

# Daily Report for Executives

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Page A-1

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## **Insurance**

### **Banks, Insurers Need Common Ground To Boost Insurance Sales, ACLI Study Says**

Insurance firms will have to take the initiative if they want to boost bank sales of insurance, the American Council of Life Insurers said in a Jan. 4 report.

The report, *Catalyst for Change: Next Steps in Bridging the Cultural Divide Between Banks and Life Insurers*, marks the latest effort by the insurance industry to address lagging sales of insurance products by banks.

Banks were expected to surge as distribution outlets for insurance following the passage of the Gramm-Leach-Bliley Act of 1999, which eliminated key barriers to those transactions.

But banks have responded much more slowly than many predicted. The ACLI explored the causes for that sluggish response in a 2003 study. The report released Jan. 4 follows up on that effort by offering several specific solutions.

Among the report's 21 recommendations is a call for insurers to make sure their products fit the needs of banks.

"The onus is on the insurer to go deeper into the bank management structure and ensure that the insurance process not only fits into the banker's daily routine, but also supports and enhances the incentives, rewards, contests and referral process already in place, particularly if multiple channels are going to be utilized to sell the product," the 24-page report said.

The report is based on surveys and analysis by the ACLI in cooperation with the consulting firms of Baker & Daniels, CF Efron Co., Navigant Consulting, Inc., and Unger Software Corporation.

The study may be found on the ACLI Web site at <http://www.acli.org> .