Advanced
Insurance Brokerage

HYPOTHETICAL CASE STUDY

PARTNER CASE STUDY · REGIONAL P/C AGENCY · QUALIFIED LIFE

One assessment. Four lines of business.

A regional property and casualty agency completes the AIB Total Source Firm Assessment. Twenty percent of its book is business owners. AIB shows the agency how Qualified Life and 401(k) Contribution DI can reach those owners' employees, and how every employee who buys becomes a new home and auto prospect for the agency.

2,400
Employees reached in year one from existing business clients

$252,324
First-year revenue at the base 15% close rate (Term, DI and home/auto)

4
Lines from each employee: Term, Contribution DI, home and auto

Names and figures are illustrative.

THE STARTING POINT

01 The agency and the assessment

Harborview Insurance Group (a fictional name) is a regional P/C agency with a strong commercial book. Its principal completed the AIB Total Source Firm Assessment to see where life insurance could fit without pulling agents off property and casualty work.

1,500
Agency clients, commercial and personal

20%
Clients who are business owners

300
Business clients to work with

7,500
Employees at those businesses, at about 25 each

What the assessment showed

- Most business clients sponsor a 401(k) plan, but few offer life insurance or disability protection through it.
- The agency's agents are licensed for life but rarely sell it; there is no process for reaching employees.
- Personal lines growth has stalled. New households come mainly from referrals.
- The principal's goal: grow without hiring. That pointed to Total Source rather than traditional brokerage.

What AIB proposed

Use the agency's existing business relationships to open a door it already has a key to. AIB's consultant explains Qualified Life to each business owner, enrolls interested employees, and hands every buyer back to the agency for a home and auto review.

> *"We already insure the building and the trucks. This lets us take care of the people inside, and they become our customers too."*
>
> Agency principal (illustrative)

THE IDEA

02 Qualified Life opens the door

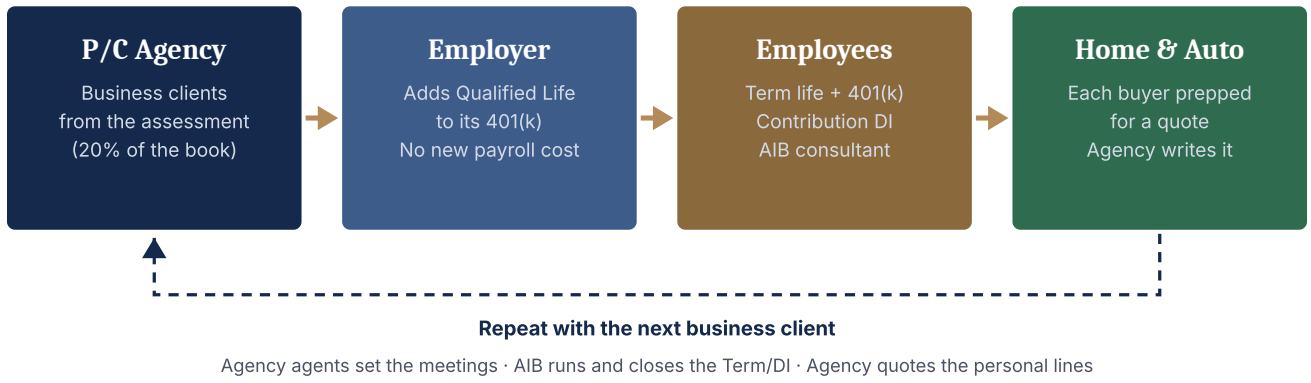
Qualified Life lets employees buy term life insurance inside the company's existing 401(k), with pre-tax dollars and unisex rates. Part of the savings can fund a 401(k) Contribution DI that keeps retirement contributions going if the employee becomes disabled.

$1,429
Pre-tax pay to buy a $1,000 term premium on your own

$596
Year-one net cost through the plan (example)

$7,500
Paid into the 401(k) each year until 65 if disabled (DI example)

How the program flows



OPPORTUNITY ONE

Term + Contribution DI

Sold and serviced by the AIB consultant at the employer's location or by video. No new payroll cost for the employer.

OPPORTUNITY TWO

Home + auto

Every Term buyer is prepped for a home and auto quote: more savings and better coverage for the employee, new households for the agency.

Qualified Life figures are from AIB's Part I and Part II employee guides: hypothetical, assuming a 30% tax rate, 10% unisex savings and an employer match. The plan must permit life insurance. Savings decline in later years as the taxable REB rises.

HOW IT RAN

03 Two agents, one AIB consultant, a repeatable month

The principal assigned two agents to set meetings with business clients. AIB's dedicated sales consultant ran each meeting, closed the Term and DI, and prepared each buyer for a personal lines quote.

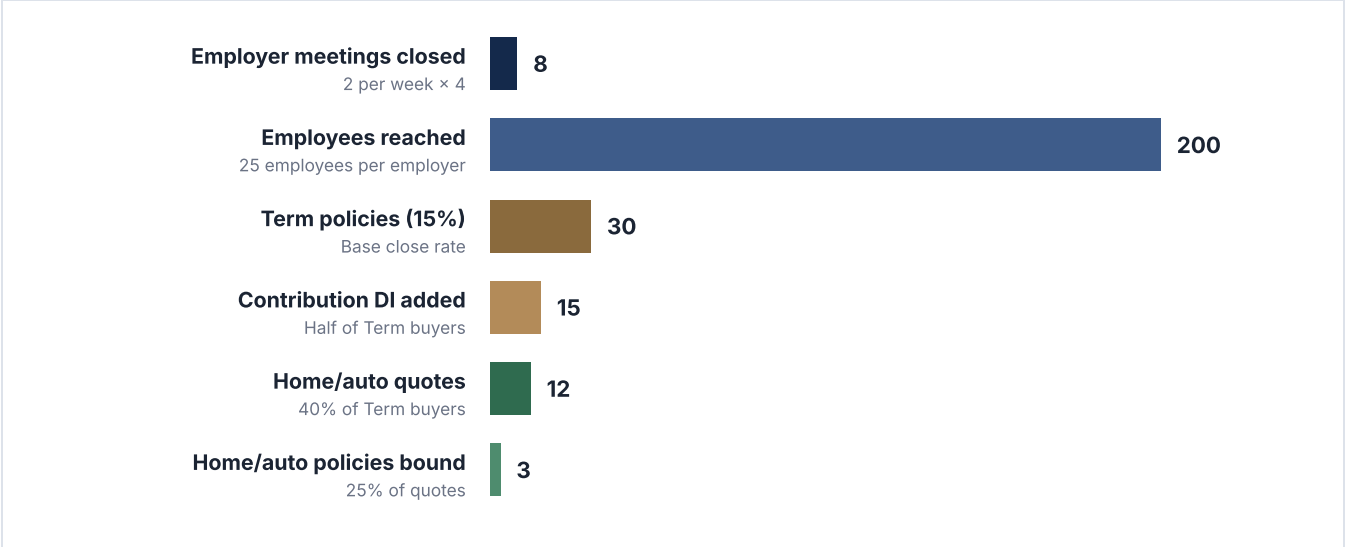
1
Set the meeting
Agency agents call their own business clients: two employers a week.

2
Owner approves
AIB explains Qualified Life and coordinates with the plan's TPA.

3
Employees enroll
AIB meets employees and writes Term and Contribution DI.

4
Hand back
Each buyer gets a home and auto review from the agency.

One month of activity (base case)



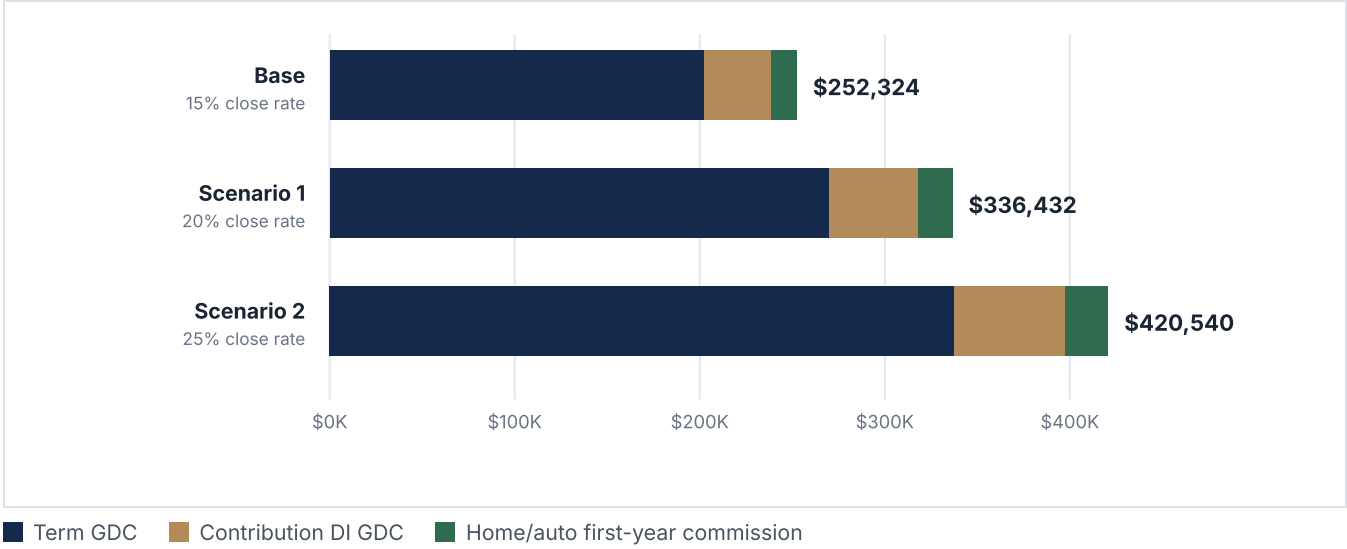
Activity inputs from the AIB QL Partner revenue plan: 2 employers a week, 25 employees each, 15% base close rate. DI and home/auto rates are case assumptions; see page 7.

The cycle repeats. At 8 employers a month, the agency works through its 300 business clients in a little over three years, and every month adds new life, DI and personal lines customers.

04 YEAR ONE The numbers

Twelve months at 8 employers a month reaches 2,400 employees. The table shows first-year results at three close rates for Term.

Scenario (close rate)	Term policies	Term GDC	DI policies	DI GDC	Home/auto bound	P/C commission	Total
Base (15%)	360	$202,500	180	$36,000	36	$13,824	**$252,324**
Scenario 1 (20%)	480	$270,000	240	$48,000	48	$18,432	**$336,432**
Scenario 2 (25%)	600	$337,500	300	$60,000	60	$23,040	**$420,540**



$16,875
Monthly Term GDC, base case

$115,200
New home/auto premium written in year one, base case

36
New households that renew each year with the agency

GDC = gross dealer concession: policies × average premium × gross compensation rate. Term: $750 average premium, 75% compensation. GDC is shared between the agency and AIB under the partnership agreement. Home/auto revenue is first-year commission only; renewals add to it in later years.

WHY IT WORKED

05 Traditional brokerage vs. Total Source

The idea was the same either way; what made it run was who did the work. Traditional brokerage gives carrier access and case processing, but the agency sells on its own, and its agents rarely sell life. Total Source put a dedicated life agent, campaigns, leads and training behind the agency's name.

In this case	Traditional brokerage	Total Source
Who runs the employer meeting	Agency agents, on their own	AIB's dedicated life agent, with the agency agent in the room
Who enrolls employees in Term and DI	Agency agents, if they find the time	AIB's dedicated life agent and team
Marketing to employers	None provided	Commercial life (Qualified Life) campaign for business owners
Outbound prospects	No lead generation	Business leads exclusive to the agency, loaded in the CRM
Agent support	Limited technology and software support	Weekly coaching, sales management, training and case review
Monthly fee · dedicated agent	None · none	Program fee · yes
Likely result	The idea stalls between P/C renewals	A repeatable monthly cycle, then an outbound program

Total Source tools and support used in this case

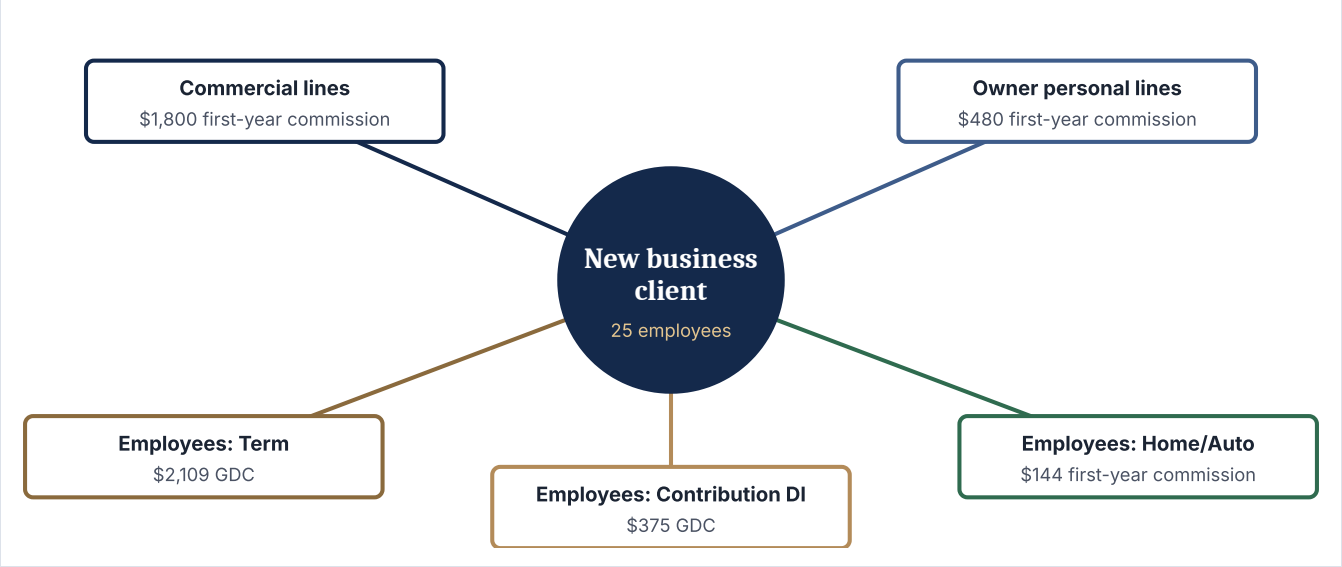
- **Firm Assessment.** Found the 20% of the book who are business owners and the gap in life and disability coverage.
- **Dedicated life agent.** Ran every employer meeting, closed the Term and DI, and handed each buyer back for a home and auto review.
- **Agent sales management and weekly coaching.** Kept the agency's two agents on two employer meetings a week.
- **Commercial life marketing campaign.** The Qualified Life employer letters, guides and email used to set meetings.
- **CRM with exclusive business leads.** AG loaded the leads, the agency scrubbed out existing clients, and life opportunities flipped to the life agent.
- **AIB financial site and WinFlex.** Term quoting, carrier comparison and application submission.
- **VitalSigns.** Carrier ratings and financial strength for each recommendation.
- **LEAP Systems, InsMark and MDRT Academy.** Employee needs modeling, concept illustrations and ongoing life training for the agency's agents.

It started with the assessment. The hour the principal spent on the Firm Assessment is what pointed AIB to the business owners, set the pace, and shaped the campaign.

GOING OUTBOUND

06 From existing clients to new ones

The approach worked well enough that the principal took it to cold prospects: businesses the agency did not yet insure, using the Total Source business leads loaded in the CRM. Now each new employer opens every line at once: the business's commercial coverage, the owner's personal lines, and the same Term, DI and home/auto campaign for the employees.



Each new outbound business client (base case)	First-year revenue
Commercial package: $15,000 premium at 12%	$1,800
Owner's home and auto: $4,000 premium at 12%	$480
Employees: Term GDC (25 employees, 15% close)	$2,109
Employees: Contribution DI GDC	$375
Employees: home/auto first-year commission	$144
Total per new business client	**$4,908**

At two new outbound clients a month, that is 24 new businesses and about $117,801 of added first-year revenue, on top of the existing-client program, with commercial and personal lines that renew.

07 ASSUMPTIONS & DISCLOSURES

How the numbers were built

Assumption	Value	Source
Employers closed per week / per month	2 / 8	AIB QL Partner revenue plan
Employees per employer	25	AIB QL Partner revenue plan
Term average premium · gross compensation	$750 · 75%	AIB QL Partner revenue plan
Term close rate: base / scenario 1 / scenario 2	15% / 20% / 25%	AIB QL Partner revenue plan
Contribution DI: share of Term buyers · premium · compensation	50% · $400 · 50%	Case assumption
Home/auto: quote rate · bind rate	40% · 25%	Case assumption
Home/auto household premium · commission	$3,200 · 12%	Case assumption
Outbound: commercial premium · owner personal premium	$15,000 · $4,000	Case assumption
Agency clients · share who are business owners	1,500 · 20%	Case assumption (assessment)

Hypothetical case study. Harborview Insurance Group is fictional. The story, activity levels and results are illustrative and do not describe an actual agency or guarantee any outcome. Results depend on the agency's book, employer interest, underwriting, carrier rules and close rates.

Compensation. GDC and commission figures are gross, first-year amounts before any split. Revenue sharing between the agency and AIB is set by the partnership agreement and is subject to state licensing and carrier requirements.

Qualified Life. The employer's plan must permit life insurance, and the plan trustee or sponsor must approve it. The REB is reported as taxable income each year. AIB coordinates with the plan's TPA on setup.

Not tax or legal advice. Advanced Insurance Brokerage does not provide tax or legal advice. Insurance products are offered through Advanced Insurance Brokerage.

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