



Plan For Business Mitigation AKA Project Condor:

Goals we are looking to accomplish:

1. Mitigating sales, with an extra focus on limiting the growth of Guaranteed Issue
2. Along with #1, portfolio diversification and sales mix
3. A short-term solution with big results
4. Go from 100+ agents per week to 70 agents/month

Frequently Asked Questions

Q1: Why are we doing this?

A: With the meteoritic growth and success that Sons of Norway has experienced over the past 18 months, we are on our way to major profitability. In this industry, the combination of the cost/resources of contracting new agents, paired with the up-front commission paid out to agents is substantial, so we need to take a pause on new agent appointments for the foreseeable future.

Q2: Should I be worried about my job?

A: Absolutely not. We have a strong sales force in place pushing the Sons of Norway products. We will continue to see strong sales and are well on the way to approaching profitability.

Q3: Is suspending agent contracting a permanent solution?

A: We will continue to assess the situation. Sales goals for the entire year have already been shattered. We want to ensure that we are providing best-in-class service to our current sales force across the board.

Q4: Does this affect already contracted agents?

A: This DOES NOT affect any agents that are currently contracted and does not limit their production in any way.

If an agent is not yet appointed, but has already submitted their first piece of business, they will be appointed as usual.

If an agent is in a Just-In-Time (JIT) status, where appointment contracting has been submitted, but no business has been submitted; they will have 30 days (7/12) to submit a piece of business to complete their appointment as usual, or we reserve the right to terminate their contracting application.

Q5: What else are we doing to reach profitability?

A: Business Cost/GIWL Sales Growth Mitigation – 5-point plan:

1. Implementation of a termination process for agents who've not written business within a rolling six-month period. This will remove the ongoing costs associated with maintaining an underproducing agent's appointment. Communications have already gone out with the first removals beginning on or about 6/10/21.
2. Continue our already in place moratorium on new MGA partnerships. This will allow us to focus on the relationships we've already developed and begin to roll up our current relationships to a more streamlined "National Account" model.
3. Cease new agent appointments. This should reduce agent appointments to a maximum of 70 per month rather than 100+ per week.
4. As of 6/15/2021, we will be in an e-application only environment for our Guaranteed and Simplified whole life products. This will allow us to leverage the recent process improvements that reduce application processing time, and therefore costs, by a factor of 4x.
5. We will be seeking a Guaranteed Issue reprice exercise to see if we can still be competitive in the industry and priced for higher profitability. As we are one of the only carriers available for certain demographics, it would appear there is an opportunity to increase rates while still being very attractive.

Talking Points:

1. Business has been incredible; we have already reached our annual insurance sales goal. We want to focus on top level service for our agents across the board.
2. Currently, we are pausing the process of contracting new agents. We will continue to monitor the situation and reassess often.
3. We will continue to offer industry leading rates.
4. This has no effect on certificates issued.
5. This DOES NOT affect any agents that are currently contracted and does not limit their production in any way.
6. If an agent is not yet appointed, but has already submitted their first piece of business, they will be appointed as usual.
7. If an agent is in a Just-In-Time (JIT) status, where appointment contracting has been submitted, but no business has been submitted; they will have 30 days to submit a piece of business to complete their appointment as usual, or we reserve the right to terminate their contracting application.