



Life Insurance - Passe`?

Has owning life insurance become a thing of the past? You might just think so if you consider a recent study conducted by the industry association LIMRA. Its survey of 4,000 Americans found that life insurance ownership has reached its lowest level in the history of the industry. The explanation ventured for this phenomenon was that 70 percent of Americans not only don't understand how the various life insurance products work, but they even fail to see why life insurance is necessary.

David Appel, owner of Appel Insurance Advisors LLC, is acutely aware of this trend. "One of their (the insurance industry's) biggest issues is distribution – how to get their products out to the masses.... [With] training and recruiting of new agents way down across the companies, one of the things they face is just getting people to distribute their products and finding people who can be successful in that business. In a sluggish economy too, [clients] may be hesitant to

buy and commit to paying premiums when the economy isn't doing well."

Appel is also an advocate of making sure his clients understand exactly why they are buying life insurance. "Life insurance should be bought for life insurance. There are some good tax advantages to life insurance, with tax-free death benefits and the income tax deferred buildup of growth. But at the end of the day, you should only be buying life insurance if you need life insurance for a reason – to protect your family, to protect your business, to approximate a wealth transfer, to do estate planning, or things of that nature."

While Appel is aware of the challenges facing the industry, he has been steadily working to overcome them as well as finding new ways to grow his business in spite of them. He started in the life insurance business over twenty years ago..... after seeing his father, a top executive at a prominent toy manufacturer, lose a large portion of his pension due to the company's

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bankruptcy. Appel looked around to find industries that had potential for growth but didn't require a lot of startup money and he decided insurance was the right fit for him.

Appel soon learned about one of the biggest problems inherent in starting a small company. "It's hard to find the right staff mix and the right people to be with you in a small environment." His three staff members have been with him for a number of years and Appel sees this as one of the reasons why he has been more successful than the industry as a whole. In fact, 2012 was his most successful year to date.

However, Appel has no intention of resting on his laurels. His future strategy includes making more efficient use of social media, and frequent collaboration with other professional advisors from across the country to continually expand his growing presence and national practice outside of the New England area. His aim is to get the word out about the services he offers, so that through his network, he can continue to develop a meaningful client base. ■



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