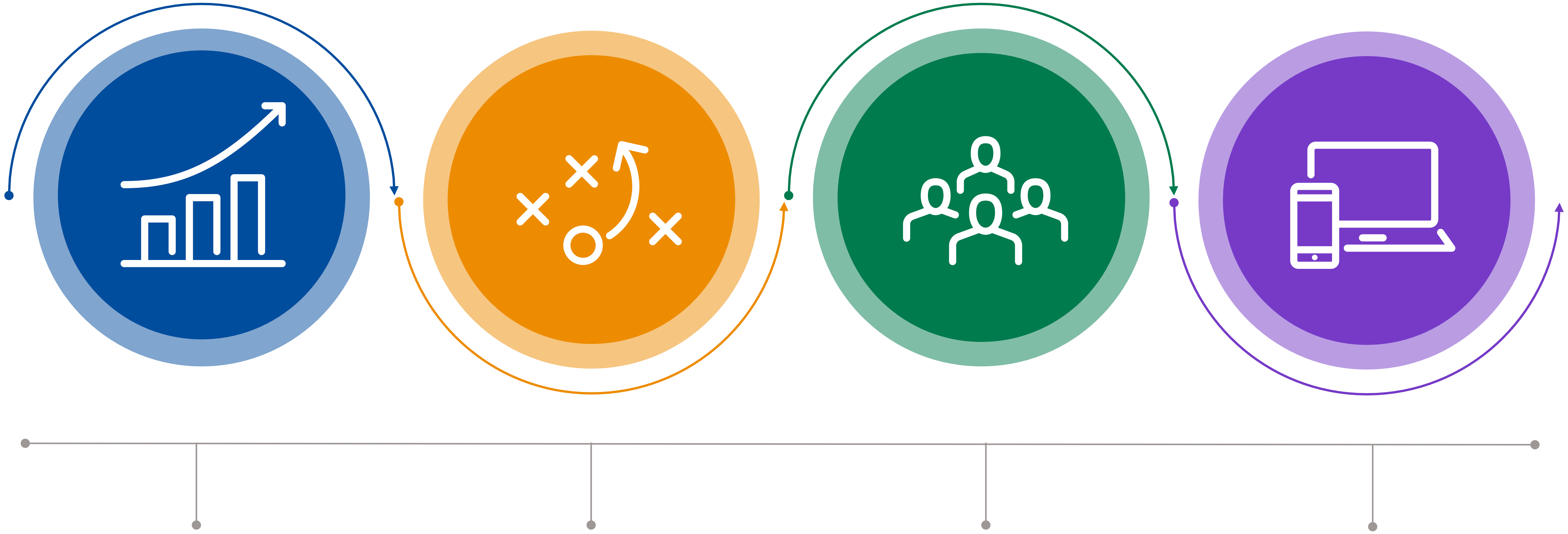
- Director presents candidate to group
- Group discussion re: concerns or areas needing more exploration
- Ideal Launch Plan presented with timeline
- Decide to proceed with candidate to final interview OR redirect

Final Interview/ Offer Extended

- Candidate and GVP discuss their Whys
- Review any questions from Strategy Call
- Review Launch Plan
- Compensation Review
- Extend Verbal Offer

Development

Core Focus Areas



Support for Practice Growth & Expansion

Focus on Process vs Product

Activity / Business Development

Technology
**Advisor Capabilities*
**Client Experience*

Guardian Producer Learning Path

Start

New FRs

- Foundations
- Client Builder Mastery
- 90-Day CBA
- Foundations for Wealth Management
- Year 1 & 2 CBA

Mid-Level FRs

- Business Market Entry
- Wealth Management Academy
- Professional Designations

Experienced Producers

- BRC Symposiums
- Wealth Management Masters
- Advanced Markets Designations

Ongoing Training

- Guardian U
- FR L&D Webinar Series
- Guardian Training Catalog
- LBS Forum
- LBS Live
- Quarterly LBS Intensives

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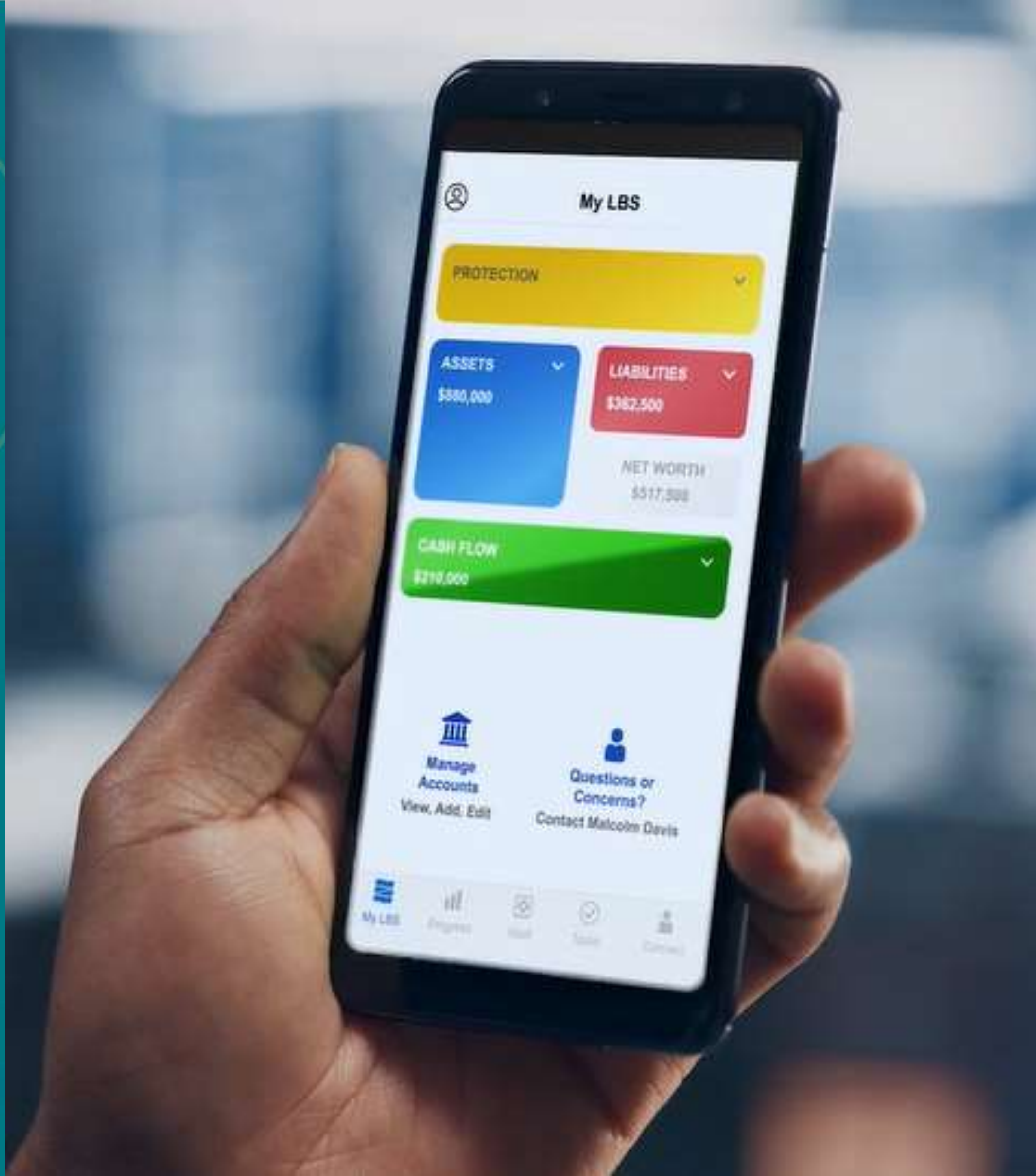
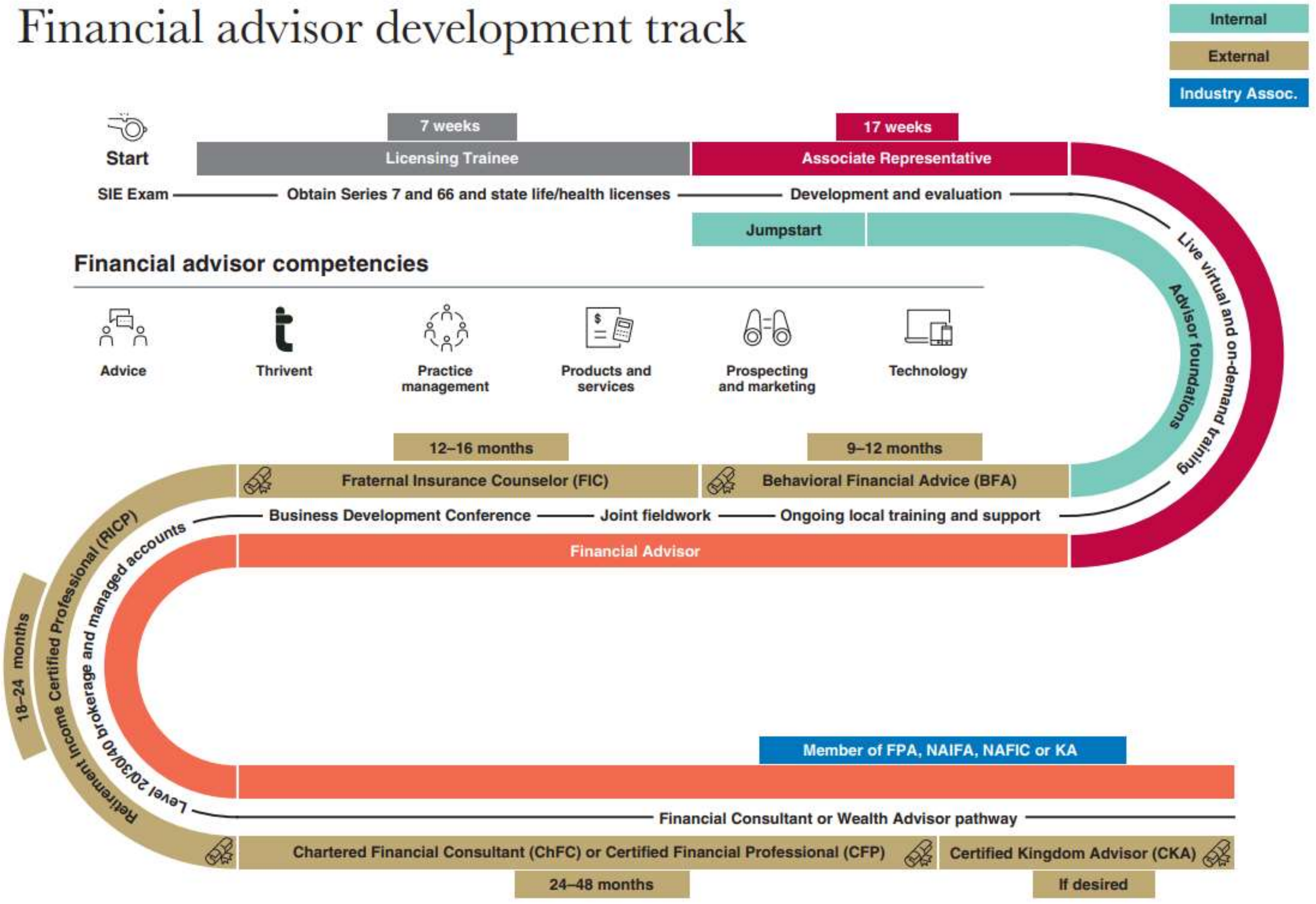
The Living Balance Sheet®

- Process / Philosophy
- Planning Platform
- Client Experience
- Embedded Training / Support



Financial advisor development track



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Infrastructure

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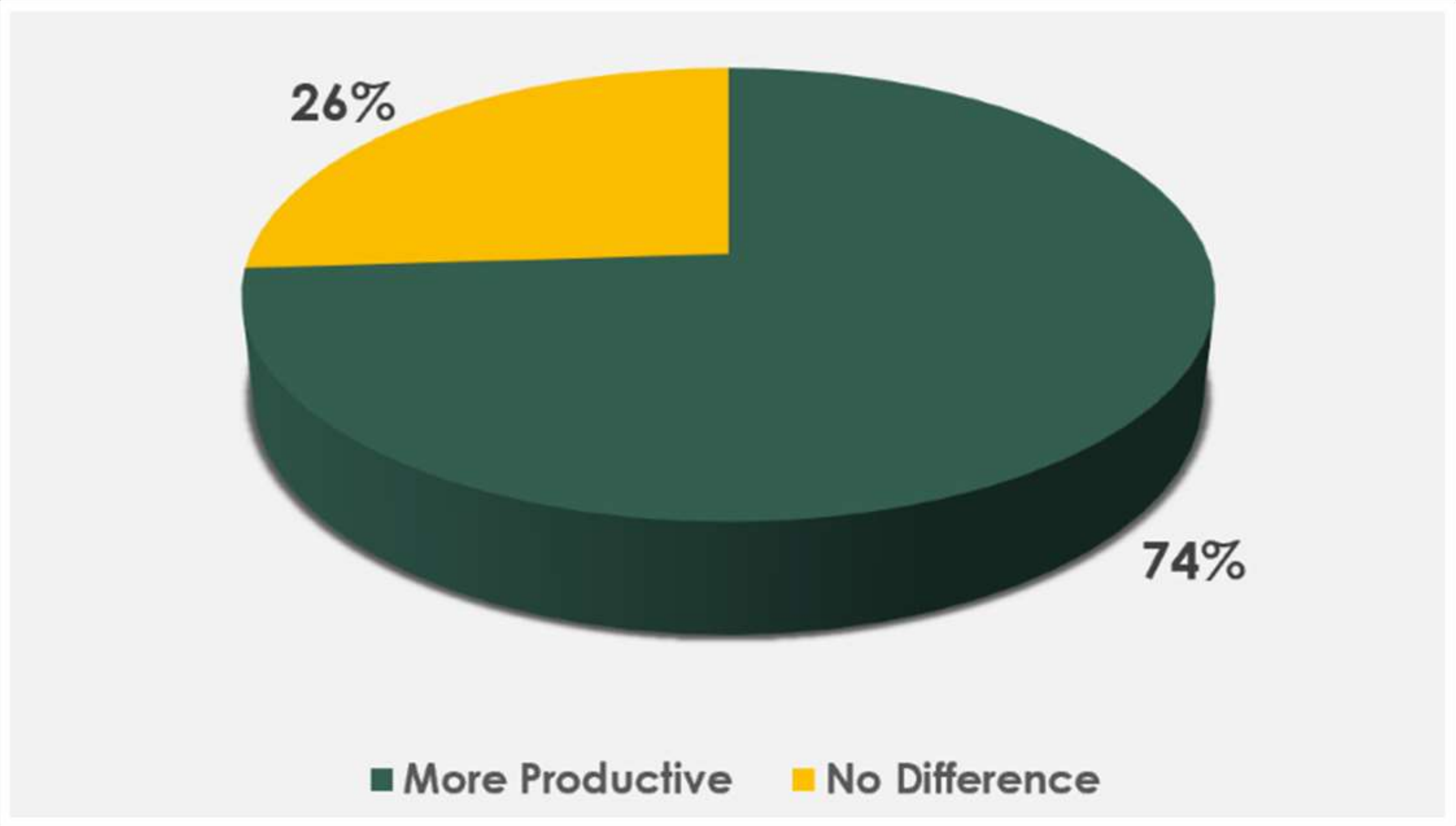
TEAMING – A RECRUITING AND DEVELOPMENT TOOL

Firms commonly address the following questions as they create teams:

- When is a senior advisor ready for a team?
- How do we recruit to or build a team around a senior advisor?
- How do we compensate all involved in the team?
- What roles do each team member play?
- How does the firm support these teams?
- How does the firm build trust among team members?

FIGURE 9: IMPACT OF TEAMING ON NEW ADVISOR PRODUCTIVITY

Percent of Firms



Source: RAG-Finseca Firm of the Future Survey, 2022.

TEAMING – A RECRUITING AND DEVELOPMENT TOOL

- Will teaming allow us to recruit better candidates and offer more financial resources to a new advisor?
- Will teaming ultimately replace the traditional middle manager role?
- Will firms redesign their training programs so that sales skill training and field training come from their best producers?
- Is the implementation of outside practice management services necessary to grow a team?
- What will firm leaders need to do to effectively provide valuable resources to the teams?

SUSAN COOPER
MD, Prudential

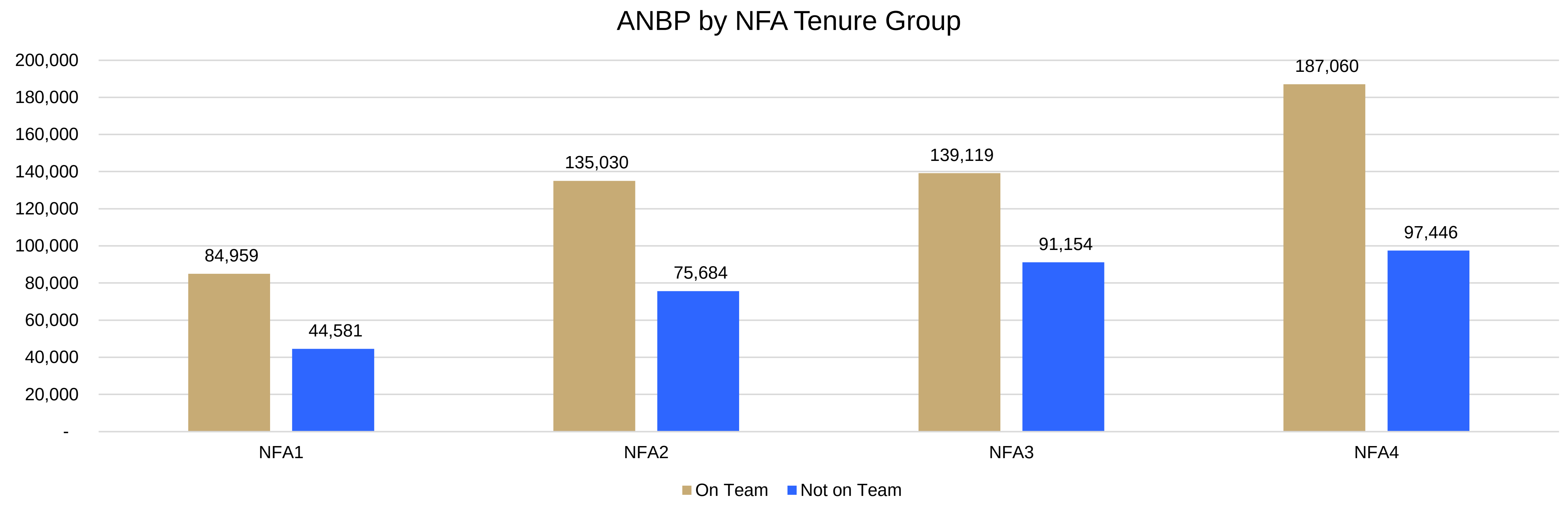
"All advisors are either being recruited to existing teams, or we are in the process of building a team around them. The solo practice is no longer viable long-term in our new world."

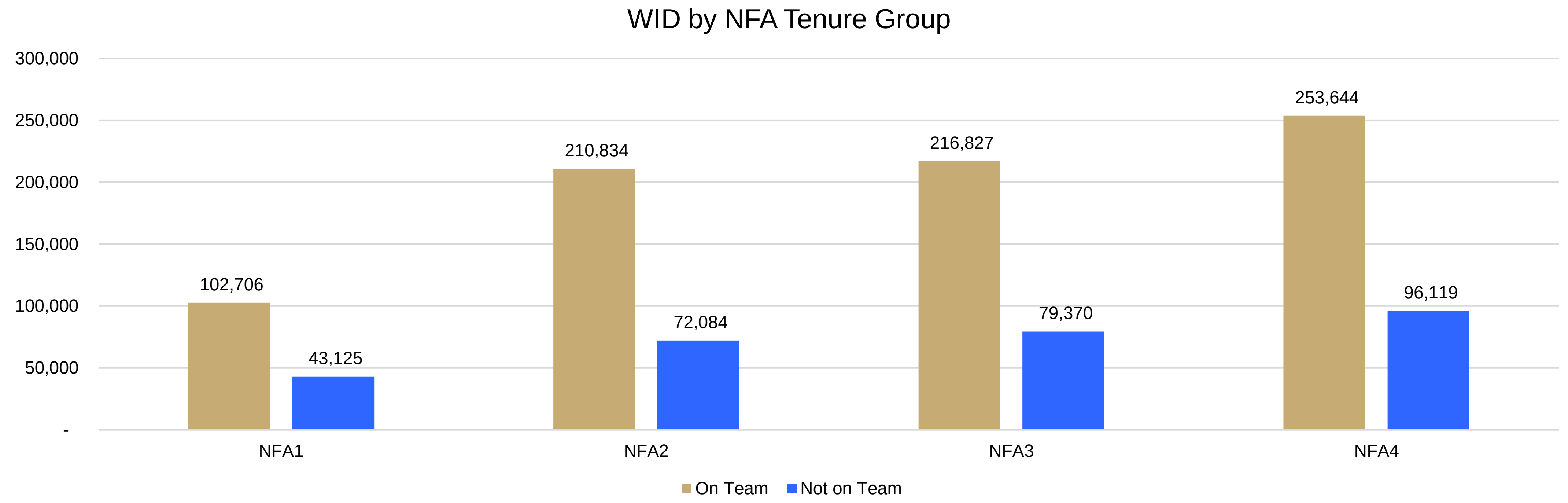
NFA Teaming Productivity Comparison

NFA ANBP and WID productivity significantly higher for NFAs on Teams

Key Point:

- For all NFA tenure years, ANBP and WID productivity is much higher for NFAs on teams.
- By expanding the number of NFAs on teams, the productivity could be impacted by things such as:
  - Client assignment available to NFAs on teams
  - Role and training of advisor on team (TSL role has longer period of no production on many teams)
  - How the team is being formed (multiple NFAs forming a team or joining an established practice).

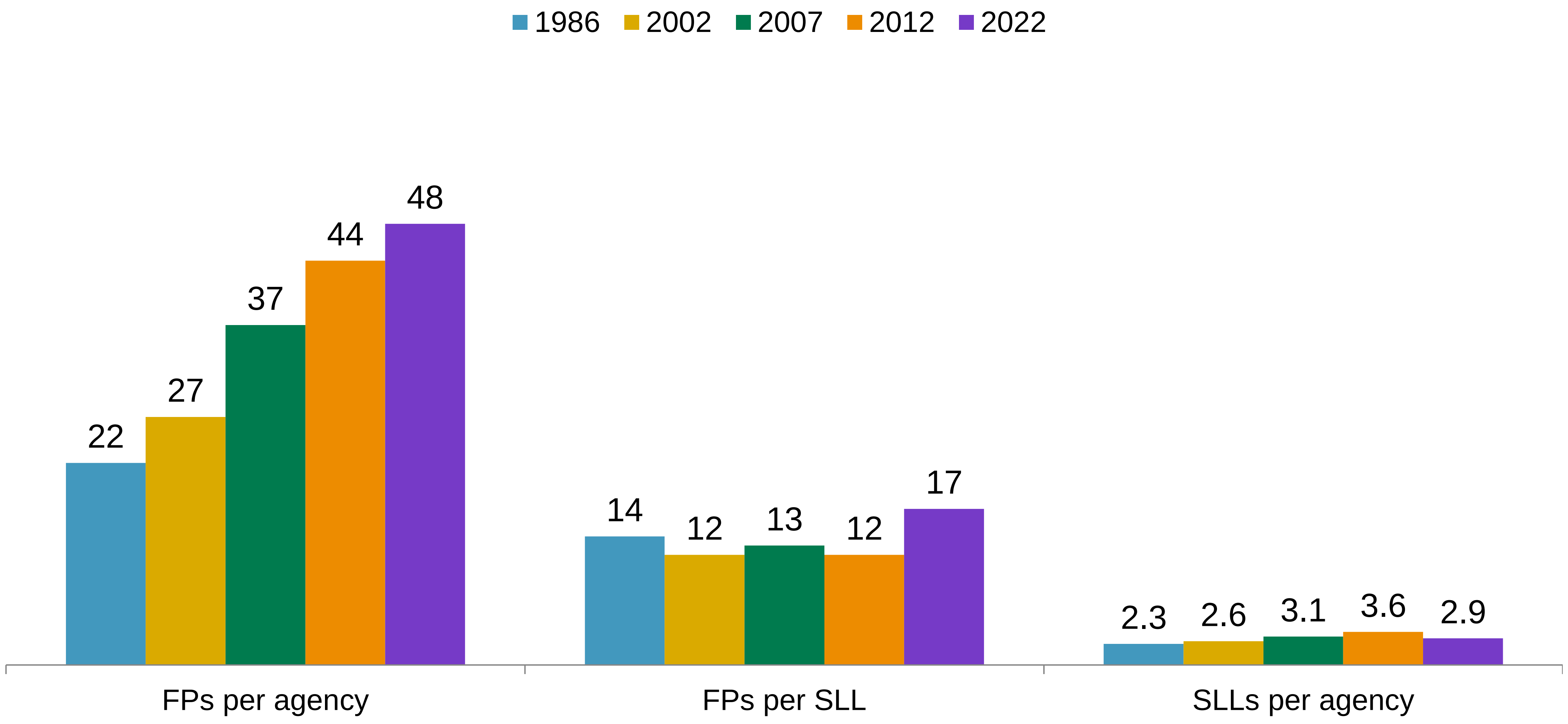




Financial Advisor Support Network

Trends in Agency Size and Span of Control

Number of FPs AND Second-line Leaders (SLLs) per agency*



*SLLs are in a variety of roles, but primarily include sales managers, district managers, and functional specialists located in field offices.

Insights

- Agencies are larger in terms of the number of FPs.
- The number of SLLs is not keeping pace, resulting in a broader span of control.

Source: LIMRA's *Agency-Building Distribution Costs Study* and other LIMRA Sources

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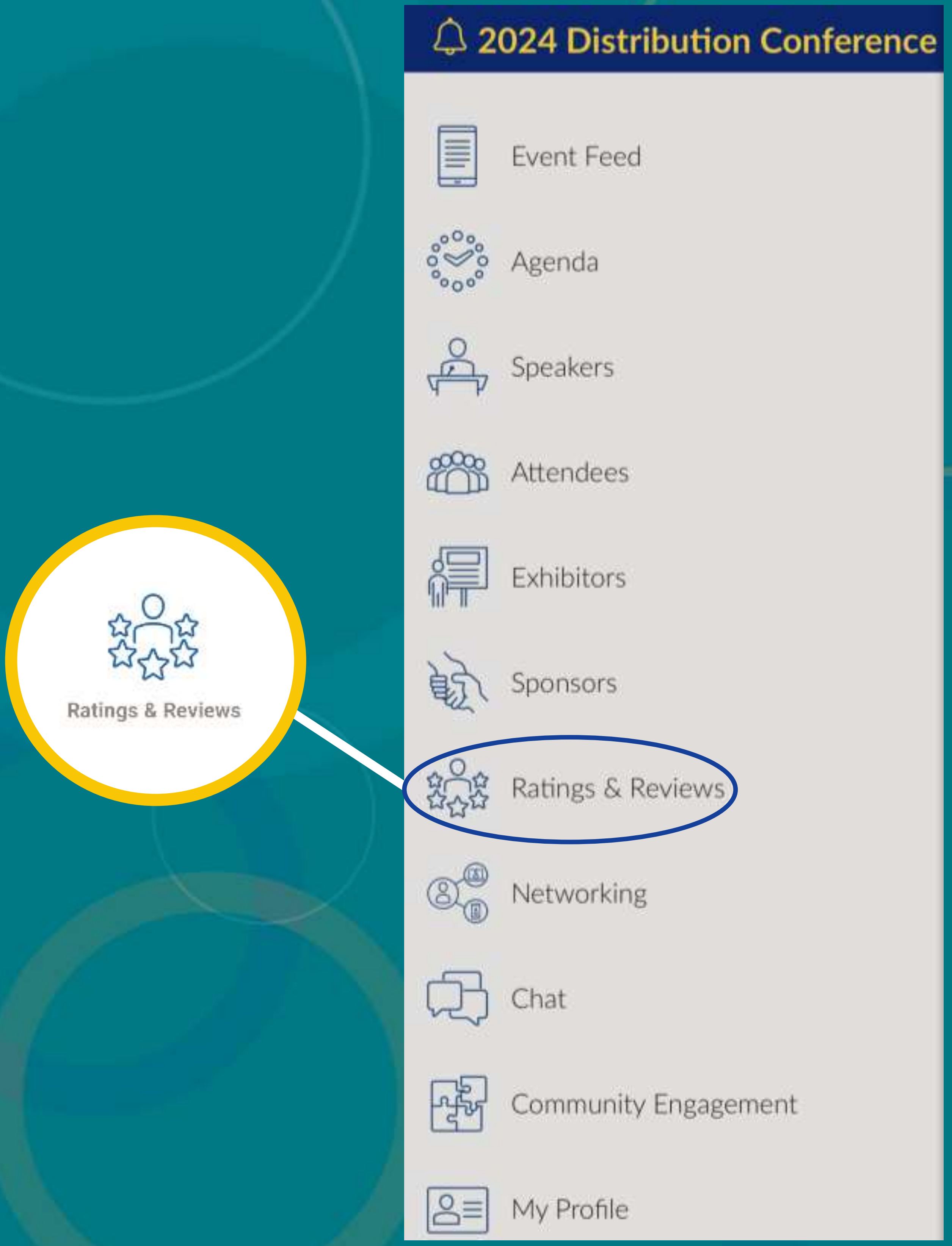
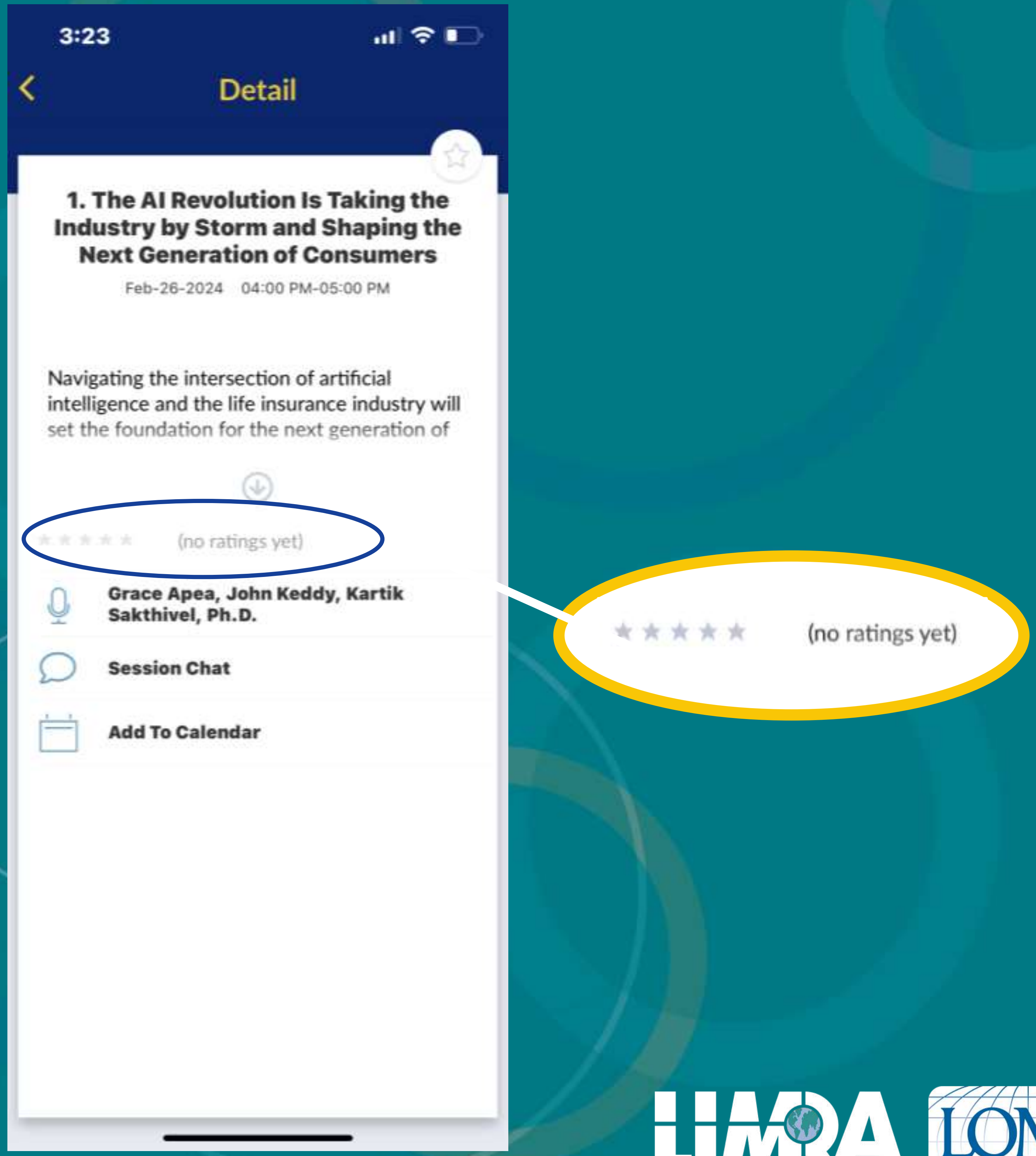
Please Provide Your Feedback on the Conference App

OPTION 1



OPTION 2



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Thank You

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