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I've gone back and forth about whether to post this but finally decided it might be useful to someone considering the Farmers Reserve Agent program. Let me start with some truth in advertising:

- 1) If I were doing swimmingly well in the program, I wouldn't be writing this because I'd be too busy.
- 2) I have no qualms with Farmers or any of the material they present to new prospects. Everything they say is true. What this post is about is the 'devil that's in the details.'
- 3) A lot of selling is about positive attitude. If you don't want to hear negative stuff, quit reading.

Here, then, are the 'devils' that I have been encountering. If you're interested in this program, your job is to vanquish the devils by either avoiding them or finding solutions to them.

The first devil is getting to the Career level. What you are told is that you should identify 100 potential clients from people you know. In my view, this might be better stated as "identify 100 people who - if you can quote their insurance needs at or near what they pay today - would switch from their current insurer to Farmers." The key is that Farmers (as do all insurers) has a target market and fully expects to only win a certain percentage of people that agents stumble across. If you have a 100 people who have already essentially said 'yes', then you should be able to do at least whatever Farmer's market share is in your area. And maybe a bit better just because these are your friends and willing to help you out. To state the obvious -- some of your 100 potential clients may well think that what they believe is taking advantage of your relationship. This is a decision you'll have to make on your own.

What if you don't know 100 people who are predisposed to give you your business? You're told 'go meet people.' One way to do that is cold calling. Cold calling will yield about 2%-3% in new prospects. If you need 100 prospects, that means you need to contact 5,000+ people. Let's say you want to Career in 5 months, that's 1,000 per month or about 50 people per day. Can this be done? Certainly. But the only way to do it consistently is to purchase names of people who match the profile that Farmers is looking for and call them or hire a telemarketer. A good telemarketer can do about 40 calls per hour so you do the math. The point is that this is a numbers game and the numbers aren't small. Also, cold calling is becoming a thing of the past as laws are passed to prohibit the practice.

OK. So you're lucky and have 100 willing friends from which you're able to Career. The next question is "How do you grow your business?" First, see the previous paragraph. Second, here are a couple realities. The first is that people already have insurance. People who own autos already have insurance and your job is to take that business from someone else. That's really hard when you barely know what you're doing. The same is true for homeowners. It's less true for life insurance (although people love to procrastinate buying life insurance). The second reality is that established agents have business come their way through the Yellow Pages and similar advertising as well as referrals from existing clients. You won't have that advantage at least not immediately. The bottom line is that you have an uphill battle that's generally predicated on taking the business from someone else based either on price or the perception that you'll be easier to do business with (which is hard to do since you probably don't even have an office yet!)

(BTW - the one group you can't take business from is another Farmers agent. While that's reasonable, if 30% of the people in your city already have Farmers, that means one out of three aren't available to you as potential prospects. It's just another aspect of the numbers game.)

In my view, the entire Reserve Agent program is a "trial by fire." Farmers provides very, very little in the way of support. If you can prove that you can overcome some pretty tough obstacles, then and only then are they willing to put time and money into your training. As near as I can tell, the "training" once you Career is really about how to do marketing. In fact, what it really is IMHO is 'how can you contact enough people in an efficient manner so that you will be able to generate enough quotes.' The most common methods are referrals, cold calling, direct mail, traditional advertising (e.g., Yellow Pages), and non-traditional advertising (e.g., Writing a weekly column for the local newspaper). Again, this is purely a numbers game and you're going to have to spend money to generate enough leads.

(As an aside - Farmers does provide about 30 hours of training through a local District Office. This training focuses on knowing enough about insurance to 'do no harm.' I received no training in how to prospect for customers other than 'go meet people'.)

By the way, there's a very good book that's written by a Farmers Agent named Troy Korsgaden. Go to <http://www.tksystems.org/> for more info.

From my observation, only 20% of the people who decided to start on the path to becoming an agent actually Careered. The rest just drifted away. I've been told that 90% of those who Career are still in business 5 years later. In summary, those that have some means to bootstrap their agency will make it to Career and those that then aggressively market themselves (which implies spending money and hiring staff) will stay in business.

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