The unspoken way technology has changed the face of BGAs/IMOs (and a critical caution to agents)

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There's a growing trend in the insurance industry that nobody is talking about: Some brokerage general agencies are selling insurance directly to the consumer.

When I got into the insurance business 20+ years ago, there was a very clear line between retail and wholesale; it was unheard of for a BGA to enter the direct-to-consumer space. As new technology came around, one company boldly crossed this line — and with great success. Now, almost half of the BGAs/wholesalers have in-house call centers.

Agents should be cautious. If you work with a BGA who has a D2C division, recognize that your upline is your competitor. At the very least, they are in your same market seeking clients. A more disreputable agency could access your clients' information for their own D2C lines; they could reach out for policy reviews, referrals and/or conversions — and avoid sharing profits with you. Also, who's to say BGAs who are selling direct and selling leads aren't keeping the best for themselves?

There are ways for BGAs to take advantage of new technology without stepping on their agents' businesses. At Levinson & Associates, for example, we're not selling to consumers; we package the technology, tools and products and hand them over to our agents, who build their own call centers with turn-key ease. Not only do we avoid competing with our own downline, but we are fully available to focus on their retail businesses by not focusing on our own.

Have an honest conversation with your BGA or IMO. Ask them about their involvement in the retail side of the business. If they could potentially compete with you, it's up to you to discern whether or not they're harming your business — or to choose a new partner who focuses strictly on serving you, the agent. •

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