

UA *United American
Insurance Company* Since 1947 and



can **LEAD** You to **More Sales**

**United American Insurance Company and
Globe Life Insurance Company of New York**

Answers to Your Lead Program Questions

How do I get leads?

Leads are available to top-level General Agents who have entered into our lead contract. Once you are on our lead contract, you will receive lead dollar credits based on production. Our Sales Support Administration Department receives a weekly report of net annualized issued premium (NAIP). This NAIP is used to calculate the amount of lead dollar credit available to purchase leads. **Health premium earns \$150 lead dollar credits for every \$1,000 NAIP and Life premium earns \$100 lead dollar credits for every \$1,000 NAIP. Disability Medicare Supplement (under age 65) issued due to guaranteed issue/open enrollment does not qualify for lead credit. Annuities do not qualify for lead credit.**

Our Sales Support Administration Department will notify you each week of your available lead money on a weekly lead accounting report. This is a cumulative report that brings forward the prior lead balance, adds lead credits for any new NAIP, and reduces the balance for orders entered. **Please provide your e-mail address to receive the report even faster.**

Where do I get leads?

There are various sources of leads including direct mail, telemarketing, and Internet leads. The Sales Support Administration Department can furnish you with **a list of approved lead vendors that have been previously used by our Agents.** The vendor you choose to use is completely up to you based on your needs and requirements. Be prepared to furnish the vendor with the 5-digit ZIP code or 3-digit SCF for the areas you want leads.

What should I ask for when ordering leads?

When you call a lead vendor, be prepared to identify the 5-digit ZIP codes or 3-digit SCF in which you would like to receive leads.

- Be sure to discuss with the vendor your preferences, such as health or life leads. Ask for samples of their different lead pieces.
- Ask for the cost to mail 1,000 lead pieces.
- In order to purchase the number of mailings to supply your Agents, ask for the response rate in your selected areas.

Answers to Your Lead Program Questions

How many pieces should I order?

The number of pieces you will want to order for your lead program will depend upon the vendor's response rate and your Agents' ability to convert leads into sales. You will also want to evaluate your cost per lead in order to set minimum production standards for your Agents. Determining and meeting minimum premium per lead production funds future lead orders.

Lead Response: How many lead responses can you expect to receive for a mailing? Multiply the number of pieces mailed by the response rate to find the number of lead responses you expect. For example: a lead vendor has a response rate of 4% in the ZIP code you wish to mail 1,000 pieces.

$$\boxed{1,000} \text{ PIECES MAILED} \times \boxed{0.04} \text{ RESPONSE RATE} = \boxed{40} \text{ LEAD RESPONSES}$$

Cost Per Lead: How much will each lead cost? Divide the cost of the mailing by the number of expected responses to find the cost per lead. For example, if a 1,000-piece mailing costs you \$400 and has a response rate of 4%, your cost per lead is \$10.

$$\boxed{\$400} \text{ MAILING COST} \div \boxed{40} \text{ LEAD RESPONSES} = \boxed{\$10} \text{ COST PER LEAD}$$

Lead Cost Per Application: How much will it cost to provide an Agent with the number of leads he needs to sell one (1) policy? Multiply the cost per lead by the Agent's lead conversion. For example, an Agent needs 10 leads to write one (1) application.

$$\boxed{10} \text{ LEADS NEEDED} \times \boxed{\$10} \text{ COST PER LEAD} = \boxed{\$100} \text{ LEAD COST PER APP}$$

NAIP Needed: An Agent must produce NAIP of \$2,000 per week to earn enough lead credit to buy enough leads to write three (3) applications.

$$\boxed{\$300} \text{ LEAD COST PER 3 APPS} \div \boxed{0.15} \text{ LEAD CREDIT} = \boxed{\$2,000} \text{ NAIP NEEDED}$$

Keeping the Lead Wheel Turning

Sample Production Projection

1,000	PIECES MAILED	x	0.04	RESPONSE RATE	=	40	LEAD RESPONSES
\$400	MAILING COST	÷	40	LEAD RESPONSES	=	\$10	COST PER LEAD
10	LEADS NEEDED	x	\$10	COST PER LEAD	=	\$100	LEAD COST PER APP
\$300	LEAD COST PER 3 APPS	÷	0.15	LEAD DOLLARS	=	\$2,000	NAIP NEEDED

Your Production Projection

	PIECES MAILED	x		RESPONSE RATE	=		LEAD RESPONSES
	MAILING COST	÷		LEAD RESPONSES	=		COST PER LEAD
	LEADS NEEDED	x		COST PER LEAD	=		LEAD COST PER APP
	LEAD COST PER 3 APPS	÷		LEAD DOLLARS	=		NAIP NEEDED

Example: Mailing 1,000 pieces costs \$400.

Response Rate		Number of Leads Needed				
		10	15	20	25	30
HEALTH PREMIUM earns \$150 lead dollar credits for every \$1,000 NAIP						
3% (0.03)	Production Needed	\$2,667	\$4,000	\$5,333	\$6,667	\$8,000
	Premium Per Lead	\$267				
4% (0.04)	Production Needed	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000
	Premium Per Lead	\$200				
5% (0.05)	Production Needed	\$1,600	\$2,400	\$3,200	\$4,000	\$4,800
	Premium Per Lead	\$160				
LIFE PREMIUM earns \$100 lead dollar credits for every \$1,000 NAIP						
3% (0.03)	Production Needed	\$4,000	\$6,000	\$8,000	\$10,000	\$12,000
	Premium Per Lead	\$400				
4% (0.04)	Production Needed	\$3,000	\$4,500	\$6,000	\$7,500	\$9,000
	Premium Per Lead	\$300				
5% (0.05)	Production Needed	\$2,400	\$3,600	\$4,800	\$6,000	\$7,200
	Premium Per Lead	\$240				