

# **FSP Atlanta Chapter State of the Industry**

**May 2012**

**Tom Nassiri CLU, ChFC**



*Sophisticated, Unbiased Solutions<sup>®</sup>*

# Influencing Factors

- Economics
- Regulatory
- Demographics
- Technology



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Economy and Confidence

Regulations and Uncertainty

Longevity

Technology Driven Empowerment

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# State of the Industry 2011 Results

<b>Individual Life</b>			
	Number of New Sales	10 million	+2%
	New Premium	10.7 billion	+4%
	Term Insurance	↓	
	Universal Life	↑	
	Policies In Force	162 million	
<b>Annuities</b>			
	Variable Annuities	↑	11%
	Total Annuities	↑	8%
	Top 5 Carriers Market Share		61%



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# Wealth Indicators

- Home Ownership
- Retirement Plans
- Investments
- Job Market



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# Influencing Factors (details)

## 1. Estate Taxes

- Exemption
- Portability
- Grantor Trust
- GRATs
- Time Limit on Trusts
- Valuation Discounts

## 2. Economy

- Markets Stabilizing
- Low interest
- Improving Employment
- Business Investment

## 3. Demographics

- Life expectancy



# Distribution Changes & Impact

Distribution	Impact
Traditional Providers	Significant Reduction
Appointments	Higher Requirements
BGA/IMO	Increasing Market Share
Alternative Distribution	Banks, Wires, Regionals, IBDs, and CPAs



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# Future Trends

- Consolidation
- Product Emphasis
- Fewer & More Restrictive Benefits
- Pricing control
- Depressed Margins
- Street Requirements
- Improving Economy
- Favorable Tax Environment
- Pent Up Demand





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