



Rich *in* Potential

CULTURAL MARKETER:

X. Rick Niu, who grew up in China and attended college in Beijing, is executive vice president and chief growth officer for ING US Insurance, based in Connecticut. Niu is bullish about the company's financial-services outreach to Asian-Americans.

The Asian-American market is fertile ground for insurance and retirement products, but succeeding in it takes special skill.

by Ron Panko

In March 2008, ING USA entered into an alliance with the Asian American Insurance and Financial Professional Association as a way to build distribution in the attractive U.S.-based Asian demographic.

Photos by Kim Bjorheim for Best's Review

► **The Trend:** A select few life insurers have grown their businesses in the United States by tapping into Asian-American markets.

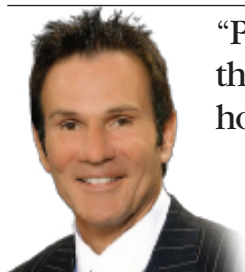
► **The Significance:** Developing these markets requires special skills and cultural sensitivity.

► **The Payoff:** Asian-Americans are underserved and have the characteristics of good customers.

Established in 2007, California-based AAIFPA is the first insurance and financial-professional membership organization serving Asian-Americans nationwide. ING's alliance is an indication of the value the insurer sees in selling to Asian-Americans, and of a strategy to compete against insurers already well-established in these markets, including New York Life and MetLife.

ING USA, the American business of the Netherlands-based global insurance giant, is still relatively new in the United States, having been formed in December 2000. Formation of the alliance has helped pave the way for ING USA in that the association's members—all independent professionals—are a perfect match for the company's distribution system.

"Some 75% of Asian-Americans, especially those who are mass affluent, have reported that they are independent-adviser reliant," said X. Rick Niu, executive vice president and chief growth officer for ING U.S. Insurance. "So the alliance happens to match exactly what ING companies in the U.S. have been focused on for years.



"People want to know you're going to be there for the long haul...that you understand how they think and what their priorities are."

—Mike Vietri,
MetLife

The association is strictly focused on independent financial agents, professionals, producers and agency managers of Asian descent across the U.S."

That arrangement allows ING USA to break into an ethnic market that has long been a strength for two companies with career agency systems, New York Life and MetLife. Niu said that ING is the seventh-largest financial-services company in the world and also has the brand to compete with the two New York-based domestic insurers by virtue of its businesses worldwide.

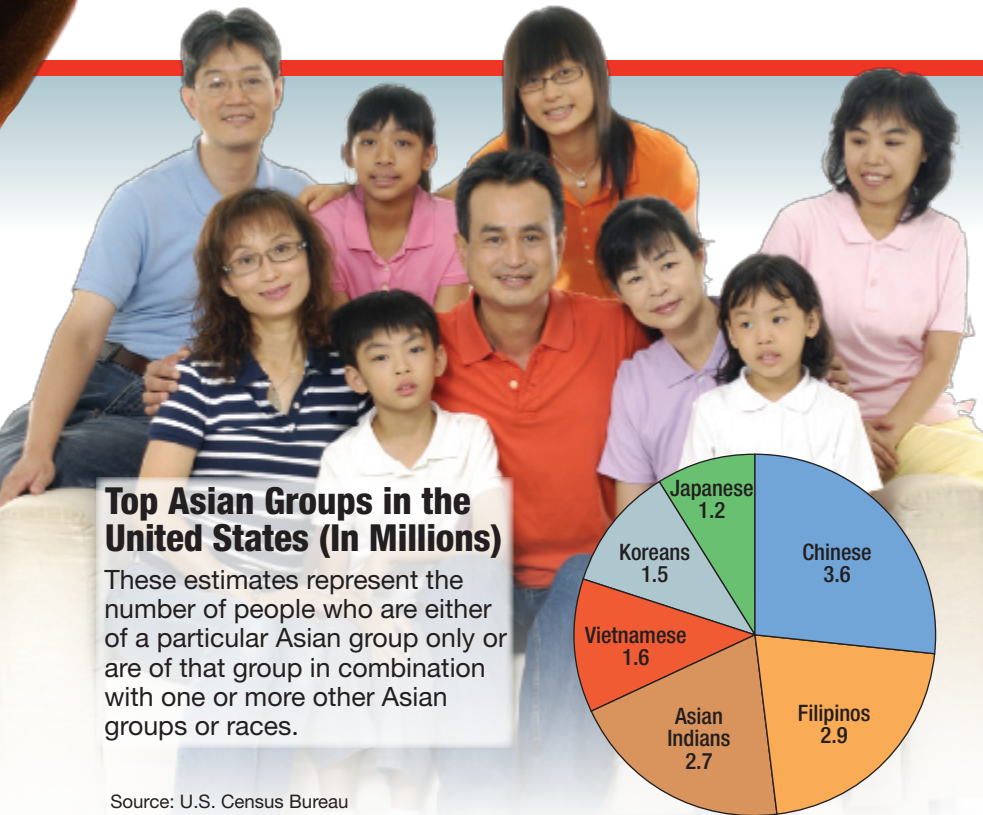
"A lot of our Asian-American customers and their agents come from countries in Asia," Niu said. "And if you or your family members have come to know a brand-name company for many generations, if you do business here in the U.S., and that happens to

be a member of that brand family, it's a lot easier."

Since March, the alliance has produced "terrific" results, according to Niu. The number of independent advisers who have relationships or contracts with ING has grown "exponentially," and ING has helped the association grow its own membership. Niu said ING's individual life business in the United States will achieve double-digit growth in 2008 compared to flat-to-down sales in the industry overall. A major factor for that growth has been ING's multicultural programs, he said.

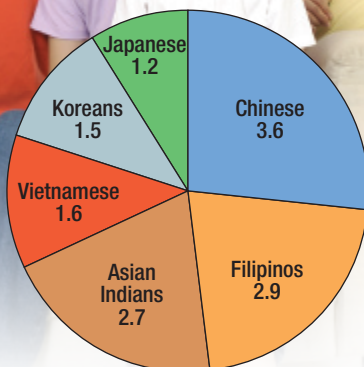
Huge Potential

While ING is building its Asian-American business, the aforementioned domestic companies continue to demonstrate their capabilities.



Top Asian Groups in the United States (In Millions)

These estimates represent the number of people who are either of a particular Asian group only or are of that group in combination with one or more other Asian groups or races.



Source: U.S. Census Bureau

By the Numbers: Asian Americans

\$64,238

Median household income for single-race Asians in 2006, the highest among all race groups.

47%

The proportion of civilian-employed, single-race Asians 16 and older who work in management, professional and related occupations, such as financial managers, engineers, teachers and registered nurses.

35.2

Median age of the single-race Asian population in 2006. The corresponding figure is 36.4 years for the population as a whole.

213%

The projected percentage increase between 2000 and 2050 in the population of people who identify themselves as single-race Asian. This compares with a 49% increase in the population as a whole over the same period of time.

Source: U.S. Census Bureau



More than 1,500 agents primarily serve four Asian-American markets, and life premium has grown 42% from 2002 through 2007.

—Jane Conti,
New York Life

Mike Vietri, executive vice president of distribution at MetLife, said about 25% of the company's field force is engaged in multicultural business, "and they are at the high end of the life insurance sales spectrum."

Jane Conti, vice president of cultural markets at New York Life, said more than 1,500 of its agents primarily serve four Asian-American markets, and life premium has grown 42% from 2002 through 2007. Cultural markets represent one-third of all new business and are growing rapidly, she said.

Why the excitement about the potential of Asian-American sales? According to Niu, more than 14 million Asian-Americans live in the United States, and that number is

growing rapidly. They are highly educated, with strong family structures and above-average household income. More than 525,000 households have reported more than \$500,000 in assets, and more than one million Asian-Americans identify themselves as business owners.

Yet many either lack enough life insurance or have none at all. "So we feel that overall, the market opportunity is fantastic, not only for life insurance, but retirement and annuity products," Niu said.

Vietri said that MetLife reaches Asian-Americans through two agency distribution channels: New England Financial and MetLife. They operate about 100 agencies in the country,

including major markets with the largest populations of Chinese, Korean, Vietnamese, Asian-Indian and other nationalities.

The formula for success is similar among the three companies: Recruit people from the market segment in which they will practice; provide training, support and culturally specific sales material at the agency level; and help agencies and advisers actively participate in community activities. All of these steps help to demonstrate commitment to the markets.

"People want to know you're going to be there for the long haul, that you've got the financial network, the in-language conversations and sales material, that you understand how they think and what their priorities are," said Vietri. "If you don't have an end-to-end, user-friendly client experience...it's a very weak argument to make."

In particular, companies must avoid the traps posed by the nuances of language when translating. For example, an accelerated death benefit in

Part of the Community

New York Life focuses on the Asian Indian, Chinese, Korean and Vietnamese markets, but has agents serving all Asian cultures. A key to its strategy is understanding and appreciating the difference among the sub-segments, said Jane Conti, vice president of cultural markets at New York Life.

"These segments are tightly knit and demonstrate propensities toward doing business within their communities or with companies that exhibit an interest and actively participate in the life of their communities," she said.

In the Asian-Indian market, New York Life sponsors an essay competition on a topic related to India for college students ages 18 to 23. Publicity is through Asian-Indian media. Winners are awarded an educational trip to a state in India. Conti said that during the trip, a documentary is developed and aired on state-run television and on major Indian TV stations in the United States. The winners are honored by the company at its



NATURALIZATION HANDBOOK: The cover of a handbook sponsored by New York Life announces a new edition to help Chinese readers pass the citizen naturalization test.

home office, where the documentary is also unveiled in the presence of India's media and community representatives.

For its Chinese market, New York Life sponsored the production of a handbook and audio CD by the *World Journal*, the largest nationwide Chinese daily newspaper, to help Chinese immigrants prepare for a new naturalization test. "This sponsorship provided a service, branded New York Life in the community and generated leads for agents," said Conti.

MetLife's community activities commonly include sponsorship of programs involving schools, parades and special events like Chinese New Year. When a major earthquake struck China in 2008, MetLife helped organize Chinese employees worldwide to donate money, said Mike Vietri, executive vice president of distribution at MetLife.

On a regular basis, the company hosts local blood drives at agency offices. It has inducted many South Asian advisers into the MetLife Hall of Fame, the highest recognition level a trusted adviser can achieve at MetLife.

insurance jargon means that at least some of a life insurance death benefit can be paid under certain circumstances to the insured while he or she is alive. A literal translation, however, could result in a misunderstanding about dying faster, said Niu.

Such a translation may sound correct literally or technically, “but is totally disconnected both from a native-language and from an industry-term standpoint,” he said. “A lot of companies have made big mistakes from that standpoint without realizing you have one chance to make a first impression.”

‘Skyscraper Syndrome’

Asian-Americans have largely settled in areas with a lot of skyscrapers: New York, Los Angeles, San Francisco, Chicago, Boston, Houston and Dallas. There are good reasons immigrants crave these areas. “The American Dream has been the brand of this country for many years,” said Niu, who was raised in China and earned a bachelor’s degree in Beijing.

“A lot of people come to this country to be very successful. In the minds of immigrants, big cities always represent the prosperity of the U.S. That’s why a lot of them cluster around the skyscrapers, because almost 100% come to this country from humble beginnings, and the work ethic and motivation they have to be successful is very strong.”

Asian-Americans in the financial services industry work diligently and become knowledgeable quickly. Coupled with the trust they engender among Asian-American clients, they become “a terrific group of people to work with,” Niu said.

While insurers in the Asian market find benefits to targeting distinct cultures, Niu said there is also merit to treating the Asian-American markets more broadly.

“Given the melting-pot culture, the nature of America in general, and the fact there have been so many not-single cultural segments, but multicultural segments right now, we don’t quite specifically differentiate,” he said.

Instead, ING focuses on the broad



ING ASIAN EMPLOYEE RESOURCE GROUP: Members, from the lower right, are Minh Nguyen, Brinda Raj, Pat Chung, Grace Alberti, Radhika Parmanand, Jessica Alcantara and Shiv Vichare. The group supports the company’s diversity efforts as well as all aspects of developing and supporting ING’s Asian-American marketing programs, including cultural understanding, business-objective counseling and event staffing.

Asian markets, and Niu said that strategy has actually brought about more efficiencies. For example, the Lunar New Year is an ethnic festival celebrated by many Asian cultures. In order for ING to brand itself in those communities and with producers from them, it made sense for the company to “bundle activities” serving all of those distinct market segments, Niu said. In fact, ING has producers that are Chinese-Korean, Korean-Vietnamese and even Mexican-Korean, he said.

Asked about Asian-American markets in which ING has succeeded most, Niu said the company finds it hard to differentiate among cultures.

“We have seen dramatic success across all of the Asian segments and across the entire Asian segment in general. And the [ING-AAIFPA] alliance plays a key part in that success.” **BR**

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