



THE YOUNG PRODUCER STUDY

ATTRACTING AND DEVELOPING
THE BEST YOUNG TALENT
IN THE INDUSTRY

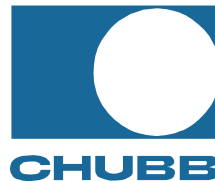
About The Young Producer Study

The Young Producer Study was conceived and conducted by Reagan Consulting based on the belief that there is a great need and a strong opportunity to attract more young men and women into sales positions within the insurance agency and brokerage industry.

We want to express our thanks and appreciation to The Council of Insurance Agents & Brokers for their sponsorship and support of this study.



We especially want to thank the three insurance carriers who have tangibly demonstrated their support for the agents and brokers they serve and for the future of our industry by sponsoring and funding this study.



Finally, we want to recognize and thank the three student interns who spent the summer of 2009 interviewing these successful young producers and gathering information from them and their organizations. They each made a valuable contribution to the success of this study.

- Neil Holby, *University of Virginia*
- Matt Lunati, *Harvard University*
- Chip Reagan, *University of Georgia*

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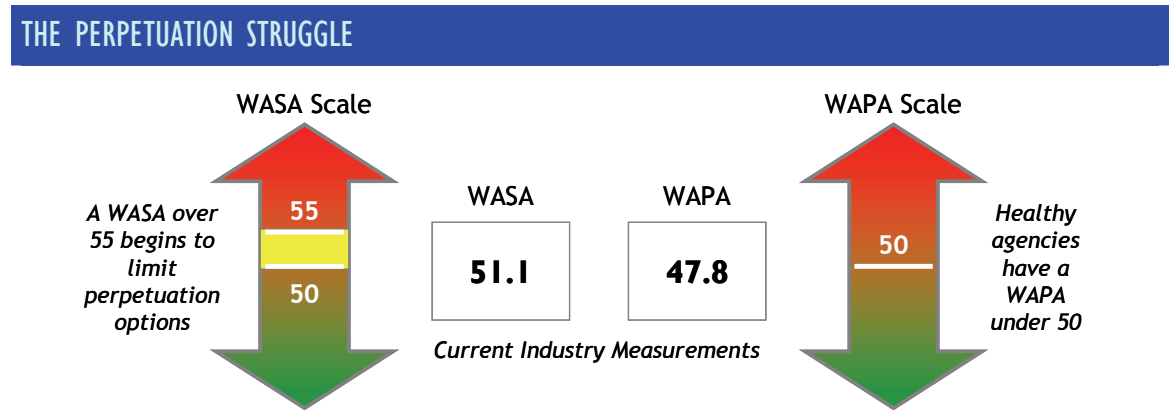
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Introduction

The insurance distribution system operates in intangibles. Insurance agents and brokers don't rely on fixed assets like factories or plants to create value for clients. They don't sell a physical product; they don't have inventory. They don't, largely, rely on patents and intellectual property to produce revenues. Instead, the insurance distribution system operates in the intangible universe of risk management knowledge and customer relationships. And these two intangibles are held by the only real asset of the insurance agency: its people.

The perception of the insurance distribution system, right or wrong, is that these people, the primary assets of the industry, don't include many young individuals. And when young people do find themselves in the industry, it is often by accident. However, a younger generation is a requirement to solving two critical issues facing independent agents and brokers: the perpetuation of ownership and the perpetuation of customer relationships. Both are impossible without the next generation of leadership and production talent.

The insurance distribution system is continually working to perpetuate its ownership base and its customer relationships, and two industry metrics tell this story. The Weighted Average Shareholder Age (or WASA) measures the effective age of an agency's shareholders, while the Weighted Average Producer Age (or WAPA) measure the effective age of an agency's producers.



Industry WASA and WAPA measurements hover near the edge of recommended levels, which clearly suggests that close to half of all agencies and brokerages have unhealthy WASA and WAPA numbers. Recognizing the problems that they are facing, a number of agencies and brokerages have realized the importance of focusing on younger employees, and younger producers in particular. But there hasn't been an industry-wide acknowledgement of the value that recruiting younger producers can bring. Further, there hasn't been industry-wide focus on how to attract, develop and retain these younger individuals. Largely, the insurance distribution system has missed out on the opportunity to hire younger sales professionals.

The Young Producer Study was designed to assess the hiring activity in the industry and to identify and investigate those firms that have demonstrated success recruiting and hiring young producers. What can we learn from these firms? What can we take from their recruiting and

hiring practices? What can we learn by examining the successful young producers they have attracted?

This study should not in any way be interpreted as having a negative perspective on the hiring of older, more experienced producers. Indeed, as our research indicates, these producers make up the majority of industry hires. Older, more experienced producers can bring a wealth of knowledge and expertise to an agency, and sometimes a book of business as well. Their value should not be overlooked. However, *The Young Producer Study* focuses on producers under age 30, a group often overlooked by the agency and brokerage community.

Young Producer Hiring in the Industry

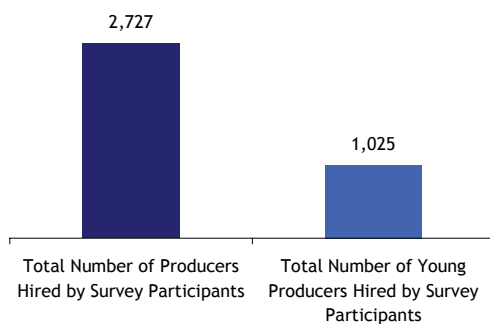
In the first phase of *The Young Producer Study*, we wanted to gauge the basic hiring activity in the industry regarding young producers. Specifically, we wanted to understand how many agencies are focused on hiring young producers and whether or not younger producers make up a significant portion of producer hires in the industry. We defined “young producers” as those individuals who were under the age of 30 when hired. These producers typically have little experience in the industry when hired and are still very early in their career development. It is often these individuals, however, who choose in the early part of their careers to utilize their talents in other industries, and are lost to the insurance distribution system.

Using what we called the *Baseline Survey*, we surveyed over 200 agencies across the country regarding their producer hiring activity. Throughout this report, we will use the results from these 200-plus agencies as a proxy for the industry at large.

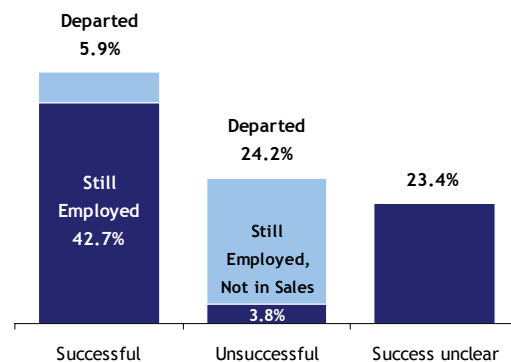
Overwhelmingly, the agents and brokers participating in the *Baseline Survey* indicated that they had hired young producers: Over 85% of agents and brokers in the *Baseline Survey* had hired a producer under the age of 30 within the last five years. However, in aggregate, the agencies in the *Baseline Survey* had hired over 2,700 producers within that same five-year period, and only 37.6% of these producers were young producers. So while it wasn’t uncommon for firms to bring a young producer on board, young producers clearly weren’t the focus of agency recruiting efforts for firms participating in the *Baseline Study*.

RESULTS FROM THE BASELINE SURVEY

Young Producer Hiring Activity in the Industry in the last Five Years



The Success Rate of Young Producer Hires



Source: *Baseline Survey*

In fact, the *Baseline Survey* revealed a wide disparity in the recruiting and hiring practices covered in the survey and varying levels of success in young producer hiring. For example, there was considerable variety in terms of where these young producers were recruited: roughly 34% came from another industry, a little more than a quarter came from another agency, a little less than a quarter came from college and about 15% came from an insurance company. The *Baseline Survey* gave us a good indication of activity level across the industry, but it did not help us address the best practices in young producer recruiting and development.

Therefore, the next step in the *Young Producer Study* was to identify leading firms in attracting, hiring and developing young producers. From this group we could take a deeper dive into the best practices for bringing younger producers on board and the characteristics of the most attractive candidates.

Through carrier references, industry trade organization recommendations and *Baseline Survey* data, we identified firms with a demonstrated ability to recruit, hire, train and develop younger producers. Further, these firms have strong sales cultures that foster an environment of achievement for their production forces. We invited these firms to undergo a rigorous study process that involved several steps:

1. Each firm was asked to identify one or two young producers who had been successful at the agency in either Commercial P&C or Employee Benefits production.
2. The agency completed an organizational questionnaire regarding its producers and its hiring and development practices.
3. The producers themselves were asked to complete a three-part process:
 - a. An online survey regarding past experience and current perspectives on their insurance sales careers
 - b. A personality and behavioral assessment
 - c. A telephone interview

54 agencies and brokerages participated in the in-depth portion of the study. Throughout this report, we will refer to these firms as the *Leading Firms*. From these firms, 91 producers were selected to take part in the in-depth portion of the study. Throughout this report, we will refer to these producers as the *Successful Young Producers*.

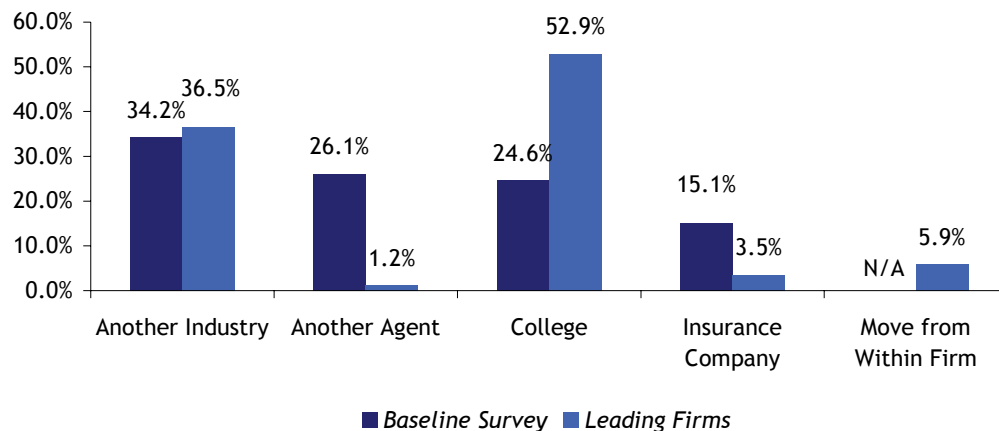
Recruiting and Developing Young Producers

The Frequency and Source of Young Producer Hires

The group of agencies identified as being successful recruiting and developing young producers, the *Leading Firms*, comes from all over the country and includes small firms (\$4.8 million in revenue) and very large firms (over \$1 billion in revenue). The median firm in the study had approximately \$23 million in revenues. These agencies possess strong sales cultures and also the ability to integrate younger producers into their production forces. In general, these agencies hire more young producers than the industry as a whole and the producers they hire achieve greater success. Based on data from the *Baseline Survey*, producer hires for the *Leading Firms* were comprised of almost 20% more young producers than for the industry as a whole.

However, the difference in the percentage of young producers hired between the industry and the *Leading Firms* wasn't as remarkable as the difference in the source of the young producers hired.

THE SOURCE OF YOUNG PRODUCER HIRES: LEADING FIRMS VS. THE BASELINE SURVEY



Source: Young Producer Study, Baseline Survey

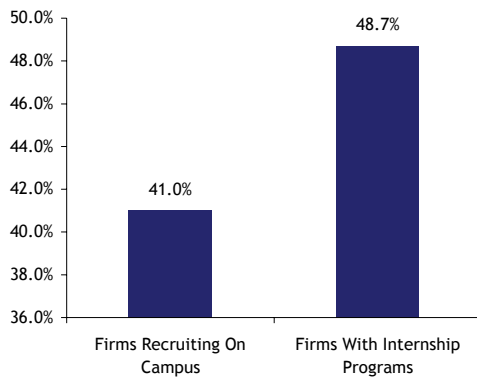
The primary differences in recruiting sources between the industry and the *Leading Firms* were hiring activity from college and hiring activity from other agencies. Of the 91 *Successful Young Producers* identified by the *Leading Firms*, only one was hired from another agency. In contrast, in the *Baseline Survey*, hiring from other insurance agencies was the second most popular source of young producer hires, generating over 26.0% of young producers. Among the *Successful Young Producers*, over half were recruited and hired directly from college, a rate over twice as high as the industry at large (in the *Baseline Survey*, slightly less than a quarter of the young producers were hired from college).

In general, the *Leading Firms* placed more value on recruiting directly from college campuses than the industry at large. 41.0% of the *Leading Firms* reported participation in on-campus recruiting and almost half reported having internship programs for college students. In the *Baseline Survey*, only about a quarter of firms had internship programs.

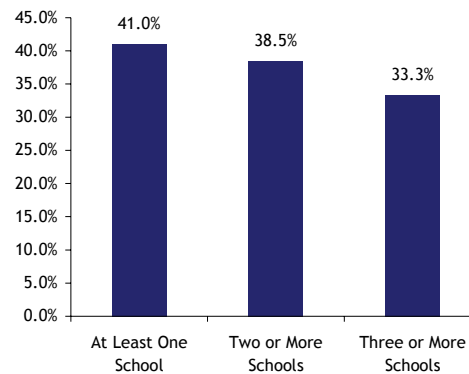
Internships can be effective platforms for agencies and brokerages. In 2008, The Foundation for Agency Management Excellence (FAME) produced an informative piece on agencies and college internship programs entitled “2008 Guide: Developing and Implementing an Effective Intern Program.” In this report, FAME highlights the benefits to an agency of internships: “In the competitive arena of talent acquisition, an intern program offers the employer unparalleled staffing opportunities due to the size and scope of the student labor pool.”

A LOOK AT COLLEGE RECRUITING

Involvement in College Recruiting



How Many Schools Does a Firm Visit?



Source: Young Producer Study

The *Leading Firms* seem to view college recruiting, via internships and campus visits, as a way to attract high-performing individuals early in their careers. Rather than waiting for talented producers to “fall into the insurance industry,” these firms have identified a methodology for bringing aboard young producers who are attracted to the insurance industry and whose talents are a fit for insurance sales. In fact, a third of the *Leading Firms* are visiting three or more colleges to recruit students.

Notorious bank robber Willie Sutton is often credited with saying, when asked why he robbed banks, “Because that’s where the money is.” A principal of a prominent insurance agency answered a question about why they recruit at colleges in much the same way: “We recruit on college campuses because that is where the talent is. We know we can find many qualified candidates and are pretty good at figuring out who they are through our screening process and intern program.”

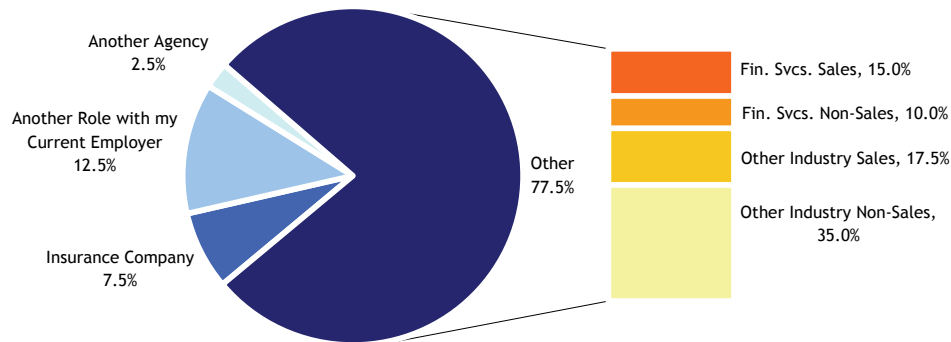
While college was the largest source of young producers, over 47% of the *Successful Young Producers* came into their positions from another job. Many firms prefer this approach to recruiting at colleges. According to the sales manager of one firm, “We have had a lot more success hiring people after they have had work experience – they are more mature, more motivated and better positioned to be successful in sales.”

Most of the young producers coming from other jobs came from companies operating outside of the insurance industry. About a quarter of the producers who came into the job with previous experience came from sales positions in other industries. In the *Baseline Survey*, over 15% of the

young producers came from insurance companies. However, only 3.5% of the *Successful Young Producers* were sourced from this area.

The financial services industry was the most common industry for *Successful Young Producers* with previous work experience, as 25% of the *Successful Young Producers* who did not join their firms directly from college came from the financial services industry. Many of these worked for large commercial banks. Other industries where future young producers got their start included hospitality, construction, and consumer products and services. The chart below shows the breakdown of sources for *Successful Young Producers* who were not recruited from college.

SUCCESSFUL YOUNG PRODUCERS WITH PREVIOUS WORK EXPERIENCE



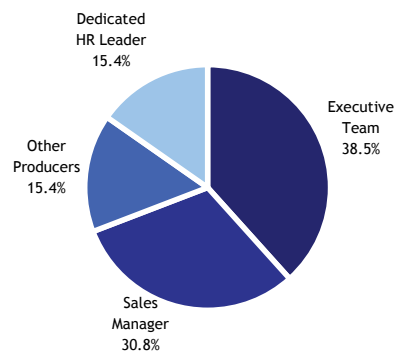
Source: Young Producer Study

Formalizing Recruiting

An important factor in ensuring recruiting success is assigning responsibility for bringing young producers on board. On-campus recruiting, college internships and relationships with people in other industries and companies can establish a flow of young producer candidates. However, having a coordinated recruiting and hiring strategy and capitalizing on available candidates often depends on the personnel from the agency that are involved in the recruiting effort.

In our analysis of the *Leading Firms*, almost 40% of all agencies made their executive team ultimately responsible for locating and hiring young production talent, making the executive team the most popular choice for this responsibility. In another 31% of these successful agencies, the firm's sales leader was assigned this responsibility. Agencies in

RECRUITING RESPONSIBILITY



Source: Young Producer Study

which sales managers were responsible for attracting younger producers were typically larger firms.

This assignment of responsibility speaks volumes about the significance that agencies are placing on young producer recruiting. However, the young producers that are brought on represent critical pieces of the agency’s ownership and customer relationship perpetuation strategies – requiring attention from leadership teams. Further, it shouldn’t be surprising that agency leadership teams are highly involved in the recruiting effort, which is a way to develop the agency’s most important asset: its people.

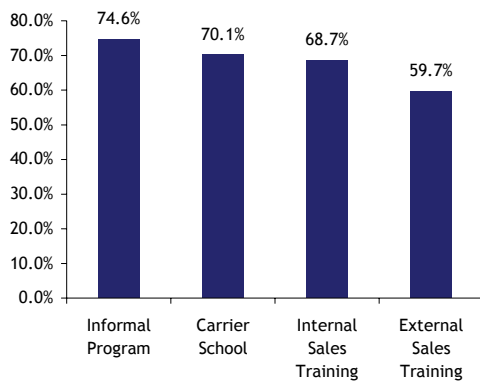
Developing and Training Producers

Once on board, the task turns to developing and retaining younger producers. Agencies invest significant resources in unproven producers: from payroll to benefits to training costs to opportunity costs. It is important to invest those resources effectively.

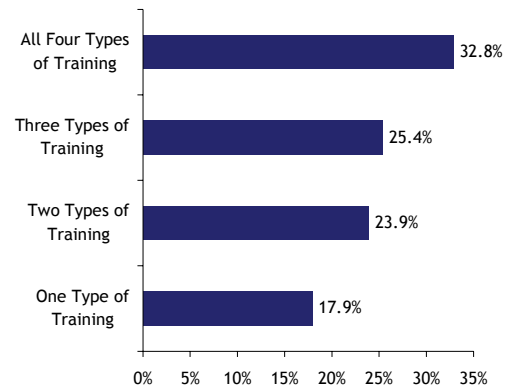
The chart below details the basic training provided to the young producers that participated in the *Young Producer Study*. All of the successful agencies that participated in the study gave some type of training to the young producers that they brought on board, and most agencies provided multiple types of training.

BASIC TRAINING

What Types of Initial Training are Provided to Young Producers?



How Many Types of Training are Provided to Young Producers?



Source: *Young Producer Study*

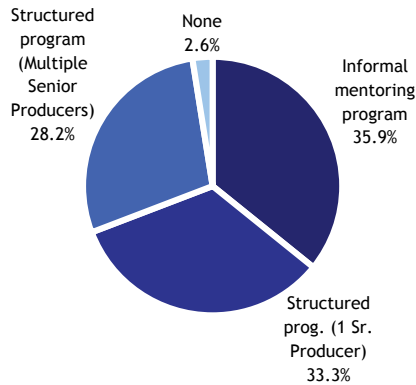
These types of training, though obviously viewed as essential by the *Leading Firms*, are more of a baseline education designed to get up-and-coming producers on their feet in the business. Often, agencies augment this basic instruction with a mentoring program, designed to connect younger producers with older producers who can answer difficult questions and aid in early client relationships.

In the *Young Producer Study*, we investigated the types of mentoring programs used by the agencies that have been successful in recruiting younger producers. Approximately 61% of the

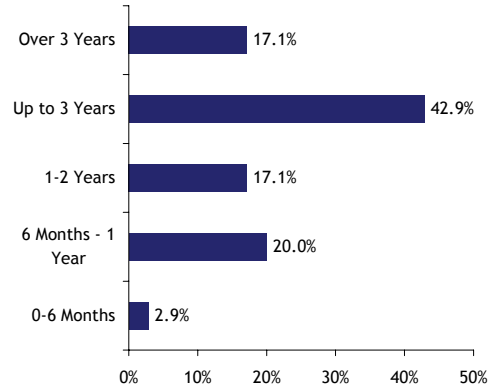
firms in our survey were engaged in structured (as opposed to informal) mentoring programs that were multiple years in length. A small percentage of agencies provided no mentoring at all.

MENTORING PROGRAMS

What Types of Mentoring Programs are Provided to Young Producers?



How Long do Mentoring Programs Typically Last?



Source: Young Producer Study

The impact of the mentoring programs, however, appears to be mixed, with results likely depending more on the actual mentor involved than the way the program is structured. During interviews with the young producers in our study, for example, several credited their mentoring relationships as critical factors in their success. Mentoring was also the second leading response when the *Successful Young Producers* were asked what their employers had done to contribute to their success. However, even though it was the second leading response, it was listed by only 25% of those responding. Further, in the producer survey, only 14% of producers listed mentoring as an overall key to their success.

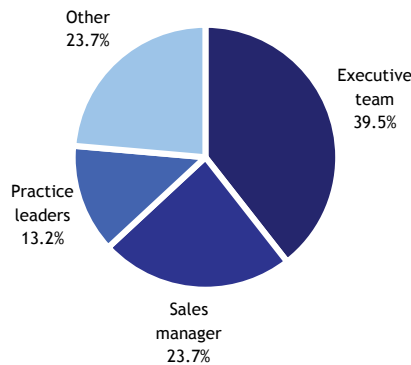
These mixed signals on the importance and impact of mentoring were somewhat surprising given the emphasis that the agencies themselves placed on the mentorship program. In evaluating the 14% who credited mentoring with being a key part of their success, there is no clear type of mentoring structure that emerges, again indicating that the success of mentoring is very dependent upon the individual relationship between the mentor and the mentee. One young producer notes: “One of the primary keys to my success was my mentor. We did everything together and the knowledge I gained was invaluable.”

Outside of the mentoring relationship, the *Leading Firms* take varying approaches to producer management and to directing producer efforts. Among the firms in our survey, management by the executive team was the most popular way to supervise and guide producers. When it comes to helping a producer identify a potential client base, however, the successful agencies are mixed. In general, the young producers in the survey were fairly evenly split between generalists (pursuing clients of all types) and niche producers. Niche producers, who focus exclusively on a particular industry or product type, accounted for about 48% of the young Commercial P&C producers in our survey.

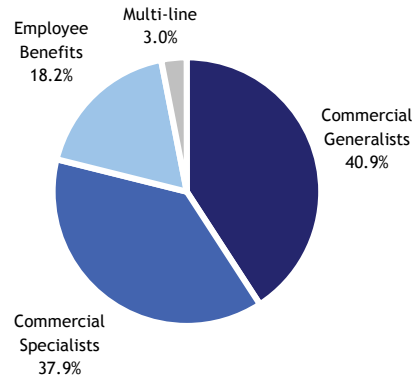
Another interesting management tool in use by many firms in the industry is the “recruiting class” approach to managing young producer hires. This approach involves hiring multiple young producers each year and tracking their development as a class. For example, an agency might have five young producers in its “class of 2007.” This structure, which is most easily employed by larger agencies who generally hire several producers each year, has several advantages. From an agency perspective, it facilitates the process of efficiently training and managing young producer hires. With recruiting classes, agencies and brokerages can leverage the training and instruction they provide across a larger number of individuals. From a producer perspective, it provides built-in camaraderie and positive peer pressure that can aid in young producer development.

MANAGING & DIRECTING PRODUCERS

Who Manages Young Producers?



Are Young Producers Generalists or Specialists?



“Other” Management responsibilities indicated primarily other producers and branch management

Source: Young Producer Study

Compensation

The *Leading Firms* compensate their unvalidated producers in a number of ways. The vast majority of the unvalidated compensation structures in our study included salaries, which ensures a base level of compensation for unproven producers during the validation period. The most popular structure included a base salary for producers in addition to some type of commissions, primarily based on new business production. This type of structure has the advantage of both providing stability for the producer and motivating him or her with rewards when new business is written.

UNVALIDATED PRODUCER COMPENSATION



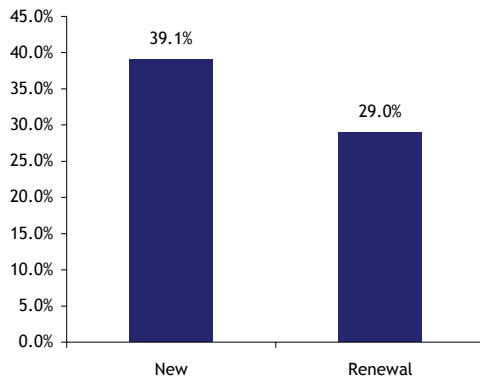
Source: Young Producer Study

A small percentage of the participating firms use a pure “draw” approach with unvalidated producers. There was not a material difference in the unvalidated producer compensation structure for Commercial P&C producers and Employee Benefits producers.

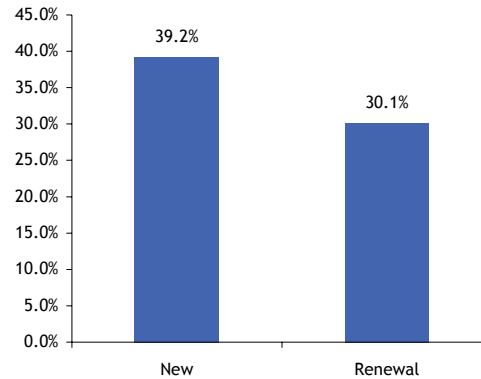
When young producers validate, most agencies switch to a new and renewal compensation program. Approximately 65% of the *Leading Firms* paid a new commission rate that was higher than the renewal commission rate. In our study, which addressed both Commercial P&C and employee benefits producers, it appears that Employee Benefits producers and Commercial P&C producers are being compensated using similar commission splits.

VALIDATED PRODUCER COMMISSIONS

**Average Validated Commercial P&C
Producer Commission Splits**



**Average Validated Employee Benefits
Producer Commission Splits**



Source: Young Producer Study

In addition to the producer compensation program, approximately 68% of the successful firms in our study provided agency ownership opportunities to producers. Of this group that offers agency equity to successful producers, most do it based on meeting certain production goals or thresholds. However, in most cases, even the producers that reach the firm’s stated targets for equity ownership still must be approved by the firm or by existing shareholders based on some qualitative criteria, such as fit with the firm and leadership potential.

The equity opportunity, however, did not come across as a highly valued aspect of insurance sales to the young producers in the study. In fact, only one producer mentioned ownership opportunity as “one of the best things about the insurance industry.” The compensation program was of more critical importance to the younger producers, as well over half of the producers stated that the amount of money to be made was “one of the best things about the insurance industry.”

The Background of Today's Young Producers

In the in-depth portion of the *Young Producer Study*, we conducted detailed research on 91 producers from firms across the country (this group is defined as the *Successful Young Producers*). Of these producers, 82% were Commercial P&C producers, 15% were benefits producers and 2% were multi-line producers, selling both employee benefits and Commercial P&C insurance. The share of benefits producers in the study, at 15%, is slightly lower than the typical portion of benefits revenue for a large agency. On average, larger agencies have approximately 20% of their books of business in the employee benefits business.

The *Successful Young Producers* were 89% male and 11% female. Of the female producers, 30% were employee benefits producers and 70% were Commercial P&C producers. The male producer breakdown was not significantly different than the *Successful Young Producer* group as a whole.

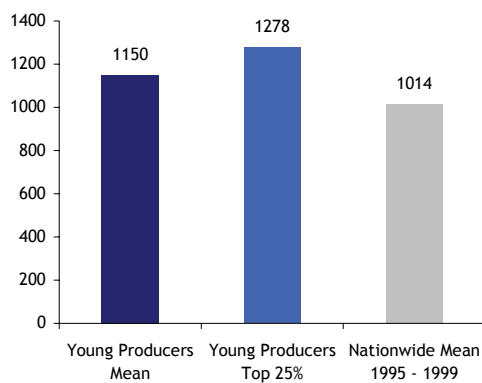
Academic Background

The 91 young producers that participated in the study are predominantly college-educated individuals from all parts of the country. Approximately 14% of the young producers have gone on to get post-graduate degrees, primarily MBAs.

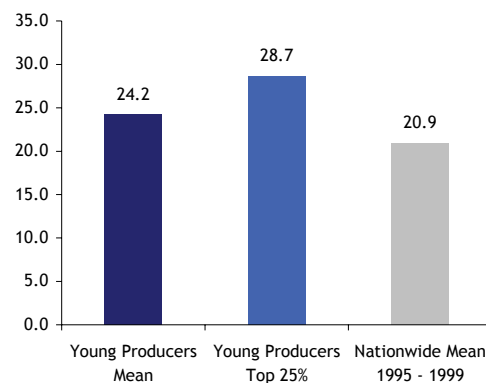
We asked the young producers in the study to report their SAT and ACT scores and then we compared the scores against averages from the late 1990's, when most of the *Successful Young Producers* would have been taking these tests. In examining college entrance exams for this group, these successful young producers scored above average on both the SAT and the ACT.

COLLEGE ENTRANCE EXAMS

Young Producer SAT Performance



Young Producer ACT Performance



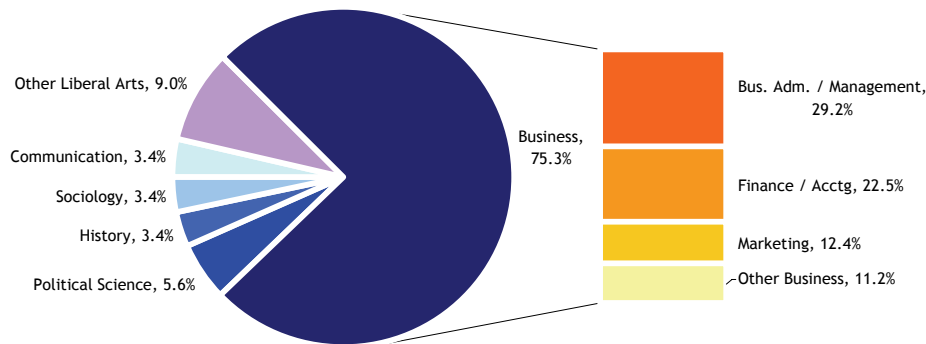
Source: *Young Producer Study*, www.act.org, *The College Board*

While the producers were solidly above average, it doesn't appear that the producer group is at the very top of the charts for these standardized tests. The same is largely true for college academic performance. With a mean GPA of 3.3 on a 4.0 scale, the successful young producers appear to have achieved a strong "B+" average throughout their college careers. Approximately

one-third of the young producers recorded above a 3.5 grade-point-average or above, while only 14.3% had GPAs under 3.0. The rest were between 3.0 and 3.5.

The *Successful Young Producers* were largely business majors. Business Administration / Management was the most popular major, being the choice for approximately 30% of the *Successful Young Producers*. Liberal arts majors accounted for roughly a quarter of the group.

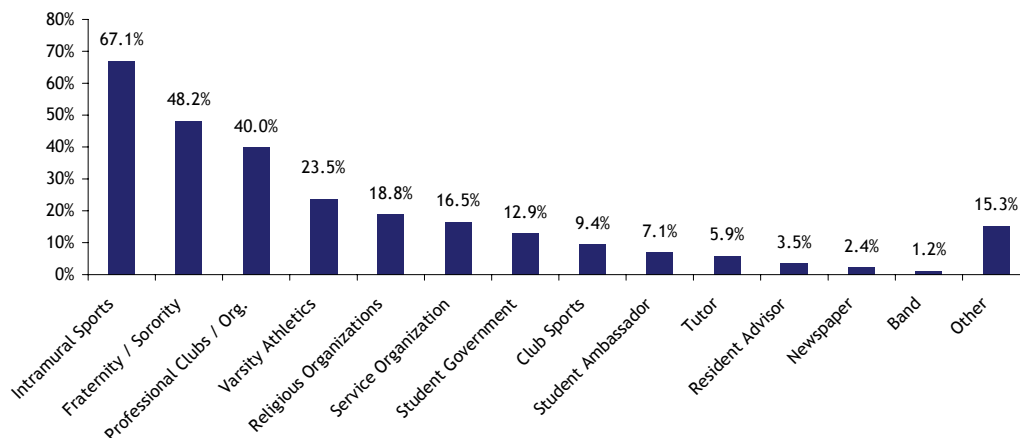
SUCCESSFUL YOUNG PRODUCER COLLEGE MAJORS



Other Business includes economics, risk management and other
Source: Young Producer Study

The producers were very involved on their college campuses, with most involved in more than one activity. As a precursor to their community involvement later in life, many producers balanced academics, work and extracurricular activities during their college careers.

YOUNG PRODUCER INVOLVEMENT DURING COLLEGE



Source: Young Producer Study

In analyzing the *Successful Young Producers* when they were college students, we get a picture of what successful candidates look like. The picture that emerges is of a well-rounded individual with a capacity for academic achievement, the desire to be involved in the community and the ability to take on leadership roles and / or working responsibility. And in most cases, these aren't mutually exclusive options. Given a job like insurance sales, which requires internal motivation and the ability to be successful in a flexible environment, it is not surprising that balancing activities and responsibilities in college can signal success as a producer later in life.

THE WELL-ROUNDED STUDENT

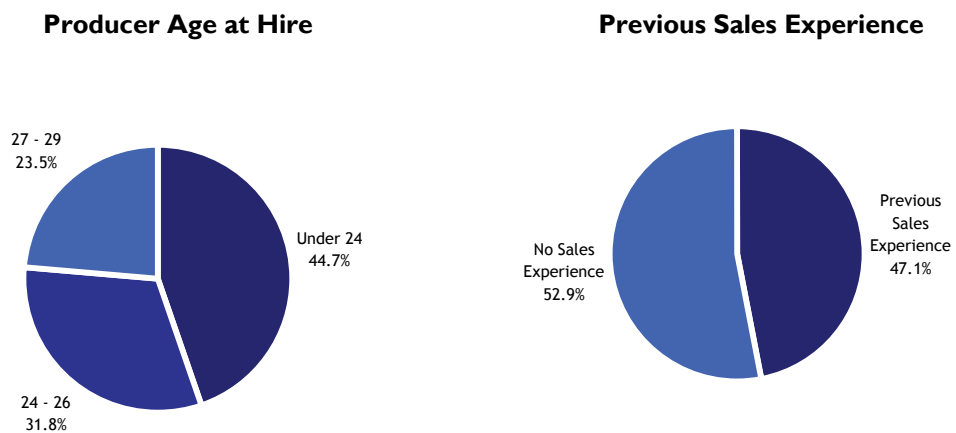


Source: Young Producer Study

Age and Experience

On average, the producers in our study are currently 30 years old and were hired by their current employers at age 25. In addition, just under half of the producers reported that they came into the job with some prior sales experience, though the level of sales experience varies considerably.

THE AGE AND SALES EXPERIENCE OF THE SUCCESSFUL YOUNG PRODUCERS AT HIRE



Source: Young Producer Study

Young Producer Skills and Attributes

In order to help understand the characteristics of the *Successful Young Producers*, we partnered with Profiles International, an employee testing and talent management firm, to assess the skills and attributes of young producers participating in the study. The Profiles International evaluation tool that was used is the “Profile XT,” which measures thinking and reasoning, behavior traits and occupational interests.

From the compiled results of the *Successful Young Producers* who completed the Profiles XT assessment, Profiles International has created a “Job Match Pattern” which highlights the characteristics of these producers. This study’s “Job Match Pattern” is presented on the following pages.

As a note of clarification, the results are presented on a 1-10 scale which represents the potential results for the entire population with 16% of the total population having results on the low end of the scale (1,2,3), 16% on the top end of the scale (8,9,10) and two-thirds falling in between (4,5,6,7). As can be seen, some of the attributes studied reflect a wide range of results, which suggests either: (1) This characteristic is not particularly critical in defining success in the *Successful Young Producers* or (2) Individuals with a wider range of results in this characteristic can be successful.

The test results are broken into three different categories: *Profile for Thinking Style*, which includes verbal and numeric reasoning and ability, *Profile for Behavioral Traits*, which includes personality attributes such as decisiveness, energy, assertiveness, etc., and *Profile for Interests*, which identifies key functional areas of interest to the young producers. Detailed results for each section of the assessment are provided below.

Study participants were classified by the type of insurance sold and the region of the United States from which they operated. However, an analysis of variance showed no significant difference in scores by either region or type of insurance sold.

Thinking Style

PROFILE XT RESULTS FOR SUCCESSFUL YOUNG PRODUCERS: THINKING STYLE

Learning Index

An index of expected learning, reasoning and problem solving potential



Learning Index scores in the high-average to high range (6 to 9) suggest that the *Successful Young Producers* learn new concepts quickly and are flexible in the way they best receive instruction. They will typically benefit from a wide range of training situations and tend to learn easily from their environment.

Verbal Skill

A measure of verbal skill through vocabulary



The *Successful Young Producers* have high-average to high Verbal Skill scores, generally indicating a good vocabulary and few problems understanding verbal and written communication. These producers are capable of precise communication even under stressful situations.

Verbal Reasoning

Using words as a basis in reasoning and problem solving



High-average to high scores in the Verbal Reasoning scale identify the *Successful Young Producers* as adept at gathering and using verbal and written information for decision making and planning. They are generally able to use information they read or hear to reach appropriate conclusions.

Numeric Ability

A measure of numeric calculation ability



Numerical Ability scores in the high-average to high range indicate that the *Successful Young Producers* are able to solve numerical problems mentally and recognize basic mathematical functions quickly and easily. They are also typically confident when working with numerical information.

Numeric Reasoning

Using numbers as a basis in reasoning and problem solving



The *Successful Young Producers* scored in the high-average to high range on the Numeric Reasoning scale, meaning they are able to easily process and assimilate quantitative information. They are also able to use numerical data to analyze possible solutions to problems and reach logical conclusions.

Behavioral Traits

PROFILE XT RESULTS FOR SUCCESSFUL YOUNG PRODUCERS: BEHAVIORAL TRAITS

Energy Level

Tendency toward restlessness, activity and drive



High-average to high scores on the Energy scale indicate that the *Successful Young Producers* have a high capacity for dynamic activity and restlessness. These people generally enjoy environments that are fast-paced where change is embraced and multi-tasking is the norm. They tend to be self-motivated and often become bored with redundant work activities.

Assertiveness Level

Generalized influence often associated with expressing confidence



The *Successful Young Producers* recorded assertiveness scores in the average to high-average range (5 – 8), indicating that they are comfortable in expressing themselves and leading others, but are also willing to accept the leadership of others. They are generally competitive and can tend to be overbearing, but when necessary, they have the ability to be diplomatic.

Sociability Level

Social presence relating to one's desire for group associations



Sociability scores in the high range (7 – 9) describe the *Successful Young Producers* as people who enjoy the company of others, are gregarious and thrive on personal interaction. They will work well in groups and tend to get along well with others. They are conversational and conscious of the needs of others, but may tend to sometimes lose focus on an objective in favor of socialization.

Manageability Level

How one reacts to the limits placed by authority and the acceptance of established procedures



Low to average scores (3 – 6) in Manageability suggest that the *Successful Young Producers* may have a tendency to “buck the system” from time to time if they feel it would help their performance or that of their team. They are generally individual thinkers who do not hesitate to challenge the status quo.

Attitude Level

The degree to which one is willing to demonstrate trust toward others



The *Successful Young Producers*, scoring in the low to average range in Attitude, tend to be cautious about the intentions of others. They can be optimistic about projects but often suspend judgment until there is proof of a positive outcome. These scores also indicate a desire not to appear naïve.

Decisiveness Level

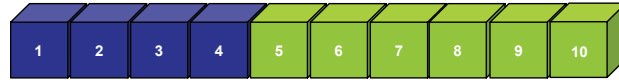
Confidence in accepting risk associated with making timely decisions using available information



The *Successful Young Producers*, scoring in the high-average to high range (6 – 9) in decisiveness, tend to make quick decisions based on the data available. They will not typically spend much time gathering or analyzing more data than is necessary. They are usually willing to accept the risk associated with opting for a timely decision over lengthy analysis of options.

Accommodating Level

The degree to which one is willing to consider the needs of all group members



Low to low average scores (1 – 4) on the Accommodating scale indicate that the *Successful Young Producers* have a tendency to pursue objectives without being overly concerned with the impact on other members of the group. They also tend to be willing to express disagreement and defend their stance without compromise. They do not typically go along with a group just to get along with others.

Independence Level

How one prefers to be directed and one's potential to accomplish tasks with minimal supervision



The *Successful Young Producers* have high-average to high scores on the Independence scale, generally preferring to work with as little supervision as possible. They are usually slow to seek guidance and prefer to take responsibility for accomplishing tasks autonomously. Higher Independence scores also suggest an adventurous, individualistic personality.

Objective Judgment Level

The willingness one has to use either reason and logic or intuition.






Scores ranging from low to high-average on the Objective Judgment scale describe the *Successful Young Producers* as individuals who tend to use intuition as well as facts and objective data as the basis for decision making and planning. Those scoring low will generally make decisions based more on feelings while those scoring higher will more often take a logical, information-based approach. These results suggest that a variety of decision-making styles can be successful.

Occupational Interests

PROFILE XT RESULTS FOR SUCCESSFUL YOUNG PRODUCERS: OCCUPATIONAL INTERESTS

The PXT uses paired comparison items to determine individuals' top three interest areas. All interest areas tested are described below. The top three for the Successful Young producers are noted.

Enterprising	Indicating interest in activities associated with persuading others and presenting plans	
Financial / Administrative	Indicating interest in activities such as organizing information or business procedures	
People Service	Indicating interest in activities such as helping people and promoting the welfare of others.	
Technical	Interest in activities that center on scientific and technical activities, research and intellectual skills.	
Mechanical	Interest in activities that involve applied vocations with tools and machinery; trades and outdoors.	
Creative	Interest in activities where one may be imaginative, original and aesthetic.	

Skills and Attributes Summary

The Profile XT results indicate that the *Successful Young Producers* range from average to high on all thinking style scales. Individuals in this range tend to be relatively quick at grasping new concepts and can benefit from a wide range of training situations and styles. They are generally good at communicating on appropriate levels and can be adept at making decisions based on verbal, written or quantitative information.

The *Successful Young Producers* also show higher than average energy, decisiveness, sociability and independence. They also tend to be somewhat more assertive in their behavior than most people in the working population. As a group, there appears to be less of a tendency toward manageability, trusting attitude, accommodation and objective judgment. These producers may be described as moderately high energy, assertive and social persons who make timely decisions and enjoy working independently. They may tend to question the status quo and will not typically go along just to get along. Many of their decisions will be based on intuition, but they will investigate the motives of others before taking them into their confidence.

The occupational interest results indicate that, as a group, the *Successful Young Producers* appreciate activities that allow them to interact with others and exert some level of social influence. They also have a preference for activities in which they may use their analytical and organizational abilities. This also suggests that the *Successful Young Producers* enjoy personally leading others and are comfortable working with detailed information.

Making the Case for Young Producers

The Case for The Agency

The goal for a young producer hire, and for any producer hire, is that the producer validates, meaning that the producer grows his or her book of business to the point where his or her compensation can be fully covered by applying the agency’s typical producer commission schedule. Prior to that point, producers are unvalidated, and their compensation is an investment on the agency’s part in expected future performance.

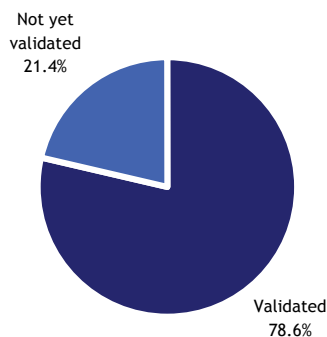
As we saw in the *Baseline Survey*, agencies, by a margin of almost two-to-one, choose to make these investments in older, more mature producers. But is an investment in a younger producer more of a risk? Does a young producer provide an agency with a lower potential return on investment? There are four variables that determine, for the industry, what the returns on a producer hire will be: Success rate, time to validation, initial investment cost and magnitude of success (potential book size and new business production). And while it is difficult to specify an exact return figure for younger producers or more mature producers, we can compare these four factors for the two groups to understand if there are obvious differences in the expected returns.

In the *Baseline Survey*, we examined the success rate of young producer hires, which was just south of 50% with 23.4% still undecided. It appears that the overall success rate for young producer hires will meet or slightly exceed 50% in total, which will put it in line with the success rate for industry producer hires over the last five years.

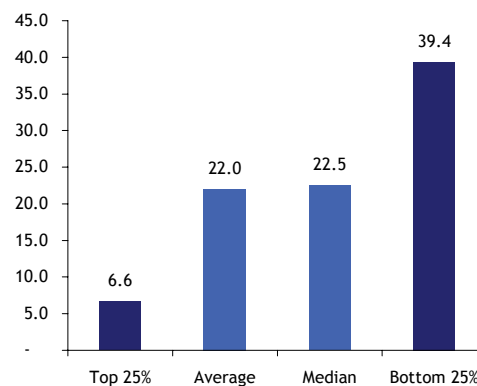
For those producers that are successful, the next question that impacts returns is: How long does it take to become successful? Our calculation of time to validate was based on the month in which the producer’s new and renewal production would support the compensation they receive based on the producer compensation program in place at the agency. In examining the time to validation in the *Young Producer Study*, it doesn’t appear that the amount of time successful young producers spend in an unvalidated state exceeds industry norms.

YOUNG PRODUCER VALIDATION

Validated or Unvalidated?



How Long Until Validation (Months)?

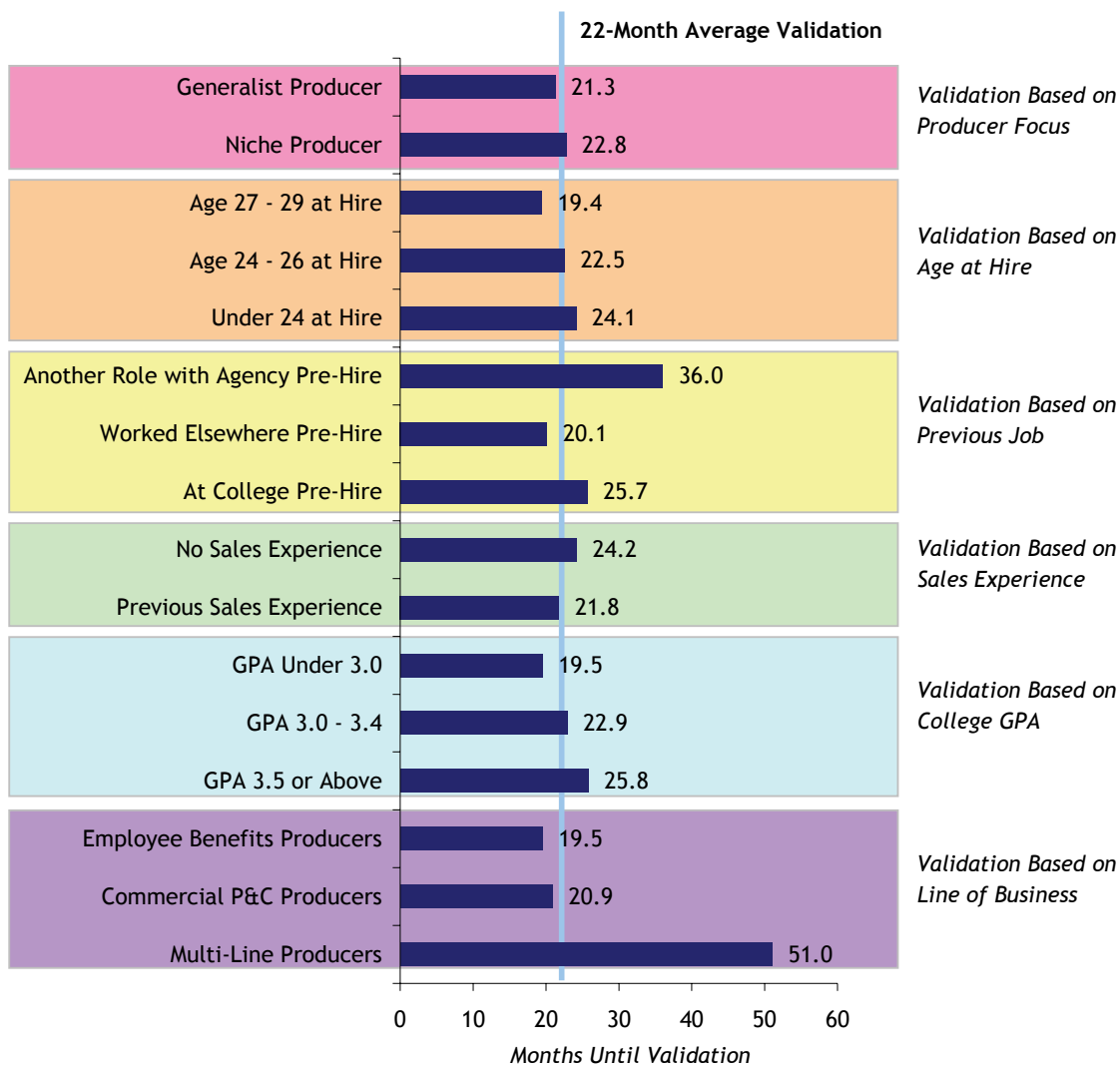


Source: *Young Producer Study*

As presented in the charts above, almost 80% of the producers in the study were validated and on average, these producers validated after 22 months with their agency. While there isn't a widely-held benchmark for time to validation for the industry, Reagan Consulting research suggests that agencies expect producers to validate anywhere from 30 to 40 months after hire, placing the time to validation for the *Successful Young Producers* on the early side of the industry. There is some difficulty in making this comparison, however, because we are juxtaposing the most successful young producers with producers across the industry, which necessarily includes some producers who haven't been as successful. However, we are comfortable inferring that young producers (1) do not appear to require validation periods that are longer than industry standards and (2) may validate faster based on their lower starting salaries. We then looked at factors that could provide clues as to the length of the validation process.

YOUNG PRODUCER VALIDATION TIMING

Length (in months) Until Validation



Source: Young Producer Study

Specifically, within the *Successful Young Producer* group, do certain types of young producers validate faster than others? Our research indicates that age may play a role. The youngest producers, those under age 24 when hired by their firms, took the longest time to validate at just over 24 months. The time to validate decreased as age increased, and young producers hired between the ages of 27 and 29 validated in 19.4 months, the quickest of all age groups. It is important to note, however, that all of the age groups experienced validation times that are on the short side of industry expectations.

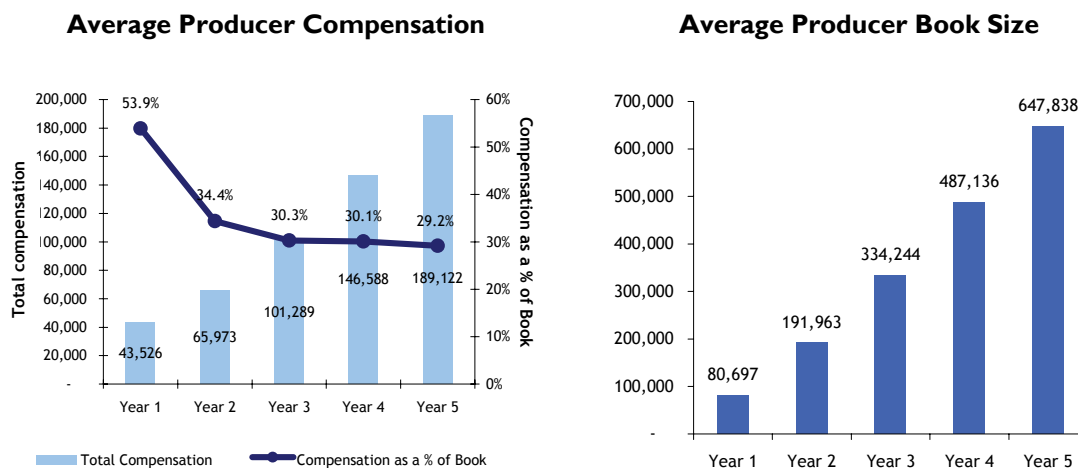
With the youngest producers in the study taking slightly longer to validate, it is logical that the producers coming directly from college, which includes many of the youngest producers, took longer to validate (25.7 months) than producers coming from other work experience (20.1 months). Producers transferring from another role within their agency took 36 months to validate. However, because of the small number of producers in this group, it is difficult to draw broad conclusions from this data.

Producers with previous sales experience validated slightly faster than those producers with no previous sales experience (21.8 months versus 24.2 months).

Time to validation appears to have an inverse relationship with academic success. Producers with GPAs under 3.0 were the quickest to validate, shedding their unvalidated status, on average, over 6 months before producers who had GPAs of 3.5 or higher. The producers in the middle academically, with GPAs of 3.0 to 3.4, validated in 22.9 months, still about 3-4 months slower than the producers with GPAs under 3.0.

It does not appear that there are significant time-to-validate differences between Commercial P&C and Employee Benefits producers or specialists and generalists. Employee Benefits producers validated, on average, 1.4 months ahead of Commercial P&C producers and generalists, on average, validated 1.5 months before specialists. Multi-line producers took, on average, over four years to validate. However, it is difficult to draw broad conclusions about this group given the limited sample size.

EARLY YOUNG PRODUCER COMPENSATION AND BOOK SIZE



Source: Young Producer Study

The *Successful Young Producers* in the study, who took about 22 months, on average, to validate, spent the majority of the first two years being paid on a basis other than just their production. Earlier, we looked at how these producers were paid, in terms of compensation structure. Here, we look at the compensation amount for these young producers to examine the third factor in agency returns: the cost of the investment.

The total payroll cost of the average *Successful Young Producer* in year 1 is less than \$44,000. In examining recent *Best Practices* data for large agents and brokers, the average cost of a new producer hire was approximately \$77,500. This figure, which is 78% higher than the payroll cost of the average *Successful Young Producer*, includes both older and younger producers. In reality, the likely average cost of an older, more experienced producer exceeds \$77,500.

While the dollar compensation to the *Successful Young Producers* increases each year, the total compensation as a percentage of book of business steadily declines, corresponding with the approximate validation schedule outlined earlier in the study. As producers reach the end of year two and the beginning of year three, their compensation begins to fall within the normal bounds of the agency’s commission structure. It appears that compensation as a percentage of total book continues to fall from there as new business becomes a smaller percentage of total book.

COMPARING THE RETURN POTENTIAL OF YOUNG PRODUCERS

Factor in determining agency returns	Metric	Young Producers	Industry (Producers of All Ages)	Comments
Hiring Success Rate	% of Hires that are Successful	~50% - 55% <i>Baseline Survey</i>	53% <i>Reagan Research</i>	Both measurements reflect all producers, not just successful producers
Investment Horizon	Months until Validation	22 <i>Successful Young Producer Avg.</i>	~ 30 – 40 <i>Reagan Research</i>	Comparison slightly difficult because only successful producers used for young producer calculation
Initial Investment Cost	Year 1 Total Payroll Costs	\$43,526 <i>Successful Young Producer Avg.</i>	\$77,500 <i>Best Practices Data (Firms over \$10 million)</i>	Larger firms used for industry data, as median firm in <i>Young Producer Study</i> is \$23 million
Production	Annual New Business	\$173,954 <i>Successful Young Producer Avg. of 5th Yr. New Bus.</i>	\$219,108 <i>Best Practices Data for Most Successful Producers (Firms over \$10 million)</i>	Only successful producers used for young producer and industry categories, however, producers in industry category generally have more tenure and experience

Source: *Young Producer Study, Reagan Consulting Research*

In transitioning to the final variable of agency returns, magnitude of success, we examined the book size of the young producers in the study. The average *Successful Young Producers* in our study was producing, by year five, a book of business of almost \$650,000. The average new business figure for these producers in year five was \$173,954, which compares favorably to *Best Practices Study* numbers for large firms but falls slightly short of the most successful producer in

large firms – who generally has extensive industry experience. According to the *Best Practices Study* for firms with revenues over \$10,000,000, the average Commercial P&C producer wrote approximately \$99,934 in new business and the average Employee Benefits producer wrote \$123,330 in new business. The most successful Commercial P&C producer in these firms wrote new business of \$248,167 and the most successful Employee Benefits producer wrote new business of \$190,049. Further, the young producers in the study showed no signs of letting up, reporting an average goal of increasing their total book to over \$1,200,000 in the next five years.

Examining the basic potential returns for an agency investment in producers, there doesn't appear to be a strong reason to expect lower returns for younger producers. In focusing on what we believe are the key variables, young producer hires compare favorably to older producers and to the industry at large.

We do recognize, however, that our analysis does not take into account all of the potential variables associated with this hiring decision. For example, we haven't factored in the potential ability of older producers to bring a book of business, which may increase returns. We also recognize that the young producers in this study likely represent the leading young producers in the industry, as opposed to a true cross-section of all younger producers. However, for this reason, we've tried to compare statistics to *Best Practices* statistics where possible to capture industry-leading benchmarks for the insurance distribution space as a whole. In addition, though, we haven't factored in the length of time that a producer can provide returns for his or her agency. Because young producers generally have more time to spend with an agency after validation, they can potentially generate higher returns over the long run. The table below summarizes the benefits for agencies that pursue young producer hires and several cautions.

THE PROS AND CONS OF YOUNG PRODUCER HIRES

The Benefits of Young Producer Hires	Cautions in Hiring Young Producers
<ul style="list-style-type: none"> • Good candidates can be easier to find and hire. Further, more schools are offering insurance majors, increasing the supply of better qualified young candidates. • Because of their relative inexperience, agencies can generally hire young producers at lower salaries than other candidates. For a similar investment, agencies can hire more young producers and spread their hiring risk. • The success rates and performance can be as good as or better than industry-wide results. • When successful, young producers have more time with the agency. • Young producers can motivate and stretch the performance of existing producers, becoming a positive influence on an agency's culture. • Young producer hiring can be a very effective organic growth strategy. • Young producers can bring important help in perpetuating agency ownership, relationships. 	<ul style="list-style-type: none"> • To be successful, agencies must invest in effective recruiting and screening processes. • To be successful recruiting, agencies must offer a great opportunity and be able to communicate that opportunity to candidates. • The best recruiting tool will be the success of other young producers the firm has hired in the past. • To be successful, agencies must be effective at training and developing candidates. • To be successful, agencies often have to make the commitment to hire multiple young producers, not just one. • When a young producer hire is not working out, agencies should quickly recognize the problem for the benefit of the firm and the individual (and address the problem or accept that it is not a good fit).

The Case for The Young Producer

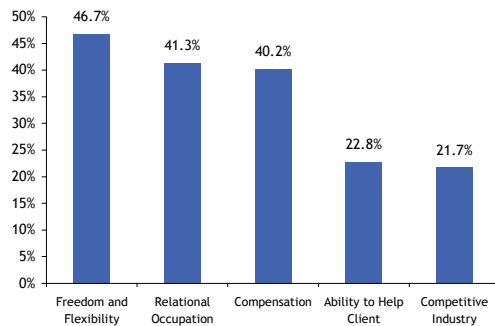
Individuals under the age of 30 have many career possibilities, but traditionally, insurance sales has not been one of the leading options. In fact, in addition to getting on the radar of younger individuals, the insurance distribution industry has to fight off the common negative connotation of insurance sales.

During our conversations with the *Successful Young Producers*, we examined the competition for their services by evaluating the industries where their closest friends were working. The competition was fragmented, but it is clear that the finance/banking industry and non-insurance sales positions provided the most competition. The finance/banking industry was the most popular destination for the friends of the *Successful Young Producers*. In addition, we looked at who was most actively recruiting on college campuses as reported by the National Association of Colleges and Employers. Again, the primary competition was financial services firms, especially for business majors.

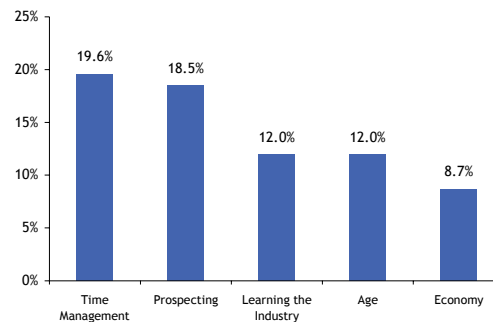
After evaluating the responses of the *Successful Young Producers*, the insurance distribution industry clearly has a lot to offer. The *Successful Young Producers* view insurance sales as a flexible work environment where they can enjoy building relationships with clients and be highly compensated. There are challenges, and the *Successful Young Producers* identified time management, the difficulty of prospecting and the industry learning curve as some of them.

THE MOST ATTRACTIVE AND MOST CHALLENGING ASPECTS OF INSURANCE SALES

What's Most Attractive About the Insurance Distribution Industry?



What's Most Challenging About the Insurance Distribution Industry?



Source: Young Producer Study

The positives, however, seemed to far outweigh the negatives. In dissecting what the *Successful Young Producers* liked about the industry, we analyzed the responses in the top couple of positive attribute categories.

Regarding freedom and flexibility, the *Successful Young Producers* appreciated the scheduling flexibility, which allowed them the opportunity to control their time, work as hard as they wanted to and be involved in and contribute to their communities. However, they also commented on the freedom inherent in other parts of the business. For example, there is a great deal of flexibility in the type of insurance products to be sold and the industries or businesses to target. Further,

insurance agents and brokers are almost always open to hiring good salespeople, and there are potential employers in almost every community in the country. And once on board, there are few limits to the speed or level of success that can be achieved.

The relationships that can be established in the insurance distribution industry were also an attractive feature. For those that are people-oriented, insurance sales offers many attractive opportunities for social interaction and to provide needed value to clients. This social interaction, combined with regular client contact, allows producers to develop strong relationships with their

clients. In addition, in selling insurance to businesses, producers will generally be dealing with and helping the owners or senior officers of the business.

What the *Successful Young Producers* are saying:

- “Although many of my friends are in sales, very few of them have a recurring revenue stream, as I do. They start at zero every year. I don’t!”
- “The biggest problem I had to overcome was my preconceived notion of insurance sales - it is not a profession that many young people dream about. Once I got beyond that and saw what it actually was, I was sold.”
- “To be successful, I will have to work as long and as hard as any of my friends. If I do, I think I can be as successful and as happy as any of them.”
- “Most of my friends in other industries have caps and limits and ceilings on what they can do and how fast they can do it. I have few limits other than what I am capable of doing.”
- “I would recommend this to anyone if they can work hard, get beat up and still keep going.”
- “Great earnings potential for those that are willing to sacrifice, who are detail oriented, able to see the big picture, able to work with people and who are willing to make cold calls.”

The *Successful Young Producers* also noted the strong compensation opportunity as a positive of the industry. These individuals found that they could make just as much money as friends in other professions and that there wasn’t a ceiling on compensation. Further, the benefits packages generally offered to insurance sales people are attractive, and in privately held agencies, as well as publicly-traded brokers, there are often ownership opportunities for successful young people.

Finally, the *Successful Young Producers* believe that the insurance industry offers a more stable working environment in unstable times. Insurance is a necessity, and while there are certainly ups and downs, the insurance industry is more recession proof than most industries. The long-term future of the insurance distribution system looks good.

During our interviews with these successful young producers, we asked if they would recommend this career to their friends. Virtually every person we talked to said that they would recommend the insurance industry to their friends. The only hesitancy was based on the uncertainty of health care reform and the qualifications of their friends (i.e., they would not recommend this occupation to friends without the right skill set).

In the end, the biggest challenge that the insurance industry has in recruiting producers doesn’t appear to be what the industry has to offer. The biggest challenge appears to be actually reaching the targeted candidates and effectively presenting the facts regarding a career in insurance sales. In our study, the most likely way for a producer to get involved in the insurance distribution industry was through a family member, through a friend or by accident. Almost 46% of the young producers in our study entered the industry this way. In contrast, employers surveyed by the National Association of Colleges and Employers rated on-campus recruiting, internship programs, employee referrals and co-op programs as the most effective recruiting methods.

Conclusion

The *Young Producer Study* revealed several valuable insights about the industry and its pursuit of young talent. Below, we've tried to capture the key take-aways that came from the study.

College Recruiting Works

There is doubt in the insurance distribution space about the viability of recruiting producers directly from college. However, what we saw in conducting the study leads us to believe that college recruiting is working for the *Leading Firms*. In fact, a majority of the *Successful Young Producer* group (52.9%) came to their agencies directly from college, which implies a college hiring rate for the *Leading Firms* of twice the industry at large. These *Leading Firms* also appeared to make college recruiting a priority: 59% either recruited on college campuses or had internship programs, and almost a third did both. In addition, the producers that came from college did not perform at a lower level than other *Successful Young Producers*. They did validate slightly slower than average, but only by about four months, and their average validation period (almost 26 months) is strong when compared with industry-wide metrics.

When Recruiting Young Producers From Outside of the Industry, Look Beyond Sales

Over three-quarters of the *Successful Young Producers* with prior work experience came from outside the insurance industry, and most of these individuals came from non-sales positions. Further, individuals with sales experience validated only slightly faster (21.8 months), on average, than individuals without sales experience (24.2 months). The importance of sales experience may increase as the age of the producers increases, but for the *Successful Young Producers* in our study, all of whom were hired under the age of 30, sales experience did not appear to be a large factor in their success. By far the most fertile industry for providing young production talent was financial services, which accounted for about 25% of all of the *Successful Young Producers* hired from another job.

The Economics of Young Producer Hiring Are Attractive

We've always heard that hiring young producers is risky, and as a result the economics aren't as good as hiring older, more experienced sales personnel. However, by looking at the data in the *Young Producer Study*, it seems that this claim has little merit. The *Successful Young Producers* in the study, admittedly a selection of high-performing individuals and not a cross-section of young producers as a whole, compared favorably to even the most successful of all producers from large agents and brokers. Further, at a much lower initial payroll cost, the younger producers may actually have an edge in terms of their ability to validate. Indeed, the average *Successful Young Producer* in the study validated in 22 months.

Hiring Young Producers is a Different Game than Hiring Experienced Producers

The *Leading Firms* are pursuing young producers via different means than agencies generally pursue older, more experienced producers. First, an agency wanting to attract and hire younger producers should be prepared to invest in, or at least investigate, college recruiting. On-campus recruiting and internship programs, according to the National Association of Colleges and Employers, are the most effective recruiting methods. College is also where talent is concentrated, making it an efficient use of recruiting dollars. Second, if agencies and brokerages are going to hire younger, inexperienced producers, they need to be prepared to provide the extensive training that the young producers need to succeed. Third, going after young producers

requires an investment in sales management, the establishment of mentoring programs and cooperation from an agency's experienced producers to serve as mentors. 97% of the *Leading Firms* in the study provided mentoring programs, most lasting up to three years or longer. And while the young producer reaction to the mentoring programs was mixed, mentoring was the second highest rated contribution that agencies made to the success of the *Successful Young Producers*. Finally, hiring young producers is often best done in groups or classes. This is made possible, in part, by the low payroll investment required to hire a younger producer. An agency could likely spend \$40,000 each on three young producers or \$120,000 on one older, more experienced producer. The class approach helps in three ways: (1) It diversifies the risk of an agency's unvalidated producers, (2) it allows training to be more efficiently conducted and (3) it creates camaraderie and competition among the production force, aiding in the development of younger producers.

Look For the Well-Rounded Individual and Not the Rocket Scientist

With nothing against exemplary academic achievement, it appears that GPA and test scores are not the best predictor of future production success. In evaluating the *Successful Young Producers*, it was actually the producers who had college GPAs under 3.0 that validated the fastest, and those with GPAs of 3.5 or above that validated the slowest. The *Successful Young Producer* group as a whole performed solidly above average on college entrance exams and in the classroom, but weren't at the very highest levels of scholastic success. They were, however, very involved in their college campuses and their communities. Most were very involved in campus activities and organizations, most worked during college and most held leadership positions in their extra-curricular obligations. The defining attribute, if there was one, was that they were very well-rounded, balancing several commitments and responsibilities while still performing well academically.

We would encourage agencies and brokerages to look closely at the qualifications and attributes needed for success. Having candidates tested and measured against the profile of the *Successful Young Producers* in this study is well worth the cost incurred to do so. If the candidate does not measure up, it may save the firm and the candidate from the pain and financial expense that can result from a bad match.

Final Thoughts

If an agency or brokerage wants to grow shareholder value and better position itself for the future, we believe there is compelling rationale for implementing a growth strategy built on the recruiting and hiring of young men and women into sales positions. We are convinced by the evidence that has been presented in this study that the agents and brokers that invest in and develop the skills to effectively recruit, hire, train and develop young sales people will have a material competitive advantage in the marketplace. We trust that this study will also provide valuable guidance and direction as to how all of this can be most effectively accomplished. Finally, we hope that this study will also help young men and women better appreciate the outstanding opportunities available for them in the insurance distribution system.

As stated in the introduction to this study, this report is not promoting hiring fewer "older producers" (i.e., over 30 years old). We would encourage agents and brokers to continue making good investments in production talent of all ages. What we are suggesting is that no agent or broker miss out on a valuable growth strategy that is currently being under-utilized.

Acknowledgements

Participating Firms

We would like to thank the following firms that participated in the study. These firms have demonstrated ability to recruit, hire, train and develop younger producers. Further, as evidenced by the results of this study, these firms have strong sales cultures that foster an environment of achievement for their production forces.

Arthur J. Gallagher & Co.	Assurance Agency, Ltd.
Barney & Barney, LLC	BB&T Insurance Services
Berends Hendricks Stuit Insurance Agency, Inc.	BKCW Insurance
Bolton & Company	Bouchard Insurance, Inc.
Brown & Brown, Inc.	Bank of the West Insurance
The Christensen Group	Cobbs, Allen & Hall, Inc.
Cottingham & Butler, Inc.	Edwards, Church & Muse, Inc.
Euclid Insurance Agencies, Inc.	Gallagher Benefit Services, Inc.
Gencorp Insurance Group	Glatfelter Insurance Group
Harden & Associates	Heffernan Insurance Brokers
HMS Insurance Associates, Inc.	Holmes Murphy & Associates
Hotchkiss Insurance Agency, LLC	HUB International, Ltd.
IMA Financial Group, Inc.	J. Smith Lanier & Co.
James A. Scott and Son, Inc.	KeenanSuggs Insurance, Inc.
Kinney Pike Insurance, Inc.	Lipscomb & Pitts Insurance, LLC
Louisiana Companies	M3 Insurance Solutions, Inc.
McGohan Brabender	McGriff, Seibels & Williams, Inc.
Neace Lukens Insurance	Pritchard & Jerden, Inc.
Querbes & Nelson	Risk Transfer Holdings, Inc.
Ross & Yerger Insurance, Inc.	Rutherford, Inc.
Seitlin	Senn Dunn
Singer Nelson Charlmers	SS Nesbitt & Co., Inc.
Starkweather & Shepley Insurance Brokerage, Inc.	Sterling G. Thompson Co.
Swingle Collins & Associates	The Buckner Company
The Horton Group	The McCart Group
Van Gilder Insurance Corporation	Watson Insurance
Western States Insurance Agency	Woodruff-Sawyer & Co.

Personality and Behavioral Assessor

We would like to thank Profiles International for their valuable contribution to this study. Profiles International conducted the personality and behavioral assessment of the *Successful Young Producers* that was utilized as part of this study. We would specifically like to thank Dr. Ed Shaw and Dr. Scott Hamilton, who completed the analysis of the personality and behavioral assessment.

For clients, Profiles International is able to create benchmarks for each specific position that identify the characteristics of individuals who can profit from the opportunities offered by each insurance organization to become top producers. Clients can receive customized Job Match Patterns that relate the desired characteristics of prospective employees to known measures of performance. Matching applicants to these benchmarks provides valuable information that leads to more effective hiring and placement decisions. For agencies and brokerages interested in comparing candidates to the *Successful Young Producers*, the “Reagan / Council of Insurance Agents & Brokers High Performing Young Insurance Producers Profile” job match pattern can be referenced and benchmarked through Profiles International.

Firms interested in utilizing Profiles International’s services should contact:

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References

As part of this study we utilized several sources of information. Those sources are:

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5. Reagan Consulting, “The Reagan Value Index.” The RVI benchmarks are gathered from a proprietary database of a select group of approximately thirty privately held independent agents for whom Reagan Consulting performs an annual appraisal of fair market value. The RVI firms have average net revenues of approximately \$30 million
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