

Insurance Times: Banks can boost their share of life sales

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WINDSOR, Conn. — Banks can capture a larger share of the life insurance market, particularly among emerging affluent customers. But first they need to show consumers that banks can meet their insurance needs, according to the results of a consumer survey by LIMRA International.

The survey showed that only about half of consumers are even aware that they can buy life insurance through a bank. Of those who are aware, about 4 in 10 would consider such a purchase if they had the need.

"This means that about one-quarter of the population understands that they can buy insurance through a bank, and are also receptive to the idea," said Greg Grzywacz, an analyst in LIMRA's distribution research group. "The household income group showing the highest level of awareness is the \$75,000-\$99,000 range. They may be quite receptive to marketing efforts by banks." The next highest level of receptivity is among households with income under \$25,000, Grzywacz said, while the affluent, with income above \$100,000, are least receptive.

Price is a primary consideration for consumers buying life insurance from a bank. Over 60 percent of consumers said lower cost would be the best incentive for such a purchase. Another 22 percent would be motivated by discounts or incentives on other banking products. Banks should also emphasize that their staff has the professional qualifications needed to sell life insurance, the LIMRA report notes.

"Raising awareness among these receptive markets could be one of the most effective steps banks can take to improve life insurance sales, since only about half of consumers even know they have this option," Grzywacz said.