

# A Win-Win for Agency Owners in Larger U.S. Markets Looking to Grow a More Profitable Business

## **SITUATION:** “I COULD NOT GROW MY BOOK FURTHER ON MY OWN.”

Jeff Schneiderman didn't set out to be an insurance broker. But somehow things work out unexpectedly.

While in college, Schneiderman landed a job for a regional PPO. He started in the mailroom – but was soon moved up to the management training program. Following graduation in 1992, he went to work for the same company full time – this time in a sales role.

The PPO was then bought out by a large national carrier, and Schneiderman decided it was time to go out on his own. In 1995, he became an independent broker and incorporated a year later under the name of Summit Benefits Group, a St. Louis-based entity that 15 years later grew into a successful health benefits agency.

“At some point, however,” Schneiderman recalls, “I knew I couldn't grow my book of business any bigger on my own. I didn't have the necessary people resources or advanced technology. Then health care reform started gaining momentum, carriers were doing their thing – and right at that same time Digital Insurance called.”

## **AT-A-GLANCE**

<b>Company</b>	Summit Benefits Group
<b>Business Lines</b>	Full-service health benefits
<b>Location</b>	St. Louis, Missouri
<b>Size</b>	Serves close to 200 business clients of all sizes and more than 1,600 individual customers

### **Partnership:**

Digital Insurance has aligned with Summit Benefits Groups, buying all of the business. The agency owner became an employee of Digital and remains a producer.

### **Primed for Success:**

- The owner of Summit Benefits Group realized at some point he couldn't grow his book of business any bigger on his own.
- Summit Benefits didn't have the necessary people resources, advanced technology or health care reform expertise to build more profitable accounts.
- By aligning with Digital, the agency owner is now able to concentrate on accelerating future growth and creating new business opportunities.

### **Bottom Line:**

The employee benefits industry is fundamentally realigning itself in response to health care reform. Smaller independent agencies need to partner with large insurance agencies, like Digital, with capital, advanced technology and operational efficiencies are looking to expand market share. Several entrepreneurial agency owners in markets throughout the U.S. who were looking to expand and build more profitable accounts are already on board with Digital.

"Throughout my career, I struggled with managing my back office, while juggling my groups and staff," Schneiderman says. "So I was happy to talk to Digital. They came in and I liked what I heard, but their focus was on buying my block of business. I wasn't looking to sell. I wasn't even 40 years old yet."

## **SOLUTION: DIGITAL'S AGENCY ACQUISITION BUSINESS MODEL**

Time passed, and Digital reached out to Schneiderman again with a new business-model opportunity. Instead of buying just a block of business, Digital offered to buy his entire business. Schneiderman was to become an employee of Digital and also remain a producer.

"I'd been my own boss for 20 years and didn't want to lose that control," comments Schneiderman. "But health care reform was heating up. I knew I couldn't keep up with all of the legislative changes – or communicate and educate my clients effectively. Digital had invested in becoming a health reform expert, which was a big selling point."

And so, Schneiderman and his father, a seasoned health care executive who'd offered to serve as his son's adviser, headed to Atlanta to check out Digital Insurance and its operations. Apparently, they liked what they saw – and the deal was finalized in a matter of months.

"The future for successful agencies is all about operational efficiencies, reform expertise and customer solutions being delivered by the best available talent," adds Mike Sullivan, Digital's chief operating officer and executive vice president. "Jeff got it. He knew Digital was already uniquely positioned to deliver this solution and, together, accelerate our growth and profitability."

“

### **IN THEIR WORDS**

"I'd been my own boss for 20 years and didn't want to lose that control," comments Schneiderman. "But health care reform was heating up. I knew I couldn't keep up with all of the legislative changes – or communicate and educate my clients effectively. Digital had invested in becoming a health reform expert, which was a big selling point."

**--Jeff Schneiderman, President, Summit Benefits Group**

”

“

### **IN OUR WORDS**

"I couldn't have asked for a better leader and agency to serve as one of our catalysts for this expansion of Digital's operations," says Adam Bruckman, president and CEO of Digital Insurance. "Jeff and his experienced team understood that health care reform was bringing changes to our industry – changes that will provide fantastic opportunities. Our goal is to continue finding and aligning with other top-performing agencies in communities throughout the country."

**--Adam Bruckman, CEO, Digital Insurance**

”