



Optimizing Insurance Agency Growth:

Exploring Business Models that Work

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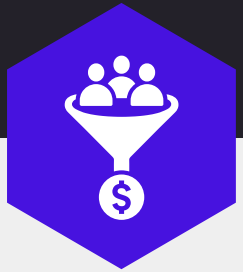


The Challenge of Individual Success

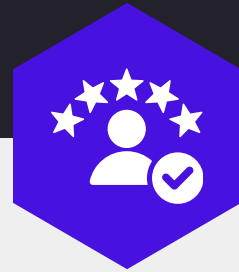
- Achieved success individually, but my business and growth are overwhelming.
- With current book of business, client retention, and adding new lives = MAXED OUT.
- The pivotal question: What's Next?
- **The Answer: Scale your Business... Properly!**

Mastering Your Metrics (KPIs & P&L)

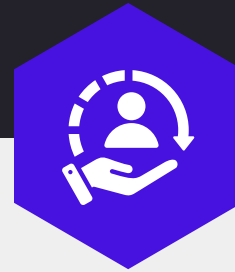
- Importance of understanding KPIs (Key Performance Indicators) and Profit & Loss.
- **Essential metrics:**



Cost Per
Lead (**CPL**)



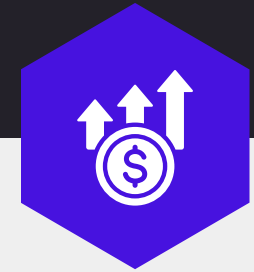
Cost Per
Acquisition
(**CPA**)



Customer
Lifetime
Value (**LTV**)



Additional
overhead and
operating
costs



EBITA
(Earnings
Before Interest,
Taxes, and
Amortization)

Additional Costs: Startup, Overhead & Operating Costs

State appointment & carrier
fees for non-resident licenses

Where will you do business & license
your agents to sell?



Additional Costs: Startup, Overhead & Operating Costs

Physical Location

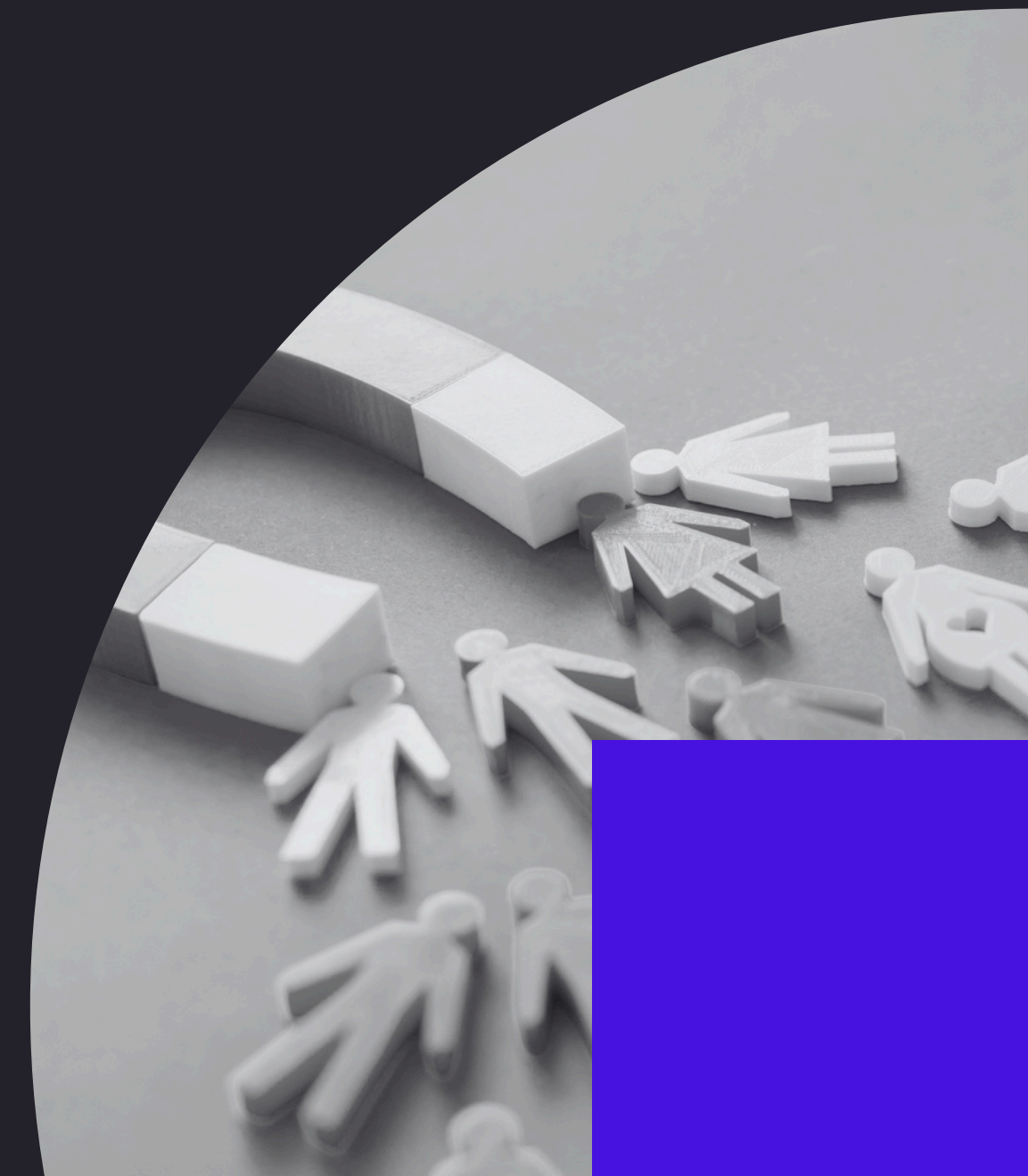
Will there need to be a bigger office for expansion or a new location to accommodate this expected growth?



Additional Costs: Startup, Overhead & Operating Costs

Leads

How many leads per agent per day do you need to keep them fed and closing sales consistently?



Additional Costs: Startup, Overhead & Operating Costs

Administrators

How many administrators do you need to help facilitate this growth & what will you pay them?

Additional Costs: Startup, Overhead & Operating Costs

Infrastructure & Systems

What will it cost you to add a new hire to all of your platforms and do you need additional infrastructure?



P & L Quick Look

Months	Oct-Dec	Jan-Mar	Apr-Sep	
Revenue	AEP	OEP	ROY	Total
MAPD				
Med Supp				
PDP				
Ancillary				
Life				
Annuities				
Total				

Expenses	AEP	OEP	ROY	Total
Salaries - Agents				
Bonuses - Agents				
Agent Manager				
CRM - Monthly				
Dialer - Agent / Month				
Marketing / Leads				
E&O				
Licensing / Appointments				
Admin / Customer Service				
Rent				
Utilities				
Total				
Margin / Profit				

Commissions / Renewals – Your Revenue Foundation

Understanding your current commission levels and exact earnings...so you can allocate to scale!

- **What is your current commission level?**
 - MAPD – GA, MGA, SGA, etc.
 - Med Supp – Level 1, 2, 3, 4, etc.
 - Life Insurance – Level 1, 2, 3, 4, etc.
- **What amount does that level yield per sale?**
 - MAPD – FMV + Override
 - Med Supp & Life = 22%, 23%, / 115, 120%, etc.



Commissions / Renewals – Your Revenue Foundation



**Do you know your specific
commission rates and overrides?**

Commissions / Renewals – Your Revenue Foundation

- **Know what higher levels are available**, what it takes to achieve them, and what those higher levels yield in additional commission.
- **Understanding current revenue and potential higher commission levels**, allows you to build out projections and assumptions for the different business models you need to consider to scale.
- **Financial Forecast** allows you to predict clear pathways for growth and understand what revenue you can allocate into those necessary growth avenues (leads, agent salary, additional infrastructure overhead, etc.)
- **Typical Scaling Benchmark** = \$200,000+ in Renewals

Streamlining Your Infrastructure & Systems

Critical systems to scale effectively:

- **CRM:** Centralized lead and client management for sustained growth
- **Commission tracking:** Efficient revenue management + Payroll
- **Enrollment platforms:** Streamline and simplify sales process
- **Staffing considerations:** Administrative support is essential to free bandwidth for growth - contracting/licensing, commissions, client service, compliance, and agent manager (when that time comes)

Business Models to Scale

LOA Model

Captive /
Controlled
Agents

1099 Model

Downline of
Independent
Agents

Hybrid Model

Mix of Captive
and Independent
Agents



LOA Model

Deep Dive into the LOA Model

- **Ideal starting point: GA Level or higher**
- **Commission structure examples:**
 - Hourly/Salary + Commissions
 - Commission-only Structures
 - Additional Performance Bonuses
- **LOAs represent your brand.** You're responsible for training on compliance, workflows, systems, enrollments, products, sales, and communication to protect your reputation.

LOA Commission Structure (Real Life)

**Started out just
commission based:**

- \$150 for MAPD
(Replacement)
- \$300 for MAPD (NTM)
- \$150 Med Supp
- 50% Renewals

DIDN'T WORK

LOA Commission Structure (Real Life)

New Structure

Salary + Bonuses = SUCCESSFULLY SCALING

- **\$43,000 Salary** = ~\$20/HR
- **\$150 Bonus** = \$100 MAPD (Replacement) + \$50 HRA (if available)
- **\$300 Bonus** = \$250 MAPD (NTM) + \$50 HRA (if available)
- **\$150** – Med Supp
- **10% Renewal Bonus** (Paid in April – after OEP, rapid disenrollment) = 10% of Renewals
- **Quarterly Bonus** = \$750 for averaging 5 sales/week (60 total quarterly)
- **Ancillary Products**
 - \$30 Dental...\$50 if premium over \$30/Month
 - \$50 HI...\$100 if premium over \$30/Month

Agents	2
Issue	90%
Accretion	90%
Renewal	80%
MAPD	80%
Med Sup	20%
Sales per agent	
AEP	1.5
OEP	1
Roy	0.5

MGA Level

340 Medicare

Sales Annually

% of days	18%	28%	54%	
% of sales	33%	34%	33%	
Selling Days	46	71	140	257
Policy Volume	AEP	OEP	ROY	Total
MAPD	89	92	91	272
Med Sup	22	23	23	68
PDP	16	16	16	48
Ancillary	9	9	9	27
CMS True Up	22	22	22	66
Revenue	AEP	OEP	ROY	Total
MAPD	34,696.51	29,751.84	17,599.68	82,048.03
Med Sup	8,384	8,627	8,505	25,515.00
PDP	782.46	805.14	793.80	2,381.40
Ancillary	2,253.48	2,318.80	2,286.14	6,858.43
New to Medicare	6,466.20	6,653.62	6,559.91	19,679.73
Total	52,582.15	48,155.91	35,744.53	136,482.59
Revenue	Oct- Dec	Jan-Mar	Apr- Sep	Total
Production	52,582.15	48,155.91	35,744.53	136,482.59

		Total
2 LOA Agents	340 Medicare Sales Annually	136,482.59

Agents	2
Issue	90%
Accretion	90%
Renewal	80%
MAPD	80%
Med Sup	20%
Sales per agent	
AEP	2
OEP	1.5
Roy	1

MGA Level

548 Medicare

Sales Annually

% of days	18%	28%	54%	
% of sales	27%	31%	41%	
Selling Days	46	71	140	257
Policy Volume	AEP	OEP	ROY	Total
MAPD	119	138	181	439
Med Sup	30	35	45	110
PDP	21	24	32	77
Ancillary	12	14	18	44
CMS True Up	29	33	44	106
Revenue	AEP	OEP	ROY	Total
MAPD	46,262.02	44,627.76	35,199.36	126,089.14
Med Sup	11,178	12,940	17,010	41,127.75
PDP	1,043.28	1,207.71	1,587.60	3,838.59
Ancillary	3,004.65	3,478.20	4,572.29	11,055.14
New to Medicare	8,621.60	9,980.43	13,119.82	31,721.85
Total	70,109.54	72,233.86	71,489.07	213,832.47
Revenue	Oct- Dec	Jan-Mar	Apr- Sep	Total
Production	70,109.54	72,233.86	71,489.07	213,832.47

		Total
2 LOA Agents	548 Medicare Sales Annually	213,832.47



1099 Model

Deep Dive into the 1099 Model

- **Overview of override commissions**
- **Required MGA Level for effective scaling** – must bring downlines in at street = small margin
- **Responsibilities:** Mentorship focused on replicating your success—empowering agents to build their own brand with less handholding, lower upfront costs, and long-term independence.

1099 Commission Structure (Real Life)

**Humana
MGA Level**

Downlines Contracted at Agent (Street) Level

Overrides:

- \$75 (NTM)
- \$75 (Replacement)
- \$37 (Renewal)

Downlines Contracted at GA Level

Overrides:

- \$25 (NTM)
- \$25 (Replacement)
- \$12 (Renewal)

Agents	2
Issue	90%
Accretion	90%
Renewal	80%
MAPD	80%
Med Sup	20%
Sales per agent	
AEP	1.5
OEP	1
ROY	0.5

**Agent Level
Override**

**340 Medicare
Sales Annually**

% of days	18%	28%	54%	
% of sales	33%	34%	33%	
Selling Days	46	71	140	257
Policy Volume	AEP	OEP	ROY	Total
MAPD	89	92	91	272
Med Sup	22	23	23	68
PDP	16	16	16	48
Ancillary	9	9	9	27
CMS True Up	22	22	22	66
Revenue	AEP	OEP	ROY	Total
MAPD	6,706.80	5,751.00	3,402.00	15,859.80
Med Sup	671	690	680	2,041.20
PDP	782.46	805.14	793.80	2,381.40
New to Medicare	6,466.20	6,653.62	6,559.91	19,679.73
Total	14,626.14	13,899.88	11,436.11	39,962.13
Revenue	Oct- Dec	Jan-Mar	Apr- Sep	Total
Production	14,626.14	13,899.88	11,436.11	39,962.13

		Total
2 Agents - Agent Level	340 Medicare Sales Annually	39,962.13

Agents	2
Issue	90%
Accretion	90%
Renewal	80%
MAPD	80%
Med Sup	20%
Sales per agent	
AEP	1.5
OEP	1
ROY	0.5

**GA Level
Override**

**340 Medicare
Sales Annually**

% of days	18%	28%	54%	
% of sales	33%	34%	33%	
Selling Days	46	71	140	257
Policy Volume	AEP	OEP	ROY	Total
MAPD	89	92	91	272
Med Sup	22	23	23	68
PDP	16	16	16	48
Ancillary	9	9	9	27
CMS True Up	22	22	22	66
Revenue	AEP	OEP	ROY	Total
MAPD	2,235.60	1,917.00	1,134.00	5,286.60
Med Sup	335	345	340	1,020.60
PDP	782.46	805.14	793.80	2,381.40
New to Medicare	6,466.20	6,653.62	6,559.91	19,679.73
Total	9,819.60	9,720.82	8,827.91	28,368.33
Revenue	Oct- Dec	Jan-Mar	Apr- Sep	Total
Production	9,819.60	9,720.82	8,827.91	28,368.33

		Total
2 Agents - GA Level	340 Medicare Sales Annually	28,368.33

Hybrid Model

Deep Dive into the Hybrid Model

- **Controlled LOAs combined with organic recruiting of independent agents**
- **Attract established agents seeking mentorship:**
 - Frustrated agents in your industry
 - Agents wanting to diversify into your market
- **Benefits: Flexibility and stability**

Preparing to Hire & Train



Initial hiring & training responsibilities will fall on you



Scaling to a level where admin and managerial hires become necessary

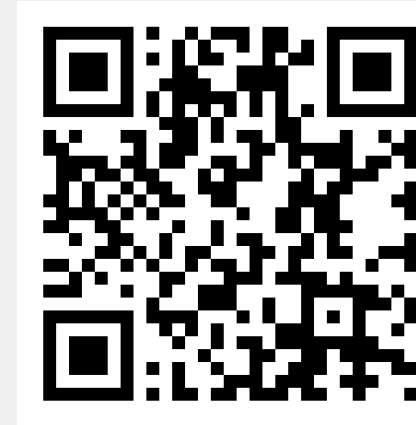
“Investing in thorough training and onboarding isn’t just beneficial—it’s foundational to sustained business growth and success.”

Summary and Action Steps

- Mastering Metrics
- Commission / Renewals
- Streamlining Infrastructure / Systems
- Choosing a Business Model
- Revenue Assumptions
- Expense Assumptions
- Hiring & Training

Summary and Action Steps (Recap)

- **Mastering Metrics** – Understanding where you are in your business, P&L = how profitable is your current business!
- **Commission/Renewals** – Revenue foundation, know what you're currently getting paid, and how to increase that contract commission level.
- **Streamlining Infrastructure / Systems** – CRM, sales process, administration, automations, lead flow, commission tracking, client retention, marketing, sales.
- **Choosing a Business Model** – LOA, 1099, or Hybrid
- **Revenue Assumptions** – What does the financial forecast look like with additional agents?
- **Expense Assumptions** – How much money do you need to scale your operation?
- **Hiring & Training** – Vetting and acquiring new talent & training for new hires.



Define your next growth move —let's talk strategy!"

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