



Learn About the Real Compensation Structure of the 3 Layers of Ownership

Book of Business Agency Equity

1st Layer of Ownership

BOOK OF BUSINESS

Benefits of Working with an MGA

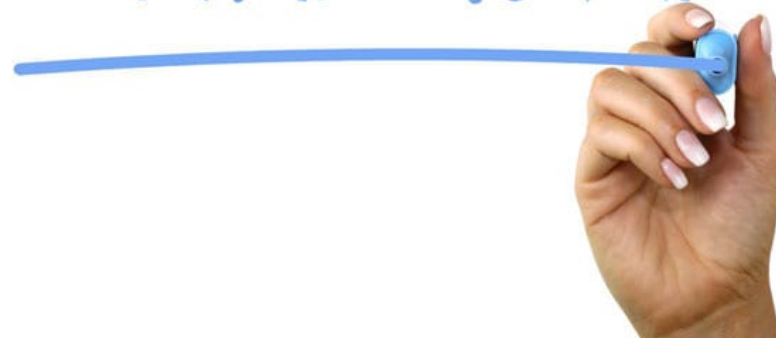
Multiple carriers

Independence

High commissions

And the BIG one...

OWNERSHIP



So, Let's Talk About Selling Life Insurance



What are all the components of compensation that a life insurance transactions generate?

For the Agent:

FYC

Bonus %

Loyalty Bonus (with certain carriers)

Renewals

For the MGA:

Bonus Override %(Spread)

Marketing Allowance (Based on Volume each year)

In-Force Bonus (% of all Insurance on the Books)

What Components of the Compensation DO NOT Impact the Value or Ownership of Your Book of Business

**FYC
BONUS %
LOYALTY BONUS**

What is the Ownership of an Agent's Book of Business Based On?

RENEWALS

Let's See What can be Built for the
1st Layer of Ownership

Develop 50 NEW Clients Every Year

Average FYC Per Client

= \$1,000

That's \$50,000 in FYC

Depending on Bonus Level

= \$100,000 - \$145,000 in Commissions



Continue...

Do that for 20 years...

Now you have 1000 clients...

Well, what if I told you...

Globally, the persistency ratio is close to 90% in the 13th month and just above 65% after five years.

The acceptable persistency rate in life insurance is 80% for three-year-old policies and **60% for 10-year-old policies.**

MarketWatch

- Most policies lapse long before insurance companies have to pay full benefits because consumers stop paying the premiums.
- One in every 14 of customers with term life-insurance policies stop paying the premiums each year, according to life insurance industry group Limra. ***THAT'S 71.4% AFTER 10 YEARS!***
- For those with permanent policies, which may have a cash value long before the death of the insured, some 25% of policyholders stop making premium payments within the first three years of owning the policies;
- within 10 years, 40% have let the policies lapse.

Let's Continue Optimistically...

For the Next 40 Years...

- 1st decade 500 x 75% retained = **375** clients
- 2nd decade + 500 (875 x 75% retained) = **656** clients
- 3rd decade + 500 (1156 x 75% retained) = **867** clients
- 4th decade + 500 (1367 x 75% retained) = **1025** clients

40 YEARS!!

If the GOAL Was to Have \$1,000,000 of FYC In Force

- ✓ Average FYC/Client = \$1,000
- ✓ X 1000 Clients = \$1,000,000 FYC In Force
- ✓ Assuming Average FYC of 50% = \$2,000,000 of Premiums on the books
- ✓ Average Life-time Renewals with the Carriers is 2% of the Premium
- ✓ = **\$40,000** per year in renewals
- ✓ **BUT... It's Guaranteed to Drop!**

Dreaming Yet?

- Develop **50 NEW** clients every year
- Earn **\$100,000 - \$145,000** per year
- 40 years later, retire on **\$40,000** per year of residuals
- And Guaranteed to Drop

GOOD NEWS!

Because you represent an MGA, you own your business

This means you have the right to sell it

Average industry sale is between 2-3 X annual renewals

Therefore, you could exit the industry with...

\$80,000 - \$120,000

What If I Die?

It is the responsibility of the agent to have a succession plan in place

If there is no succession plan in place, the agent's estate will receive:

\$0.00

2nd Layer of Ownership

AGENCY

What is an AGA

An AGA is an Agent or Entity appointed by an MGA to be able to recruit and develop Agents “under them” to generate a Spread from the sales of the Agents they recruit.

AGA Questions

Do you need to have a corporation to be an AGA?

No

Do you need to have an office and compliance department to be an AGA?

No

Do you need to have volume requirements to be an AGA?

It depends on your MGA

What happen if one of your Agents wants to become an AGA?

You lose them to your MGA, or a competing MGA

MGA Questions

Do you need to have a corporation to be an MGA?

YES

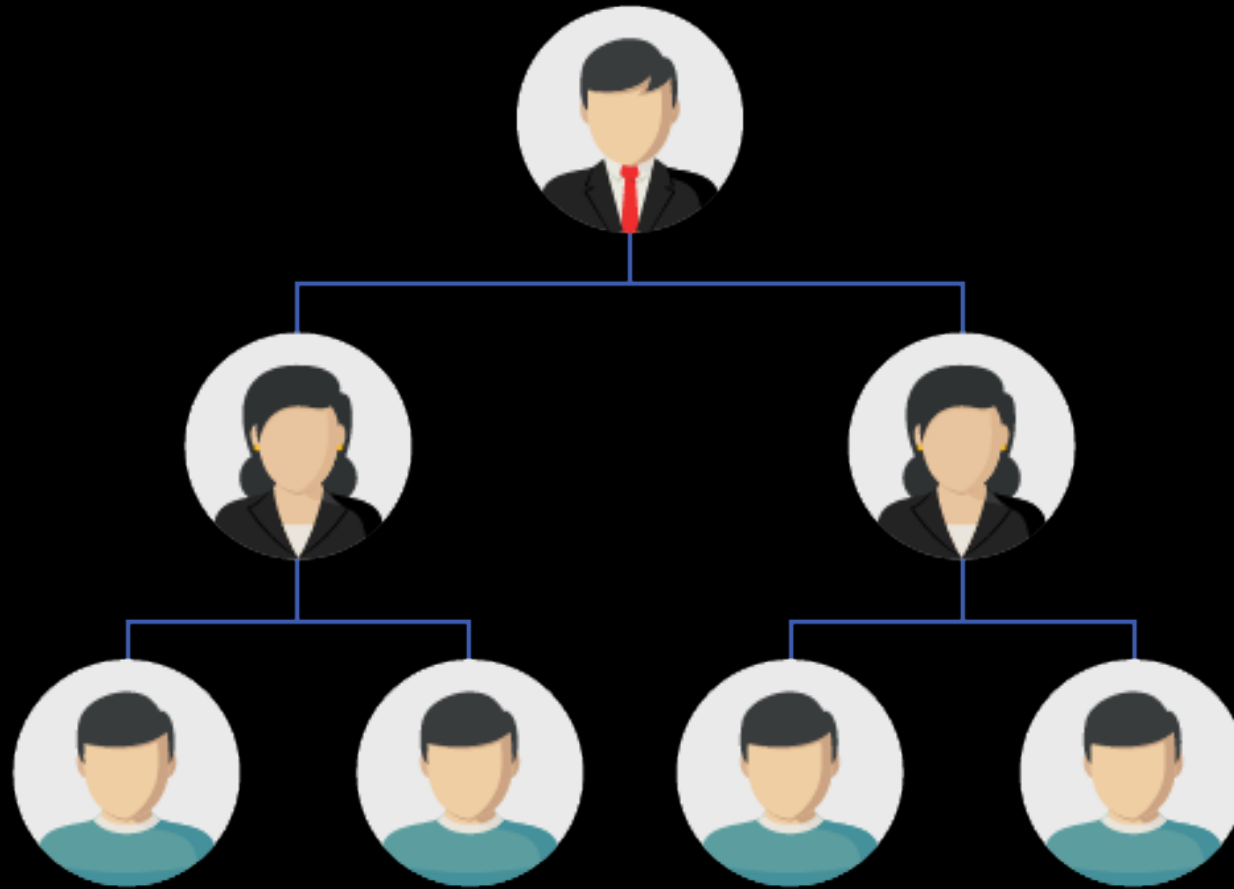
Do you need to have an office and compliance department to be an MGA?

YES

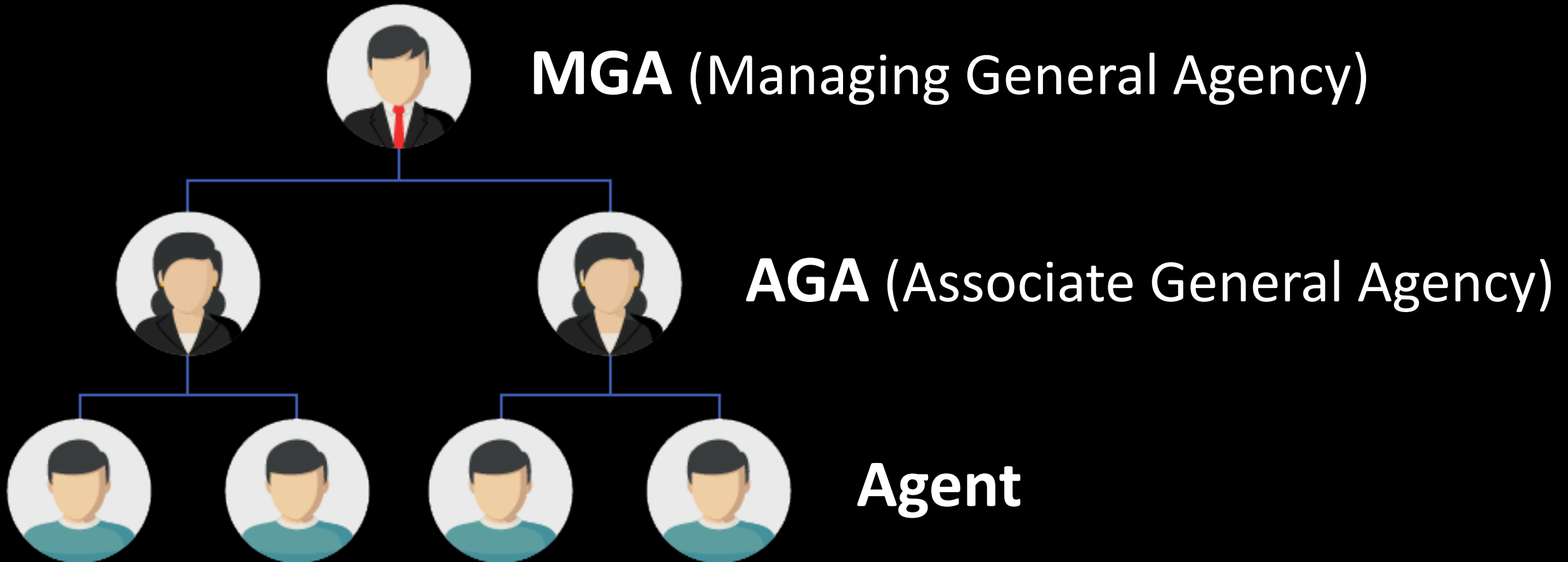
Do you need to have volume requirements to be an MGA?

YES, can range from \$250,000 to \$1M+ depending on the Carrier

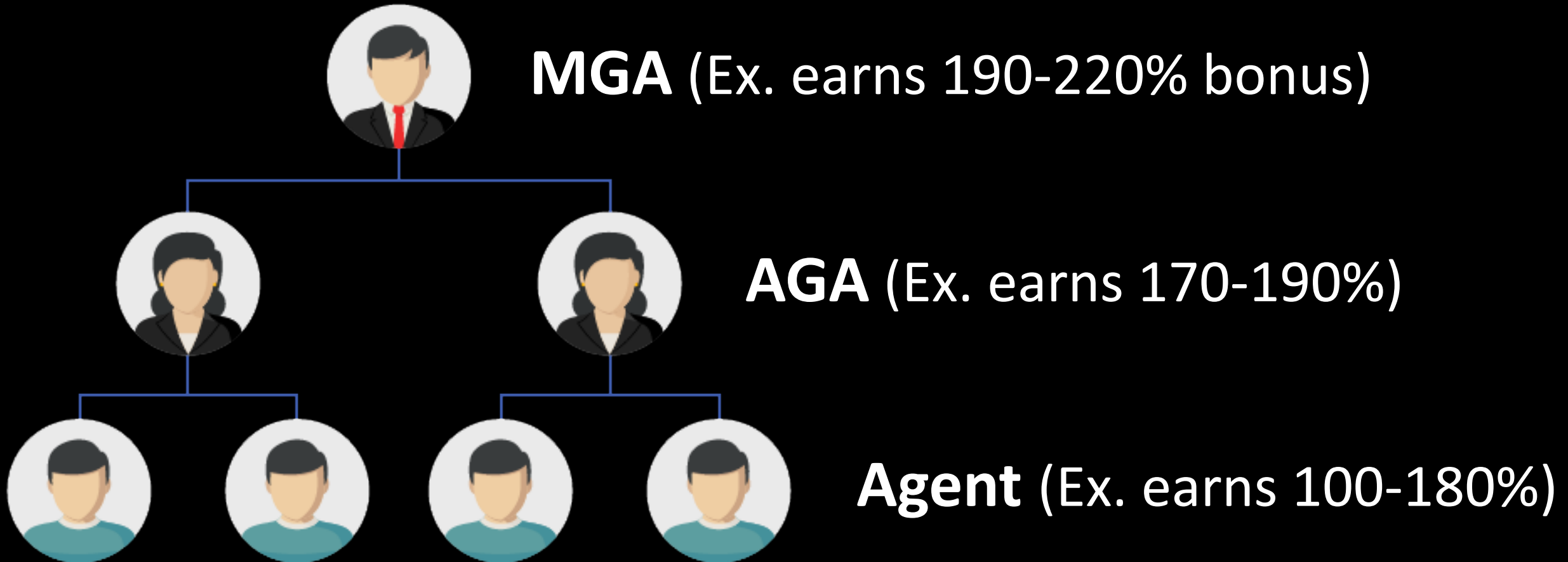
So, Let's Talk About Building an AGA



Here is How It Looks



Here is How It Looks



The Entire Model is build on Spreads

If you are at 170% as an AGA and have an agent at 120%

You earn a 50% bonus (Spread)

AGA Continued

Let's assume:

You have a 180% bonus

Your average Agent is at 140% bonus

The average FYC per Agent each month is \$2000

You have 5 Agents selling

$5 \times \$2000 = \$10,000$ total from the Agents

You earn 40% average spread

= \$4,000 in Override Commissions

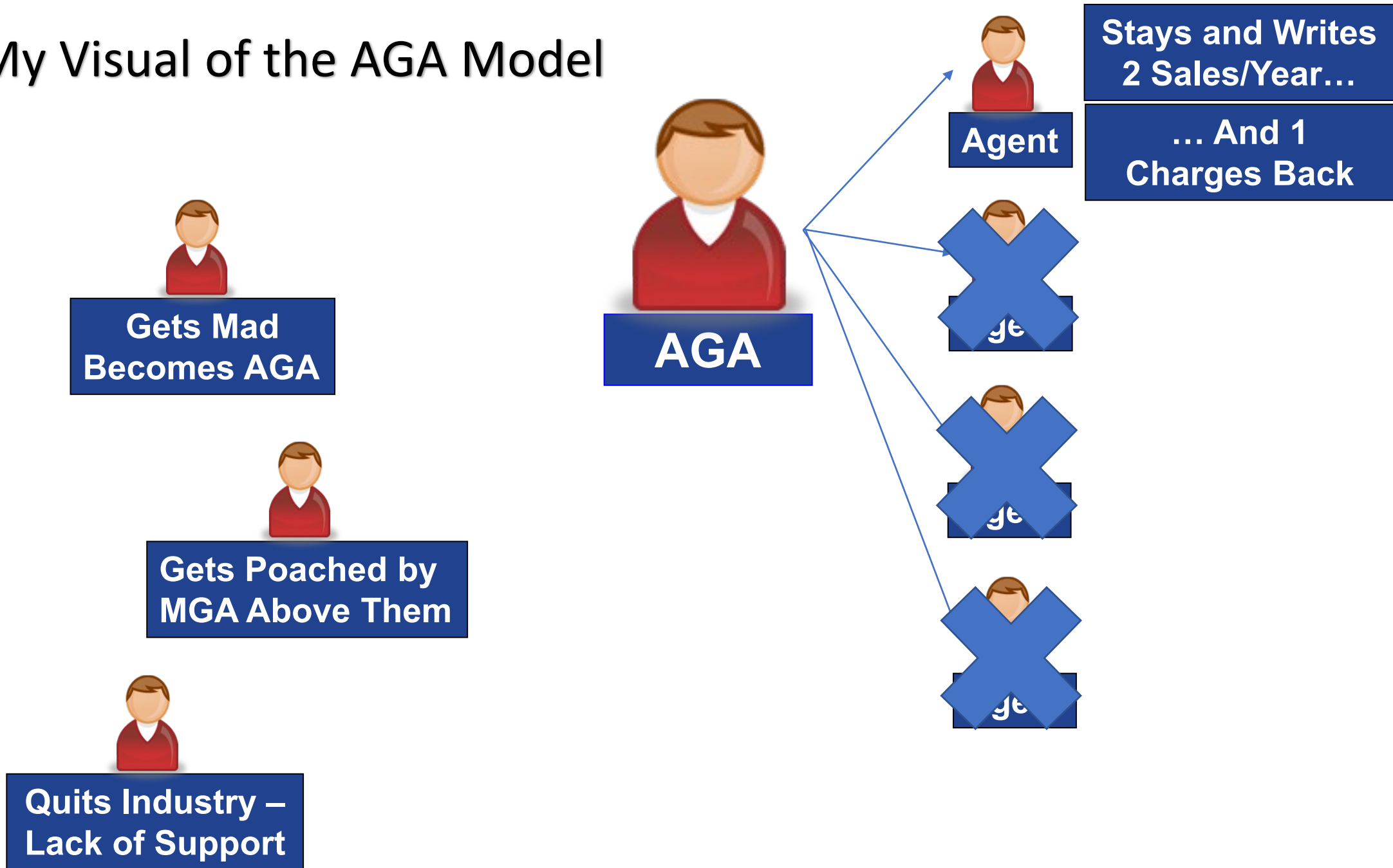
AGA Continued

This looks awesome, But...

How do you convince people to stay at a lower level than you?

How do you prevent the MGA from taking the Agents direct and offering them a higher bonus?

My Visual of the AGA Model



FACTS

This is why most AGAs get frustrated,
and decide they are better served by
focusing on personal client's rather
than building an AGENCY!

But Let's Be Optimistic

What if you have success building an AGA?

What is the long-term value?

Selling Your AGA

Does it have a valuation?

Do you earn renewals?

Is it contractual?

AGA Dilemmas

MGAs want top producers

MGAs give up spread for AGAs

AGAs own their BOOK OF BUSINESS,
but not the AGENCY they have built

3rd Layer of Ownership

EQUITY

Equity

Each Independent Agent has Ownership of their Book of Business

Is this Equity?

Each AGA has Ownership of their Book of Business and can earn a Spread from Agents they recruit.

Is this Equity?

Then how do you obtain Equity in our Industry?

Own a piece of the MGA you represent!

Great, Jamie! So how does this help me?

Simple...

Do you have shares in the MGA you represent?

IF YES, than you have Equity.

IF NO, than you don't have Equity.

MY STORY

- Started in 2001 with Primerica
- Spent 10 years there Full-time
- Recruit, quit, sell, recruit, quit, sell, recruit, quit sell...
- Resigned in 2011 and became an Independent Agent (with an MGA)
- THIS changed my life!!
- Quickly decided to start an AGA
- 2 years of...
- Recruit, sell, recruit, sell... My MGA took some Agents from me
- Recruit, sell, recruit, sell... My next MGA took some Agents from me
- Recruit, sell, recruit, sell...
- TIME TO START OUR OWN COMPANY!!

MY STORY

My Wife and I Started Experior in January 2014

Experior is a Tri-brid

Took the best from the three industry models

MGA

Career

Network Marketing

MY STORY

Exterior now has 1400 licensed Agents across Canada
Exterior is now the first Canadian born MGA to expand to the USA

AND... we take pride in OWNERSHIP!

MY PITCH

Ownership is critical to long term stability and leaving a legacy

MY PITCH

We believe in Equal opportunity!

Every Agent owns their **Book of Business**

Every Agent has the ability to become an “AGA” and develop “AGAs”
and has ownership of their **Agency(s)**

Every “AGA” receives **Equity** in Experior

SIMPLY PUT, “We Put People Over Profits”

Building a Book
vs.
Building a Business

Traditional Way
Build a Book of Business

Do \$100,000 of Annual Premium every year
(Approximately \$50,000 FYC)



\$1,000,000 of In Force Premium
After 10 Years (Assuming 100% Retention)

Average Carrier's Lifetime Renewals = 2%

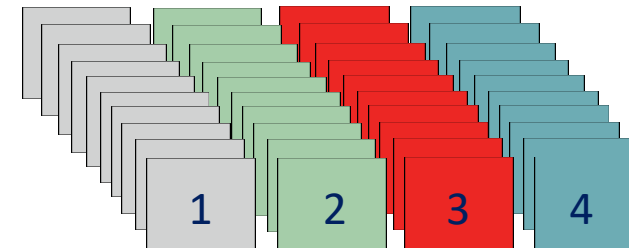
$\$1,000,000 \times 2\% = \$20,000/\text{year Residuals}$

Average Book Sale is 2 ½ Times =

\$50,000

Exporior Way
Build a Business

Recruit 1 Agent Each Quarter (4 per year)
Train them to do 1/4 of the \$100,000 Premium
Every year = \$25,000 each
(Approximately \$12,500 FYC)



After 10 Years = \$1,000,000/year Annual Premium
(Approximately \$500,000 FYC)

Average Override of 30% Bonus
= \$150,000/year Residual Overrides

Exporior's 1st of 4 Ownership Plans = 75% x 10 Years

\$1,125,000

In closing...

If you are going to work hard, own what you build

If you are going to die, leave what you built to
someone you care about

Let's Connect...

CHANGE YOUR LIFE CHANGE YOUR LIFE CHANGE YOUR LIFE

Exporior



Jamie Prickett

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"Regardless of what you do in an organization, you have the opportunity and you have the responsibility to show leadership" You need to know everything in your business better than any of...

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Intro



CEO at Expor Financial Group Inc.



Lives in Guelph, Ontario



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Jamie Prickett

Co-founder & CEO of Exporior Financial Group Call or text me at 519-277-0462

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