

Are You in the *Hot Seat?*

By: Marsh, Berry & Company, Inc.

Never in history has the insurance business faced so much risk. It is a challenge to stay out of the fire in the midst of a soft market, a stagnant economy and widespread exposure compression. To add insult to injury, both P&C and group benefit lines now face the threat of significant government intervention. If you are wondering whether it is possible to grow through this challenging cycle, it is, but it will not happen by accident.

For 2008, the top 25% of MarshBerry's clientele posted new business production in excess of 20% of prior year commission income and netted double digit organic growth. The average agency, however, was in the hot seat as new business barely squeaked past leakage (revenue fall off from account attrition, account risk compression and rate softening). The flame is now a bonfire and it is getting hotter. The leakage rate will expand to over 20% by 2010, even with rate stability and economic improvement. Leakage will grow during the next 18 months as insurance is priced on the prior year exposure base. 2009 exposure will be much less than 2008 exposure given reduced business income and staffing levels. For the average agency, paltry new business is not even close to offsetting leakage and the red ink will start to pour onto the floor.

	2010 Estimate	Average Agency (2008)	Best 25% Agency (2008)
New Business as a % of Prior Year Commissions and Fees	15.1%	15.1%	23.5%
Minus: Leakage (Retention, Rate, Compression)	- 20.2%	- 13.8%	- 13.2%
Equals: Organic Growth	(5.1%)	1.3%	10.3%

High-growth agencies have taken control of their future and will outrun the market. Agencies without the strength or perseverance to embrace change will suffer. To ensure your success, consider joining TASC (Total Agency Sales Culture) Network. Existing TASC Network Partners control over \$1.4 billion in revenue and over \$11.2 billion in premium.

TASC Network, a MarshBerry Exchange Group, is a best practices benchmark and peer-to-peer exchange network for agencies strongly committed to driving organic growth. Membership offers agency executives the technology, deliverables, processes and exchange necessary to maximize both new business production and account retention. TASC Network has everything you need, offering Producer Recruiting, Producer Training, Agency Differentiation, Prospect Pipeline Technology, Service Timeline/Stewardship Technology, Producer Accountability, Market Access and Performance Benchmarking.



"MarshBerry and TASC Network brought us the technology, training, metrics and ability to execute. There is no way we would have produced \$11M in new business commission over the last two years without this group. It is the most important aspect of our organic growth."

- Bruce Denson, CEO
Cobbs, Allen & Hall

"The technology and execution philosophies that MarshBerry and TASC Network provide have both validated what we are doing and provided us ideas that we have implemented. They provide us with tangible, real-world solutions that I look upon as an integral growth resource for our agency."

- Steve Nicholson, President
Cretcher Heartland



TASC Network Summit September 2-4, 2009 in Phoenix, Arizona

To learn more about TASC Network, the partner nominee process, carrier scholarships or how you can be a part of this exciting group, visit the registration website at <http://www.MarshBerry.com/TASCRegister> (available July 20) or contact Brian Witherspoon at (440) 392-6551.

4420 Sherwin Road / Willoughby, Ohio 44094 / 800-426-2774 / www.MarshBerry.com

Learn. Improve. Realize.

