

The LIMRA EY Experienced Advisor Study

Key metrics of advisor practices

About the study

Many forces are impacting advisor practices. These forces are causing advisors to step back and re-evaluate their business models and the value proposition they provide to clients. This joint research study explores the profiles of today's financial professionals across seven practice models, the drivers of productivity, and the services and support they demand from their organizational partners.

Findings will help organizations effectively align their service models to engage with desired advisor segments.

Nearly 1,500 financial professionals participated in the study who:

- ▶ Work as insurance or investment professionals in a sales or advisory capacity
- ▶ Have three or more years of industry sales experience
- ▶ Meet minimum gross income thresholds for their respective practice model



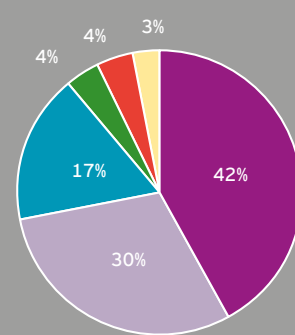
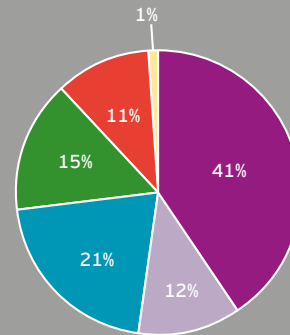
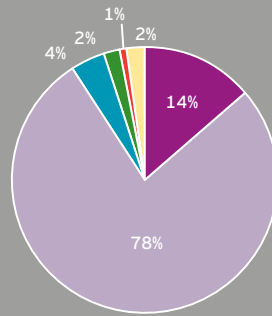
Building a better
working world

Multiple-line exclusive agent
Insurance agent who is affiliated exclusively with one insurance carrier and primarily sells auto, home, or other property and casualty insurance

Career agent
Insurance agent, advisor or registered representative primarily affiliated with one insurance carrier but who also could be selling products of other carriers

Independent agent
Independent agent or insurance broker not primarily affiliated with any one insurance carrier

Business mix



Gender

Gender	Multiple-line exclusive agent	Career agent	Independent agent
Male	73%	88%	80%
Female	27%	12%	20%

Career stage

Career stage	Multiple-line exclusive agent	Career agent	Independent agent
Early (3-9 years)	34%	27%	29%
Mid (10-24 years)	43%	49%	42%
Late (25+ years)	23%	24%	29%

2015-2017 change in income

Percent change in income	Multiple-line exclusive agent	Career agent	Independent agent
Percent change in income	12%	15%	23%

Net income* (\$000s)

Quartile	Multiple-line exclusive agent	Career agent	Independent agent
Upper quartile (Q3)	139	161	165
Median	86	100	99
Lower quartile (Q1)	59	64	72

Mix of compensation

Compensation Source	Multiple-line exclusive agent	Career agent	Independent agent
Commissions from new sales	22%	78%	76%
Renewals and/or trailers	59%	13%	15%
Fees	0%	2%	2%
Other	19%	7%	7%

Time allocation

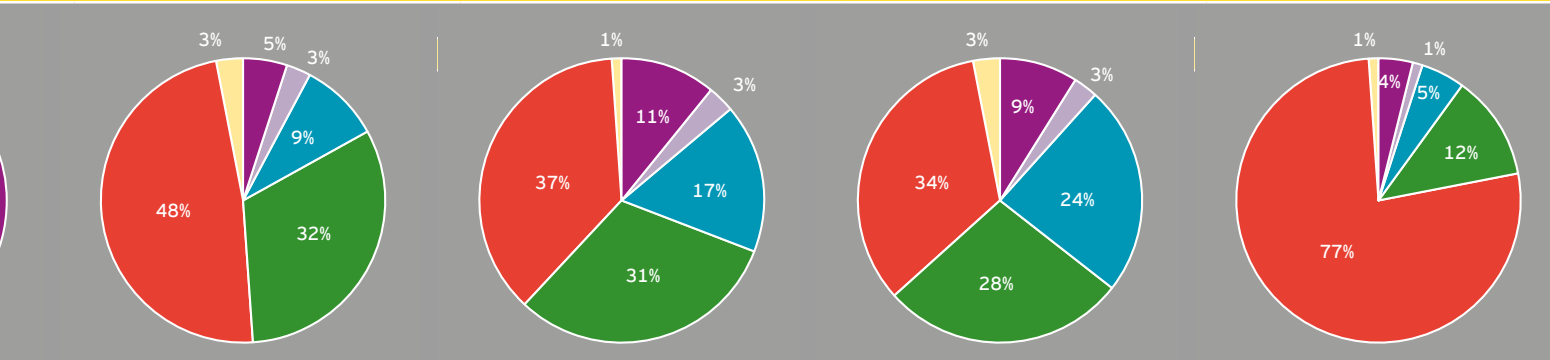
Activity	Multiple-line exclusive agent	Career agent	Independent agent
Building new relationships	39%	40%	44%
Managing existing client relationships	46%	42%	37%
All other activities	15%	18%	19%

Client base by generation

Generation	Multiple-line exclusive agent	Career agent	Independent agent
Millennials (ages 19-37)	19%	16%	12%
Generation X (ages 38-53)	34%	31%	28%
Baby Boomers (ages 54-72)	34%	40%	45%
Silent (ages 73 and older)	13%	13%	15%

*Financial professional's gross income less expenses

	Full-service broker-dealer advisor Registered representative working for a national wirehouse or a regional full-service broker-dealer	Independent broker-dealer advisor Registered representative working for an independent broker-dealer or securities firm	Bank financial advisor Registered representative or advisor working in a bank or credit union	Registered investment advisor Fee-only fiduciary advisor whose compensation is primarily fees on assets under management, retainer or hourly compensation
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	92%	86%	85%	92%
	8%	14%	15%	8%
	10%	7%	17%	7%
	59%	64%	59%	63%
	31%	29%	24%	30%
	22%	19%	16%	25%
	481	338	252	331
	274	191	139	212
	194	126	98	137
	30%	36%	48%	5%
	30%	38%	16%	40%
	39%	22%	13%	36%
	1%	4%	23%	19%
	23%	25%	36%	23%
	64%	57%	47%	53%
	13%	18%	17%	24%
	8%	10%	7%	8%
	21%	25%	22%	23%
	47%	46%	46%	51%
	24%	19%	25%	18%

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