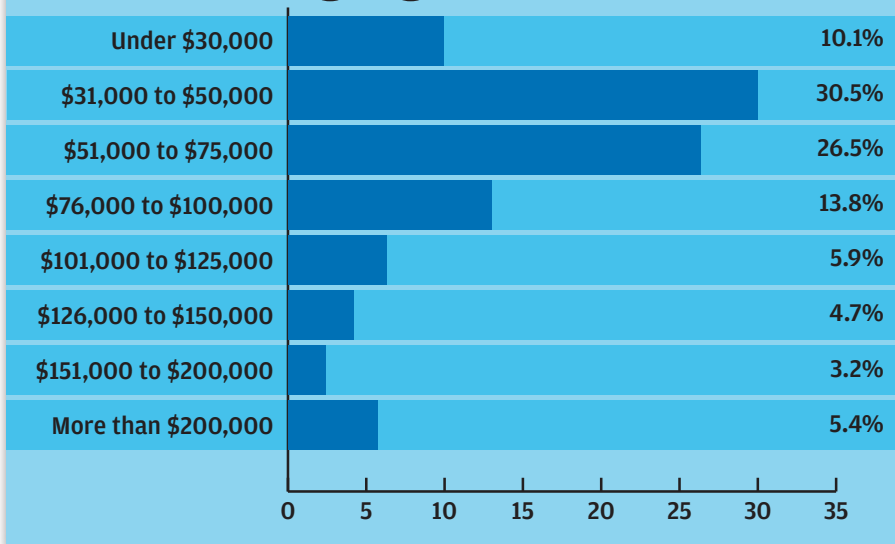


# Young Agents Survey



## The Next Generation Steps Up **YOUNG AGENTS SURVEY**

### What Young Agents Earn



By Andrea Wells

The independent insurance agency system is getting older. So much so that the average age of a U.S. insurance agent today is 59 years old, according to some estimates. And as more than a quarter of the entire insurance industry gets ready to sail into retirement in the next three years, the next generation of agency talent — young agents and agency owners in particular — better get ready to step up.

This is good news for young professionals working in independent agencies today — those 40 years old and younger.

According to *Insurance Journal's* Young Agents Survey 2015, 82.7 percent of young agents feel very optimistic or optimistic about their career as independent agents.

Agency owners are a maturing group.

According to the 2014 Agency Universe Study (AUS) published last fall by the Independent Insurance Agents & Brokers of America, the average age of agency principals with 20 percent or more ownership in their agencies is 56 years old, with 18 percent of those principals age 66 years old or older. That's up from just 10 percent of principals aged 66 years old or older in the 2012 AUS study.

While the vast majority of agency principals (82 percent) do not anticipate a major ownership change for at least three years, according to the AUS study, the graying of agency principals will lead to a new generation of agency owners within the next 10 years.

Some young insurance agents are gearing up now for that future opportunity.

### Hard Work Pays Off

Jules Roussel, a 26-year-old second generation insurance agent, is one young agent looking to seize the opportunities as the older generation heads toward retirement.

Roussel has been an independent agent for about three years at Eagan Insurance, an *Insurance Journal* Top 100 Agency with \$12 million in property/casualty revenue in 2013, located in the New Orleans area of Louisiana.

Roussel is no stranger to the agency world. His father, Wayne Roussel, a vice president at Eagan Insurance, has spent the past 40 years building a profitable book of business and introduced his son to the insurance business when he was still in high school.

"I went to work with my dad one day to see what it was like," the younger Roussel said. He admits he always thought his dad's job seemed "kind of boring" but then he saw his dad in action. "He had a lot going on that day, I saw how busy he was. At the end of the day he asked me if I wanted to be an agent. I said, 'there's no way I could do what you do.'"

Then 12 years later, the son found himself doing the same thing. The elder Roussel, at 62, is nowhere near retirement, but Jules knows that someday he will be ready and hopes to take over his father's book of business at that time.

For now, the younger Roussel is happy gaining experience and industry knowledge writing any new account that

**'Insurance is a long-term career. You can't get into an insurance position and expect to have results right away. However, if you can make it through the slow times, insurance pays off in the long run.'**

continued on page 26

## Profile of Young Agents

### Older Side of Young

59.8% are 31 to 40 years old;  
40.2% are 30 and under.

### Career Choice

81.0% consider insurance to be a permanent career choice;  
16.4% are unsure;  
70.1% would recommend career choice to another young person but  
20.6% are not sure they would.

### Experience

27.9% have less than three years in insurance;  
21.1% have three to five years;  
26.4% have six to 10 years;  
18.9% have 11 to 15 years;  
5.8% more than 15 years.

### Education

60.0% have a college degree;  
10.2% have a master's, doctorate or other advanced degree;  
59.8% have completed or are working on an insurance designation.  
81.7% have benefitted from an insurance agent mentor.

### Family Affairs

61.0% work in family-owned agencies.  
55.0% work for agencies generating \$1 million to \$25 million in  
property/casualty premium volume  
89.9% are privately held.

### Employment Status

88.9% are independent agents;  
7.0% presently are sole owners of an agency;  
13.0% share ownership with partner(s)

### Ownership Dreams

80.0% do not presently own an agency; of these,  
57.1% would like to own someday but just  
34.2% report feeling very confident ownership dreams will come true.  
26.1% don't believe it will happen.

### Working class

61.1% work between 41 and 55 hours a week.  
63.7% target mostly commercial lines;  
36.3% target mostly personal lines.

### Gender ID

53.3% Male  
46.7% Female

### Hired

25.1% were recruited for the family business;  
24.1% were referred by a friend or family member;  
15.1% were employee referrals;  
11.4% answered a job posting;  
10.4% directly contacted the agency;  
6.4% used a recruiter;  
5.3% worked for a competitor;  
4.8% knew owner from previous employer;  
4.1% were recruited from college;  
3.6% used to be a captive agent and just 1.3% used social media

### Recruitment Target

57.8% have been offered a job by another agency.

# Young Agents Survey

continued from page 25

crosses his path, mostly personal lines and small commercial accounts.

“My dad is the hardest working man that I know,” he said. “I probably won’t ever be as hard-working as he is but I strive to be.”

Roussel says his decision to become an insurance agent came from watching his father’s success all these years. It’s a great career path for young people willing to put in the work, he added. But not many young people seek out insurance as a career choice

in Louisiana. Most of the agents Roussel sees are on the older side of their career, closer to retirement than not. “But if you stick with it and work hard, it’s a career that will pay off in the long run.”

## Teachers to Agents

A growing number of professionals are entering the insurance industry after successful careers in other industries. The same is true for some young insurance agents.

Nicole Pryde Johnson, a producer for Lovitt & Touché based in Tempe, Ariz., has been working in the industry sector since 2007. But Johnson spent her first three years after college as a first grade teacher.

Johnson says that she enjoyed teaching but it didn’t allow her competitive side to shine. “That part of me, I had to shelve for a while,” she said. “But I couldn’t ignore my competitive nature and the need to challenge myself in a different way so I started to look at alternative career paths.”

That led Johnson to a family friend who had worked in the industry for 40-plus years. “I met with him to talk about the industry and what a sales career might look like in insurance. And after numerous interviews with several agencies in the area I took a leap of faith and joined the national agency Brown & Brown Insurance, which is where I started my career.”

But while working for Brown & Brown, Johnson kept hitting a roadblock with prospects — that roadblock was Lovitt & Touché.

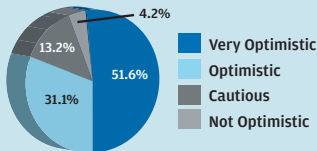
“I found that I ran into Lovitt & Touché frequently in the Arizona marketplace and I found out quickly that I was unable to take their clients away from them.” That piqued Johnson’s interest. “I wanted to find out more about why their clients kept such long-lasting relationships with their broker and then I realized it was the way they built relationships — both with their clients and within the community. Johnson says that’s the main reason why she left Brown & Brown for Lovitt & Touché — to be able to develop such valuable relationships with her clients.

Today Johnson’s clients consist of a variety of large and middle market businesses but her family’s background in construction businesses has given her a leg-up when writing construction accounts. “I feel like home in the construction industry,” she says.

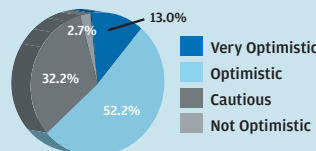
David Fishel, a 27-year old associate in business insurance for Fort Worth, Texas-based Higginbotham & Associates, also began his professional life as a teacher but

continued on page 28

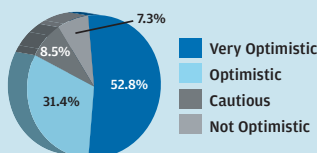
### Young Agents’ Outlook on Their Career



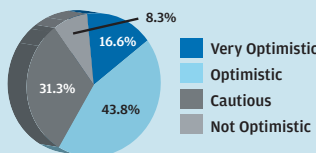
### Outlook on U.S. Economy in 2015



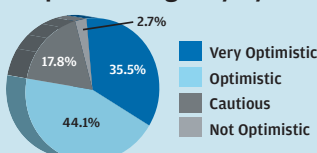
### Believes 2015 Income Will Be Greater Than 2014



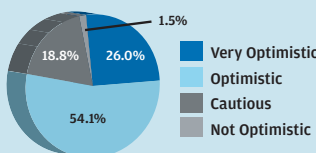
### Independent Agents’ Ability to Grow Personal Lines Market Share



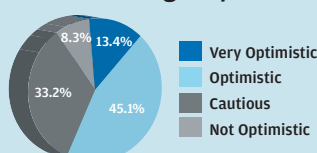
### Outlook on the Future of the Independent Agency System



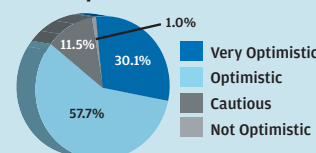
### Independent Agents’ Ability to Grow Commercial Lines Market Share



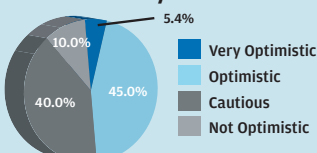
### Outlook on Attracting Quality Talent to the Agency



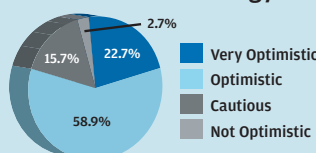
### Outlook on Financial Stability of P/C Insurers



### Outlook on Attracting Quality Talent to the Industry



### Independent Agency Channel’s Ability to Advance in Technology Use





# Young Agents Survey

## What Agencies Need to Know About Recruiting the Next Generation

By Tom Wetzel

Recruiting the next generation of talent is not a new challenge but a difficult one. At the recent NetVul5 conference in Indianapolis, a workshop titled “Generation XYZ in the Workplace” drew a large crowd, many of whom were agency principals seeking answers on how to attract and retain young employees.

*Insurance Journal* spoke with three of the panelists after the workshop including Marc McNulty of The Uhl Agency, Dayton, Ohio, and the chapter’s new chairman; Lynn Harper of the SilverStone Group, Omaha, Neb.; and Kate Foy of Foy Insurance, Exeter, N.H.

Each had a different story as to what brought them into the insurance industry. Foy started working in the family insurance agency as a teenager. Harper’s college roommate suggested the industry as a possible career track. McNulty said he “stumbled” into the insurance business when a friend told him of a job opening at the agency after he decided to leave his previous job in another industry.

Harper said the experience has been “better than I expected. I discovered the business is all about serving clients. We take a consultative approach and do not push policies. We want to be a trusted advisor.”

Foy knew the business from the beginning but McNulty, who has been with The Uhl Agency for 13 years, was unsure what to expect but found a home quickly.

“I was lucky to have a very forward-thinking management,” he said.

Attracting young employees into the insurance industry takes more than luck.

“Agencies need to work more with the colleges in their area,” said McNulty. “Summer work and internships offer students valuable work experience and a chance to discover, as we all did, that the industry offers a great future.”

McNulty says it’s also critical that agencies develop clearly-defined career paths.

“Young employees want to take on responsibilities quickly, which is usually unrealistic. They need to see, however, how they can advance and build a career.”

Recruiting young agents is not difficult when management instills the right agency culture, says Harper. “We have developed clear career paths, education tracks, and offer the ability to work from home,” Harper says. “We have a number of committees to give employees a role in the operation, including ones covering wellness and fun. We actively encourage all of our employees to serve on a committee and to be part of the culture.”

McNulty says his agency doesn’t worry about prior insurance experience when hiring.

“We can give them the insurance training,” he said. “What we’re looking for is the right personality.”

These young agents agree that technology is another key to attracting young employees. Millennials rely on smartphones and social media in both business and professional life and are less likely to work in industries that do not embrace technology.

Foy and McNulty said their agencies have always supported technology. Harper said she actively pushed for a technology upgrade.

“Our challenge is to show owners that technology allows agencies to do more with less. To do that we need to cite success stories and a clear game plan.” ■

continued from page 26

found his way into the insurance industry when a friend’s father approached him about opening a branch office for a small agency.

After graduating from college in 2010, Fishel signed on with Teach for America as a high school math and special education teacher for two years. While working on his master’s in business administration the opportunity to enter insurance arrived.

“A good friend’s dad was one of the managing partners of Talon Insurance and they were looking to expand operations in north Texas and he approached us to open a branch office in Fort Worth,” Fishel said. Up until that point, Fishel admits he’d never thought about a career in insurance. “Never once in my life did I think I’d be in insurance but I absolutely love the industry,” he said. “I think it’s one of the best kept secrets out there.”

With very little knowledge about the

## What Young Agents Do

- 53.8% Attend local business or community meetings.
- 47.0% Attend insurance trade association meetings.
- 63.0% Volunteer in the community.
- 13.4% Get involved in local politics.
- 35.8% Attend church regularly.
- 25.3% Participate in a sports league.
- 27.3% Belong to country or athletic club.
- 14.6% Teach or write articles on insurance.
- 36.3% Attend meetings of industries I insures.
- 20.9% Speak before business and community groups.
- 70.6% Use Facebook.
- 76.2% Use LinkedIn.
- 29.9% Use Twitter.
- 11.0% Write a blog.
- 90.5% Use an iPhone or other Smart phone device.
- 62.8% Use an iPad, Kindle or similar device.
- 52.1% Utilize insurance coverage or other checklists.
- 39.7% Utilize web conferencing.
- 11.4% Utilize a provider of sales leads.
- 63.3% Take insurance courses on the Internet.

insurance industry, Fishel and his partner opened the branch office. But just a few months into business, Talon was purchased by Higginbotham in January 2014 and both Fishel and his partner joined Higginbotham's team in its Fort Worth headquarters.

"It was a blessing," he says. "Talon was a great organization, but Higginbotham has the resources and support we need at our fingertips. As a new producer that has been very significant." Higginbotham, an *Insurance Journal* Top 100 Agency, wrote more than \$60 million in property/casualty revenue in 2013.

Fishel is excited about what's ahead. "There is a huge opportunity in the next 10 years to pick up a lot of business left by agents who will be retiring," he says.

#### **Not Easy**

But acquiring those accounts may not be as easy as some think.

The long-lasting client and broker relationships that Lovitt & Touché's Johnson found appealing about the independent agency system are also one of the biggest challenges for young agents trying to attract new business, says Nicholas R. DiCarlo, risk management consultant at J.W. Terrill based in Chesterfield, Mo., also an *Insurance Journal* Top 100 Agency with more than \$17 million in property/casualty revenue in 2013.

DiCarlo has been an independent agent for nearly seven years but is a seasoned insurance professional. He previously worked for a direct writer for eight years prior to entering the independent agency channel. He joined the independent side for the chance to earn a higher total income and have ownership in his book of business. But it's not an easy path to take, he says.

Most young professionals who enter the independent agency world don't understand how difficult it is to be successful, DiCarlo said. "Most don't realize how hard they will have to work — at first. They see all the glamor, and not all the grinding, that needs to place initially."

**continued on page 30**

## **10 Things Young Agents Like 'Best' About Insurance**

1. Hard work, dedication, drive, and education pay off quickly in this industry.
2. Being an independent agent gives you the opportunity to work to find the best option for the client, not to just sell them what is available.
3. I like that I have the ability to work with different markets because all of our clients' needs are not the same.
4. Freedom to set own schedule.
5. You're essentially self-employed, but also working on a team. The job offers flexibility and there's a ton of reward for hard work.
6. Being able to help people protect the things that matter to them. There is always something new to learn.
7. I like that I have the ability to learn about multiple businesses, and determine the coverage that best fits each client.
8. Relationships with my clients and co-workers.
9. Being able to give back to community. I have a great work/life balance and great compensation.
10. Every day is a new challenge.

## **10 Things Young Agents Like 'Least' About Insurance**

1. Not being offered ownership in my book of business or a partnership opportunity.
2. The public distrust of insurance agents.
3. Lack of confidence some clients have with a young broker even knowing that the young broker is well prepared.
4. Dealing with the constant company changes in guidelines, rates and underwriting.
5. Technology tends to be lagging behind other industries.
6. The ramp up period of the first three years.
7. The lack of continuity and efficiency in the industry. Every insurance company manages their quoting process differently. It makes it extremely difficult to be efficient and accurate.
8. Some carriers lack of technology such as e-signature and e-apps.
9. Lack of people to guide or mentor me in the insurance field.
10. There aren't enough young agents.

# Young Agents Survey

## Does Age and Gender Matter?

The number of female young agents responding to the Young Agents Survey grew in 2015 — 46.7 percent were female while 53.3 percent were male. In the 2014, only 39.5 percent were female.

While the gender gap appears to be evening out, at least in terms of young agents participating in the survey, some believe gender bias still exists in the agency ranks.

The survey revealed that some 41.8 percent believed the statement that the industry offers men more opportunity than women was “basically true,” while 22.4 percent had “no opinion” on that statement.

One survey respondent wrote: “I don’t like that it is primarily women in administrative or account manager roles and men in sales. I feel like it should be more even.”

Another noted that while her agency is “progressive” she gets the “old boys club” feeling, especially at industry events. “When I go to a conference I feel like I took a time machine back to the ‘60s. It takes a lot of grace and patience to put up with the sexism and cultural ignorance of my peers.”

Being young and a female is challenging too, another respondent said. “I feel that being a woman and being young gives me a disadvantage. ... I do see that business owners and commercial clients, both men and women, seem to feel more comfortable with a male salesperson.”

Nicole Pryde Johnson, a 32-year-old agent for Lovitt & Touché based in Tempe, Ariz., says that while insurance is a male-dominated field, that hasn’t prevented her from achieving her goals or seizing opportunities.

“Females offer many different advantages, and I choose to focus on those,” Johnson said. “For instance, many males tend to be transaction based, rather than relationship based. I always strive to build personal relationships with my clients.”

Johnson also believes more women in the industry should strive to help other women succeed. To help in that regard, she’s working on creating an informal women’s group to promote mentorship, networking and lead generation. ■

continued from page 29

It’s hard to build a book of business in the beginning because new agents must sever an often tight bond between the prospect and their old agent. “Your job is more or less to break existing relationships and most of the time those are pretty strong relationships especially if you are calling on larger accounts,” DiCarlo says. “It’s very challenging and sometimes takes many years.”

It’s doable, he says, but not without patience and perseverance. “You have to generate enough activity so that you are positioning yourself with those prospects.” A lot of people that come into the industry want immediate success, he says. “But you have to understand it’s about developing and positioning yourself for long-term success more so than anything.”

While the opportunities for young agents are plentiful, even young agents recognize that the career is not for everyone.

“I’ve watched many young, new agents hired into the insurance industry as producers for independent agencies, but I can only think of only one person who didn’t quit. Most of them resigned after one to five years. This job truly requires a special type of person to succeed,” one respondent in this year’s Young Agents Survey said.

Added another: “This career takes patience, which most people of my generation don’t have. We want everything, and we want it now.” ■

### About the Survey

*Insurance Journal’s Young Agents Survey 2015 polled more than 400 young agents nationwide on their opinion about the industry, their agency, and how they feel about being an insurance agent. Insurance Journal wishes to thank Foremost Insurance for serving as this year’s Young Agents Survey sponsor.*

## How Young Agents View the Property/Casualty Industry

