State of the Industry 2015

Mending The Broken Promise:

How to close the breach, regain the trust and recover the heart of the insurance customer

act.SM
AGENTS COUNCIL FOR TECHNOLOGY

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| AGENCY GROWTH & MARKETING |

| By John Mason, CIC, Agency Principal |

"How I went from broke and burnt-out to tal home more than a million dollars a year

I was as skeptical as the next agent, but here's the true story of how a simple marketing secret took me from scared and exhausted to secure and wealthy!

I was starting to hate the insurance business. After all, I was working a death-dealing 100+ hours a week. Desperately waiting for the phones to ring. Selling policies the "old fashioned way" – one at a time. I hardly took vacations. I always had that nagging doubt if my agency would create the money I wanted for me and my family – or the wealth I'd need to retire on.

Then I tried something different... and the results blew my mind. I ran an ad that made the phones ring off the hook! Before this, clients were practically the only ones to call us. But this ad flooded my agency with 212 calls in one week – all from people begging to do business with us.

I made more money in one week than I did in the previous 60 days! My staff was going crazy with all the new business. Our biggest problem was keeping up – and I loved it!

That was several years ago, and I've never looked back. Since then, I've learned dozens of marketing strategies and techniques...

...and now I never have to worry about money for the rest of my life!

Here's the story: Six years ago, I read a full page ad - sort of like this one - in this magazine. It featured the insurance marketing genius, Michael Jans. You've probably heard of him, and, more than likely you've heard some of the success stories from his clients.

He's called "The Bad Boy of The Insurance Industry." I think that's because he thinks the way most agents get business and make money is so *slow*, it's, well...almost *brain-dead*. And he's pretty bold about telling it like it is.

Well, like a lot of agents, I was pretty skeptical about the bold claims of rapid growth. But I decided to find out what this guy was all about, so...

...I called for the FREE report & CD

About three days after I called the toll-free number I got a detailed free report and CD that explained exactly what I needed to do to make my business explode. I had been in the industry a long time, earned an important professional designation and really thought I was a good agent...

But I had never before seen this information in the insurance industry!

I was so pumped, I practically disappeared for the weekend. I read and listened to every word until I almost had it

Reclusive Upstate New York Insurance Agent, John Mason, skyrocketed his income using the secrets of High Impact Marketing. "This is worth millions to me. Everyone wonders how I do it – but if I can do it, anyone can!"

memorized! And as you can imagine, I'm even more excited about this six years later.

In fact, my life has changed so much, I wanted to see if I could return the favor to Mr. Jans. I wrote the "Bad Boy" a letter and said, "Michael, since I'm one of your many success stories, how about if you let me tell *my story* in American Agent & Broker. Agents have to believe me – because I'm living proof that this works!"

He said, "fair enough" – and that's the only reason I'm writing to you today. To give you the same chance Michael Jans gave me 6 years ago.

Here's a small sample of some of the amazing things I've discovered...

- **How to keep your pipeline jammed full of sizzling hot leads.** Like I've said, *hundreds of qualified prospects call me* – and from the secrets I've learned from Michael Jans, my agency closes almost all of them!
- **I've counted 23 different, *reliable* ways to reel in thousands of dollars in new revenue per month.** Personal lines, commercial lines – or like me, *both!* There's a solution in the report you'll get that solves *every* agent's marketing problem!
- **Why you *never, ever, ever* have to cold call or prospect again** (and why those old passive and demeaning methods are too slow, too expensive and why they'll hold you back!)
- **How to make more money in the soft market** – even though prices are going down! (And how t competition to smithereen market turns hard!)
- **The amazing method I 1523 referrals from ON** (Imagine how this ONE S could help you pay for co new home, a bigger nest vacation or whatever mat you and your family!)
- How to suck HUGE dolla EXISTING book of busi the *easiest* money you'll guaranteed!)
- **No cost/low cost metho your clients *automatica*** lock in your customers fo *never* have to worry abou
- **How to get your agency auto-pilot...**so you can d want with your time (and will grow even when you away...that's why I take vacation a year!) (And t sample of what you'll do you call for your free rep

The list of "millionaire ag Michael has created with his system is a mile long. He's b these secrets for close to 20 y you're not one of them, I stro to pay careful attention to wha to say.

First of all, I'm not being dime or given anything to writ message about Michael. I'm and so is he.

Secondly, Michael has co revised and updated a special, and audio CD that outlines pe you need to know to make yo skyrocket! If you're serious a up to the next level of profit, and income *quickly*, then I beg *quickly*. This package is com for the first 200 callers. You simply by calling **(888)893-3** 7 days a week. (You won't g salesperson on the line, just M "robot.")

Warning: A lot of what is controversial, "brutally hon feel like a splash of cold wate like it is about the state of the the "drivel" that most of our "marketing." If you're ready and a roadmap of shortcuts – **(888)893-3865**

"FREE Special Report Reveals Secrets Of How An 'Average' Minnesota Agent Boosted Agency Profit By A Stunning 171%! (And Boasts A Client Retention Of 99%!)"

Too good to be true? Get your FREE special report and discover for yourself how this Minnesota agent went from buried in work to long care-free vacations in Hawaii!

"For years, my life at the agency was high-pressure. Hectic. A constant blur of non-stop work. I was logging in 60 and sometimes 80 hours a week. Responsible for running the agency – *and* getting new business. My agency was eating me up alive!

And my family hated it! I have a young family that means the world to me. And I always *thought* I put them first.

Then something happened *that rocked my world*. With a weekend approaching, my family wanted to make plans for something fun. I asked my 4 year old what she wanted to do, and if I was included. She looked up at me and said...

"We don't expect you to come, Daddy, it's Saturday and you'll be working like you always do!" That was a stark wake-up call for me. *I had to get my act together.* I was missing precious moments with my wife and kids. My days were getting chewed up...and *years* were slipping away!

I resolved to find a way to live life and *not* live to work!

Here's the story: Seven years ago, I read a full page ad - sort of like this one - in this magazine. It featured the insurance marketing genius, Michael Jans. You've probably heard of him, and, more than likely you've heard some of the success stories from his clients.

I joined his "Quantum Club Coaching Program" around 2000. Believe me, my business and life are "night and day" better than they were in the "old days." I put Michael's exclusive marketing system to work for me immediately...and the results are nothing short of dazzling...and my family loves all the time I take off!

The "Bad Boy" of Insurance Really Does Have THE "Fast Money" System for Agents!

I knew Michael's rep as a "renegade." People called him the "Bad Boy of the Insurance Industry". Actually, I *respected* the fact that he busted through a lot of outdated myths about how agencies are "supposed to" make money. I'm living PROOF that you don't have to grow slowly...that you don't have to work your tail off...and that you *never* have to fall back on dreadful, old-fashioned methods of cold-calling and "passive" marketing.

Shaun Irwin
Minnesota P&C Agent
"If I can do it, anyone can!
It's easy with the right tools!"

My agency now "hums like a Mercedes." Our staff has turned into a highly-productive team of confident professionals who deliver 110% (and they have fun on the job!).

I've been able to leave the agency for weeks on end and travel the world with my family. Since joining the Quantum Club, I relish the freedom to pursue my love of music and the guitar. (I even got to sing the national anthem at a Minnesota Twins game! I've learned how to *dream* again!)

We fully expect to keep growing our top line revenue by a *minimum* of 23% - year after year!

My agency revenue per employee has shot *way past* industry benchmarks and continues to get better. And we keep growing *regardless* of market conditions. I can honestly say this is a direct result of Michael Jans' proven marketing methods. No matter if the market is hard or soft...

Soft market... "schmoft market!"

This is *the* best time to get rich in the insurance industry!

I hear a lot of agents complaining... downright *hurting*...because of the soft market. Now is THE best time to dominate your marketplace – when other agents are hurting and adrift. I see wonderful things for the future mainly because of the proven Jans marketing systems and the confidence I've gained through the Quantum Club and Michael Jans.

It's my pleasure to bring insurance agents the same chance Michael Jans gave me 7 years ago! So I twisted Michael's arm and *begged* him to let me give something back to this industry – and share with other agents how easy it is to reach your dreams as an agent.

Here's a small sample of some of the amazing things you'll soon discover...

- **How your agency can copy the same amazing 23% growth pattern we have**...*and repeat it year after year!* So you can enjoy unlimited free-time with your family, take long vacations or pursue other business opportunities!
- **Just one of Michael's strategies brought an extra $518,000 to my agency's bottom line.** Learning this one key strategy from Michael changed the way I do business forever! You too can effortlessly manage sales and save massive amounts of time and money!
- **How to create legions of devoted clients that will send your referrals through the roof!** – Automated, low-cost ways to boost client retention up to 99%! (I love the fact that my clients do NOT leave my agency... client retention has been phenomenal *and* eager prospects call us!)
- **How your agency can explode its yearly revenue with or without out-side producers on board!** –this secret has given me the most freedom, dramatically boosts profits and it *really* helps the bottom-line.)

And that's just a sample of what Michael shares on the free special report! Michael Jans has created a generation of successful (and wealthy) insurance agents with his proven marketing system. He's been teaching these secrets for close to 20 years...and if you're not one of them, *I strongly urge you to pay careful attention to what I'm about to say.*

I wanted to tell agents (in my own words) just what Michael Jans and Quantum club has done for me, my agency and my family! I can say without a doubt it has worked miracles in our lives...

Most important, Michael has completely revised and updated a special, FREE report and audio CD that outlines precisely what you need to know to make your income skyrocket! If you're serious about jumping up to the next level of profit, production and income quickly, then I beg you to act right now. This package is completely FREE for the first 200 callers. You can get it simply by calling (888)241-1899 24 hours, 7 days a week. (You won't get a pushy salesperson on the line, just Michael's "robot.") Warning: A lot of what Michael says is controversial and "brutally honest.". If you're ready for the truth – and a roadmap of shortcuts – call now: (888)241-1899

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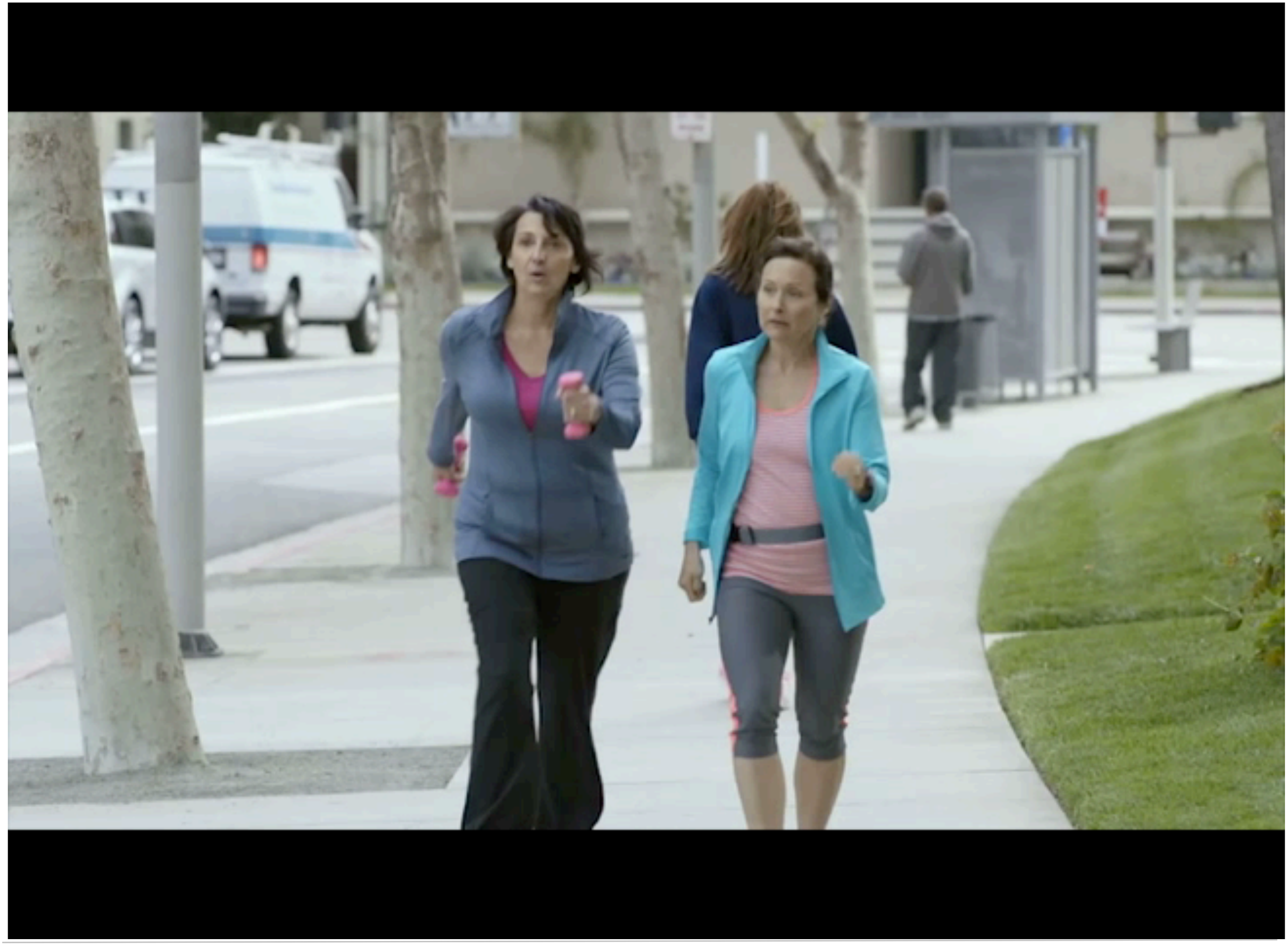

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7 points of vulnerability.

Proof: Empirical evidence.

- Changes in consumer behavior.
- Changes in carrier behavior.
- Changes in the nature of risk.

5 point action plan.

- For retail agents and the industry that serves them.

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"This is a relationship business."

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BROKEN PROMISE

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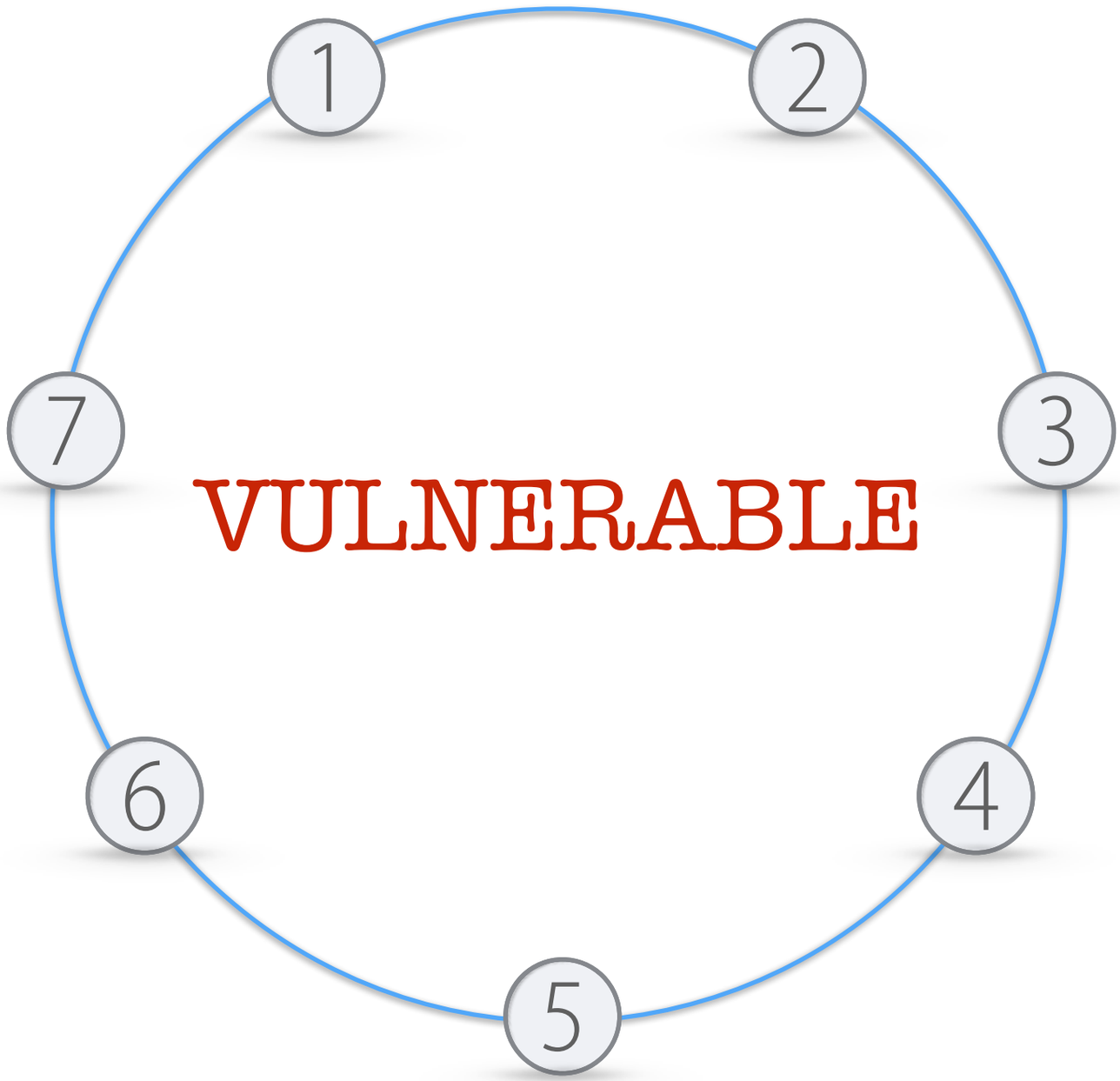

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Points of vulnerability.

1 It’s been easy.

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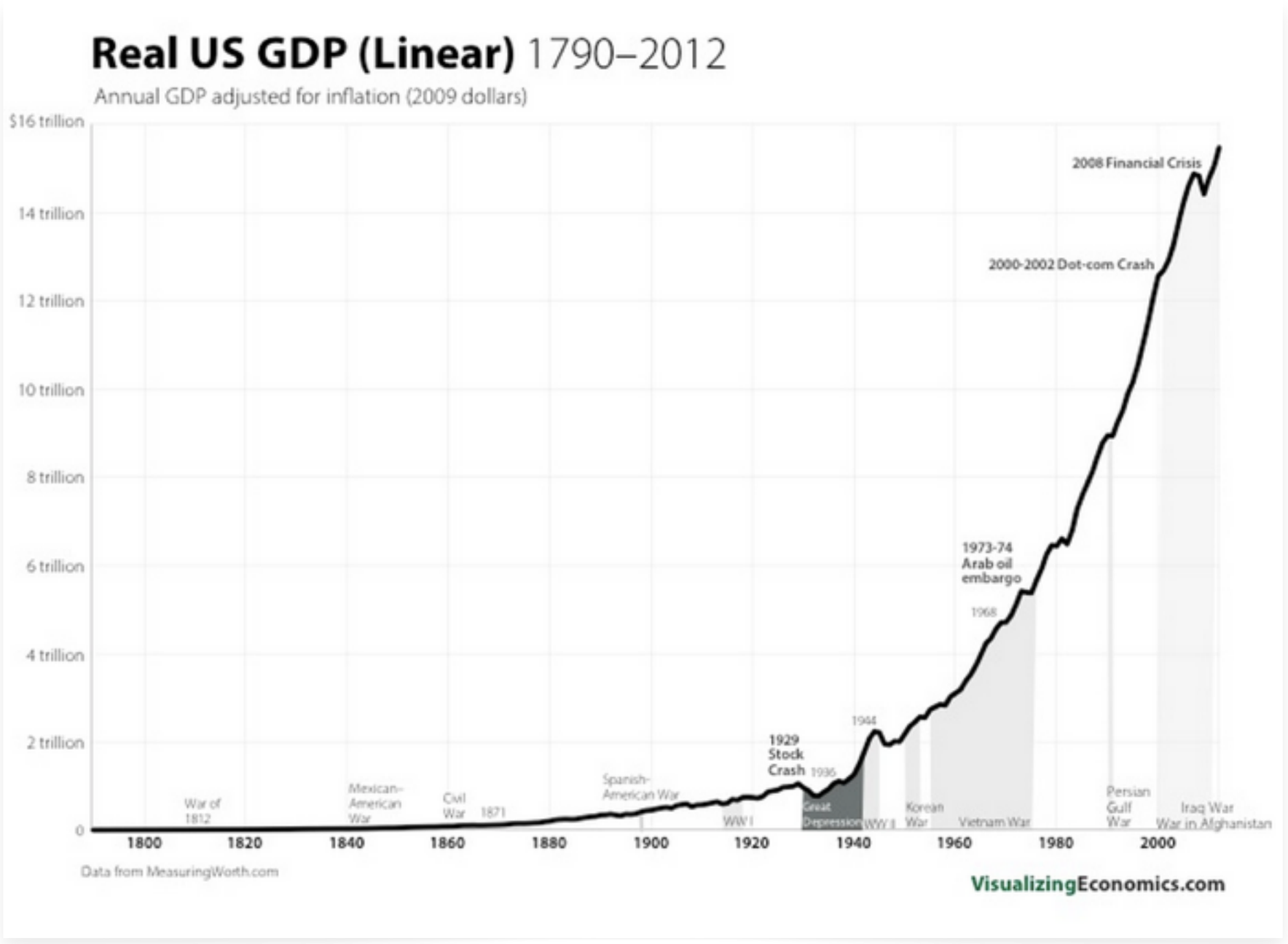
Growth of the US economy



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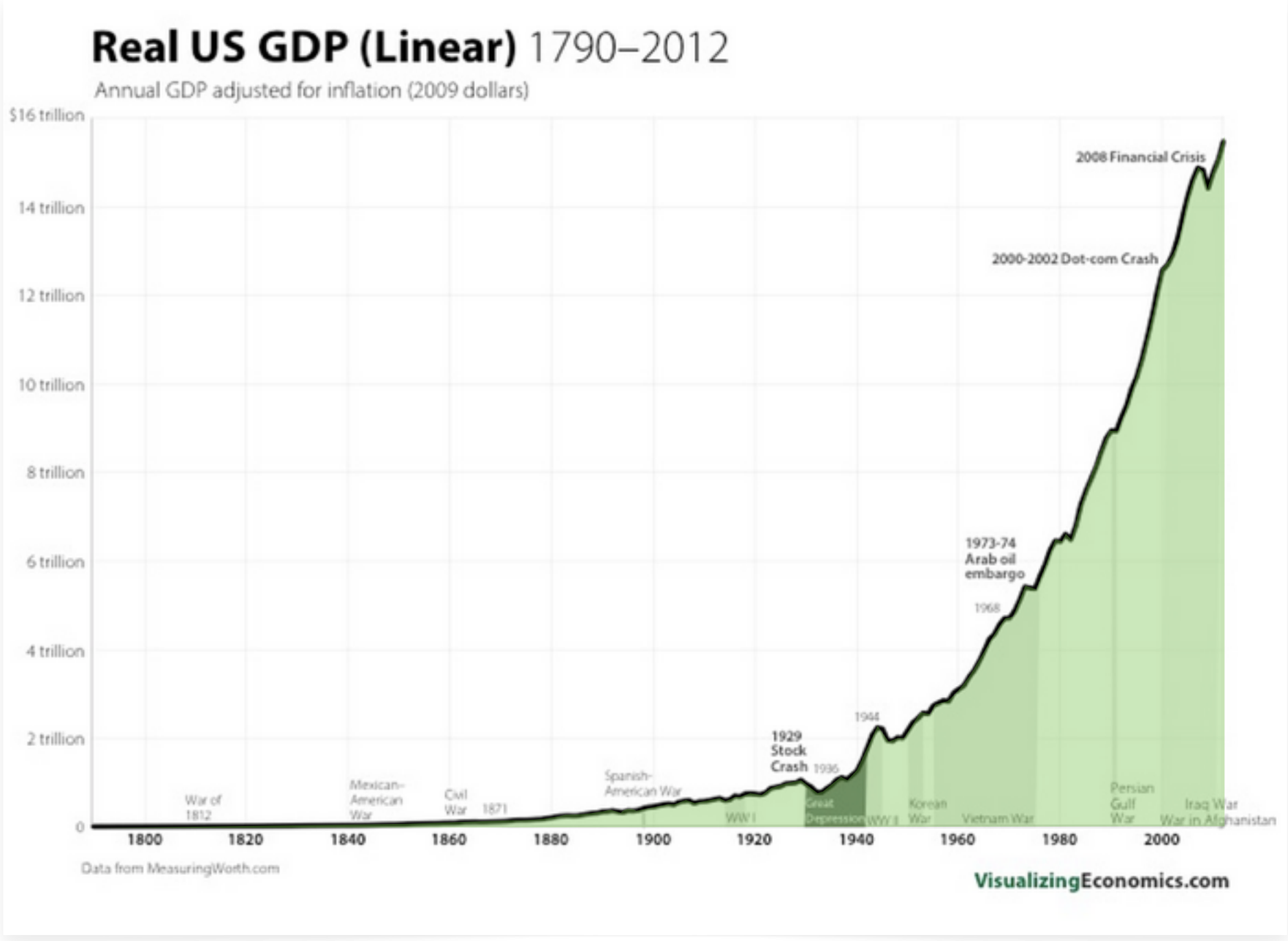
Growth of the US economy



1 It's been easy.

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Marketing meant.

Yellow Pages

BEND CHAMBER
CREATING A STRONG LOCAL ECONOMY

1 It's been easy.

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What got you here, won't get you there.

1 It's been easy.

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Points of vulnerability.

2

Mature Industries are vulnerable.

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3000bc 600bc 1347ad 1667 1735 1752 1853 1864

History:

Travelers sells 1st policy.

St. Paul sells 1st policy.

Ben Franklin.

1st US insurance company.

LLOYD'S

London (after the Great Fire).

Genoa first known insurance contract.

Greek & Roman health & life insurance.

Chinese & Babylonian traders.

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The habits, processes and bureaucratic interests resist CHANGE.

2 Mature Industries are vulnerable

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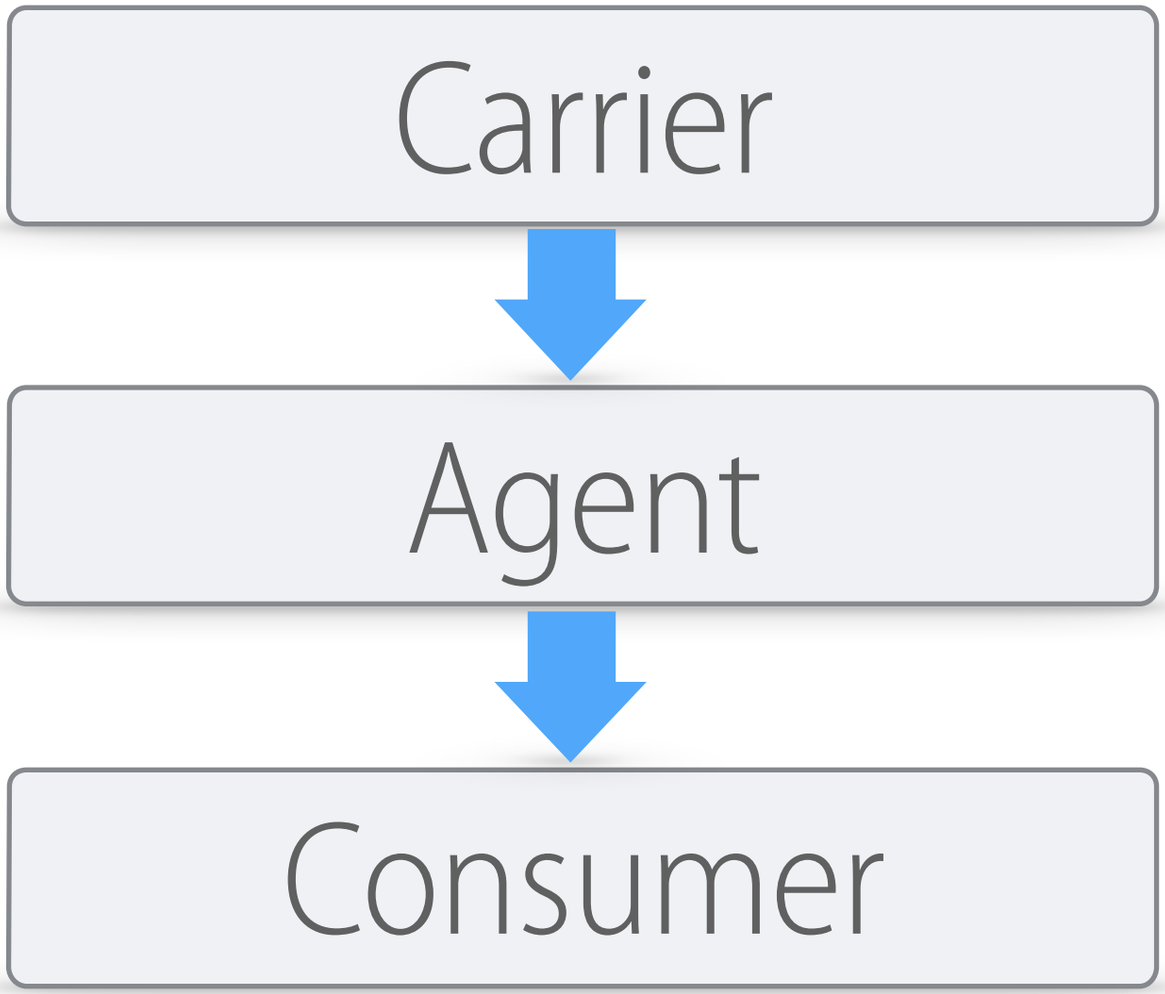
Not because the industry isn't good.



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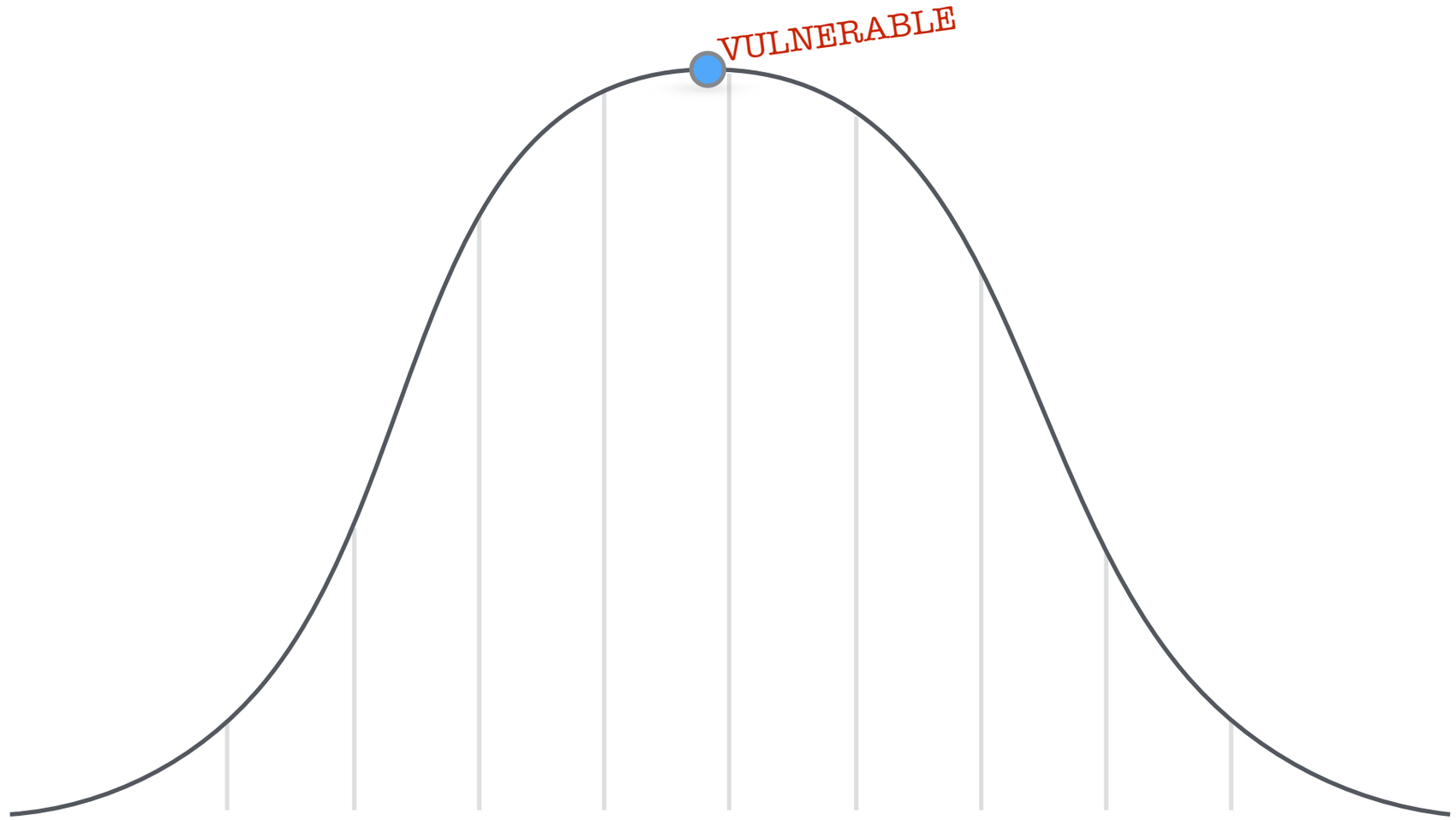
Disruption generally happens when the industry is at its highest PEAK of Excellence.



2 Mature Industries are vulnerable

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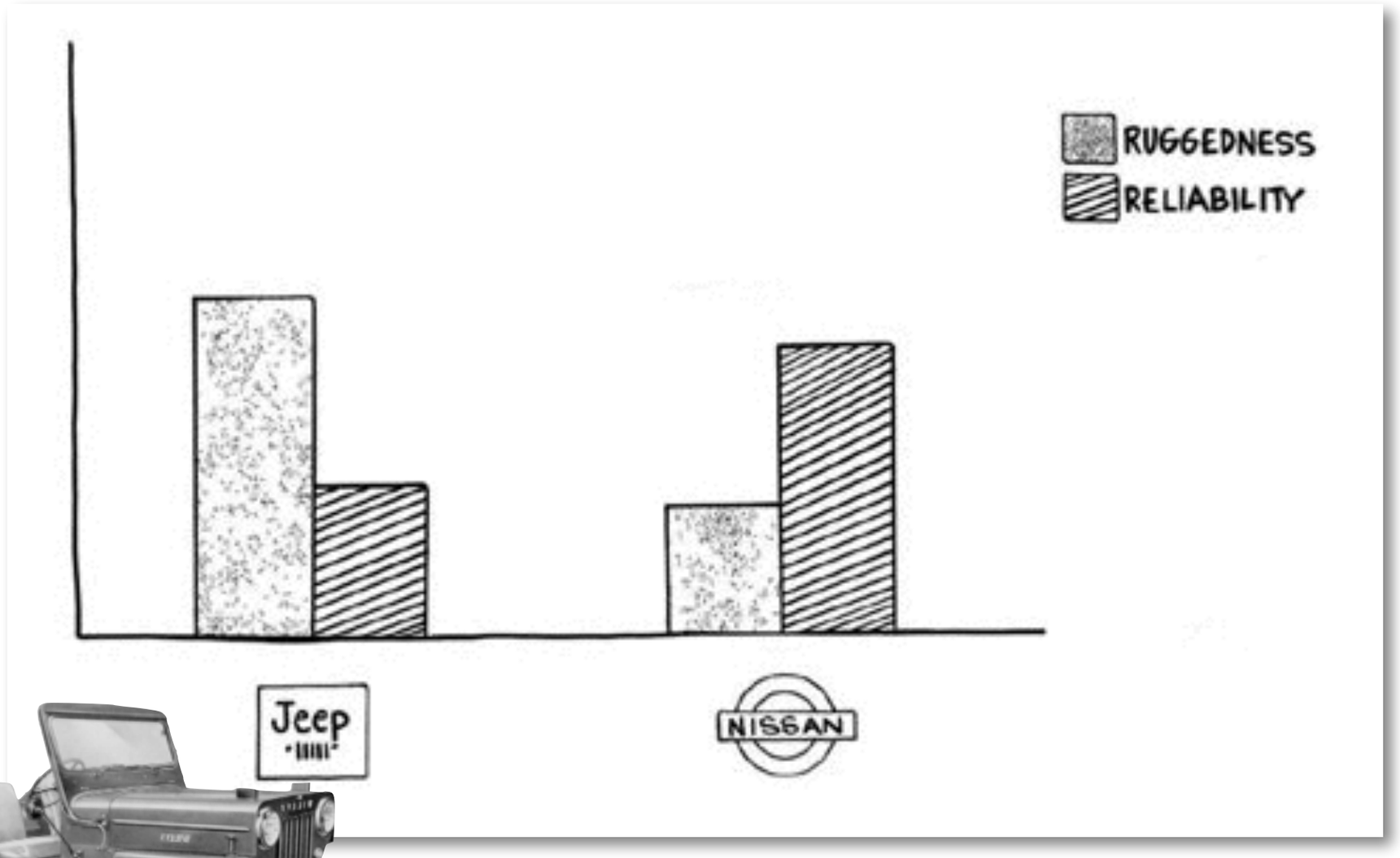

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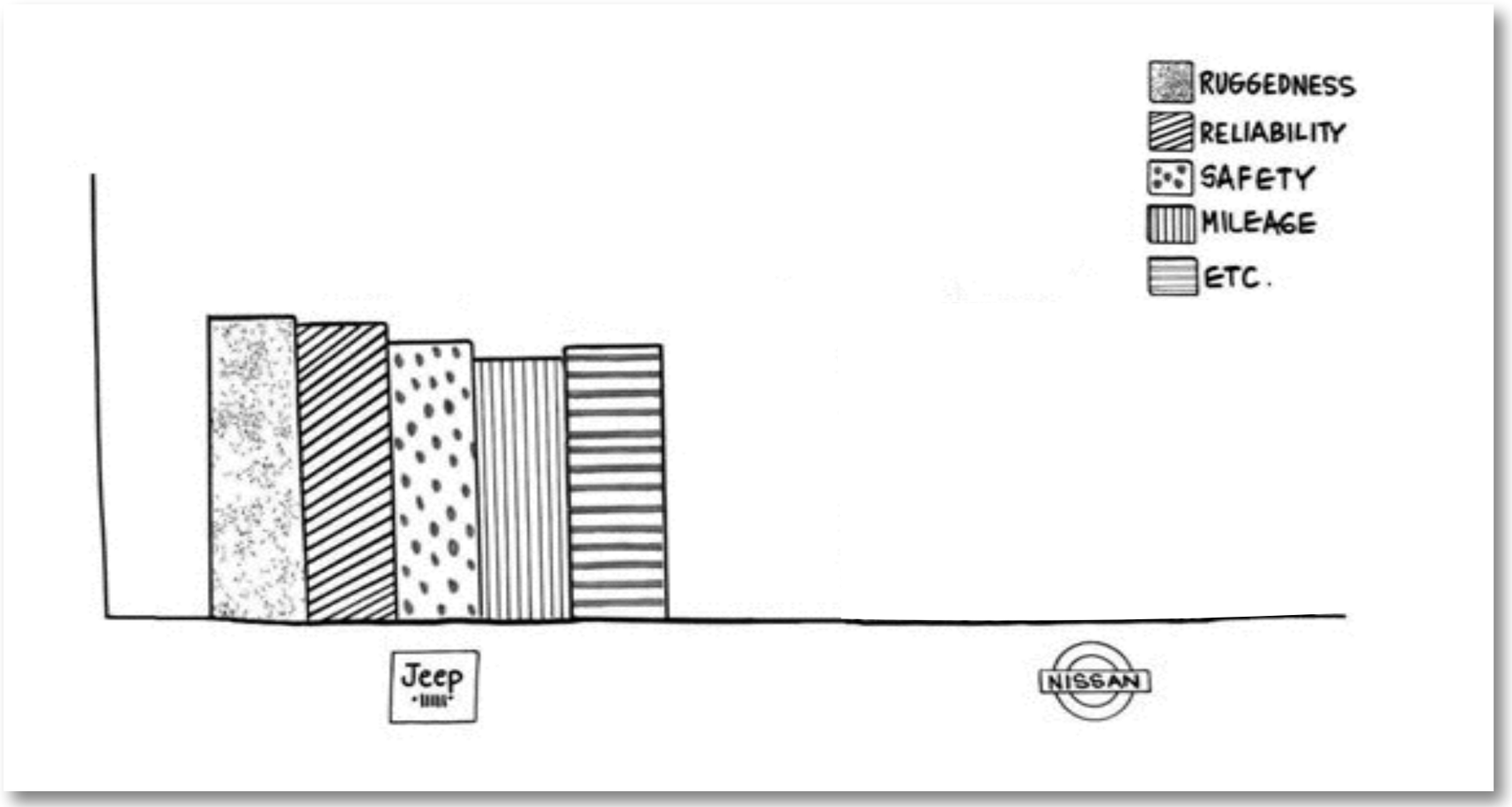

2 Mature Industries are vulnerable

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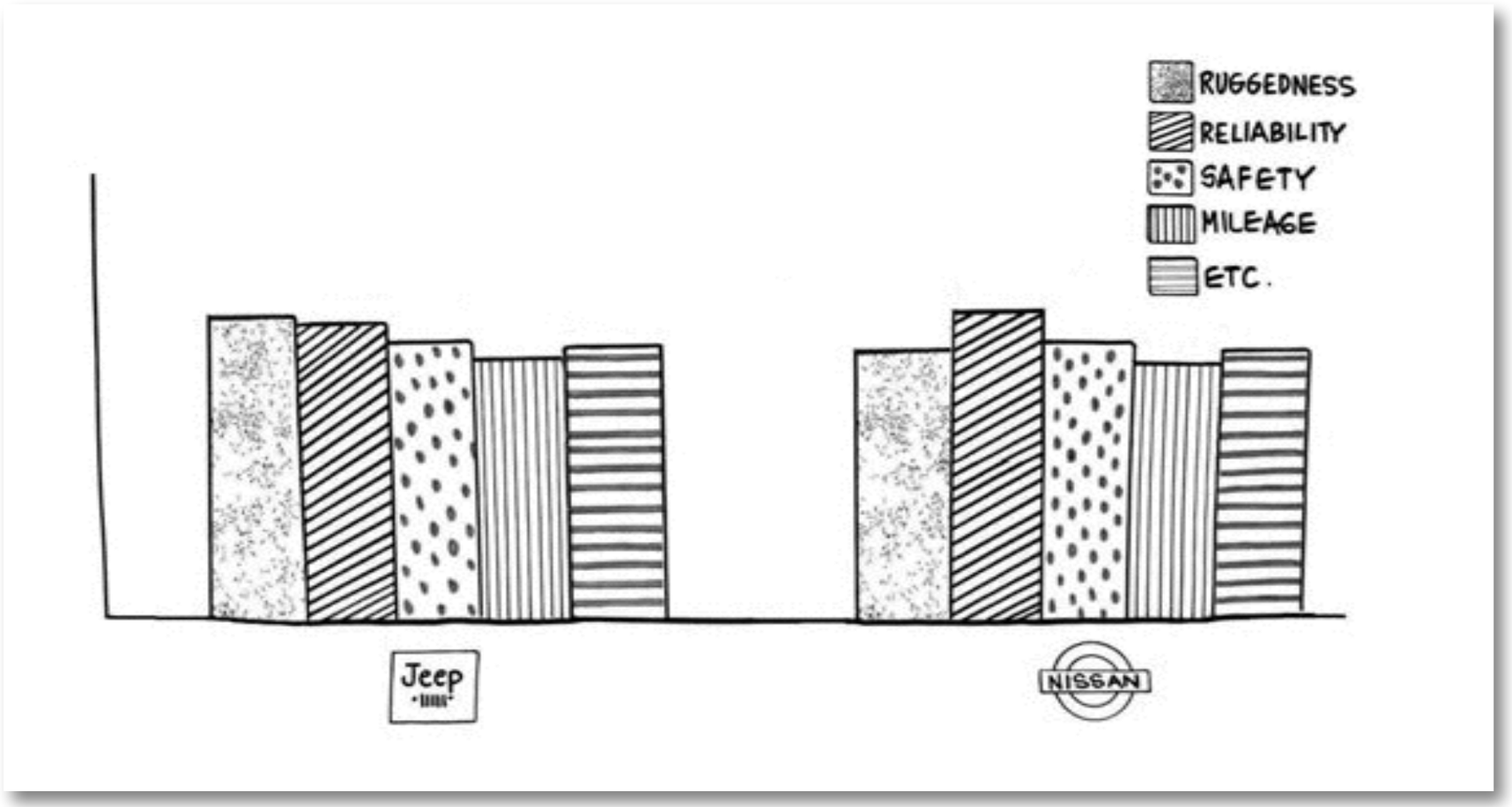

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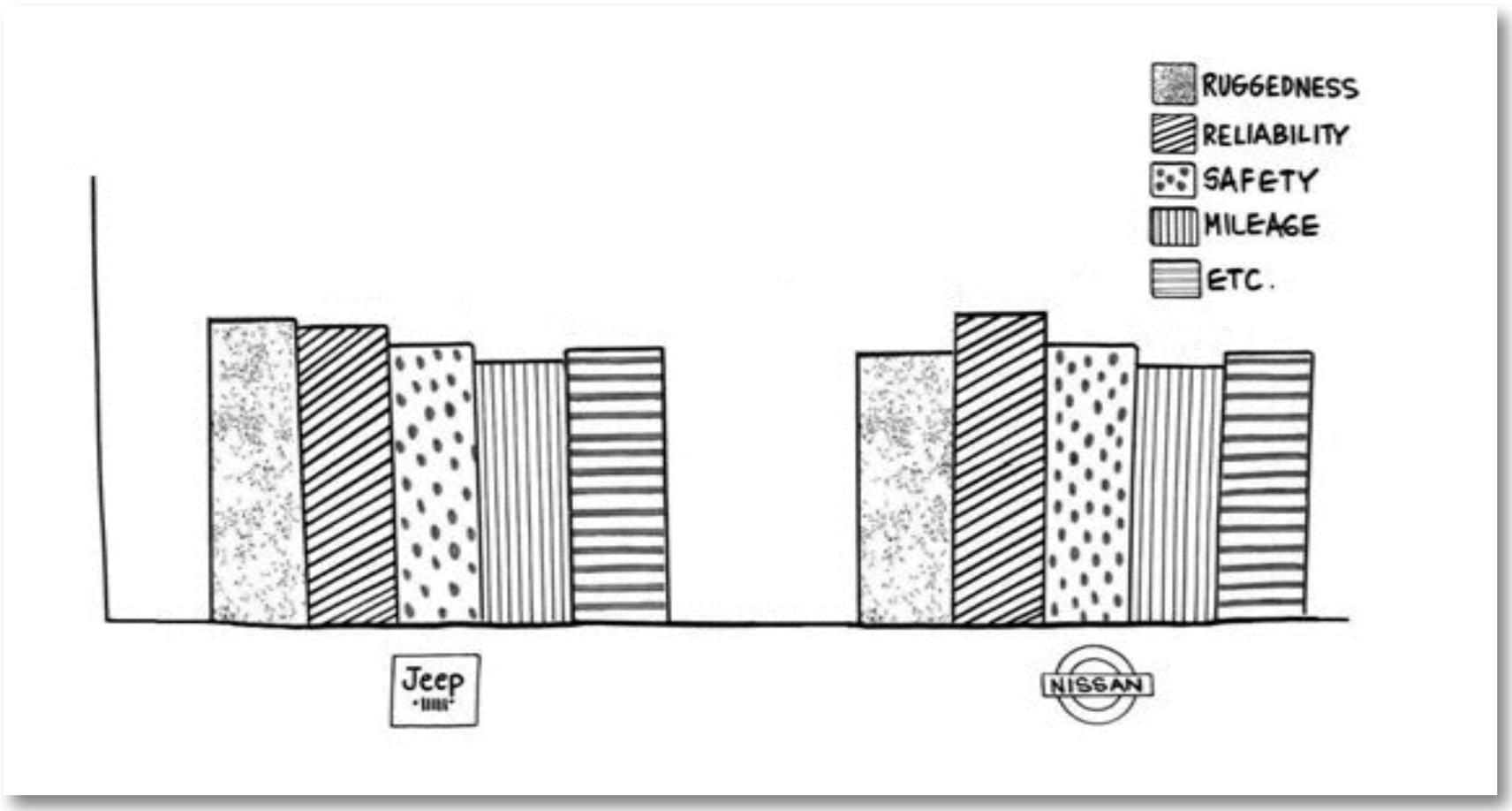

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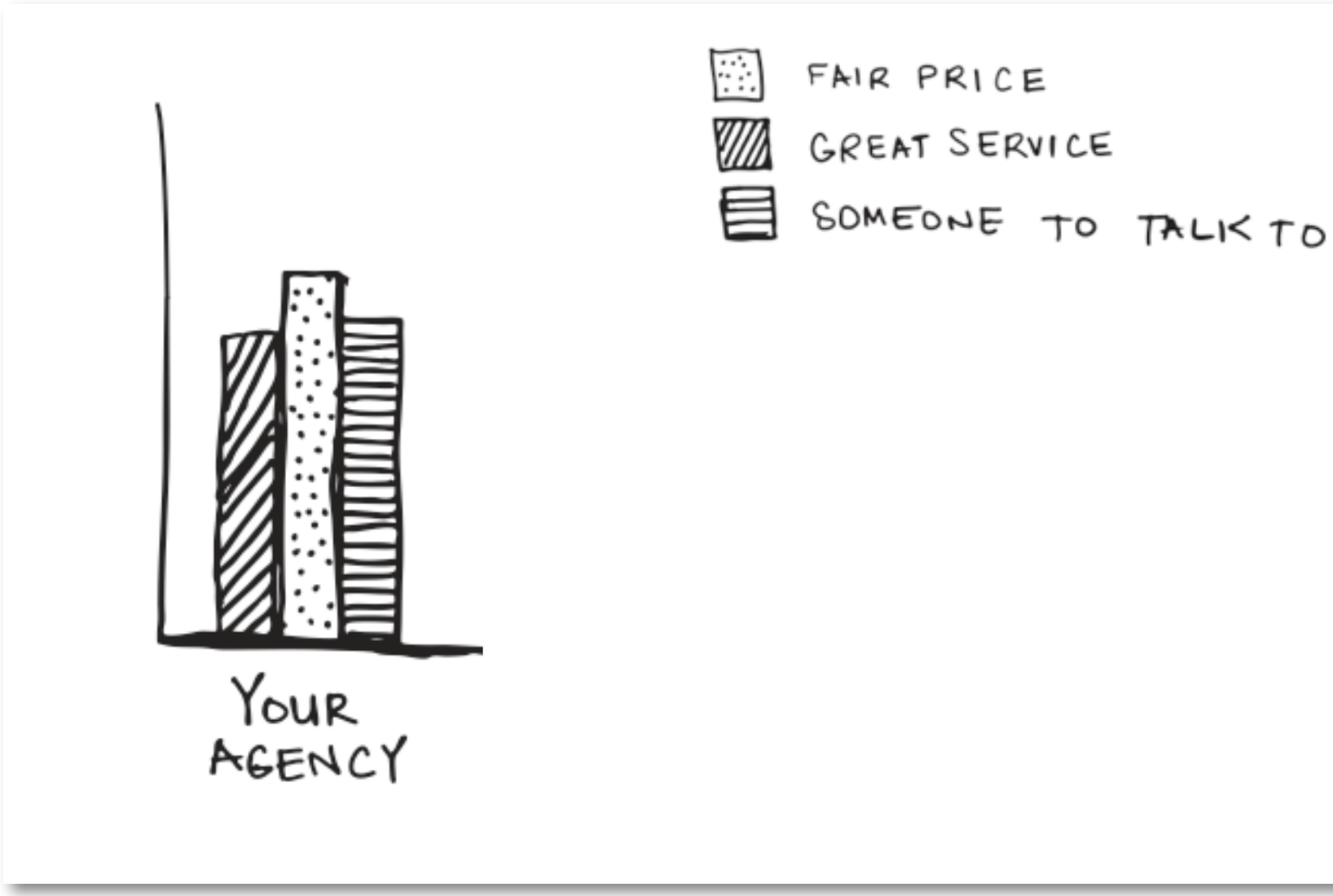

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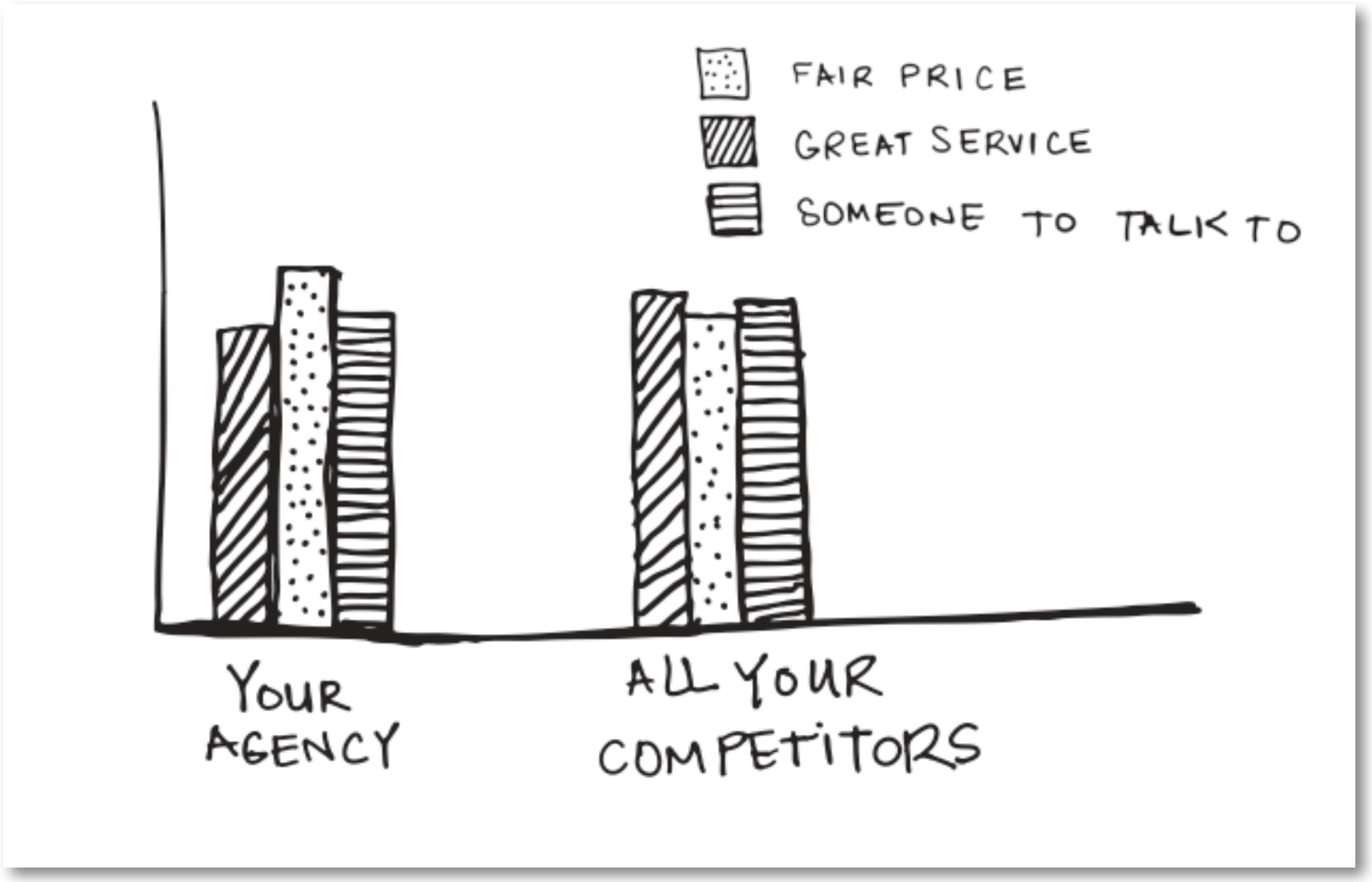

2 Mature Industries are vulnerable

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Smaller, more nimble entities, often outsiders, disrupt.

- Usually with technology.

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Blacksmith, Henry Ford

2 Mature Industries are vulnerable

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Kodak

Steve Sasson,1975

"...it was film-less photography, so management's reaction was, *'that's cute - but don't tell anyone about it.'"*

2 Mature Industries are vulnerable

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Netflix

Blockbuster CEO Jim Keyes: 2008

"Neither RedBox nor Netflix are even on the radar screen in terms of competition..."

2 Mature Industries are vulnerable

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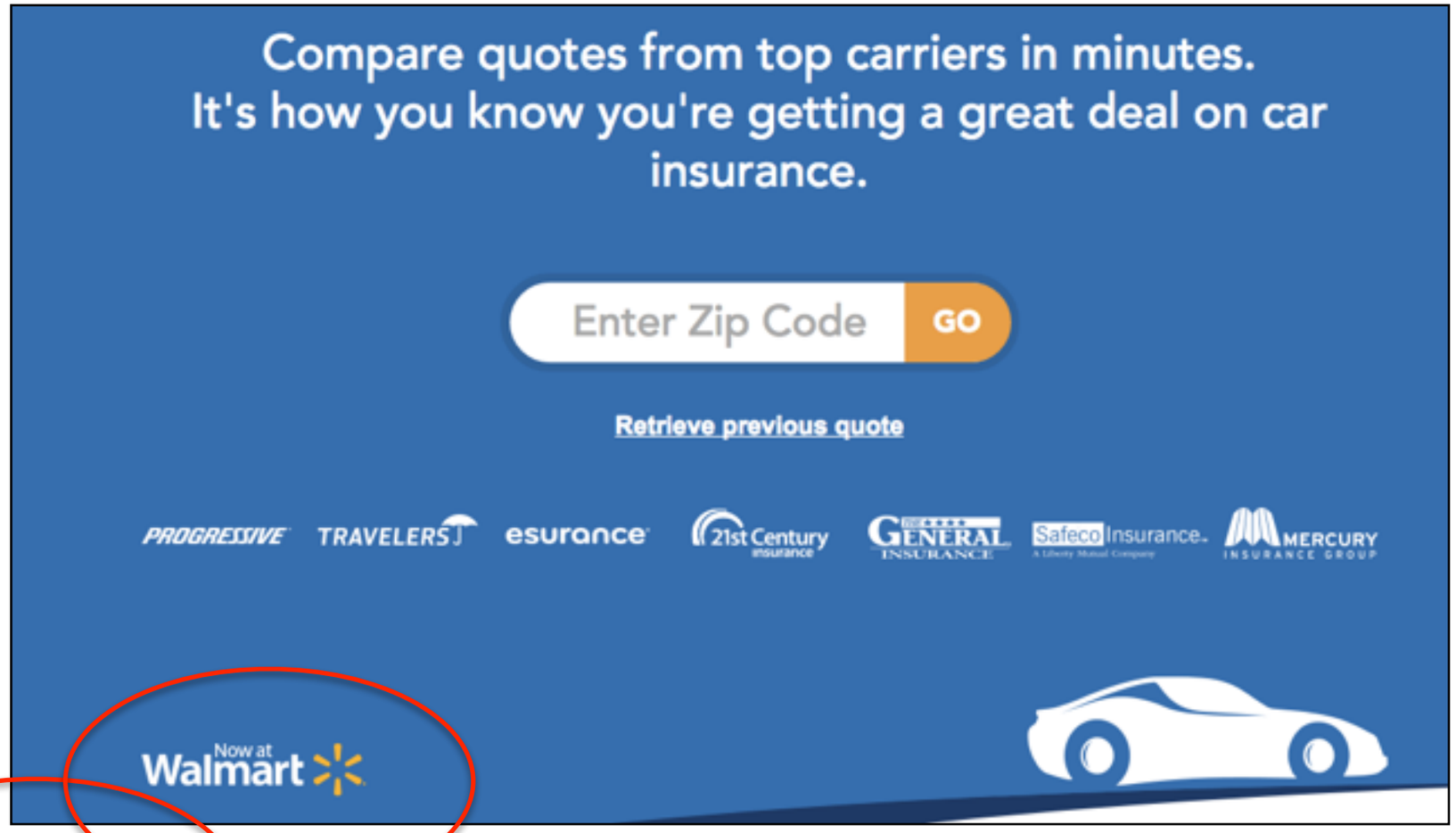

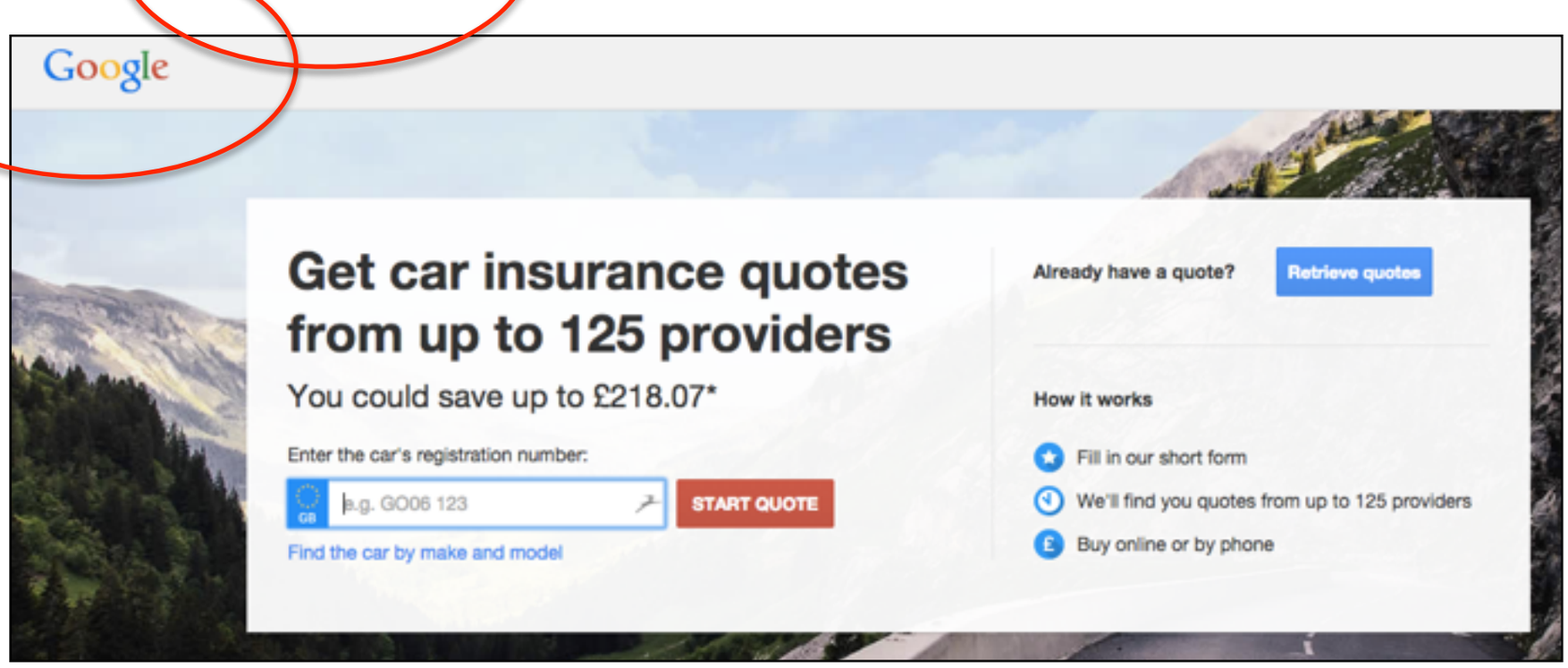

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A NEW INDUSTRY GROUP
RUN UNDER THE GUIDANCE OF
THE ASSOCIATION OF OPTOMETRISTS (AOP)
HAS BEEN CREATED TO ADDRESS PRACTICE DECLINE

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Warby Parker

- Founder Neil Blumenthal's 1st rule of success "Cut Out the Middle Men."

Started 2010

Sold 500,000 pairs of glasses by 2013.

WARBY PARKER
eyewear

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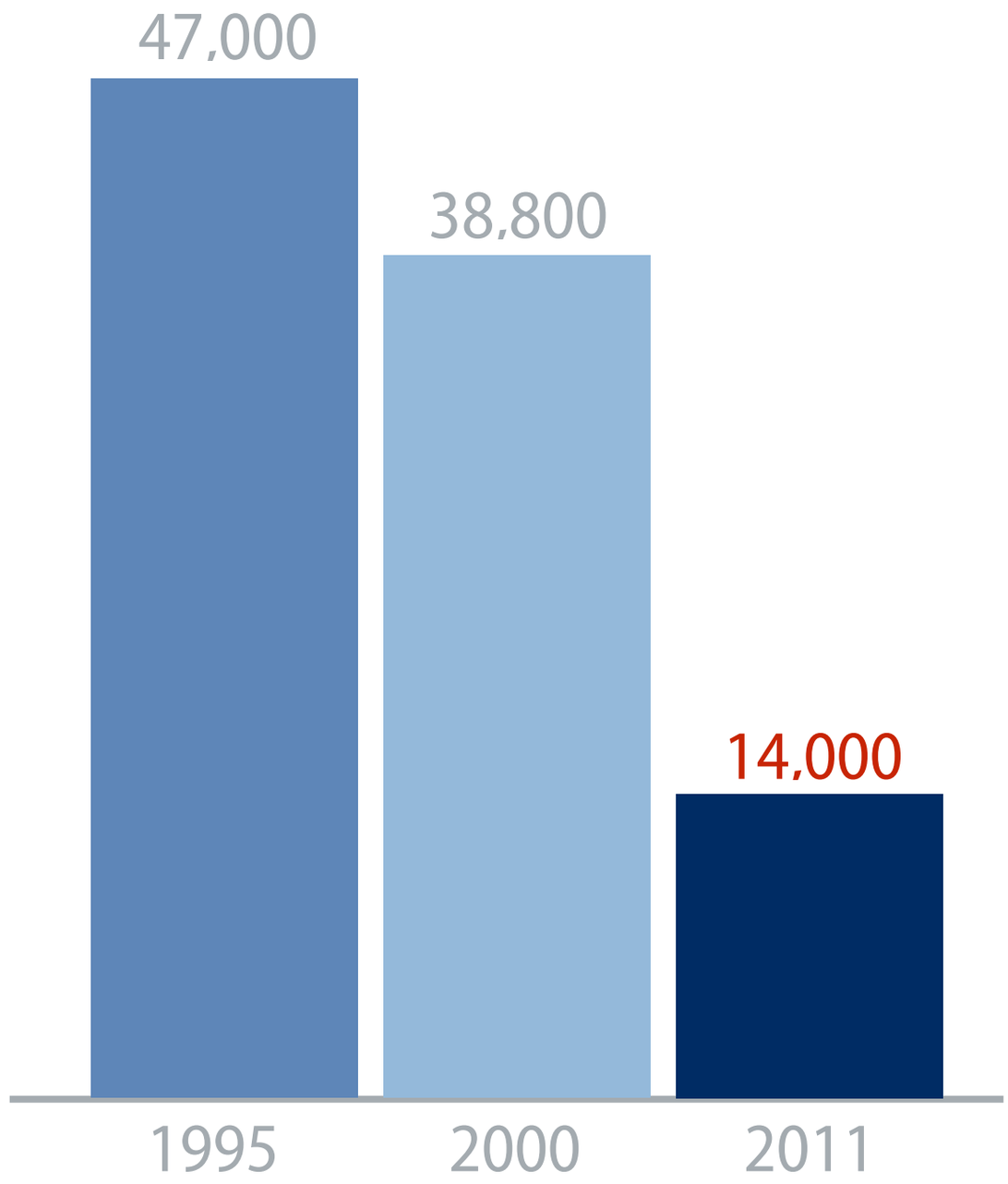
Travel agencies

Number of traditional travel agencies.



Source: Phocuswright; Airline reporting corp. (ARC); ASTA.org

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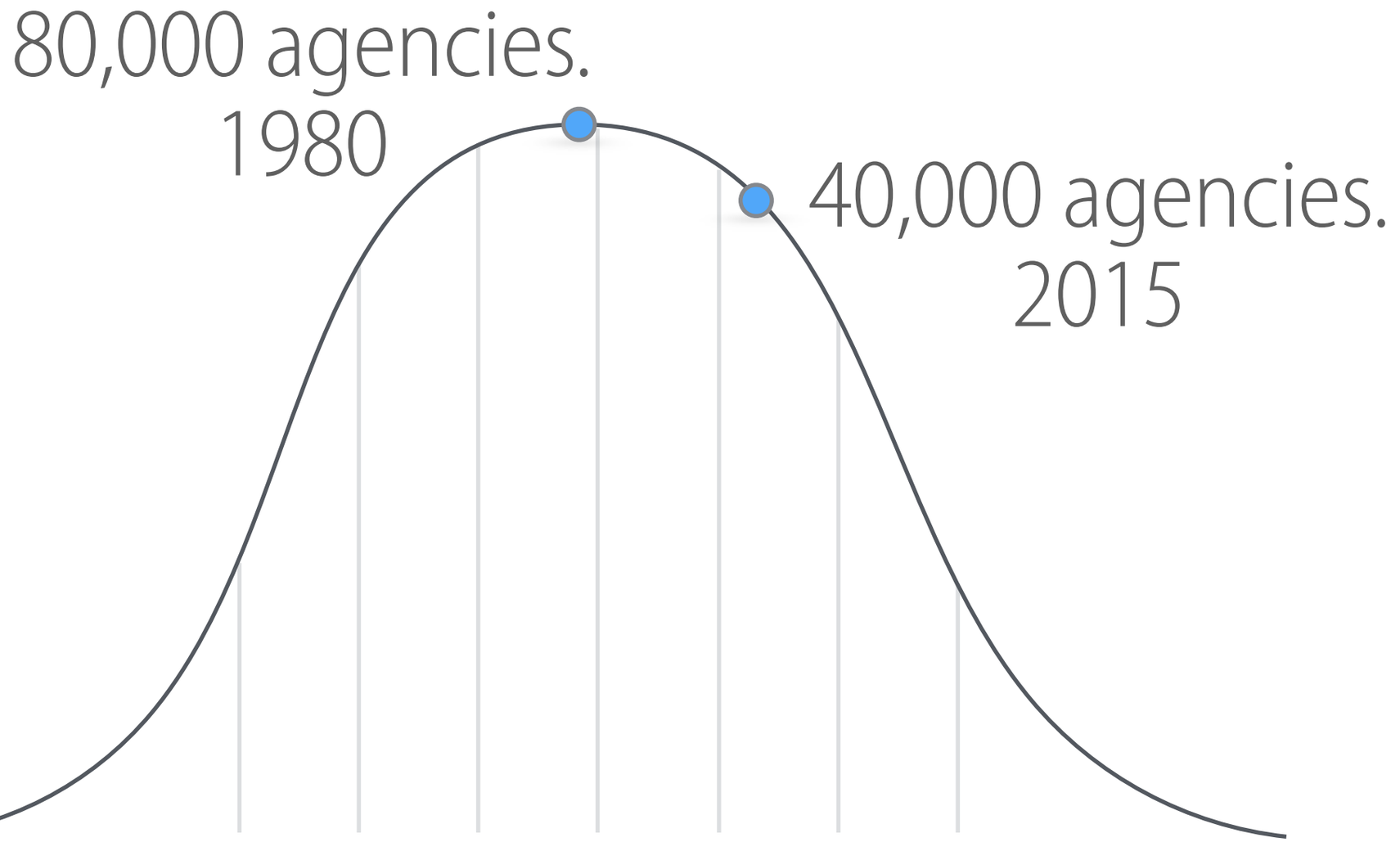

2 Mature Industries are vulnerable

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Points of vulnerability.

3 We're getting old.

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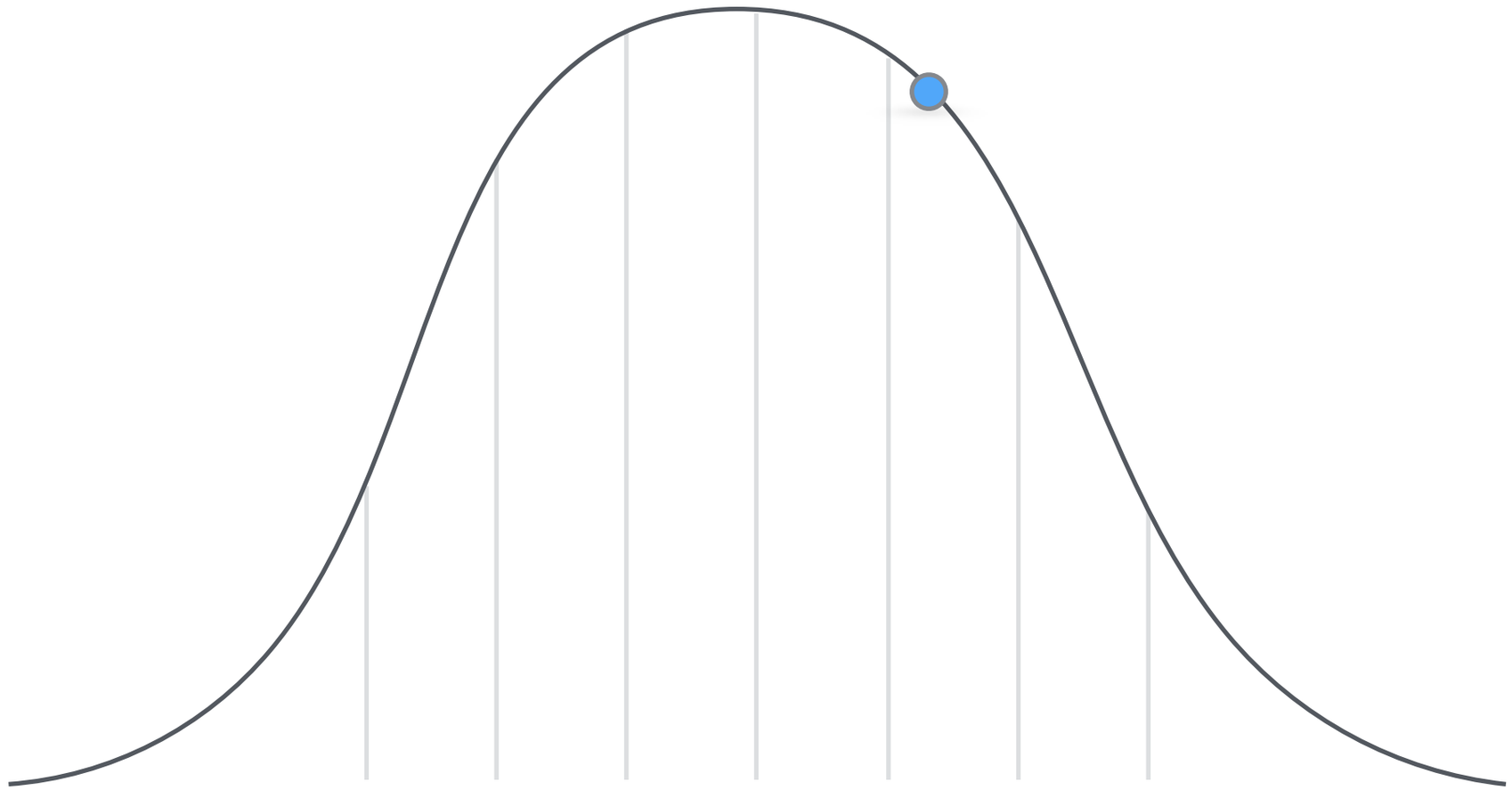
Average age of agency principal: 59.



3 We are getting old

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25% will be gone by 2018

McKinsey & Co

3 We are getting old

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- Number of employees 55 and older in P&C is 30% higher than any other industry.
- Carriers will have to replace 400,000 employees by 2020.
- 72% of principals with over 20% ownership is over 60.

3 We are getting old

Accenture, AM Best, IIABA

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Points of vulnerability.

4

The pernicious term “agent".

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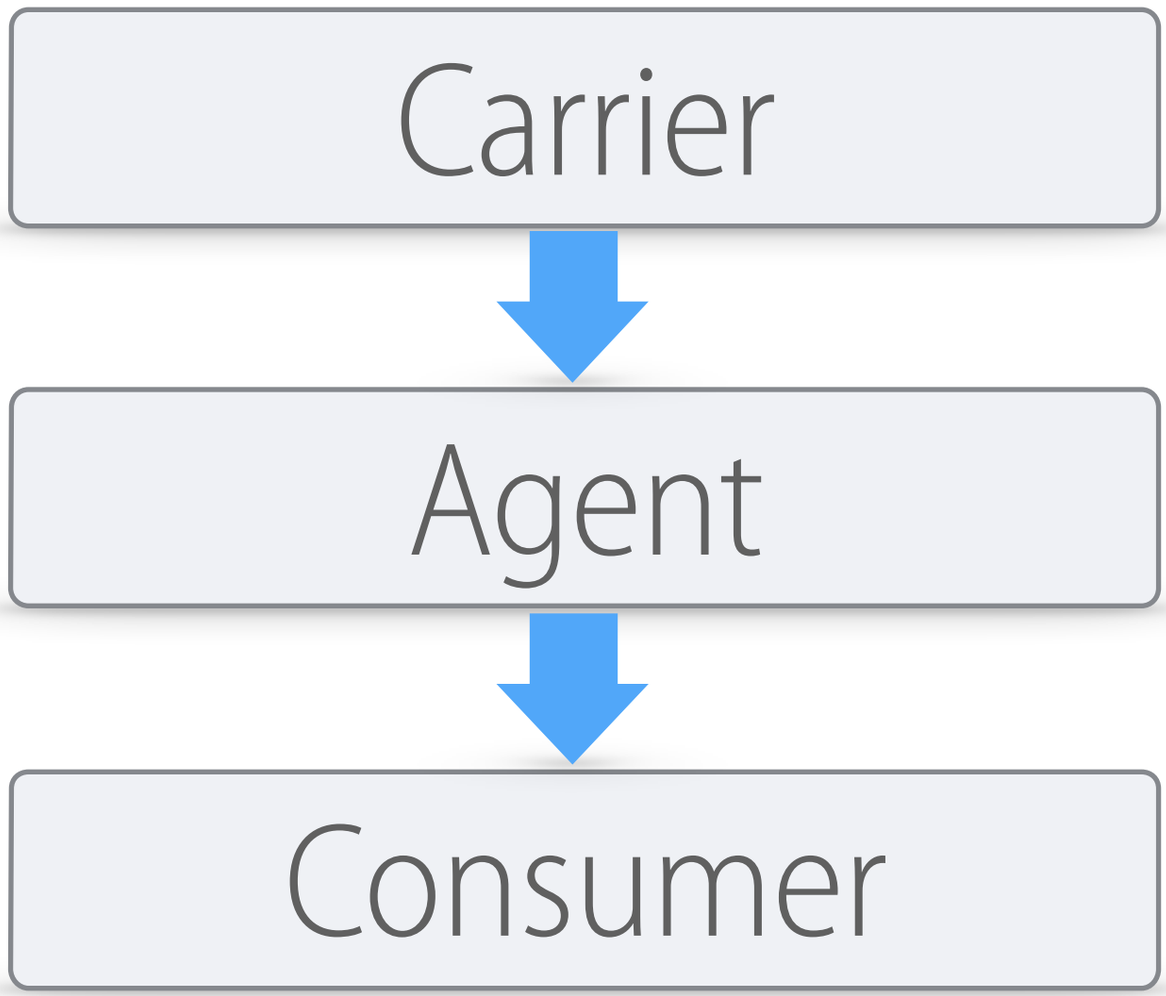
The pernicious term “agent”.

- “acting on the authority of another”.



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Points of vulnerability.

5

The pace
of change.

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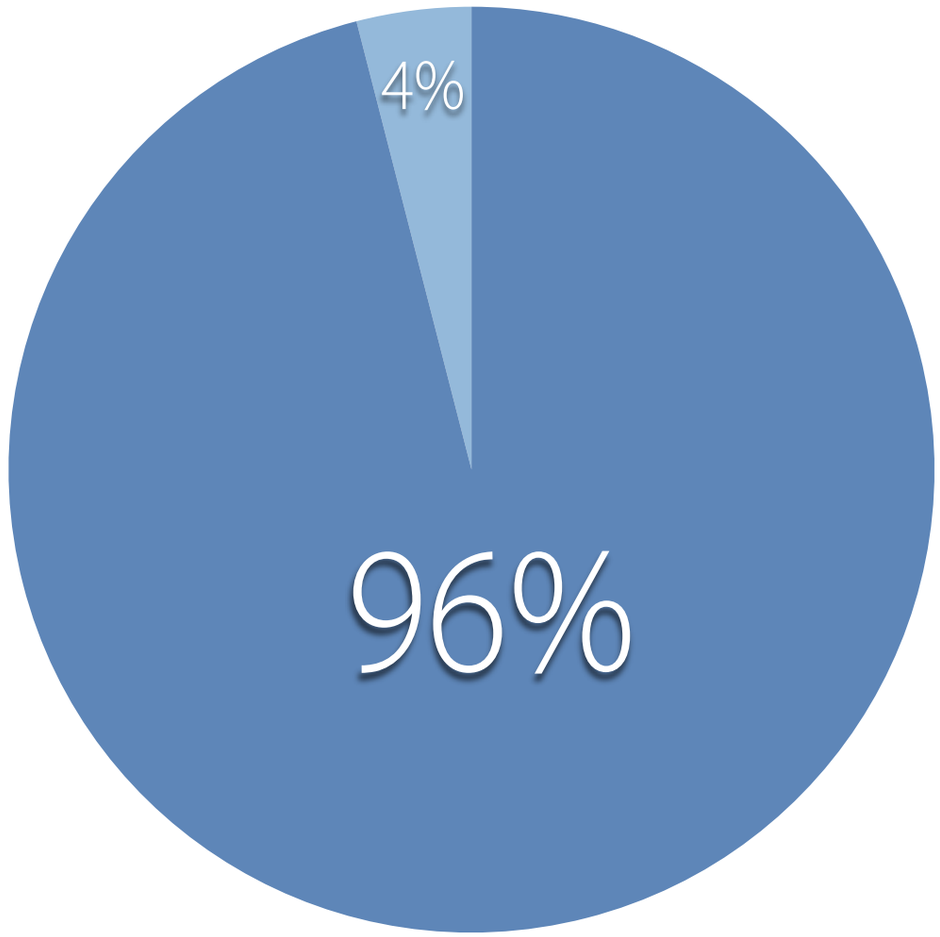
The pace of change.

"Worried the world is changing faster than my agency."



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Jack Welch

Chairman and CEO,
General Electric,
1981- 2001

"If the rate of change on the outside exceeds the rate of change on the inside, the end is near."

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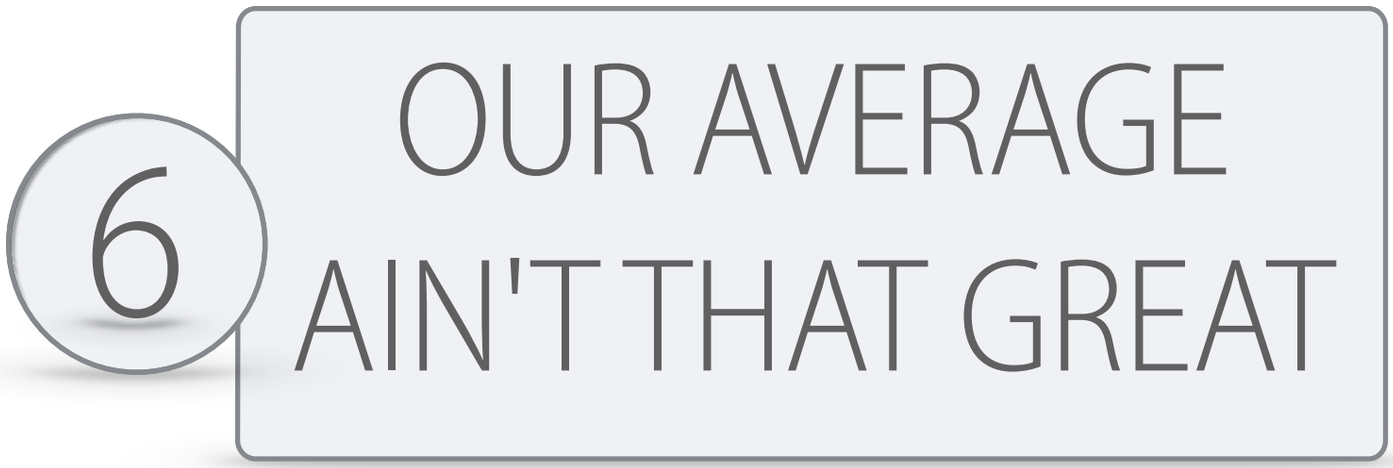
Points of vulnerability.



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And "on average" thats how the marketplace judges us.

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This is a built in systemic weakness.

The "independence" of 40,000 delivery entities inherently lacks business discipline.

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Cannot enforce:

- Best Practices.
- Brand discipline.

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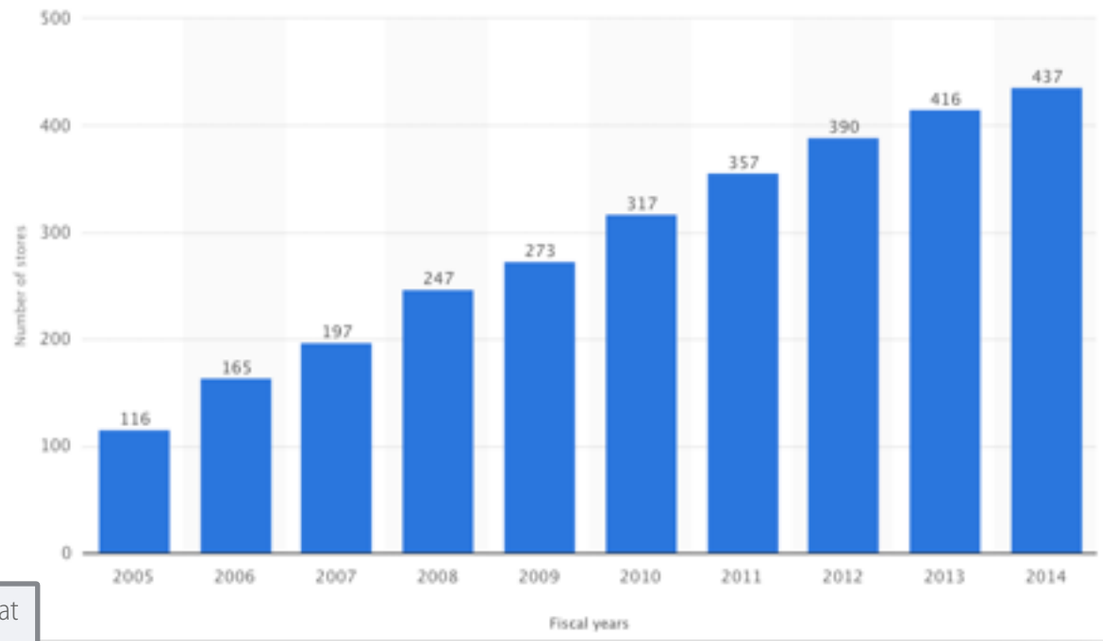
Compare to:

- 17,000 Starbucks cafes
- 63,000 Nordstrom employees NORDSTROM
- 437 Apple Stores

Number of Apple stores worldwide from 2005 to 2014

This statistics show the number of Apple stores around the world since 2005. In 2007, there were 197 Apple stores worldwide.

Show more



Statista 2015

6 Average ain't that great

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Cynthia A. Montgomery

Timken Professor of Business Administration, Harvard Business School

"Does your company matter? That's the most important question every business leader must answer."

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Points of vulnerability.

7

We cost more.

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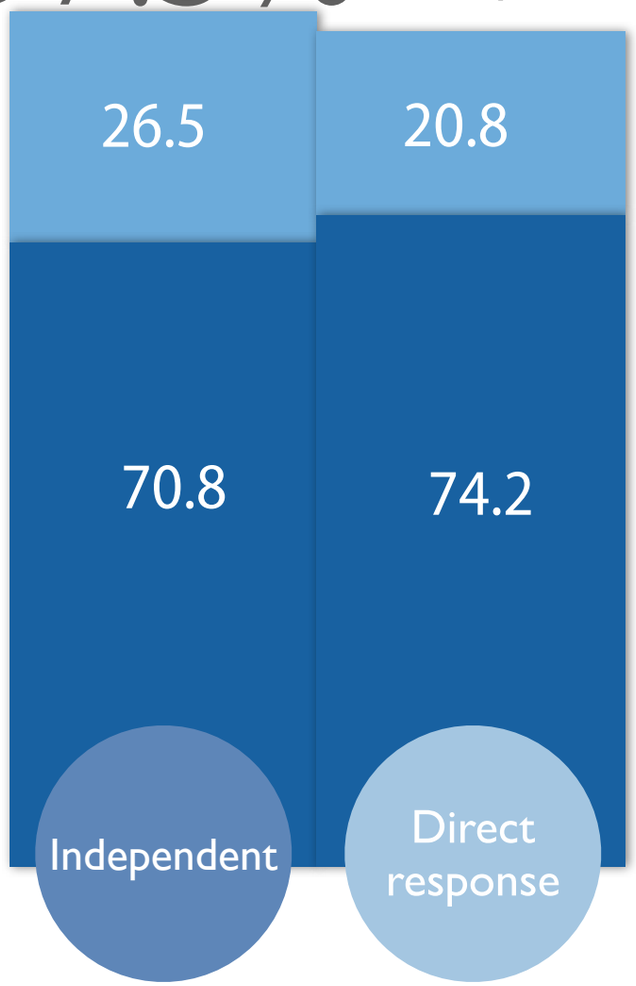
Carrier

Combined ratio: 97.3% 95%

Expense ratio %

Loss ratio %



AM Best, research and data

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VULNERABLE

1. It's been easy.
2. Mature Industries are vulnerable.
3. We're getting old
4. The pernicious term "agent"
5. The pace of change
6. Our average ain't great
7. We cost more

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Prove It.

- What Consumers are saying and doing.

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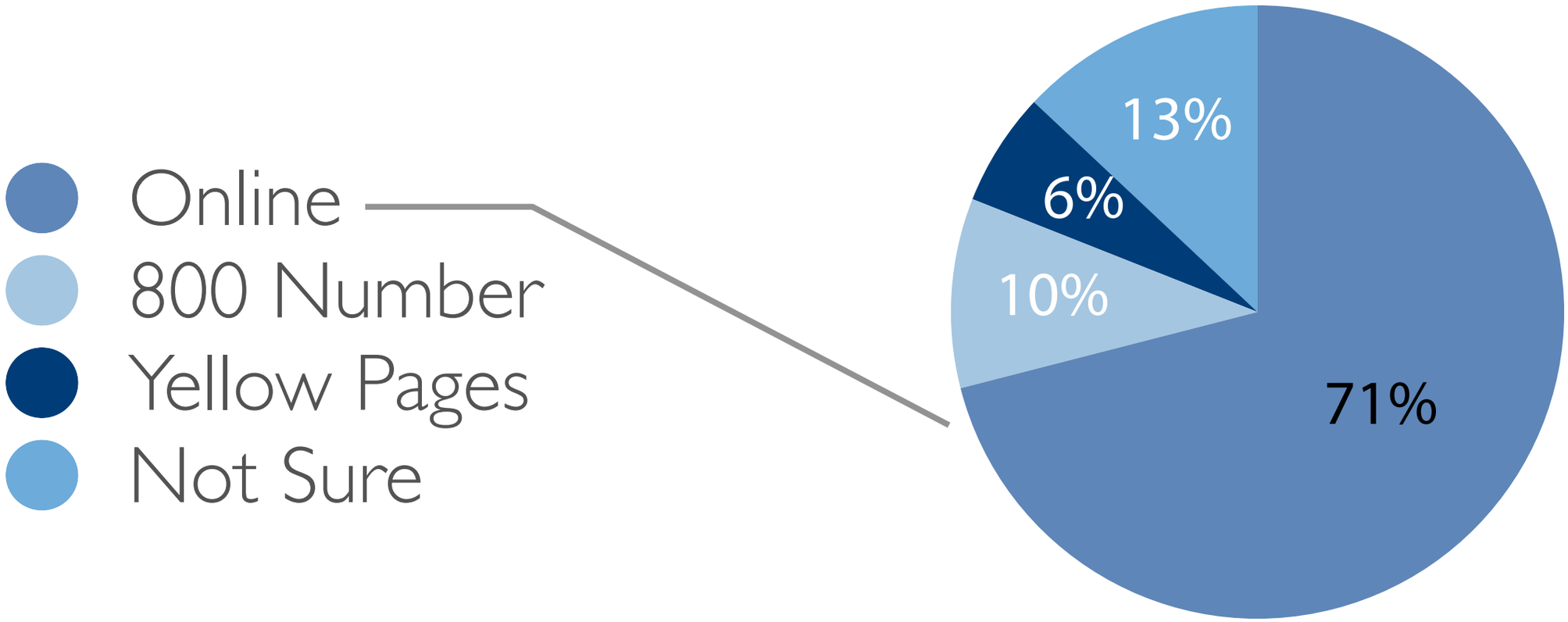
71% use the internet to research insurance.
54% have received a quote online.



comScore.

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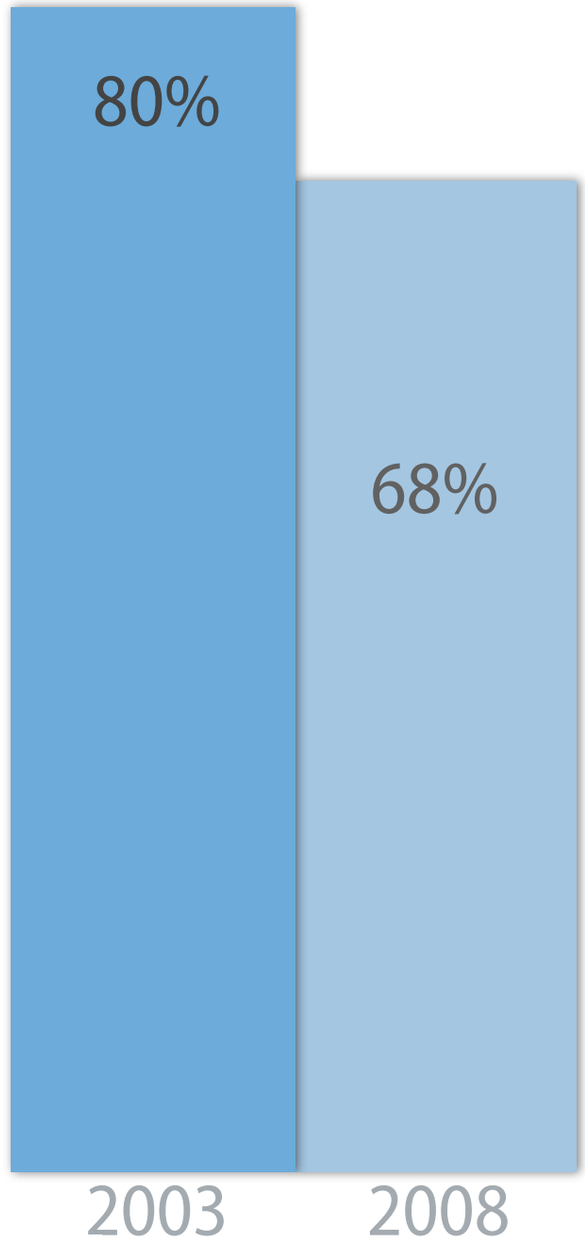
Changes in Consumer Behavior.

New auto insurance placed by local broker:



comScore.

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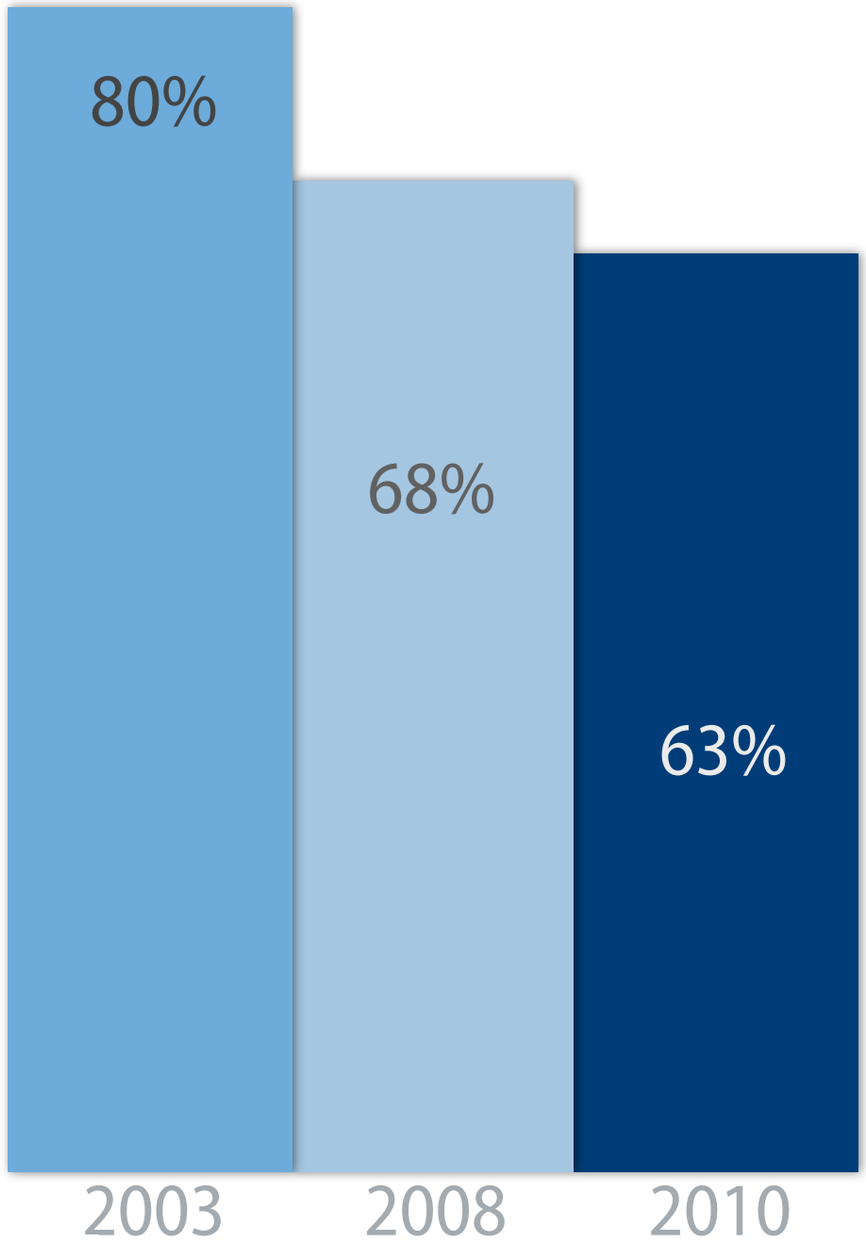

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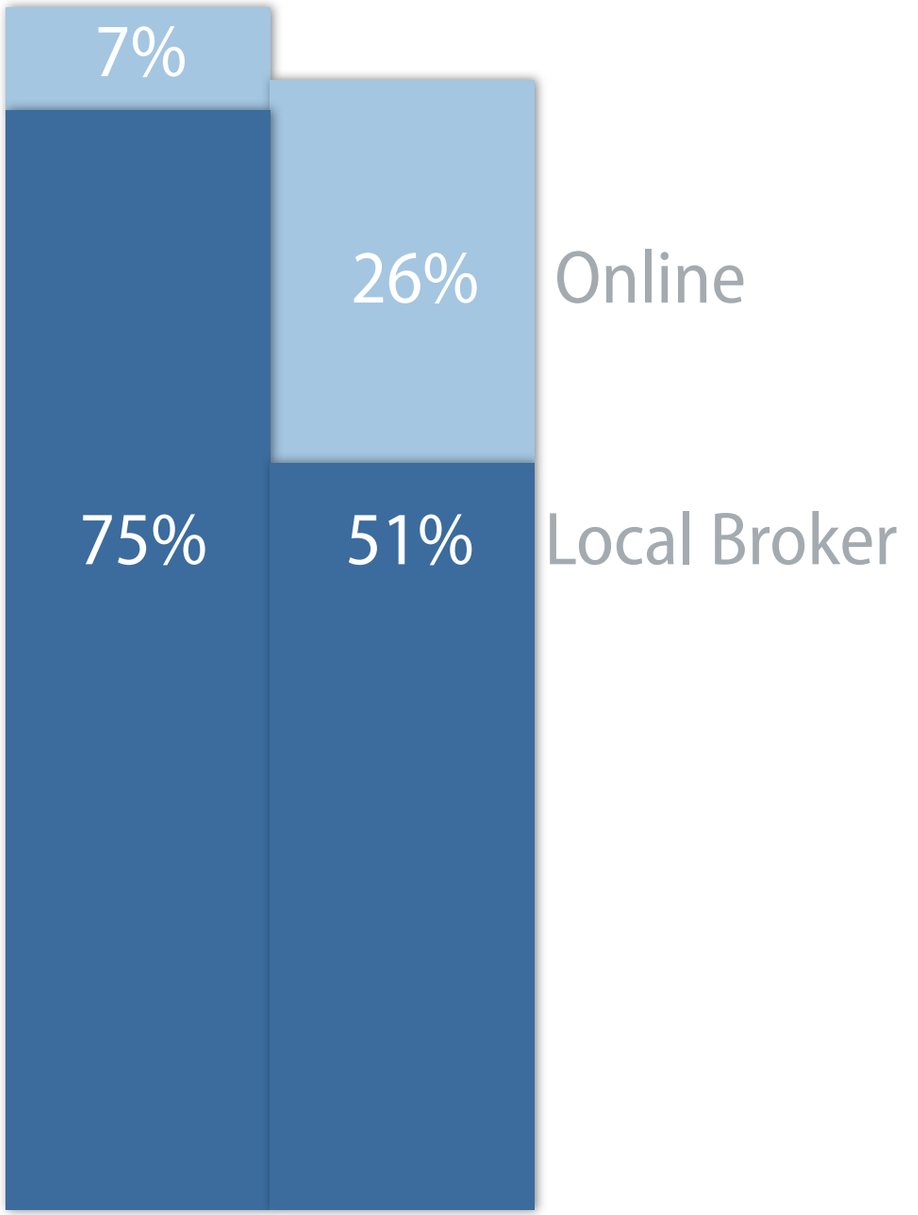
How did you originally purchase your current auto insurance Policy?



comScore

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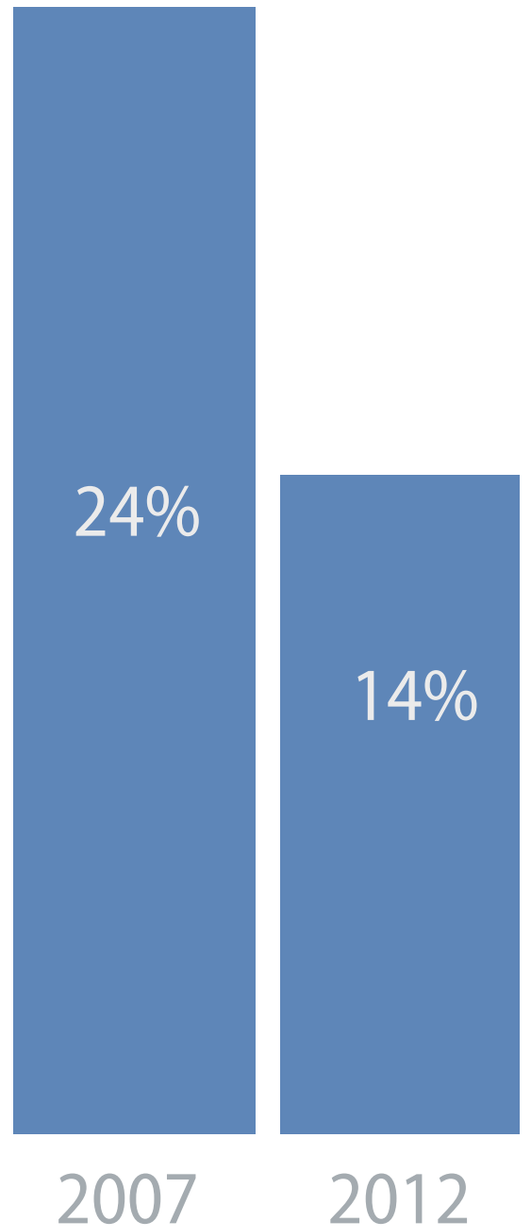
In 2007, the service experience delivered by local brokers was the #1 driver of insurance customers' overall satisfaction.

Now it's #4.



J.D. POWER AND ASSOCIATES®

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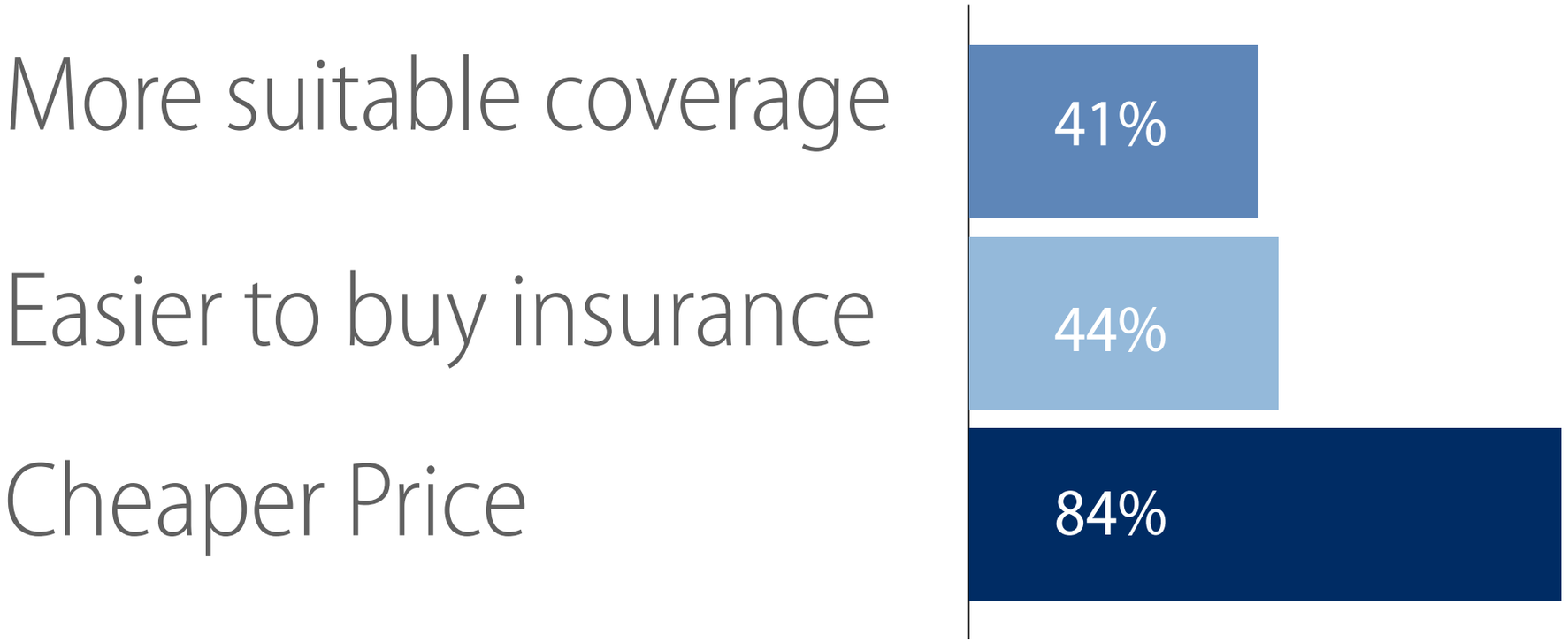
Small business would be open to buying insurance online if the price is right.

Reasons for openness to buying insurance online



So Far, So Close, James Colaço, Senior Manager, Monitor Deloitte, and Leader in Deloitte's P&C Insurance Practice

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Prove It.

- What Carriers are doing.

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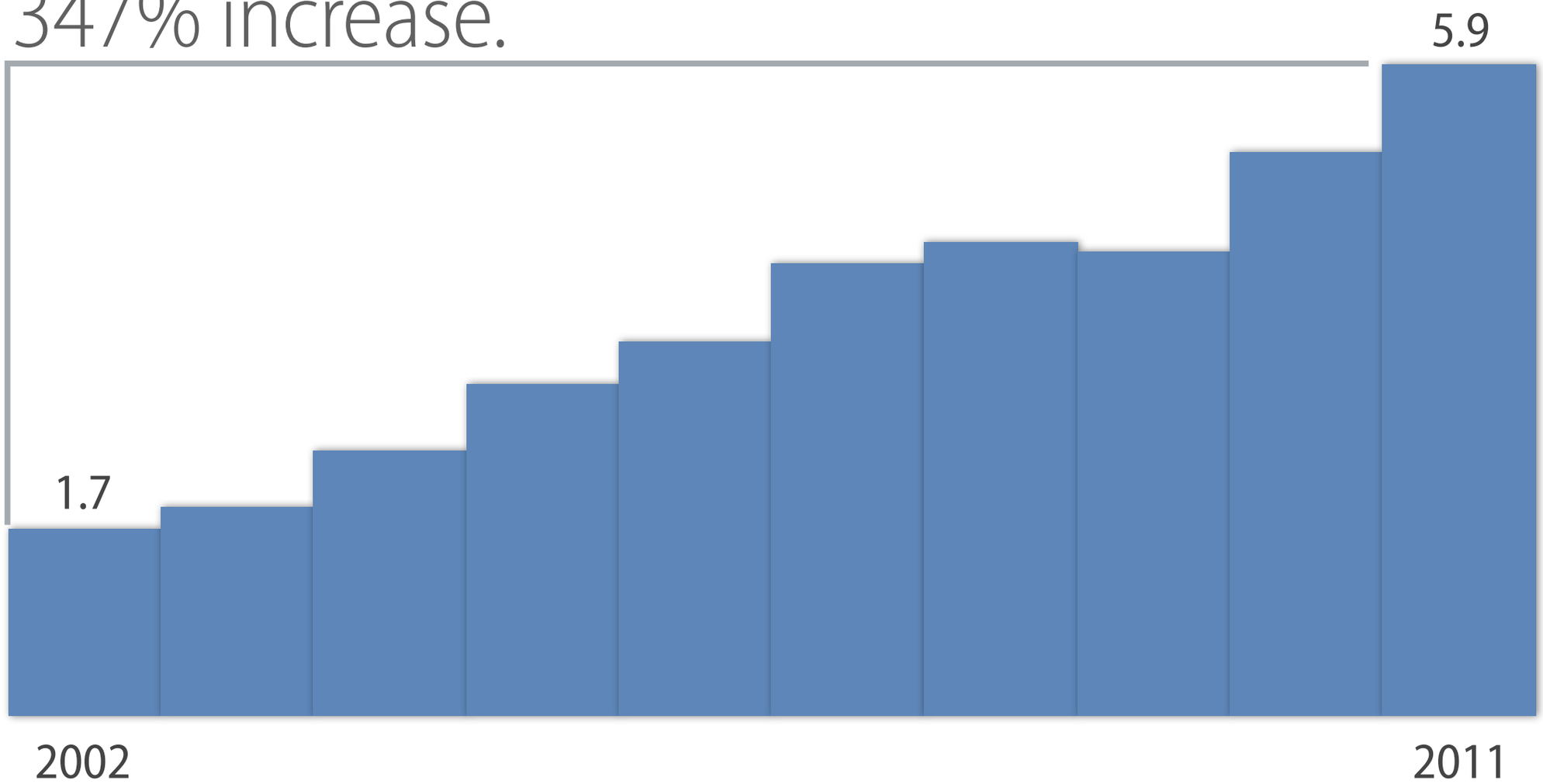
Marketing spend for P&C carriers $ billions.

347% increase.



A.M. BEST

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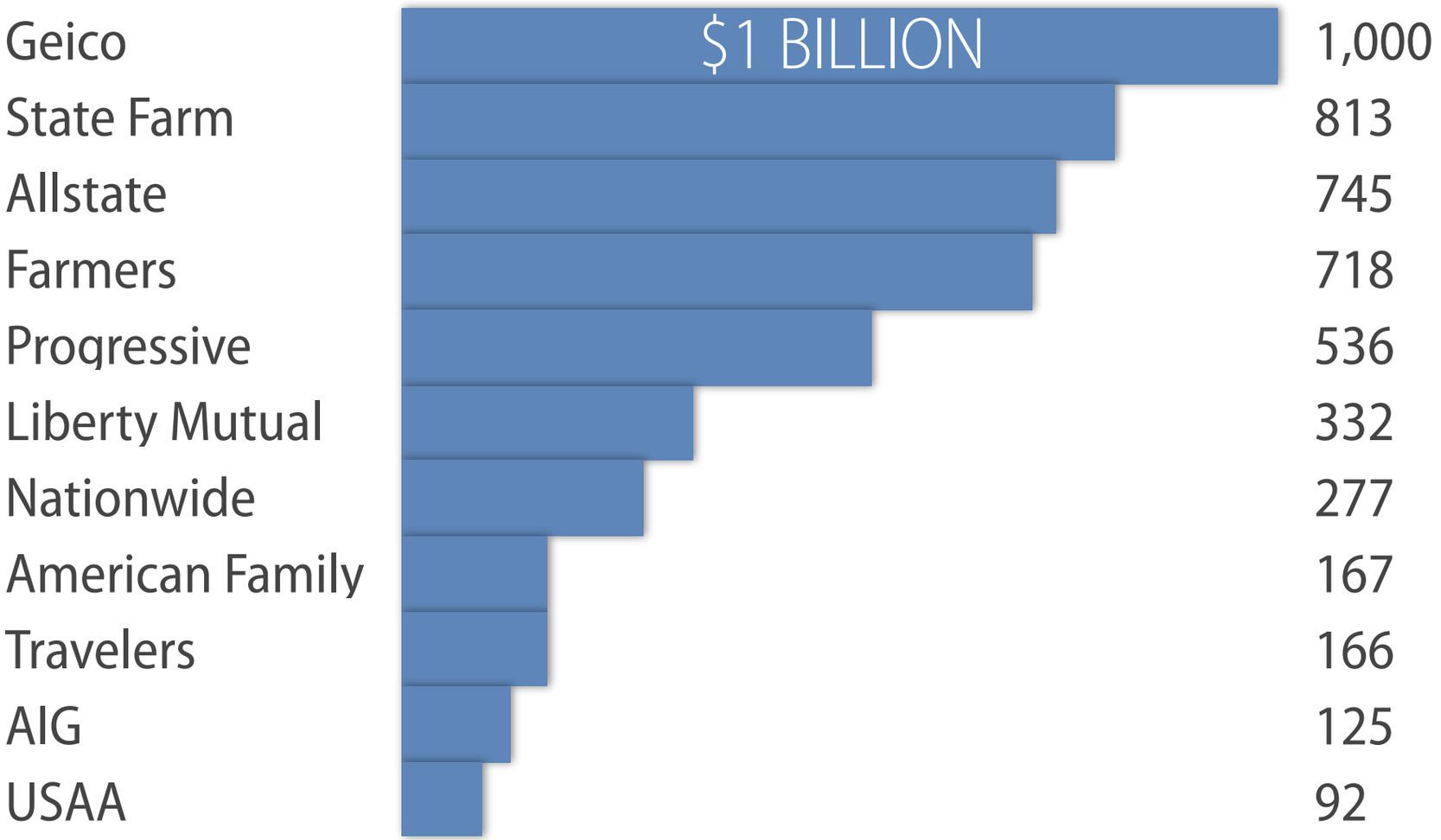
Marketing spend 2011:
Millions of advertising dollars spent.



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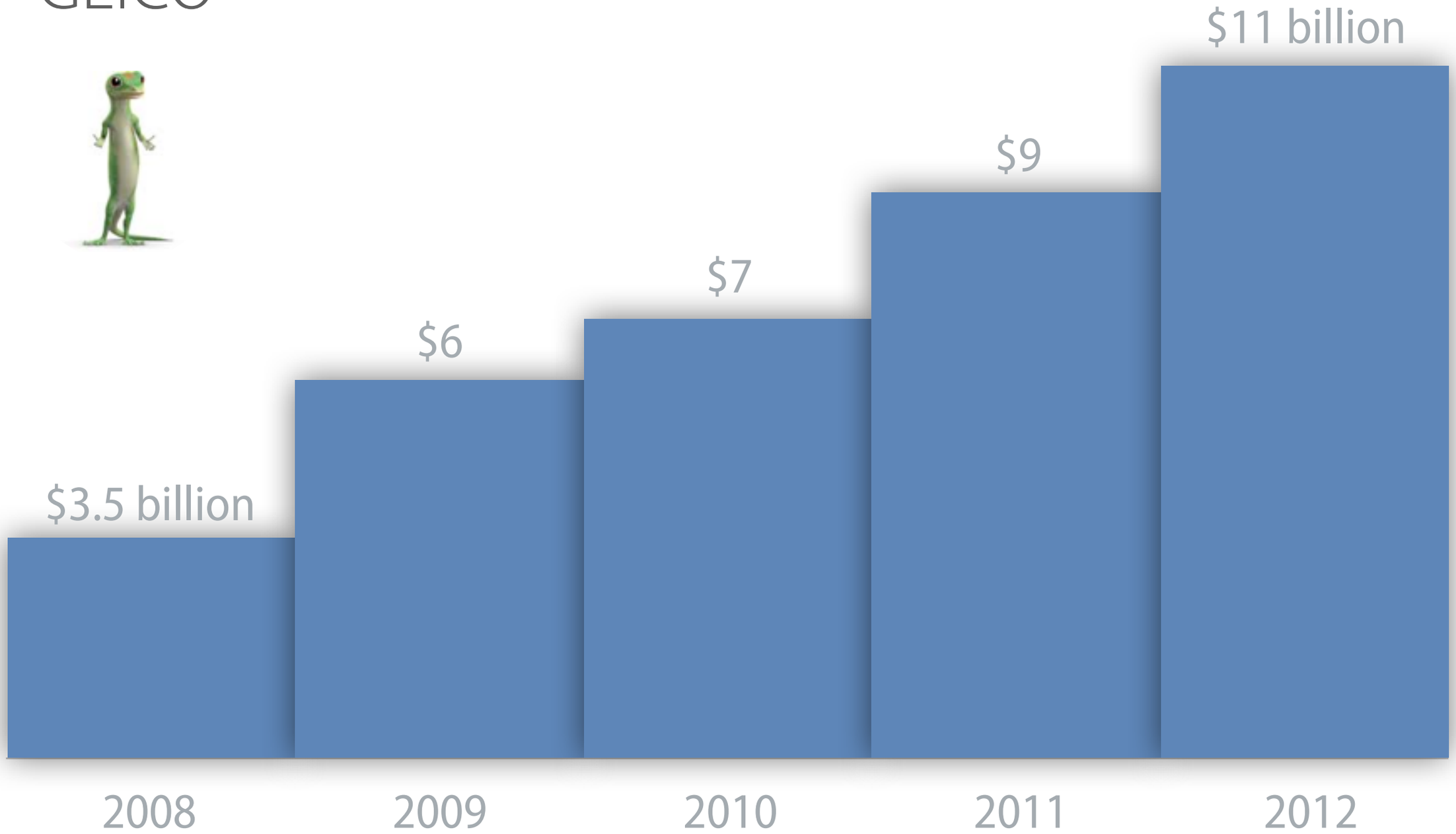
Government Employee Insurance Company, "GEICO"



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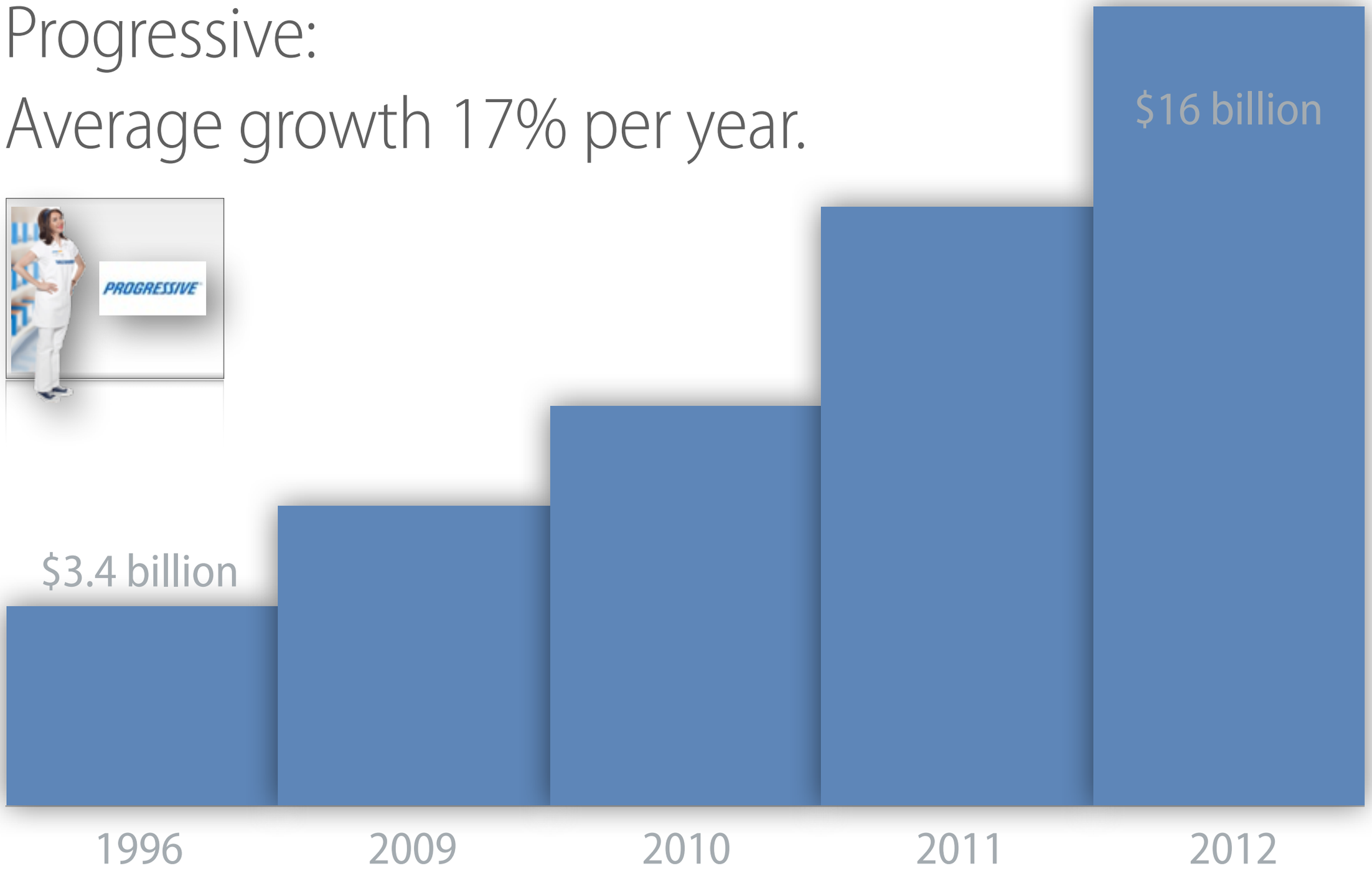
Progressive:
Average growth 17% per year.



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U.S. top 10 Private Passenger Auto Insurers.

2002 Market share %	2002 Rank		2012 Market share %	2012 Rank
19.3	1	State Farm	17.9	1
10.7	2	Allstate	10.1	2
5.8	4	Progressive	8.4	4
7.2	3	Farmers	6.0	5

Source: BESTLINK Best's Statement File - P/C, U.S.

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4.8	6	Berkshire Hathaway, Geico	9.7	3
5.8	4	Progressive	8.4	4
7.2	3	Farmers	6.0	5
3.6	8	USAA	4.9	6
4.5	7	Liberty Mutual	4.8	7
4.9	5	Nationwide	4.1	8
1.9	10	Travelers	2.0	9
2.3	9	American Family	1.9	10

Source: BESTLINK Best's Statement File - P/C, U.S.

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Source: BESTLINK Best's Statement File - P/C, U.S.

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dress like FLO

recreate her look with these 11 accessories

1. Navy headband
2. Perky wig or hairstyle
3. MAC® Lady Bug lipstick
4. White polo shirt
5. I ♥ Insurance button
6. Tricked-out name tag
7. White apron with Progressive logo
8. Watch with thin brown band
9. Auto Insurance box
10. White pants
11. Navy Chuck Taylor® All Star® shoes

Logo (PDF) ›

Name Tag (PDF) ›

Button (PDF) ›

Auto Box (PDF) ›

or, buy the official costume...

Now available on Progressive's eStore for$39.99!
Includes all the essentials. Buy Costume ›

Customer Reviews

Progressive Insurance Flo Halloween Costume

108 Reviews

5 star:		(93)
4 star:		(9)
3 star:		(2)
2 star:		(1)
1 star:		(3)

Average Customer Review
★★★★½ (108 customer reviews)

Share your thoughts with other customers

Create your own review

★★★★★ **Can't wait to ROCK my Flo Costume on Halloween!!!**

Fast Shipping!! Excellent costume! Well made! Looks like the real thing! Can't wait to wear it on Halloween this year! I'm a teacher and my students will LOVE it!!

Published 7 months ago by Mommy of a Little Shoe Lover

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Rise in direct response premium by channel.

AM Best, IIABA Market Share Report

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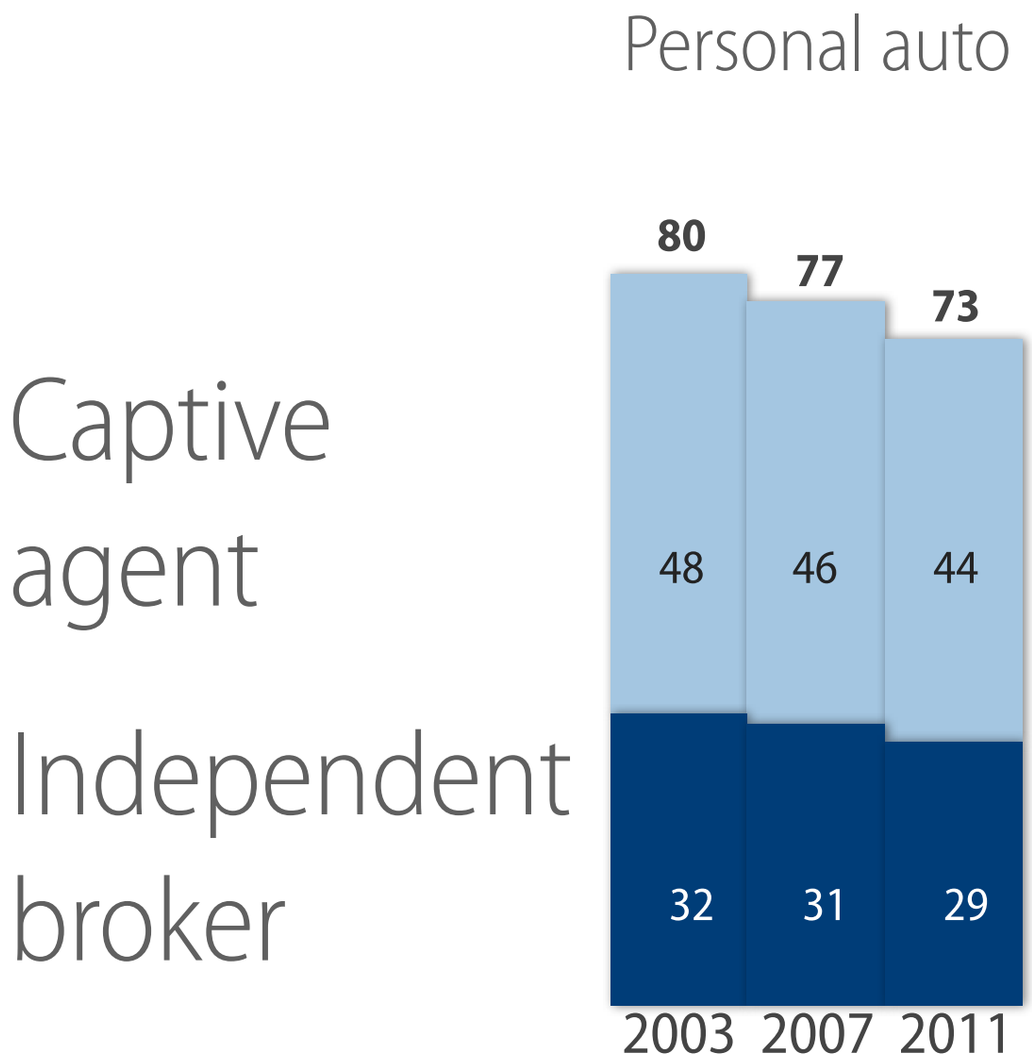
Rise in direct response premium by channel.



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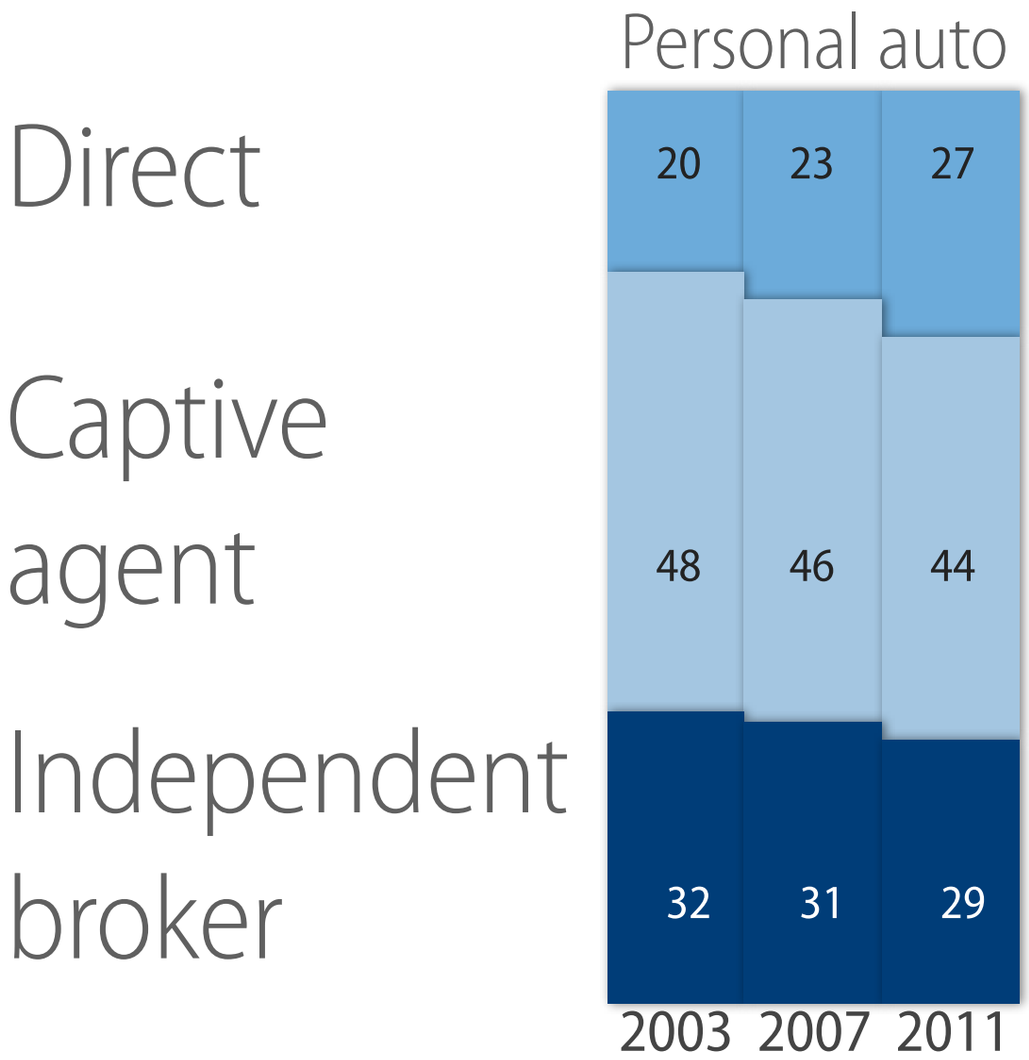
Rise in direct response premium by channel.



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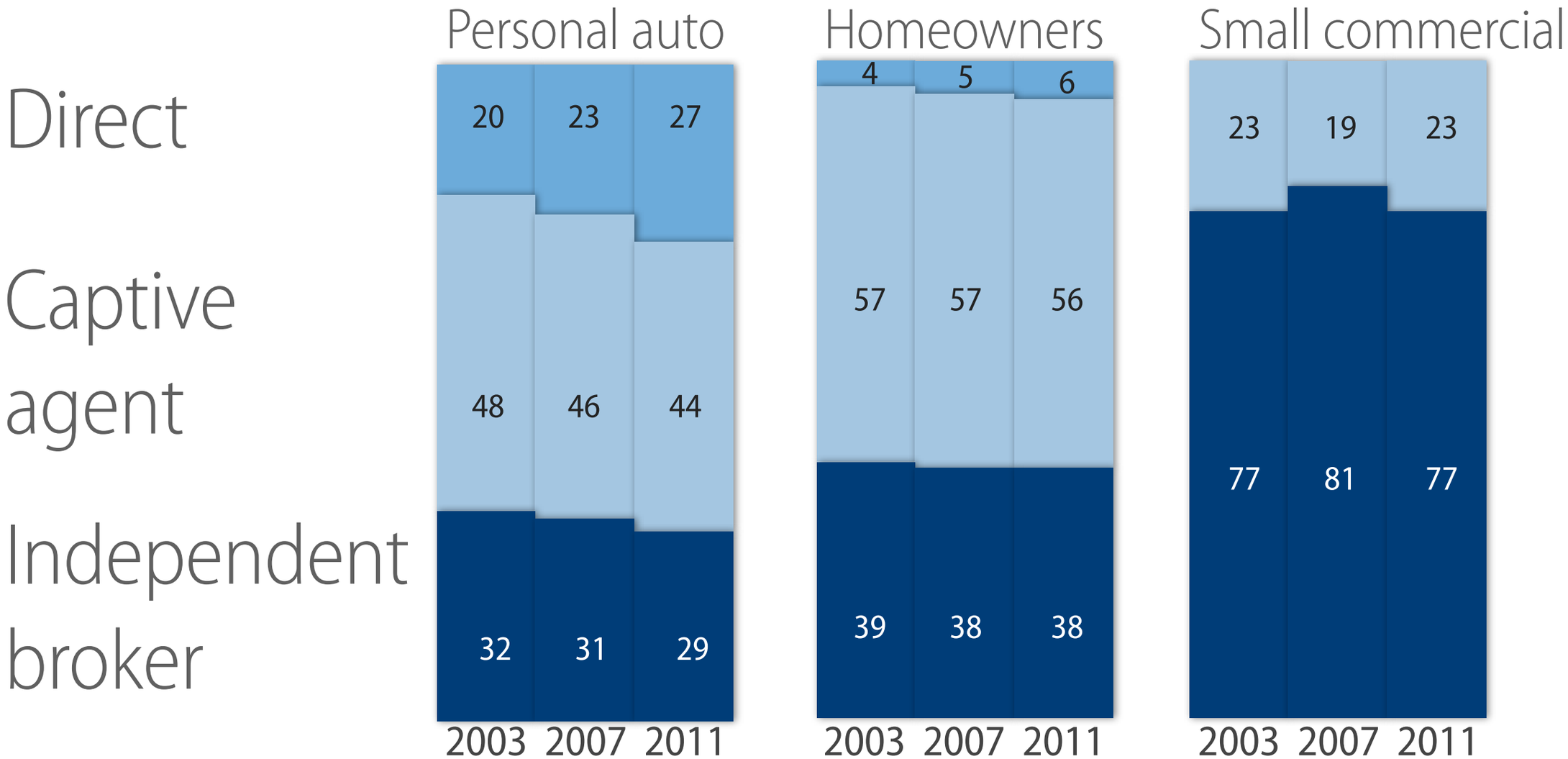

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Prove It.

- Further threats.

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Further Threats.
(from technology)

A Scenario:

The End of Auto Insurance.

What Happens When There Are (Almost) No Accidents.

CELENT

"Could the broad adoption of currently available technologies result in a radical reduction in the auto insurance business?"

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Further Threats.
The End of Auto Insurance.

Timings for the adoption of key technologies.

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Further Threats.
The End of Auto Insurance.

2012 2013-2017 2018-2022 2023-2027

Mandatory

Preferred

Voluntary

Available

Timings for the adoption of key technologies.

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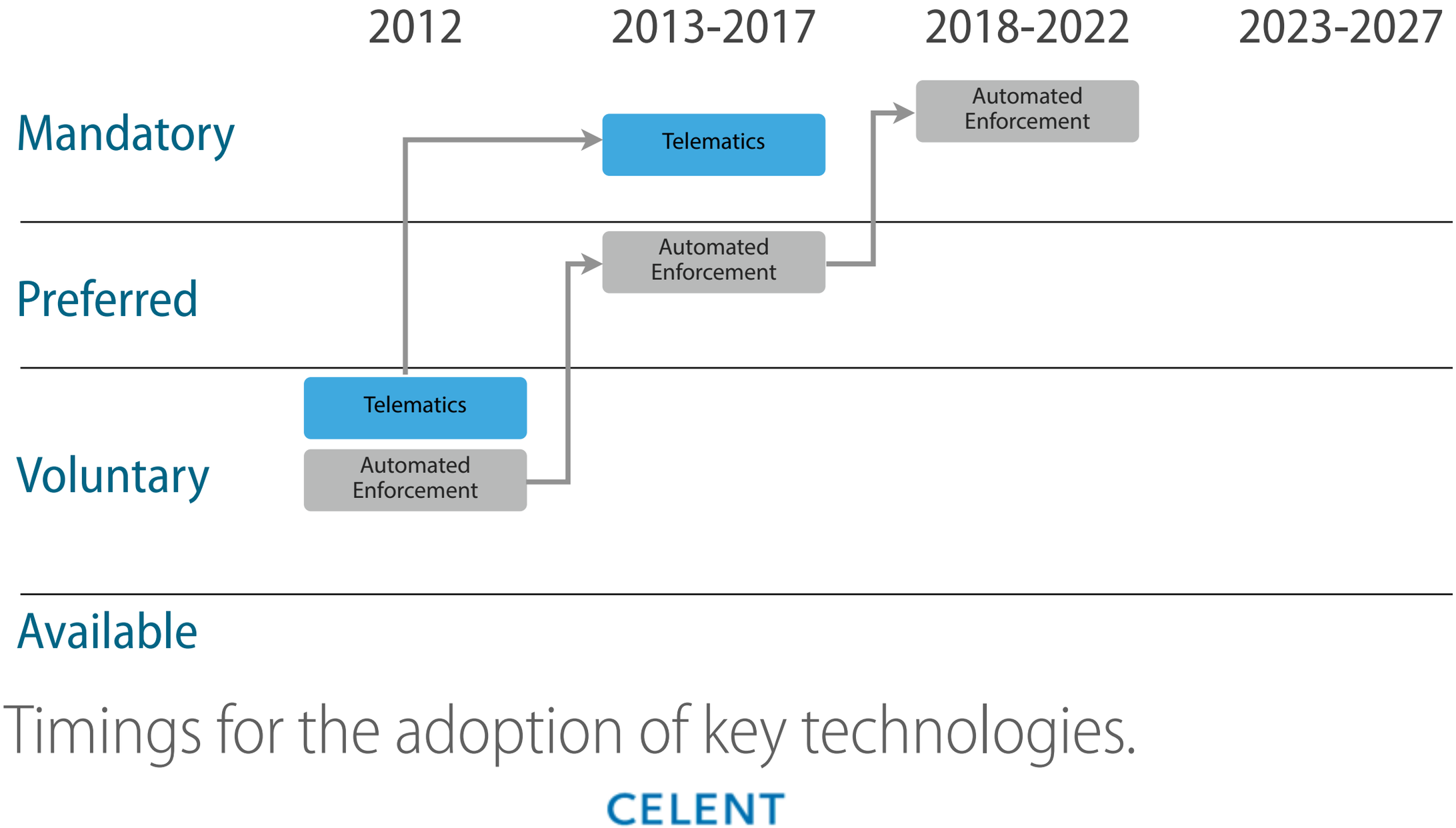
Further Threats.
The End of Auto Insurance.



Timings for the adoption of key technologies.

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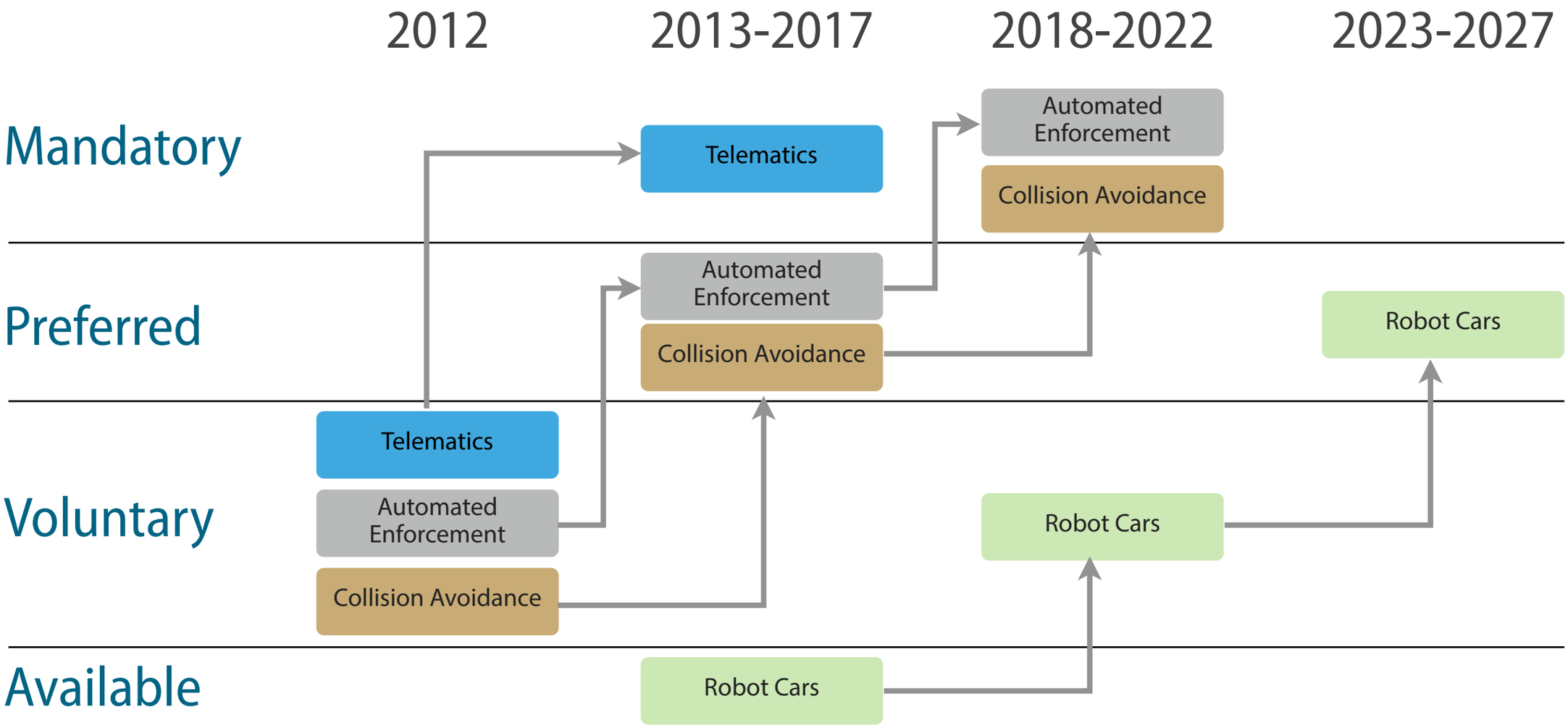

Timings for the adoption of key technologies.

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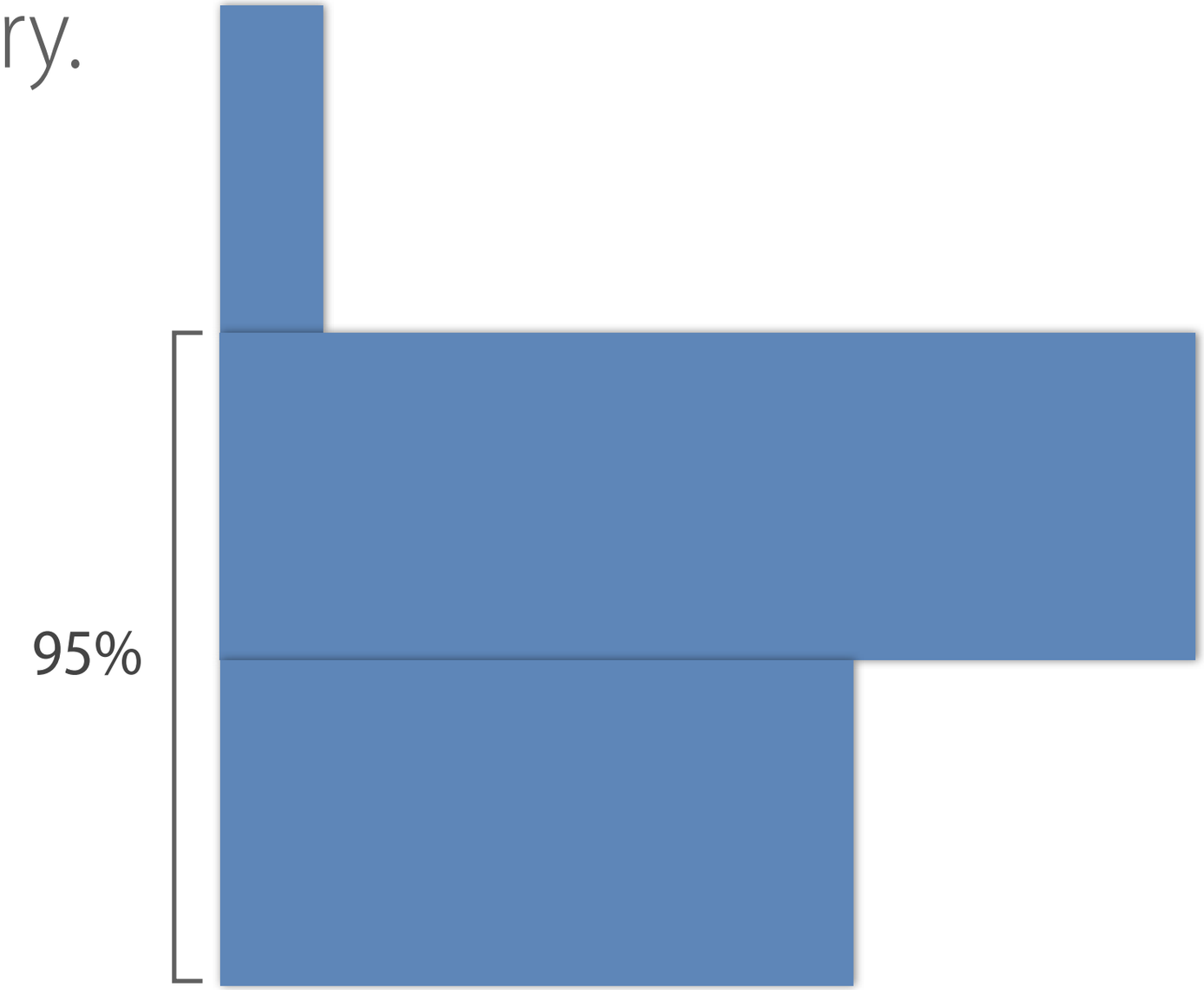
Further Threats.
How Much? Will UBI impact the auto insurance industry.



insurance telematics usa 2013

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3 Predictions.

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Predictions

Fewer, bigger agencies.

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Ellen Carney

FORRESTER®

""There are 40,000 agencies in the U.S., and you could absolutely imagine them shrinking by a quarter. . ."

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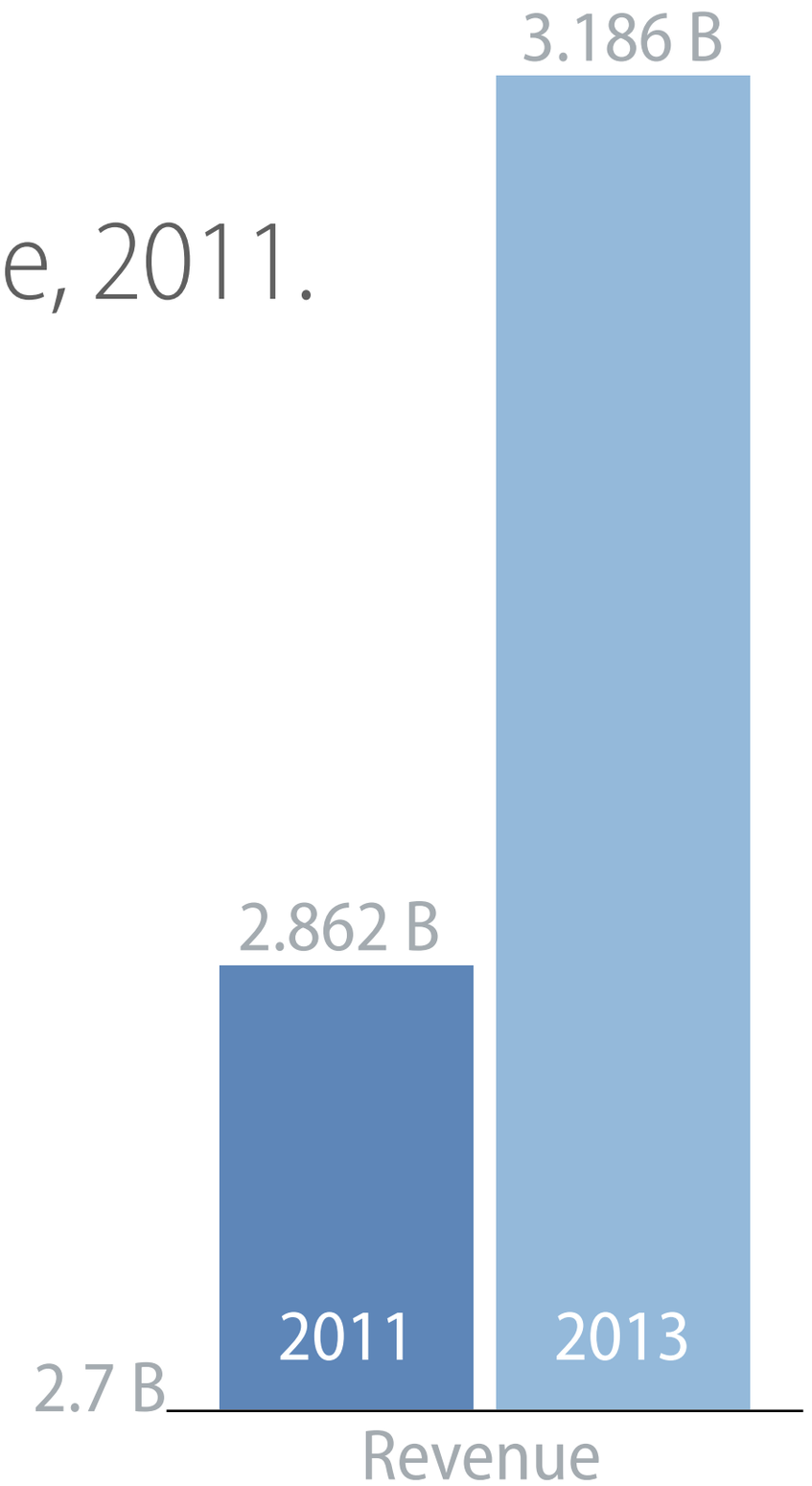
Top 10 P&C agencies:
$3.186 billion in P&C revenue, 2011.
2013: $2.862 billion



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Fewer. Bigger.

Source: Phocuswright; Airline reporting corp. (ARC); ASTA.org

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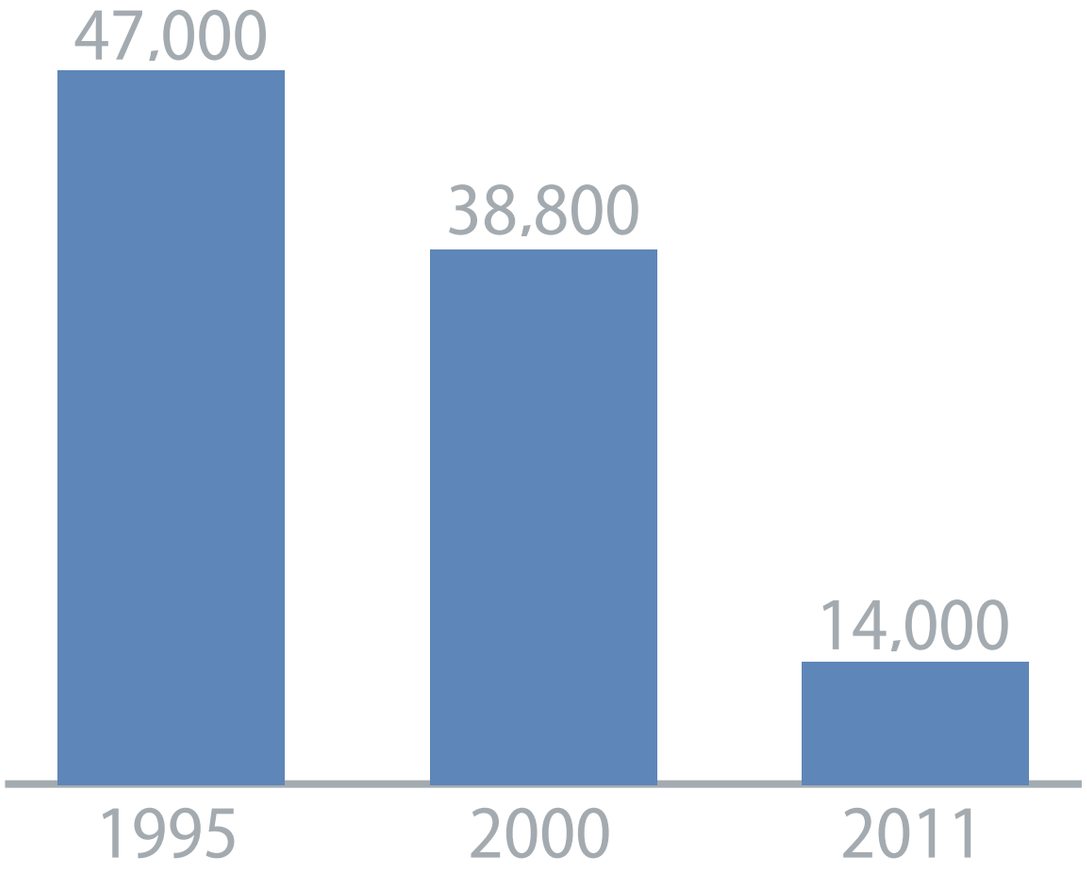
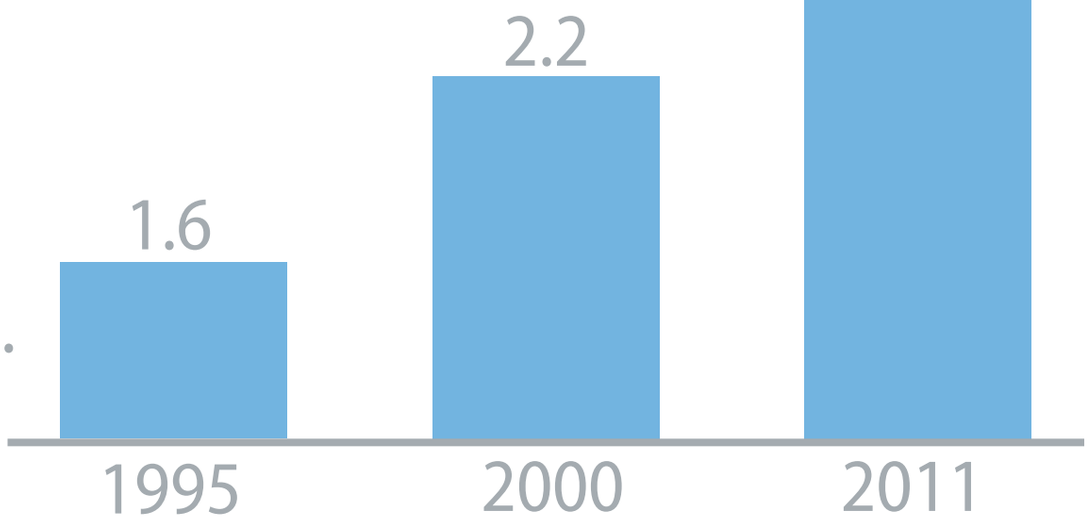
Fewer. Bigger.

Number of traditional travel agencies.



Air sales **per location** $ million.



Source: Phocuswright; Airline reporting corp. (ARC); ASTA.org

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Michael Porter

HARVARD BUSINESS SCHOOL

"Driven by performance pressures but lacking strategic vision, company after company has had no better idea than to buy up its rivals. The competitors left standing are often those that outlasted others, not companies with real advantage.

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Predictions

Continued market share erosion in P/L, Small C/L.

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Predictions

Continued vulnerability to disruption from outsiders, smaller players or aggressive innovators willing and able to leverage technology.

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Richard Rumelt,

"Other things being equal, the larger army has the advantage whereas the winning business tends to be the one whose offerings are most preferred by customers, its size being more the consequence than the cause of its success."

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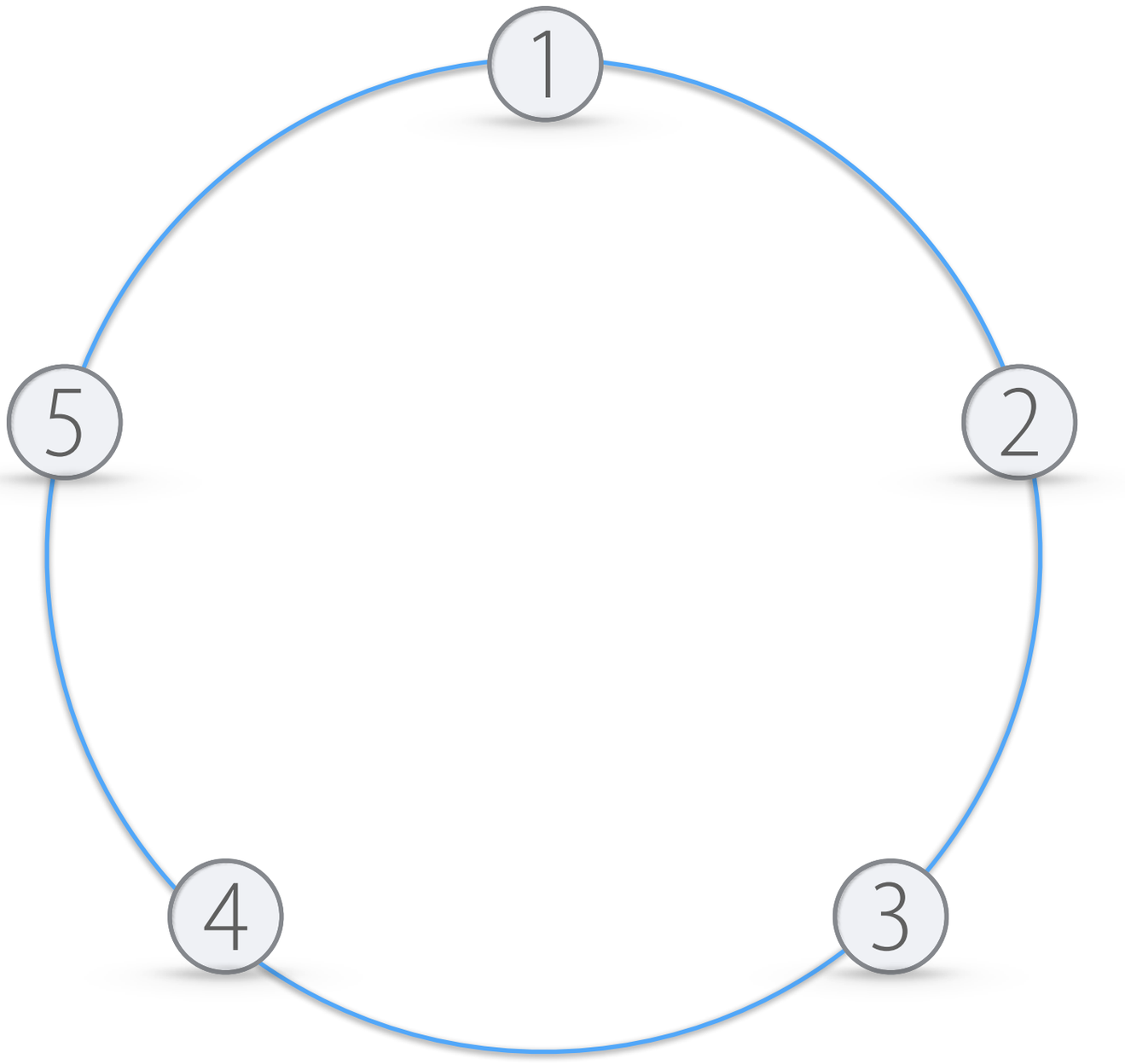
5 Point action plan for success.



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5 Point action plan for success.

1

2

3

4

5

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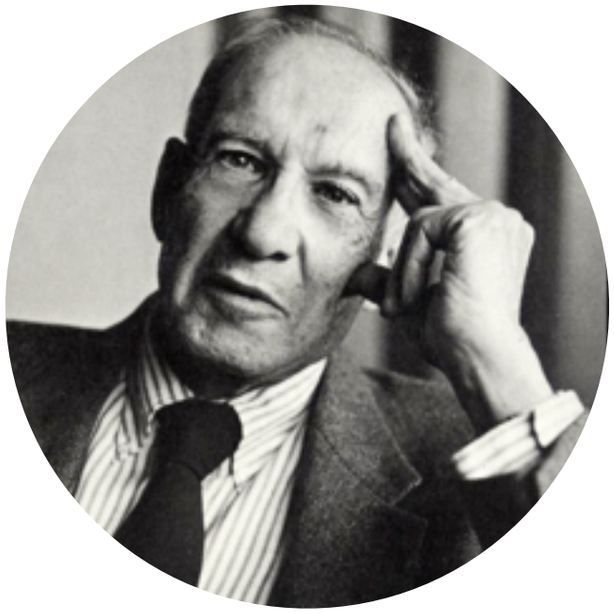
The solution:



Peter Drucker

"Because the purpose of business is to create a customer, the business enterprise has two and only two basic functions: **marketing** and **innovation**".

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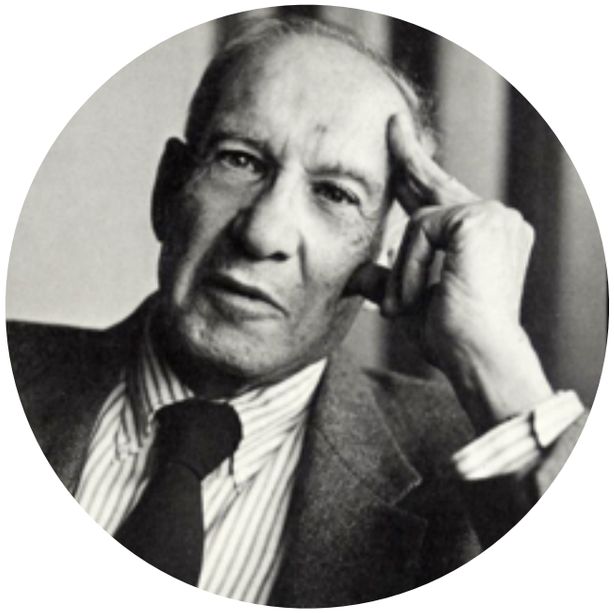
The solution:



Peter Drucker

marketing and **innovation** produce results; all the rest are costs."

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5 Point action plan for success.

- **Master Marketing**.
  - Be the "Relationship Business" you always claimed to be.

1

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5 Point action plan for success.

Michael Jans
President /CEO
Agency Revolution

1

"The most advanced form of marketing is that which creates Meaningful Relationships".

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www.TheGrowthAnalyzer.com

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How DO you grow an agency?

Step #1 Share some details about your agency or brokerage, and we'll forecast the next five years. Then, we will show what a little growth will do for you!

Annual Revenue

$ 2,000,000 .00

Number of Clients

5,000

Average Revenue Per Client

$ 400 .00

Current Retention

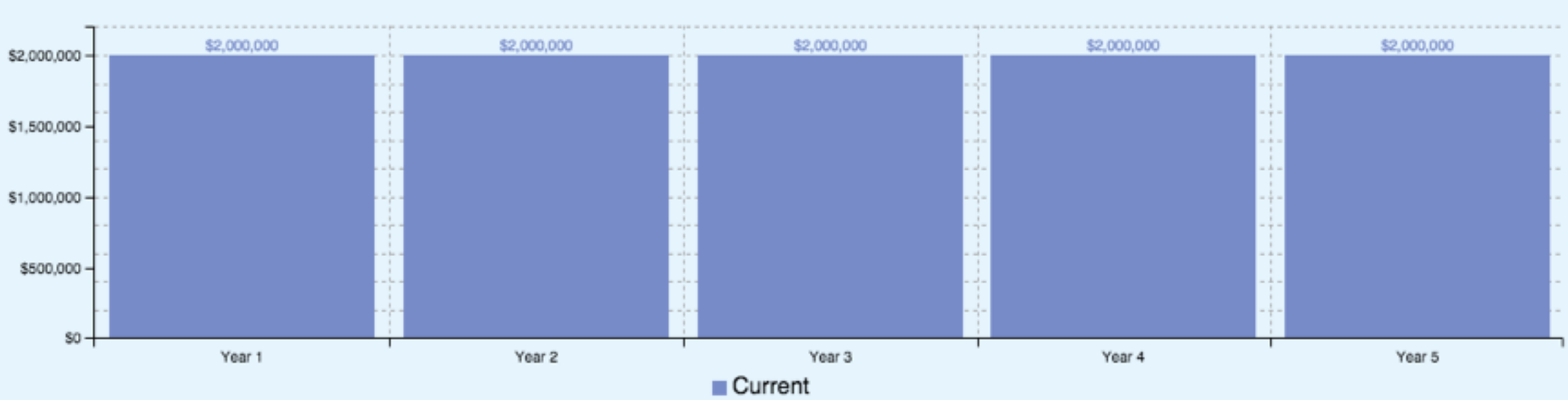
90 %

Current New Client Growth

10 %

Current Growth in Revenue Per Client

0 %



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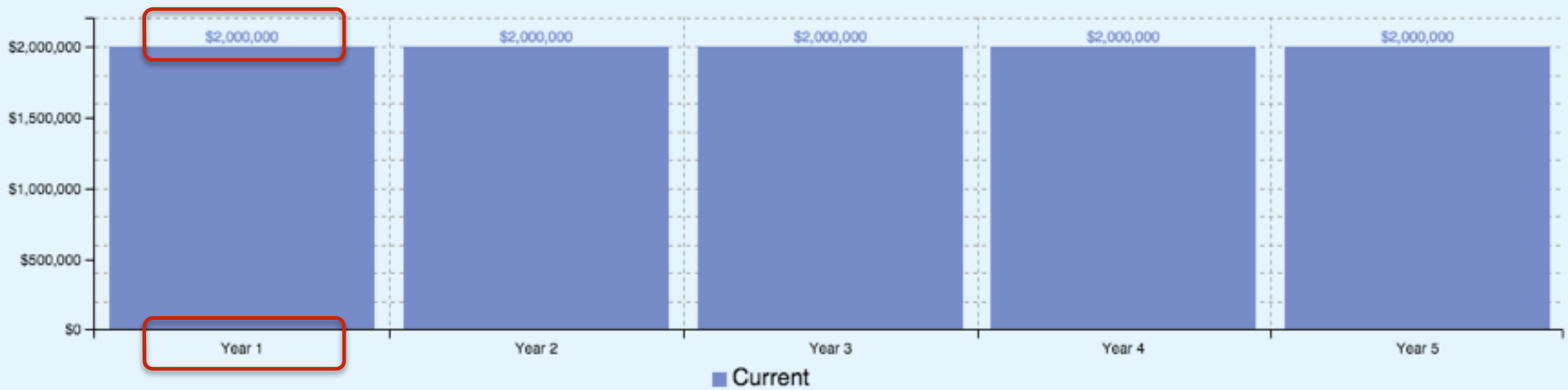

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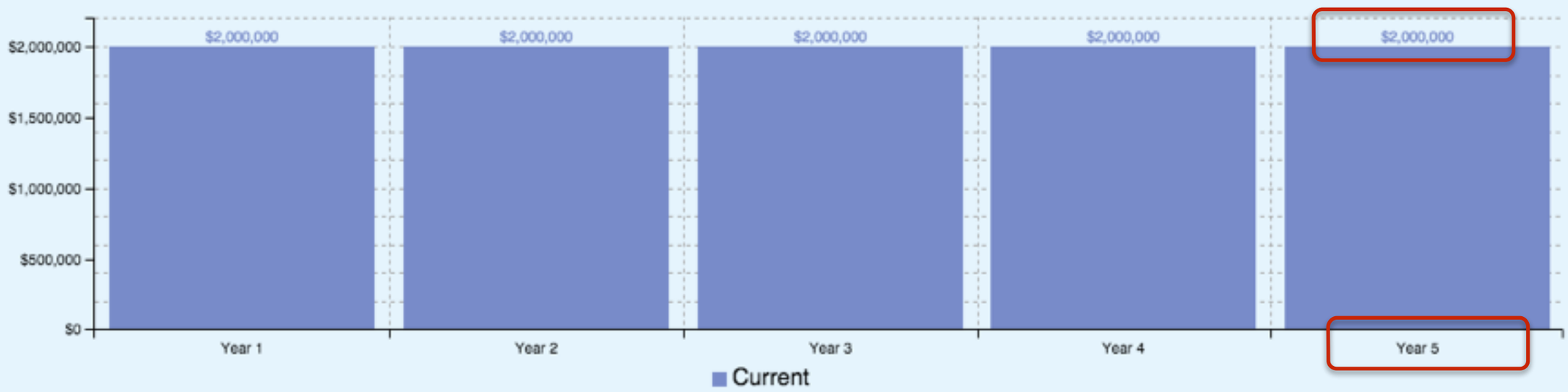

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How DO you grow an agency?

Step #2 Now, let's bump your numbers a tad. You may use the ones we put in, or change them to anything you want.

Retention

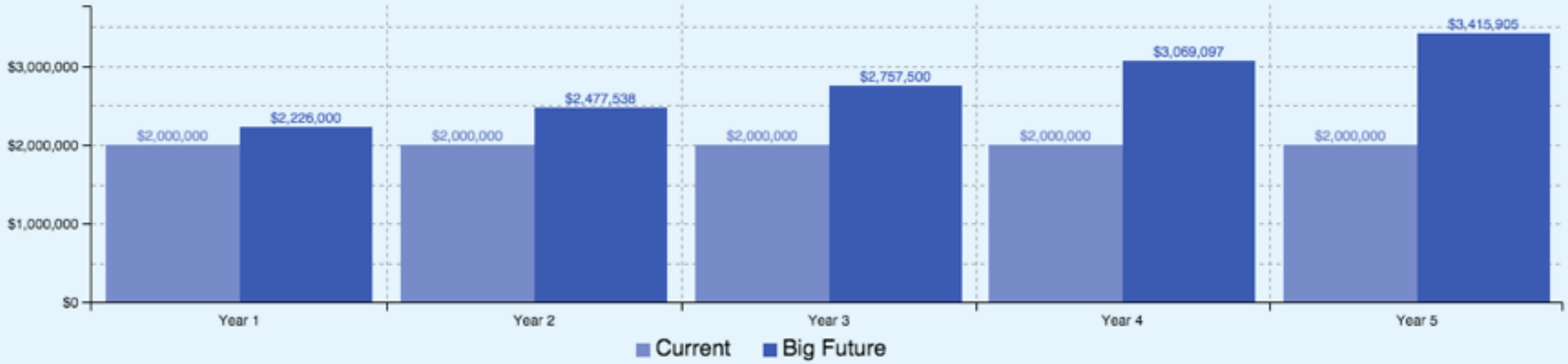
93 %

New Client Growth

13 %

Revenue Per Client Growth

5 %



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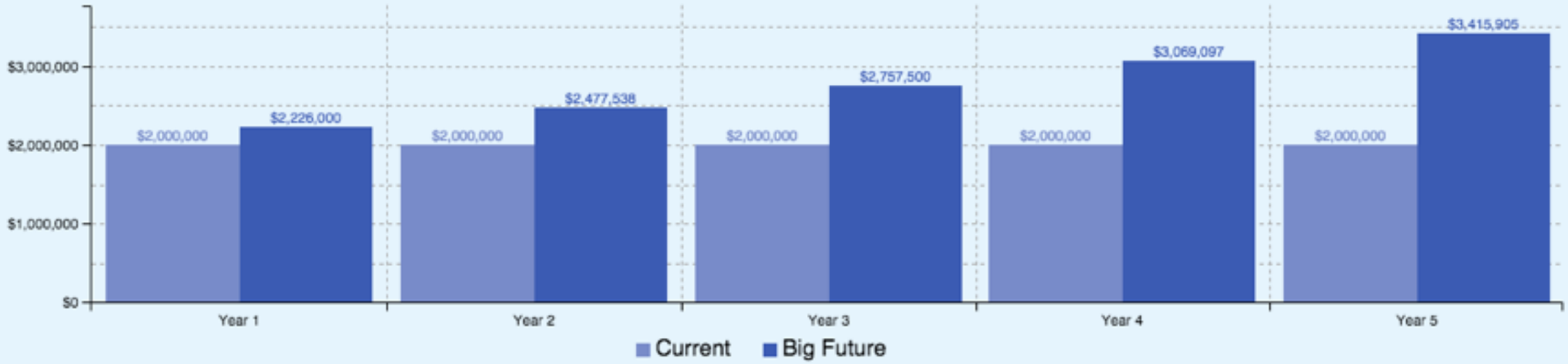

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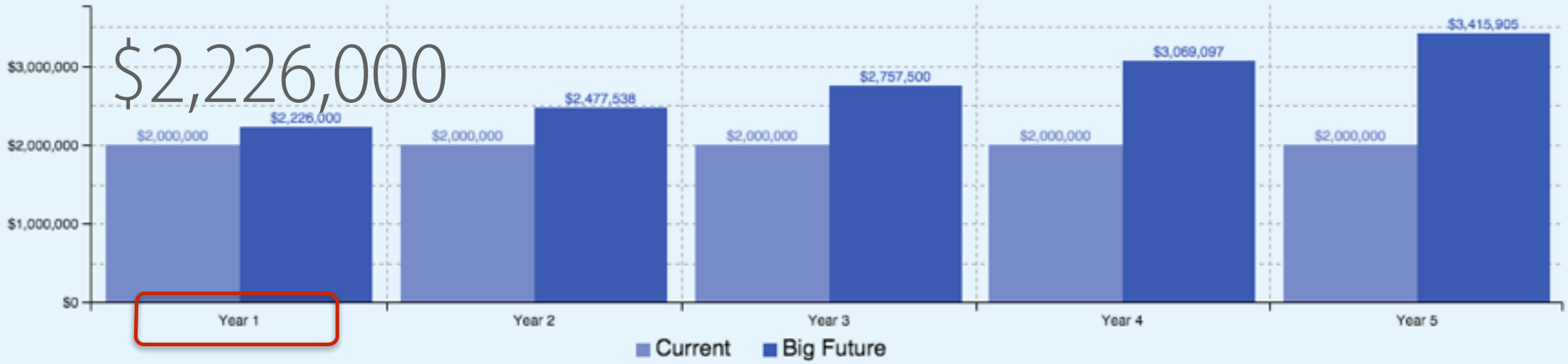

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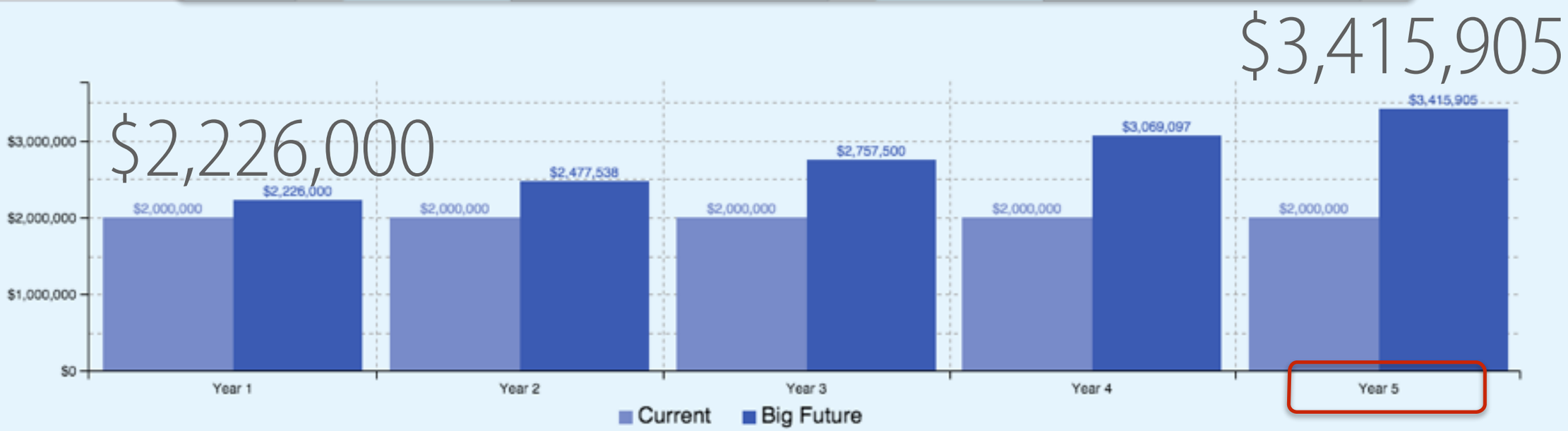

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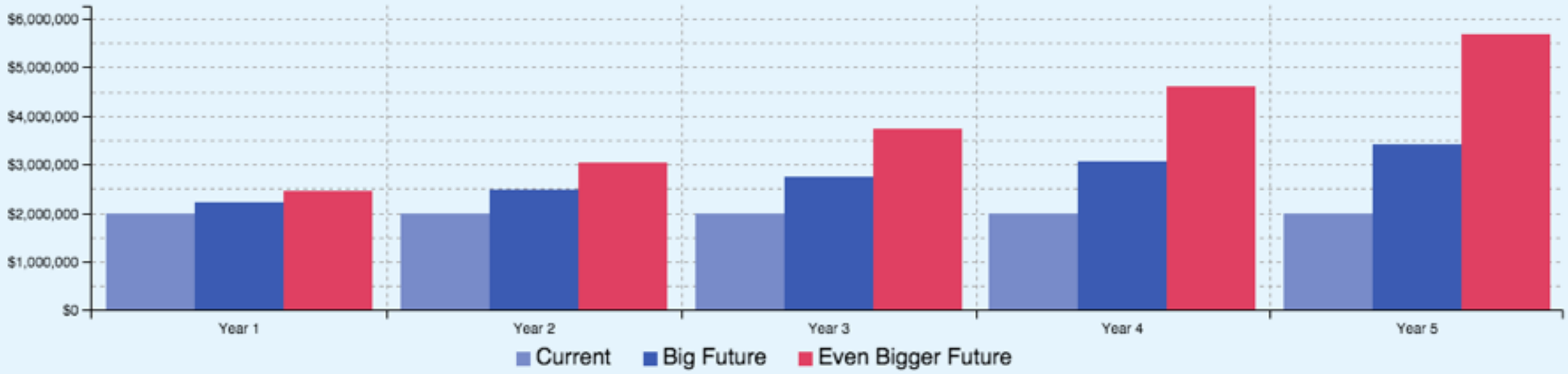
How DO you grow an agency?

Step #3 Here is what happens when your marketing really gets going. (And you can change these numbers to anything you want.)

Retention: 96 %

New Client Growth: 16 %

Revenue Per Client Growth: 10 %



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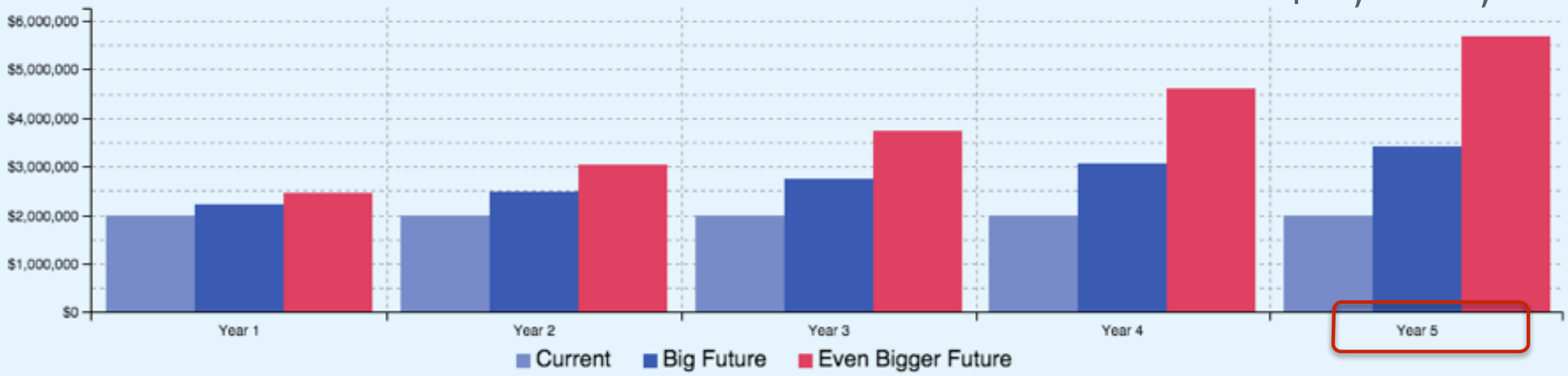
How DO you grow an agency?

Step #3 Here is what happens when your marketing really gets going. (And you can change these numbers to anything you want.)

Retention	New Client Growth	Revenue Per Client Growth
96 %	16 %	10 %

$5,676,538



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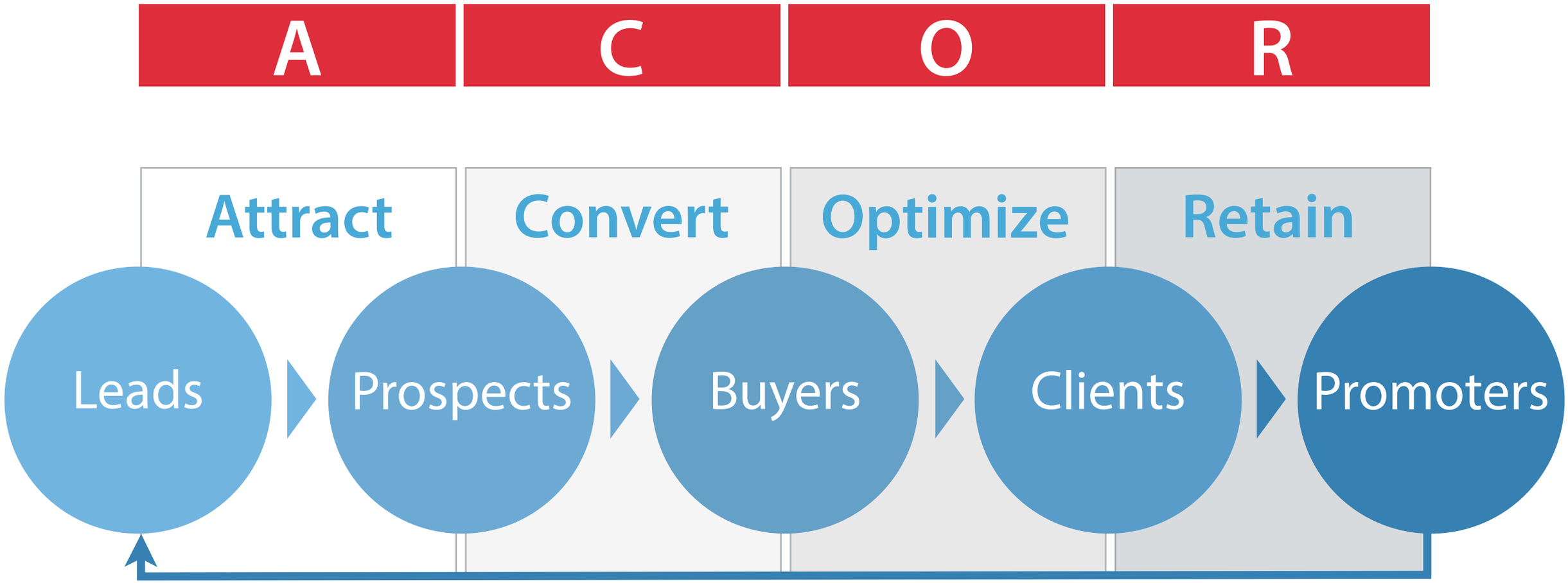
The ACOR+ Marketing Model



+Delight

At Every Stage in the Process

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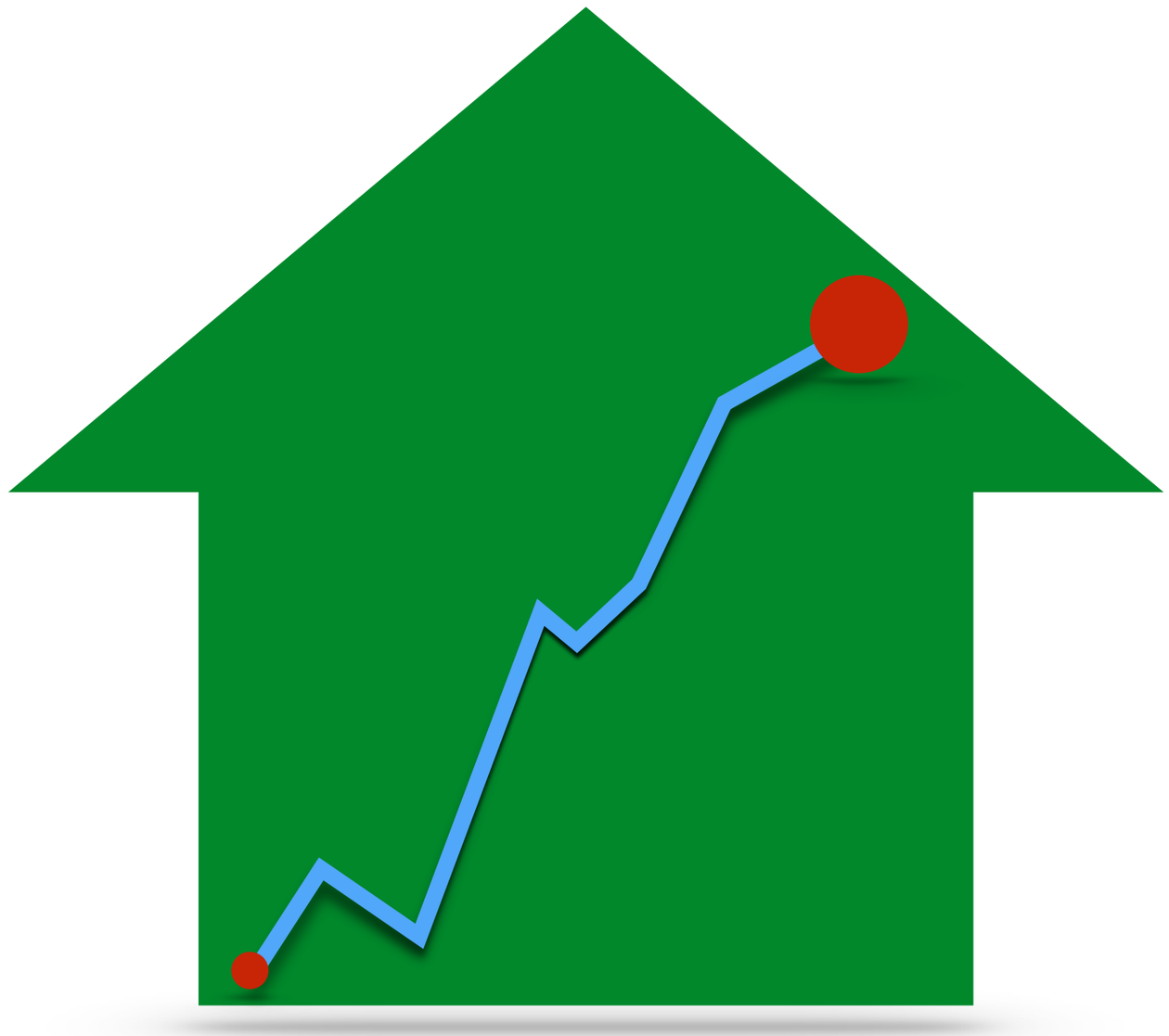
Master Marketing & **Get Bigger**.



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5 Point action plan for success.

- **Master Innovation**.
  - Don’t Give Into The Commoditization Trap.
  - (and don’t wait for carriers to fix that for you.)

2

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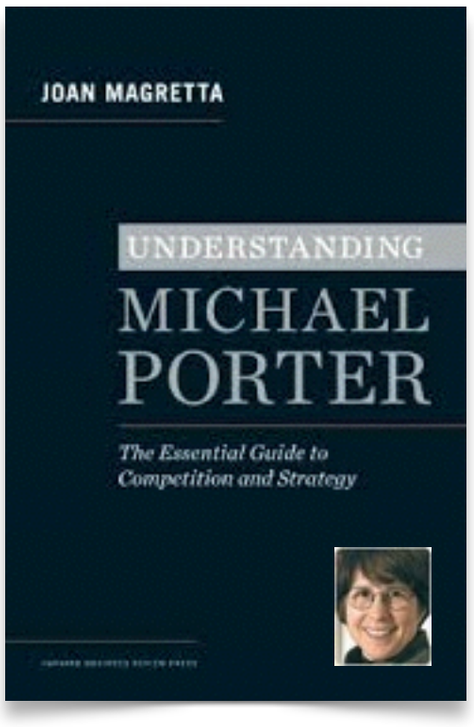
Joan Magretta



"Price competition, Porter warns, is the most damaging form of rivalry."

Joan Magretta
Harvard Business School

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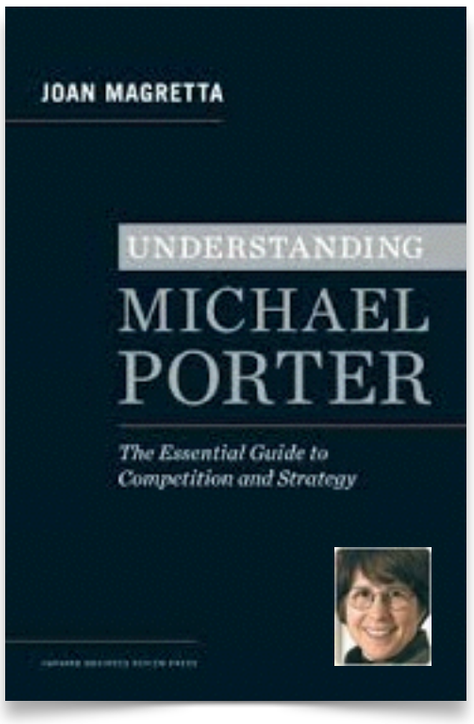
Joan Magretta



Joan Magretta
Harvard Business School

"Vying to be the best is an intuitive but self-destructive approach to competition."

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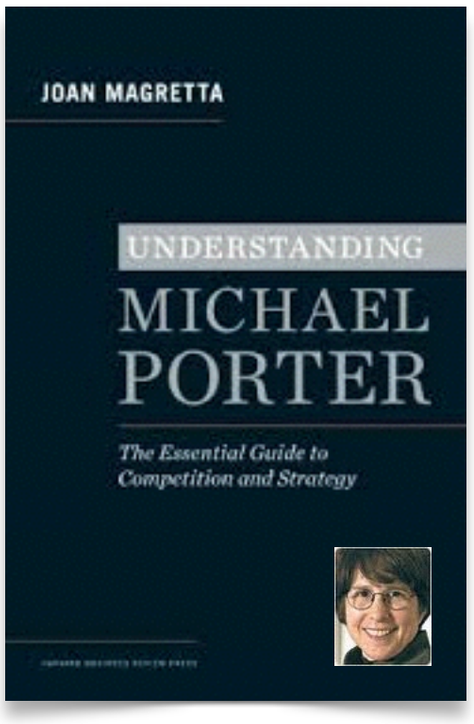
Joan Magretta



Joan Magretta
Harvard Business School

"Competing to be the best feeds on imitation. Competing to be unique thrives on innovation."

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Innovation demands:

- Stop selling on price.
- Beware ‘Best Practices’.
- Be unique.

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$65 billion...and growing

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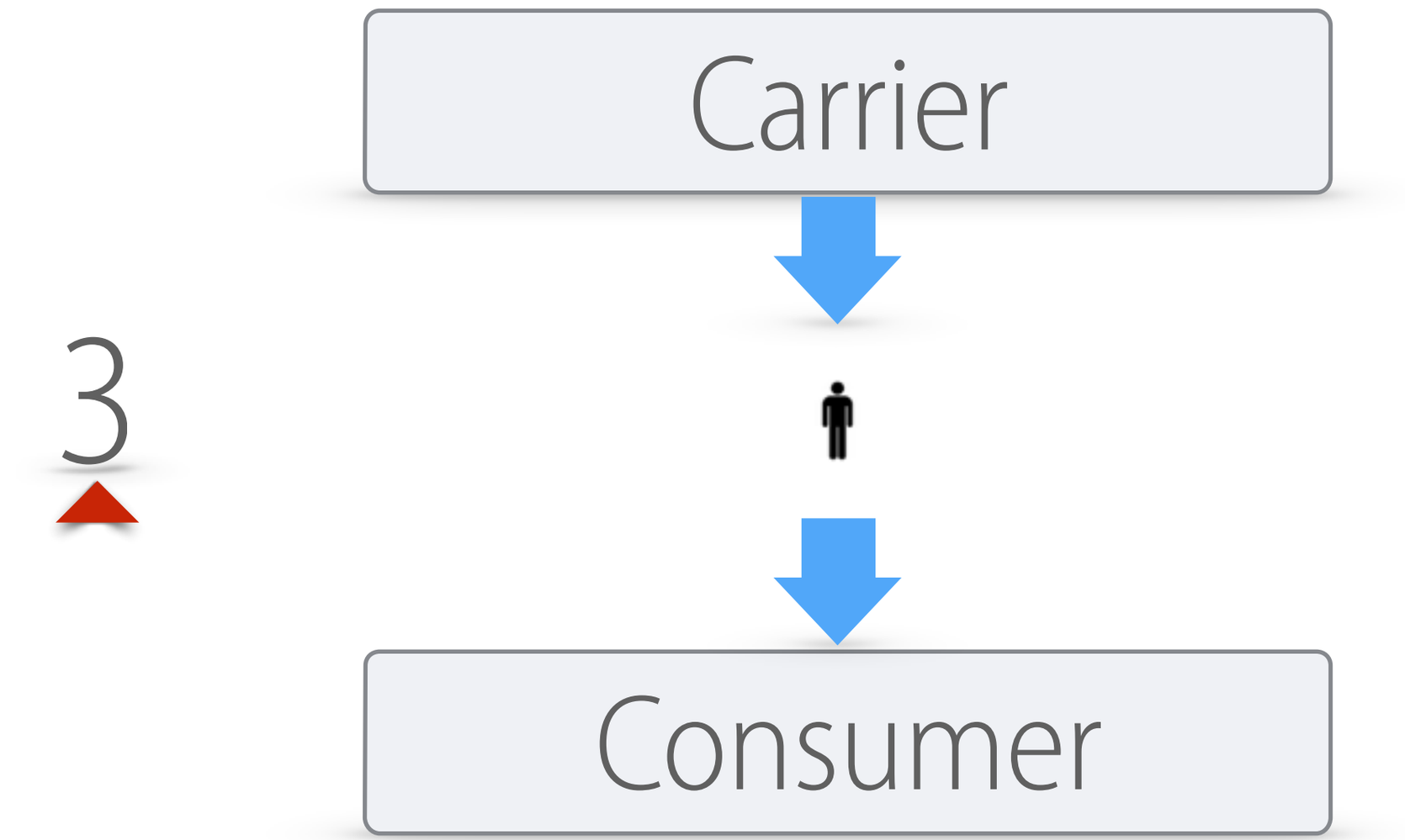
5 Point action plan for success.

- **Destroy The Old Model.**



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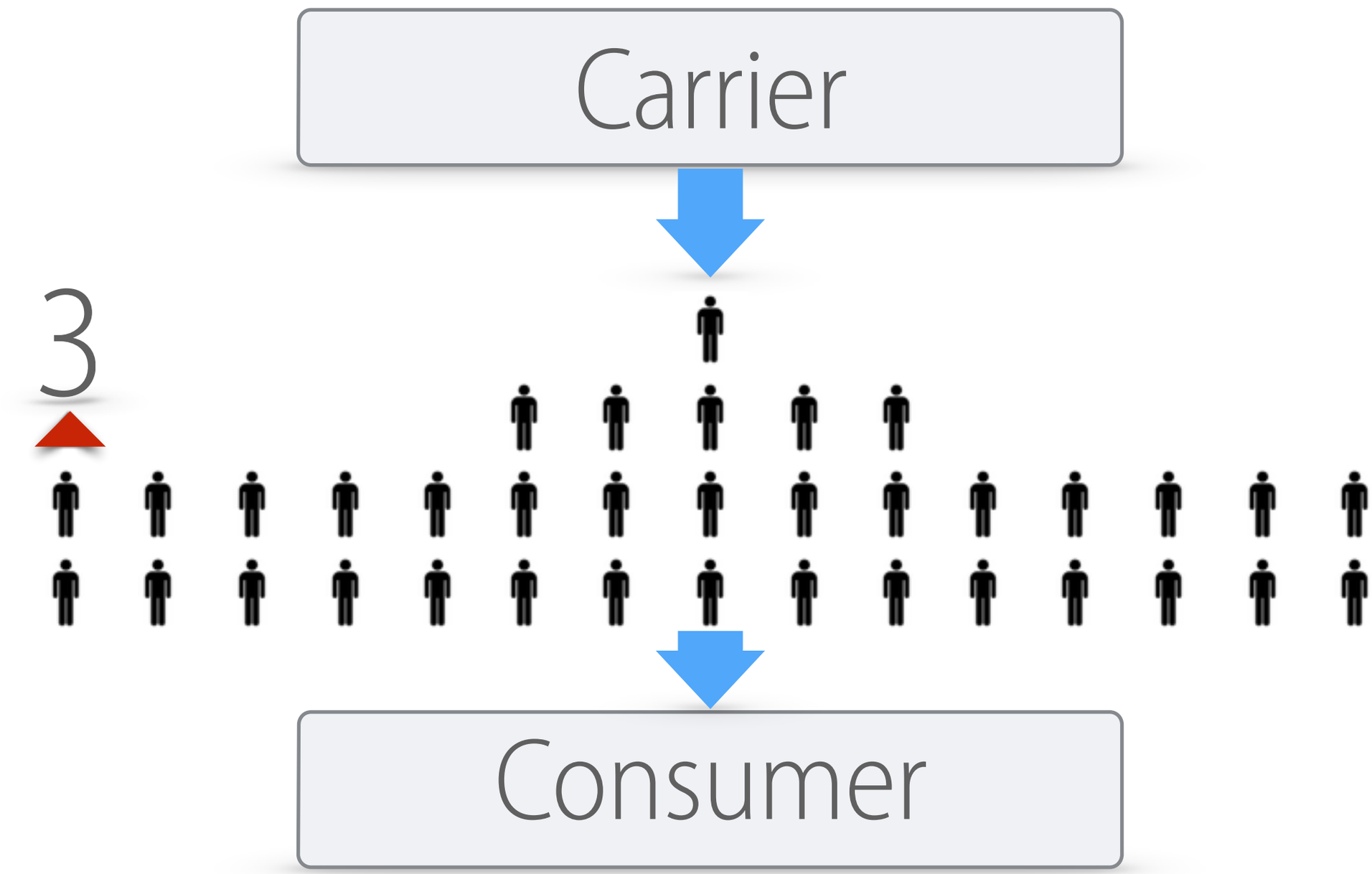

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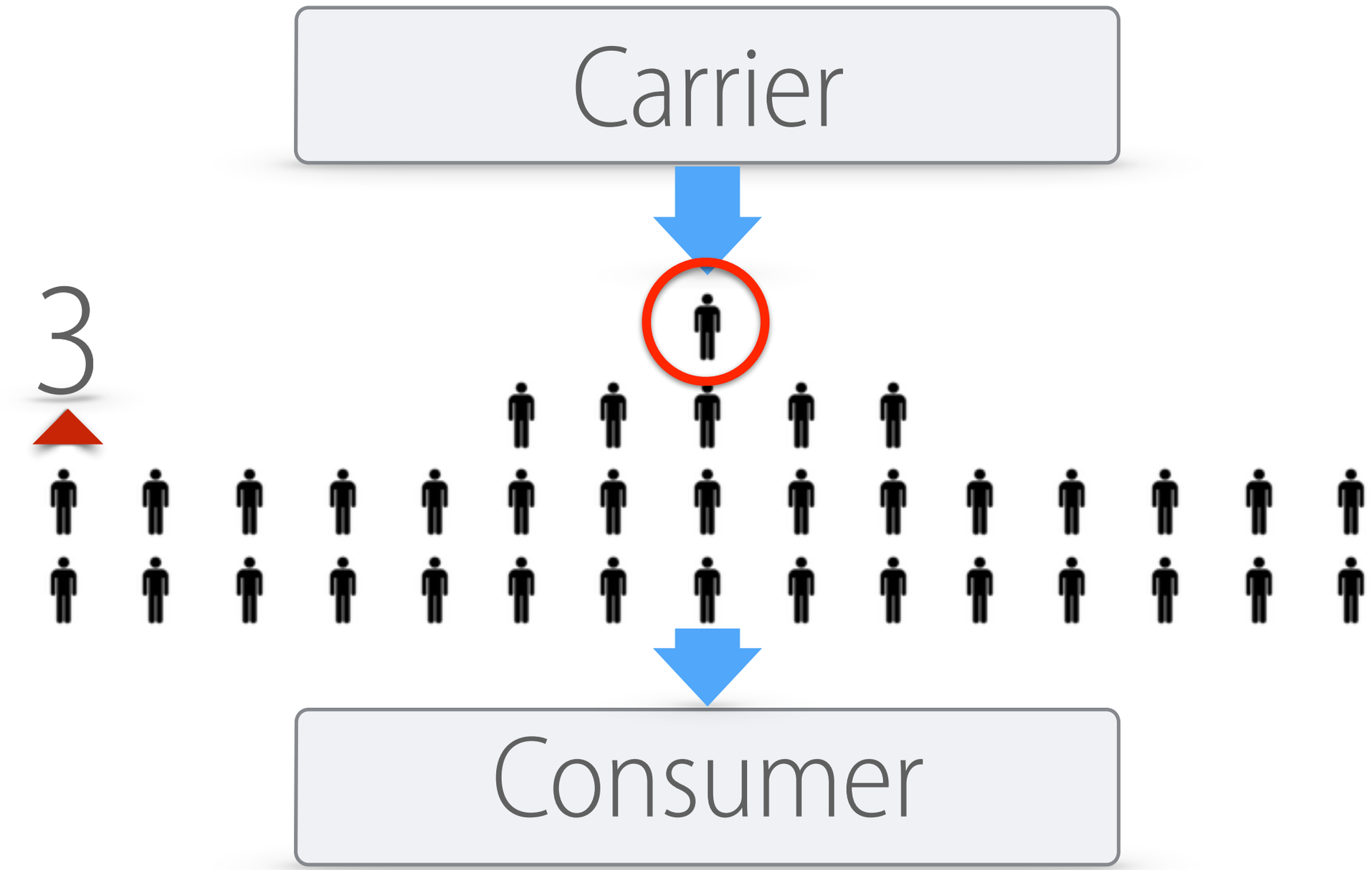

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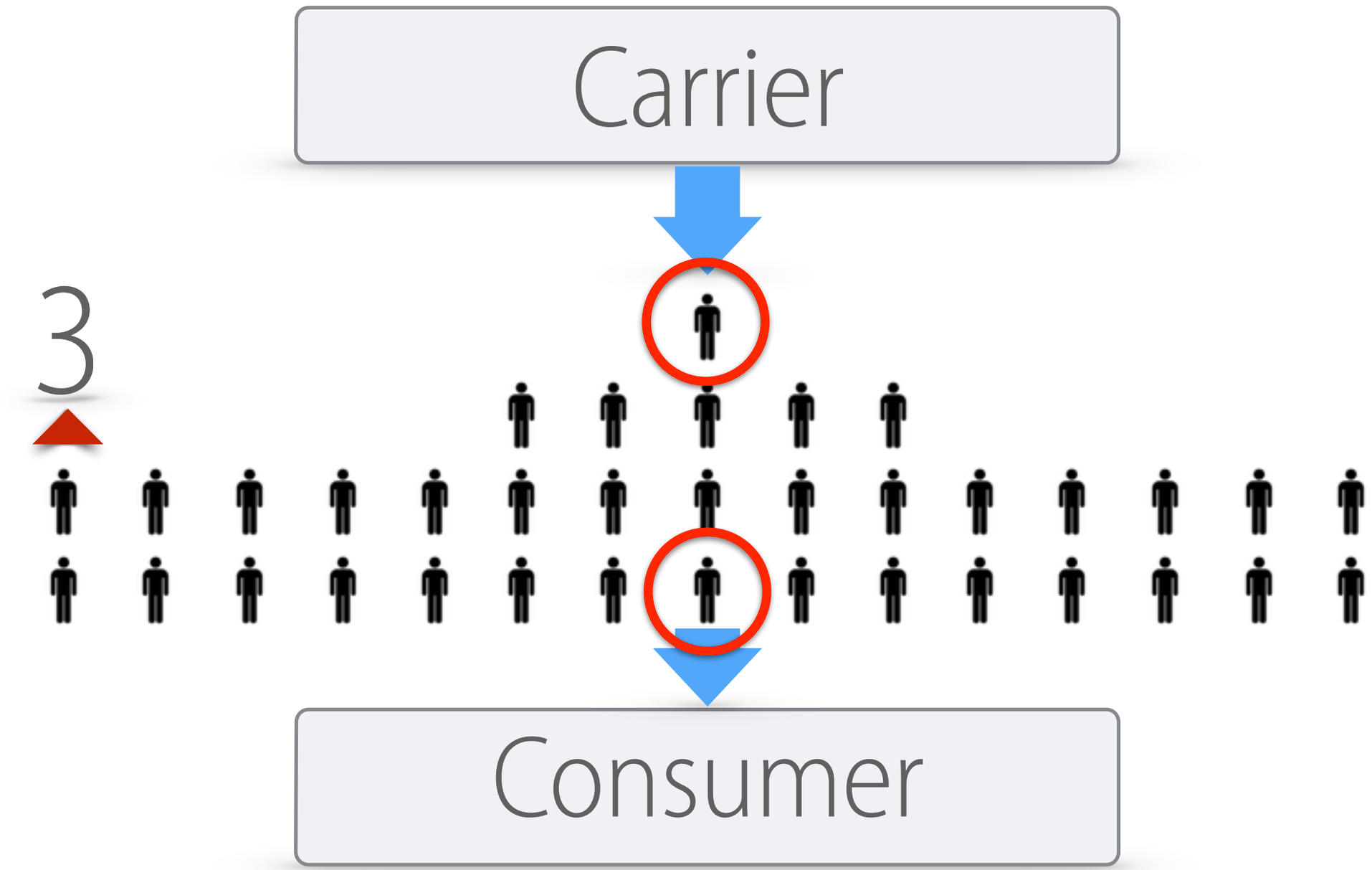

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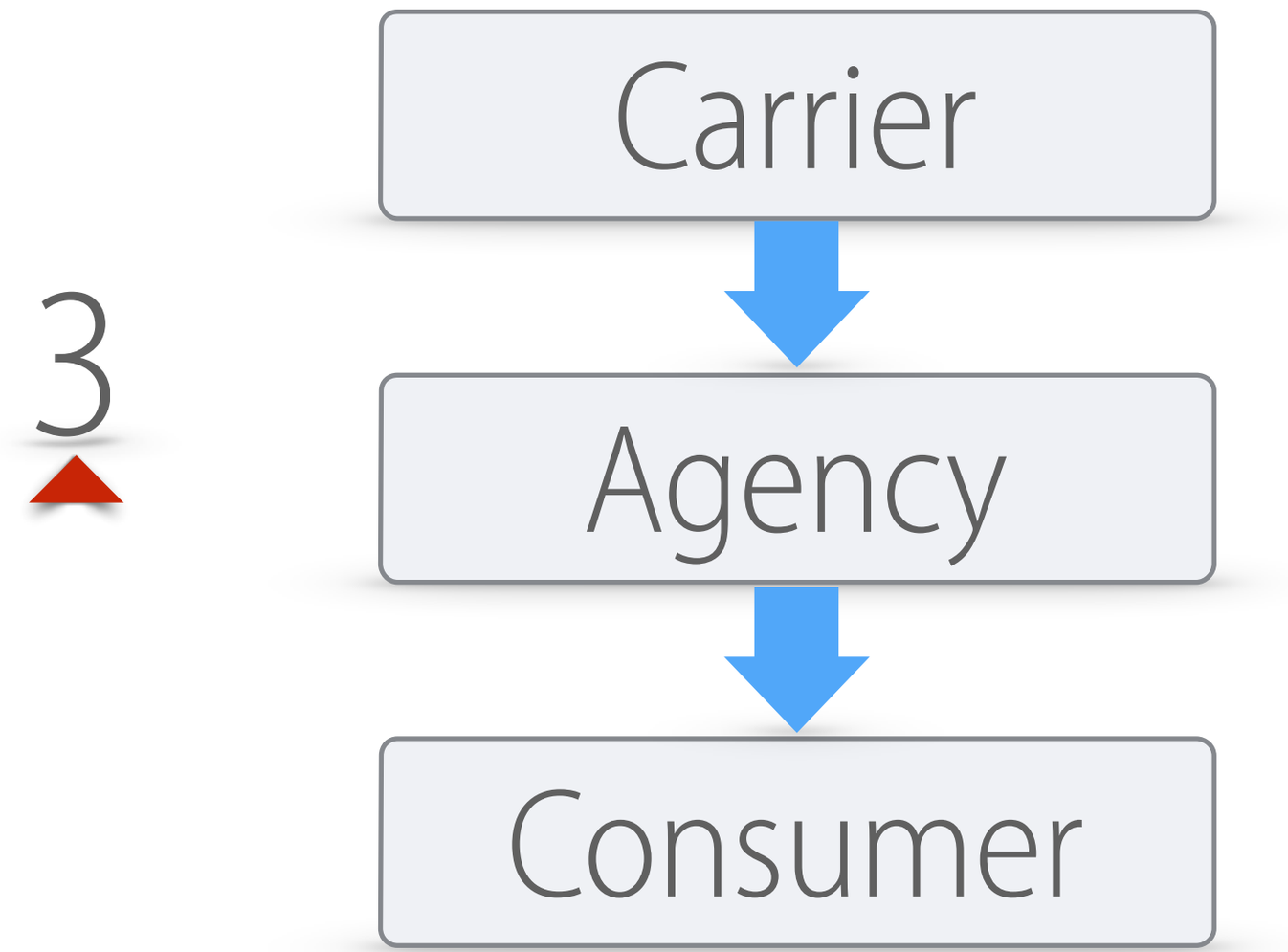

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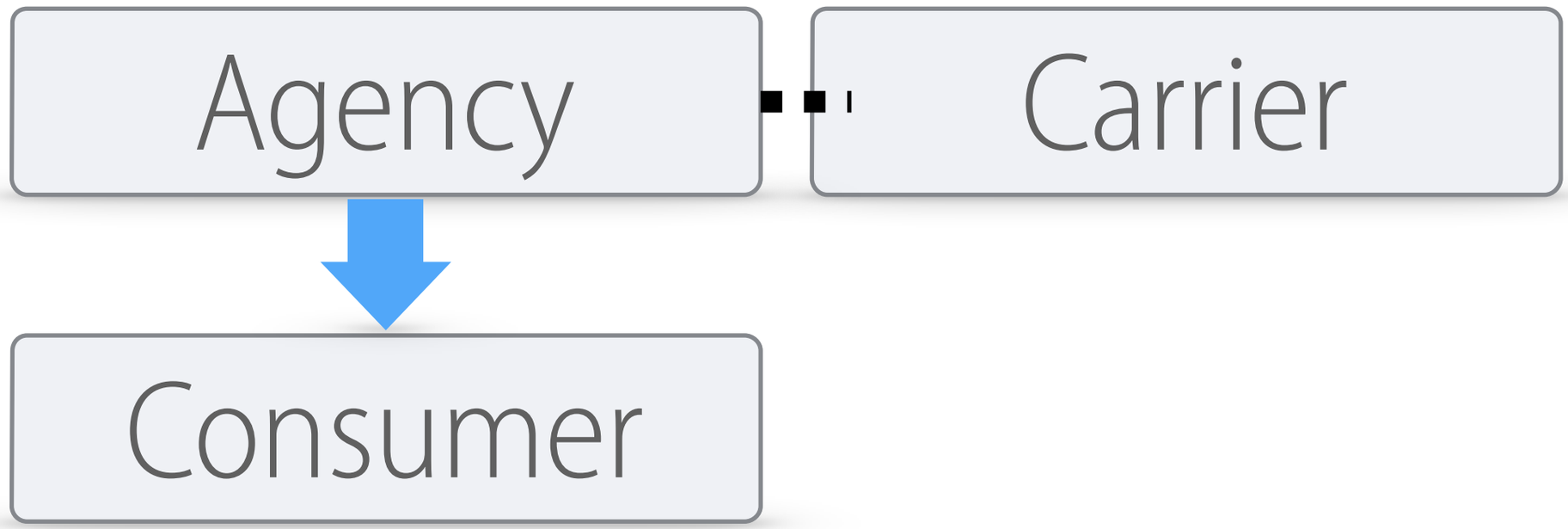

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5 Point action plan for success.

- **Launch A New Academy of Insurance Leadership.**

4

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5 Point action plan for success.

- For insura-preneurs.
- That teaches non-insurance business leadership.
- With fully credentialed certification.

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5 Point action plan for success.

- **Curriculum.**
  - Marketing
  - Innovation
  - Leadership
  - Strategy
  - Thought leadership
  - Customer experience design

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5 Point action plan for success.

- **Urgent: Leverage Modern Technology.**
  - Modern Technology Attracts Younger Workers.
  - Because it's what consumers want us to do

5

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What Makes Consumers Happy?
Channel usage, agent serviced customers.

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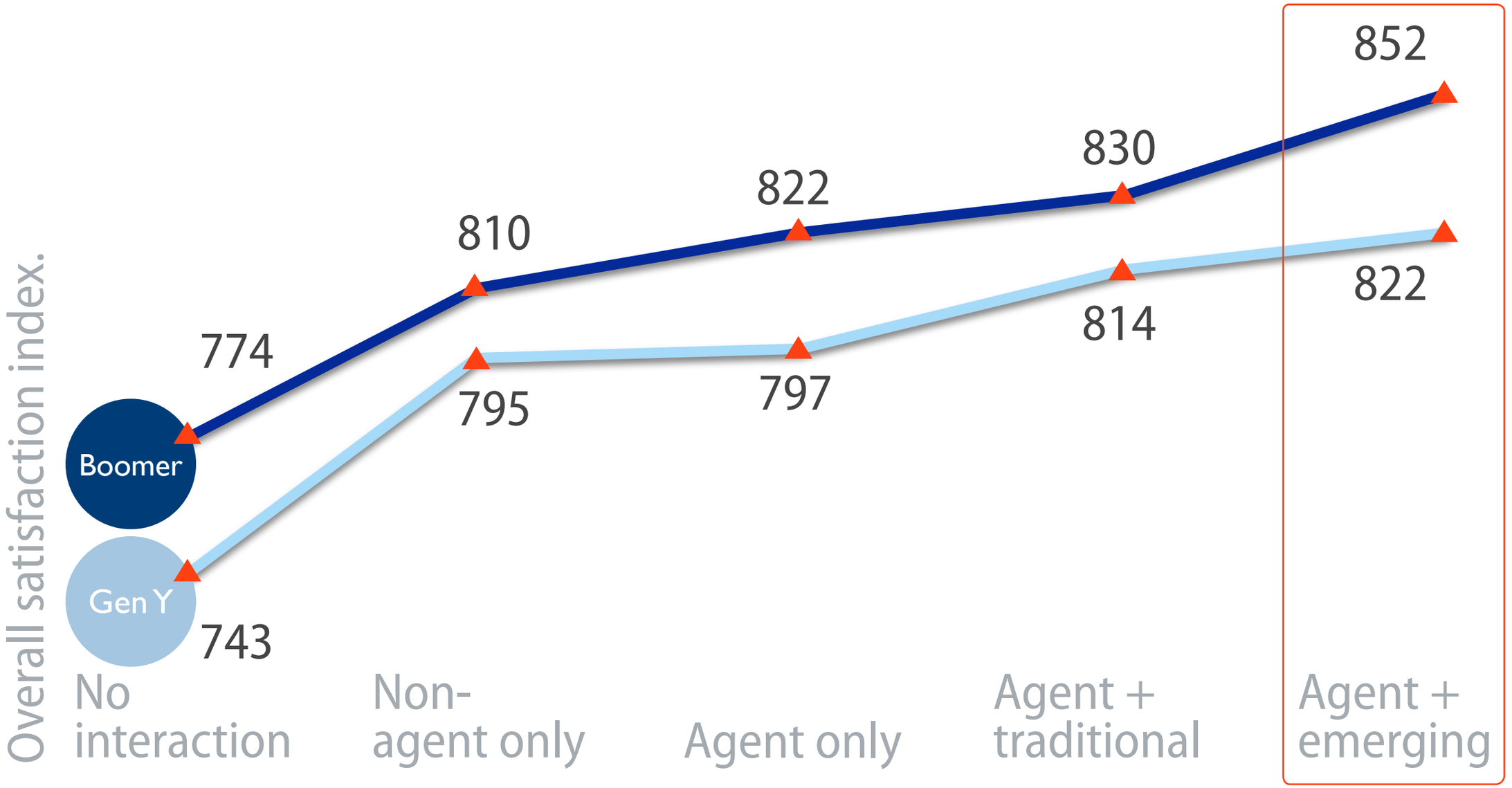

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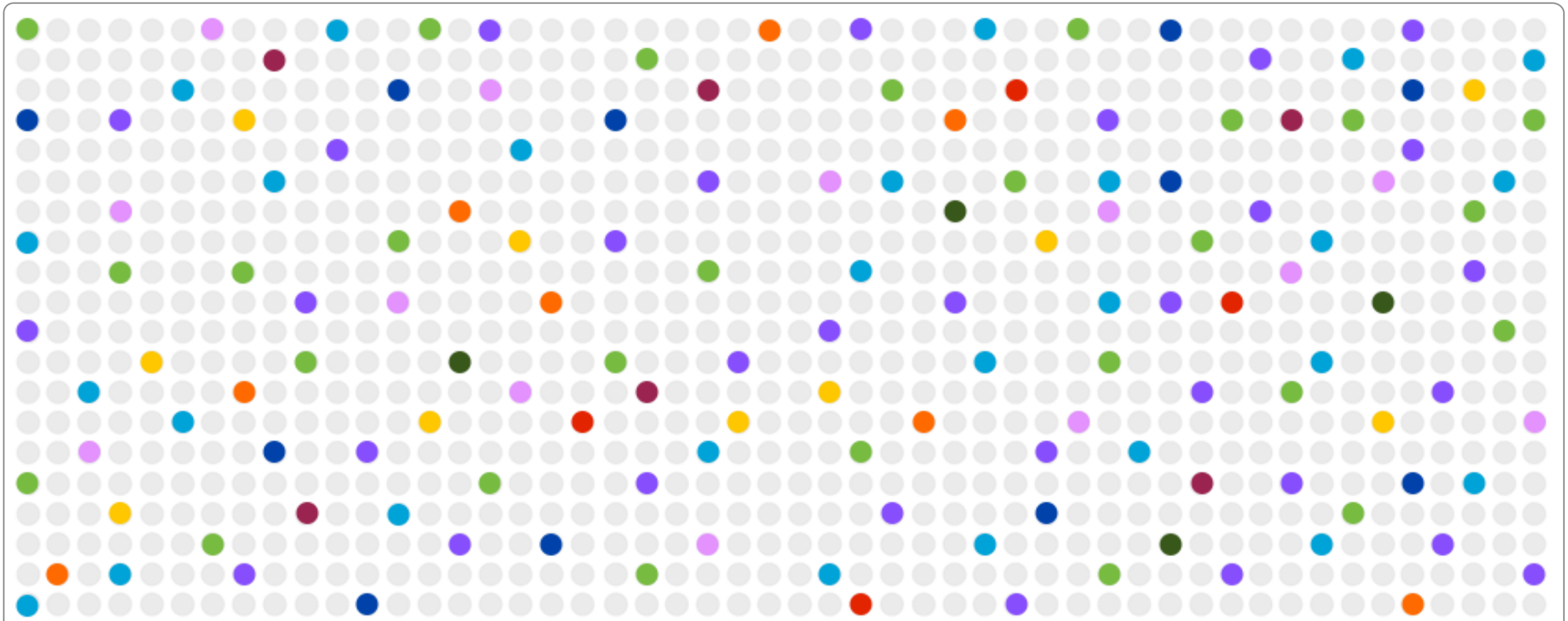

27 Birthdays
27 Renewing in 90 days
4 Claims
31 New prospects
10 New customers
11 Unclosed quotes
8 Lost clients
13 Cross sales
6 Lost policies
4 Returning clients

Agency Management System

Monday

Trigger Point Marketing

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27 Birthdays
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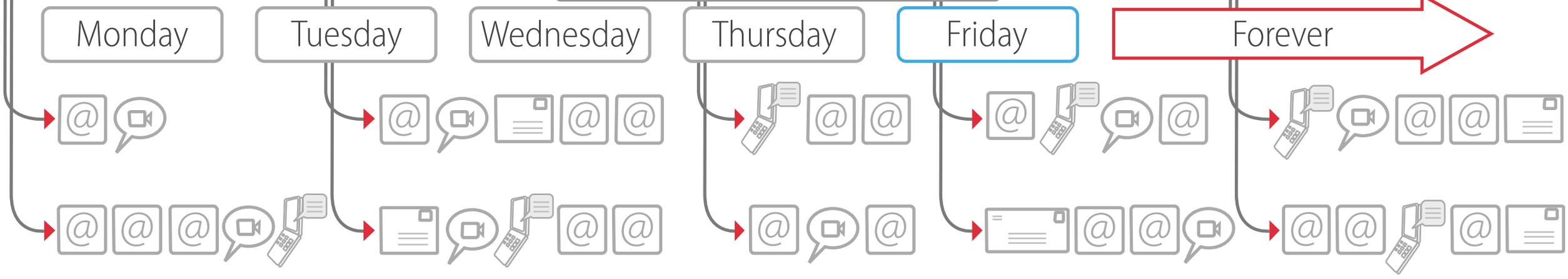
Agency Management System

Monday | Tuesday | Wednesday | Thursday | Friday | Forever



Trigger Point Marketing

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Agency Management System

The Cross Sell Generator™

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- Home no auto
- Auto no home
- Commercial no personal
- CL no commercial auto
- Client no life
- CL no comp
- Personal no "toys"
- X no Y

Agency Management System

The Cross Sell Generator ™

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"If all we're doing is defending the status quo, the game is over"

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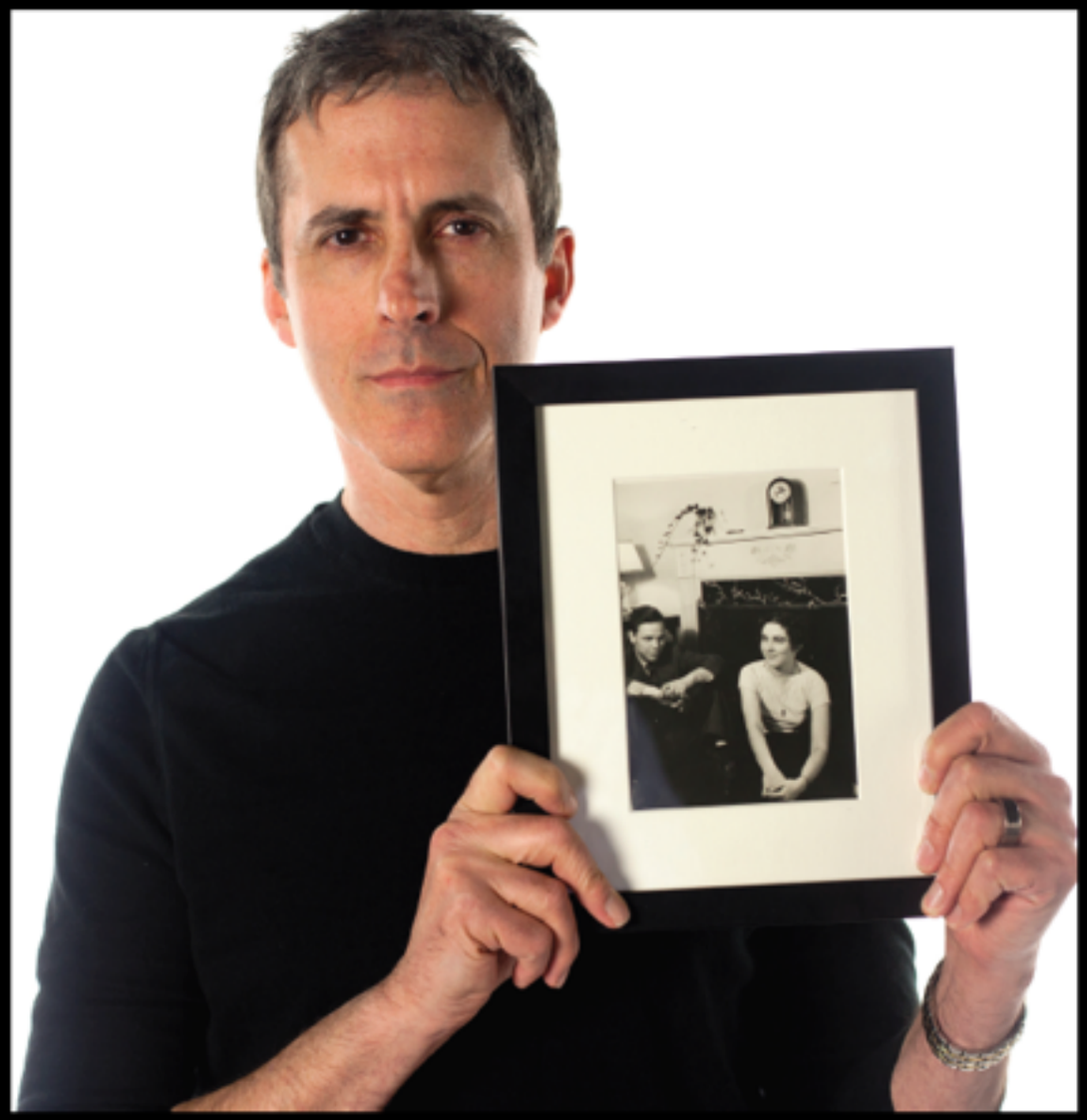
WHY I BELIEVE



IN INSURANCE AGENTS

"Years ago, my dad was killed in a car accident. Without the insurance, I'm sure my mom would've lost her home. She had an agent that watched out for what matters most. I just don't think people should buy insurance like they're ordering pizza. Not if they really care about their family or business - or whatever they really want to protect."

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Michael Jans
husband, father, small business owner

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