

Inside BGA Marketing Groups...

AimcoR Group LLC

Broker World publishes an annual Marketing/Study Group Overview in the August issue. In it basic information is outlined for each of the various brokerage general agent organizations that exist in our industry.

Periodically during the coming year, a representative from one of the groups will have the opportunity to expand on the information that the overview provides, with an in-depth discussion of their group's philosophy and how it relates to our industry.

This month AimcoR Group LLC is featured.



Field Of Dreams

By John C. Ziambras

President and CEO, AimcoR Group

For quite a while now, our industry has been talking about the same “stuff”—the low interest rate environment, the underserved consumer and, oh yes, the aging and vanishing independent producer. Themes that dominate almost every local, regional or national meeting we all attend. We go there, we attend sessions, we talk about doing things differently and then we go back to our offices and do the same thing—or *maybe not*...

The thoughts shared in the next few pages are about the *maybe not*—the need to look at our business in a transformational way, the vision of a new realm of possibilities, and the passionate pursuit of industry significance, which is a journey that AimcoR, as an organization, has embarked on since its inception in 2011.

Scared or Prepared? *I am excited:* because industry sales have been practically flat at best for quite some time (I exclude annual premium shifts between carriers), because there are more questions than answers, because fear has gradually been replacing complacency, and because consumers are not lined up to buy our products even though they are really good for them and they desperately need them!

We live in an era of great opportunity, where some of us will figure out how to ride the upcoming tidal wave of change and continue to be relevant and success-

ful, while others (and maybe most) will graciously fade into the sunset after a great multi-decade ride. While I cheerfully say to the latter “good for you,” *AimcoR is taking all the necessary steps to be one of the dominant players in the brokerage landscape of tomorrow.*

Facts and Strikes. Whether you are a producer or a general agent, your role is that of an intermediary—a middle man. By definition, we both make a living by residing and operating between the manufacturer of the insurance product and the consumer who buys it. And yes, I know, consumers are buying products directly and carriers are marketing to the consumers directly, but is that really surprising when life insurance ownership is the lowest it has been in 50 years and, according to a recent Swiss Re study, there is an estimated aggregate protection gap of \$20 trillion in the world's largest economy?

Let's lay out some hard truths: Over time, insurance carriers will find the optimal way to deliver their products to consumers in the manner they want to receive it—*with or without us.*

Our value proposition needs to shift from its historical focus on product and process to *new producer enablement and consumer engagement*, particularly if any of us are to ever achieve a meaningful presence in the proverbial middle market. Technology, which we embrace and adopt slower than any of our peer industries, and the ability

to accurately and profitably price risk based on available consumer data, will drive, if not force, that shift. *In other words, what got us here isn't going to carry us forward.*

Three years ago, the average age of the

traditional independent insurance producer was 57. This year it is 60, and I can confidently say that in 2017 it will be 63...

Some of the non-strategic aggregation that we have seen in recent years has driven

overall compensation up without always a corresponding increase in aggregate sales—*strike 1*. From a product standpoint, when you end up competing on price instead of value, the best man/woman doesn't always

The AimcoR Group Story

Aiming for the Ideal Relationships

At our core, AimcoR Group is a national insurance marketing organization like none other in the industry. Our members have a reputation of being entrepreneurial in spirit, yet diligent in bringing shareable expertise and value to the organization as a whole.

When AimcoR Group selects someone to be a partner in business—whether it be a member, carrier, staff or vendor relationship—that decision is made with great care and is expected to endure the test of time. AimcoR members enjoy the automatic benefits of being a member of an elite independent marketing organization, but also do their part in sharing innovative ideas and tools in pursuit of partnership-driven success.

As with many other IMO's in the industry today, AimcoR Group has competitive compensation, good product choice and expertise. However, we differ from our competition in that we work at a higher and more efficient level than they do.

AimcoR members also enjoy:

- Equity membership in an exclusive IMO relationship and a mechanism for investing in the growth of their own organization as well as AimcoR's.
- Open communication with fellow members and business partners, embracing a culture of sharing and sustainable growth.
- The benefit of having a voice in shaping our company's future as well as our industry's future.
- Dedicated service and strong relationships at the most senior levels of our insurance carrier partners.
- Ever-growing access to high quality training, sales

and marketing tools that enable them to reach a broad audience of producers across various channels.

- Avenues of alternative distribution, with a focus on bringing insurance products and services to a growing population of people who need them.

- Continuously expanding operations and technology support including website and email hosting, IT outsourcing support, a robust intranet, and transactional case processing.

- Three inclusive value-added meetings per year in addition to frequent webinar opportunities for group communication at regular intervals.

- A high-quality and cost-effective producer incentive trip in an enticing location to reward loyalty and exceptional sales performance and to celebrate our partnership with our core carriers.

- A highly-skilled, dedicated corporate staff working to add significant value to our partners in business.

AimcoR Group holds fast to a vision of delivering innovation, developing new markets and achieving steady, sustainable and ethical growth. New professional relationships currently under consideration are proven successful life insurance brokerage general agencies who want to pursue membership in an exclusive insurance marketing organization known for sharing ideas, technology, marketing, expertise and support in pursuit of sustainable, long term success.

All of us at AimcoR Group are working diligently toward transforming our business and building a lucrative future in the realm of insurance brokerage, and we are extremely enthusiastic about what lies ahead.

To learn more, visit us at www.aimcorgroup.com.



win—*strike 2*. That has also led brokerage general agencies to focus on trading rather than creating new distribution—*strike 3!*

Make the World Your Oyster. The pursuit of alternative and new distribution is one of the cornerstones of AimcoR's diversified growth, sustainability and long term success plan. If you make the assumption that, regardless of the ever-increasing availability of information (via the internet, social media, etc.), a consumer will seek the help and advice of a live person when it comes to making a complex product acquisition or long term planning decision, then your opportunity to enable distribution extends way beyond the traditional insurance producer.

Financial institutions, employee benefit firms, professional advisors, real estate agents, and property and casualty brokers all become potential distribution platforms that you can bring a significant new source of revenue to while helping them serve and cement their client relationships.

Our channel diversification efforts also incorporate a deliberate focus on demographics. AimcoR has one of the highest percentages of female agency principals in its membership roster relative to other marketing groups, and we have also added agencies that are heavily focused on ethnic markets such as Asian and Hispanic.

Dollars and Sense. Is anyone happy with their margins? I didn't think so. But as you start to augment your thinking and diversify your focus to include the non-traditional insurance producer, some great things happen along the way: You cease to be an order-taker, your value increases exponentially and your margins can improve dramatically.

I don't know about you, but I have always had difficulty, at least philosophically, compromising with the fact that we have created a business that in the very first year, the manufacturer pays to the distribution system an amount that exceeds the consumer's total outlay—and for a product that is intended to last a lifetime. Then we wonder why nine out of ten policies sold through our channel remain unserved.

While I am convinced that in the long

run *something's gotta give*, in the meantime, AimcoR is taking a very proactive approach to managing its in-force block of business. We know it can not only be an incremental sales and revenue generator for our member firms but also a great platform to bring new people into the business, as well as cross-selling additional products.

Turning the Heirloom to an Heir Boom! Succession planning is always front and center in our industry circles, and for good reason. A lot of people claim that they have it in place, others say they are planning on it, and some claim they don't need it.

Allow me to say that in the absence of a sustainable business model, a vision for the future and a plan to execute, bringing your son or daughter into your business (or any business, for that matter) does not ensure their future success. They will have to operate in a very different world from the one you flourished and thrived in.

The heirs and heiresses who have either taken or are in the process of taking the reins of more than half of our member agencies have formed the *AimcoR 2020 Study Group* whose sole purpose is to define and shape the future of our organization and business, and answer questions the likes of: *Where will the next wave of producers come from? How will the Gen X and Y generations buy insurance? How should the role of an intermediary evolve in order to continue to be relevant and successful in year 2020 and beyond?* I can assure you that it is a very exciting group of folks to be around!

Consumer Is King! Ultimately, this is who we all "answer to." *Consumer engagement* is one of the most fundamental components that a national insurance marketing organization should incorporate into its long term strategy. Deploying a successful B2B (business-to-business) strategy as a way to grow your business has been a key priority for many of us in recent years. Some have done it better than others, but sales results have not been really impressive and/or commensurate with the associated required investment.

I will take the stance that a deliberate B2C (business-to-consumer) strategy will need to be layered on top of our existing producer

and B2B offerings in order to capture the true magnitude of the opportunity that has been developing upon us for quite some time now—that \$20 trillion number!

AimcoR is fortunate to have two direct-to-consumer distributors in its roster, so we have really taken the time to understand their business and how it could be leveraged across our organization in the most creative and effective ways, ranging from driving new business processing efficiencies to in-force-block management, from institutional client development to consumer education, and even, ultimately, vendor independence.

Turning Success into Significance. In all the years that I have been blessed to be involved in the insurance business, I have always been humbled by the magnitude of success from individual entrepreneurship that I have witnessed around me. But while the makeup of membership resembles that of our peers, there is a deep conviction within our ranks that—as we collectively dream about and plan our future—what we could accomplish together, and in conjunction with our carrier partners, far exceeds what each one of us could on his/her own.

It takes a mind shift as well as an enabling mechanism to do so, and both of those are in place today at AimcoR. It is truly a privilege to be leading an organization that has such a unique culture of camaraderie, a purpose, a vision for a better future and industry, and is destined to become a game-changing IMO.

*"For individuals, character is destiny;
For organizations, culture is destiny."
[J CZ]*

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