



INSURANCE

The insurance industry is comprised of businesses and organizations that provide coverage, in the form of compensation resulting from loss, damage, injury, treatment in the exchange of premiums.



CAPTRUST Experience

Clients at a Glance

Clients - 78
 AUM - \$17.9 billion
 Plans / Pools - 74
 Plan / Pool Types - DC (35), NQ (22), DB (6), OAP (2)
 Top Providers - Principal (23), Fidelity (9), Empower (6), Vanguard (5), Wells Fargo (3)

Experienced Advisors

- Jean Duffy (4)
- Jim Edwards (3)
- Dan Esch (3)
- Drew McCorkle (2)
- Jim Pierce (8)
- Jason Stanicek (2)

Industry Background

Points of Interest

- U.S. insurance industry net premiums written totaled \$1.2 trillion in 2017
- The U.S. insurance industry employed 2.7 million people in 2018
- There are over 6,000 insurance companies
- Insurance carriers and related activities contributed to 3.1% of the nation's GDP

Common Terms

- Actuary
- Affordable Care Act
- Agent/broker
- Balance sheet volatility
- Beneficiary
- Claims
- Deductible
- Liability
- Mandates
- Property and Casualty (P&C)
- Risk management
- Underwriting

External Resources

- American Insurance Association
www.aiadc.org
- Independent Insurance Agents & Brokers of America
www.independentagent.com
- Insurance Journal
www.insurancejournal.com
- National Association of Professional Insurance Agents
www.pianet.org



For the Challenger

Clients Outcomes

- Consistently reducing plan costs, improving investment menu, increasing participation and deferrals, increasing overall plan health with respect to account balances, diversification and retirement income replacement ratios.
- Vendor search, both for custodian and recordkeeper.
- Move to fee leveling for 401(k) Plan
- Tiered investment menu
- Auto features
- We have developed ways to work separately with CIOs and/or investment management teams within the insurance organization to draw upon their specific skillsets while adding value as a holistic consultant. Don't act like they don't exist because they can derail your engagement.

Challenges

Corporate

- Broaden their service offerings but also to manage their risk
- Profitability in the future due to (1) opioid crisis, (2) increasing natural disasters, and (3) overall health of America
- Climate Change, low interest rates
- Limited pool of talent
- Questionable legislative and regulatory future
- Industry consolidation
- Private Equity firms buying insurance companies
- Expense management

Retirement

- Increasing contributions and deaccumulation strategies
- State regulated investment requirements for reserve pools
- Company stock in plans
- Low interest in financial wellness vs. costs
- Low cost offerings
- Fiduciary process is important
- Sophisticated on investment side (fixed income)
- If life company has internal B/D, hard to see value in external advisor

Notes