

# Cost Per Lead and Cost Per Sale for Insurance Agents

# The Math That Separates Producers



## The Hobby

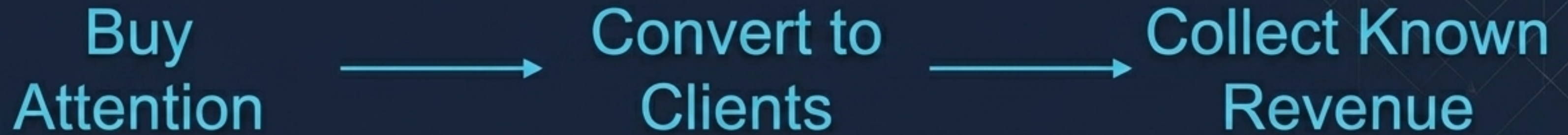
Tracks gross income, watches deposits, pays bills, and hopes something is left over. Runs on gut feeling.

## The Business

Knows exactly what is spent to acquire a client and exactly what that client is worth. Runs on unit economics.



# The Unit Economics Engine



**If acquisition cost is lower than revenue, you scale. If it is higher, you are losing money on every sale and falling into the trap of trying to make it up on volume.**

# The Two Fears Keeping You Guessing

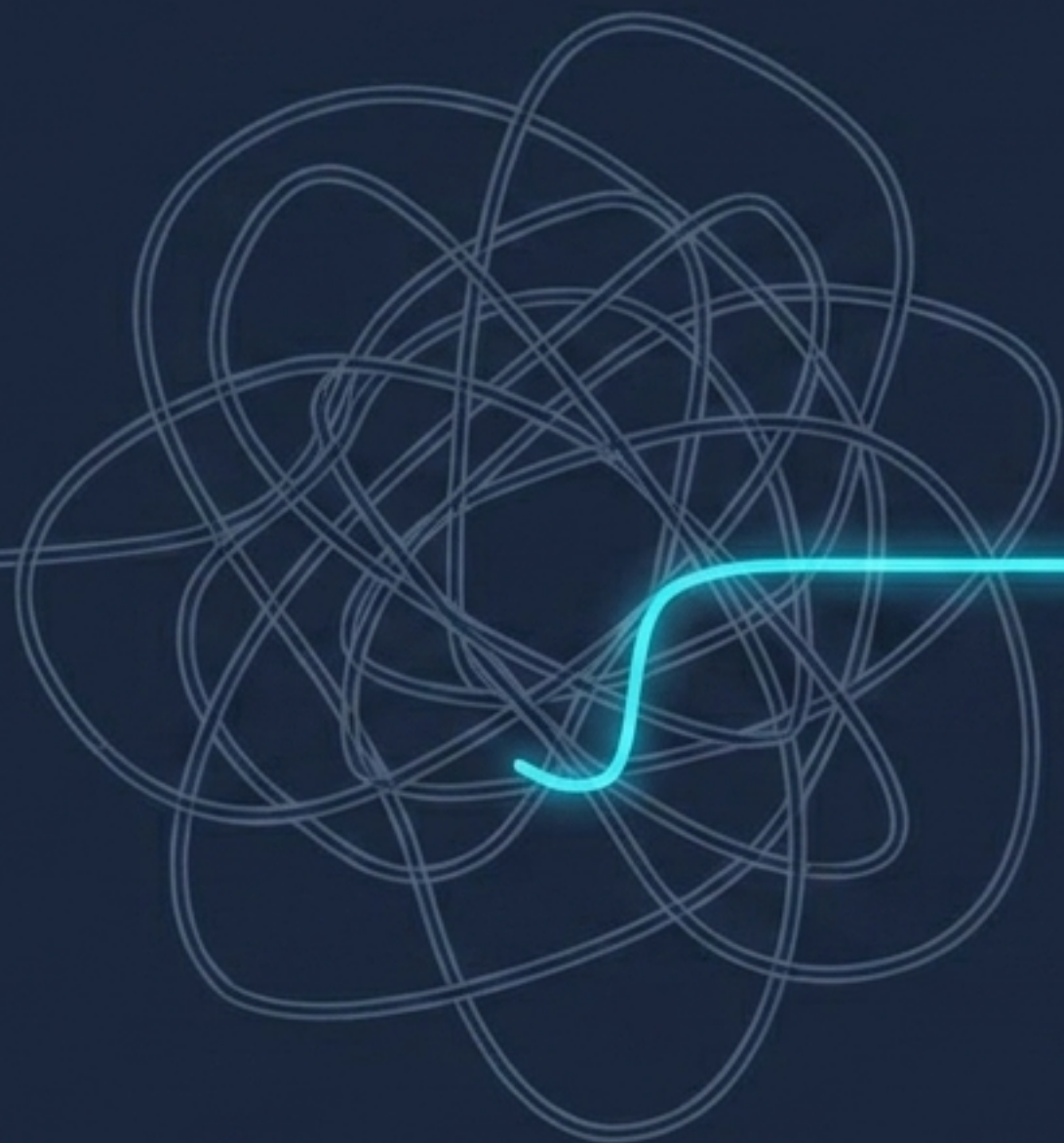
## The Quiet Suspicion

You suspect you are losing money on leads (\$1,000/month spend, writing apps, assuming it works) but avoid verifying it.

## The Harsh Truth

You fear the numbers will force you to kill a favorite lead source or admit your close rate is half of what you thought.

# The Truth is Freeing



The agent who knows their numbers makes **calm decisions**. The agent who **doesn't** makes **scared ones**.

**Run the math** once, and every future dollar you spend gets easier to direct.

# The Four Core Formulas

Total Spend  $\div$  Leads Received  $\equiv$

(Example:  $\$1000 \div 50 = \$20$ )

**Cost Per Lead**

Sales  $\div$  Leads  $\equiv$

(Example:  $5 \div 50 = 10\%$ )

**Close Rate**

Total Spend  $\div$  Sales Closed  $\equiv$

(Example:  $\$1000 \div 5 = \$200$ )

**Cost Per Sale**

Commission per deal  $\equiv$

(Tracked as 1st Year vs. Lifetime)

**Revenue Per Sale**

# The Golden Ratio of Acquisition



The ultimate decision metric. If Cost Per Sale is higher than First Year Revenue, you are underwater. You are betting entirely on renewals and perfect retention to bail you out.

# 2026 Industry Benchmarks

<b>Medicare:</b>	Web Leads \$10-\$60	Transfers \$30-\$100	Target CPS:	<b>\$200-\$500</b>	(FYR max \$694)
<b>Life:</b>	Web Leads \$20-\$150	Transfers \$80-\$200+	Target CPS:	<b>\$1,500-\$3,000</b>	
<b>ACA:</b>	Real-time \$5-\$60	Transfers \$25-\$120	Target CPS:	<b>\$80-\$300</b>	
<b>Final Expense:</b>	Direct Mail/Telesales \$50-\$80				

# The One-Page Tracker

<b>Lead Source</b>	<b>Date Received</b>	<b>Spend</b>	<b>Outcome</b> (Sold, Working, Dead)	<b>1st Year Commission</b>

Every lead gets a row. Every single one. Messy data ruins the math.

# The Monthly Scoreboard

Once a month,  
pull 4 totals:  
Spend, Leads,  
Sales, Commission  
Collected.



Process &  
Calculate

Generates your CPL

Close Rate

CPS

Revenue

**Five minutes on the first of the month gives you  
more intelligence than 90% of your peers.**

# The Two-Month Rule



**Never judge a source on its first batch. Give a vendor consistent volume for 30 to 60 days. The second batch tells the truth, not the first.**

# The Lead Triage System

## Kill

CPS > 1st Year Revenue. Unprofitable. Stop spending.  
Ignore emotional attachment to past performance.



## Scale

CPS < 1st Year Revenue. Buy more until it stops being profitable.  
Watch service capacity so you don't burn leads.



## Optimize

CPS  $\approx$  1st Year Revenue. Pull two levers: Negotiate cost down,  
or tighten scripts to raise close rate. Change one variable at a time.

# Gut Feeling vs. The Math

Jen's Medicare Agency: \$1,500 spend per source

Source A (Exclusive)

Source B (Shared)

Source C (Transfers)

\$300 CPS

\$500 CPS

\$250 CPS

Margin: **\$680**

Margin: **\$160**

Margin: **\$440**

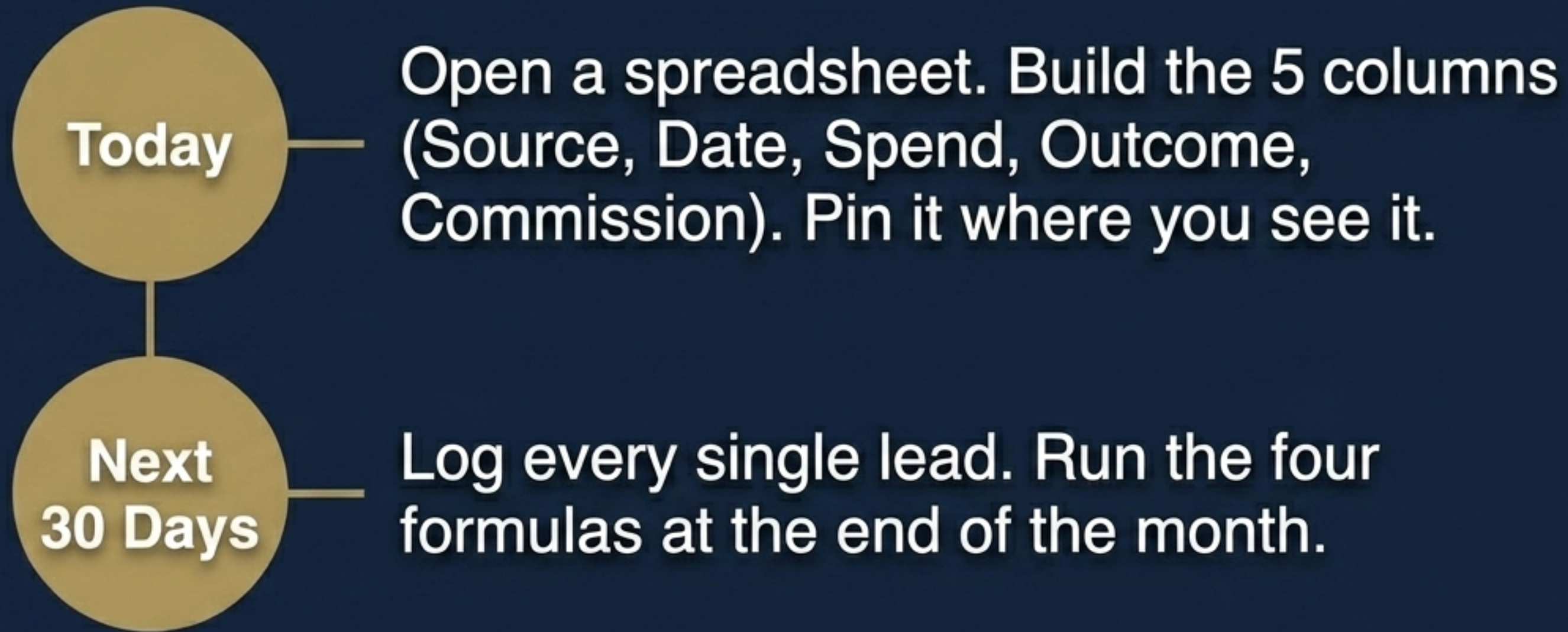
Decision: Hold & Optimize.

Decision: Kill. One bad month wipes the year.

Decision: Scale. Shift budget here.

Without the math, all three looked like winners because all three produced sales. With the math, the loser is obvious.

# Build Your Tracker Today



**This one decision is the difference between a salesperson and a producer for the rest of your career.**