

New Agent Business Plan

Based on 100% commission, a 20% closing ratio, the industry average of \$60 per month per Final Expense policy and 90% persistency (10% of policies sold lapse or cancel)

Agent Goal: \$100,000 in Annual Premium

\$60 x 12 months = \$720 per year per policy
\$100,000 divided by \$720 =

Per Year	138.89 Policies
Per month	11.57 Policies
Per Week	2.89 Policies

90% Persistency (10% lapse or cancel) = \$90,000 in Annual Premium

100% Commission = \$90,000 in Annual Income

So, how can an agent achieve these numbers?

Well, we all know that just like many other things, insurance sales is a numbers game. In order to benefit from the law of large numbers you have to be working with large numbers. So, based on a typical 20% closing ratio, you would need to have an average of 85 fresh leads per month to achieve these numbers. Consistent activity is the main difference between success and failure. Marketing Plan options listed below are based on an average Direct Mail response of 1% and assume the \$320 per 1000 pc price. If writing through SNL, the Direct Mail price can be discounted another \$100 for each 1000 pc order. Marketing Plans also assume a conservative estimate that 25 of the 85 leads cannot be used effectively for a variety of reasons (this is why we need the large numbers). 60 remaining leads with a 20% closing ratio = 12 policies per month

Option A- Gold Plan

4 Direct Mail orders per month @ \$320 each
25 Press 1 leads @ \$449
20 Live Life leads @ \$339

Total = 85 leads @ \$2068 per month

Option B – Silver Plan

2 Direct Mail orders per month @ \$320 each
40 Press 1 leads @ \$718.40
25 Live Life Leads @ \$423.75

Total = 85 leads @ \$1,782.15

Option C – Bronze Plan

1 Direct Mail order per month @ \$320
50 Press 1 leads @ \$898
25 Live Life leads @ \$423.75

Total = 85 leads @ \$1,641.75

The obvious question is why would an agent choose Option A when Option C is less expensive? Of course every order is different, but when ranking lead quality, Direct Mail would normally be first followed by Press 1 and then the tele marketed Live Life Lead. You can see that Option A includes 4 Direct Mail orders per month which would mean generally that Option A has 85 leads with a higher average quality, and because of that would possibly be easier to work and would possibly have a better ROI. Option C would generally be more effective for an established and more experienced agent.