
THE DIGITAL SOLUTION: HELPING AGENCIES ACHIEVE STRATEGIC GOALS

Digital Insurance offers a diverse range of solutions to agencies – whether owners seek to retire, sell off a segment of business, specialize in a sector outside of health insurance but still offer it as part of their portfolio or focus only on larger accounts. These real-life examples shed light on some of Digital's customized approaches to help agencies achieve their strategic objectives.

1) Retiring Agency Owner Seeks Buyer

The 60-plus-year-old owner of a successful California-based insurance agency, who cared deeply about his clients and staff, was considering retirement and began exploring options to sell his business. He discovered the acquisition market was limited for firms like his that specialize in small accounts. While perusing a leading industry publication, he read about Digital Insurance and the company's focus on small group health insurance. Curious, he contacted Digital to learn more information. A representative met with him to determine his needs and assess his organization, which generated \$750,000 in annual revenue from a caseload of about 175 accounts. He pursued an agreement that enabled him to retire with a healthy sum of money. In addition, his clients have access to a broader range of products and will benefit from an enhanced service experience. The owner took care of his employees as well – two of them wanted to continue working and Digital hired them as members of the account service team, providing added continuity for the agency's customers.

3) P&C Specialist Pursues Health Benefits Business; Gains Cash Infusion

What does an agency do when it can no longer adequately service health benefits accounts, but wants to maintain this insurance offering and even wants to expand the business segment? One Midwestern agency turned to Digital for a solution. With \$800,000 in annual revenues, the firm specialized in property and casualty insurance, yet health benefits comprised about 30 percent of its business. The entrepreneur who built the company believes that cross-selling is a tremendous asset – to the agency and to his customers. However, because his clients have a broad geographic reach, operating in multiple states, it was extremely difficult to stay abreast of carrier dynamics. He understood the advantages Digital's national platform would bring to his business and desired a cash infusion to pay off agency debt. The companies designed an agreement that provided immediate cash for the sale of existing health benefits accounts under a specified threshold. Although the agency continues to pursue health benefits leads, the accounts will be serviced by Digital based on a suitable fee structure.

2) Benefits Agency Desires Focus on Larger, More Profitable Accounts

When this Northeastern benefits agency began building its business more than a decade ago, agents would sign any size account just to bolster the bottom line. After the firm was established and operating with more than a dozen employees, it became apparent that the attention required to service small customers prohibited growth with more profitable large accounts. The bottom 40 percent of their caseload delivered only 5 percent of revenues. The organization decided to focus on selling to businesses that had more than 15 employees, yet didn't want to abandon the clients who had been loyal to them during the agency's formative years. Enter Digital Insurance. Digital's representative consulted with the firm's principal to create an arrangement that would benefit all constituents. The agency sold its small accounts to Digital, providing these customers access to an unparalleled range of products and services. At the same time, the firm gained the ability to restructure with improved profitability and efficiencies, as well as the flexibility to concentrate on a new scope of business.

4) Financial Planner Seeks Partner to Service Small Health Accounts

One Southwestern-based financial planning agency operating since 1984 has found a great formula for business success. Prospects open their doors to learn more about the agency's health insurance products. After they establish a dialogue, agency representatives turn the discussion to financial planning – their preferred area of specialization. With more than \$3.5 million in annual sales, the firm was carrying a book of about 55 health benefits accounts valued at \$150,000 that bogged down resources and time. By purchasing that block of business, Digital Insurance provided them an effective solution. Through Digital Insurance's suite of services, the small employers gained access to price advantages, superior service and health insurance coverage typically only available to large companies. The agency continues with its same approach, but now refers the smaller health benefits leads to Digital.