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Effron Company Releases Innovative Research Aimed at Bridging the Cultural Divide Between Financial Institutions and Insurers

Study Provides Blueprint for Entering, Thriving in Financial Institution Insurance Marketplace



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WESTON, Conn., April 25, 2011 /PRNewswire/ -- The Effron Company, a leading consulting firm specializing in financial institution insurance, has announced the release of its latest innovative research. Entitled "The 2011 Bridging the Cultural Divide Study," this is the fourth in a continuing investigation of the elements that are creating barriers to success for financial institutions in offering insurance products, while highlighting recommendations to support the growth of a vibrant financial institution insurance market. The study, performed in cooperation with the Bank Insurance and Securities Association (BISA), was sponsored by Affinion Group, HSBC, VantisLife, Lincoln Financial Group and Prudential.

The Study sent essentially the same robust questionnaire to hundreds of banks, credit unions, insurers and managing general agents (MGAs). Nearly 150 institutions were included in the final research, including: 1/3rd of the top 25 financial institutions; more than half of the life insurers in the financial institution marketplace; and 32 MGAs that support the intersection of financial institution, insurance and investments.

With respect to the partnership between banks and insurers regarding the offering of insurance products through the bank channel, the study indicates that technology and training appear to be the most significant hurdles between the two parties. On the technology side, financial institutions express significant dissatisfaction with how insurers' products are integrated into the banks' procedures and systems at the point of sale. Furthermore, both insurers and financial institutions reveal a shared frustration on the lack of a common administrative platform between the two types of companies, as well with the back-end systems, such as billing. On the training side, financial institutions express disappointment in the training offered to both their sales and customer service teams from insurers, as well as a lack of tools to easily differentiate products.

"The 2011 Study reveals that there are still many areas of perceptual differences and the need for improvements," says Carmen Effron, president of C F Effron Company LLC, and the author of the research. "We believe the Study will be invaluable in helping institutions, insurers or MGAs who desire to improve their insurance programs. In effect, this study is a blueprint for helping new entrants into the market."

The Study used a statistical "gap analysis" technique to quantify the cultural issues. With this method, the Study produced hard evidence to reveal and then explore the qualitative issues that financial institutions and insurers must tackle to achieve the full potential of their prospective insurance sales efforts. By identifying gaps in perceptions, key themes emerged in areas such as marketing and sales. For instance, although 100% of the financial institutions and 92% of the insurers plan to increase the scope of their insurance programs, a majority of respondents agree that customers aren't as aware of the availability of the product through financial institutions as they should be.

"Through our own consumer research, we see time and again that customers of financial institutions expect those institutions to provide them with access to attractive insurance programs," said Ron Clarke, Senior Vice President of Affinion Group, which is the largest third party administrator of insurance programs in the United States. "While this study validates the substantial investments we've already made in technology and training, we are committing to continually enhance the tools we offer to partners, as we seek to maximize the value created by helping them fulfill these consumer expectations."

The 60-page Study builds on the established knowledge that having financial institution customers purchase insurance increases stickiness, retention and cross-selling of other financial institution products. The full report of the Study can be downloaded at www.effroncompany.com.

About Effron Company

C F Effron Company LLC is a boutique consulting firm specializing in the intersection of the banking and insurance industries. Located in Weston, CT, the firm has worked with over 100 institutions domestically and abroad, on a wide array of assignments, from assessing bank insurance opportunities and removing distribution channel roadblocks through sales process redesign. C F Effron Company has published four

major iterations of this report in the USA entitled *Bridging the Cultural Divide Between Financial Institutions and Life Insurers*, as well as completing this survey and publishing in India, Australia and South Africa. For more information, please visit: <http://effroncompany.com>.

About Affinion

As a global leader with more than 35 years of experience, Affinion Group enhances the value of its partners' customer relationships by developing and marketing loyalty solutions. Leveraging its expertise in customer engagement, product development and targeted marketing, Affinion provides programs in subscription-based lifestyle services, personal protection, insurance and other areas to help generate increased customer loyalty and significant incremental revenue for more than 5,550 marketing partners worldwide, including many of the largest and most respected companies in financial services, retail, travel, and Internet commerce. Based in Stamford, Conn., the company has approximately 3,900 employees throughout the United States and in 12 other countries, primarily in Europe, and markets in 16 countries globally. Affinion holds the prestigious ISO 27001 certification for the highest information security practices, is PCI compliant and Cybertrust certified. For more information, visit www.affinion.com.

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