

Franklin Madison Insuring Success

How Financial Institutions Can Meet
Consumer **Demand for Insurance**





Contents

The Timing: Why Now?	3
The Foundation: Data and Predictive Analytics	12
The Execution: Best Practices for Success	18
The Secret Weapon: 3 Keys to Selecting the Right Partner	22
The Future: Looking Ahead at the Intersection of Banking and Insurance	27
The End: Bringing it Together	31
About Franklin Madison	32

Chapter 1

The Timing: Why Now?

You may be asking yourself, why should my bank or credit union offer insurance? And why now?


Banks and credit unions have long provided security, stability, and liquidity to customers and members. You help consumers improve their financial well-being. Your customers and members trust you and believe you are looking out for them.

But there's been something missing from banks' and credit unions' value proposition: **Protection.**

Serious illness, job loss, or even death are topics that most of us would prefer not to think about—but true financial health includes considering the “what-ifs” and taking steps to protect yourself and loved ones with insurance to cover the unexpected.

By offering insurance, banks and credit unions can help customers and members fill in these financial health gaps. And guess what? They would gladly purchase insurance from you, their trusted financial institution.





However, this is not a case of “build it and they will come.” Simply adding insurance to your list of products and services or sending out some emails announcing your insurance offerings will likely result in less-than-impressive response rates. Without a more proactive approach, you will be less likely to reap the benefits of providing insurance, such as increased customer and member loyalty, a rise in non-interest income, and a stronger brand.

A combination of factors makes offering insurance more compelling than it ever has been before. This report examines the untapped insurance opportunity for banks and credit unions, the benefits of offering insurance, resources needed, and best practices for success. It also dispels some common insurance myths, such as that only married consumers want life insurance and that consumers are only interested in buying insurance online.

There’s never been a better time to offer insurance. And if you are already offering insurance, now is a perfect time to enhance your offering and drive stronger results.



Why Now?

Consumers Want Insurance

Insurance is having a moment. Pin it on the pandemic, changing consumer preferences, and consumer recognition that protection plays a critical role in financial wellness, but insurance is top of mind for many of your customers and members.

COVID-19: A Mortality Wake-Up Call

The pandemic's job losses and economic upheaval had many people taking a more detailed look at their financial situation and their own longevity. Applications for life insurance in November 2021 were up **4.3%** from November 2020 and up **7.9%** over 2019, according to MIB Group's Life Index.¹

LIMRA also found an increase in consumers' interest in life insurance, partly driven by the pandemic. **One in five** consumers who purchased life insurance cited COVID-19 as a driver and **31%** said they were more likely to purchase coverage in the future due to the pandemic. Of those who tested positive for COVID-19, **42%** said they are likely to buy insurance.²

While interest in life insurance products increased across all demographics, 18-25-year-olds were the most likely to seek information about life insurance in 2020.³ Other groups more likely to buy life insurance due to COVID-19 are African Americans and Hispanic Americans.⁴

Economic

Life insurance applications increased due to job losses and economic upheaval

Increase in applications over the past year:
2020-2021



Increase in applications during the pandemic:
2019-2021



Health

Interest in life insurance increased, partly due to the COVID-19 pandemic

Purchased life insurance and cited COVID-19 as a driver



More likely to purchase life insurance in the future due to the pandemic



Tested positive for COVID-19 and more likely to buy life insurance in the future



¹ <https://www.mibgroup.com/resources/life-index-reports/us-life-insurance-activity-returns-to-growth-yoy-in-november/>

² <https://www.limra.com/en/newsroom/industry-trends/2021/covid-19-highlights-the-important-role-life-insurance-plays-in-financial-security/>

³ <https://www.pymnts.com/wp-content/uploads/2021/04/Life-Insurance-Engagement-Report-April-2021.pdf>

⁴ <https://www.limra.com/en/newsroom/industry-trends/2021/covid-19-highlights-the-important-role-life-insurance-plays-in-financial-security/>

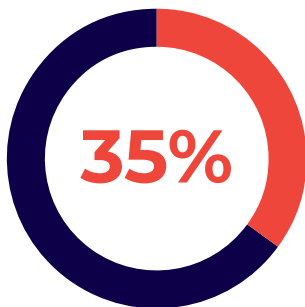


Changing Consumer Preferences: Digital with a Twist

Sure, consumers are becoming increasingly digitally comfortable, buying everything from furniture to clothing to groceries online. But insurance remains a highly personal experience. The products can be complex, and consumers want to feel confident that they are selecting the right coverage. They want to buy insurance from someone that they trust is looking out for their best interests.

For most people, buying insurance is a big deal. It's a critical component of their long-term financial plan and they want to get it right.

Consumers are likely to start their research online, perhaps educating themselves on different coverage types and options, and comparing rates. However, when it comes time to complete the purchase, most consumers prefer to discuss the purchase with a live person either face-to-face or on the telephone.



But then again, **more than one-third** of consumers will skip the digital research and would rather learn about insurance through in-person consultations.⁵

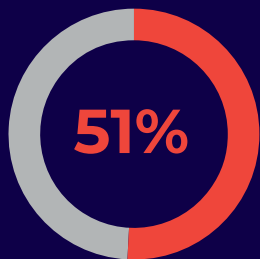
⁵ <https://www.pymnts.com/wp-content/uploads/2021/04/Life-Insurance-Engagement-Report-April-2021.pdf>

A Renewed Focus on Financial Wellness

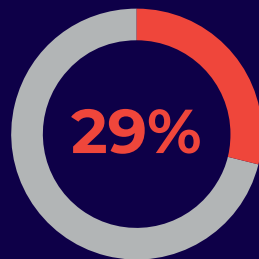
Financial wellness is becoming a preoccupation of many consumers. “Americans are becoming more aware of how **planning for the future is important for their overall financial health**, including the role insurance can play. They are aware that insurance can help fill a major financial gap should something unexpected happen,” notes Sarah Parker, former Senior Director, Financial Health Network.

There’s a real need for insurance, regardless of whether a consumer has access to a health care plan.

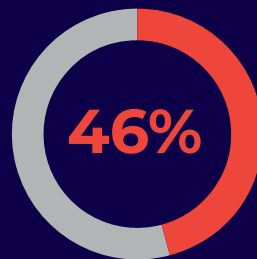
The Kaiser Family Foundation’s statistics about how **health care costs impact financial wellness** are telling:⁶



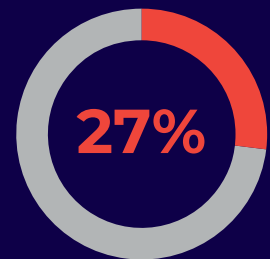
of U.S. adults have put off or skipped health or dental care



do not take medicines as prescribed



of insured adults have difficulty affording out-of-pocket costs



report difficulty affording their deductible

First Tech Credit Union believes that its insurance offerings are a competitive differentiator because it goes to great pains to educate members on how insurance is a critical piece of their financial plan, explains Eric Mitchell, Vice President at First Tech Insurance, a subsidiary of the credit union.

⁶ <https://www.kff.org/health-costs/issue-brief/americans-challenges-with-health-care-costs/>

Why Me?

The Untapped Opportunity

Insurance is a significant **market opportunity** for financial institutions.

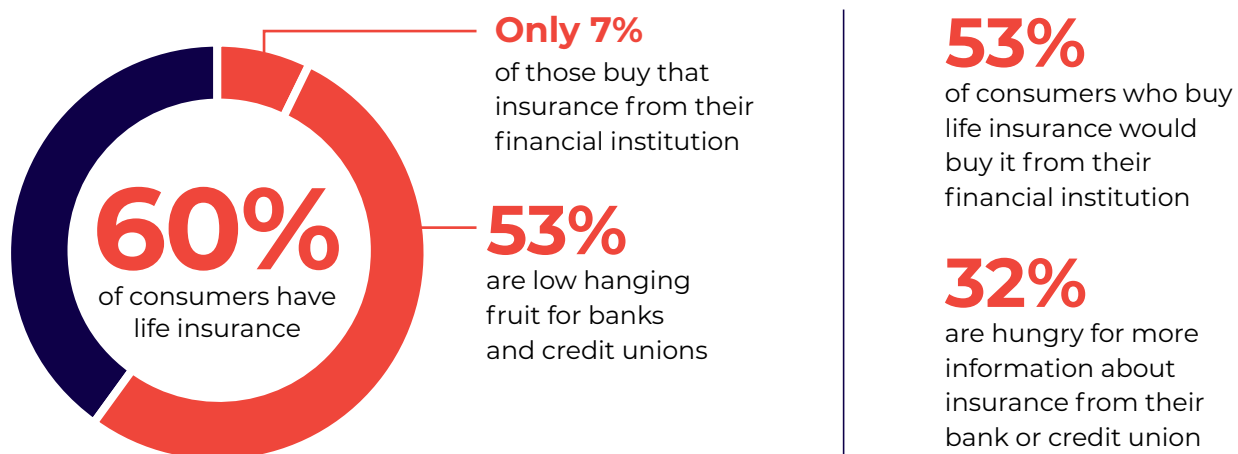
According to PYMTS research, **60%** of consumers have life insurance, but **only 7%** of those buy that insurance from their financial institution. That means **53%** are low hanging fruit for banks and credit unions. The research also found that **53%** of consumers who buy life insurance would buy from it from their financial institution—if they knew the institution offered it.⁷

Significantly, **37%** of consumers didn't know that their financial institution even offered insurance and **32%** are hungry for more information about insurance from their bank or credit union.⁸ Interestingly, it is high income respondents (**41%**) and not the lowest income bracket (**32%**) who don't know that their financial institution offers life insurance.⁹

Those banks and credit unions that don't provide insurance lose an opportunity to **deepen customer relationships** and **increase retention**.

There's also an opportunity to engage younger consumers and new audiences, even those who have never set foot in a branch. Consumers most likely to seek insurance from their bank or credit skew younger.¹⁰

There's also a huge opportunity to reach customers and members who perhaps only have a checking account.



⁷⁻¹⁰ <https://www.pymnts.com/wp-content/uploads/2021/04/Life-Insurance-Engagement-Report-April-2021.pdf>

Statistics that **dispel the myths** that the customers and members most receptive to insurance are high income, married, and have 2.4 children:

Most likely to buy insurance from a bank or credit union

25% Financially secure



48% Underbanked



Have recently bought insurance:

53% Financially secure



63% Underbanked



Place more value on insurance:

49% Married



59% Single



Seal the Deal:

What's the Bottom Line Benefits?

Offering insurance provides many benefits, but here are three of the most compelling:

1. Insurance Brings in Non-Interest Revenue

For banks and credit unions, insurance is a **recurring revenue stream** that provides stability since the customer or member tends to keep the policy for a number of years. Even better, this revenue is in the form of non-interest income, which is attractive to banks and credit unions squeezed by low interest rates. Consumers and consumer advocates are less likely to have an issue with non-fee income that isn't tied to overdraft or other fees.

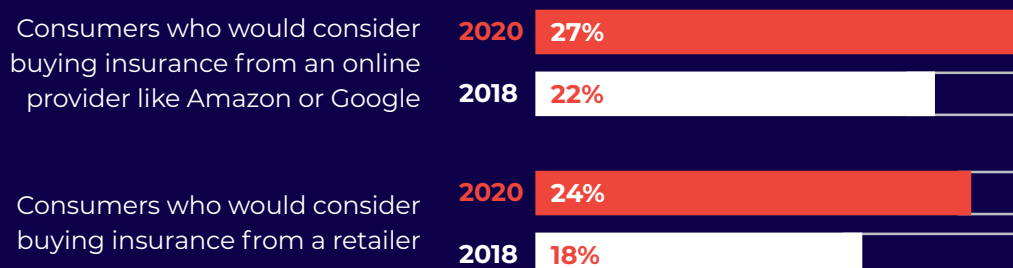
2. You Retain Share of Wallet

The looming threat from tech firms such as Amazon or Google, or from insurance technology startup firms, leaves banks and credit unions in a quandary: How to keep customer and member relationships strong when digital native firms are chipping away at your position as primary financial providers?

It's a real threat. Consumers are increasingly open to considering alternative providers for financial products, including insurance. According to Accenture, **27%** of consumers would consider buying insurance from an online service provider like Amazon or Google, up from **22%** in 2018, and **24%** would consider buying insurance from a retailer, up from **18%** in 2018.¹¹

¹¹ https://images.info.accenture.com/Web/ACCENTURE/%7Be0c2a257-c7b1-491e-8bfd-e51aa0980199%7D_Accenture-Insurance-Consumer-Study-2021.pdf?elqcsst=272&elqcsid=247

Insurance Consumers Go Shopping



Adding to that threat is that **14%** of consumers are considering changing their primary financial institution within six months, reports PWC.¹²

First Tech Federal Credit Union believes that financial institutions underestimate just how powerful a competitive tool insurance is. “We can demonstrate that members that have insurance with us have more loan and deposit products. Insurance is a defense from our competition to **retain member share** of wallet and **makes our brand stronger**,” says Mitchell.

3. Supporting Financial Health is Good for Business

Financial well-being is having financial security and financial freedom of choice in the present and in the future. But financial well-being is currently out of the reach of many.

More than half (**57%**) of Americans are suffering financially, finds the Center for Financial Services Innovation (CFSI).¹³ More than one-third (**38%**) of consumers who work full-time have **less than \$1,000 saved** to deal with unexpected expenses.¹⁴ These consumers lack the resources to tackle life’s inevitable financial challenges.

Insurance is an important component of consumers’ financial health and well-being and provides a critical financial cushion in the event of an emergency or negative life event such as death of a primary breadwinner or a serious medical emergency. Consumers get it: **More than two-thirds** define financial wellness as having insurance.¹⁵

And those consumers who feel that their bank or credit union supports their financial well-being are much more likely to be happy with their institution, refer friends and family, and be open to cross-sales.

Financial Health Network¹⁶ found that these customers and members are:

- **3x** as likely to be “very satisfied”
- **3x** more likely to recommend their financial institution to others
- **2x** more likely to continue their relationship over the next five years
- **5x** more likely to report interest in purchasing additional products and services beyond core checking and savings products

The timing to offer insurance has never been better. The next step is to build a strong foundation based on data and analytics.

¹² <https://www.pwc.com/us/en/industries/banking-capital-markets/library/consumer-banking-survey.html>

¹³ <https://s3.amazonaws.com/cfsi-innovation-files/wp-content/uploads/2017/01/24183123/Understanding-and-Improving-Consumer-Financial-Health-in-America.pdf>

¹⁴ <https://www.pwc.com/us/en/services/consulting/workforce-of-the-future/library/financial-well-being-retirement-survey.html>

¹⁵ <https://www.pymnts.com/wp-content/uploads/2021/04/Life-Insurance-Engagement-Report-April-2021.pdf>

¹⁶ https://fhn-finhealthnetwork-assets.s3.amazonaws.com/uploads/2021/10/2021_Pulse_Trends_Report.pdf

Chapter 2

The Foundation: Data and Predictive Analytics

Connection. Engagement. Personalization.
What do all three items on any bank or credit
union wish list have in common?

Data.

Consumers expect their financial institution to anticipate their needs and make relevant product recommendations that improve their financial well-being. They want to feel understood. They want customized solutions.





Consumers want to feel understood. They want customized solutions.

The good news is that you've already got a large chunk of the data you need to meet these consumer expectations. There's last contact information in your CRM system, transaction history in your core system, login data from your online and mobile app, the list goes on. Unfortunately, many financial institutions just don't realize they are sitting on a **treasure trove of data**. Even if they do, they don't know how to make sense of it to create high-performing marketing campaigns.

You know how your customers or members prefer to interact with you. You know what products they like to buy and what retailers they like to buy from. You know from their previous interactions with you what they are asking about and what's top of mind.

Customer and member data is arguably the most valuable tool in successful insurance sales—if you know how to put it to best use. You'll also need to augment your internal data with third-party data and public data sources, but combining this external data with data that may be siloed throughout your institution is challenging and time-consuming.

“Big data is almost worthless if you can't interpret and apply it to increase engagement and sales.”

– Sally Dickter Senior Vice President of Marketing at Franklin Madison

The abundance of data is often overwhelming, says Sally Dickter, Senior Vice President of Marketing at Franklin Madison. “Big data is almost worthless if you can't interpret and apply it to increase engagement and sales.”

The key is to know where to look. Instead of simply guessing where a lost piece of jewelry may be hidden in the sand, get out the metal detector. “We start with a large file but look at the most important attributes based on the knowledge, intuition, and insights of our data scientists,” explains Dickter.

A partner that has the technology acumen and expertise to prioritize data can mean the difference between a successful insurance marketing campaign with significant ROI and a campaign that never gets off the ground or has lukewarm response at best. **That's where a partner like Franklin Madison excels.**

“Franklin Madison enriches the data with a variety of data sources, including consumer behavior and financial preferences. **It’s critical to incorporate this external data**, since financial institutions have access to only a sliver of what’s happening in their customers’ and members’ lives.”

– **Robert Dudacek** CEO at Franklin Madison



It Starts With **Your Data**

Financial institutions supply an extract of customer or member data to Franklin Madison. All data is encrypted with unique numeric identifiers to protect customer and member privacy. Strict firewalls are in place. Although the learnings are shared, the data remains separate and secured. “Aggregating campaign results to look for characteristics of response makes big data actionable,” says Dickter.

It’s then that the magic happens. Simply put, “We apply our learnings to bank and credit union data,” explains Dickter. Franklin Madison enriches the data with a variety of data sources, including consumer behavior and financial preferences. It’s critical to incorporate this external data, since financial institutions have access to only a sliver of what’s happening in their customers’ and members’ lives, explains Franklin Madison CEO Robert Dudacek.

For instance, Franklin Madison partners with a data expert to look at demographics, interests, lifestyle, credit history, financial standing, and more to identify the most responsive potential buyers. Does a consumer subscribe to digital publications? Do they frequently use social media? Equipped with answers to an array of questions, Franklin Madison identifies suitable products and creates the optimal marketing mix based not only on **responsiveness** but also on **profitability**.

Translating Data into Campaign Success

The key to a successful campaign is to use data to present relevant **solutions** to the target audience in a way that will drive them to action. Franklin Madison accomplishes this by taking anonymized data from the bank or credit union, building profile models using artificial intelligence and other tools, and refining those models based on actual results, explains Dickter.

Data scientists interpret the data, bringing not only their experience in data analytics but their experience in marketing to each engagement. “We have a proprietary database built over five decades of testing that identifies which characteristics will be the most responsive,” says Dickter. “This testing history validates the type of outreach and what triggers will spur the customer or member to take action.”

For instance, a financial institution’s most “active” customers or members may not be most responsive. Without data analytics, it’s easy to become distracted trying to play to this segment. Wait until the data proves that this segment is the right priority.

As Bill Fryer, Senior Vice President, Manager of Insurance Services, First Citizens Bank notes, “Your best bank customer may not make a great insurance customer. It’s key to understand the difference.”





Using All Channels **Informed by Data**

Franklin Madison uses a variety of channels to reach out to customers and members, with data driving the decision. Someone who tends to respond to direct mail will continue to receive direct mail, while someone who is more responsive to digital outreach will receive emails.

Direct mail can be incredibly effective—but it's also more expensive than digital marketing channels. Perhaps those customers and members who would be less profitable will only receive digital outreach or a single direct mail piece followed up by digital communication. A more potentially profitable prospect may receive multiple direct mail pieces.

Some customers and members will see an advertisement for insurance on their social media feed because they opened the email or visited your website but did not actually complete the application. Marketing also can take a more passive approach, with links to blogs on your website that educate customers and members about insurance and its role in their financial lives.

Customers and members can also receive different insurance offerings based their responsiveness. A customer offered accidental death and dismemberment (AD&D) insurance in December may receive an offer for life insurance in June.

It's not just the responders who provide insights—those who don't respond are just as important in determining what works best. The Franklin Madison data team analyzes what they could do to **convert the non-responders**, whether that is an additional touchpoint or a different product, explains Dickter.

Even brick-and-mortar branches have a role, particularly when it comes to more complex products such as life insurance. “While digital has become a primary channel for consumers to initiate their insurance buying process or even purchase more simple policies such as auto or renters’ insurance, digital sales for complicated policies are still a fraction of financial institution insurance sales,” says Andrea Heger, Senior Vice President, Client Success at Franklin Madison.

“Consumers research online and perhaps even start the application, but they won’t hit the purchase button until they’ve spoken to someone,” she explains. They want to talk to a trusted expert, which is where banks and credit unions can excel since they already have a **high level of trust** with their customers and members.”

In insurance marketing, patience is a definite virtue. No one wants to be bombarded with offers. And banks and credit unions need to protect their brand. Instead, and again based on aggregated campaign results, Franklin Madison creates a marketing calendar for outreach that straddles that delicate balance between too many touchpoints and too few.

Although there’s no secret sauce and campaign strategies are based on a variety of factors, Franklin Madison has found that, in general, the best cadence is to send direct mail every three months followed by a targeted email 20 days later.

“It’s a never-ending learning experience based on real data and real results,” says Dickter.

Digital...and Analog?

Both digital and analog have a place in your marketing toolbox. Yes, direct mail costs more, takes longer to reach the consumer, and is harder to track. Direct mail also boosts brand recall and response rates and gets consumers’ attention. Not to mention that all your customers or members are reachable through the U.S. postal service.

Here’s how digital and analog can work together. If you send a direct mail piece and then follow up with an email using a subject line related to the direct mail piece, you’ve triggered your customer’s or member’s memory and hopefully encouraged them to take another look.

“Companies need to find ways to make the smartest marketing investment possible. In our experience, direct mail is one of these smart investments and, over the next several years, will only get more effective at reaching and converting customers of all ages,” says Franklin Madison CEO Dudacek.

Direct mail materials should be concise and get right to the point, so they don’t get tossed into the recycle bin.

Chapter 3

Execution: Best Practices for Success

With a strong foundation of data and predictive analytics, and a vision of what you want to accomplish, you can now build out a well-informed marketing campaign based on customer and member needs. Answer questions such as: Where does insurance fit in our financial institution? Who are our customers or members? What's our acquisition strategy? How do we bring on new customers or members?

When in doubt, turn to the data and an insurance marketing expert to plan your overall strategy and tactics.

There's no one-size-fits-all approach to offering insurance, but here are some best practices that can drive success, offered by banks and credit unions that are exceeding their own expectations.





First Citizens Bank: A Sincere Desire to Help

First Citizens Bank, headquartered in Raleigh, N.C., has \$111 billion in assets, and offers a range of life insurance products as well as auto, personal and commercial property and casualty, AD&D, recuperative care, and pet insurance through their insurance agency.

The bank considers insurance as a core financial need to **protect its customers** and **deepen the brand**, says Bill Fryer, Senior Vice President, Senior Director Insurance Services. “Insurance supports all our other products, including checking, savings, mortgage, and lending products in general,” he notes. “Being able to meet so many of our customers’ financial needs gives us a definite advantage in the marketplace. The more products and services they have with us, the stickier they will be.”

“We are a trusted place for all financial products in a customers’ life.”

– **Bill Fryer** Senior Vice President, Senior Director Insurance Services

What makes First Citizens stand out, Fryer believes, is that the bank has cultivated a strong team with a sincere desire to be accessible to customers. The bank also benefits from strong internal leadership and support.

Fryer agrees that its direct mail response rates are impressive. A direct mail piece with a link to a website with educational information instills confidence in customers’ purchase decisions. Some will complete the purchase online, but many want to speak to a live person.



First Tech Federal Credit Union: A Financial Partner for Life

Headquartered in San Jose, Calif., First Tech Federal Credit Union is a \$14 billion institution with about 680,000 members who work for the world's leading technology-oriented companies. The credit union offers full service insurance, including AD&D, recuperative care, life, auto, pet, and commercial insurance for small businesses.

“We approach insurance from an educational perspective,” explains Eric Mitchell, Vice President at First Tech Insurance Services, a subsidiary of the credit union. Many consumers misunderstand the role that insurance plays in their lives. Insurance is a way to transfer risk. When you buy insurance, you need to understand exactly what coverage you are buying—and what you are not buying. We engage in conversations with our members and do our best to make sure they are properly insured, he explains.

“We approach insurance from an educational perspective. Many consumers misunderstand the role that insurance plays in their lives.”

– Eric Mitchell Vice President at First Tech Insurance Services

First Tech Federal Credit Union is successful at identifying members' needs and matching them with the right policy. “We receive few complaints about claims,” says Mitchell. “Our members don't have to access their savings or liquidate investments to cover losses, because they had the appropriate levels of insurance in the first place.”

Mitchell adds, “Our success is heavily reliant on our people. We have a team of professionals who strongly believe in the value of insurance and aren't afraid to talk to members about it, even though it can sometimes be a difficult conversation.”

Embrace the Power of **Your Brand**

What both of these financial institutions have in common is that they use insurance to support their brand. Indeed, the banks and credit unions that are most successful at insurance are the ones that lean heavily into their brand and do a great job of bringing that brand forward, explains Franklin Madison's Heger.

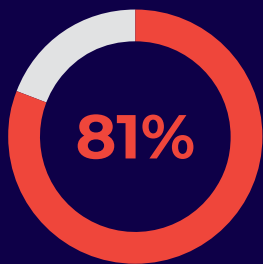
These three institutions also demonstrate that omni-channel marketing and multiple touchpoints work. Customers and members are probably not ready to make an insurance decision the first time they learn you offer it. You have to cultivate the idea that you are their financial shopping center for all their needs, whether buying a home, saving for retirement, building credit, or protecting assets.

Did You Know? **Insurance for Your Furry Friends is on the Rise**

It's still a niche product, but almost 3.45 million pets were insured in North America at the end of 2020. Pet insurance has been increasing at an average **annual growth rate of 23.4%** over the past five years.¹⁷

Consumers **Don't Know** What They Don't Know

Many customers and members have misconceptions about insurance—especially price. A bit of education on the realistic costs of insurance could go a long way in their decision-making process.



More than eight in ten (**81%**) think that insurance is too expensive, **but they grossly overestimate the cost** by 3x or more. **44%** of Millennials thought the cost of a 20 year, \$250,000 level term life insurance policy for a healthy 30-year-old was more than \$1,000 a year when it's closer to \$160.¹⁸

¹⁷ <https://www.pymnts.com/wp-content/uploads/2021/04/Life-Insurance-Engagement-Report-April-2021.pdf>


¹⁸ <https://lifehappens.org/research/life-insurance-is-on-peoples-minds/>

Chapter 4

The Secret Weapon: 3 Keys to Selecting the Right Partner

Many banking and credit union executives have hesitated to attempt to offer insurance either because they don't understand the quantitative and qualitative benefits, they don't have the resources or bandwidth, or they just don't know where to begin. And it's not unusual to find executives who have tried offering insurance, but quit in frustration because their approach yielded poor results.





What could have gone wrong for those who tried but gave up? Here are a few likely reasons that a bank or credit union's insurance offerings could fall flat:

- The website description of the products was overly complex, and messaging was cloudy.
- The financial institution bought into the myth that analog marketing is dead.
- They sent the exact same product offer in the exact same way to every member.
- They tried to go it alone.

And here's some best practices that could have turned that failure around:

- Create messaging that is simple and straightforward.
- Use data and predictive analytics to offer members only products that fit their unique needs in the channels they are most likely to respond to.
- Make sure the credit union brand—not the insurance carrier's—is front and center.
- Deploy a multipronged outreach approach that includes (gasp!) direct mail.
- Pick the right partner.

Insurance may not be the reason your customers and members bank with you, but it's clearly an important component of their financial security. And if it's an important product to them, it should be an important product to you. You won't want to wing it but to have a marketing engine driven by data, not intuition.



Here's what the right partner **looks like**:

1. They Let You to Have it Your Way

Some financial institutions prefer to handle the distribution of insurance marketing materials internally. Others prefer a holistic insurance solution that encompasses everything, including strategic planning, customer and member segmentation, creative design and development, distribution, and results tracking. **And those preferences can change over time.**

A partner should offer flexible options that meet the needs of financial institutions from the largest down to the smallest. But no matter how hands-on or hands-off you want the engagement to be, you should always have **full control** of the branding, messaging, and marketing to ensure that it is consistent with your philosophies and culture, advises Franklin Madison's Heger.



2. Their Only Business is Helping Banks and Credit Unions Sell Insurance

The intersection of financial services and insurance has many moving parts—and a slew of compliance requirements. Insurance, like banking, is heavily regulated, and you'll want to work with a provider that has deep expertise in the regulatory environment as well as marketing and privacy laws and consumer guidelines.

For instance, Franklin Madison uses unique numerical identifiers to encrypt all personal data it receives from the bank or credit union. This gives financial institutions **peace of mind** that they are taking steps to protect any personally identifiable consumer data they share.

While you can contract directly with an insurance carrier to offer insurance products, remember that insurers invest heavily in their core business: products and claims. Instead, Franklin Madison leverages its investments in marketing, data analytics, and creative messaging, says Heger.

“Our goal is to help all financial institutions bring insurance to their customers and members in whatever way works best for them.”

– **Andrea Heger** Senior Vice President, Client Success at Franklin Madison

“Not only has Franklin Madison invested in finding the best carriers and products for our banks and credit unions, but we've invested in a sophisticated data analytics platform to target the right customers and members and drive engagement,” she says.

“Our goal is to help all financial institutions bring insurance to their customers and members in whatever way works best for them,” explains Heger. Mitchell with First Tech Federal Credit Union agrees: “Franklin Madison works with us to make sure our marketing collateral reflects our brand and our members.”

3. They Have a Great Track Record Working with Banks and Credit Unions

One final consideration: can your potential partner put their money where their mouth is? Have they been successful executing insurance marketing campaigns that demonstrate results?

Ask how putting the right product to the right consumer at the right time drives results. One financial institution Franklin Madison worked with increased its AD&D annual billable premium by **64%** in about five years. Another increased this premium by **68%** in less than three years. Yet another financial institution increased it by **103%** in only two years, and its most recent AD&D marketing campaign grew the annual billable premium by almost **\$800,000**.

After two years of consistent marketing efforts by Franklin Madison, another financial institution has grown its total annual billable premium across AD&D, hospital accident plan (HAP), and recuperative care products to more than **\$2.5 million**.

A credit union experienced a **118%** increase in AD&D annual billable premium in about the same amount of time. The credit union's strong brand and Franklin Madison's creative design and marketing resulted in more than **21,000** coverage enrollments across AD&D, HAP, and Recuperative Care products.

Mitchell with First Tech Federal Credit Union, says, "I think that sometimes the term 'partner' is thrown around loosely, but we do believe we have a **strong partnership** with Franklin Madison. They are certainly a marketing powerhouse, but they work with us to make sure that our marketing collateral reflects who we are as a brand. There's give and take on both sides."

Comprehensive
Insurance Products
from Franklin Madison

- Accidental Death & Dismemberment
- Hospital Accident
- Recuperative Care
- Life
- Pet
- Auto
- Critical Illness

Chapter 5

The Future: Looking Ahead at the Intersection of Banking and Insurance

During his more than 25 years of experience in managing insurance marketing, Robert Dudacek, Franklin Madison's CEO, has worked with numerous financial institutions, bank agencies, and third-party providers to deliver innovative, relevant, and successful insurance solutions to customers.

Dudacek shared his insights about how insurance fits into banks' and credit unions' business models, what a partner can provide, and how insurance will continue to evolve.





Why should banks and credit unions **offer insurance?**

Dudacek: There's a perception that insurance isn't important or isn't a core banking product. But insurance is really a key part of the **foundation** of any financial, health, and wellness discussion.

Banks and credit unions are **trusted advisers**, so it's only natural to provide insurance as well. If you don't offer it to your customers and members, someone else will.

One advantage of offering insurance is that it contributes to non-interest income without requiring a big capital outlay to build out the program. And while these revenues are important, the close relationships and affinity you develop are priceless. When you help customers or members with their overall financial wellness, they will look to you for their next product, whether it's a car loan or mortgage.

Consumers not only want insurance, but they want it from their bank or credit union.



What are the top reasons banks and credit unions **partner with Franklin Madison?**

Dudacek: Franklin Madison handles everything from selecting carriers, acquiring products, and managing marketing and administration. When working with a **trusted partner** such as Franklin Madison, banks and credit unions dedicate only a modest amount of resources to their insurance program relative to earnings.


Franklin Madison also works with multiple carriers and offer multiple products. We work across both digital and analog channels. We use simple language to explain complex insurance products. We use data to inform every decision about what to market, when to market, and who to market to and how best to provide service once a consumer has purchased a policy. Our goal is to ensure that every marketing piece is relevant. Our marketing results reflect that attention to detail.



Is there a chance of **disintermediation**?

Dudacek: Franklin Madison is not consumer-facing. Instead, we work with banks and credit unions to leverage their **most powerful asset**: the brand and affinity they have built with their customers and members.

We feel an awesome responsibility with every process, every product, and every communication. We would never want to disrupt the good relationship between the institution and its customers or members.



What advice would you give to banks and credit unions **trying to move away from a product-centric approach to insurance to a more behavioral-based approach**?

Dudacek: Any product cross-sell, whether a car loan or a credit card or insurance, has to be relevant to the consumer. You can't just offer insurance and expect the consumer to sign up. You need ongoing engagement and discussion around insurance to make relevant offers when consumers will be most responsive.

Insurance can't just be a cross-sell. It has to be part of that conversation about your consumer's financial stability and financial risk management.

Banks and credit unions that only focus on deposits and loans as core products are **missing out** on the financial health and wellness aspect of the consumer's financial journey that shapes so much of what they need and want.

How will the sale of insurance evolve over the next five years?

Dudacek: Insurance is funny in that it hadn't changed in decades. But now there is a wave of innovation happening. The way consumers buy insurance has evolved. There's a lot more self-service than there ever was.

Insurtechs were innovative in launching digital channels for insurance. They **simplified** the application process and **accelerated** underwriting. Consumers can get an immediate quote rather than having to wait a week or more. They've improved the claims process so that claims are paid faster. That innovation is elevating the insurance industry across the board.

Insurtechs and carriers are also bringing new and interesting products to market. For example, pay as you go auto insurance calculates premiums based on how frequently and how far a consumer drives. One-day event insurance provides liability insurance for weddings, birthdays, or other big events.

It's been fun. We work with a number of wildly intelligent and innovative partners that build amazing consumer experiences and products. The hard part is getting the information out to consumers. You can build a great platform and fill it with great products and experiences, but consumers won't buy insurance if they don't know about it.



Chapter 6

The End: Bringing it Together

Whether spurred by a pandemic mortality wake-up call, a **deepening appreciation** of what true financial health encompasses, or the ability to research and purchase insurance online—or likely a combination of all three—consumers increasingly see insurance as a **must-have**. And many want to get insurance from you: their bank or credit union.

Offering insurance brings in non-interest revenue, increases your share of wallet, improves customer loyalty, and achieves your mission of helping customers and members meet their **financial wellness goals**. You've already got a big piece of the puzzle—consumer information about behaviors, transactions, and more—but likely aren't sure exactly what to do with that all that data to drive a successful insurance program.

That's where a partner like Franklin Madison excels. Franklin Madison leverages its **data expertise** to create marketing campaigns designed to present the right offer to the right consumer at the right time. Throwing an insurance campaign at the wall and seeing what sticks wastes time and resources and frustrates consumers who then infer that their trusted bank or credit union doesn't really “get them” at all.

A strategic campaign—informed by data and incorporating actual results—benefits your institutions and your consumers.



About

An industry pioneer with over 50 years of experience, Franklin Madison builds financial security for individuals and families by delivering industry-leading insurance products and marketing services through our brand partners. **We help generate increased loyalty and incremental revenue for more than 3,500 financial institutions.**

Franklin Madison's sister company, FM Engage, is a direct marketing agency that inspires and engages insurance customers in bold new ways that drive real results. Based in Franklin, Tennessee, Franklin Madison has approximately 200 employees.

For more information, visit franklin-madison.com

