

US Economic Slump Helps MassMutual Recruit New Agents, EVP Fanning Says

The economic slump in the United States is helping at least one life insurance company to recruit much-needed agents to the industry.

MassMutual Financial Group's agent force "is probably one of the biggest parts of our success," said Michael Fanning, executive vice president of the U.S. insurance Group for the company.



Fanning

In 2009, the company recruited more than 2,000 agents, bringing its total agent force to more than 5,000 — a 9% jump, said Fanning, who recently met with BestWeek U.S./Canada at A.M. Best Co.'s corporate headquarters in Oldwick, N.J.

Given the slumping economy, MassMutual is focusing on career changers, Fanning said. There's many people with sales backgrounds that "we've felt could be really successful in this business," he said.

MassMutual's U.S. insurance group comprises individual and group life insurance, disability income and long-term care insurance. Fanning oversees the operations, distribution, marketing, product management, finance and compliance for all of these products sold in the United States.

MassMutual also is continuing to target colleges by "bringing new, young people into the industry" right off campuses, Fanning said. He also noted that 25% of the 2,000 new recruits last year were women, while about 15% were from multicultural backgrounds.

MassMutual had a strong year in 2009 in terms of whole life, which Fanning dubbed the "core" of the company's strategy. Whole life is key to a long-term financial plan for an individual or a business, he said.

In 2009, its whole life sales were a record at more than \$203 million by premium, while policy count was up nearly 20%, Fanning said.

The retirement-savings and income products known as stock market-linked variable annuities are a different situation for MassMutual, however.

Last summer, Roger W. Crandall, who took the helm as chief executive officer of the 158-year-old mutual life insurer on Jan. 1, told BestWire the company stopped selling all of its variable annuities with "living benefit" riders, specifically, the guaranteed minimum income benefit and guaranteed minimum withdrawal benefit, in early 2009 due to the costs to hedge against their risks. Fanning said MassMutual thinks annuities, and people's need to accumulate assets and distribute those assets over their lifetime "is and will continue to be an important market" for the company.

MassMutual continues to have a presence in variable annuities, he said. As for fixed annuities, the company has seen an uptick in sales and in particular for single-premium immediate annuities, Fanning said.

— Fran Matso Lysiak



For more, see video interview with Michael Fanning at <http://www.ambest.com/conversations>.

Whole life insurance (WL-2007 and WL-NC-2007 in NC) is issued by MassMutual, Springfield, MA 01111.

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