

THE GUIDE

How to Start, Grow,
and Integrate ACA
into your Agency

COMPASS

INSURANCE  ADVISORS™

careerswithcompass.com

COMPASS

Compass has over 50 sub-agencies, with a 2-15x year-over-year growth, in ACA, Medicare, Group, P&C, and Life.

We have been selling ACA since its inception (Jan 1, 2014) with the highest persistency for most carriers, as well as over 250 independent ACA producers.

STARTING AN ACA AGENCY



START

What is your agency's model? W2, Commission Split, or Hybrid? Who owns the book? What happens in a split? You have to **TAKE THE TIME** to get this right.

What is the infrastructure like? The entity, agency license, E&O, sub-agent agreements, etc. How about payroll and admin?

You'll be going from a solopreneur to a **TRUE ENTREPRENEUR**.

"The thing that makes the difference between success and failure for entrepreneurs is pure perseverance."

- Steve Jobs

START

SPECIFIC ACA REQUIRED STEPS

1. Complete the FFM Certification

To sell ACA health insurance plans, you and your agents must complete the **Federally Facilitated Marketplace (FFM)** certification for the most recent plan year.

Complete this through at portal.cms.gov through the MLMS platform at no charge.

State-Based Marketplace (SBM) Training

If your agency plans to sell ACA in an SBM, your agents must undergo state-specific training and certification.

2. Appoint with Carriers

Choose and get appointed with carriers offering ACA health insurance plans through Compass or the FMO of your choice in states where you're licensed.

START

SPECIFIC ACA REQUIRED STEPS

2. Appoint with Carriers (cont)

FMO can assist with the appointment process and other amazing value in many areas of your business.

3. Create Agency Account

Create a new agency account on **HealthSherpa** by heading to their website and clicking the “**Start Enrolling Faster**” button.

Follow the steps to set up your account or log in if you already have one.

Link your account to Compass and experience a high level of automation from the Compass platform to your HealthSherpa account, along with many benefits once that is accomplished. Use join code: **D38F**

START

SPECIFIC ACA REQUIRED STEPS

4. Invite your Sub-Agents

Each agent needs their own HealthSherpa account.

Invite agents by going to the **Agency** tab in your dashboard and clicking **Invite Agents**. Agents can create an account using the unique link provided.

Link Agents to Your Account

Ensure each agent's account is connected to yours. Share your agency's **join code** or the Compass join code and they will be added to your agency.

CMS Authentication

Complete additional authentication required by **CMS (Center for Medicare & Medicaid Services)** for agents and brokers.

START

SPECIFIC ACA REQUIRED STEPS

4. Invite your Sub-Agents

CMS Authentication (cont)

Log into your HealthSherpa account, go to **Settings**, and click **Integrate my FFM Account** to authenticate.

“Letting go and trusting others to do things well is one of the more challenging aspects of being a leader of a growing organization.”

- Verne Harnish

START

COMPLIANCE & TRAINING

- Documented Protocol
- Systemized Training

SYSTEMS & TECHNOLOGY

- Systems for All Aspects of Your Agency
- Fewer but More Powerful Platforms

SALES & MARKETING

- Prospect Effectively at the Highest Level
- Execute Multiple Marketing Avenues

START

ACA MARKET SPECIFICS

- Target Markets
- Consent & Attestation

RETENTION

- Audit your Book of Business
- Have a Documented Client Retention Plan

CROSS-SELLING

- Maximum Out-of-Pocket is Raising at an Alarming Rate
- Get Clients the Protection They Need

Cross-selling will set you apart in client value and margins. There is a 48.8% increase in MOOP.

START

Summary

- Define Your Model
- Infrastructure
- Compliance & Training
- Systems & Technology
- ACA Markets
- Cross-Selling
- Retention
- Hard Work

Don't be afraid to be different; we have 52 sub-agencies and no 2 execute their gameplan alike.

GROWING AN ACA AGENCY



GROW

Your time as an agency owner needs to be spent solving the bottleneck continually and expanding your market outreach.

IDENTIFY YOUR BOTTLENECK

- Marketing & Prospecting
- Servicing
- Staff-People
- Cash
- Systems or Scalable Systems
- Retention
- Agency Structure

SUSTAINABLE ACA GROWTH

- Lead Sources — Are yours Real?
- Customer Experience
- What is your Client Lifespan?

GROW

State	2024 Enrollments	% Change*
Texas	3,291,543	195
Mississippi	269,236	172
Georgia	1,230,364	165
Tennessee	521,347	160
South Carolina	542,731	154
West Virginia	46,289	131
Ohio	447,498	127
Alabama	361,143	125
Arkansas	145,017	125
Louisiana	196,600	124
Arizona	325,503	113
Florida	4,034,546	111
North Carolina	996,250	97
Indiana	276,820	96
Iowa	106,338	95
Kansas	162,243	89
South Dakota	52,049	78
Delaware	42,154	76
Utah	352,471	76
North Dakota	37,277	72
Missouri	340,534	68
Oklahoma	264,374	67

GROW

What level of business are you currently at?

Revenue

\$100K – \$500K

\$500K – \$1 Mil

\$1 Mil – \$3 Mil

\$3 Mil – \$10 Mil

\$10+ Million

Common Challenges

Basic Structure, Staff,
Cash, Relationships,
Time

Establishing Core
Systems, Prospecting,
Complacency

Master Delegation,
Staffing New Positions,
Compliance

Internal Communication,
Culture, Respond to
Competition

Competition Target,
Leadership, Segmenting
Teams

GROW

Scaling to the Next Level

- Focus Your Time on Solving the Bottleneck
- You Must Become a Master Delegator
- Increase your Revenue Per Client
- Increase your Client LTV
- Expand your ACA Marketing Avenues
- Implement a Memorable Retention Plan
- Add One All-Star Agent every 3-6 Months
- Systemize Basic Level Service Work

Spend your time as an agency owner recruiting and grooming your next star agent. Solve your agency bottleneck and improve your own personal production.

INTEGRATING ACA INTO YOUR AGENCY



INTEGRATE

WHY BRING ACA INTO YOUR AGENCY?

- Growth Vertical: 11.4 mil to 21.3 mil (2020 – 2024)
- Another Profitable Vertical
- Increase Revenue
- Maximize Value to Clients that Already Trust You

PROTECT YOUR BOOK OF BUSINESS

- Service a Need for your Clients
- If **YOU** don't do ACA, Someone Else Will
- The More Lines you Place, the Higher the Persistency

KEY POINTS ON INTEGRATION

- Don't Disrupt What is Currently Working
- Consider Specialized Roles for Agents in your Agency
- Make One Person Accountable for this Line
- Partner with the Right FMO to Make the Process Seamless

INTREGRATE

WHAT CAN YOU EXPECT

- Training, Appointments, and Integration Take Time
- Don't Wait Until Open Enrollment to Start
- Write Business During the SEP Season
- Be Prepared for Open Enrollment

INTREGRATE

Summary

- Protect Your Book
- Avoid Disruption
- Partner with an ACA FMO
- Agent Specialization
- Start Integration ASAP
- Be Prepared for Open Enrollment.

“If you’re not failing, you’re not **pushing your limits**, and if you’re not pushing your limits, you’re not **maximizing your potential**.”

- Ray Dalio

COMPASS METRICS

AGENCY INFO & METRICS

- Revenue per employee
- Revenue per agent
- Profit per employee
- Profit per agent
- How Long Does it Take to Onboard a New In-House Agent until They are Profitable?
- M-CPA & L-CPA
- Time vs Cost Marketing Analysis
- Analyze and Maximize Client LYV Continually

COMPASS METRICS

LTV FORMULA

- Churn Rate = X
 - $1 \div \text{Churn Rate} = \text{Lifespan Years (LS)}$
- Avg First Year Commission (FYC) = \$
- Avg Renewal Commission (RC) = \$
- $\text{LTV} = (\text{FYC} + (\text{LS} - 1 \times \text{RC}))$
- Churn Rate - 12%
 - Average Client Lifespan = 59 Months
- Average FYC = \$861
- Average RC = \$473
- $\text{LTV} = (\$861 + (3.9 \times \$473))$

Churn Rate

8%

12%

15%

20%

25%

Lifespan

6.8 Years

4.9 Years

3.6 Years

3.0 Years

2.5 Years

LTV

\$3,585

\$2,601

\$2,209

\$1,712

\$1,215

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