

2014 European Annual Conference

Robert A. Kerzner
President and CEO
LIMRA, LOMA & LL Global



Industry in Flux

CAPITAL IN MOTION

Focusing on
Core Lines

Limiting
Growth

Exiting Lines

Redeploying
Capital
Abroad

Growth in
Developing
Regions

Exiting
Markets

Forces of the Future

Demographics

Major Driver
of Growth/Change

Focus
on
Retirement
Risk

Regulation
&
Legislation

Unknown

Legislative Changes
Create New
Markets

OR

Rules/Regs Make It
Hard to Do
Business

Technology

The
Change Agent

How We Engage

How We Become
More Effective

External
Forces

Possible
Disruptors

Interest Rates &
Investment
Climate

Globalization

Commissions Banned



Finland

2004



Denmark

2006



Norway

2008



India

2012



Netherlands

2013



Australia

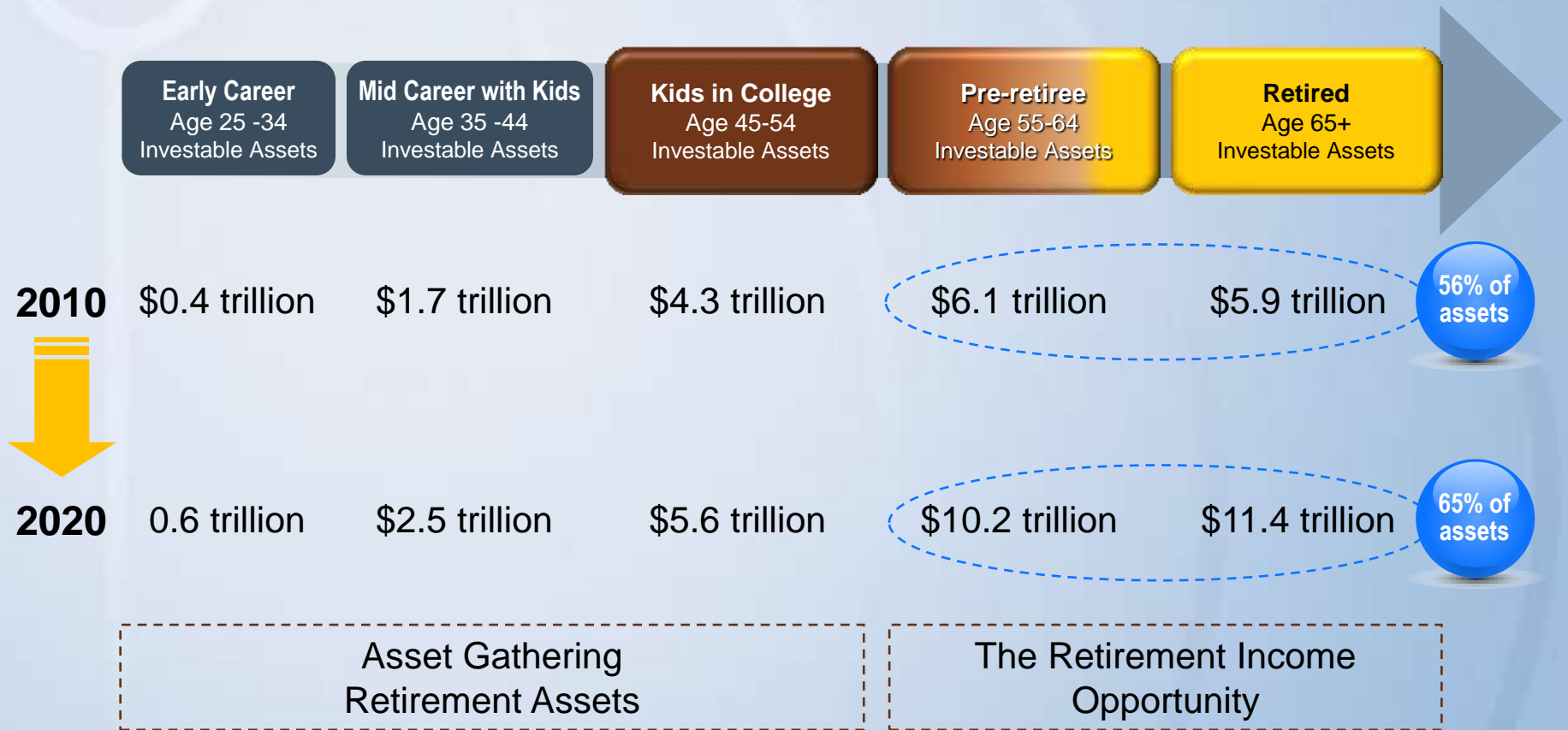
2013



United Kingdom

2013

Retirement income opportunity will double to nearly \$22 trillion by 2020



Source: LIMRA, Based on 2001, 2007 and 2010 Survey of Consumer Finances, Federal Reserve Board and U.S. Census Bureau's *Current Population Survey, March 2011 Supplement*. All estimates and calculations reflect consumer segments of age 25 or more, and households with assets between \$50K and \$4.9M. Household HH by age group growth has been estimated by using Census projections by age and assuming that the proportion of HHs that have between \$50,000 and <\$5 million is constant within age group over time and the proportion in equities remains constant within each age group over time

CUSTOMER EXPERIENCE

Coca-Cola serves more than 1.5 billion customers daily

More than 400 brands – marketed separately




Choices | Innovation | Information






How to collect interactive data for all of their brand's customers to improve and reward customer loyalty?

MyCokeRewards Provides One Universal Bank of Consumer Information



Partner



Do more with your photos

[▶ LEARN MORE](#)

Enter Your Code

▶


[Enter Multiple Codes](#) | [Where to find codes](#)

Sign In:

▶

[Register now](#) [f Login](#) [Forgot password?](#) Remember me


How it works ▾ Rewards Catalog ▾ Offers & Promotions ▾ Explore Brands ▾ Schools ▾

Search Catalog 

Play MONOPOLY[®] at McDonald's[®] for points

Through August 26, play online for your chance to reap the epic rewards... 40-point bundles, 1,000-point bundles and all kinds of prizes. Start playing.


[▶ SEE DETAILS](#)





NO PURCHASE NECESSARY. 2013 MONOPOLY Game at McDonald's In-Store Game ends 8/12/13. Online Game ends at 11:59:59 p.m. EDT 8/26/13. Must be 13 or older to play Online Game. Games subject to Official Rules, avail. at participating McDonald's restaurants and at [PlayatMc.com](#); see Rules for complete details. Void where prohibited. * Odds based on Game Pieces (each has 2 Game Stamps); mostly food prizes. MCR codes must be redeemed by 9/30/13. ©2013 McDonald's. MONOPOLY TM, ® & © 2013 Hasbro. "My Coke Rewards", "mycoke Rewards" and the My Coke Rewards logo are trademarks of The Coca-Cola Company. All rights reserved.


Ways to spend points >

To make it even easier, see what we've picked just for you.

- 


Rewards
Fitness Magazine 1-Year Subscription
133 Points
[▶ See All](#)
- 

Sweepstakes
Six Flags® VIP Package for Four Sweepstakes – 10 Will Win!
3 Points
Less than 1 day left
Rules
[▶ See All](#)
- 

Instant Win
El TRI Summer Sweepstakes
3 Points
Rules
[▶ See All](#)
- 


Spend Points on Promotions
Use your points for some really awesome stuff
[▶ See More](#)

Win a Disney Cruise




You could sail from Miami on a Disney Cruise Line vacation.
[▶ See Details](#)

You could win gas for a year



From Minute Maid® Juices To Go®. Enter now through 8/31.
[▶ See Details](#)

Unlock Summer Rewards



Find Coke® Summer passwords & unlock exclusive rewards.
[▶ See Details](#)

Coke Drives Traffic
to its Rewards Site



Collects Data from
its Customers



Targets Specific
Offerings





Feeding data to its suppliers



The 330ml can contains

Calories	1 Cal	<1%
Total Fat	0.5g	0%
Total Crap	0.5g	0%
Total Sugar	0.5g	0%
Total Taste	<1%	

% of an adult's gurgling daily amount (based on a 7000 kcal diet)

great Coke® taste
zero sugar





Mike Donovan

Kansas City Chiefs' Season Ticket Holder Card



MLB uses iBeacon to create more personalized experience



- ✓ Ticket pops up on iPhone
- ✓ Provides map of stadium and where seats are
- ✓ Recommends videos and interesting content
- ✓ Offers discounts and offers

Virgin Airlines Using iBeacon at Heathrow

- ✓ Easy check in
- ✓ Status updates on flights
- ✓ Discounts and offers



Results:



The new check-in experience led to a **75%** reduction in check-in times

Customer Service Index (CSI) for the customer experience within the terminal in general has increased by **30%**

Virgin Airlines is consistently voted **#1** airline by customers.

No More Turnstiles, Hotel Keys or Cash Registers...



Disney Develops REID Bracelet To Improve Customers' Experience

NORDSTROM



Improving experience for its customers

Allowing on-the-spot mobile payment – less costly than registers



Convenient access to inventory across the country

CUSTOMER EXPECTATIONS ARE CHANGING

Letting the Customer Choose



Web

Awareness



Contact Center

Consideration



Mobile

Purchase



Social Media

On-boarding



Agency

Renewal



Direct Mail

Focus On Customer Experience Throughout

Interest

Service

61%

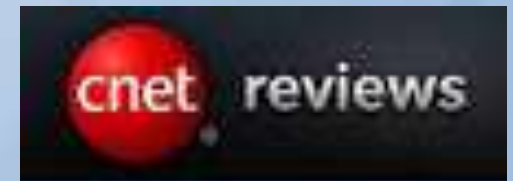
consumers who
searched online for
insurance in 2012

Only 38% of consumers
did in 2006.



7 in 10

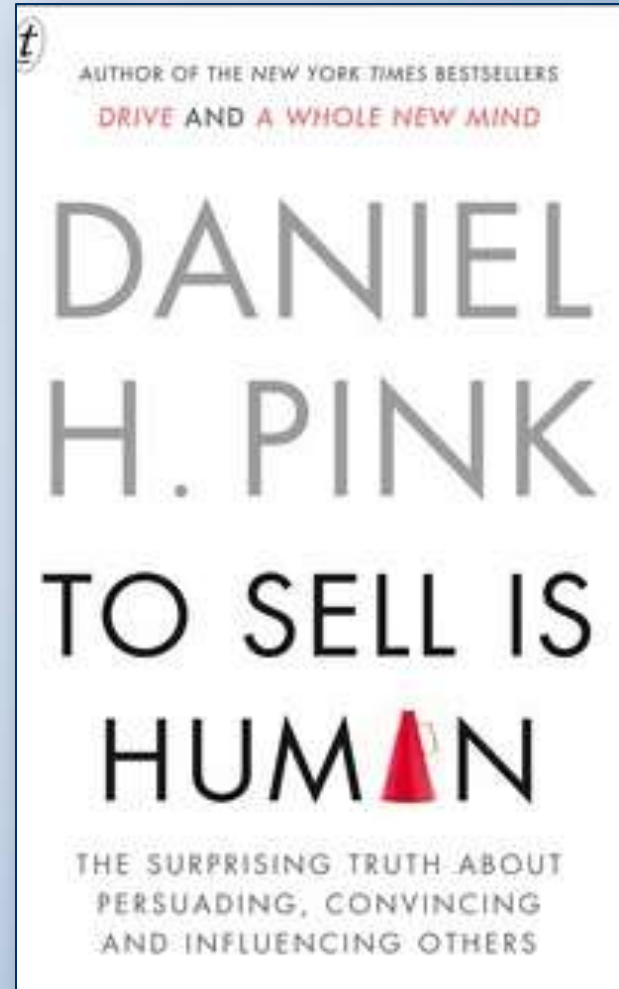
consumers look at product reviews before making a purchase



The New Rules of Engagement

“The balance has shifted...In the world of information parity, the new guiding principle is *caveat venditor*--seller beware.”

To Sell is Human
Daniel H. Pink



A word cloud of adjectives describing sales, centered on a white rectangular background. The most prominent word is 'pushy' in a large, bold, dark red font. Other large words include 'yuck', 'hard', 'difficult', and 'annoying'. Smaller words scattered around include 'challenging', 'necessary', 'ick', 'dishonest', 'painful', 'uncomfortable', 'boring', 'aggressive', 'tough', 'sleazy', 'ugh', 'fun', 'manipulative', 'cheesy', 'scary', 'important', and 'slimy'.

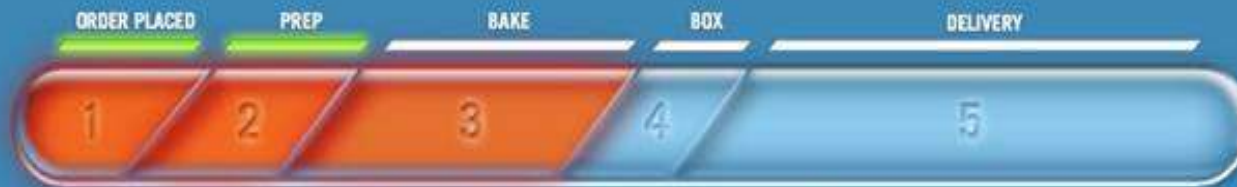
Source: Daniel Pink, To Sell is Human

Domino's Pizza Tracker

YOU GOT CONFIRMATION

You got 30 minutes and you got pizza coming your way. The delivery experts at Domino's have specifically engineered the Pizza Tracker to keep you up to date on the status of your order from the moment it's prepared to the second it leaves our store for delivery. Now, you got tracking where no tracking has ever gone before.

PIZZA TRACKER



YOU GOT IT IN THE OVEN - Chris put your order in the oven at 5:26 PM

PAYMENT PENDING

2:10

◀ FACT-O-MATIC: The entire order taking and pizza production process takes approximately 12-15 minutes. ▶

HELP US GET BETTER

◀ 1 of 4 ▶

Our goal is exceptional delivery. How was your delivery experience?



TELL US HOW WE DID

Please call the store at undefined if your comment is urgent or you need a response.

Could we do this with life insurance?

Protective. Application Tracker

SK2165436

Application Information

Application for:	New CCULLT
Coverage Amount:	\$250,000.00
Payment Frequency:	Annual
Premium:	\$2,500.00 *
Plan:	Protective Custom Choice UL Lifetime

*Your application is in process. The premium amount you see above is only an estimate. The actual premium and rate class will be determined after the underwriting process is completed.

Missing a policy?
Please call us at 1-800-366-9378

Need more info?
[Click Here for FAQs](#)



We've received your application, thank you!

Step 1: Have a conversation with us

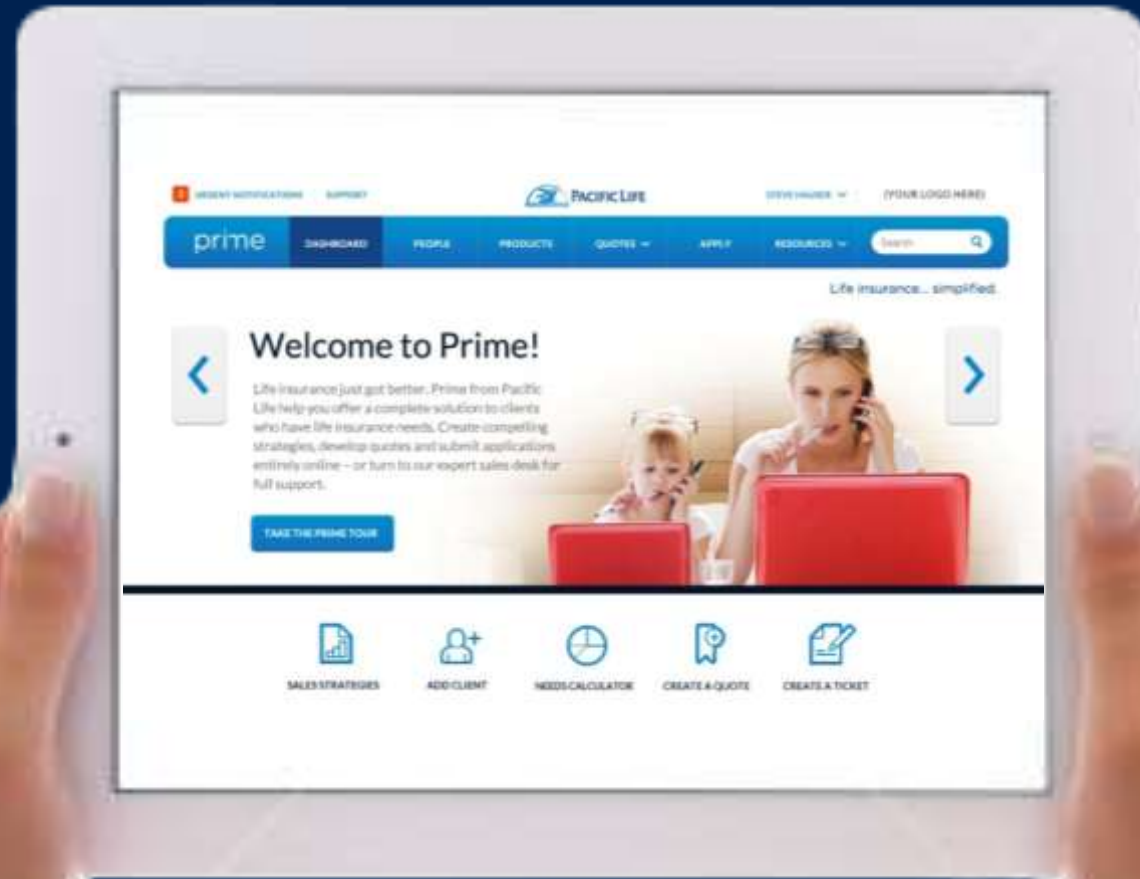
A representative will call you or you can call 1-888-800-6607, select option 1 to begin your phone interview. Mon – Fri 7am-8pm CST and Sat 9am-2pm CST

The interview will take approximately 20 minutes to complete. Please have the below information accessible.

- Social Security number and Driver's License number
- Other existing or pending life insurance policies
- Name, address, and phone number of your doctor(s) and hospital(s)
- Current, past and planned future treatments including medications and dosages

If you have any questions please contact your agent <AgentName> at <AgentPhone>.

Pacific Life's Prime Mobile Platform



GAMIFICATION

Cranial Cash Crash tests financial knowledge...

Teaching :

- ✓ Savings strategies
- ✓ Dealing with debt
- ✓ Investments
- ✓ Retirement planning

The screenshot shows the game interface for 'THE CRANIAL CASH CLASH'. At the top, it says 'Track Your Progress' and 'Facebook Login'. The current episode is 'EPISODE 1' titled 'DEBT DRAMA', and the player has '720 PTS'. A circular progress indicator shows '8' out of 10 questions completed. The current question is numbered '2' and asks: 'Joe gets a 20-year mortgage at 5%; Cheryl gets a 25-year mortgage at 5%. Which of these statements is true?'. There are four multiple-choice options: A, B, C, and D. At the bottom, there are buttons for 'BRAIN BOOSTER', 'HINT', '50/50', 'FREEZE', and a 'Main Menu' button. A progress bar at the bottom right shows the current question number '2' out of 10.

THE CRANIAL CASH CLASH

Track Your Progress
Facebook Login

EPISODE 1 DEBT DRAMA 720 PTS

8

2

Joe gets a 20-year mortgage at 5%; Cheryl gets a 25-year mortgage at 5%. Which of these statements is true?

A Joe pays more monthly, but Cheryl pays more in total

B Joe pays less monthly, but Cheryl pays less in total

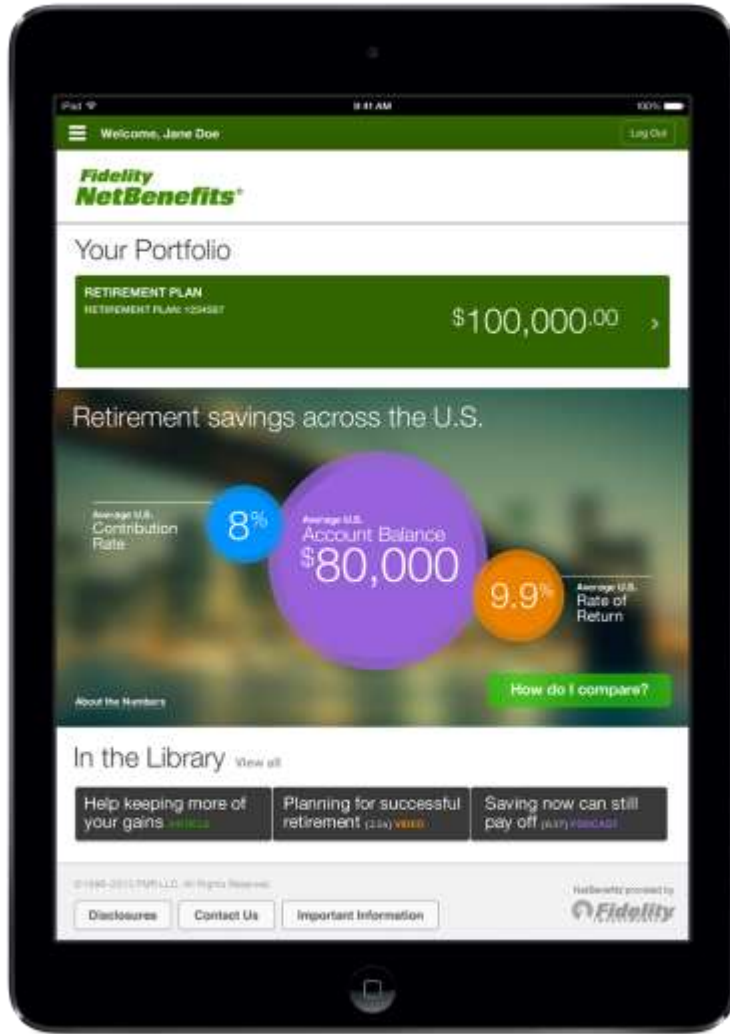
C Joe and Cheryl pay the same amount monthly, but Cheryl pays more in total

D Joe pays more than Cheryl, monthly, and in total

BRAIN BOOSTER HINT 50/50 FREEZE

Main Menu

Fidelity's *NetBenefits*[®] mobile apps



Offers new peer benchmarking feature that allows you to compare your retirement plan info with people in your age group and location.



- [Money Basics for Kids and Teens](#)
- [Life Lessons](#)
- [Activities for Parents and Kids](#)
 - [Money Quiz for Parents](#)
 - [It's Your Life Game](#)
 - [Hands-on Activities](#)
 - [Tips for Parents with Kids and Teens](#)
- [Educational Resources](#)

It's Your Life Game

Play this game to see how your financial decisions, big and small, can affect your future.

Welcome to

Schwab MoneyWise™ It's Your Life



Watch the bubbles at the bottom of each screen to see how your decisions affect your level of savings and debt. If you make wise decisions, your opportunities expand. If you make poor choices, your opportunities become limited.

If you're not happy with your final score play the game again and choose different answers along the way. Good luck.

[Get Started >](#)

“Play this game to see how your financial decisions, big and small, can affect your future.”

We can't imagine our "future self"



Age 10



Age 70

MassMutual created an app to help young people see their future selves

YOUR **FUTURE** MOVES

THOUSANDS
HAVE SEEN
THE FUTURE!



What will the future look like and what precisely will you look like in it?
Take a deep breath. You are mere seconds away
from seeing your fine self in your actual future – *if you dare.*

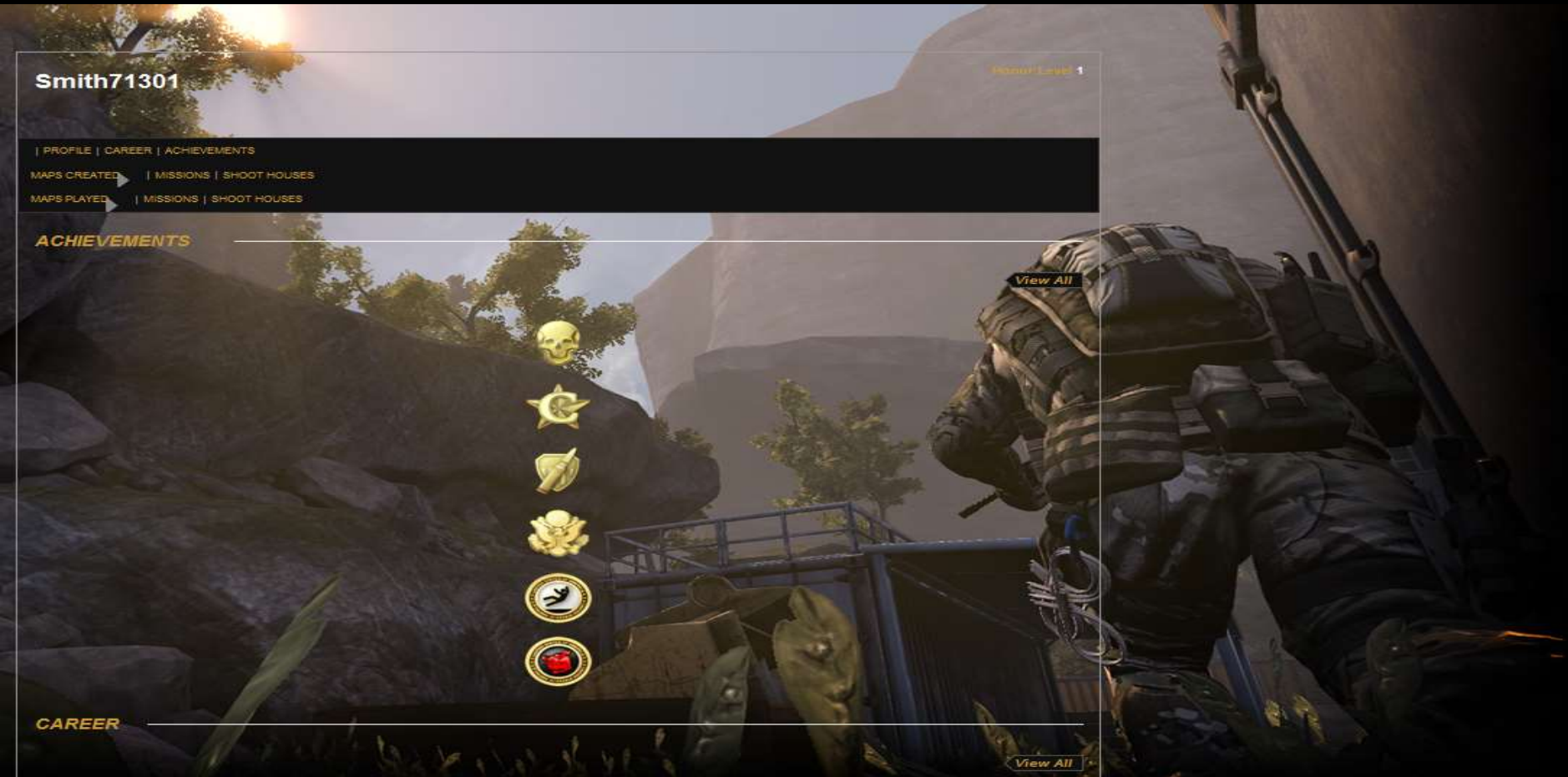
Future here I come!

Using Virtual Games to Show People their “Future Selves”



In a 2011 paper, Professor Jeremy Bailenson reported that those who had seen their future selves in the virtual mirror subsequently put twice as much money into a savings account as those who hadn't.

Recruiting – The U.S. Army uses online games to recruit new soldiers to recruit new soldiers



The higher the score, the better the likelihood of that recruit experiencing success in a particular role/assignment.

Training – The U.S. Navy uses video games to teach basic policies to recruits.



They practice the basic procedures and safety protocols before being in a real-life situation

Allstate uses gamification for employee ethics training

The screenshot displays the 'PII PROTECTORS' gamified training interface. At the top left is the Allstate logo. The title 'PII PROTECTORS' is centered at the top. Below the title, there is a line of small text: 'What's something you do to protect your PII? (PII = Personal Information)'. Underneath that is another line of small text: 'Small text, please do not use here'. The main content area features four vertical panels, each representing a character:

- Captain Confidential:** A superhero character in a red and blue suit with a yellow 'C' on his chest.
- X-RAY ALEX:** A woman in a blue and red superhero suit with sunglasses.
- FIREWALL:** A muscular, orange, flame-like character with a raised fist.
- RAISA SHARPE:** A woman in a professional black blazer and white shirt.

A red shield icon with 'PII' written on it is positioned above the 'X-RAY ALEX' and 'FIREWALL' panels.



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Connecting Members To
People • Best Practices • Solutions



ACHIEVE SUCCESS

BIG DATA DATA ANALYTICS

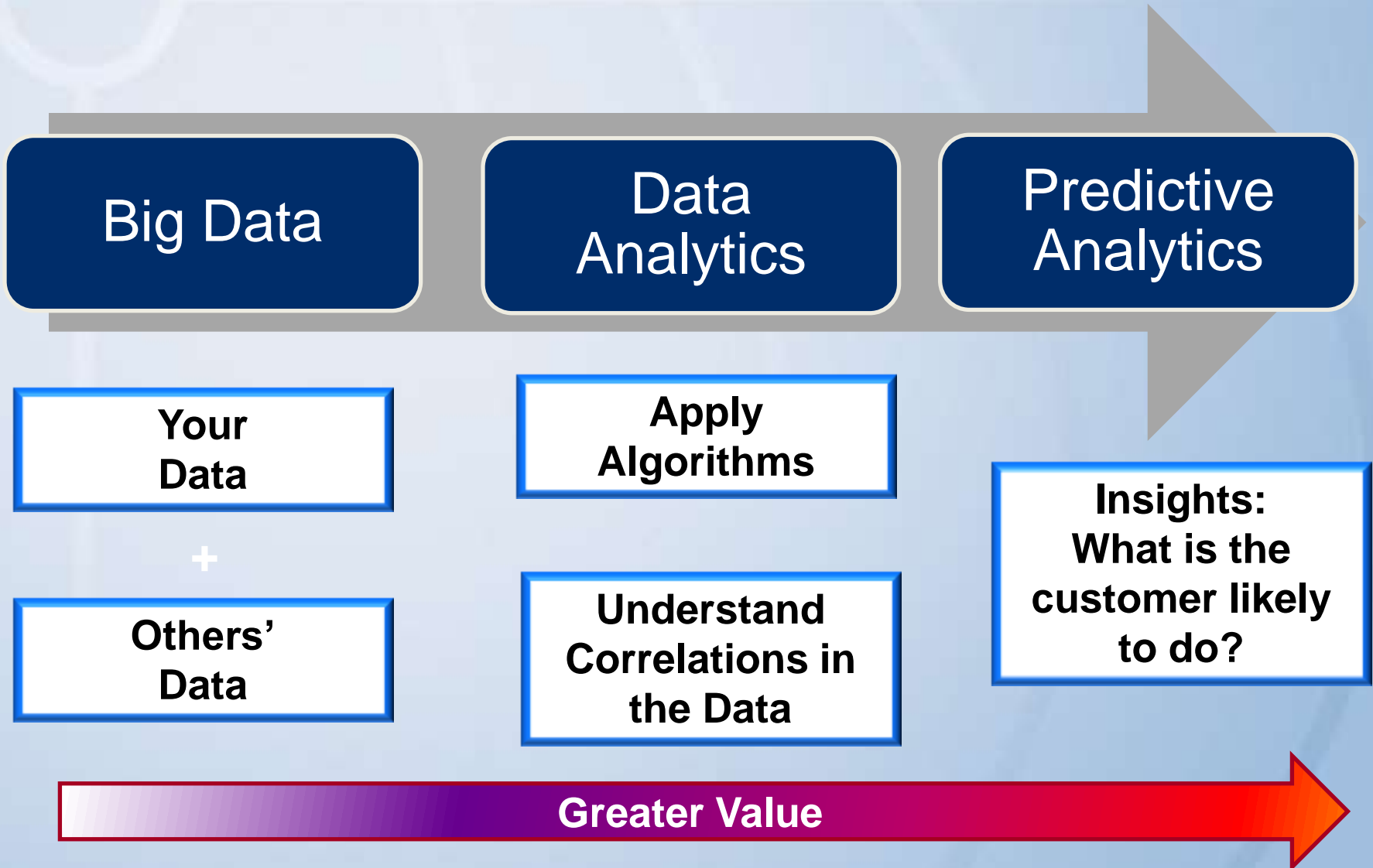
Managing your home's temperature remotely



What is Predictive Analysis?

The science of applying techniques from statistics, modeling, machine learning and data mining to develop models that predict future events or behavior.

Are You Using Data to Your Advantage?



UPS: No Left Turns for Our Trucks



Since implemented (in 2004) UPS has:

- Saved 10 million gallons of gas
- Reduced CO2 emissions by 100,000 metric tons

Tracking Drivers' Driving Habits



What other data could they collect?

Predictive Analytics

Applied to Our Business

Customer
Acquisition and
Retention

Underwriting
and Pricing

Claims and
Fraud

Efficiencies and
Risk Mitigation

Predictive Analytics

Applied to Our Business

Customer
Acquisition
and Retention

Identifying the best prospects and
best customers

Increasing likelihood to buy

Determining cross-selling
opportunities



**Knowing whom
to call**



**...and who
would vote**

Verizon's Friends and Family Plan

Introducing **Friends & Family.**[®]

Unlimited calling to the numbers you call most.
Anywhere in America. Anytime.
It's the best value in wireless.

Who will you choose?



Start by selecting a plan or a phone.

Family Plans

Phones

Individual Plans

Choose up to

5

numbers on any network
Who do you call the most?

Family Plans

Choose up to

10

numbers on any network
Families have a lot to say.

Sprint knows you are more likely to stay if your friends and family are subscribers.

You don't have to be family to be Framily.

Up to 10 friends, family or even employees.

Unlimited talk, text and 1GB of data each while on the Sprint network.

Separate bills. As low as \$25/mo. per line. No annual service contracts. No early termination fees.

Ready to start or join a Framily?

Make an appointment



Target can tell a woman is pregnant by what she buys...



...and sends her coupons featuring things she might need.





We know he has a wife...



...and a six-year old daughter.

Owens home worth \$350,000

Wife has Facebook account

Owens life insurance policy

Has college degree from UVA

Plays online Fantasy Football

Leases a Toyota Sienna



Annual household income: \$75,000

Belongs to local gym

Has \$7,095 in credit card debt

Has saved \$166,000 in 401(k)

Buys from Gap and Old Navy online

Epsilon has more than 1000 data points on over 1 million U.S. families.

Wholesalers – KNOW THE PRODUCER



Predictive Analytics

Applied to Our Business

Underwriting
and Pricing

Improving pricing accuracy

Shortening approval process

Appealing to more investment-
oriented producers?

Predictive Analytics

Applied to Our Business

Claims and
Fraud

Identifying fraud

Reducing time on claims

Determining most likely to use or
abuse benefits

Efficiencies
and
Risk Mitigation

Predictive Analytics

Applied to Our Business

Improving placement rates

Identifying customers most likely to lapse and proactively contacting them

Efficiencies
and
Risk Mitigation

Predictive Analytics

Applied to Our Business

Mass Mutual increased placement rates
5 percentage points in 18 months
using predictive analytics



HP Tracks Its Employees' Flight Risks



Fed Ex predicts which customers will defect to a competitor with 60-90 percent accuracy





Your Trusted Source for Industry Knowledge

Connecting Members To
People • Best Practices • Solutions



ACHIEVE SUCCESS

CHANGES IN DISTRIBUTION

Aging Professionals

Financial professionals age 50+



Financial professional with 25+ years sales experience



Employees Prefer Buying at the Workplace

	Employer	Agent or Broker	Insurance Company	Internet	No Preference
Life Insurance	44%	15%	19%	4%	17
Disability Insurance	58	9	13	4	17
Long term care Insurance	78	12	16	4	20
Dental insurance	65	5	11	4	15
Vision care	63	5	12	4	17

MetLife Sells in Walmart





***“If you are in the way of a steam roller,
either get out of the way or become part
of the road...”***

*Phil Billingham, strategy consultant at IFA support provider
[Threesixty](#)*

Will the face-to-face of the future be the same?





Sales Reps Connecting with Consumers

Directly

Immediately

When Consumers Want





Bradesco using POS machines to sell life insurance



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Connecting Members To
People • Best Practices • Solutions



ACHIEVE SUCCESS