

LIMRA: Life Combination Products Continue to Grow

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(AP Images)

The popularity of life combination products has proven not to be just a trend. The amalgamated products grew 56 percent in 2011, representing a third consecutive year of double-digit growth.

The findings published by LIMRA, Windsor Conn., in their *2011 Individual Life Combination Products Annual Review* stated that total new premium for life combination products reached \$2.2 billion in 2011, constituting approximately 13 percent of total individual life insurance new premium.

LIMRA believes that the popularity of combined life policies is being propelled by a sense of uncertainty in the stand-alone long term care insurance market (LTCI). Consumers under 50 are looking for a way to cover part of **their long term care**

costs and feel that acceleration combination products are a viable alternative due to their affordability.

Acceleration policies, which **provide LTC benefits up to the amount of** the life benefit and are usually riders that can be fastened to most products in a carrier's life product portfolio grew 29 percent, LIMRA reported, comprising 70 percent of market share by value.

It was not just acceleration policies that enjoyed growth. All life combination product lines experienced growth in 2011 with universal life (UL) combination products becoming the paramount product with a 67 percent increase in premium year over year. Both whole life (WL) and variable combination premium grew 16 and 17 percent respectively. Linked benefit products, which consist mostly of single premium and all-in-one packaged products, grew 66 percent in policy count grabbing 29 percent of the market in 2011, increasing their presence from 21 percent in 2010.

LIMRA found that combination policies were most attractive to consumers under age 59 as they held more than half of the in force policies in 2011. **Similar to LTCI**, women also found combination products more attractive than their male counterparts with nearly six in ten policies in force providing coverage to women.

"Sales of all life combination products continue to grow at a remarkable rate, especially coming off the double-digit growth experienced in 2009 and 2010," said Elaine Tumicki, corporate vice president and director, LIMRA product research.

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