

## CHALLENGES FACING THE INDEPENDENT AGENCY

Agency Profile:	
The average age of agency principals	51
The average age of agency customer base	53
Economic Pressures	
Industry revenue contraction in 2008	9.1%
Industry revenue contraction in 2009	6.2%
Falling industry premiums	4 of 5 yrs
Agency Priorities	
Growth	#1
Retention of existing book	#2
Meeting customer expectations	#3
Competition Concerns	
Carrier direct sales	75%
Online quoting services	69%
Carrier web sales	47%
Carrier call centers	47%
The Challenges of Customer Retention	
In the past 12 Months:	
Households with annual incomes less than \$50,000 that shopped for a new carrier	30%
Customers that eventually switched carriers	45%
Households with annual incomes more than \$100,000 that shopped for a new carrier	26%
Customers that eventually switched carriers	31%
In the Next 12 Months, Clients are likely to:	
Cancel policies due to economic pressure	79%
Assume more risk to reduce premium	79%
Seek competitive quotes from alternative channels	83%
Increase comparison shopping	90%

Source: Deloit/National Underwriter P&C Producer Satisfaction Survey, 2009

## RETENTION: **WOW!**

In the life of their policies, here are the retention statistics. <sup>1</sup>	
Number of Products you have sold to your Client	Retention %
One Product	14%
Two Products	56%
Three Products	83%

<sup>1</sup> Life Insurance Selling, Golden Market Rules, 11/04/2009 Source Best Practice Study.

*Bump it up to 3 products with Life Insurance*

On Average  
In 2009  
Life Insurance  
Commissions  
to P&C Agencies  
represented  
less than 1% of  
Total Revenues

Source: 2009 Best Practice Study

### Ask Us About "Life Supports"

... a turn-key marketing program to facilitate proactive offering of Life Insurance as a value-added service by Independent Agencies to existing Personal Lines clients.



Supporting New England's Independent Agencies for three generations.

Life Insurance Brokerage Service  
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