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## Life Insurers 'Cautiously Optimistic' LOMA Says

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By Editor Test      *Wed, Jan 20, 2010*

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Decision makers at insurance industry organizations believe the overall economic climate will improve in 2010, but not by a large measure, according to a survey, ["Forecast for 2010: Cautious Optimism,"](#) published in the January issue of LOMA's *Resource* magazine.

Most companies are predicting 2010 sales growth, premium growth and profitability to be modest to flat compared to 2009. Profits will be challenged due to variable product guarantees, battered investment portfolios and exceptionally low interest rates.

Consumers will get back to the basics of insurance protection and seek low-cost coverage to protect their families. Fewer, less wealthy, and much more cautious buyers will be available to purchase variable products. Changes in fees, features and guarantees may compound buyer reluctance to dive back into this market.

Automation technologies that reduce expense, such as workflow, straight through processing and automated underwriting, will come to the fore. Insurers will explore the potential role of voice-over-Internet communications, wireless tools, workforce virtualization, smart phones and social media in their strategies.

"In 2010, we will begin to see M&A activity intensify in both the U.S. and abroad as highly capitalized companies seek to expand their market share," said Robert Kerzner, president and CEO of LIMRA, LOMA and LL Global.

"Regulatory and legislative changes will also have a significant effect on how companies operate. The environment will remain difficult-some companies will thrive while others will struggle."

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