

Columbus Life Insurance Company



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Opportunities in Uncertainty. As we see it, doubt about the general economic outlook will continue to prevail in 2012. In this presidential election year, uncertainty about levels of future tax rates, employment, the real estate market and rising health care costs will likely continue for consumers until after the election. However, where there is uncertainty, there will be opportunities for financially stable carriers and innovative producers who offer flexible family and business insurance protection, wealth transfer and other planning solutions.

Consumers who see the value of life insurance to help protect their dreams and financial security are attracted to guaranteed, flexible products and companies with demonstrable financial strength. With clients focused on certainty and stability, independent producers will continue to seek competitive products from companies that maintain a healthy balance sheet and strong capital position while offering supportive, direct relationships.

In turn, 2012 will see carriers expand their distribution networks through (a) keen focus on current product demand and interest, (b) thoughtful and innovative attention to developing stronger partnerships with the professional independent producer, (c) continuing to implement strategic plans for cultural and generational shifts, and (d) foresight in the development and implementation of technology solutions, which will enable the producer, the consumer and the carrier alike to do business faster, easier and more seamlessly.

Product Trends. The depressed interest rate environment has continued the pressure on guaranteed pricing features in universal life (UL) insurance products and contributed to the demise of return of premium in many term portfolios. Concerns about outliving assets and the need for stable income generation will grow as the aging population increases. In response, the market share garnered by indexed UL products is increasing in this low interest rate environment, as is interest in living benefits provisions.

At Columbus Life, our strong capital position and reserves allow us to continue to offer products for these markets

when now, more than ever, according to LIMRA, product design and competitiveness drive access to distribution (*What Producers Value from Companies and Independent Intermediaries in 2011*, LIMRA).

We continue to refine our portfolio to address specific client needs and offer new choices and flexibility. Columbus Life is responding with an increased focus on living benefits with competitive options in our accelerated death benefit rider. In addition, we continue to offer the return of premium option on most of our term portfolio, and we are collaborating with our independent producer network to bring more value to our indexed UL offerings.

With the estate tax likely to affect fewer and fewer U.S. families, the wealth transfer market demands attention as assets continue to be transferred from generation to generation or to charitable organizations. Producers have untapped prospects in this market for needed life insurance protection.

Columbus Life recently introduced an updated, flexible Capital Transfer UL product rider and program, designed specifically for the wealth transfer market, which contains the secondary guarantee and living benefit options consumers desire in their coverage. In addition, we provide extensive training and sales-building opportunities to reach and support new and existing distributors desiring to penetrate this market.

Meaningful Personal Relationships. Many carriers identify personal relationships with independent producers as important, and profess to be *relationship driven*. However, these connections are only meaningful if a carrier responds to their needs and develops compensation, products, service and tools which enable success. Columbus Life's "boutique" size and approach to independent producers allow us to remain nimble and attentive. We are proud of our mutually rewarding relationships with independent financial services professionals and marketing firms around the country.

Our distribution support team offers concierge service to *all* producers. According to LIMRA, producers want access to advanced markets experts and

underwriters to discuss difficult or complex cases. Columbus Life answers those needs by providing an advanced markets support team staffed by attorneys and specialists to assist with case design, pre-interview questions and data gathering. Columbus Life underwriters, including our chief underwriter, take pride in being among the industry's most accessible and responsive to producer needs, including talking directly with producers regarding their business.

Cultural and Technology Shifts. A generational and cultural shift is taking place in the country and in our industry. A significant portion of Columbus Life's recent growth was experienced in culturally diverse markets. Understanding how to reach and serve new generations and culturally diverse financial advisors and clients alike will be critical to the future success of carriers and the industry as a whole. These diverse groups have their own values, attitudes—and

languages—regarding protection, saving and spending, and hold varying views of technology.

Doing business face-to-face through well-established relationships is highly valued regardless of generational and cultural associations. While these face-to-face relationships are of utmost importance, our philosophy of being a company that is *easy to do business with* drives us toward the development of a fully automated electronic sales platform. Our vision includes online client presentations and videos, quick quoting applications on tablets and smart phones, and an electronic application with immediate transmission to the home office.

Columbus Life was founded more than 100 years ago by a life insurance producer to give producers and their clients a "square deal." Our company is uniquely positioned to grow and attract mutually rewarding relationships with professional independent producers who desire "first-

name" service with a company genuinely interested in the success of their business.

We draw on the rock-solid strength of our parent company, Western & Southern Financial Group, a Fortune 500 company which weathered the past three years and grew stronger than ever before. Columbus Life is a reflection of our parent company's philosophy of building long term financial strength through integrity, disciplined execution, world class service and strong partnerships with distributors. These solid relationships prove to be mutually productive as evidenced by the double-digit growth in our business.

Columbus Life will continue to strive to be the insurance carrier of choice and provide producers with educational opportunities, well-designed products, innovative marketing support and technological innovations that will serve their clients' needs and build the value in their businesses. [CWW]