AgentSync

GUIDE

What's The Cost of Doing Nothing?

AgentSync's guide to the price you're paying for hands-on compliance and distribution management

When an organization considers adding new people, processes, or technology (or all of the above), the first knee-jerk questions are usually, “How difficult will this change be?” and “How much is this going to cost us?” But what if most organizations are looking at it all wrong?

Instead of asking how much it’ll cost to make a change or improvement, maybe we should be asking ourselves how much it costs insurance agencies and carriers to stay the same.

> In reality, *the cost of doing nothing* can be quite high. And it only gets higher the longer you wait.

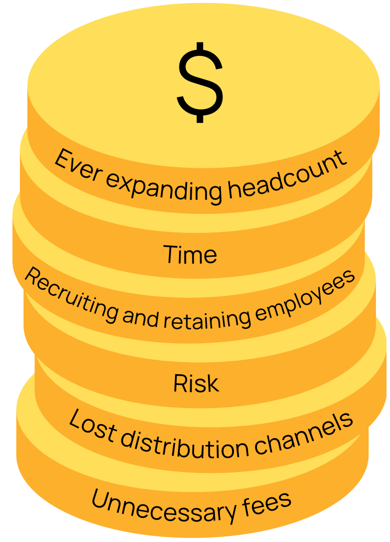
Manage by exception

It’s an inconvenience to confront your internal processes. And it can feel safe to stick with legacy tech and hands-on solutions to your compliance and distribution channel management processes. We’re getting into the various places you’re likely facing the consequences of these legacy manual processes. First, let’s acknowledge the quiet part out loud: Compliance is typically a cost center for your business. But it shouldn’t be.

With technology and process changes that greenlight in-good-order onboarding applications without intervention, carriers and agencies are saving hundreds of thousands of dollars in wasted hours and fees. By flagging only the applications and producers who truly need human intervention, insurance agencies and carriers can make it easier to scale with a leaner staff while retaining more producer and partner relationships that deliver value. Ultimately, being able to manage your compliance and insurance distributor data by exception is a force multiplier for your profit margin.

Types of costs

Not all costs are created equal. The ones that weigh more heavily in your decision making will vary from one organization to another. Here are some of the most common factors to consider when you're evaluating what it really costs to do things the way you've always done them.



Cost: Ever expanding headcount

How many people manage your producer licensing and compliance?

Most carriers and agencies that handle onboarding, verification, and other compliance and distribution channel management manually tend to find themselves locked to a certain producer-to-administrator ratio. At AgentSync, we've found businesses that take a hands-on approach to compliance, boosted by legacy systems, can handle up to 200 producers per operational administrator.

That means your producer growth is locked to your administrative ratio—you'll need to allocate around $70,000 for each administrator per set of 200 producers, plus whatever expenses you pay in benefits and taxes.[1]

Insurance compliance managers often have 10 years of experience in insurance, or more, and all of that knowledge gets put into scrubbing applications and hitting "Enter" on a license search bar for 60 percent of the job.

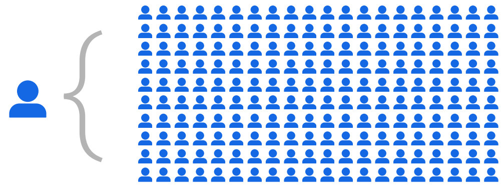
When you move to handling compliance by exception, you decouple your producer headcount from your administrative headcount, because your people no longer have to touch every single license renewal, line-of-authority update, or license verification.

[1]Glassdoor. 2026. "Insurance Compliance Administrator Salary." https://www.glassdoor.com/Salaries/insurance-compliance-administrator-salary-SRCH_KO0,34.htm

AgentSync maximizes the investment you put into your people by minimizing their repetitive and manual work. Conservatively, AgentSync's Manage product allows carriers and agencies to improve their producer-to-admin ratio by 100 times.[2]

One AgentSync customer reassigned three-quarters of its compliance staff to more revenue-generating activities after implementing our Manage product because the team needed dramatically less hands-on attention to quickly process appointments and complete producer onboarding.[3] Whether you can reallocate talent or simply want to decouple your producers from your administrative headcount, the cost of staying the same is fixed at whatever your pay and benefits are, locked to your producer-to-admin ratio.

> On average, legacy insurers and agencies are paying ~$70,000 per person, per ~200 producers.



[2]Statistic drawn from internal data showing average producer-to-admin ratio improvement from 100x to 1,000x

[3]AgentSync. 2026. "Security Health Plan of Wisconsin + AgentSync Manage." https://agentsync.io/customers/security-health-plan-of-wisconsin

Time is money

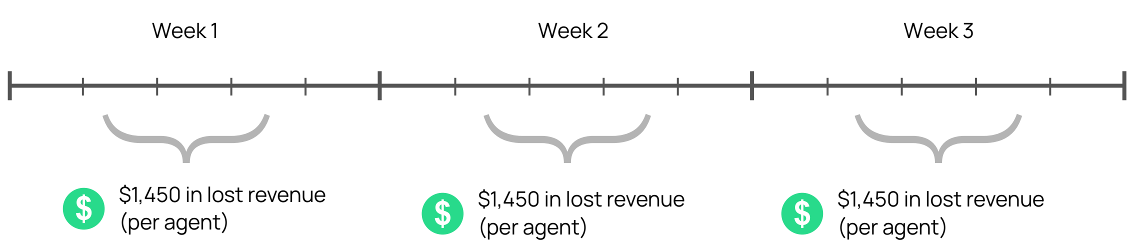
Your producers need to produce. It's obvious, truly, but it also means every hour your producers aren't in front of prospects, they're missing out on revenue-generating opportunities. That means the opportunity cost to your business of intensive manual form filling is very real.

To get an idea of your hard costs, let's look at just a manual onboarding process. We haven't found a single reliable source for the average appointment timeline, but anecdotally our customers tell us a three-week timeframe is typical.

We also know the average insurance agent salary is $76,000[4]. Conservatively, that correlates to about $760,000 in revenue-generation on behalf of an insurance carrier.[5]

That means every business day it takes to get a producer onboarded thanks to manual data entry and administrative delays costs your business more than $290 per day. Multiplied by producer, you're talking about a very real opportunity cost.

> Each week an agent is stalled in the appointment timeline costs a carrier $1,450 in missed revenue.



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[4]ZipRecruiter. 2025. "Insurance Sales Agent Salary." https://www.ziprecruiter.com/Salaries/Insurance-Sales-Agent-Salary

[5]NerdWallet. 2025. "Life Insurance Agents and Commissions: What You Should Know in 2026." https://www.nerdwallet.com/insurance/life/learn/life-insurance-agent-commissions; Mployer. 2023. "How Does a Property and Casualty Agent Earn a Commission?" https://mployeradvisor.com/blog/how-does-a-property-and-casualty-insurance-agent-earn-commission

The cost of recruiting and retaining employees

Employees these days have more choice over where and how they work than ever before. If your organization isn't putting systems in place that make your employees' jobs easier, less tedious, and more efficient, then you're going to lose out on the best talent to companies that are.

The cost of replacing an employee is estimated to be anywhere from $1,500 on the low end for an hourly employee to over 200 percent of their salary for C-level executives.[6] When your company doesn't implement modern technology to make your experience truly exceptional, you risk losing everyone from the producers you rely on to sell, to the compliance managers who oversee producer licensing, to the customer service representatives who service your clients' policies, and many others.

Old-fashioned processes that reinforce information silos, multiple and conflicting sources of information, and mind-numbing repetition make your odds of attracting and retaining the best talent slim, and increase your hard costs in employee turnover.

For producers, avoiding manual and repetitive data entry is a baseline for the kind of experience that makes onboarding sticky. AgentSync Manage removes the need for an intensive, all-day, hands-on producer attention motion that is endemic to producer compliance, which can chop churn rates for those recruitment classes, not to mention lowering the barrier of entry for new employees on your operations team.

[6]People Keep. 2025. "Employee Retention: The Real Cost of Losing an Employee."
https://www.peoplekeep.com/blog/employee-retention-the-real-cost-of-losing-an-employee

The cost of risk

Managing producer licensing and compliance on paper, with spreadsheets, or by any other manual and human-based method is full of risks.

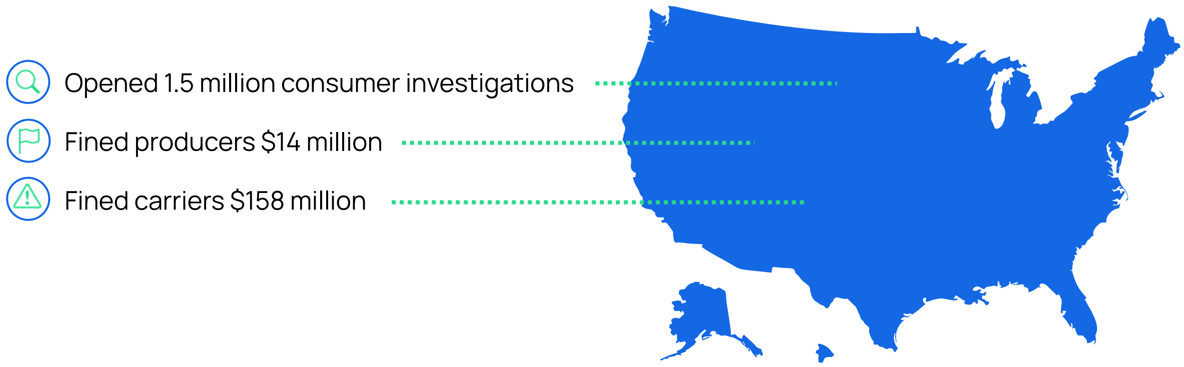
The more complex your insurance distribution picture, the more risk is involved, especially if your compliance process requires human intervention in every step. What seems reasonable for an insurance agency with 50 producers working in one or two states and with only a few carriers quickly becomes a minefield of risks when it grows to 200 producers working across all 50 states with 15 insurance companies.

> When you consider the risks of doing things the way you've always done them, consider each of these elements:

- Compliance risks: What are the chances one of your producers is selling in a state where their license has expired? Do you know with 100 percent certainty that every producer in your distribution channel is properly licensed in every state and appointed with every carrier both when they sell and when commissions are paid?
- Security risk: How secure is your and your clients' information? Are you storing personal identifiable information? What types of information security protocols are in place? Have you invested in best-in-class information security measures and training for all staff? What are the chances someone has access to information they shouldn't have, or that secure information is being kept in unencrypted documents—or even on someone's desk?
- Reputation risk: What would it cost to repair your reputation if your organization made headlines because of a compliance misstep or security breach? Have you considered the financial ramifications of not only immediate legal defense, but public relations work and lost business from customers or investors who decide to leave after a public incident?

[6]People Keep. 2025. "Employee Retention: The Real Cost of Losing an Employee." https://www.peoplekeep.com/blog/employee-retention-the-real-cost-of-losing-an-employee

If you're taking on risk with current manual processes that are aided by legacy systems that require one of your staff members to check each piece of business to make sure the producer was properly licensed, consider that in 2022 states[7]:



Here's how AgentSync can solve for each of these well-established risk factors:

- Compliance: AgentSync has an always up-to-date two-way communication with the National Insurance Producer Registry (NIPR) to ensure accuracy based on real state producer licensing information. When you check your producers' compliance (whether it's license status, appointments, renewal status, or other data points) you'll get an accurate picture straight from the single source of truth.
- Security: AgentSync is built on SalesForce, which means we've undergone rigorous security protocols to get the Salesforce seal of approval. We also received our SOC 2 Type I report, which verifies the strength of our business and data security protocols.
- Reputation: You won't have to worry about reputational damage when you use AgentSync for your compliance management. We've spent years building a platform that is fully versed in state-by-state and federal insurance regulations surrounding producer licensing and appointments. We also keep up on the ever-changing regulatory requirements and update AgentSync with new rules when they arise. You won't be caught unaware, and more importantly, our solution will initiate and facilitate everything you need to keep in compliance.

[7]Most recent year for which regulatory data is available. NAIC. 2023. "Insurance Department Resources Report Vol. 2." https://content.naic.org/sites/default/files/publication-sta-bb-volume-two.pdf

The cost of lost distribution channels

On top of being unattractive to internal talent, doing things the way you've always done them can make your organization an unappealing partner to the insurance agencies, carriers, or MGAs/MGUs you need to fuel your growth.

> While a legacy company is impressive, *what got a carrier, agency, or MGA/MGU through the last 50 years won't keep them in business over the next 50.*

A McKinsey report estimated three emerging archetypes of competitive insurance business that the company anticipates emerging as dominant players in the coming decade. These archetypes are anticipated to be the winners of the Hungry, Hungry Hippo–style grab for top partners, both up and downstream in the insurance distribution chain. For every single archetype, one common denominator was seen as helping propel them forward as a business advantage: A core of productivity-oriented tech.[8]

Becoming one of these archetypes will be table-stakes for attracting and retaining excellent partners. So, what's the price you put on having good partners for your distribution? We won't be so gauche as to put a number on this one, but we all know we're talking about several sets of 0s.

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[8]McKinsey. 2024. "Global Insurance Report 2025: The Pursuit of Growth. (pg. 25)" https://www.mckinsey.com/~/media/mckinsey/industries/financial%20services/our%20insights/global%20insurance%20report%202025/global-insurance-report-2025-the-pursuit-of-growth.pdf

The cost of unnecessary fees

Carriers: Appointment fees

Most states allow carriers to take advantage of Just-In-Time (JIT) appointments. That is, the ability for a carrier to postpone paying the appointment fee for a producer until the producer has made their first sale.

This sounds great in theory, but the timing of the process from first policy to state paperwork submission and the nuances of various state "triggers" means in practice, JIT appointments are out of reach for businesses that don't have modern compliance and operational infrastructure. So, many carriers refrain from taking advantage of JIT appointments altogether because they don't want to end up with noncompliance issues.

If you're a carrier that hasn't made automated JIT appointments your default, then hands-on appointments cost you an average of $20 per producer. If you appoint each producer in ten states, that's $200 per producer. The industry churn rate is over 50 percent. And even if you retain fully seven out of ten producers, are they all producing business for you in every state where they have an appointment?

By sticking with a typical hands-on workflow, a carrier that brings on even 20,000 downstream producers in one year is spending $4 million on appointments.

And that cost is only multiplied if you hold on to those appointments through those states' annual or biannual renewal cycles.[9]

[9]AgentSync. 2023. "3 Obstacles to Just In Time Appointments." https://agentsync.io/blog/producer-management/3-obstacles-to-just-in-time-appointments-and-how-carriers-can-overcome-them

Agencies and other distributors: License fees

Many agencies cover the cost for their producers' licenses and renewals. But agencies often spend on:

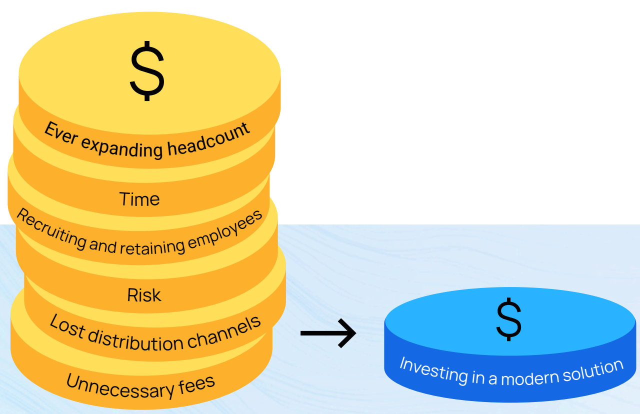
- Would-be producers who won't ever finish the licensing process
- Producers who don't produce, or who don't produce in every state that they're licensed
- Producers who renew their licenses—late, which means extra penalty fees
- Double-paying for producers who submitted incomplete applications the first time

One agency estimated 15 percent of all licensing spends were for unproductive licensees.

With AgentSync, they've reduced it to less than 5 percent, putting real dollars back in their pockets.[10]

Inertia could be costing you millions

The bigger your agency, MGA/MGU, or carrier, the more the cost of inertia is dragging on your profit margins.



See how much drag is holding you back: Schedule time with an Account Executive for a demo and a no-cost Efficiency Calculator appointment today.

Schedule a time

[10]AgentSync. 2025. "How Salelytics Optimized Their AEP Process with a Dream Partnership."
https://agentsync.io/customers/saleytics