



INTELLAGENTS®

Insights for Independent Agents

Data Driven Organizations



THE FOUNDATION OF OIA

WHO WE WILL ALWAYS BE

Fierce Advocate

Understand, inform, and advocate on behalf of members regarding legislative issues in the state.

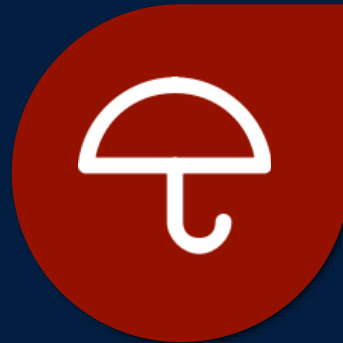


Training & Designations

Offer opportunities to further agency professional development within the insurance industry

Insurance Products

Provide best-in-class E&O and worker's compensation coverage to our agency members



Membership Forum

Networking and events that allow people to share ideas and participate in programs

WHY DATA?

The industry is changing, fast!

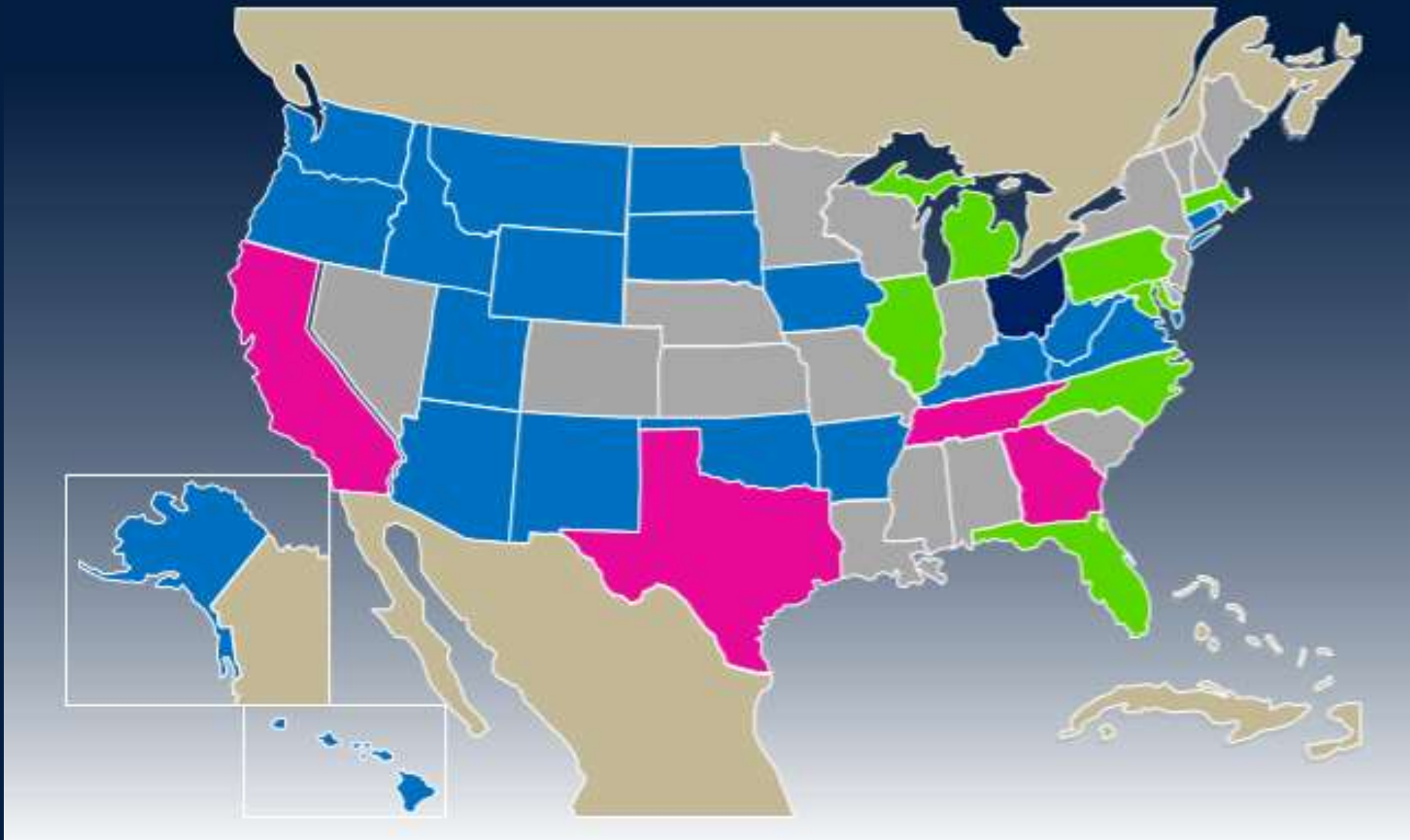
Carrier Expectations
Consumer Behavior Aggregators
Finding Talent Disruptors
Amazon Clusters Technology
Perpetuation IoT
Commoditization Retaining Talent
Consumer Expectations

Why IntellAgents?



Current States

Ohio, Massachusetts, Pennsylvania, Delaware, Maryland, North Carolina, Florida, Michigan, Illinois, Texas, Georgia, Tennessee, California
14 more states interested





DATA FROM OUR AGENTS





AGENCY DATA WAREHOUSE



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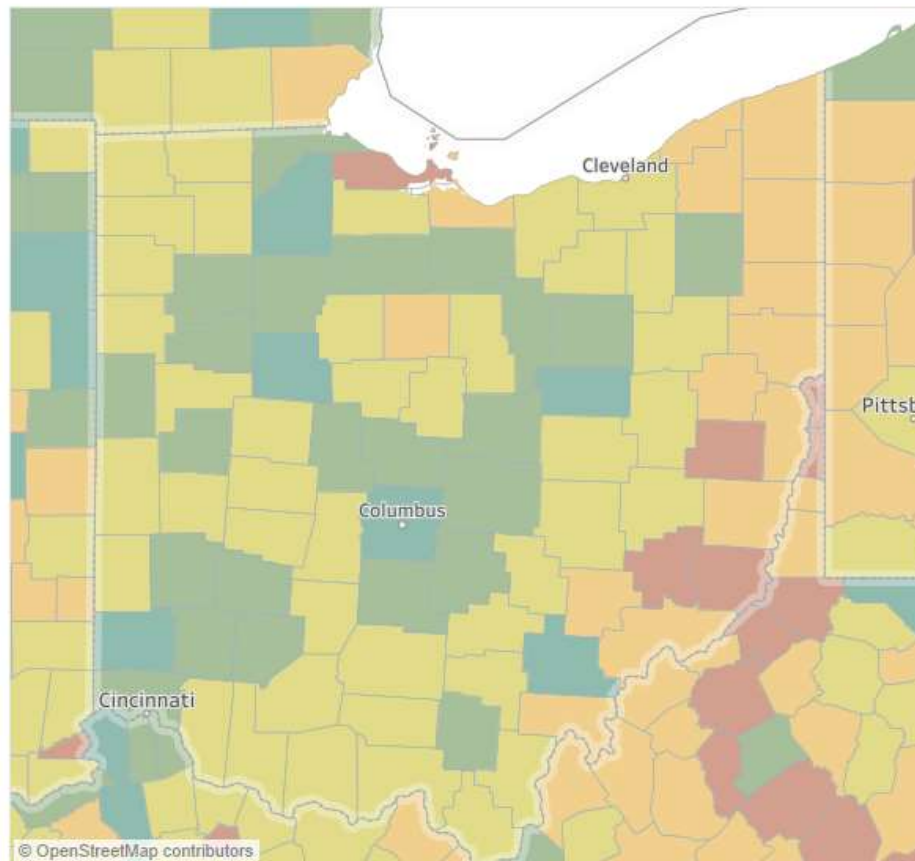
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UNDERSTANDING OUR MARKET USING DATA INSIGHTS

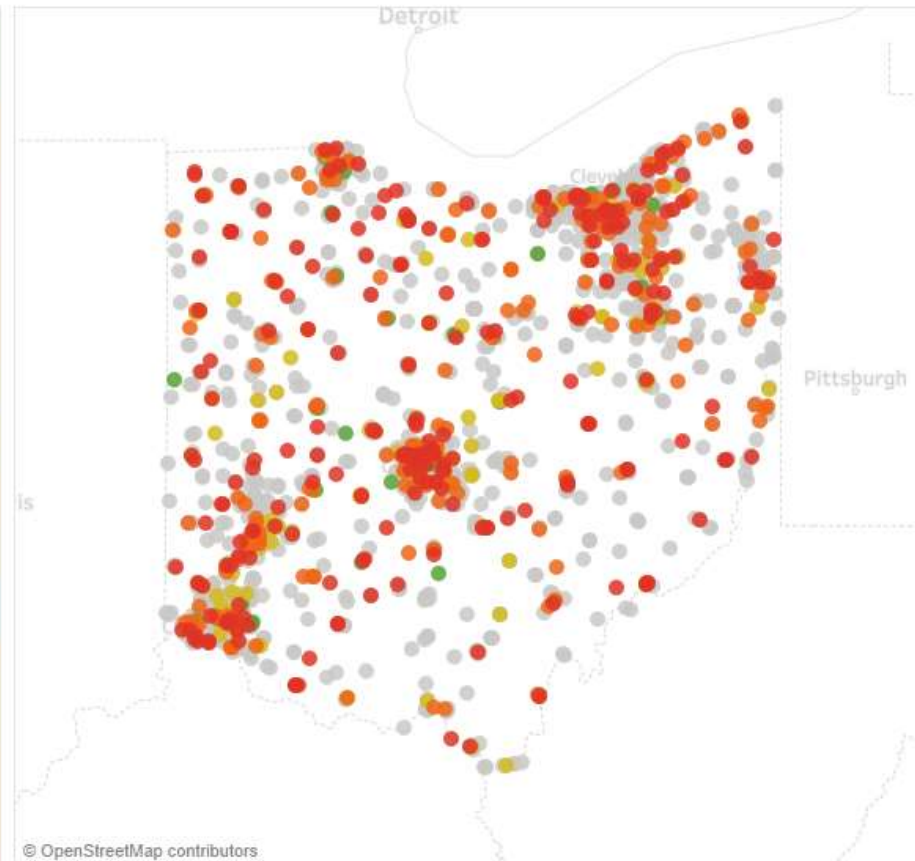
Ohio Agency Generational Health Update

	Median Age	% of Total Agents	% of Tot Agencies	Median Agency Annual Premium	Agency Total Annual Premium	% of Tot Agency Annual Premium
■ Up to age 35	32	9%	10%	\$6.2M	\$2.11B	14%
■ 36-45	41	16%	19%	\$6.1M	\$2.76B	19%
■ 46-55	51	26%	26%	\$5.5M	\$3.39B	23%
■ Over 55	63	49%	45%	\$6.1M	\$6.49B	44%
■ Total Agent Database	55	100%	100%	\$6.0M	\$14.75B	100%

Ohio Median Age by County



Ohio Insurance Agents Association Members



M&A TRANSACTIONS

OHIO VIEWPOINT

M&A BY SALES CHANNEL

2016-2017



Internal or Retail Private Equity or Broker

"Out of the 115 ownership transitions between 2016 and 2017, only 11 involved PE investor backed firms. That means 91 percent of the ownership transitions over the past 21 months were internal perpetuations or sales to other retail agencies."

Over \$296M of annual premium changed hands with \$188M of that occurring in 2016



scale: each icon = \$10M

CREATED BY

Ohio Insurance Agents Association, Inc.

Recent Deal Activity by the Numbers



Average annual deal total: 290



Source: S&P Financial as of December 2016

See Recent Management Seminar | 13

Who is Buying?



Source: S&P Financial as of December 2016

See Recent Management Seminar | 14



AGENCY BUSINESS SOLUTIONS

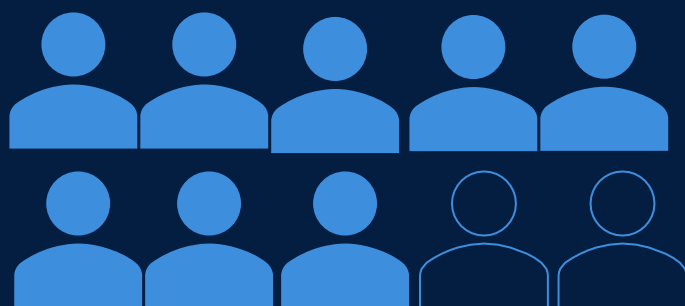
Our Goal

Provide actionable insights so our agents can:

- Make informed business decisions
- Grow their agencies
- Compete in the changing insurance marketplace



TARGET MARKET



80%



\$1M Revenue



Employees 1-11

AGENCY VALUATION REPORT

PERSONALIZED REPORT



VALUATION STUDY



Valuation
Approach



Pro Forma
Adjustments



Risk
Factors



Valuation
Summary



Agency
Insights



Factors Affecting
Internal Perpetuation

REVENUE vs. EBIDTA

Revenue Multiple

is an

Expression of Value

Earnings Multiple

is the

Calculation of Value

Revenue vs. EBIDTA

Two Agency Owners Are Talking

Agency Owner 1

“We do \$1 million dollars in revenue and my agency is worth \$1.5 Million Dollars”

Agency Owner 2

“We also do \$1 million dollars in revenue and my agency is worth \$1.5 Million Dollars?”

Revenue vs. EBITDA

Compare the Two Agencies. . . .

Agency 1

- 22% EBITDA
- 5% Growth – All Organic
- 3 Producers / Owners (avg. age 45)
- No Account > 10% Agency Comm.
- Actively recruiting Next Gen
- Perpetuation Plan in Place
- Investing in technology

Agency 2

- 22% EBITDA
- Flat Growth
- 1 Producer / Owner (65 years old)
- 3 Accounts = 40% agency Comm.
- Struggling to find Next Gen
- No Perpetuation Plan in Place
- Antiquated systems

Revenue vs. EBIDTA

Compare the Two Agencies. . . .

Agency 1

Total Revenue	\$1,000,000
<u>EBITDA %</u>	<u>22%</u>
EBITDA \$'s	\$220,000
<u>X Multiple</u>	<u>7.5</u>
Agency Value	\$1,650,000

Agency 2

Total Revenue	\$1,000,000
<u>EBITDA %</u>	<u>22%</u>
EBITDA \$'S	\$220,000
<u>X Multiple</u>	<u>5.0</u>
Agency Value	\$1,100,000

Agency 1 is worth 50% more than Agency 2

Multiple Accounts for Risk in The Agency

VALUATION STUDY



R.I.S.E. REPORT

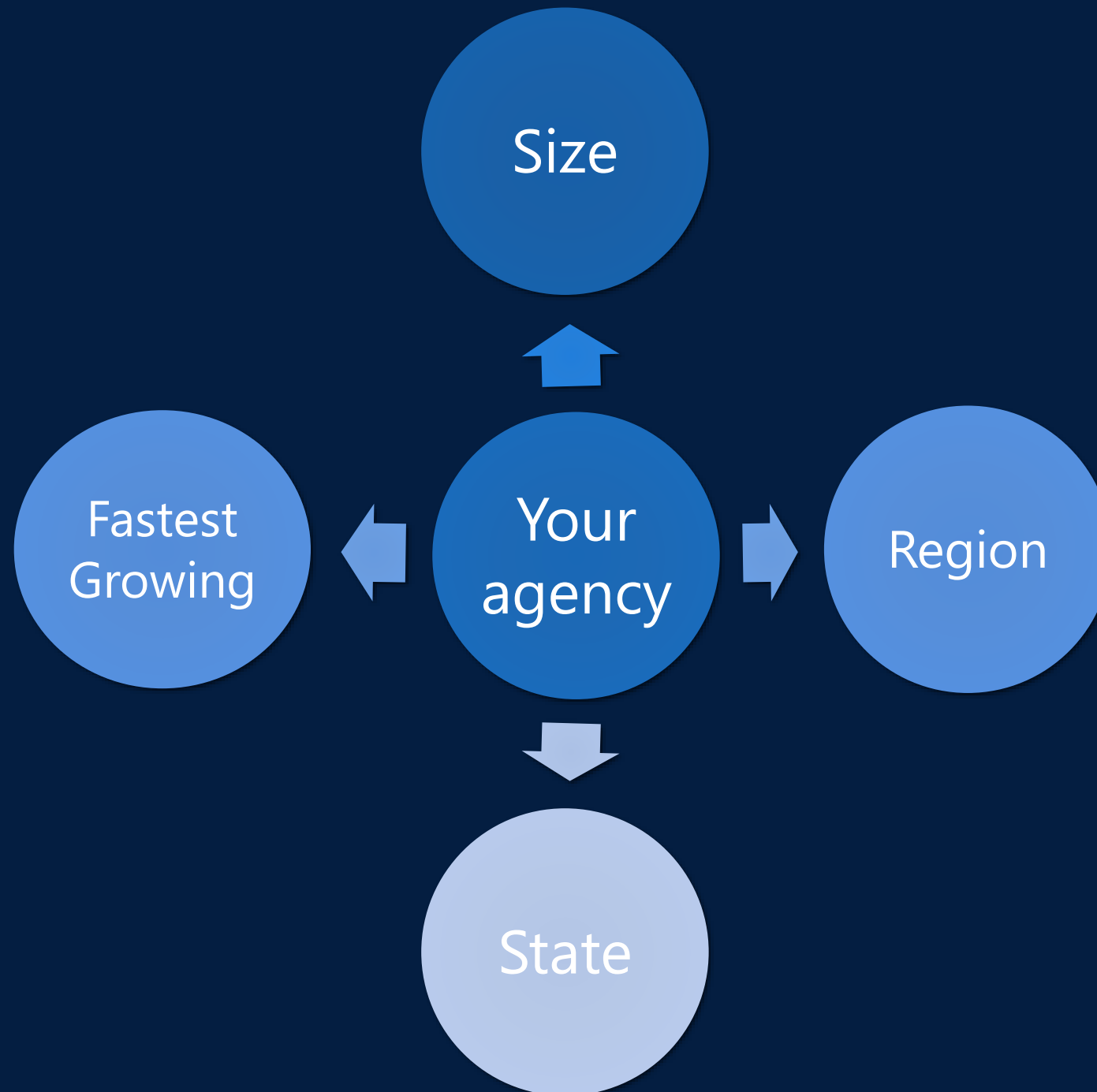
- Relevant
- Insights
- Strategic
- Execution





R.I.S.E. REPORT

BENCHMARKING COMPARISONS



R.I.S.E. REPORT

RELEVANT INSIGHTS FOR STRATEGIC EXECUTION



Operational Product
Mix Overview



Employee Age
Distribution Analysis



Generational Health
Risk Assessment



Employee
Compensation
Comparison



Top 5 Carrier Impact
Analysis



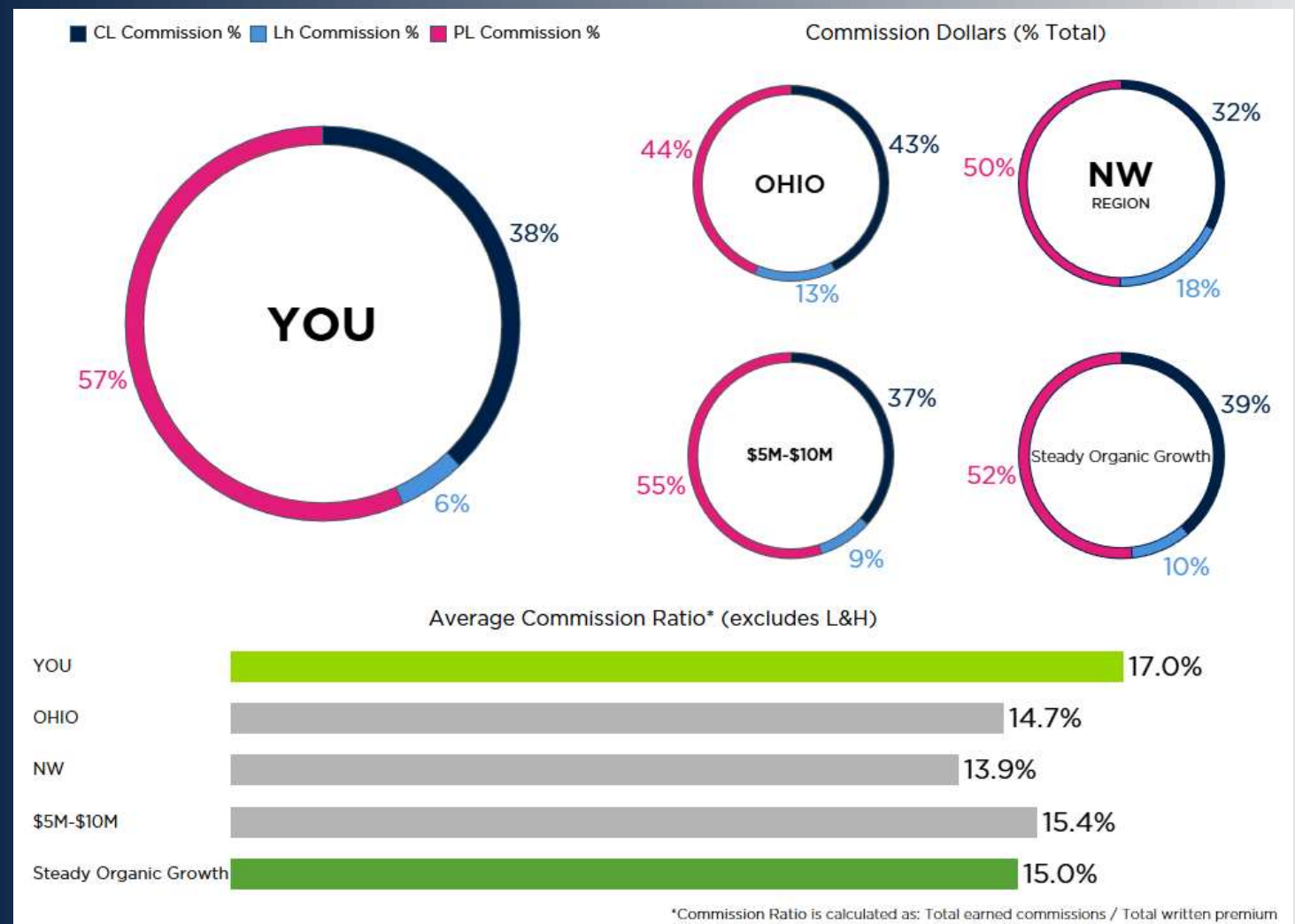
Organic Growth
Drivers Overview

R.I.S.E. REPORT



Operational Product Mix Overview

- Identifies the placement percentage of commercial, personal, and life & health business
- Compares your overall commission rate to your peers
- Identifies opportunities for improvement

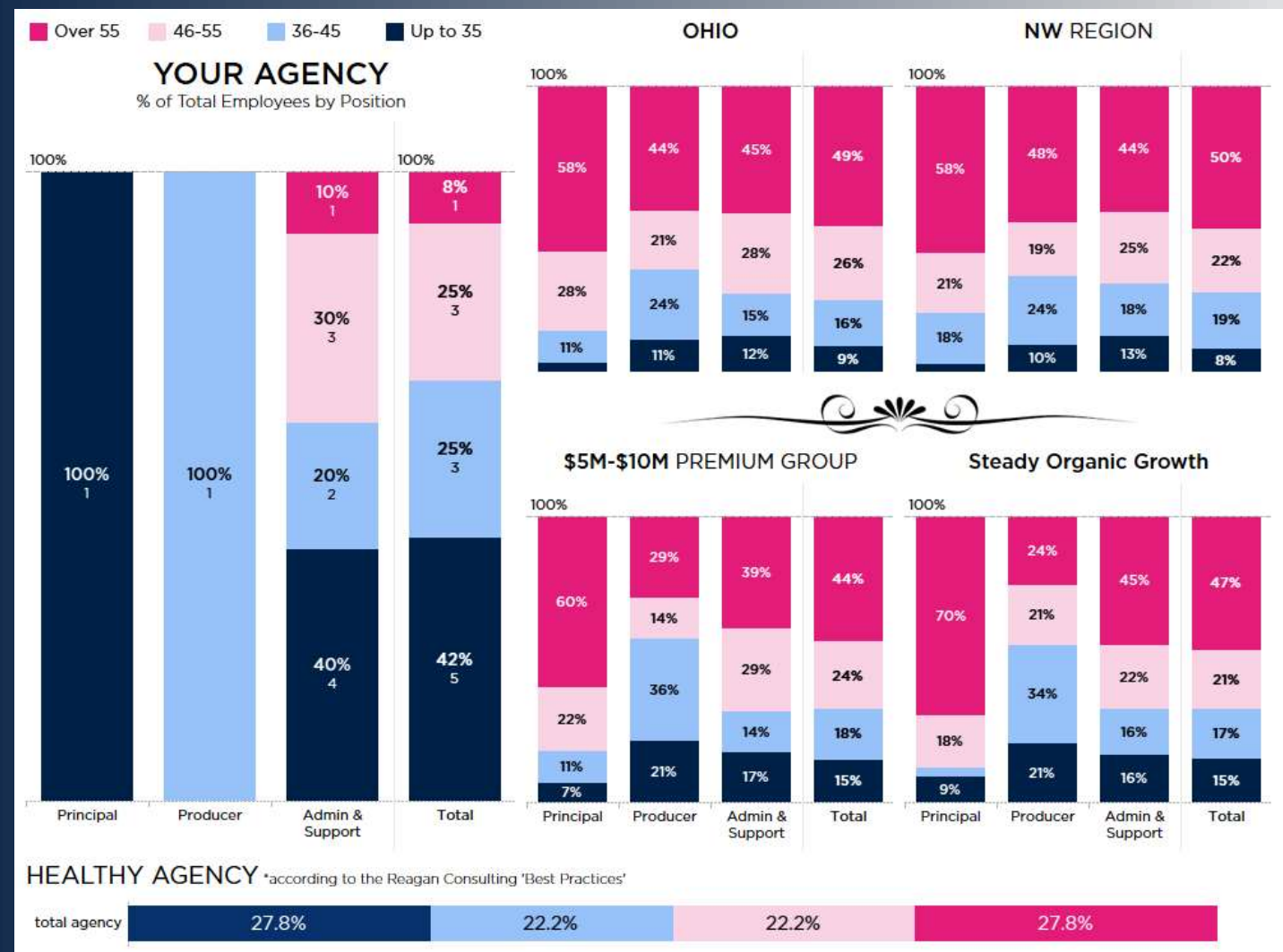


R.I.S.E. REPORT



Employee Age Distribution Analysis

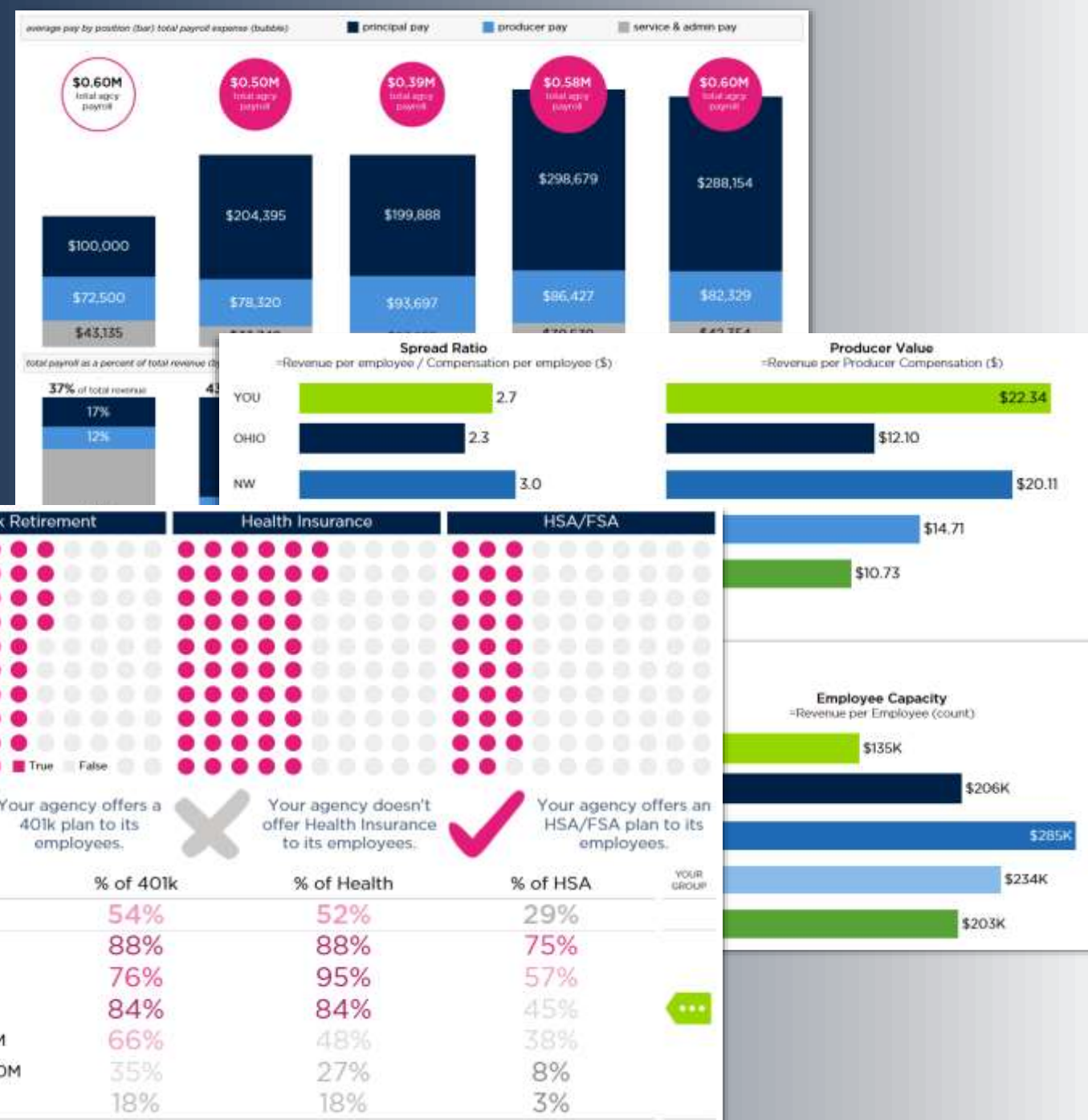
- People are the most valuable asset in an agency
- Generational health takes into consideration the age and experience of the staff
- Balance distribution across generations will foster mentorship



R.I.S.E. REPORT



Employee Compensation Comparison



- Compensation is important for recruiting & retaining talent
- Gain a competitive advantage by knowing percentage of agencies your size offer benefits
- Employee productivity is key
- Knowing the average revenue per employee will allow you to staff appropriately

WHAT'S NEXT?

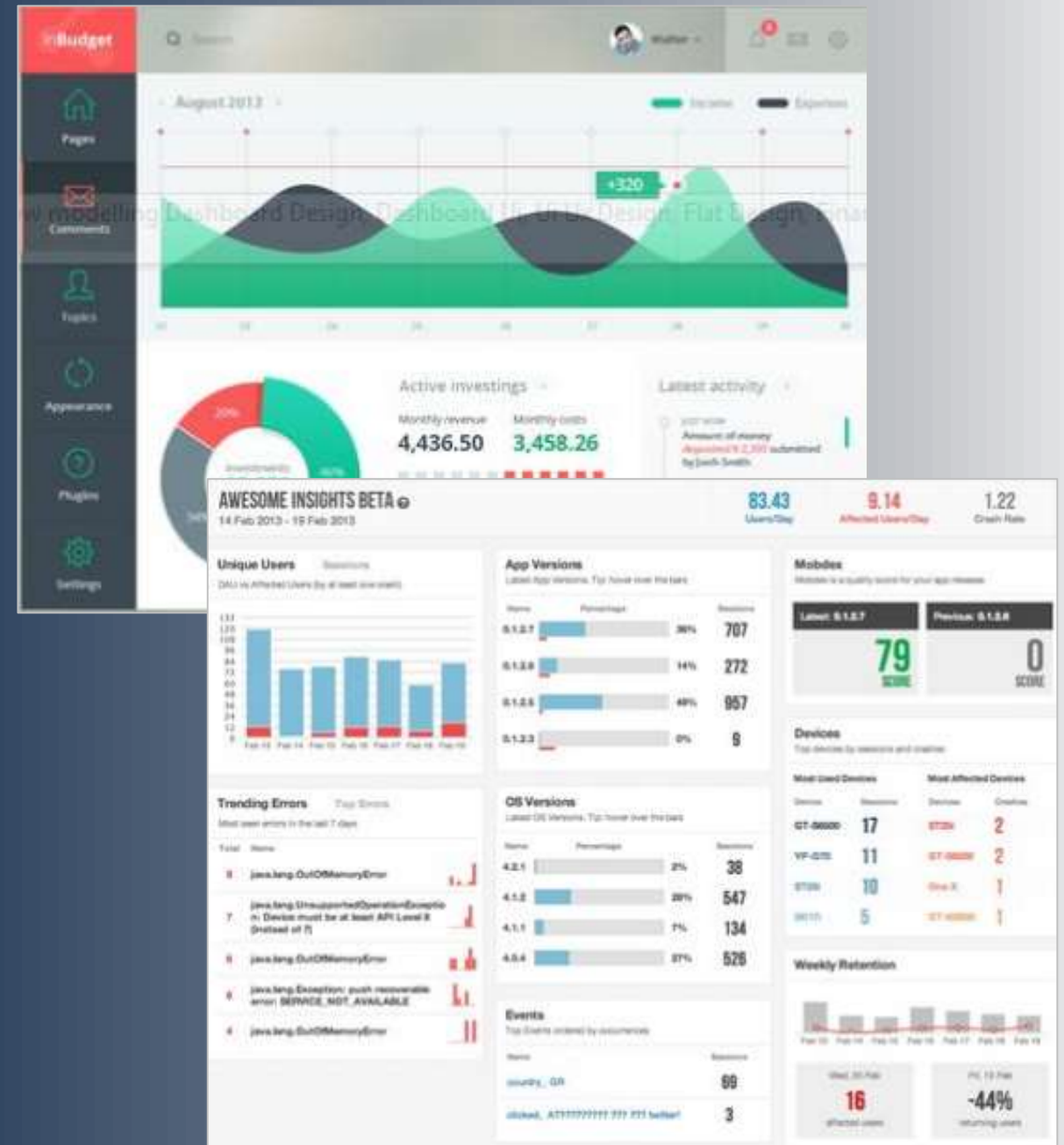
- Agency Dashboards
- Agency Insights
- Data Management as a Service
- Client Profiling (Lead Generation)
- Predictive Analytics

2019 AGENCY DASHBOARDS

We are working towards accessing agency data directly through their agency management system on a regular frequency in order to develop dashboards that monitor standard KPI's within an agency.

The key benefits for agents using OIA's dashboards:

- Flexible
- Affordable
- Standardized
- Benchmarked



DASHBOARDS ARE EXAMPLES ONLY

AGENCY REACH



INSIGHTS FOR IAS



GET BUSY GROWING

Insights for Independent Insurance Agents

Discover how relevant information can drive new value for your agency.
Develop new insights. Realize tangible outcomes.

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www.intellagents.io

Contact Us

IntellAgents Leadership Team



Craig Neiss – Valuations
Craig@intellagents.io



Carey Wallace, CEO
carey@intellagents.io



Adam Crumrine – Data Insights
adam@intellagents.io

@IntellAgentsIA