

Homeowner's Insurance on the Web: the Threats & Opportunities

**Presented by
Carl Moulton and
Akarin Weatherford**



Our Team



Carl Moulton
President, Florida
Home Insurers.com,
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**Akarin
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Co-Owner, Florida
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Inc.

- Carl Moulton is a native Floridian. He is a graduate from the University of Florida College of Business class of 1984. Carl has been in the insurance industry since 1985. He has held positions in underwriting, underwriting management, sales and sales management for one of the largest multiline insurance carriers in the country.
- Carl holds the professional designations of CPCU, CLU and ChFC. He is a member of the Florida PIA, and the Society of CPCU.
- Akarin Weatherford is the President of Canned Web. Canned Web is an Internet marketing specialist that develops search engine optimized and user friendly web sites.
- Prior to starting Canned Web, Akarin was Chief Technology Officer for a premiere consulting firm in the wholesale distribution industry.

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Presentation Agenda

- 5 Most Dangerous Trends Facing Agency Distribution
- Who are you guys?
- What is Florida Home Insurers.com?
- Web Site Demos
- Wrap Up and Q&A

5 Most Dangerous Trends Facing Agency Distribution

5 Most Dangerous Trends Facing Agency Distribution

1. "Cutting out the Middle Man (You)"
2. "To Compete, You Need a Geek"
3. "You've Gotta Pay to Play" - \$\$\$
4. "Muscling Out Your Top of Mind Awareness"
5. "It's An Instant Gratification Culture"

This Pretty Much Sums It Up



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Trend 1: Disintermediation

- AKA “Cutting Out the Middle Man (You)”
- Example: Geico
 - \$498.8M in 2006 and \$265M Jan-Jun 2007 advertising Geico/Geico.com
 - Pay up to \$10 per qualified lead bounty on the Internet
 - Compared to Nationwide at \$114.1M in 2006

***It's cheaper to spend half-billion dollars
than pay YOU a commission!***

Trend 2: Advanced Marketing Techniques

- AKA "To Compete, You Need a Geek"
- You need the "Trifecta" of Expertise: technical, insurance, and marketing
- The technologies and online marketing strategies used are cutting edge and unpublished
- Compared to your office, they have entire departments and consultants dedicated to managing the web sites and online campaigns



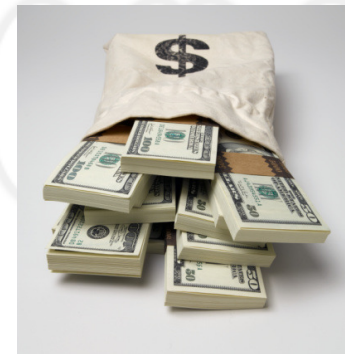
Trend 3: New Costs of Doing Business

- AKA “You’ve Gotta Pay to Play”
- Competition is heavily invested and continually investing in the latest hardware, software, and services annually
- Small and Mid-sized companies can’t compete
 - EXAMPLE: *Geico pays over \$50K per month for leads from ONE web site. Can you?*



Trend 4: National .COM Marketing

- AKA "Muscling Out Your Top of Mind Awareness (TOMA)"
- Multimedia National Campaigns
 - Standard Media: TV, Radio (national, state, regional), Direct Mail, etc.
 - New Media: Affiliates (web sites, blogs, review sites, AdWords) and Streaming Audio/Video
- Marketing Dollars Spent in 2006
(Source: Best's Review Jan 2008)
 - Geico: \$498.8M
 - Allstate: \$345.4M
 - Progressive: \$264.7M
- Consumers will visit these sites first for research and eventually buy



Trend 5: Customer Net Savvy

- AKA "It's an Instant Gratification Culture"
- Trained Consumers
 - Fast food, Microwave ovens direct deposits, self-checkout lines, on-demand cable tv, and even high-end electronics!
- Trained Surfers
 - Online banking, bill pay, shopping, and **research!**
 - Expect product comparisons
 - View auto insurance as a commodity
- Customers expect this type of service as standard



5 Most Dangerous Trends Facing Agency Distribution (Recap)

- 1. Disintermediation**
"Cutting out the Middle Man (You)"
- 2. Advanced Marketing Techniques**
"To Compete, You Need a Geek"
- 3. New Costs of Doing Business**
"You've Gotta Pay to Play" - \$\$\$
- 4. National .COM Marketing**
"Muscling Out Your Top of Mind Awareness (TOMA)"
- 5. Customer Net Savvy**
"It's An Instant Gratification Culture"

Who are you guys?



Who We Are and a Brief History Timeline



- **2002**
Brevard Home Insurers (BHI) Concept
- **2003**
Actively Market BHI d/b/a
- **2004**
Creation of BHI Web Site
- **2005/06**
More Directory Marketing
- **2007**
Florida Home Insurers Co-Op Created with Only Google Marketing

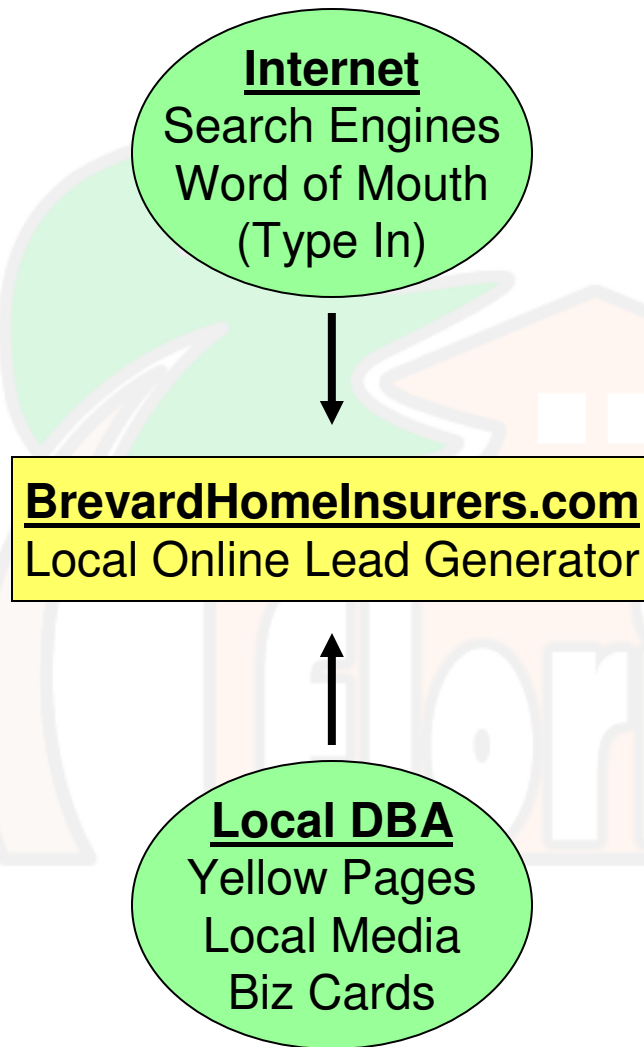
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Key Points in Our History

1. This concept developed from a Florida Insurance Agent as a business need, and not by tech guys
2. A legal DBA allowed Carl to be viewed as "carrier neutral" without a Franchise "stigma"
3. The DBA is county or region specific that places you as a local expert in homeowner's insurance
4. Advertising the DBA in print drives customers to the website to become trackable leads; especially after-hours, on weekends, and on holidays
5. The core driver of this concept is the DBA. The website is a wrapper that enables effective lead collection and management

The "Big Picture" – Part I



- **ONLINE** - This diagram shows how the Moulton Agency, Inc. receives leads over the Internet through the website built for the DBA, Brevard Home Insurers. This is a mix of free and paid sources.

- **OFFLINE** - Non-Internet Leads for the Brevard Home Insurers come via walk-ins and phone-ins. They are not depicted here

- Actual statistics from Brevard Home Insurers splits **40%** Leads come via ONLINE (shown) and **60%** come via OFFLINE (not shown)

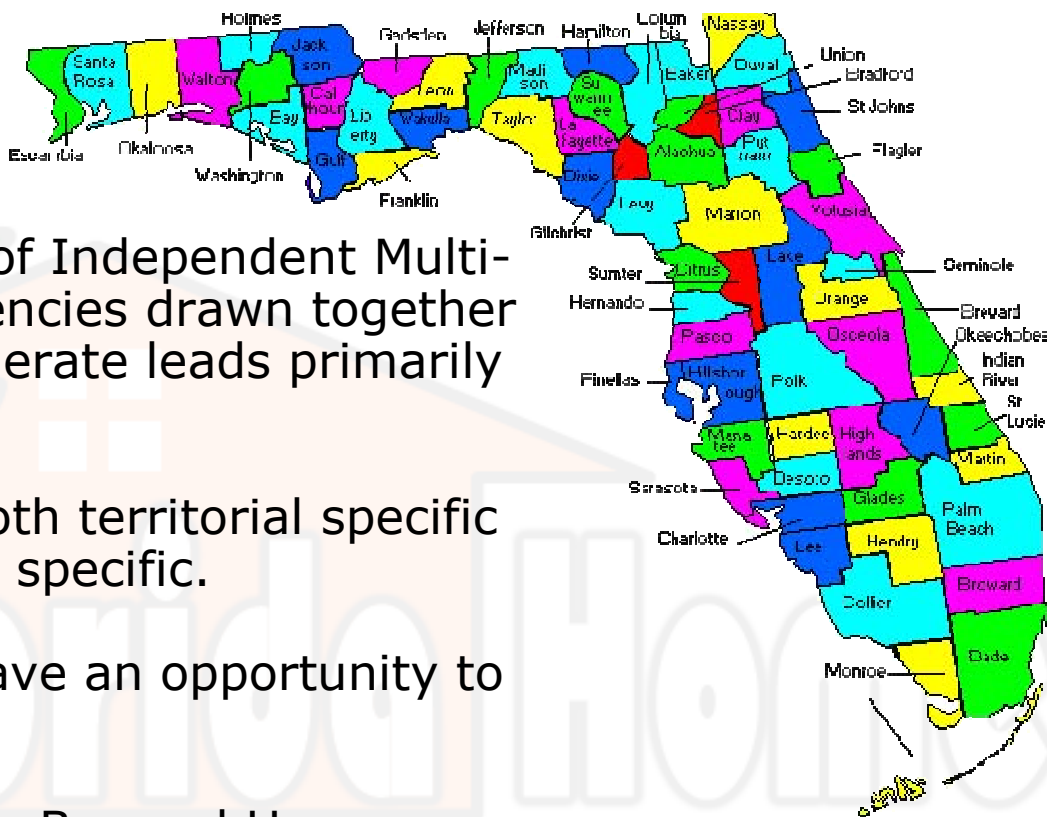
Hey! This Concept Works!

- Carl: “This simple lead generation tool works and DBA concept works! Can we take it to a state wide level and create value added management tools to help Agents?”
- Akarin: “No problem. Let’s do it and call it Florida Home Insurers.com!”

What is Florida Home Insurers.com?



Florida Home Insurers.com Concept Overview



- FHI is an alliance of Independent Multi-line Insurance Agencies drawn together as a CO-OP to generate leads primarily via the Internet.
- These leads are both territorial specific and non-territorial specific.
- Participants will have an opportunity to own territories.
- Think of it as Carl's Brevard Home Insurers model times 67 Florida counties with one umbrella managing body called Florida Home Insurers

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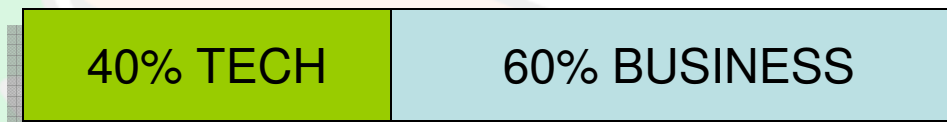
Florida Home Insurers IS NOT!

- **FHI is NOT** a pay per lead network
- **FHI is NOT** an insurance carrier
- **FHI is NOT** a 100% web based quoting system. This does not yet exist for homeowners insurance
- **FHI is NOT** a 100% Internet product. It is 60% offline business solution and 40% online internet solution

Is Florida Home Insurers.com Just a Website?

➤ KEEP THIS IN MIND: **NO WAY!**

- Again, this is a 2 part solution. 40% is an online tech solution and 60% is an offline business solution



- The online solution will not work without the offline solution. The reverse is NOT true!
- This business concept solution created by a Licensed Florida Insurance Agent. The concept is business concept first and foremost. The technology just makes things easier and more accurate.

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Why Is the Time Right for Florida Home Insurers.Com?



- Recent insurance reform legislation, specifically the creation of the state's reinsurance fund, will initially result in great turmoil in the market.
- Consumers will seek out "specialists" in the industry for help
- Enter Florida Home Insurers.Com, a web based agency owned and CO-Oped alliance of "specialists"

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People Trust Local Specialists



PROS who KNOW!



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Why Is the Time Right for Florida Home Insurers.Com?

- The agency distribution system is currently under attack by direct writers.
- People are more confident in making purchases over the Internet
- Internet shopping is growing exponentially
- Google, Yahoo, MSN, and AOL and other search engines made internet usage very easy
- The emergence "Aggregators" or TPIMS (Third Party Internet Marketing Systems): Insurance.Com, NetQuote.Com, Insure.Com, Esurance.com, InsWeb.com, SelectQuote.com, CarInsurance.com

INSURANCE.COM™
May The Best Quote Win

netQuote®

Insure.com
Over 200 companies.
Point, click, buy, save.

esurance®
Quote. Buy. Print.®

INSWEB®
Lower your insurance costs.
Not your expectations.™

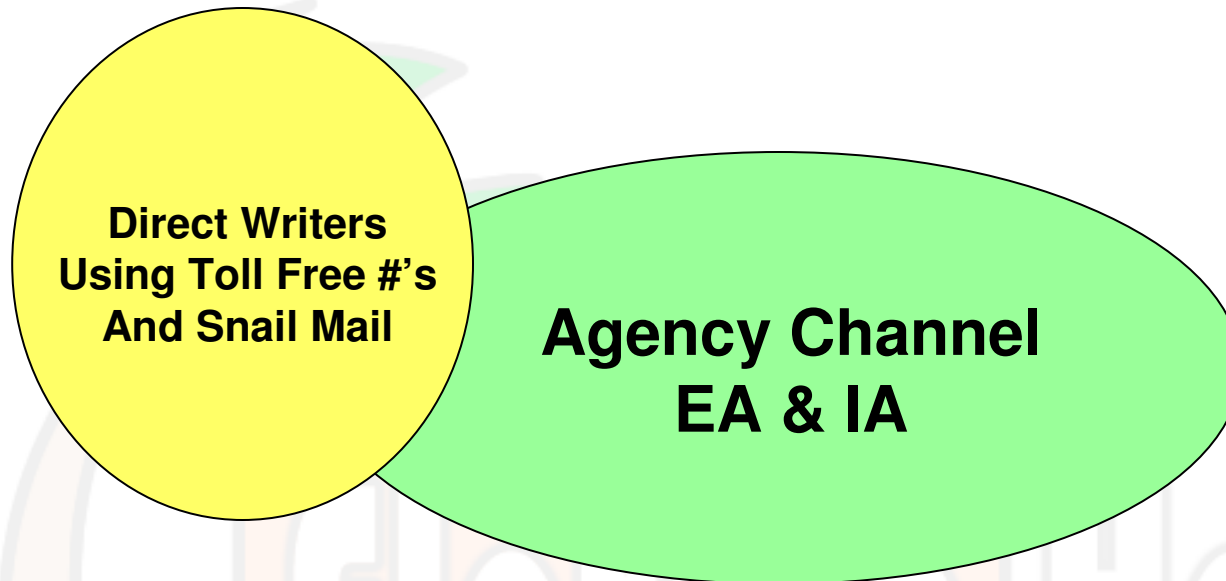
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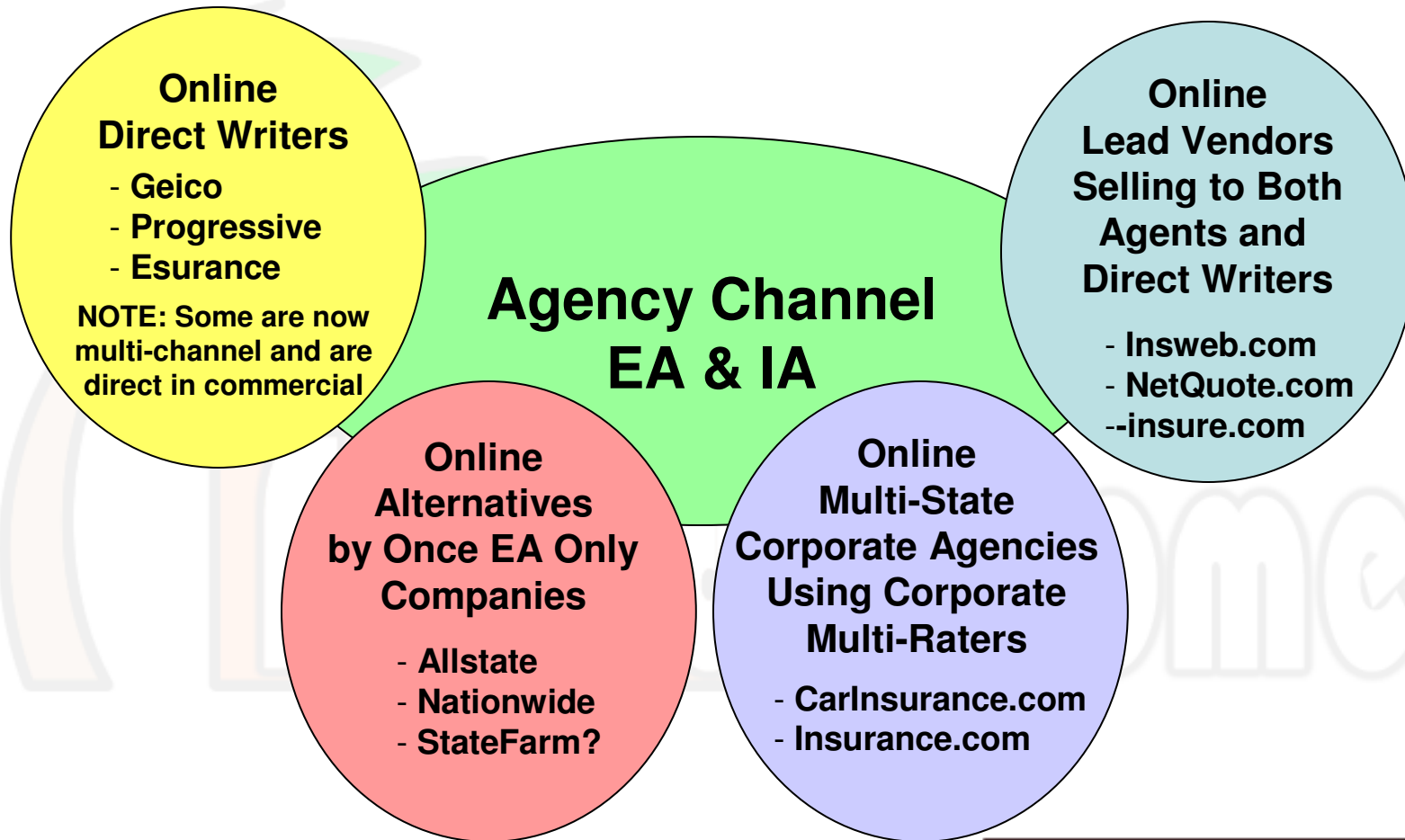
Florida Home Insurers .Com

EXAMPLE: Auto Insurance Distribution 1980's



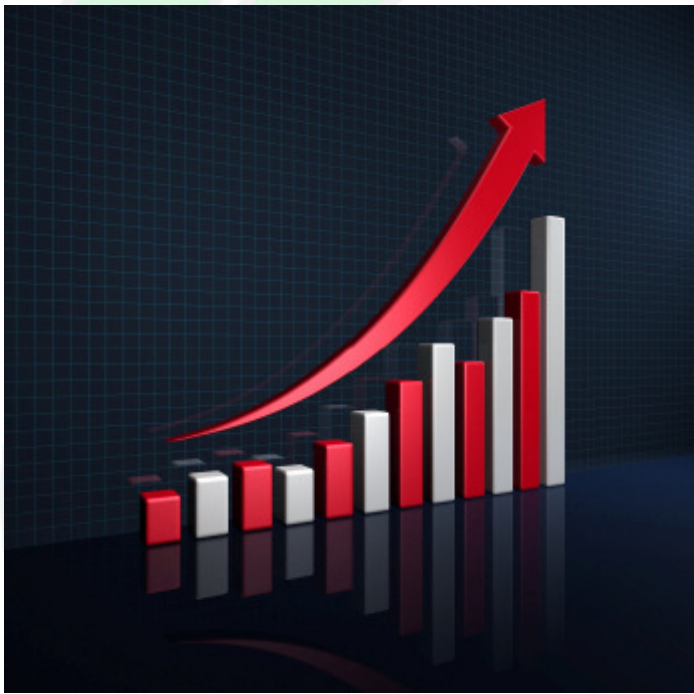
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EXAMPLE: Auto Insurance Distribution Today



EXAMPLE: Why Move Sales and Operations Online?

Internet Usage in the USA



- 1997
 - 62 Million Reported Users
 - 6.9 hrs/week
 - \$1.8 Billion Online Purchases
- 2007
 - 178 Million Reported Users
 - 11 hrs/week
 - \$220 Billion Online Spending

Sources:

*Redefining Insurance Distribution, Reflective Insurance Services 1998

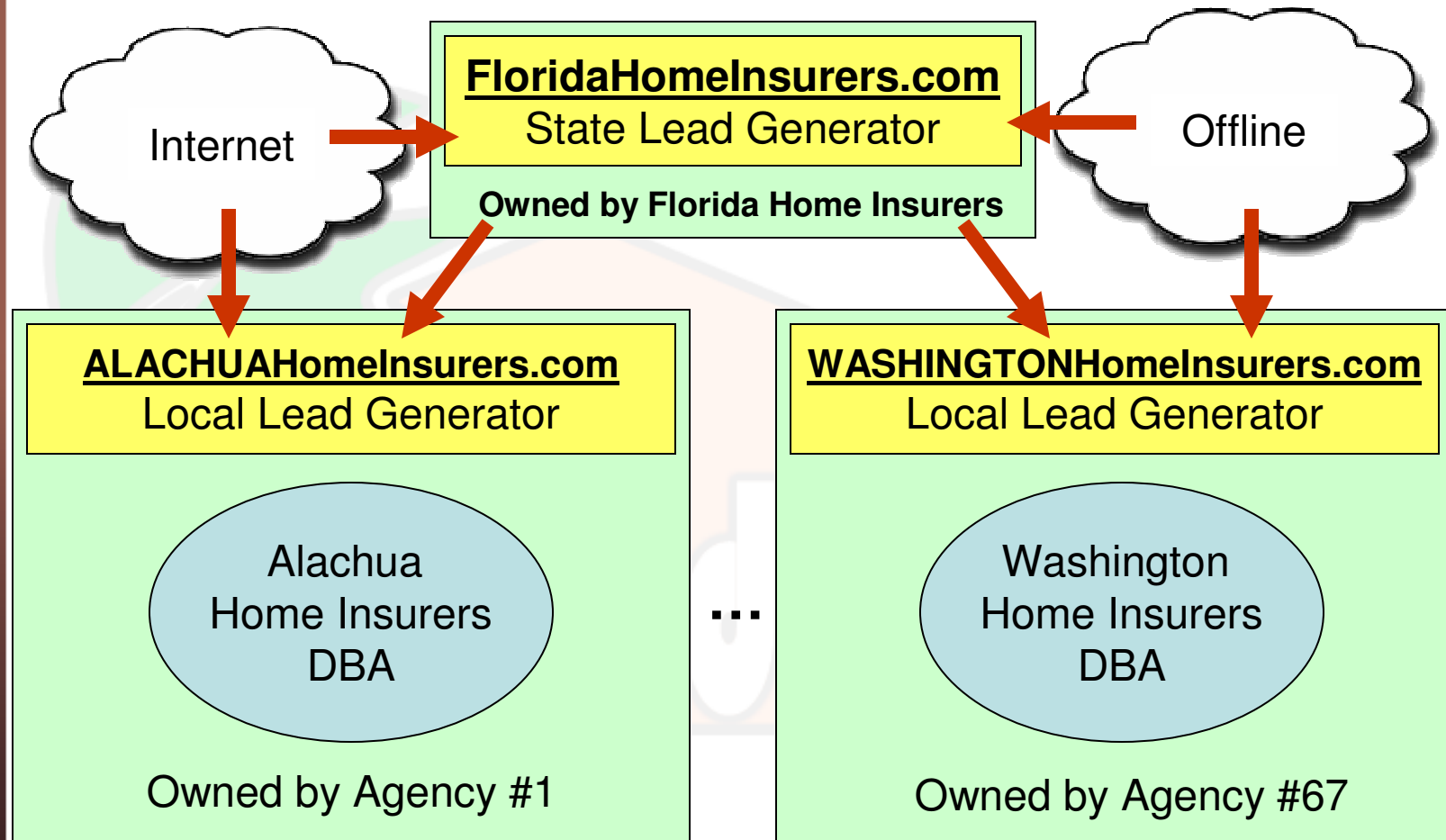
*Internet Usage Poll, Harris Interactive 2007

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How Leads are Generated for FHI Alliance Members

- Once you join the FHI Alliance, your agency will add three lead distribution channels to without investing in any satellite offices.
 1. DBA - Leads via walk-ins and phone calls
 2. Local Internet Marketing – Leads via **YourCountyHomeInsurers.com**
 3. State Wide Internet Marketing – Leads via **FloridaHomeInsurers.com**

Lead Generation Continued...



Lead Generation Continued...

- Each agency is totally responsible for promoting their DBA website and designated phone listing.
- Alliance members will have indefinite, exclusive territorial rights to all leads coming through the FloridaHomeInsurers website.
- Rights may also be resold to any qualified buyer once you decide to retire.

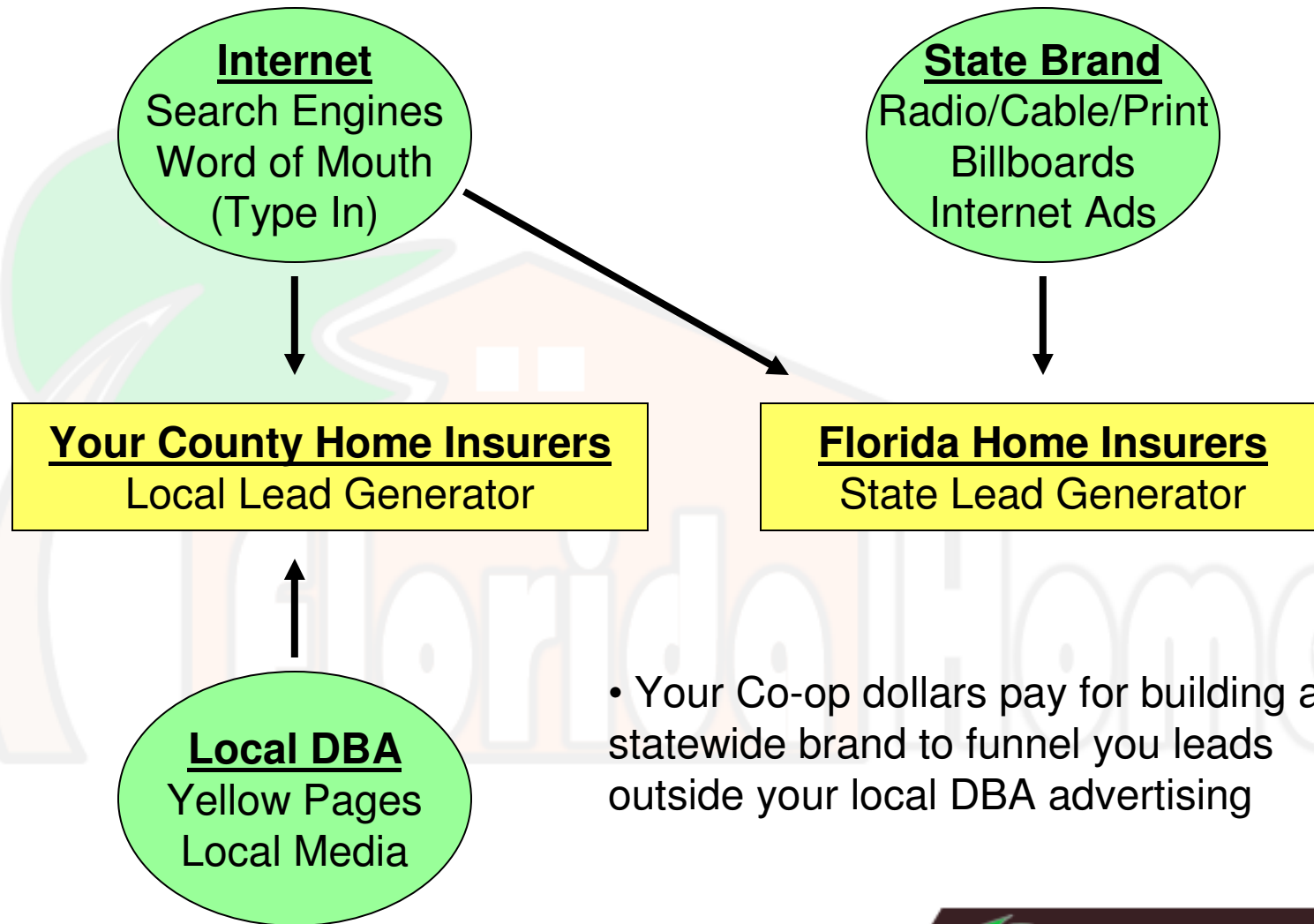
Lead Generation Continued...

- Leads through the FHI website are generated through the CO-OP ad funds.
- Annual contributions to the CO-OP fund is mandatory and is proportionate to territory size.



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The "Big Picture" – Part II



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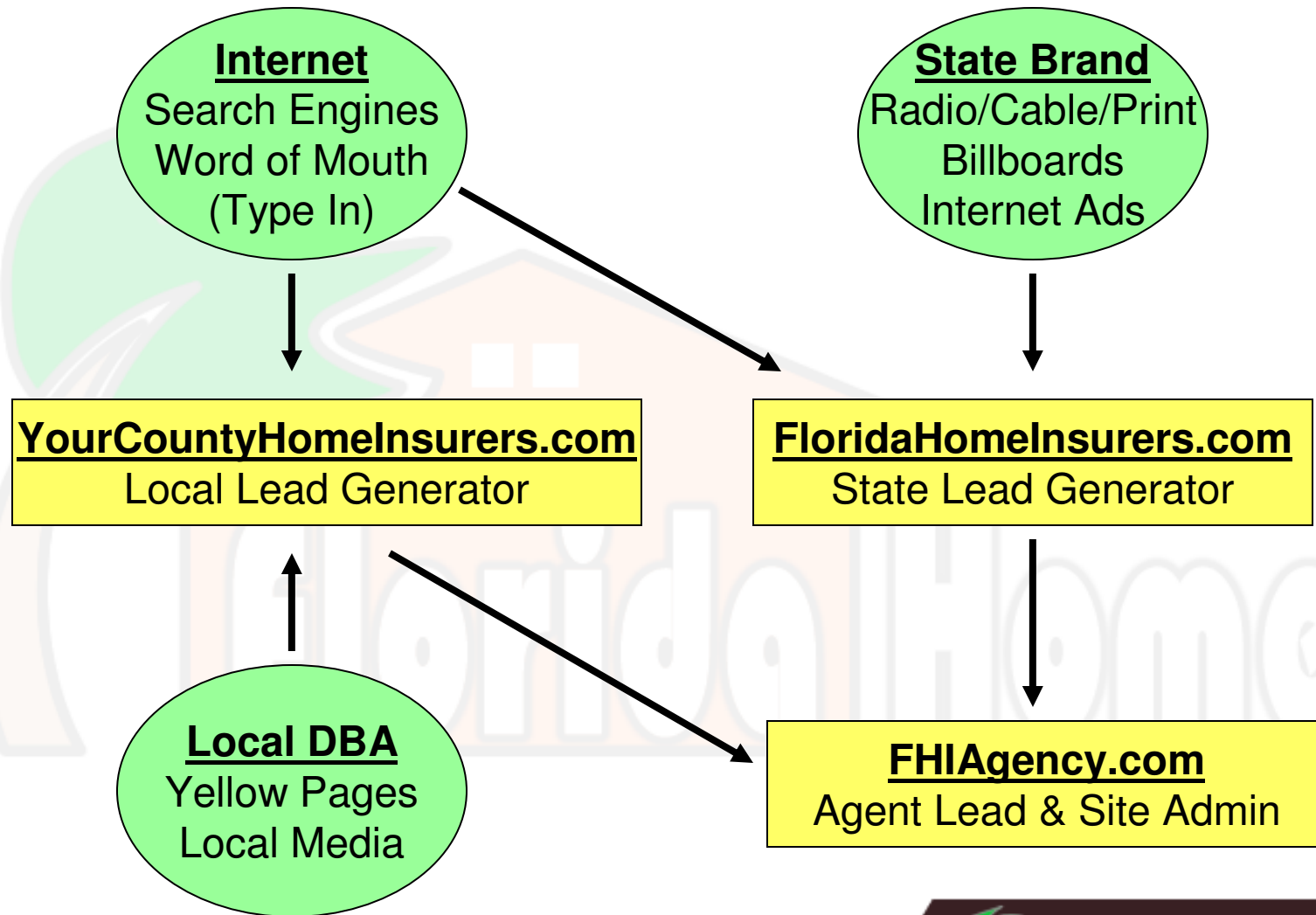
FHIAgency.com



- Administrative Back End
- Lead Information Storage
- Closing Ratios
- Marketing Statistics
- Follow Up Surveys
- Cross Sell Prospecting
- Web site Administration

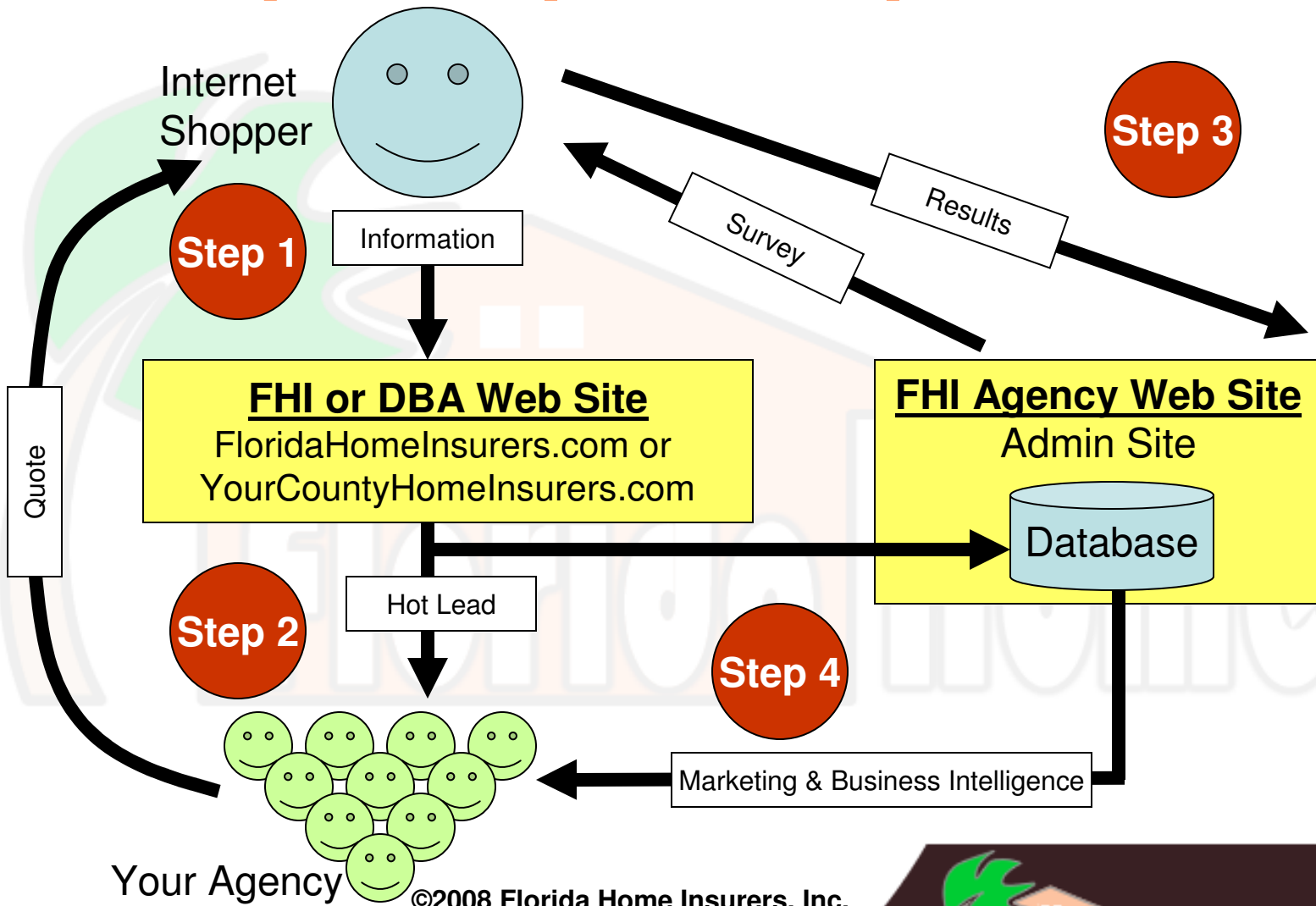
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The "Big Picture" – Part III



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FHI Value Flow Diagram: 4 Simple Steps to Improved Biz



Your Agency

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Web Site

Demo

Florida Home

Join the FHI Alliance Now!



**For as little as
\$150 per month plus
\$0.0025 per County Homestead
Exemption per Month!***

**Various pricing plans and options exist. Please contact Carl Moulton for more information.*

Here's What You Get

- A Registered Florida DBA Entity (a new legal business)
- YourCountyHomeIsurers.com Web Site
- Exclusive Ownership and Territory Rights
- Custom Branded Graphics and Documents for Print
- Leads From Florida Home Insurers.com
- Automatic Notification Email of New leads
- Online Management of Your Web Site, Leads, and Surveys
- Access Online and Offline Marketing tools

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Wrap Up and Q&A

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