

Case Study

SE2 Implements, Launches Variety of Annuities and Long-term Care Products in Record Time

Client

Life insurance company that offers a broad range of annuity products.

Client Offering

Launch and implementation of a wide array of new annuities and long-term care benefits products and third party administration of an open book of business.

Abstract

After acquiring the life insurance company several years ago to expand sales of its life and retirement products, the new parent company set out on an ambitious effort to stand up 10-plus life, annuities and long-term care benefits products simultaneously. SE2 implemented and launched all products in a short amount of time and with SE2's help, the insurer was fully prepared to sell products immediately, translating into explosive sales growth.

About the Client

The life insurance company is a wholly-owned subsidiary of a large financial group. The insurance organization is the parent company's issuer of annuities and life insurance.

Business Challenge

A large multiline insurer sold its variable annuity business and marketing to a smaller financial group, a deal that encompassed all new business capabilities. The acquisition broadened the insurer's annuity distribution platform to include the broker/dealer channel and also facilitated the addition of a new variable annuity product line.

Eighteen months later, an insurance/reinsurance company purchased the smaller insurer in an effort it hoped would expand sales of its life and retirement products and to establish a presence in the marketplace. The organization was challenged with building a multiple products, including variable, fixed, and indexed annuities as well as long-term care benefits. Complicating the massive product creation effort, the new insurance organization wanted to build out the new products simultaneously and within a very tight timeframe – and then be able to begin selling immediately.

The original multiline insurer had begun to lay off all its sales and distribution groups before it sold the company off. Complicating the situation was that the newly-forming insurer had to renew relationships with the big broker dealers that had deteriorated when the company was part of the original multiline insurer.

The new company had to demonstrate that it was an upstanding organization and that it valued its distributor relationships in order to win back the connections – and the company knew it needed to reach out for help.

SE2's Solution

SE2 already had a relationship and history of success with the acquired organization before it had been purchased by its new parent company. This insurer had initially reached out to SE2 to help implement and administer four variable annuity products. Within months, SE2 had stood up the new client, built out the new variable annuity products and began administering the block of business. Within the first month after launch, the insurance organization had already sold several hundred VA contracts, adding fixed index and indexed products within the following year.

The parent company also had been a client before the acquisition. When the parent company acquired the insurer, it seemed a natural progression to bring in SE2 to stand up additional products and bring them to market quickly and effectively.

“It was a unique experience because we started out with both companies as separate clients and had to merge them together,” says Eric Rea, President, SE2. “Both companies were in such different business lines and each presented with different challenges. And one company was acquiring blocks of business while the other was working to become more active in the new business.”

SE2 gave the new insurance organization a safe and reliable option to solve its complicated business problem – and an effective way to get its products up and administered in a fast timeframe. First, SE2 met with the new clients, introduced the firm to its capabilities and brought the clients in to see what SE2 does and what it's like to be a part of the company, giving the firm a real look at what would happen in its service centers and how various tools work.

SE2's process follows each step at the same time rather than a phased, waterfall approach. SE2 set up its platform to enable each individual component at the same time, reducing the window that it takes to complete each task, whether rolling out new products or doing a conversion. All of SE2's platforms and services can be implemented in parallel, which is faster, safer and less risky.

Results

In a very tight timeframe, SE2 stood up and rolled out a variety of fixed, indexed and variable annuities and long-term care benefits for the newly-formed company. And in addition, the organization then was fully prepared to sell products immediately, which translated into explosive sales growth.

As of July 31, 2016, the organization had amassed more than \$10 billion in assets under administration in these new product areas. The organization has issued tens of thousands of contracts in the first two quarters of this year.