

## What Advisors Want from Annuity and Insurance Providers - 2020

Annuity and insurance providers invest heavily to work with financial advisors, implementing extensive sales, marketing, service, training, product development, and operational efforts to support the distribution of solutions such as variable annuities, income annuities, indexed annuities, life insurance, and long term care policies. While many advisors fully embrace annuities and insurance, others resist these solutions. Advisors are facing new challenges given the complex external environment exacerbated by the Covid-19 crisis as well as shifting needs, expectations, and anxieties of baby boomers and younger generations.

*Practical Perspectives*, a leading consulting and research firm, examines how advisors work with annuity and insurance firms and what advisors want and need from these providers. This new 114-page report builds on prior research and offers data driven insights on how advisors perceive and use annuities and insurance, the ways they select providers, how coronavirus may change use of annuities and insurance, the importance of various aspects of how providers support advisors, and what may be missing from the assistance advisors currently receive. This new report is based on proprietary research completed in late April/early May 2020 with input from over 600 advisors including those affiliated with RIAs, independent brokers, and wirehouse, national, and regional firms.

### Key Topic Areas

#### *Key Metrics on Advisors Delivery of Annuities and Insurance Products*

- How much of a priority is it for advisors to offer annuities and insurance and how do “enthusiasts” that prioritize these solutions differ from the typical advisor?
- How engaged are advisors with annuities and insurance as measured by clients served and revenues generated?
- How has advisor use of key categories of annuities and insurance changed in the past year and how may the coronavirus situation impact use of these solutions going forward?

#### *How Advisors Engage with Annuity and Insurance Providers*

- Which aspects of offering annuities and insurance are most challenging to advisors?
- How do advisors typically select the providers they rely on most?
- What are the characteristics of the providers advisors are most likely to use?
- What types of support do advisors want from insurers to engage with clients related to coronavirus?
- What approach to annuity and insurance wholesaling is most preferred by advisors?
- Which specific providers offer advisors the best overall experience and most useful support?

#### *Annuity and Insurance Company Support to Advisors*

- How satisfied are advisors with support from annuity and insurance firms and how does this compare to best-in-class sources?
- Which elements of support related to wholesaling/sales support, product training, service/back office support, web-based and technology support, and value add assistance are most important to advisors?
- What changes and enhancements do advisors want most from annuity and insurance providers?

### To Order the Report

*The study is available in PDF format for the subscription price of \$5,250. To order the complete 114-page, 71 exhibit report or for more information, please contact:*

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## Introduction and Methodology

Financial advisors are a critical link in the distribution process for firms offering annuities, life policies, and other insurance products. In working with advisors, annuity firms and insurers devote extensive resources to key functions such as product development, sales outreach and support, marketing, back office operations and service, and technology. While many advisors embrace the use of annuities and insurance products, others are less engaged if not resistant to offering and recommending these solutions.

This report is a follow up to similar research fielded in 2017 and again in 2019 and offers a deep, data driven view that examines how advisors work with annuity and insurance firms and highlights how providers can more effectively engage with different types of advisors. This in-depth report combines distinct research insights with practical, consulting oriented analysis. The report is designed and written to provide relevant and actionable information for insurance companies and annuities distributors interested in understanding advisor behaviors, preferences, and needs related to offering and using these types of solutions. This report provides insights from the singular perspective of advisors working directly with retail investors.

**“What Advisors Want from Annuity and Insurance Providers – 2020”** examines advisor attitudes and behaviors regarding annuity and insurance solutions. Among the topics explored in detail are characteristics of the insurance firms advisors prefer to rely on, key needs of advisors in working with these organizations, and what changes or enhancements are most desired by advisors. Given the current coronavirus situation, advisors were asked to consider how their use of annuity and insurance solutions may change and what support from providers is most valuable. The report also provides a detailed look at how advisor behaviors and preferences differ by channel and by the extent they prioritize annuities and insurance within their practice. This can help annuity providers and insurers craft and implement more targeted, meaningful, and effective advisor-focused support.

Among the key questions addressed in this report are:

- To what extent is it a priority for advisors to offer annuity and insurance solutions?
- How engaged are advisors with annuities and insurance as measured by clients served and revenues generated?
- How has advisor use of different types of annuity and insurance solutions changed in the past year and how may future use be impacted by the coronavirus situation?
- What are the key challenges for advisors in offering annuities and insurance?
- What key sources influence the decision process when advisors consider annuities and insurance solutions?
- What are the characteristics of annuity and insurance providers that advisors prefer to use?
- What model of wholesaling outreach from annuity and insurance providers is preferred by advisors?

- What additional support from annuity and insurance providers do advisors desire, especially in response to fallout from the coronavirus crisis?
- Which specific firms are recognized for delivering the best overall experience and support to advisors?
- How satisfied are advisors with support from annuity and insurance providers and how does this compare to other product providers advisors rely on?
- What do advisors view as the most important aspects of support from annuity and insurance providers related to key functions – service and back office support, wholesaling and sales support, product training, value add and practice management, and web-based and technology support?
- What are the most important things insurers can do to support advisors?
- How do advisors most engaged with offering annuities and insurance solutions – enthusiasts -- differ from other advisors?

This report is based on input from a randomly selected cross-section of advisors across key broker-dealer channels including wirehouse, regional, and independent firms as well as fee-based RIAs unaffiliated with a broker-dealer. In late April and early May of 2020, advisors were asked to participate in an on-line survey. More than 600 advisor responses were used as the basis for this report. Advisors did not receive any compensation for participation in the survey. Key findings in the report are provided for the complete sample as well as for the largest distribution channels – Full Service broker-dealers (wirehouse, national, and regional), Independent broker-dealers, and RIAs (not affiliated with a broker-dealer). Separate findings are also presented for annuity and insurance “enthusiasts” who consider use of these solutions a significant priority for their practices.

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