



Recruitment Retention & Diversity within the Life Insurance Agent Profession

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Reunifying the Profession

ThinkAdvisor

AALU, GAMA to Build New Organization Representing the Financial Security Profession

First-of-its-kind organization will bring together GAMA's leadership and professional development strengths and AALU's best-in-class advocacy



AM Best Information Services

Two Industry Trade Groups Set Course for Possible Merger



January 4, 2022 Top Stories

NAILBA, Finseca Explore Merger To Form Industry Lobbying Power

Advisor News

October 12, 2021 Advisor News

Forum 400 And Finseca To Move Forward With Merger

What is Financial Security for All?

When an individual, family, or business is financially secure, they are prepared when life throws unexpected, but inevitable obstacles in their way. Financial security empowers oneself, relieves stress, enhances peace of mind, protects dreams, and provides individuals, families, and businesses with freedom.

What's the Financial Problem?

Protection gap, lack of holistic financial planning, COVID-19

\$12 trillion
dollar life
insurance
coverage
gap¹

40 % of
Americans
are either
uninsured or
underinsured²

5 % increase in
life insurance
sales
compared to a
loss of 3 %
prior to Covid³

1. <https://www.limra.com/siteassets/newsroom/help-protect-our-families/2021-barometer-presentation-on-perceived-need-gap.pdf>

2. <https://limra.com/on/newsroom/news-releases/2021/2021-insurance-barometer-study-reveals-common-misconceptions-that-prevent-americans-from-getting-life-insurance-they-know-they-need/>

3. LIMRA's U.S. Retail Individual Life Insurance Sales Survey

What's the People Problem?

Profession
that is
getting older

Lack of
diversity in
the
profession

A need to
focus on
recruitment &
retention in
the
profession

An Aging Profession

- Over half of the people in the profession are over the age of 55.¹
- Most expect to consider a business transition plan ten years before retiring.¹

- 1. North Star Resource Group_LIMRA_Adoption: Solving for Retention, Practice Continuation & Talent Shortage Challenge within the Financial Services Profession



Lack of Diversity & Need for Financial Security

- 10 % of life insurance agents identify as Black or African American, 14 % as Hispanic or Latino and 6 % as Asian.¹
- 18.1 % are women.²
- 30 % of Black Americans are currently seeking a financial advisor, 6 % higher than the general average.³
- Life insurance ownership among Hispanics is 41 % Lower than any other race or ethnicity.⁴
- Create an Advisory Council in states with a focus on increasing diversity in the profession.

1. United States Bureau of Labor Statistics, Employed Persons by Detailed Occupation, Sex, Race, and Hispanic or Latino Ethnicity (2020).

2. "Parity Is an Uphill Climb for Women and BIPOC Financial Advisors," Cerulli Associates, 2021.

3. The 2021 Insurance Barometer Study, LIMRA and Life Happens.

4. 2022 Insurance Barometer Study, LIMRA and Life Happens

Recruitment

- Continue to allow for online proctoring of exams.
- Eliminate mandatory pre-licensing education hours.
- Allow licensing tests to be available in more than one language.
- Allow for financial education in states to encourage interest and engagement in the profession

Retention

- Generally, retention is at 14 % after four years. The number has never been higher than 20 %.¹
- The range amongst individual companies ranges from 4 % to 41 %.¹
- 86 % of Field Leaders believe that mentoring programs have a large impact on two year retention.¹
- Allow a mentoring program to be developed in lieu of continuing education for the first four years of employment.

1. The Path to Improving Retention, Field & Home Office Leaders Perspective. A LIMRA-Finseca Study

Retention

“It is too hard for young people to say, ‘I’m going to start in this career by calling on my Project 100.’ I had thought in advance, ‘I’m going to hire somebody and I’m going to have them work with me for 12-18 months, and at that point, I think they’ll have enough practical experience of how to run a business, how to speak the language, how to do the regular blocking and tackling that is necessary in a successful practice, and that by the time I do put them on a new advisor financing plan, they have the tools to apply themselves to it and make it work.”

—SENIOR ADVISOR

“This solo advisor thing is kind of going away, and it’s all about the client experience right now, and what value we are really delivering. It’s not asset allocation or picking investments. The computer can do that for you. So, when you have more depth, and when you have bench, it’s just a wonderful part of the client experience. I just agree 100 percent and I do hope this method (adoption) is the new model, the old method just has too many hurdles now.”

—SENIOR ADVISOR

Thank You

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