CROSS-SELLING LIFE:
The Multi-Line Customer



MLEA (and other) companies are well positioned to deliver the trifecta: auto, home, and life insurance and they — like consumers — could potentially benefit from such a relationship. In addition to increased sales revenue, multi-product ownership is known to make customers "stickier" — more loyal and likely to recommend the company to others. But is there more to the story?

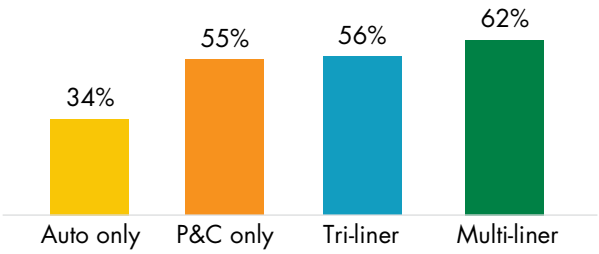
MULTI-LINE CUSTOMERS ARE LOYAL

Customers who own auto, home, and life insurance with the same carrier (multi-line customers) are more loyal and likely to recommend their company compared to those who have only auto insurance or auto and homeowner's insurance with the carrier.

Auto only	Owns only auto insurance
P&C only	Owns auto and home only with the same company
Tri-liner	Owns auto, home, and individual life insurance with *more* than one company
Multi-liner	Owns auto, home, and individual life insurance with the *same* company

How long have you been with your auto insurance company?

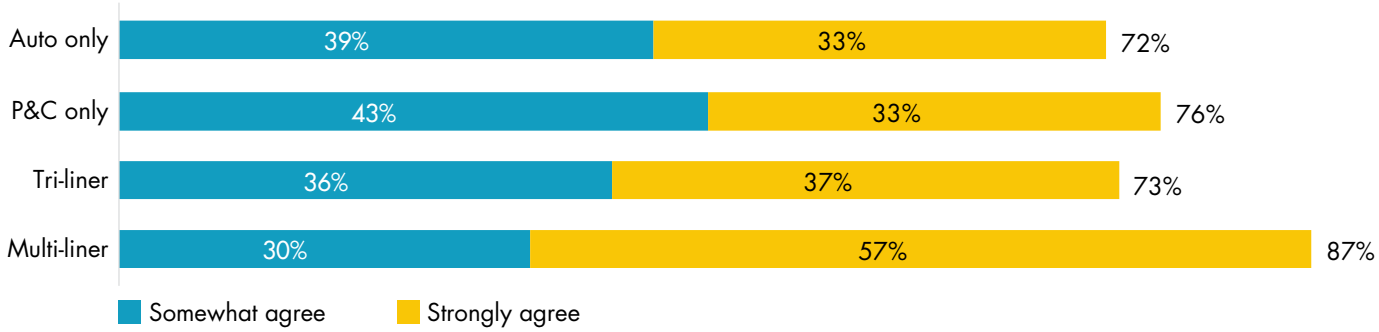
Percent "More Than 5 Years"



Differences tend to persist when controlling for the insured's age

"I am a loyal customer of my auto insurance company."

Percent and level of agreement with statement

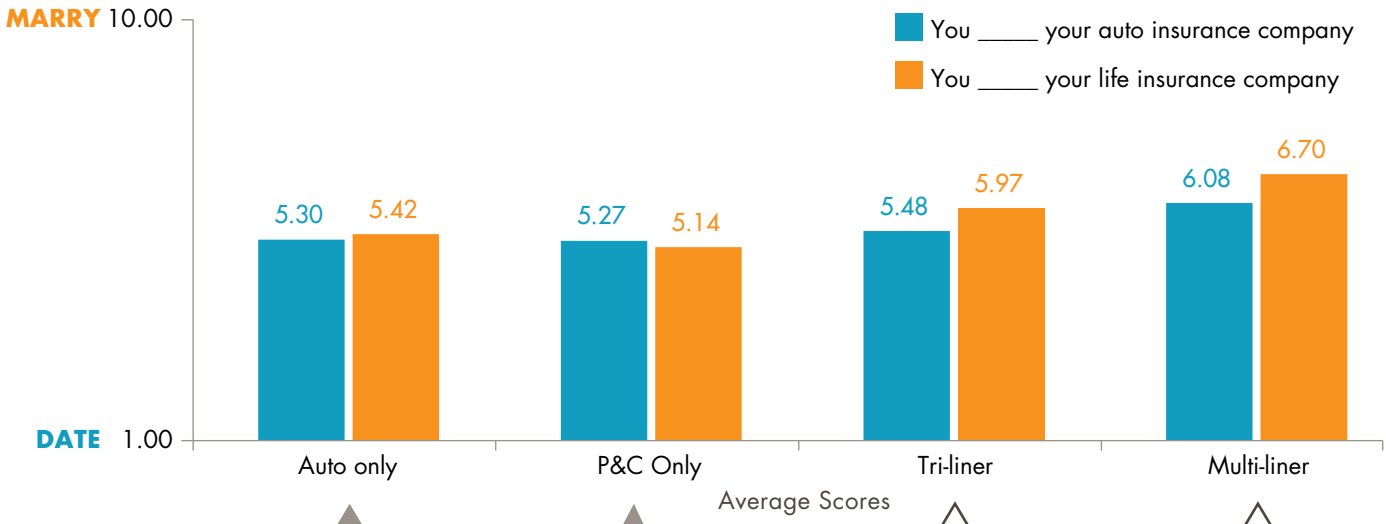


LIMRA LOMA
Navigate With Confidence

©2023, LL Global, Inc.

In general, the average multi-line customer is more likely than other auto insureds to believe in committing to an insurance company long-term, especially one's life insurance company. They view a relationship with an insurer as more of a marriage than a casual date. Therefore, it is understandable that they would consider purchasing life insurance from the same carrier, since they see it as a natural extension of their existing relationship.

DATE or MARRY?



People who don't have individual life insurance feel the most similarly about one's commitment to a life insurer compared to one's commitment to an auto insurer.

People who have individual life insurance with a company other than their auto carrier are less likely to believe in committing to insurers than multi-line customers. Both types of owners feel that life insurance requires a greater commitment to a carrier than auto insurance.

NPS



32	36	43	64
Auto only	P&C only	Tri-liner	Multi-liner

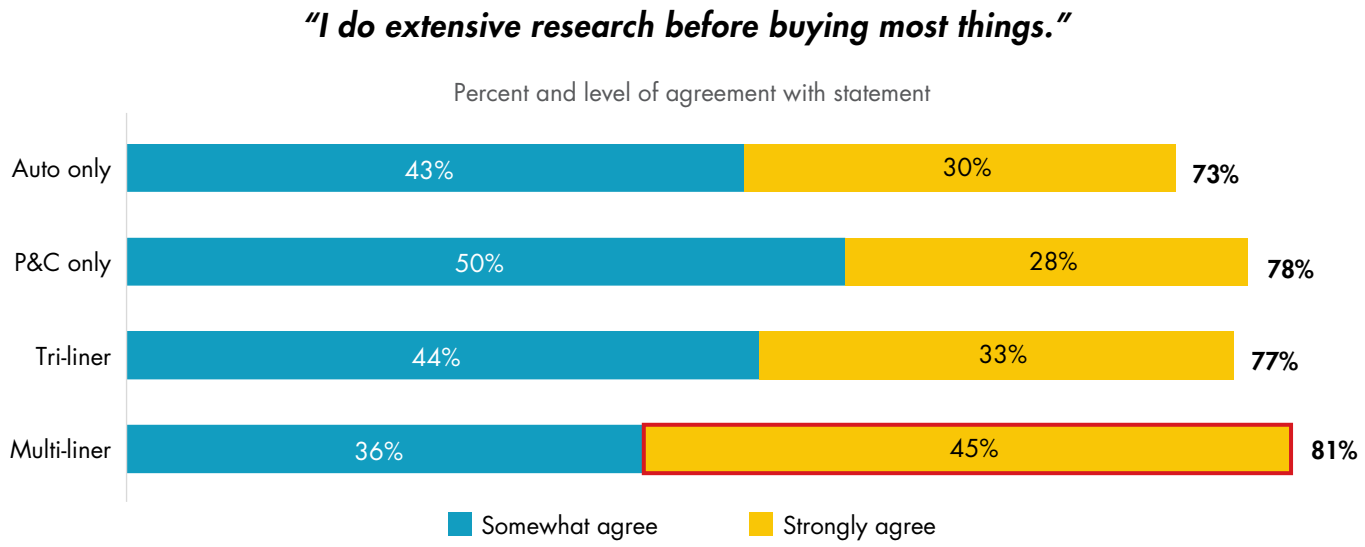
Net Promoter Score (NPS) is a measure of customer satisfaction and loyalty. Survey respondents were asked their likelihood to recommend their auto insurance company to a friend or family member on a scale of 0 to 10. Based on their responses, participants were categorized into three groups: Promoters (those who gave a score of 9 or 10), Passives (those who gave a score of 7 or 8), and Detractors (those who gave a score of 0 to 6). NPS is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

©2023, LL Global, Inc.

MULTI-LINE CUSTOMERS ARE UNIQUE

Multi-line customers are not just loyal *because* they own life insurance. Rather, they tend to have a "stickier" nature to begin with. Our study found that multi-line customers are different from their auto-only, P&C-only, and tri-liner counterparts in a number of ways.

Multi-line customers put in more effort when they chose their auto insurance carrier. They do extensive research before buying most things, and auto insurance was no different.

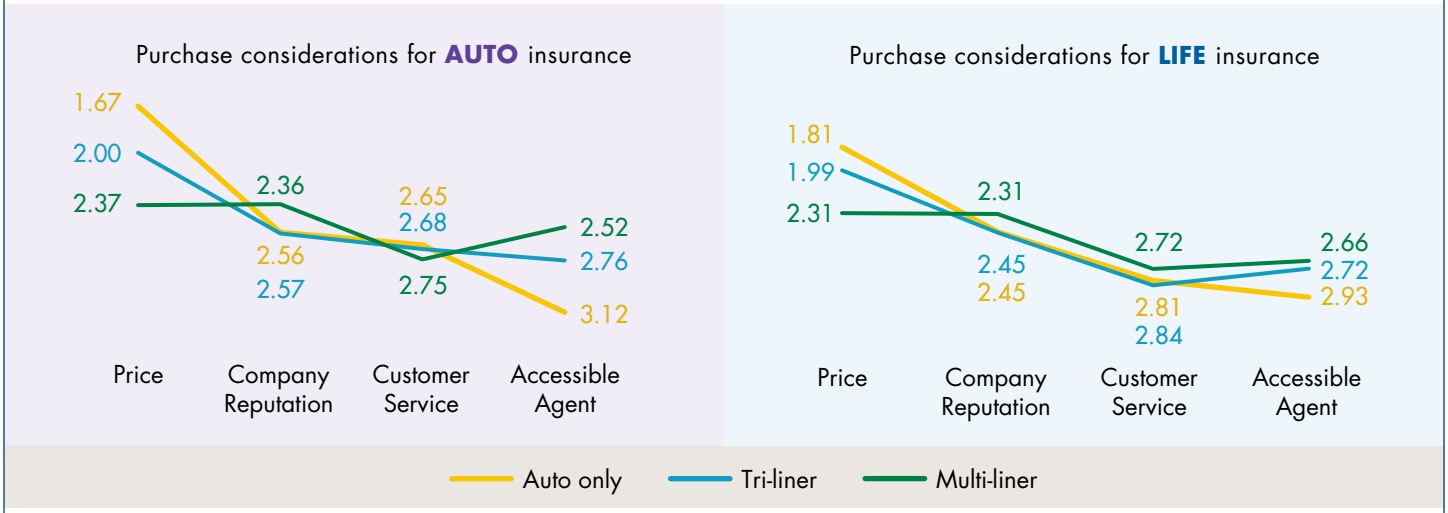


How Customers Shopped for Their Auto Insurance

	Auto only	P&C only	Tri-liner	Multi-liner
I spoke with friends and/or family members (non-financial professionals)	31%	36%	33%	44%
I searched for information online	45%	36%	38%	41%
I met in person with at least one financial professional	10%	14%	14%	29%
I called (or was called by) at least one financial professional (e.g., agent or advisor)	10%	12%	12%	27%
I used an online chat feature	10%	7%	7%	25%
I watched/listened to television/radio shows on the subject	7%	7%	8%	22%
I reviewed auto insurance information I received in the mail	12%	11%	13%	21%
I called (or was called by) at least one auto insurance company (e.g., a 1-800 number)	13%	13%	16%	21%
I emailed a financial professional for information	4%	5%	2%	19%
I emailed an insurance company for information	8%	8%	9%	18%
I read information in print newspapers, magazines, or books	5%	5%	8%	17%
I attended a seminar or meeting on auto insurance	3%	1%	1%	12%

©2023, LL Global, Inc.

Multi-line customers are much less likely to cite price as the top consideration for both auto and life insurance. They prioritize other factors such as the carrier's reputation and having an accessible agent.



Average rankings for theoretical purchases. Ranking of 1 to 4; 1 is most important.

Indeed, consumers who have life insurance with their auto carrier are less likely to say that price was a top reason they chose the company. Just 12 percent say price was the single most important reason they chose the company for auto coverage, compared to 30 percent of those who do not have life insurance with the carrier. A similar portion (just 13 percent) said price was the most important reason they chose the company for life insurance. These well-informed customers' top reasons are varied; and, in addition to price, include the company's reputation, the degree to which the product met their needs, the helpfulness of the agent, and, of course, the benefit of already having auto insurance with the company.

A majority of the multi-line customers in our study bought their auto insurance before (67 percent) or at the same time as their life insurance (19 percent). Few bought their life insurance first (14 percent).

Multi-line customers tend to be more independent and self-sufficient in their decision-making process, often relying on their own knowledge and research to make informed choices.

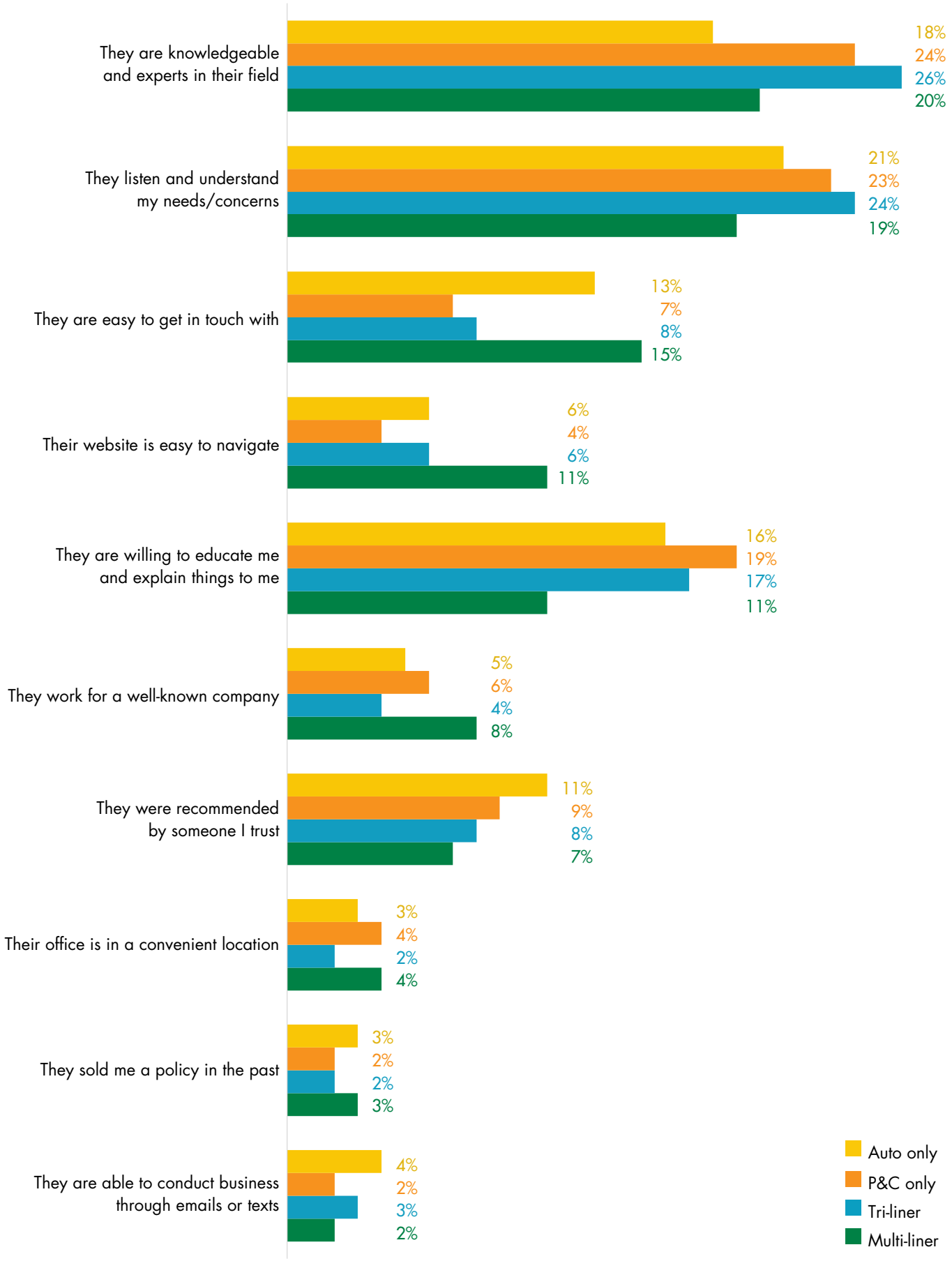
Although they are more likely to have someone they consider their auto insurance agent and much more likely to think that auto insurance agents are knowledgeable about life insurance (64 percent compared to 30 percent of all other auto insureds), multi-line customers appear more self-reliant. They value accessibility and convenience in their interactions with financial professionals, companies, and websites; but they also want to be able to rely on their own knowledge and judgment when making financial decisions.

Customer has someone they consider to be their auto insurance agent

40%	61%	58%	75%
Auto only	P&C only	Tri-liner	Multi-liner

©2023, LL Global, Inc.

Single most important quality of a financial professional



©2023, LL Global, Inc.

While not a prevalent trend, multi-line customers were more inclined to have purchased their auto coverage through their workplace or another group they are affiliated with compared to other insureds. A hypothetical life insurance purchase today differs from how other auto insureds envision it. For example, they are more likely than others to say they'd buy life insurance directly from a specific carrier's website and less likely than others to say they'd want to work with a financial professional. This behavior cannot be solely attributed to their comfort level with the product. Notable disparities exist between their purchasing preferences and those of tri-liners, who also own life insurance.

	How they bought auto insurance				How they'd buy life insurance (assuming they were going to buy)			
	Auto only	P&C only	Tri-liner	Multi-liner	Auto only	P&C only	Tri-liner	Multi-liner
Through a financial professional (i.e., agent or advisor, or company representative)	19%	30%	31%	26%	29%	30%	39%	25%
The website of a specific company (a single insurance provider)	34%	28%	30%	26%	19%	17%	19%	26%
An online comparison site (multiple insurance providers)	5%	4%	4%	5%	16%	18%	20%	14%
Over the phone	31%	31%	30%	28%	15%	9%	10%	14%
Through the mail	3%	2%	2%	3%	2%	1%	0	7%
The website of a group to which you belong (e.g., AARP, AAA)	3%	2%	1%	6%	7%	9%	7%	7%
Through my workplace	2%	2%	1%	6%	10%	13%	4%	5%
Through a bank	3%	1%	1%	0	2%	3%	1%	2%

Multi-line customers in our sample tended to be younger, wealthier, and/or more highly educated compared with some other respondent groups.

- In terms of age, multi-line customers were most similar to auto-only insureds, with 34 percent and 38 percent of them being under 35 years old, respectively. In contrast, only 17 percent of P&C-only and 12 percent of tri-liners were under 35 years old.
- Multi-line customers were also the most likely group to have children under 18, indicating a potential need for family-focused coverage like life insurance.
- Nearly half (48 percent) of multi-line customers belonged to upper-income households ($150,000 or more) which was higher compared to other groups. Only 22 percent of auto-only and 29 percent of P&C-only insureds were in the same income bracket. Tri-liners were the closest match with 41 percent of them belonging to upper-income households.
- Similarly, over half of multi-line customers and tri-liners had a bachelor's degree or higher, highlighting their education level as a distinguishing factor compared to the groups without individual life insurance.

©2023, LL Global, Inc.

There are many benefits to embracing the multi-line opportunity. The consumers most likely to become multi-line customers are younger, wealthier, highly educated, self-sufficient, and loyal brand advocates. This has implications for how companies leverage and maximize this opportunity. Companies must ask:

Is your target marketing strategy aligned with these consumers?
Does your company strategy support a unified view of the customer or is it siloed?
What are the implications for product design, marketing strategies, and product positioning?
How does this impact how you sell to and service these clients?
Is your distribution strategy appropriately aligned? Does your agent compensation plan incent the right behaviors to capture the multi-line opportunity?
Does your technology infrastructure connect and align with a multi-line strategy? What needs to change?
Are you leveraging the power of data and analytics to not only monitor progress and measure cross-selling success, but also to identify cross-sell opportunities within your existing client base?

Methodology: In August 2022, LIMRA conducted an online survey of adult consumers who have automobile insurance and are involved with decisions related to their household's coverage. The sample consisted of 2,250 auto insureds aged 21 to 65 with household incomes of $35,000 or more. The sample was targeted and weighted to be representative of the general U.S. population.

The survey gathered information on their opinions, preferences, and experiences related to purchasing auto and home-owner's insurance, with a specific emphasis on life insurance.

©2023, LL Global, Inc.
0345-2023