

The High Cost of Producer Licensing

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Based on studies conducted by Sircon Corporation and other industry organizations, insurance agencies on average dedicate a substantial portion of the time of one full time employee to maintain state insurance department licensing requirements for the agency and its licensed producers.

Other industry studies show that the annual revenue per employee of a successful and well managed agency generating \$500,000 to \$1,250,000 in revenues is approximately \$100,000. As a result, some portion of that revenue is lost due to the labor intensity involved in one full time employee (or the equivalent spread among several individuals) maintaining licensing requirements for the agency.

Through the use of Sircon Services online licensing solutions, an agency can reduce the labor intensity of manual paper license processing by as much as 70% (depending on agency size and multi-state operations). Through the use of Sircon solutions, the time saved by an agency and its licensed producers results in not only reduced expense, but also a reduction in the cost of opportunity lost due to the time consuming activities associated with licensing. Either way, more dollars flow to the agency's bottom-line.