

SPRINT #6 – SOCIAL DISTANCING & DISTRIBUTION

The current environment highlights operationally archaic business models, but this may provide impetus for positive industry change

Distribution process

Process step	Initial views & challenges raised to date
<pre> graph TD Prospecting --> Financial_planning[Financial planning] Financial_planning -.-> Prospecting Financial_planning --> Product_sale[Product sale] Product_sale -.-> Medical_underwriting[Medical underwriting] Medical_underwriting -.-> Product_sale Medical_underwriting --> Fulfillment_documents[Fulfillment / documents] Fulfillment_documents -.-> Product_sale Fulfillment_documents --> Servicing </pre>	<ul style="list-style-type: none"> Agents/branches are in survival mode, and not necessarily focused on pipeline "Finding prospective clients is nearly impossible"
	<ul style="list-style-type: none"> Retirement plan business for 403B plans relies on in-person interactions between teachers/school officials and financial advisors Clients/agents may not be comfortable with technology or have restricted ability (e.g., lack of internet access)
	<ul style="list-style-type: none"> There are varying impacts on ability to sell product, some are experiencing disruptions, others are steady but limited pipeline Swing away from VA business to Fixed index and buffered annuities
	<ul style="list-style-type: none"> In-person paramedic disruption, both on supply and demand sides Participants recognized the need to relax standards for underwriting, hold them off completely or identify creative digital underwriting solutions catered to risk-appetite
	<ul style="list-style-type: none"> Lack of comfort of some distributors going digital (e.g. electronic contract delivery, e-sign) <i>E-sign / docuSign regulations vary by state</i> <i>Moving from opt-in versus opt-out on e-delivery</i>
	<ul style="list-style-type: none"> Strain on call centers and mail mediations with shelter in place Lack of personal connection with clients <i>Managing antiquated state laws with wet-signature rules (e.g., Section 1035 exchange)</i>

Items in blue are regulatory considerations

Wholesaling

Initial views & challenges raised to date

- Shift away from traditional in-person client/advisor relationship and delivery, and disruption of the wholesalers' day-to-day work (e.g., increased information flow)
- Difficulty recruiting producers, new talent and prospective clients
- Impediments to obtaining and maintaining licenses, which may require on-site testing, and in-person finger-printing