

# Conning Research: Life Insurers Still Search for Middle Market Success

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HARTFORD, Conn., Sept. 12 /PRNewswire/ -- America's middle market has generated much attention in the life insurance industry and among consumer advocates for being underserved. Despite some middle-market-targeted successes in individual companies, the problem still persists, according to a new study by Conning Research and Consulting, Inc.

"We calculated that for the overall U.S. population, there is a protection gap for replacement of pre-retirement income of \$11.3 trillion," said George P. McKeon, an analyst at Conning Research & Consulting, Inc. "Yet the 40 percent of the population defined as middle market has a protection gap of \$6.5 trillion -- 58 percent of the total. That is a significant problem in public policy and a huge opportunity for insurers to employ some of the capital they have developed in recent years."

The Conning Research study "Penetrating the Middle Market: Clearing the Distribution Hurdle" defines the middle market in terms of income, geographic, and demographic characteristics. Further, the study presents inhibitors to middle-market penetration and explores distribution alternatives that are working for some insurers.

"Distribution remains the critical issue to solve in the middle market," said Stephan Christiansen, director of research at Conning. "The increasingly independent life agent force will naturally opt for fewer, larger sales when available. However, there are successful alternative distribution systems such as those we present in the study, but they must be an outgrowth of a company's culture and focus. The success stories in middle market tend to be those companies who have focused long and hard on the segment and built the complex infrastructure to make it work. "

"Penetrating the Middle Market: Clearing the Distribution Hurdle" is available for purchase from Conning Research & Consulting, Inc., by calling (888) 707-1177 or by visiting the company's web site at <http://www.conningresearch.com>.

About Conning Research & Consulting, Inc.

Conning provides insurance industry analysis to insurers and industry stakeholders. The Conning name has represented excellence in independent insurance industry research for more than 40 years. As a result of its wealth of experience and intimate knowledge of the insurance industry, Conning understands industry challenges and opportunities and provides in-depth insights and analyses on a wide range of industry products and issues. Conning is headquartered in Hartford, Conn.

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