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BANK INSURANCE AGENCIES REPORT INCREASED ACQUISITION GROWTH AND CONTINGENT INCOME, STAFF PAYROLLS INCREASE

WASHINGTON — Despite slight growth from acquisition and increased contingent income, issues relating to staffing efficiency lead to weaker profits for bank insurance agencies, according to the latest [Bank-Insurance Viability Index](#), a quarterly report compiled by MarshBerry and sponsored by the American Bankers Insurance Association. An analysis of bank-owned agencies showed that profits fell an average 2.8 percent, even though contingent income grew 7.4 percent.

The report found that profits were not helped by organic growth. While producer payroll was flat and support payroll was down 1 percent, service payroll increased 2 percent for the year. The report also noted that fewer than 15 percent of bank-owned agencies completed an acquisition during the year, which means increased payroll is coming from salaries of existing staff. This suggests that agencies must improve staffing efficiencies to retain profits.

The Bank-Insurance Viability Index provides benchmarking statistics to help bank-insurance platforms realize equity enhancing change. The quarterly report dissects the financial and operational performance of banks, independent agents and brokers, and high performers. It focuses on the retail brokerage platform and covers topics such as organic growth, new business production, acquired growth, earnings margins, expense ratios, staff investment and staff productivity.

The American Bankers Insurance Association is the separately chartered insurance subsidiary of the American Bankers Association and is the only Washington, D.C.-based full service association for bank insurance interests. ABIA's mission is to develop policy and provide advocacy for banks in insurance and to support bank insurance operations through research, education, compliance-assistance and peer group networking opportunities. ABIA membership consists of banks, and their affiliated agencies, insurance companies, marketing, and administrative services suppliers, non-bank lending organizations and other firms involved in the bank affiliated insurance industry. Additional information on ABIA can be found on the Internet at www.theabia.com.

MarshBerry is a specialized management consulting firm rendering services and solutions to insurance organizations, financial services providers, lending institutions and trade associations. Client engagements focus on organic growth, valuations, mergers and acquisitions, operational improvements, research and insights on benchmarking, and proven practices of high performers.

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