

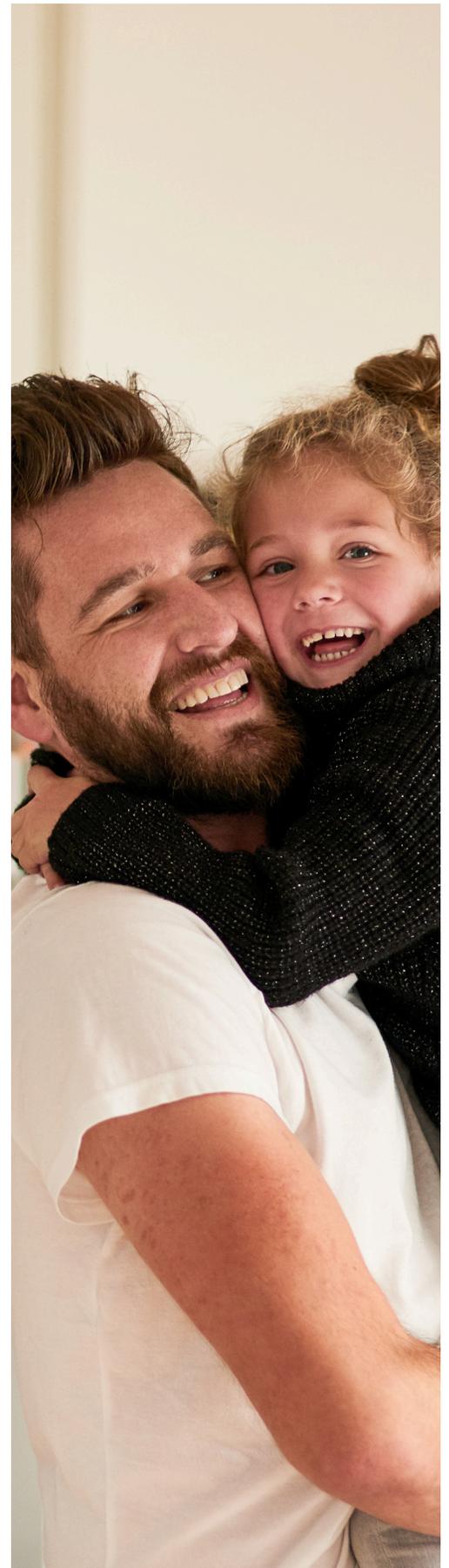
The Insurance Playbook  
for **FINANCIAL INSTITUTION**  
Growth and  
**CONSUMER LOYALTY**





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# INTRODUCTION

## How Do You Grow—Without Tech Bloat or Compliance Headaches?

### ➔ Quick Take

You need growth. But you don't want another massive tech investment or risky rollout to get there. This insurance playbook outlines a path forward that aligns with consumer demand and institutional priorities.

### ➔ The Play

Fintechs have shifted expectations. To maintain relevance and deepen relationships, institutions must evolve—without abandoning core strengths.

- Offer protection products that align with your consumers' growing demand for financial security and simplicity.
- Drive non-interest income through services that extend your brand's trust—without adding operational or compliance burden.
- Leverage existing consumer data to deliver timely, relevant coverage—building loyalty while staying within your infrastructure.

You'll learn how to serve today's "financial wellness" mindset by establishing smarter partnerships that meet compliance standards at every step.

### ➔ The Bottom Line

Move now and you lead. Wait too long and you could lose relevance.

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# 01

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## WHY CONSUMERS WANT PROTECTION

Today's consumers, especially Gen Z and Millennials, are seeking stability. They expect protection, value respect, and prioritize empowerment. That's why **financial wellness** isn't just a trend—it's a fundamental shift in consumer expectations.

So, who do they trust?

**You**—if you show up the right way.

Trust and convenience are becoming top factors in insurance decisions. In fact, **44% of consumers say they'd buy insurance directly from their financial institution**. And of those who do, 76% become repeat customers.

What's driving this shift?

- ▶ Consumers want fewer apps and more “one-stop” solutions.
- ▶ They want providers who get them.
- ▶ They want financial protection baked into their everyday experience.

### The Bottom Line

Forward-looking banks and credit unions are responding with embedded, seamless protection offerings—designed to meet these evolving preferences without introducing operational drag.

Soon consumers won't ask if you offer financial protection. *They'll expect it.*

# 02

## HOW INSURANCE DRIVES LOYALTY AND REVENUE

Keeping a customer or member is **6–7x less** expensive than acquiring a new one. Just a 5% bump in retention can lift profits by 25% or more. Insurance helps you do both—retain and grow.

### Here's How:

- ▶ Those enrolled in insurance with their financial institution stay with their FI an average of **68% longer** than those without.
- ▶ Gen Z (**63%**) and Millennials (**60%**) are already on board with buying insurance through you.
- ▶ Institutions that offer insurance smartly aren't just generating new revenue—they're defending market share.

Truist's \$15.5B sale of its insurance division underscores the intrinsic value of insurance assets—even as the delivery models evolve.

When trust, convenience, and financial wellness matter more than ever, insurance isn't just a product. It's a strategy.

### The Bottom Line

Insurance isn't a nice-to-have—it's a strategic step toward sustainable non-interest income generation and consumer loyalty.

# 03

## CHOOSING THE RIGHT INSURANCE MODEL

With the Bancassurance Market valued at USD 1.05 Trillion in 2024 and projected to reach **USD 1.71 Trillion** by 2030, financial institutions must decide how best to offer insurance. Models vary based on specific arrangements and levels of integration—including:

### 1. Referral

The financial institution refers consumers in exchange for a referral fee or revenue share.

- ▶ **Pros include** low compliance risk, minimal operational lift, and freedom from license requirements or management operations.
- ▶ **Cons include** limited control over branding or consumer experience, and lower revenue potential.

### 2. Agency (Licensed)

The financial institution becomes a licensed insurance agency (or owns one) and sells insurance directly to consumers.

- ▶ **Pros include** full control over product selection and consumer experience and higher revenue share/margin.
- ▶ **Cons include** license requirements, training, ongoing compliance, and greater operational complexity/regulatory oversight.

### 3. White-Labeled / Co-Branded

The financial institution refers consumers in exchange for a referral fee or revenue share.

- ▶ **Pros include** maintaining brand trust, outsourcing complexity (licensing, product dev, marketing, administration, compliance), ability to source insurance from multiple carriers, and creating a seamless consumer experience.
- ▶ **Cons include** the need for suitable vendor alignment, particularly regarding expertise in evolving regulatory compliance.

### 4. Fintech-Style In-House Build

Similar to option two, the financial institution builds or acquires its own digital insurance platform (rare, but it has happened with some larger FIs).

- ▶ **Pros include** full control and long-term asset creation, and brand differentiation.
- ▶ **Cons include** high upfront cost, long-time to market, and high regulatory, staffing, and tech burden.

### 5. Direct Bancassurance

The FI and insurer collaborate directly on product development, marketing, and sales. The FI will likely play an active role in managing sales and the marketing process.

- ▶ **Pros include** possibly aligning with an insurance company with a trusted brand.
- ▶ **Cons include** potential partner clashes in how to proceed effectively, time-consuming training for FI staff, insurance product marketing, and compliance.

# 04

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## WHO: TARGETING SMARTER WITH DATA

Not every consumer needs the same insurance. But most financial institutions offer a one-size-fits-all approach—and miss real opportunities to protect consumers (and grow revenue).

That's changing.

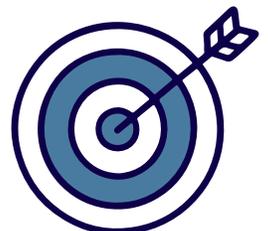
By combining your own consumer data with third-party datasets and deep insurance insights (like those used by companies such as Franklin Madison), it's now possible to pinpoint who needs what, when they need it, and how they prefer to learn about it. It's a whole new level of precision.

### Your New Secret Weapon: The Marketing Data Scientist

Think of them as the brain behind the campaign.

Today's data scientists do more than analyze past results. They build predictive models that identify which consumers are most likely to respond, which products will resonate, and which channels—digital, mail, or multiple options—will get results.

And once a campaign goes live? They monitor performance early and often—especially in the first 30–60 days. If something's off, they course-correct fast. So the marketing outreach is smarter.



## Tools That Drive Performance

Leading teams use advanced tools like SQL, Python, R, and Tableau—along with secure platforms that combine proprietary and third-party data without compromising privacy.

Models are constantly refined using live campaign data. This isn't guesswork—it's iterative optimization based on what's working right now.

### Some of the key questions:

- ▶ *Is this model still performing?*
- ▶ *Should we adjust, update, or rebuild?*
- ▶ *Can we add data layers to sharpen accuracy?*



## Real ROI, Not Just Clicks

This approach isn't about sending more offers—it's about sending the right offers.

With smarter targeting and real-time insights, you reduce waste and boost impact. It helps you make more informed decisions about what to offer, how to offer it, and where to spend.

It's not theoretical—it's already working for institutions that are leaning into data.

# 05

## HOW: TIMING/ CHANNEL/CREATIVE/ ENROLLMENT

Meeting Consumers Where They Are—And How They Prefer to Be Reached

In a digital-first world, direct mail still delivers—literally. Physical mail breaks through the digital noise, feels more personal, and builds trust with consumers. In fact, direct mail continues to drive strong engagement and response rates, especially when it's powered by data and delivered with precision.

When digital and direct mail work together, performance increases dramatically—boosting campaign results by **20-35% across channels**. From email reminders to personalized landing pages, each touchpoint reinforces the message and keeps consumers moving forward.

### Creative That Captures Attention

In insurance marketing, less is more. Consumers respond best to clear, simple messages that make the value obvious.

Franklin Madison's tested direct mail approach uses a proven creative formula:

- ▶ A personalized promise that connects emotionally
- ▶ One relevant, clearly explained offer
- ▶ Strong calls to action
- ▶ Exclusive benefits that feel time-sensitive

This formula cuts through the clutter and inspires action—especially when paired with consistent digital follow-up.

*Data scientists help shape highly personalized experiences. The result: content that's relevant, timely, and much more likely to convert. And it matters: **81% of consumers** prefer personalized experiences—and **70%** say those experiences influence their buying decisions.*

### **Making Enrollment Easy, Personal, and Flexible**

Once you've captured a consumer's attention, it's critical to make enrollment seamless and on their terms.

Give consumers multiple ways to say "yes":



**By mail**, with pre-filled enrollment forms that make signing up effortless



**Online**, through their own Personalized URL (PURL)—a private, pre-populated web page where they can review their coverage and enroll in seconds

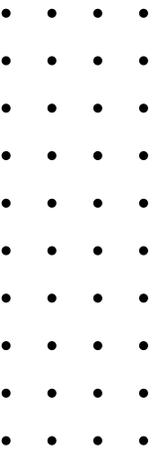


**By phone**, with access to knowledgeable, supportive reps who can answer questions and walk them through the process.

Giving people multiple paths to enroll increases both response rates and satisfaction—because it puts them in control.

# 06

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## AFTER ENROLLMENT: DELIVERING A LIFETIME OF VALUE

The consumer journey doesn't end at enrollment—it's just beginning. To grow Lifetime Value (LTV), the post-enrollment experience must be seamless, supportive, and built on trust.

Once enrolled, the consumer receives their policy promptly by first-class mail—bringing immediate peace of mind.

### **Real People, Real Support (or Self-Service, If They Prefer)**

Support should be on the consumer's terms.

Some policyholders prefer to speak to a person. Others would rather take care of everything online. The key is offering both.

Well-designed insurance programs now give consumers the flexibility to manage their policies digitally or get help from a live, trained representative—someone who listens, answers questions, and helps without pushing a sale.

Companies like Franklin Madison, for example, use dedicated service teams. Their role is to inform and assist, not to upsell. That kind of responsive, human-centered support builds trust from day one—and keeps it over time.

## Claims: The Make-or-Break Moment

Filing a claim is when financial protection is needed most—and it usually happens during a vulnerable moment.

To protect the consumer's experience, some institutions partner with a joint marketer and administrator that provide neutral, dedicated claims support. These teams guide the policyholder through the process with empathy and clarity—without being the same entity that adjudicates the claim.

This separation helps consumers get support without the suspicion that the deck is stacked against them.

Handled well, the claims process becomes a trust-builder—not a trust-breaker.

## Building Lifetime Value, One Touchpoint at a Time

Once trust is earned, additional opportunities emerge. Policyholders who've had a positive experience are more open to hearing about new, relevant protection options that fit their life stage—without feeling like they're being sold to again.

That's how LTV grows: by aligning protection with life events, not pressure tactics.

## The Long-Term Payoff

When every post-enrollment touchpoint is thoughtful and frictionless, your institution sees long-term benefits:

- ▶ **Consumers stay longer and buy more protection**
- ▶ **Trust in your brand increases**
- ▶ **Non-interest income becomes more predictable**
- ▶ **Customer Lifetime Value rises across your base**

This is more than customer service—it's a long-game strategy. And in a competitive market, it's one of the best ways to differentiate your financial institution while delivering real value.

# 07

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## WHAT TO LOOK FOR IN A PARTNER

Offering insurance through a partner can deliver real value—to your consumers and your bottom line. But the right partner is critical. Here's what to evaluate:

### 1. Industry & Insurance Experience

Look for a partner with deep experience in both banking and insurance. Knowledge of how protection products fit into financial services—not just insurance alone—makes a real difference in execution and strategy.

### 2. Marketing Intelligence

Effective partners don't rely on generic outreach. They use behavioral data, predictive modeling, and multi-channel tactics to deliver the right offer at the right time. Bonus points for real-time campaign optimization and transparent reporting.

### 3. Regulatory & Compliance Strength

Your partner should have built-in processes to stay ahead of privacy regulations, insurance disclosures, and marketing compliance. This protects your institution while keeping programs running smoothly.

### 4. Brand Alignment

The consumer relationship should stay centered on your brand. Look for partners who are comfortable operating behind the scenes—marketing under your name, not theirs—to preserve trust and continuity.

## 5. Product & Carrier Flexibility

One carrier rarely fits all. Partners with access to multiple insurers can tailor products by location, life stage, pricing, or risk profile—boosting relevance and conversion.

## 6. Proof of Performance

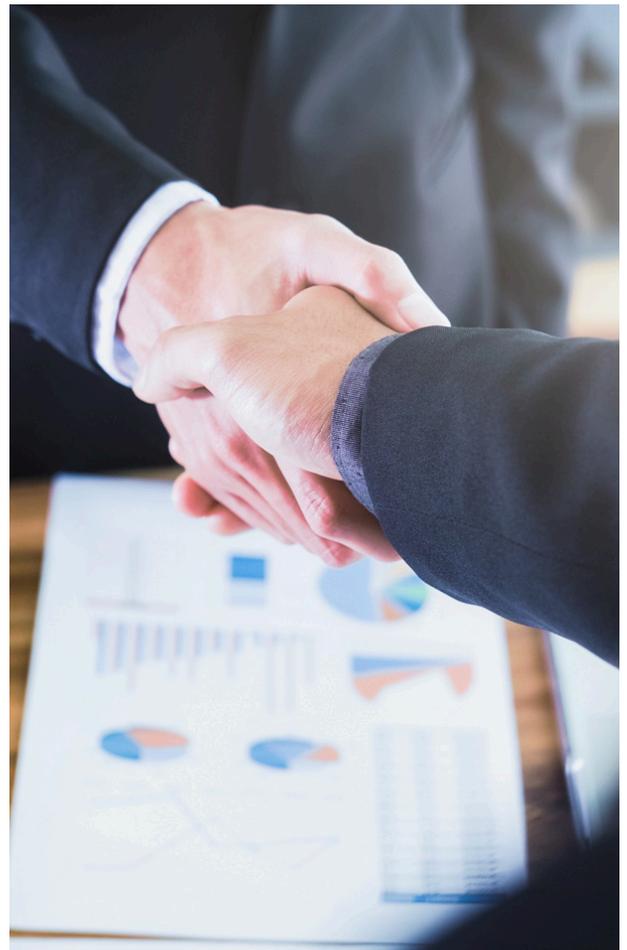
Strong partners can back up their approach with results. Ask for case studies, metrics, or examples of how they've increased engagement and revenue for other financial institutions.

## 7. Operational Simplicity

The right partner makes things easier, not harder. Look for someone who handles marketing, customer service, claims coordination, and compliance support—so your internal teams don't carry the weight.

### Bottom Line:

The ideal insurance partner extends your brand, supports your consumers, and drives revenue—without adding complexity to your institution.



# 08

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## NAVIGATING COMPLIANCE WITH CONFIDENCE

Financial institutions are uniquely positioned to succeed in the insurance market—if they navigate compliance effectively.

As regulations evolved, many financial institutions (FIs) hesitated to enter the insurance space, often due to outdated assumptions or unclear guidance. But the reality is that FIs enjoy distinct structural and regulatory advantages that can make insurance distribution both compliant and operationally efficient.

### Key advantages include:

- ▶ **Authority under the Gramm-Leach-Bliley Act (GLBA):** This federal law permits FIs to engage in insurance sales through subsidiaries, without geographic restrictions.
- ▶ **Regulatory frameworks that support intermediary roles:** FIs can act as distributors or agents without taking on underwriting risk, keeping insurance activity off the balance sheet.
- ▶ **Streamlined premium financing options:** Some regulatory exemptions simplify the financing of insurance premiums when offered by FIs.
- ▶ **Established consumer trust:** Consumers already rely on their financial institutions for critical financial decisions, making FIs a natural fit for offering insurance—especially for long-term or bundled products.
- ▶ **Digital transformation alignment:** The rise of online insurance sales aligns with FIs' existing digital strategies, making implementation smoother.

## Common Misconceptions, Clarified:

**Myth:** FIs aren't authorized to sell insurance. ❌

**Fact:** Federal law permits insurance sales through qualified subsidiaries. ✅

**Myth:** Insurance increases balance sheet risk. ❌

**Fact:** When acting as intermediaries, FIs take on no underwriting risk—the insurer holds that responsibility. ✅

### **Regulation can be complex, but it doesn't have to be a barrier.**

With the right partner—one with deep regulatory expertise and a proven track record—financial institutions can confidently and compliantly offer insurance solutions that meet consumer needs and enhance long-term loyalty.

# 09

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## FITTING INSURANCE INTO CORE OFFERINGS

While insurance offerings aren't designed to replace core revenue, they offer something just as important: a way to increase non-interest income, strengthen consumer engagement, and open the door to deeper, more profitable relationships.

The institutions that see the most success don't treat insurance as a secondary offer—they **fully integrate it** into their growth strategy.

When institutions make insurance a priority, they aren't just selling coverage. They offer personalized, value-driven experiences that built trust—and create more opportunities to deliver white glove service, cross-sell other products, and drive long-term loyalty.

The result? Consumers who enroll in insurance are more likely to stay, more open to additional solutions, and more engaged overall. And because these programs require minimal lift from the institution, the ROI comes with little downside.

Even better: when consumers feel secure and supported through your protection offerings, they naturally start to look to your institution for more—creating **warmer leads for higher-value products**.

## How Leading Institutions Make It Happen

Banks and credit unions have found success by making insurance offerings visible, relevant, and seamlessly woven into the consumer journey. Here's how:

- ▶ **Make it prominent.** Feature insurance on your website as a core offering—not a footnote—like [Alliant](#) does.
- ▶ **Empower your team.** Train staff on how to talk about insurance confidently—and how to use it to spark deeper conversations and upsell opportunities.
- ▶ **Put it in front of consumers.** Promote offerings where your consumers are—through digital channels, email, in-branch, and direct mail.
- ▶ **Offer what they actually want.** Use targeted omnichannel marketing to deliver protection products that are tailored to your specific audience.

By treating insurance as a strategic lever—not an afterthought—institutions can unlock more value from the consumers they already have, while attracting new ones who are looking for solutions that offer real peace of mind.

# 10

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## MEASURING WHAT MATTERS: FROM LAUNCH TO LONG-TERM VALUE

Spoiler: If your consumers don't know your insurance program exists, it's not working. There's a major gap—and the data proves it.

- ▶ **37%** of consumers don't know their financial institution offers insurance
- ▶ **53%** said they'd buy insurance from their FI if they knew it was available
- ▶ **Only 7%** of current life insurance holders purchase through their FI
- ▶ **32%** want more insurance information from their FI
- ▶ **41%** of high earners are unaware of these offerings

Awareness is the first hurdle. But once you've launched your first targeted campaign with the right partner, it's essential to measure the program's impact—not just on paper, but across your organization and consumer base.

### Part 1: Measuring Program Performance

Start with immediate performance indicators that show how your insurance offerings are working in the short term.

▶ **Financial Performance**

Track the revenue generated from insurance enrollments, including non-interest income. Compare against your campaign projections and benchmarks to assess ROI and cost-efficiency.

▶ **Insurance Penetration Rate**

Measure the percentage of your eligible customers or members who enroll in at least one insurance product. This helps you understand reach and adoption within your base.

▶ **Cross-Sell and Upsell Rates**

Evaluate how many insurance consumers go on to purchase additional products—either within your insurance suite or across other financial services. High cross-sell rates can signal trust and satisfaction.

## Part 2: Measuring Long-Term Strategic Impact

Beyond campaign metrics, insurance programs offer lasting value across key relationship indicators.

▶ **Consumer Engagement**

Look at how insurance participation impacts overall engagement: Are insurance consumers more active, responsive, or connected across other channels?

▶ **Lifetime Value (LTV)**

Track the long-term value of insured members or customers compared to those without insurance. Do they stay longer? Adopt more products? Contribute more revenue over time?

▶ **Customer Satisfaction (CSAT) and Net Promoter Score (NPS)**

Gauge how policyholders feel about their experience—from enrollment to claims. A high CSAT or NPS suggests strong trust, while lower scores may point to gaps in communication or support.

▶ **Financial Wellness of Your Base**

Ultimately, insurance should be part of a broader financial wellness strategy. Over time, monitor how these offerings improve the stability and the resilience of your consumers. That’s where real loyalty—and real impact—lives.



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