



INNOVATE WITH PURPOSE

2024 LIMRA ANNUAL CONFERENCE

**Navigate With Confidence:
*Significant Opportunities
Ahead***

Significant Opportunities Ahead

Life Insurance, Annuity, and Workplace Benefits Sales Trends

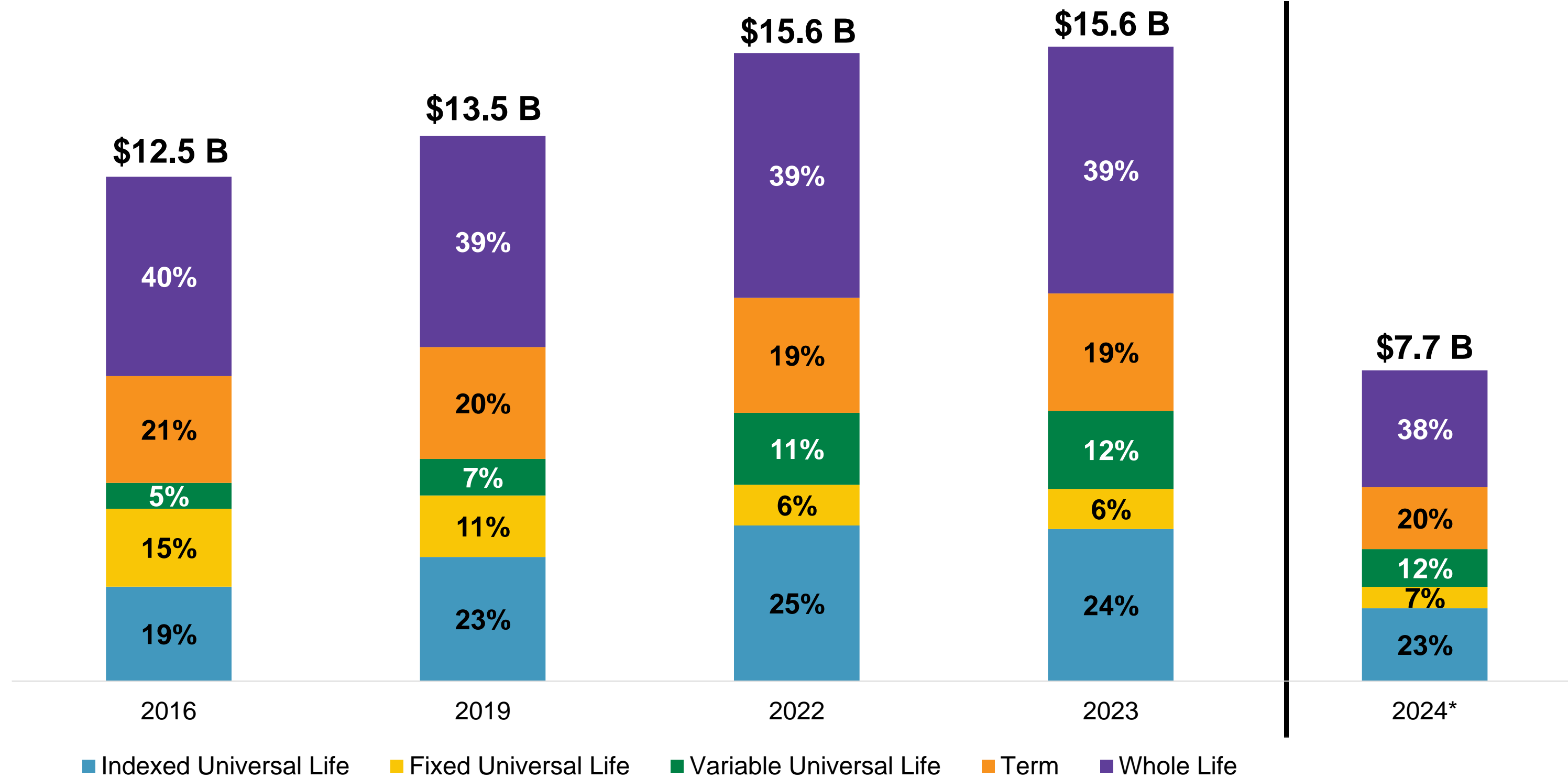
Meaningful Opportunities for Our Industry

1. Record Annuity Sales
2. Record Life Insurance Demand
3. Private Equity Capital
4. Differentiating With Expense Management
5. New Ways of Working
6. Artificial Intelligence



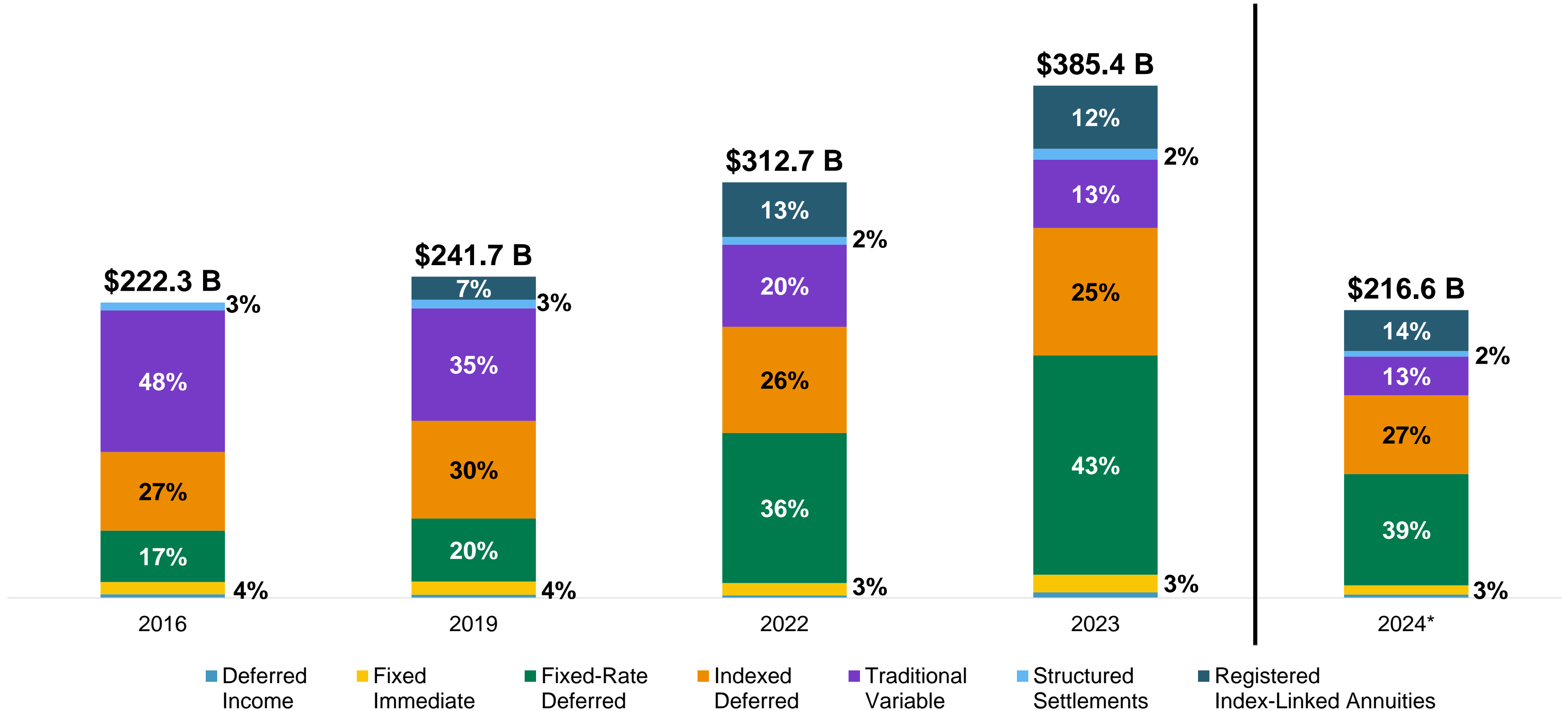
Life Insurance, Annuity, and Workplace Benefits Sales Trends

U.S. Life Insurance Sales Trends by Product



Source: LIMRA's U.S. Retail Individual Life Insurance Sales Survey and Industry Estimates — Annualized Premium.
 *Preliminary data and 1st half of 2024.

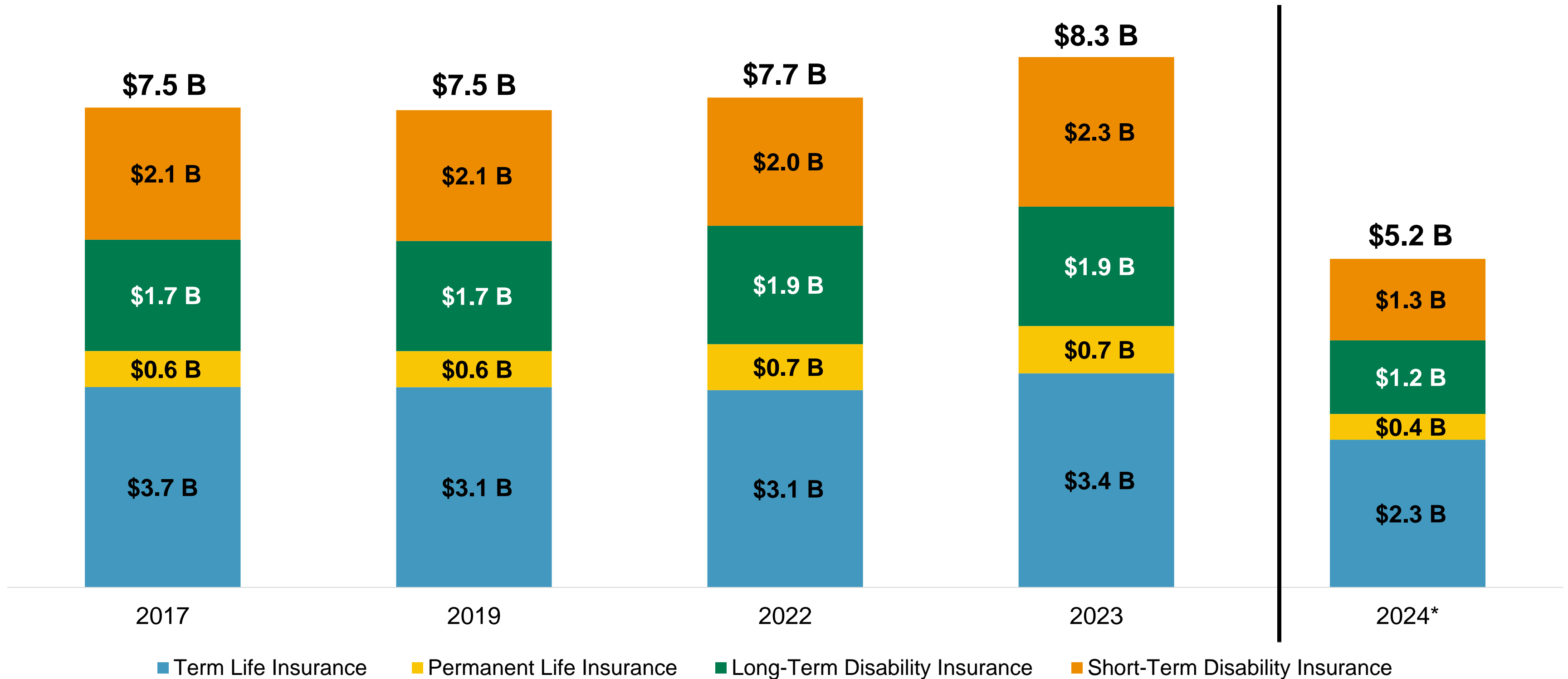
U.S. Annuity Sales Trend by Product



Annualized premium.
 *Preliminary data — year to date.
 Source: Preliminary U.S. Individual Annuity Sales Survey, Second Quarter 2024, LIMRA.



U.S. Workplace Benefits Sales Trend by Product



Workplace Benefits Life Insurance Sales (excludes specialty products).
 *Preliminary data — year to date.
 Source: LIMRA's U.S. Workplace Benefits Sales Survey.





Record Annuity Sales

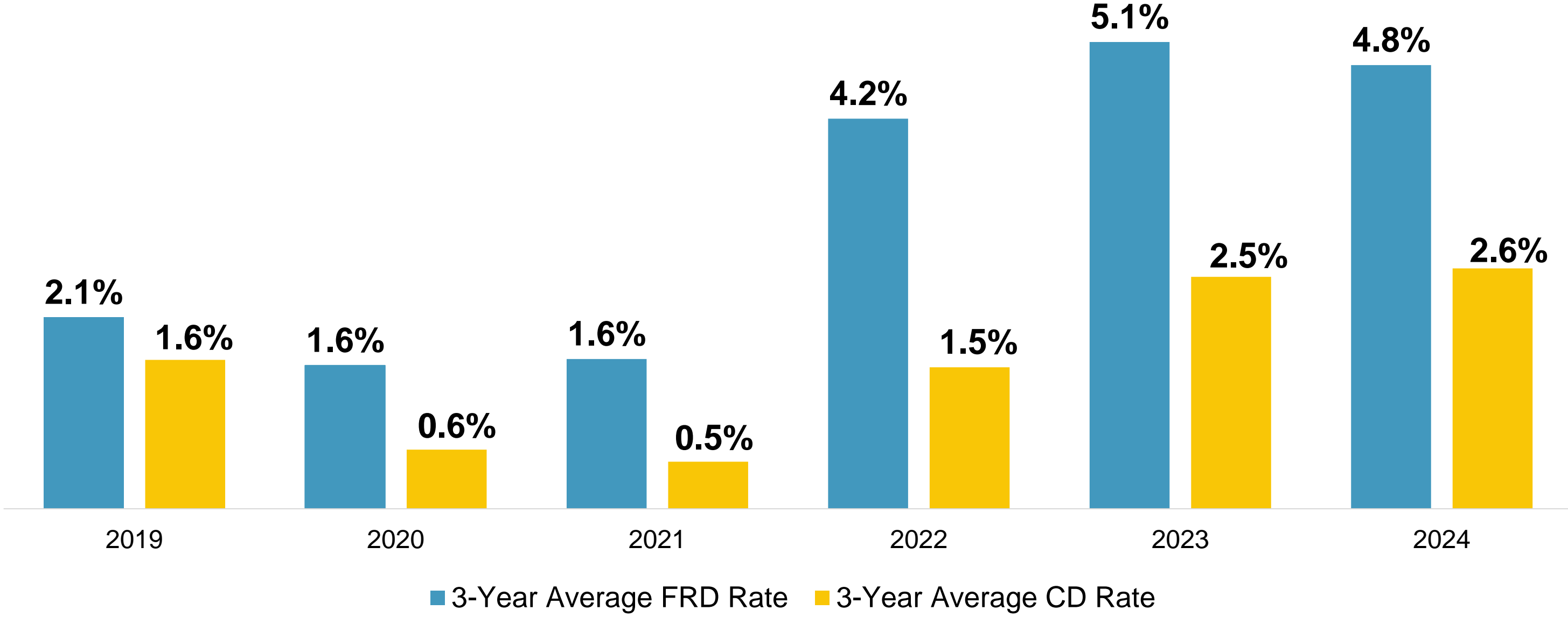


Record First Half of the Year...

...for Spread-Based Annuity Products

Registered Index-Linked	\$30.8 B	41% ↑
Deferred Income	\$2.5 B	30% ↑
Fixed Indexed	\$59.3 B	23% ↑
Fixed-Rate Deferred	\$83.7 B	16% ↑
Fixed Immediate	\$7.0 B	3% ↑

With Room to Run...



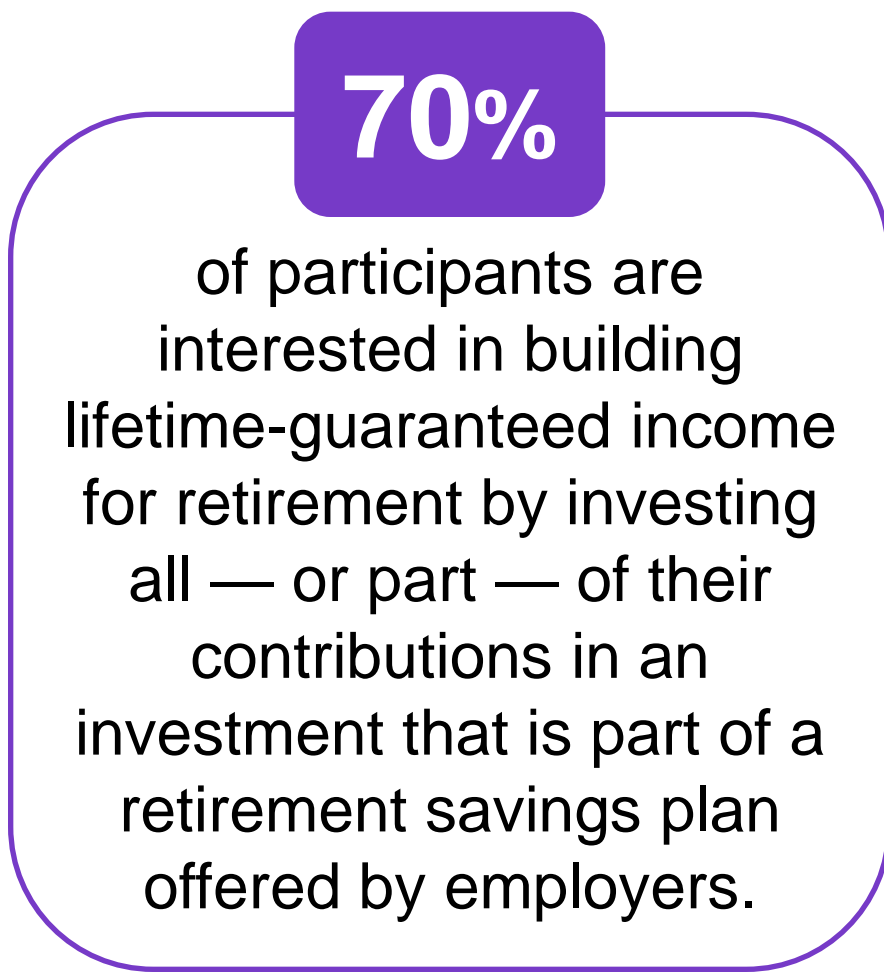
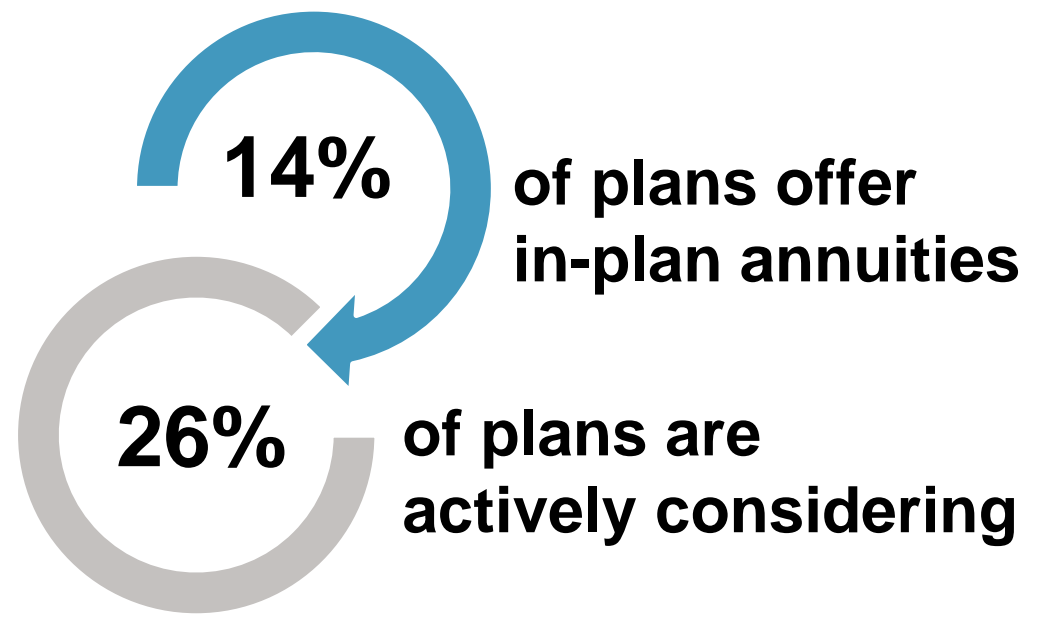
Rate Difference					
2019	2020	2021	2022	2023	2024
0.5%	0.9%	1.1%	2.7%	2.5%	2.2%



Source: Beacon Research and Bank CDs comes from Depositaccounts.com.

And New Channels With Significant Potential for Growth

The workplace is becoming a more meaningful opportunity for annuity products.



New Solutions for Decumulation Are Coming Quickly



Empower adds Income America™ 5ForLife to its recordkeeping platform

A new target date fund series featuring American Funds and TIAA's Secure Income Account



TIAA In-Plan Annuity Option Hits 250,000 Participants



Transamerica Teams with State Street Global Advisors to Help More Americans Become Retirement Ready



Fidelity Goes National With 401(k)-to-Income Annuity Offering

Fidelity's Guaranteed Income Direct gives participants the option of converting some or all of their retirement savings into a monthly payout.



Income America's pioneering 5ForLife series of target date portfolios that provide guaranteed lifetime income is now live on over 5,000 retirement plans.

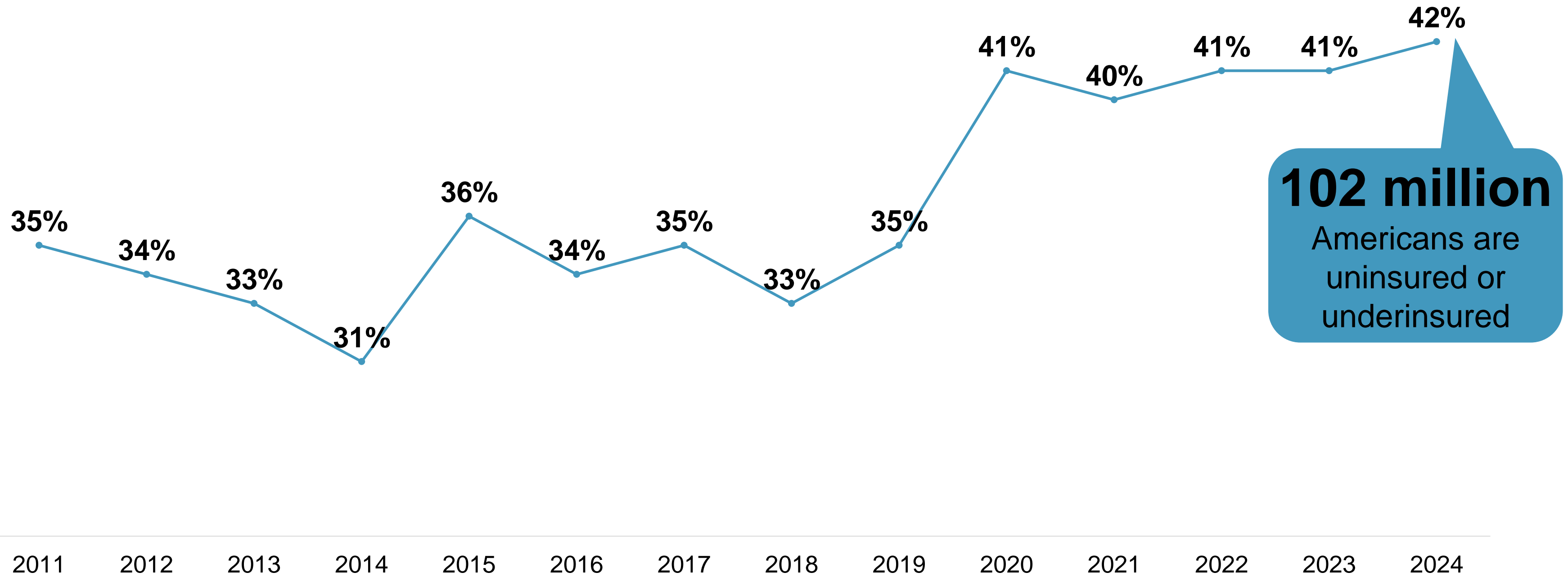


14 plan sponsors, with plans totaling \$27 billion in target date assets, are planning to make **LifePath Paycheck** available to 500,000 employees, with several other large plan sponsors expressing interest.

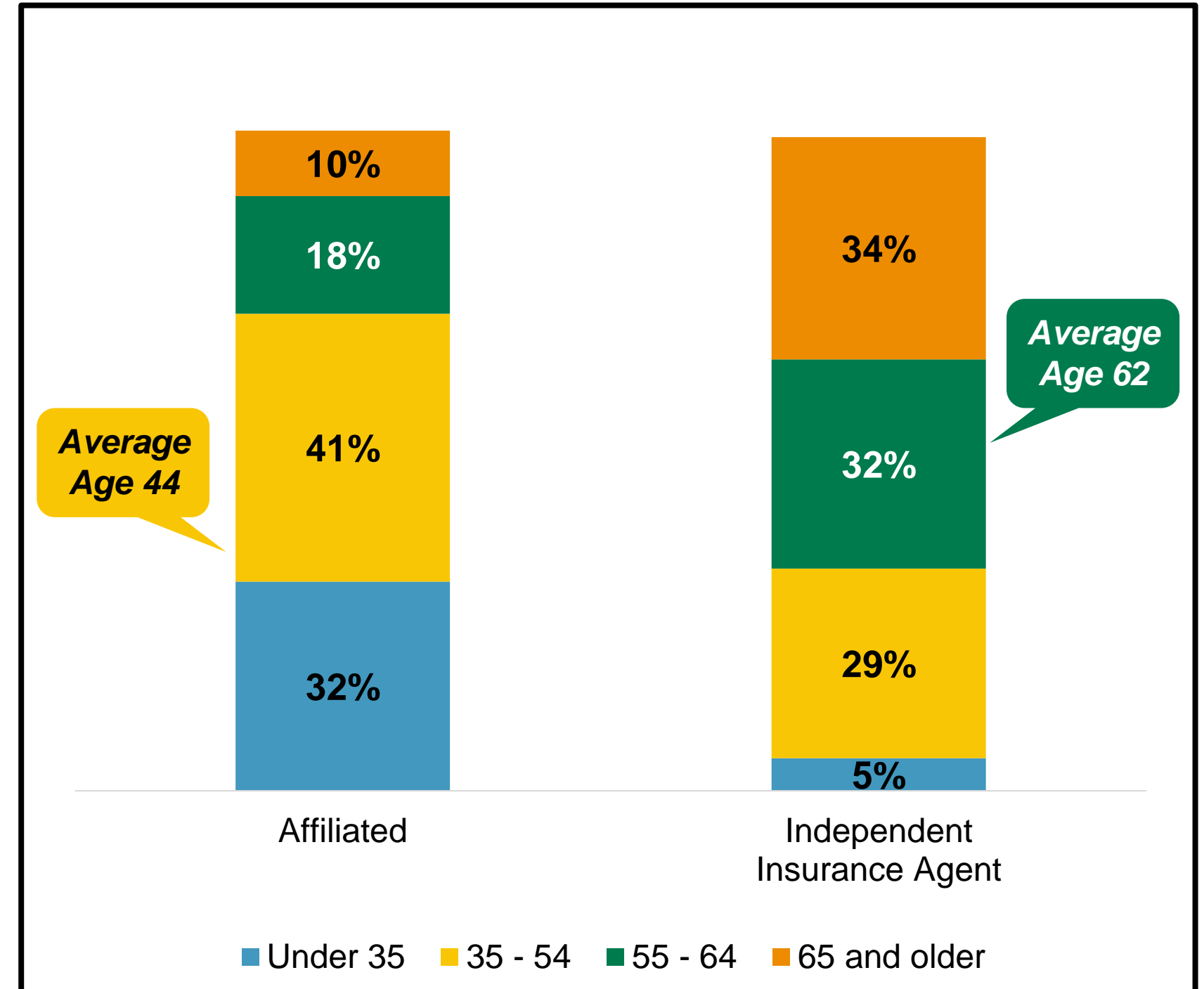
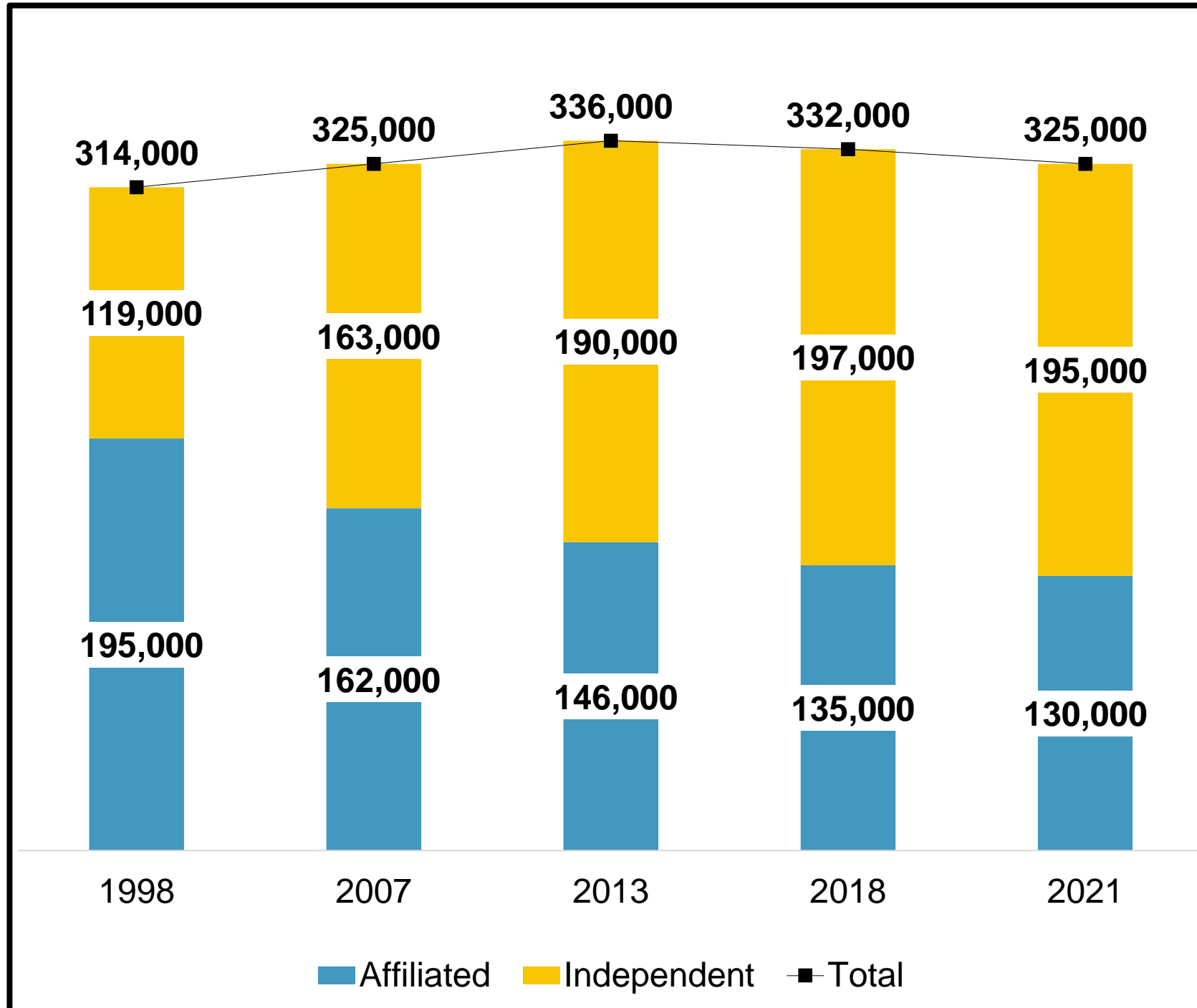


Record Life Insurance Demand

Percent of U.S. Adults With a Life Insurance Need



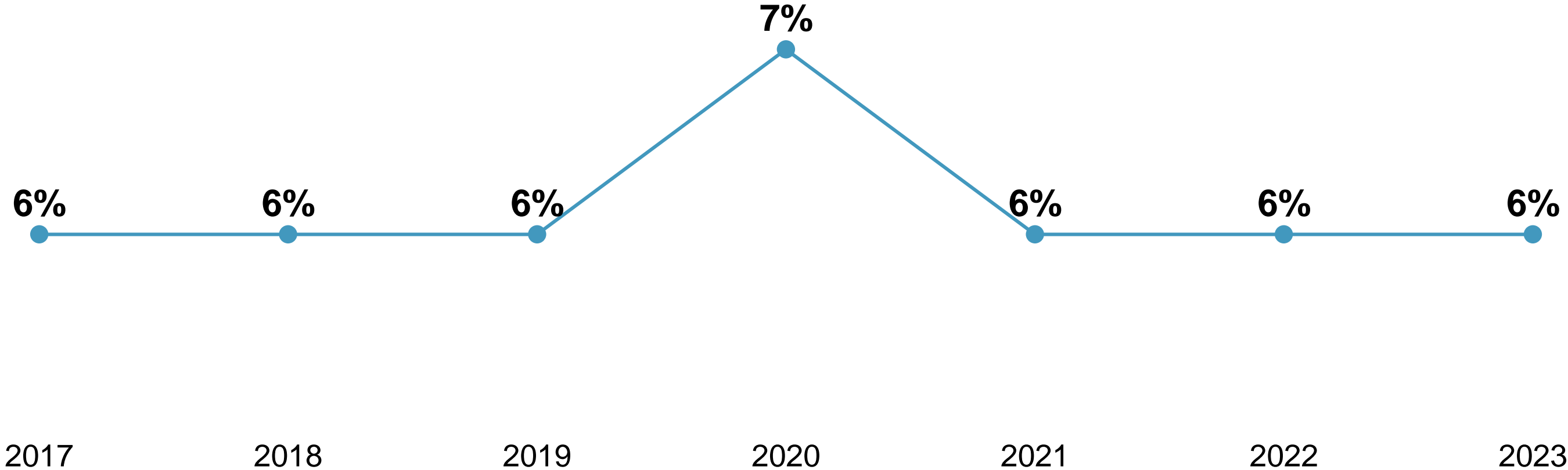
Our Supply Is Not Meeting the Demand



Sources: Census of U.S. Sales Personnel (2018 and prior) and LIMRA estimates (2021); *FP (Agent) Production & Retention*, LIMRA, 2021; *Casting Light on the Age of an Independent Insurance Agent*, LIMRA, 2018.

And — to Date — the Direct Channel Has Not Increased

Direct Channel Market Share



Source: U.S. Retail Individual Life Insurance Sales, LIMRA 2017 – Q2 2022 (Direct includes direct to consumer and internet direct).





Private Equity Capital



Private Equity Influence Across the Industry

Annuity



Independent Distribution



Reinsurance/M&A

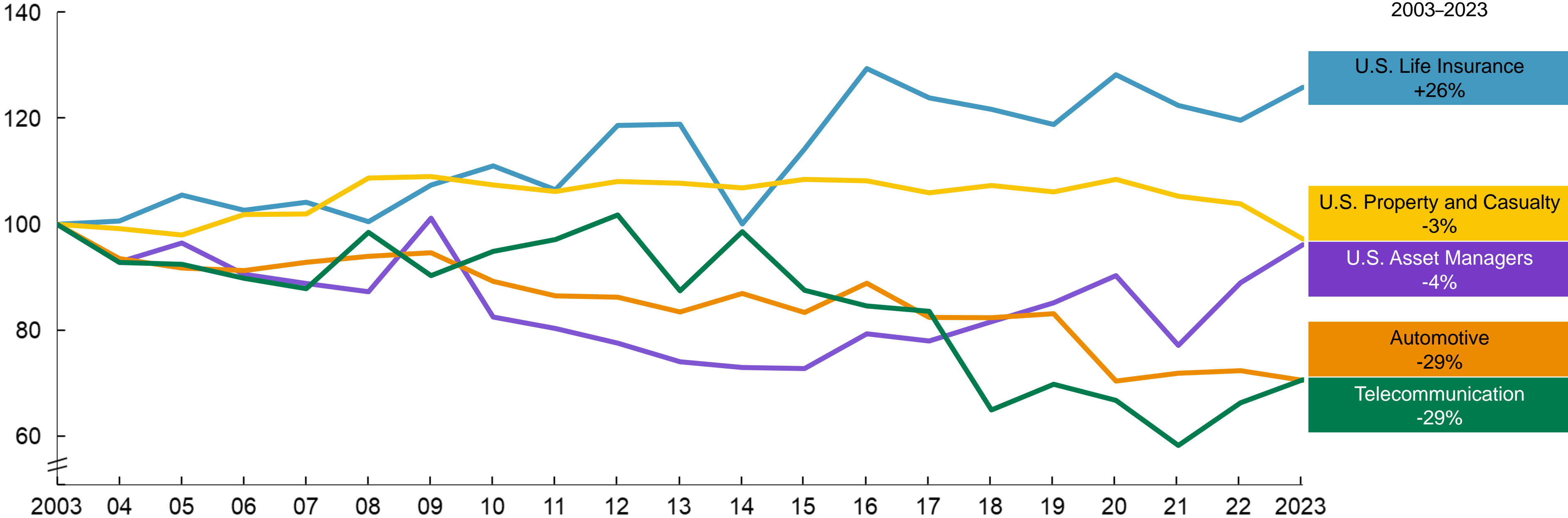


Differentiating With Expense Management

U.S. Insurance Industry Continues to Lag on Productivity

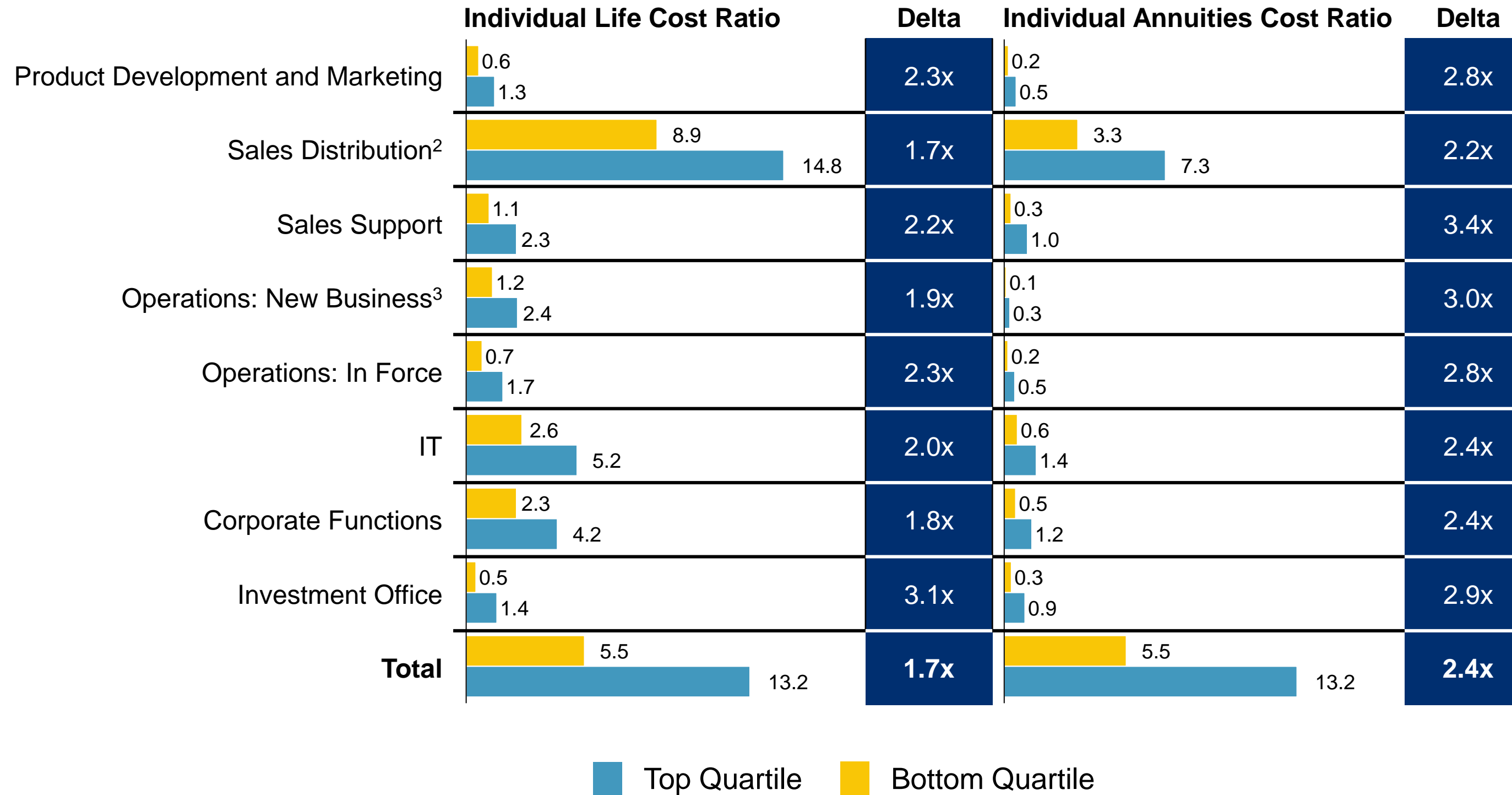
Cost efficiency evolution by industry¹

Change
2003-2023



¹ Indexed; Expressed as "SG&A expenses as % of Revenue."
Source: S&P Capital IQ, Team analysis, McKinsey NA Life & Annuities 360 Performance Benchmarking Survey, LIMRA.

Efficiency Disparity Among Carriers

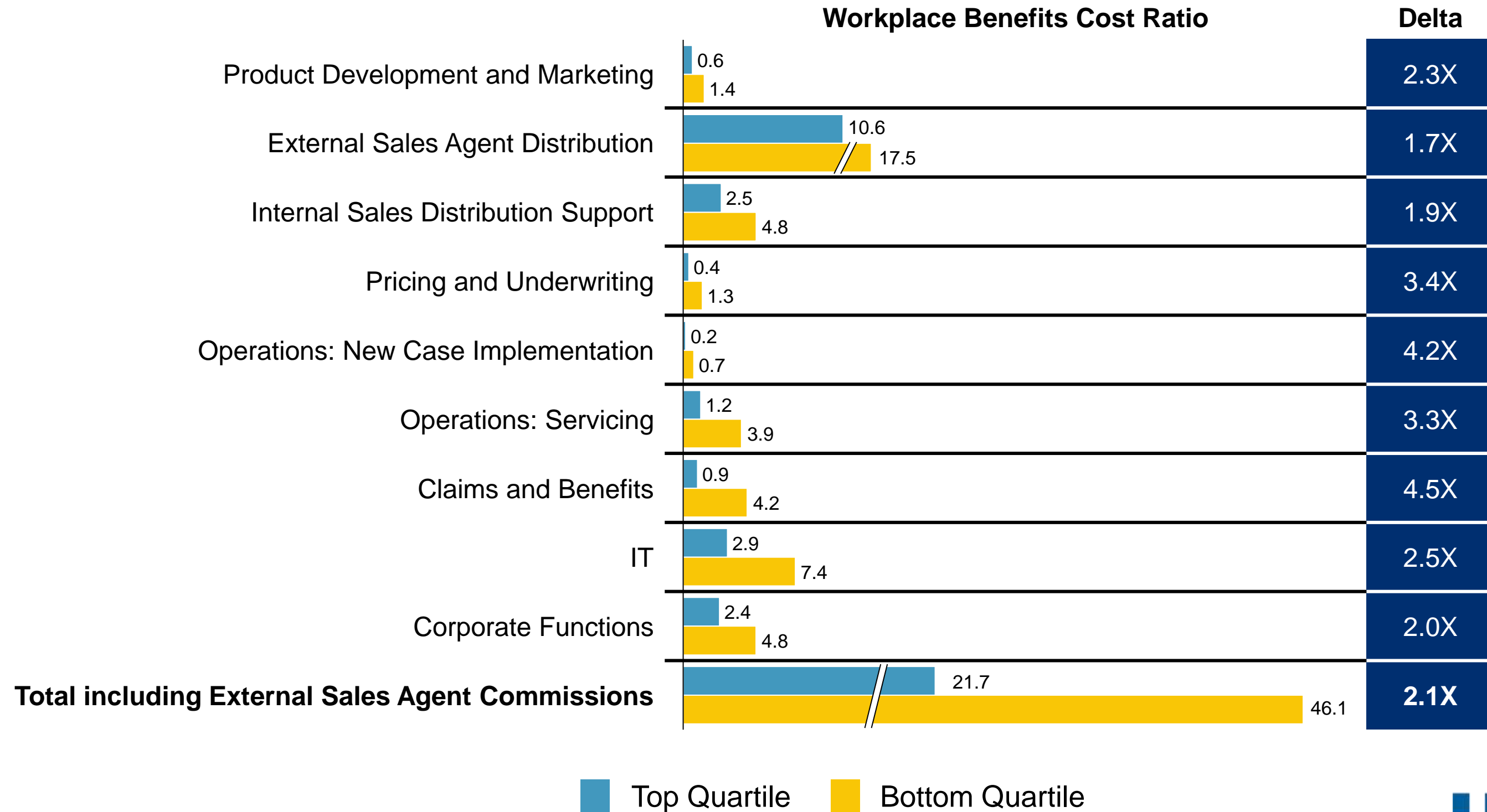


² Includes agent commissions, salaries and benefits, and all other agent costs including allowances, 3p strategic distribution payments, and agent lease expenses, etc.

³ New business contact center costs included in Operations: New business (excluded from Operations: In Force).

Source: McKinsey-LIMRA 2024 Individual L&A Benchmark Survey. NOTE: Total based on reported total cost/GPW for each participant.

Efficiency Disparity Among Carriers

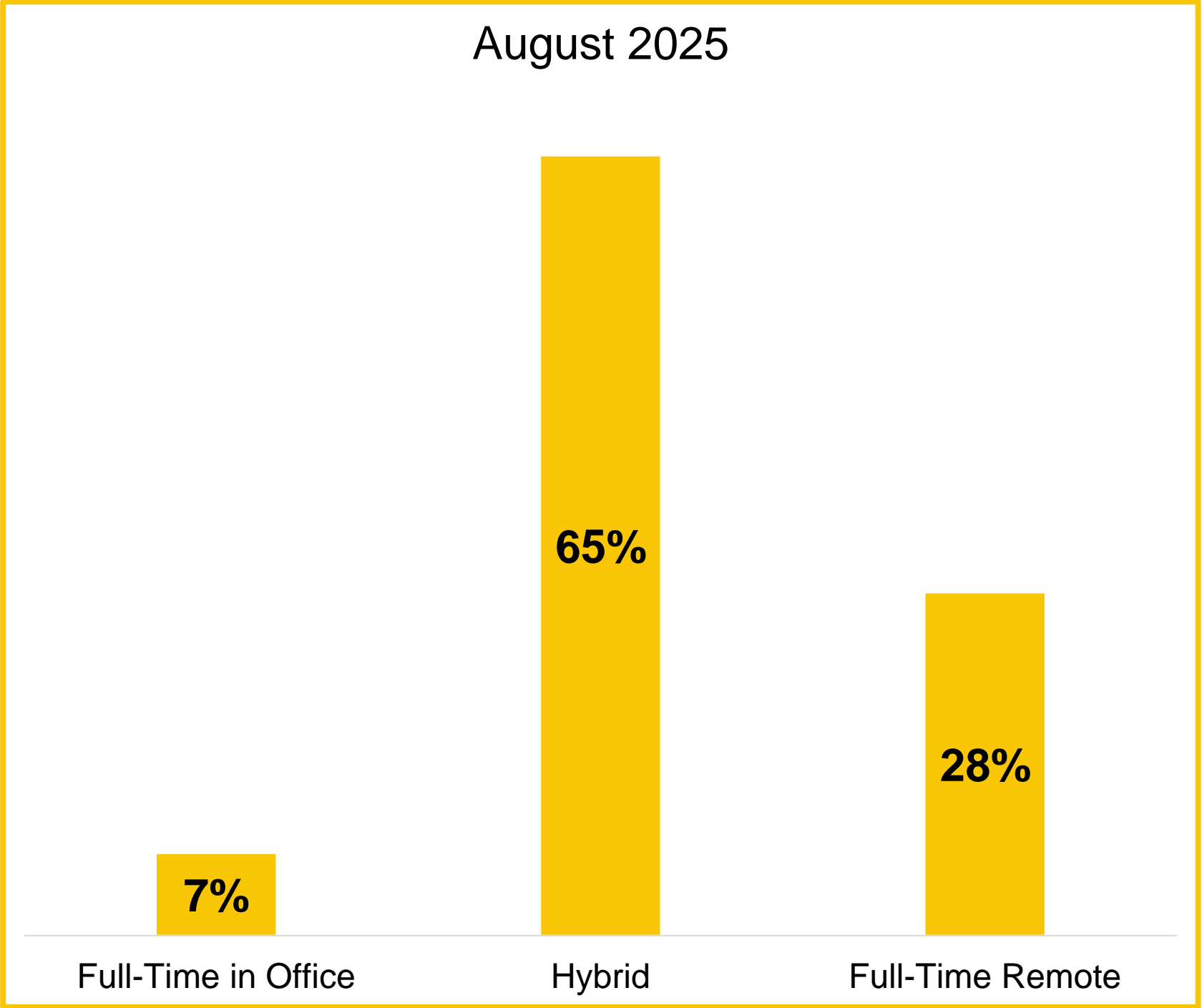
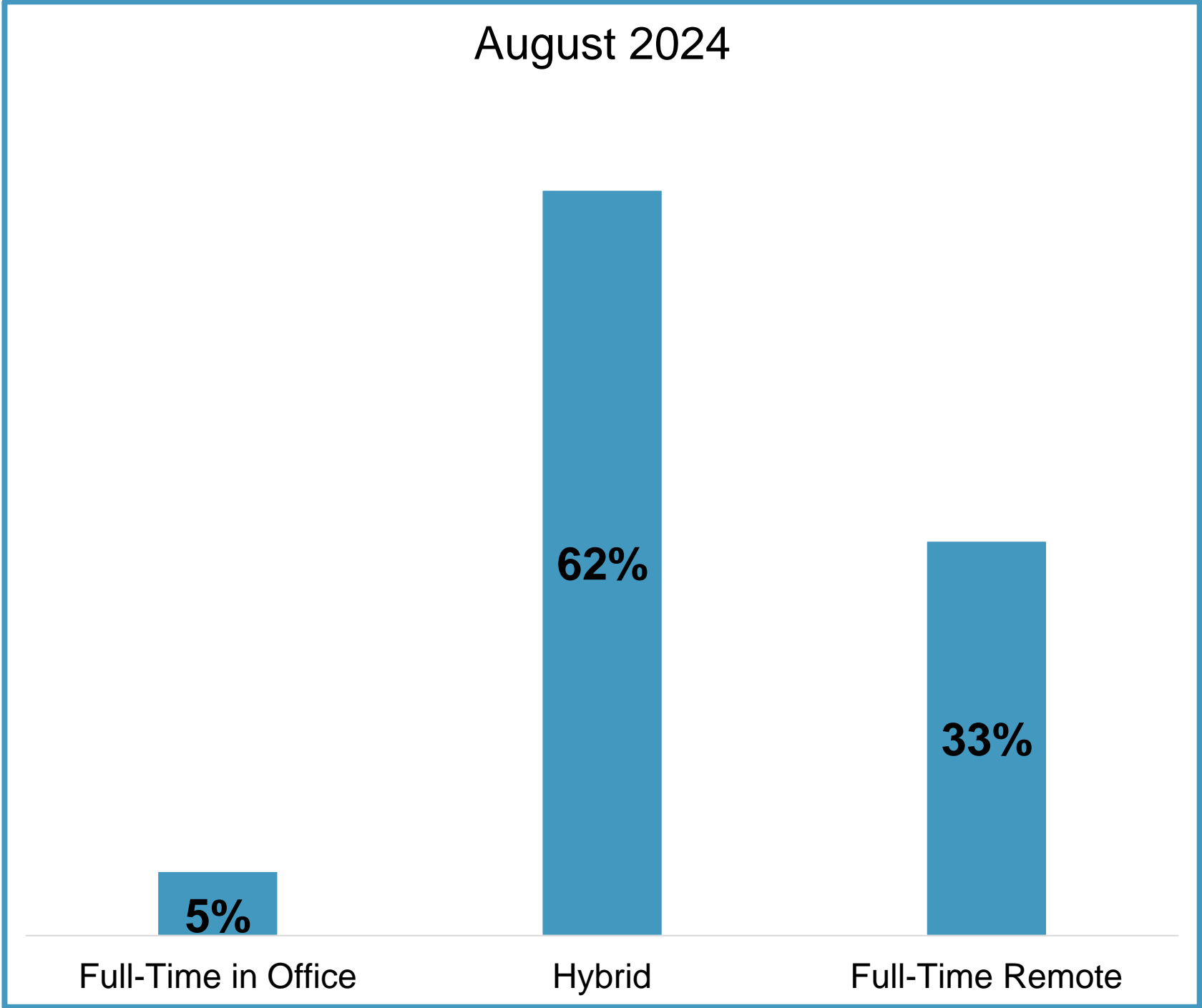


Source: McKinsey-LIMRA 2023 Workforce Benefits Benchmark Survey. NOTE: Total based on reported total cost/GPW for each participant.



New Ways of Working

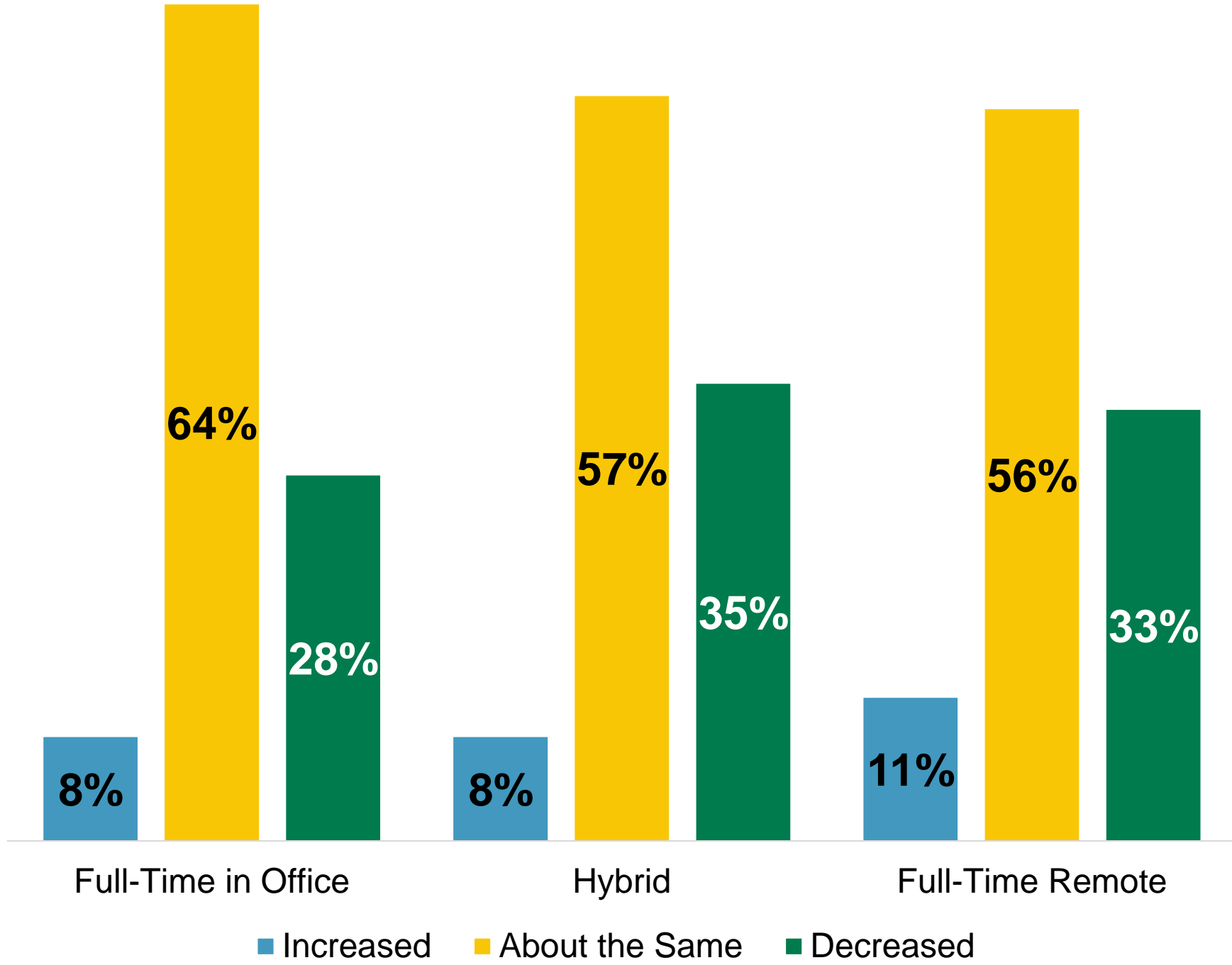
Work Arrangements



Based on 38 responses.
Source: *Adapting to Alternative Work Models: An Update on Current Human Resources Trends*, LIMRA, 2024.



Work Model Impact on Voluntary Turnover

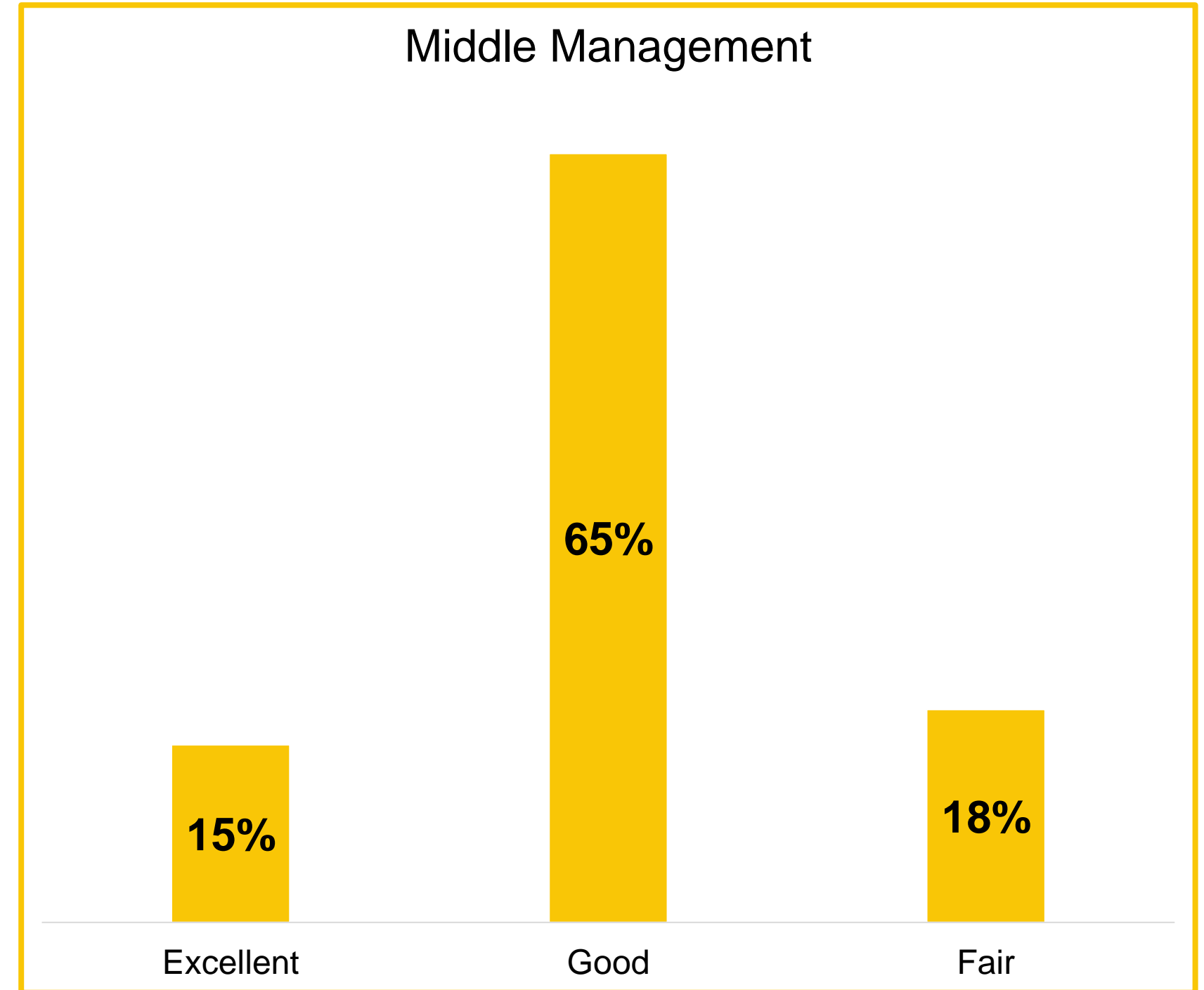
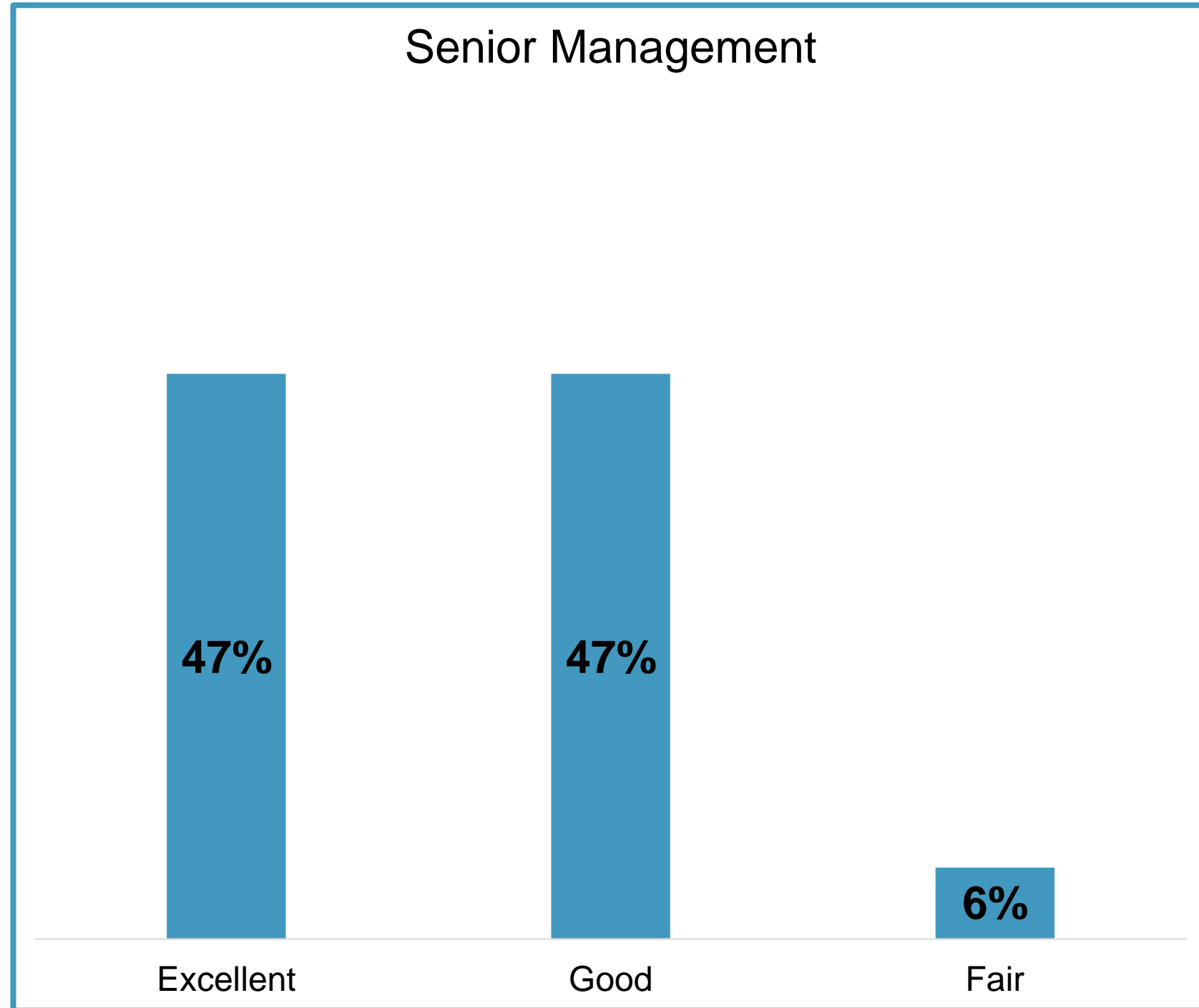


Under the hybrid model, voluntary turnover decreased the most... followed by full-time remote work models.

Based on 37 responses.
Source: *Adapting to Alternative Work Models: An Update on Current Human Resources Trends*, LIMRA, 2024.

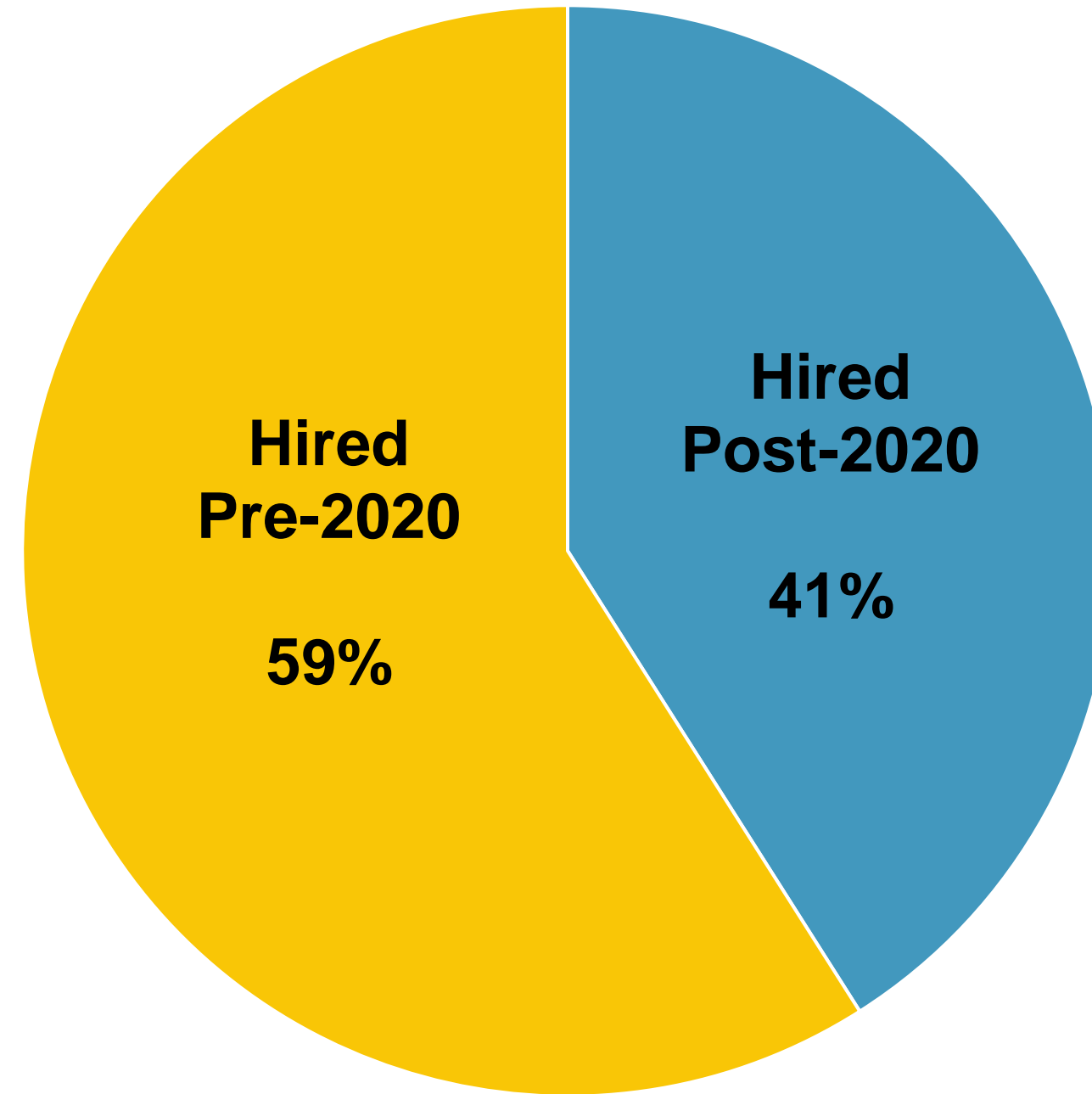


Leadership Through Work Model Changes



Based on 34 responses.
Source: *Adapting to Alternative Work Models: An Update on Current Human Resources Trends*, LIMRA, 2024.

Employees Hired Within the Last 5 Years

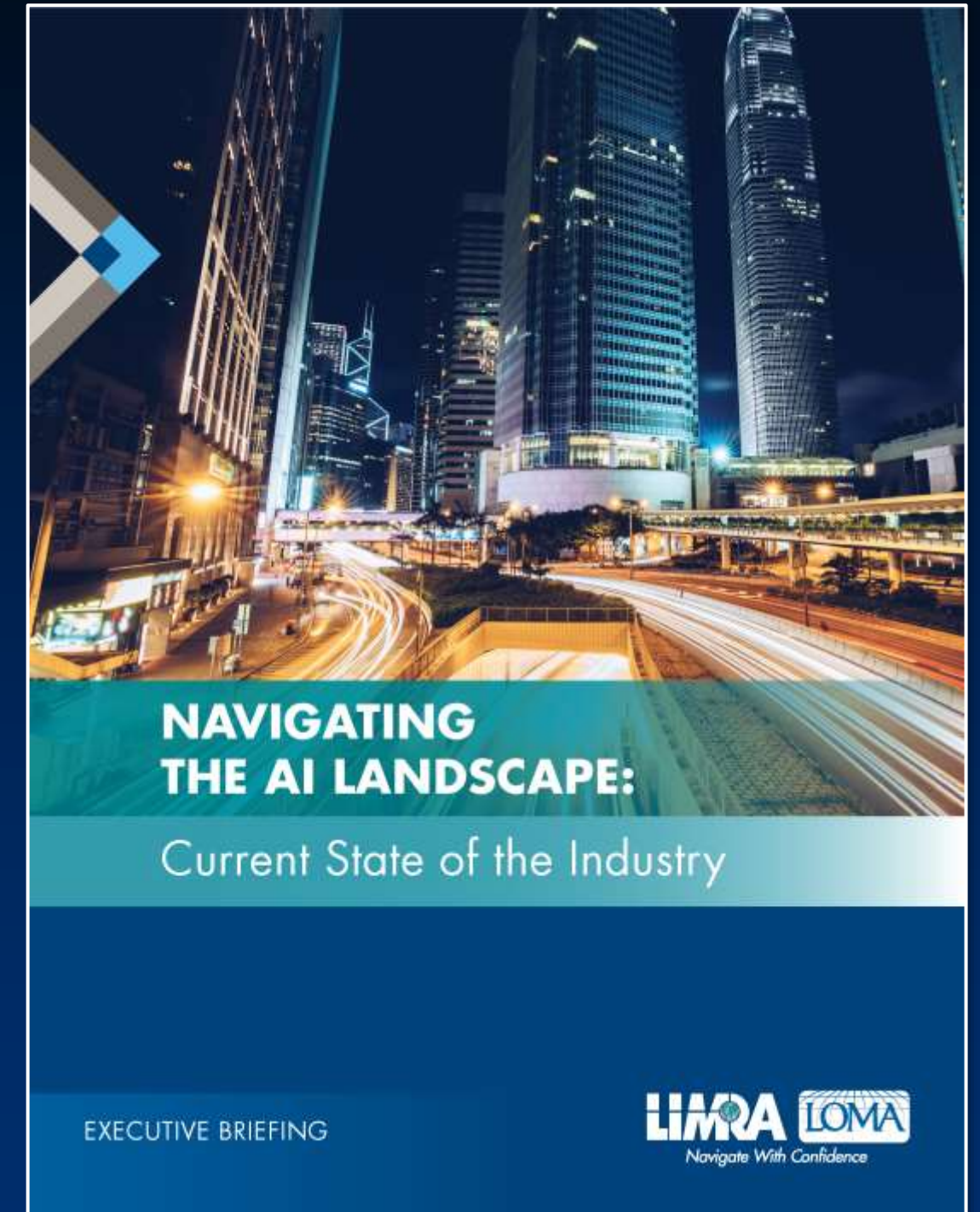




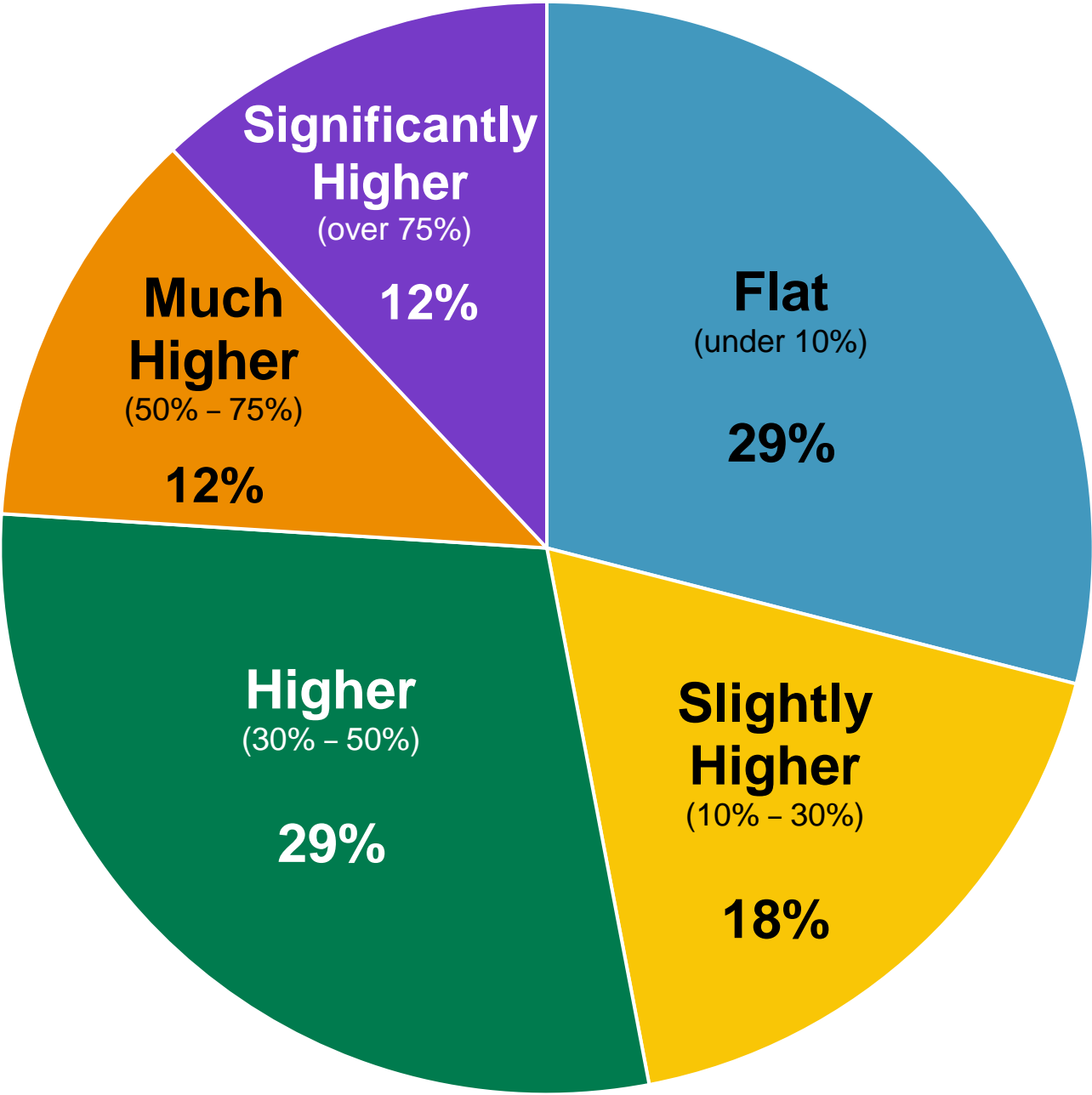
Artificial Intelligence

Artificial Intelligence Governance Group (AIGG)

- Developed to identify and share industry trends, develop best practices and frameworks, and share knowledge
- Nearly 80 executives representing over 40 U.S. insurance companies
- Released first study, *Navigating the AI Landscape: Current State of the Industry*



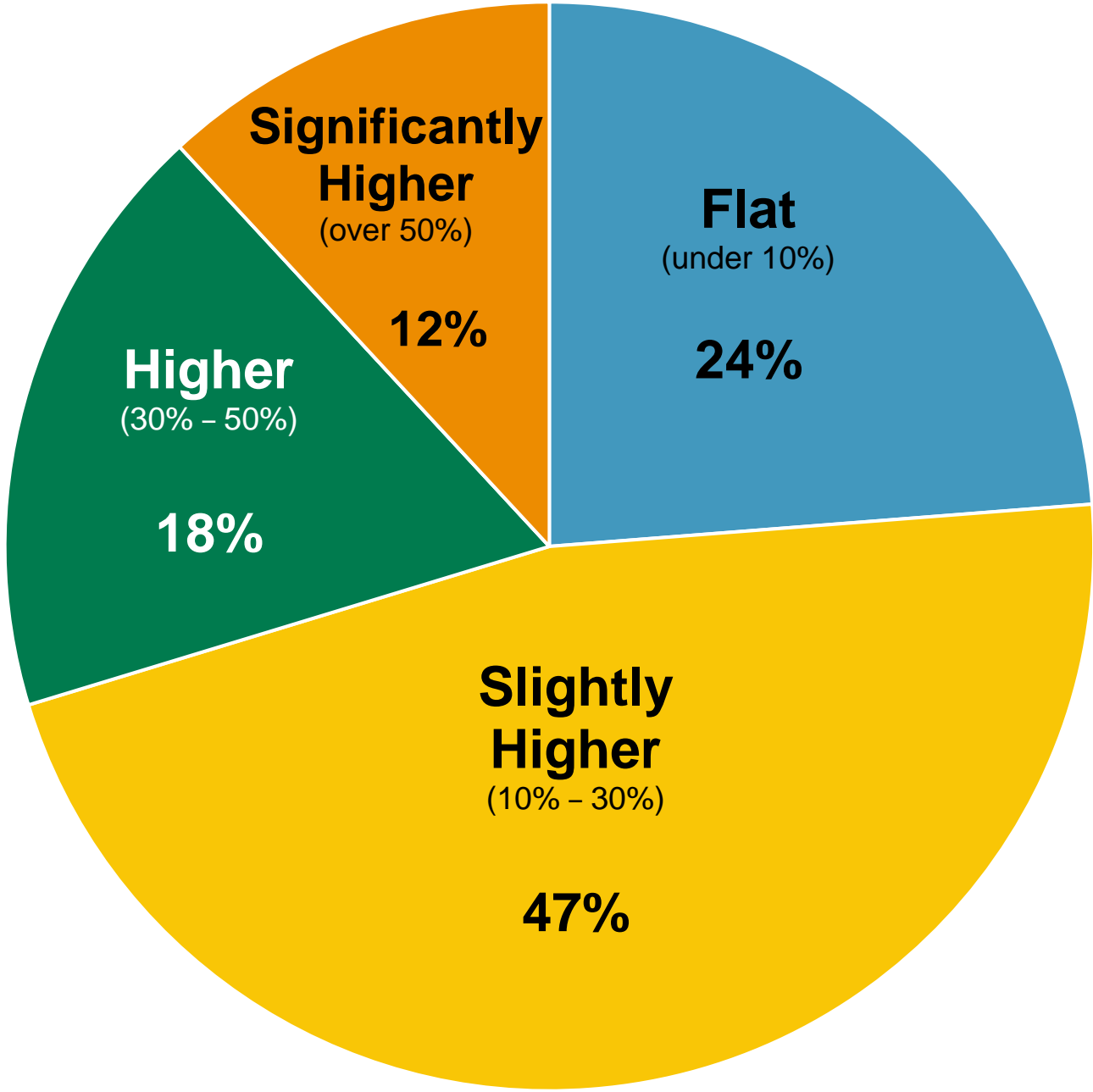
AI Spend



When comparing this year to last year:

- 29%** of companies had a flat AI spend last year while
- 24%** of companies increased their AI spend by over **50%**

AI Spend



When comparing next year to this year:

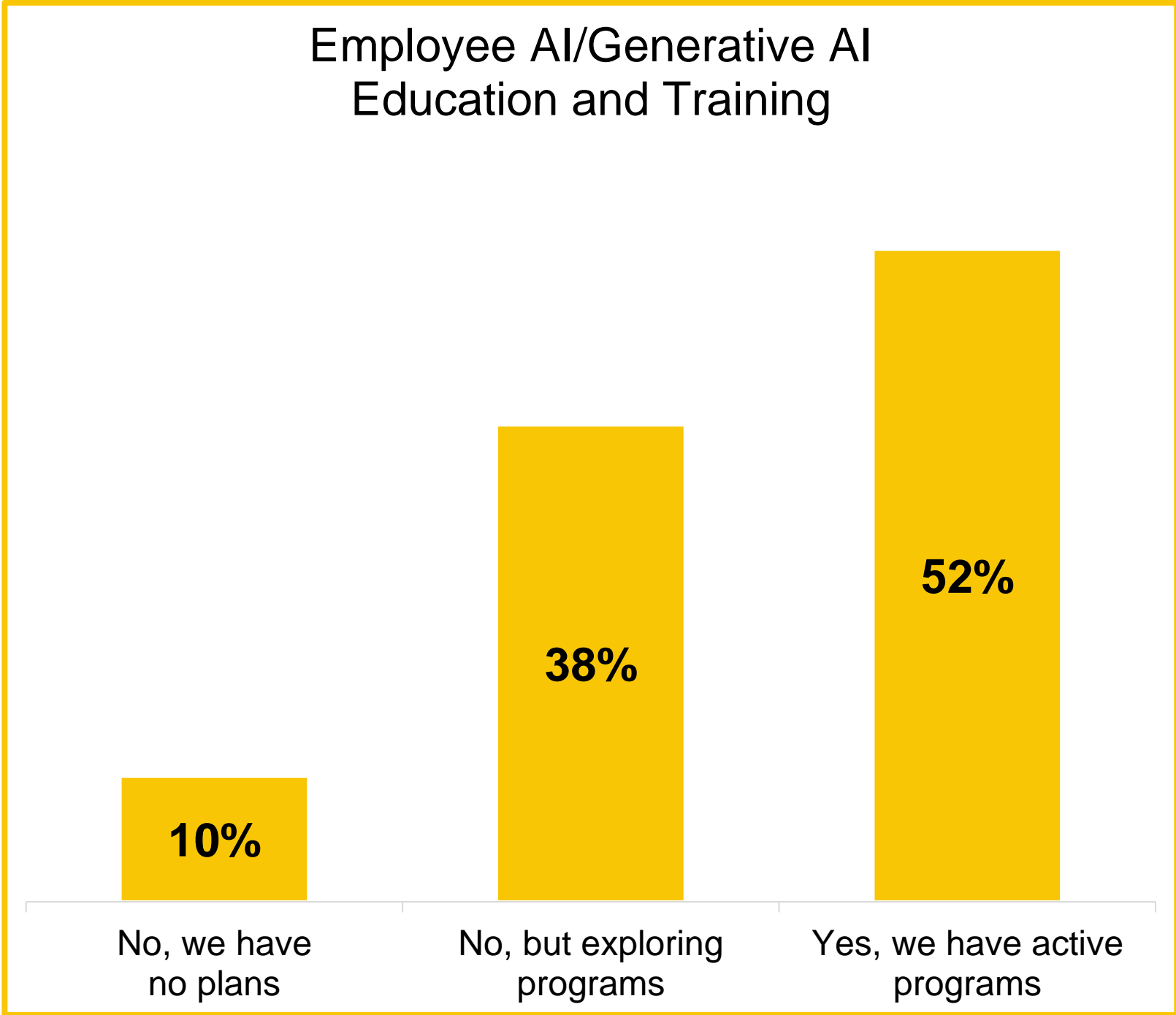
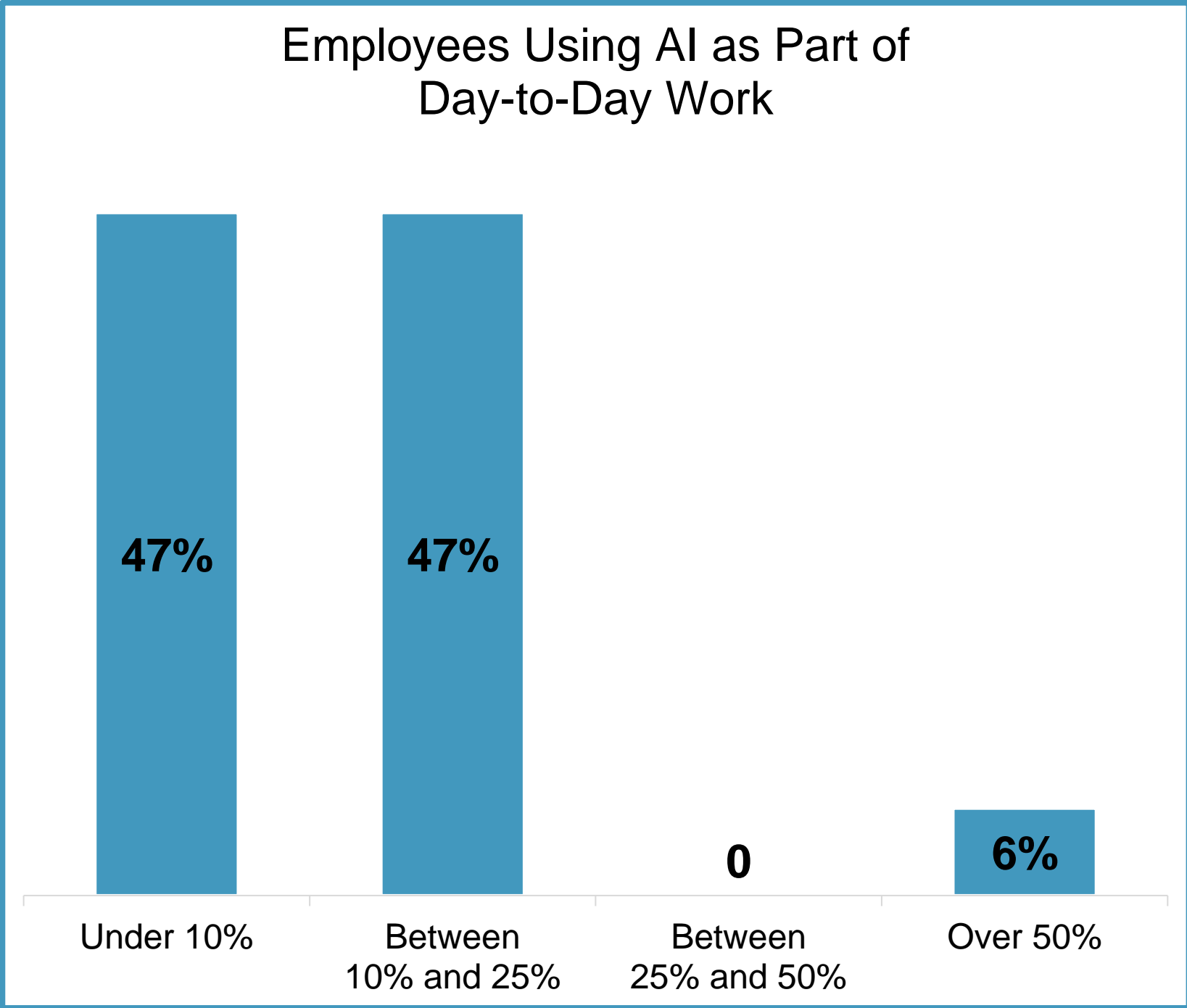
71% of companies will increase their spend by less than 30% while

Only 12% will increase spend by over 50%

Source: AIGG AI Survey, Third Quarter 2024, LIMRA.



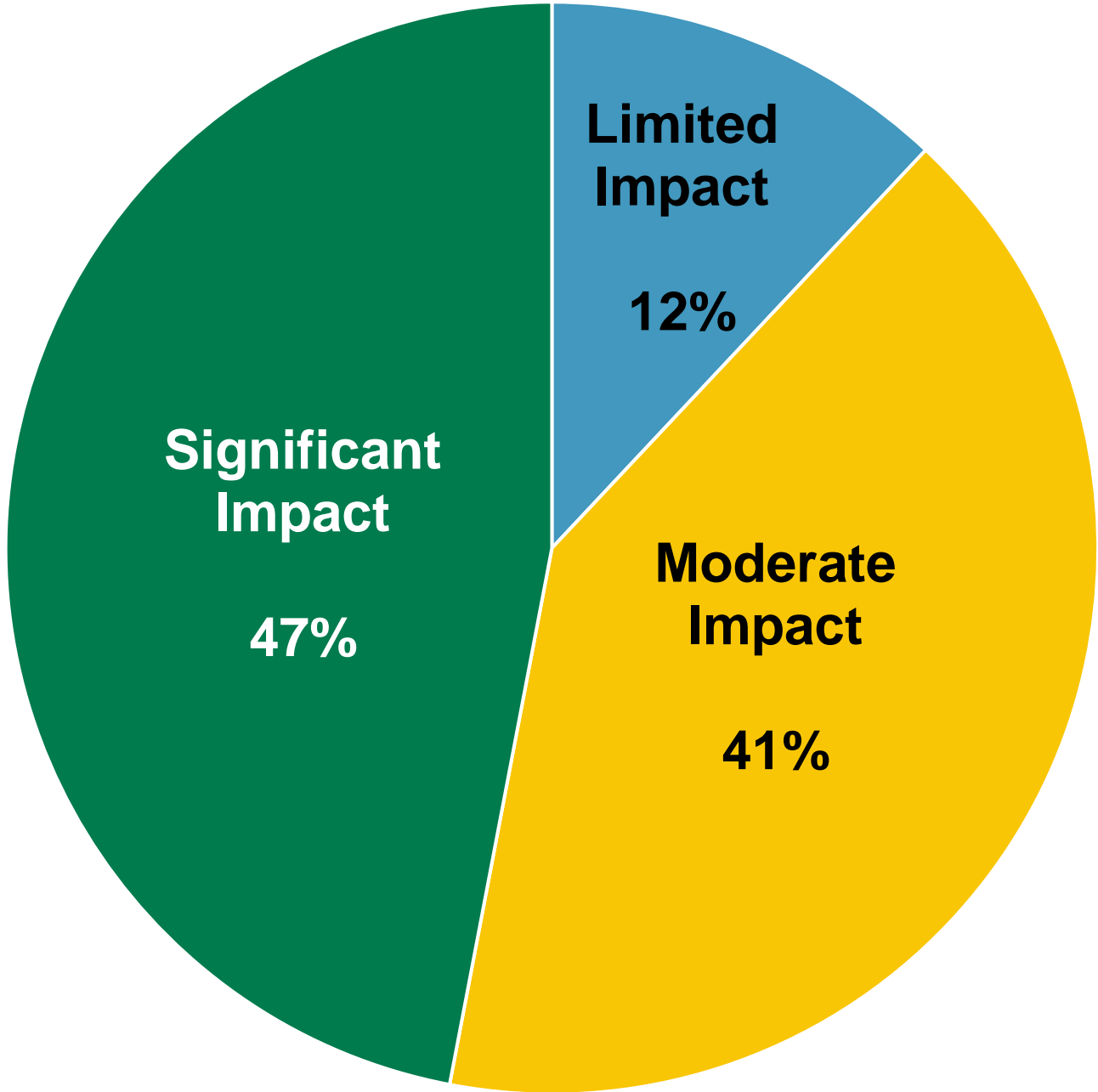
AI Employee Use



Source: AIGG AI Survey, Third Quarter 2024, LIMRA.



AI Industry Impact



47% of technology executives believe AI will have a significant impact to our industry in the next 3 years but...

48% don't have a training program yet and no company in the survey has more than 25 use cases.

Source: AIGG AI Survey, Third Quarter 2024, LIMRA.



Thank You



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