

VantisLife Plans 2010 Hirings for Growth in Midwest, Calif.

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By Matt Ackermann

Seeking to increase sales through banks and credit unions in two key regions, VantisLife Insurance Co. says it plans to hire executives in the Midwest and California next year.

"2010 is going to be a big growth year for us," Craig Simms, a senior vice president at the Windsor, Conn., company, said in an interview this week. "We expect to hire a business development person in the Midwest and another in California before the end of the year. We expect to add 20 or 30 more banking relationships next year by growing beyond our comfort zone."

VantisLife, which offers its life insurance and annuity products through 90 banking companies and credit unions, has added 13 this year, and Simms said he expects five or six more will sign up before yearend.

About 90% of the company's business comes from banks and credit unions, he said, and the rest is from third-party marketing companies. Of that 90%, 85% is through banks and 15% through credit unions. Simms said that credit unions' interest has grown and that he expects an 80-20 split within a few years.

The insurance provider targets small to midsize banking companies and credit unions with \$1 billion to \$20 billion of assets but also has some larger banking companies, including TD Bank Financial Group, the U.S. arm of Canada's Toronto-Dominion Bank.

VantisLife supports its banking customers with seven wholesalers. Simms said that it plans to hire one or two wholesalers next year to support growth in the Midwest and California. Most of its banking relationships are east of the Mississippi River, he said, but "to accelerate growth" the company must "look beyond these regions."

"We have developed some very strong relationships in New England, the Mid-Atlantic and down South, and our pipeline for new business is strong," he said. "But we think that there are opportunities to grow beyond that."

VantisLife, which was established in 1942, reported a 16% increase in new, recurring life insurance premium revenue during the first nine months of this year, compared to the year earlier.

For all of this year, Simms said, he expects a 20% increase, to \$2.2 million or \$2.3 million in recurring premiums, from a year earlier.

VantisLife's assets under management at Sept. 30 were \$770 million, or 10% more than a year before. Simms was cautious about the company's ability to maintain that pace for the next three to five years.

"So much of our asset growth depends on the annuity marketplace," he said. "We had record growth in our fixed annuities in the first four or five months of this year, but continued growth probably won't be as strong."

Life insurers and fixed annuity providers have done well during the economic crisis, according to Geoffrey Bobroff of Bobroff Consulting in East Greenwich, R.I., because investors "have a strong appetite right now for products with guarantees."

These products should continue to generate assets, he said, "as long as markets are volatile and people are seeking safety, but when markets return that strategy will run out."

Simms said that banks and credit unions continue to look for investment and insurance products to help broaden their customer relationships, particularly with mass-affluent and high-net-worth customers.

"When banks bring us on, they are trying to get more fee income and add more products per household," he said. "Life insurance is a decent fee income generator, but it is dwarfed by other products. Banks don't want to spend resources on something that can't generate as much as a mutual fund or an annuity, but they do want to offer this product. So they provide the guidance and the ground rules, and we can provide a turnkey solution."

VantisLife's life insurance application form can be completed online in 15 minutes by a financial consultant or a licensed banker, Simms said. "We have learned that banks want nonbank products to mirror the applications [for] CDs and loans," he said. "It is all about simplicity. If you can offer an application that is 100% online, it has a better chance of succeeding with bankers."

Bobroff said banks remain wary of companies that offer guaranteed products. "People are sensitive right now, especially when you go into a new market," he said. "We haven't seen an insurance company go belly up yet, but some have gotten pretty close."