

2009 Employee Benefits Compensation Survey: Ancillary Group Reps

Summary of Results:

The 270 respondents were group reps at the top 10 to 15 ancillary carriers whose main products are group life and disability but sell additional products including dental or worksite, etc. I included managers I believed to be producing managers, and did not include managers I believed to be non-producing. I did not include health reps or dental only reps.

If you look at the results and feel that you are not being paid as well as reps from other companies, hold on! Before you talk to your manager, consider the following:

- I hear that from someone at practically every company. Most people seem to think that their competitors are being paid more than they are. If everyone is thinking this, is it really true?
- There are so many variables it's difficult to make a totally fair comparison. Perhaps your competitor really does pay a higher percentage of premium, but you get more sales and service support at your company. You are able to get out and sell more while they are involved in installing sold cases or handling service issues or renewals on in-force cases.
- Perhaps your company markets more or has more brand recognition that wins you a few extra cases when the decision makers want to go with a company they are more familiar with.

Also, bear in mind some companies have comp plans that seem to pay a high percentage of premium written, but those same companies are writing lots of business under 1000 lives and maybe a significant amount of that under 200 lives. If that's the business they want to write, there seems to be some recognition that it takes more work to write \$2.5 million or \$3 million with 130 lines of coverage than it takes to write the same amount of business with 20 lines of coverage. Large case reps will earn a lower percentage of premium in return for having the tools to write that higher premium.

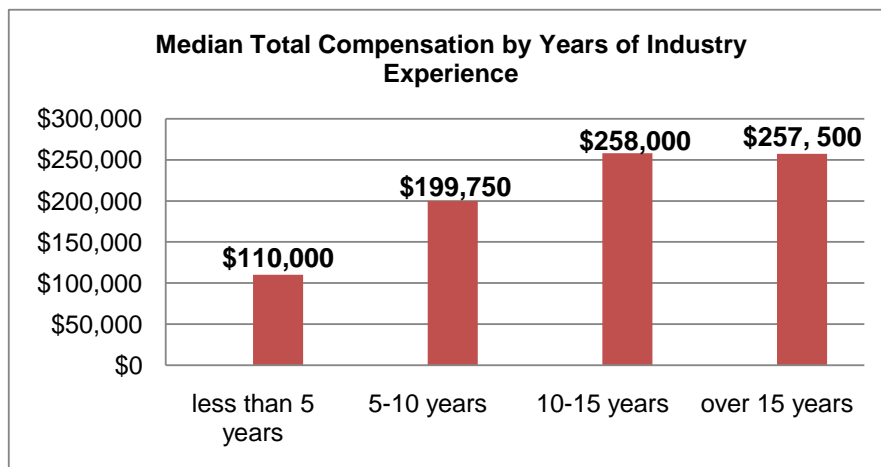
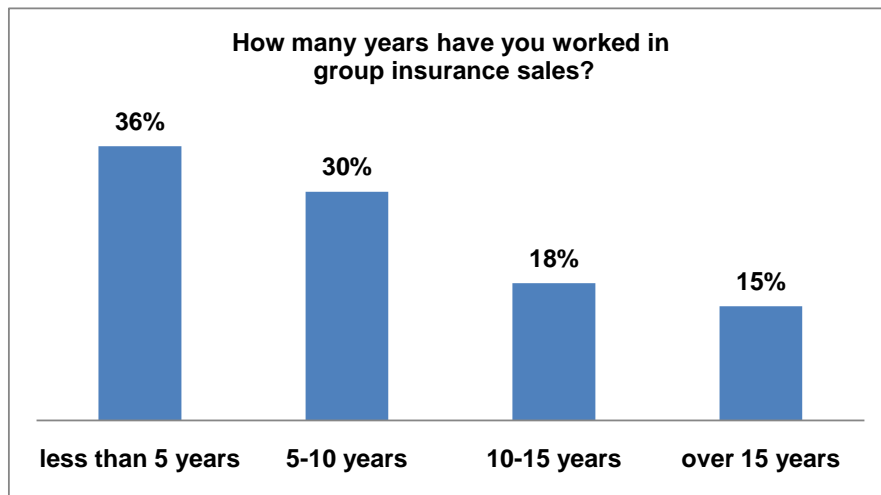
I have heard 2009 was a difficult year for many reps, and consequently the numbers may look higher to some of you than expected. Remember W2 compensation for 2009 included bonuses paid in the first quarter of 2009. Bonuses paid in the first quarter of 2009 were for business written in 2008. Business written in 2008 included 1/1's that were worked on in 2007-before the bottom fell out of the market. There's a long tail on all of this but I don't see any other way of compiling results. Perhaps next year I'll do a 5 year running total.

Finally, I have used 'median' not 'average'. Median is defined as the middle number of a group of numbers; that is, half the numbers have values greater than the median and half the numbers have values that are less than the median. The traditional average on the other hand, can be thrown off by one high earner. For example, if 9 out of 10 people earn \$200k but one person earns \$1 million, the average will come out to \$280k which does not show the clearer picture that most people are earning \$200k.

I hope you find the results interesting. If you enjoy receiving this, but didn't participate, please do so next year. The more responses I receive, the more credible and meaningful the resulting report.

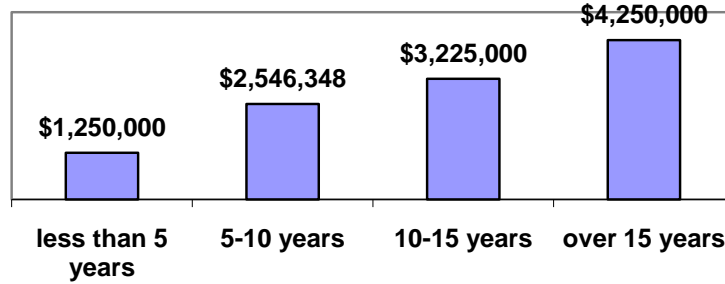
Years in Industry:	Less than 5 years	5-10 years	10-15 years	Over 15 years
Median Total Comp*	\$110,000	\$199,750	\$258,000	\$257,500
Median Premium Sold*	\$1,250,000	\$2,546,350	\$3,225,000	\$4,250,000
Median number of lines sold*	71	99	101	75
Comp as a percent of premium sold (rev. 6/15/10)	8.8%	7.8%	8%	6%

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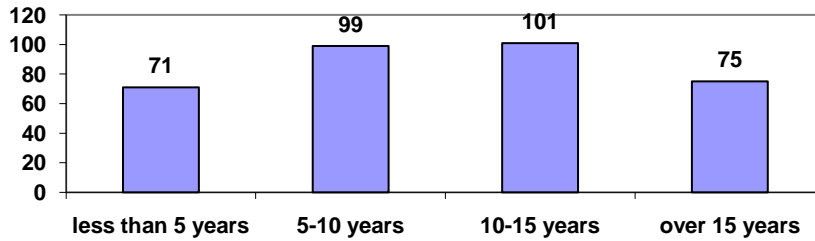




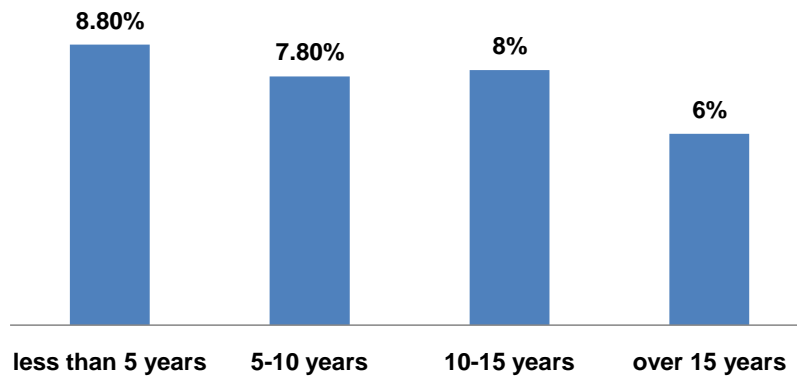
Median Premium Sold by Years of Industry Experience



Median Number of Lines Sold by Years of Industry Experience



Total Compensation as a Percent of Premium Sold



(rev. 6/15/10)

