

Is Your Business Profitable?

Using placement ratio, carriers are looking at agents as either profitable or not profitable parts of their field force. Brokerage General Agencies (BGAs) also look at their business to see if it's profitable, as agents do as well. Cases that are not placed are not profitable for anyone, and carriers are now starting to penalize BGAs with low placement ratios by dropping commissions, or worse, terminating contracts with brokerage agencies and agents. The current industry average of not placed cases is between 25 and 35 percent.

The hardest part of an agent's job is getting the sale. The next major hurdle is getting the formal application completed and mailed to the BGA; after that, most of the work of getting a policy issued will be done by the BGA and carrier.

- How many prospecting calls do you have to make to get just ONE appointment?
- From the appointments you obtain, how many turn to follow-up appointments?
- How much of your time is spent on determining need and adjusting products?
- How many follow-up visits do you make?

A lot goes into getting that one application! Finally, when you are done and ready to send this application to your BGA, most of your work is completed.

What if you don't place that case? This is lost time, money, and effort for you, the BGA, and the carrier. Medical records have been paid for, underwriting requirements have been obtained, underwriters and doctors have reviewed the case. Everyone involved has made an investment in the case for no return.

Use this guide, ask the right questions, complete ALL questions on the application, and set realistic expectations up-front for your client.

All of this can make the difference between an expedited paid case and a failed opportunity.

It's not how many cases you submit. It is how many are paid!

"What's all this worth?"

If you can reduce your case cycle time by 8 to 10 days, then you could see a dramatic increase in your placement percentage.

If you spent an extra five minutes per case, you could increase your placement ratio by 5 percent, and your gross income would increase by approximately \$12,000 per year! This is based on 100 cases per year with an average gross profit of \$2,300. This means spending another 8 hours or so each year and earning an additional \$1,500 for each hour spent.

Think of how much better you feel when your time prospecting results in more sales.