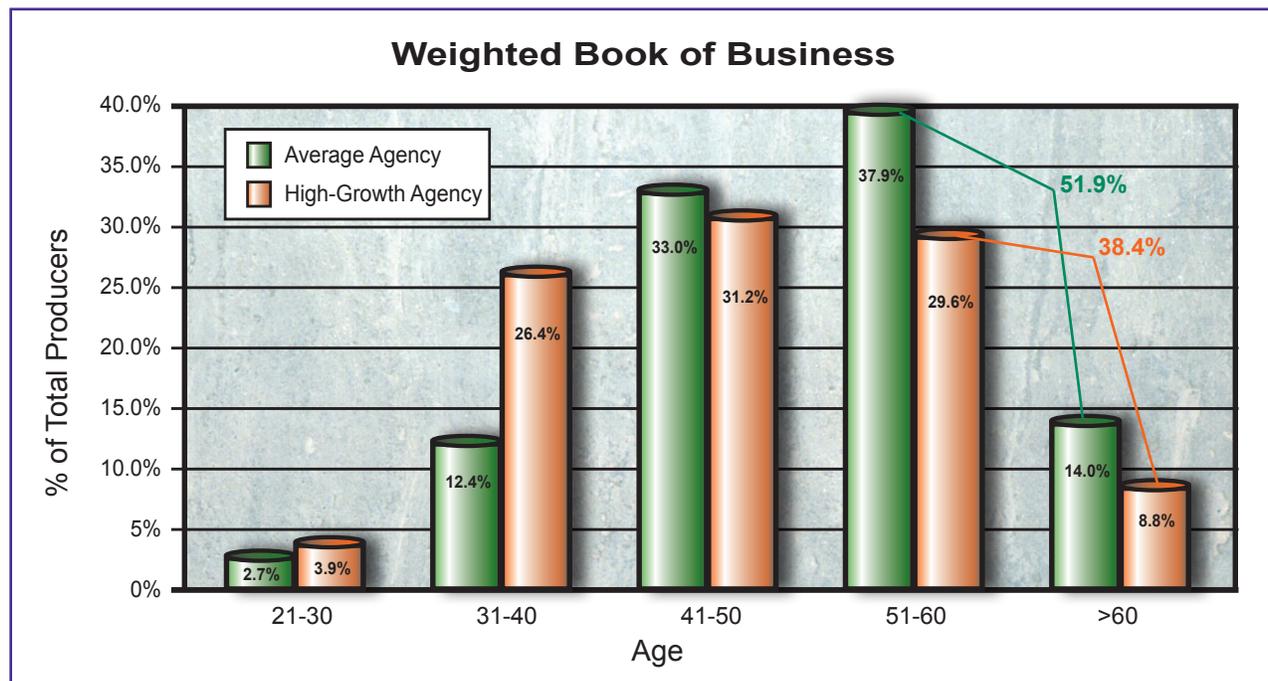


## Weighted Average Producer Book

In the September issue of For The Record, we showed that high-growth agencies have positioned themselves to be viable well into the future, by investing in and training young producer talent today. This is critical to establish the next generation of agency leadership as well as facilitate agency perpetuation, drive organic growth, and maintain key agency relationships.



In the chart above you will see that in average agencies, 51.9% of total commissions and fees are controlled by producers over the age of 50, compared to 38.4% for high-growth agencies. This highlights the substantial amount of business the average agency has at risk in the next 5 to 7 years as producers begin the process of slowing down and retiring, because they have not hired the requisite young production talent or started the process of transferring key accounts. Keeping an eye on the distribution of the agency's book of business by producer age group should be a critical component of an agency's business plan. This has considerable implications for the agency's ability to drive future growth and should be managed to limit the risk of future attrition from the transition of business from a producer. Transitioning books of business is a key component of the perpetuation process that should be analyzed and managed on an ongoing basis

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