



Agent Guide



SENIOR MARKETING
SPECIALISTS

AN INTEGRITY  COMPANY



WHY YOU NEED A BOOK OF BUSINESS TEAM ON YOUR SIDE

Our culture of caring, connection, education, and loyalty bound together with our expertise on systems, processes, industry education, and business strategy brings our agents a level of support they can rely on, from the day they pass their insurance exam, to the day they retire.

“Our tagline says it all, "We Make Medicare Easy." It's a pleasure being able to extend our service and model of care to thousands more Medicare beneficiaries through Acquisition Pathways. SMS has spent decades building trust and fulfilling promises to their brokers. Now we can extend that promise to those brokers' clients as we serve them through the Acquisition Pathways program.

~Clint Guier



“I am totally pleased with the process of the sale. The evaluation and actuarial assessment of the book of business was done very accurately and expertly by seasoned veterans of the insurance industry.

~Rich Carl



ACQUISITION PATHWAYS A LEGACY OF SUCCESS

Senior Marketing Specialists has been **helping independent agents** and **agencies** succeed in the senior insurance market for over 35 years! Our passion is serving the senior market, and **our knowledge** of the Medicare industry is **your best resource**. When you're ready to sell your book of business, we're here to purchase it.

Feel confident that your clients are taken care of. **Feel at ease** that we'll manage your book of business with the same integrity you would and **feel relaxed** knowing you can enjoy retirement while we do the work.

Senior Marketing Specialists can help take the business you've created to the next level, **establishing your legacy** by guaranteeing the promises you've made to your clients will be honored year after year.





TAKE ADVANTAGE OF OUR EXPERTISE

We have helped facilitate the transfer of thousands of customers, whether it be a book of business transfer between agents, the internal acquisition of an entire agency, or simply the sale of a single line of business. We know what it takes to align your processes and business systems to make succession transitions seamless and headache free.

Here are just a few of the ways that we can help you make sure your transition is a smooth one.

- **Contract Audits.** We can go through your current contracts with carriers to confirm you are contracted properly to ensure your renewals will continue
- **Operational Support.** We have a team of professionals that can assist you and your staff to ensure you have the most up-to-date operational systems and that they are in sync with the industry.
- **Valuing your Business.** Properly valuing your business takes several steps and can cost thousands of dollars. Let us show you the steps you can take now to prepare for a proper evaluation.

As we explore each of these items in depth in the following pages, and as you continue through this Agent Guide be sure to jot down and questions you may have on the notes pages on the end. You can reference those notes during your discovery call.



PREPARING FOR THE SALE OF YOUR BUSINESS

1. Look at your business structure. If you are not incorporated, you need to become incorporated if possible. You can then move your contracts under the corporation, which will ease the transition of the contract to the buyer.
2. Prepare your client data. Verify that it is complete and up to date.
3. Clear any outstanding compliance issues or debit balances. It is important to note that advancing is considered a debt, so move contracts to an as-earned status.
4. Do a thorough and honest self-examination as if you were the buyer versus the seller.
5. Make certain you are mentally prepared for transitioning out of your agency.



PREPARING FOR THE DISCOVERY CALL

The discovery call is designed to get an overall view of an agent's business. An agent should be prepared to tell their story. In addition to a high-level look, the following details will be discussed.

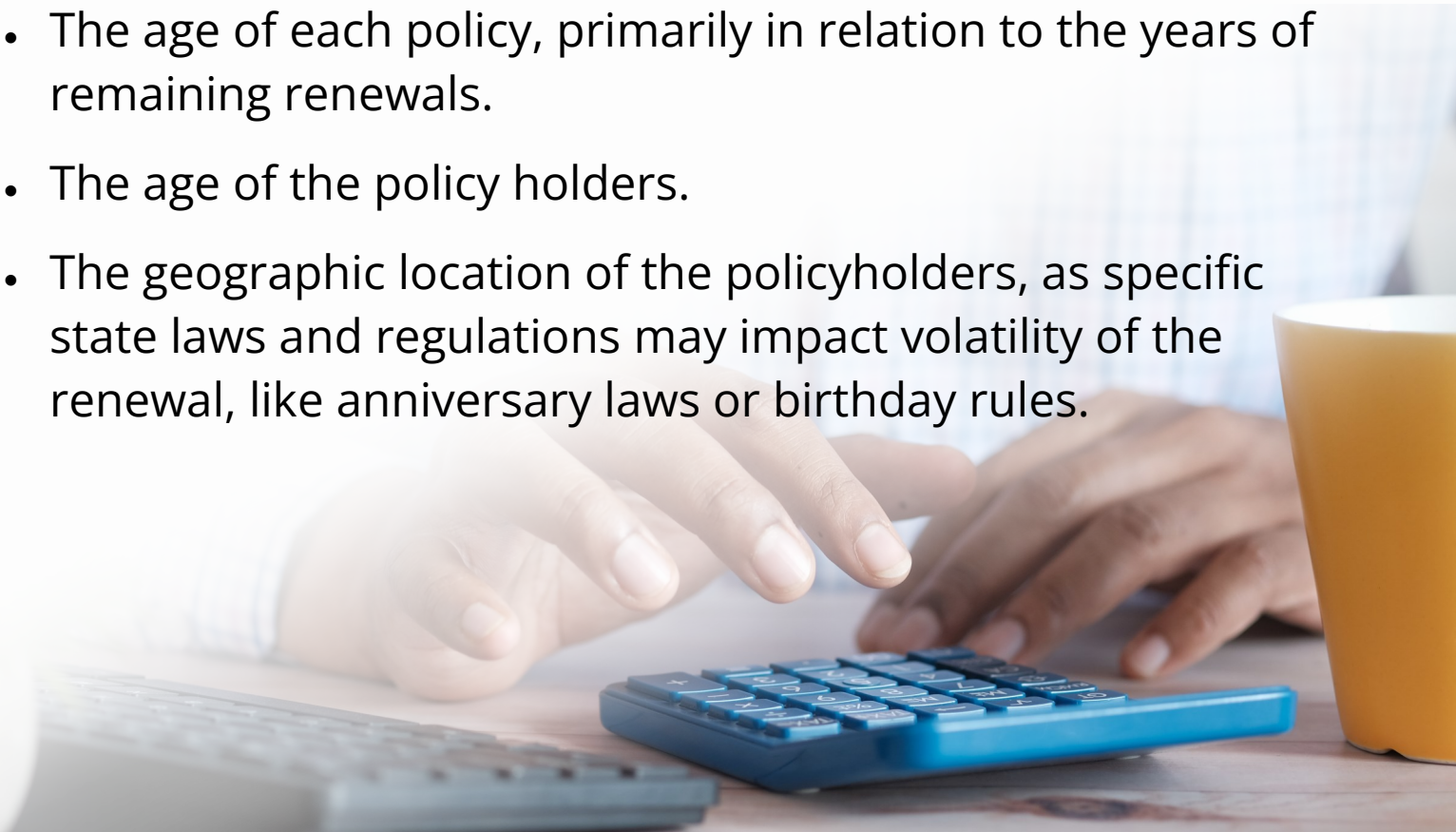
- Data management and client information
- General office procedures
- Corporate structure
- Contracts with carriers
- Geographic market area
- The mix of business by product line/carrier
- Marketing and communication systems with prospective and current clients
- The current model of servicing existing clients and customers
- Physical assets of the agency – office building? home based?
- Staff and sub-agents – including job duties and compensation structure
- Goal of the transaction – Why is the agent considering selling their agency?
- What are the agents plans in the insurance industry after the transition?





CONSIDERATIONS WHEN VALUING YOUR BOOK OF YOUR BUSINESS

- The agent's specific carrier contracts and renewal rates on all policies written effect the value of the block.
- Considerations to into what carrier each policy is written through. Carriers vary in retention rates, so stable carriers tend to appraise at a higher value.
- The product types of the policies and the mix of business amongst the different product lines.
- The age of each policy, primarily in relation to the years of remaining renewals.
- The age of the policy holders.
- The geographic location of the policyholders, as specific state laws and regulations may impact volatility of the renewal, like anniversary laws or birthday rules.





KEY REMINDERS ALONG THE WAY

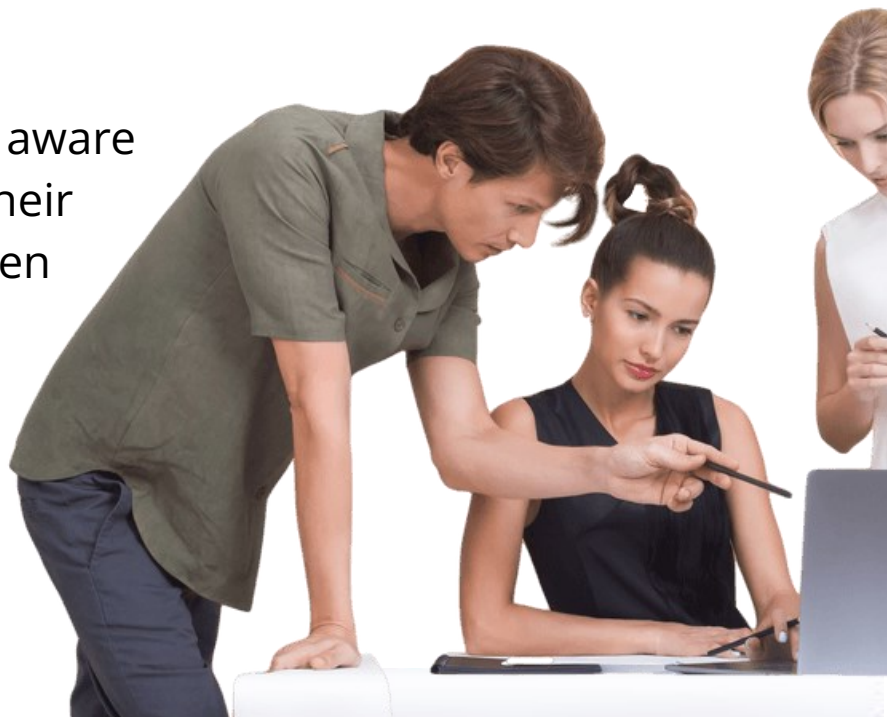
1. CARRIER CONTRACTS

———— Do Them Correctly, From the Start ————

Contracts that have an individual versus a corporation as a principal can complicate and financial transaction and leave a book of business at risk.

Also, some agencies use sub-agents as the principal on some carrier contracts. This practice is dangerous. It can place the ownership of those policies solely in the hands of the sub-agent and not the agency owner.

Agency owners should also be aware that if an agent has assigned their commissions to the agency, then the agent can also unassign them as well because they own those policies and commissions, not the agency owner.





KEY REMINDERS ALONG THE WAY

2. MANAGING CLIENT DATA

It is extremely common to find that client data is incomplete and inaccurate. Verifying and putting the data in digital format will significantly expedite and transaction. It is impossible to attain the full value of a client during a sale if information about that client is incomplete or disorganized.

3. REALISTIC EXPECTATIONS OF VALUE

As agents, we are very connected to our relationship with our clients. A buyer has not had that same history with your clients, so they will be looking closely at the numbers. They will look at the type of policy, age of policy, the age of the policyholder, etc. Be mentally ready for the buyer to be less emotionally involved than you are.





SOLUTIONS FOR EVERY AGENT UNIQUE SITUATION

From building your business right to helping you transition to the next stage, Senior Marketing Specialists is your agency solution from start to finish.

- Medicare Agents who need help with systems and processes to adhere to the new CMS regulations, call recordings, etc.
- Agents who need assistance organizing and maintaining their block of Medicare business.
- Agents who have decided that the MA, PDP, or Medicare market isn't for them and want to exit the product line without hurting their clients or losing renewals.
- Agents who want to build a bigger Medicare client base.
- Agents who want to find a better enrollment solution.



ARE YOU READY TO TAKE THE NEXT STEP AND TRANSITION OUT OF THE INDUSTRY?

By choosing to sell a business through our Acquisition Pathways program, you can feel confident that your clients are taken care of. Feel at ease that we'll manage your book of business with the same integrity you would and feel relaxed knowing you can enjoy retirement while we do the work.

**Schedule
a Confidential
Discovery Call Now.**



SENIOR MARKETING
SPECIALISTS

1-800-689-2800 or online at
smsteam.net/acquisition-pathways





DISCOVERY CALL NOTES AND QUESTIONS

Date of Call: _____

Call Attendees: _____

Notes: _____

Follow Up Items: _____





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