FIREFLY BASICS: PART 1
INTRODUCTION

Becoming an independent agent is a big deal. Firefly might not be a good fit for you, though we could be exactly what you're looking for. The key is to find out if we're a mutual fit or not.

To figure that out, you need information. That's what this document is for.

Right after this introduction you'll see a Q&A Lightning Round section. These are very brief answers to the questions people ask us most. For in-depth details on each topic, read through the rest of the PDF. You can also click on any of the questions below to jump straight to the page with details about it.

No document can answer every possible question, so after you've read this, ask us all the questions you want. We'll answer.

We're not going to hard-sell you on Firefly. We're not for everyone, and everyone is not for us. We get that. You're not going to feel pushed or uncomfortable. You will not regret talking with us.

If we're a good fit for each other, you may decide to partner with us. But let's not jump too far ahead!

Find a comfortable place to sit, make sure you can write down your questions, and let's begin.

FIREFLY Q&A LIGHTNING ROUND

Before we dive into the details, here are the shortest answers we can give to the most common questions people ask us. You can click on any question to jump to the section of this PDF with more information.

1. **What makes Firefly different?**
   Most aggregators and clusters usually have the same carriers we do, but with Firefly:
   - You get **direct appointments with all of our available carriers** (not just with some).
   - You have **no production requirements from us or the carriers**, so you are always free to do what's best for your customer.
   - Our low costs, remote training, and awesome retirement option are cherries on top.

2. **Which carriers will I get?**
   Lots! [Click here to see a list of carriers by state.](#) Remember, these are carriers you'll be directly appointed with, not just carriers you can “access” through a brokerage at a lower commission split.
3. **Do I need to have a physical office?**
   No, unless you add team members who are not family members.

4. **What are Firefly's startup costs?**
   $0.00. Yes, zero dollars. You pay no initiation fee, franchise fee, or upfront cost.

5. **What are the monthly fees?**
   $395 is the monthly cost to work with Firefly. This pays for your E&O insurance, your subscription to the EZLynx management system and the quoting software (comparative rater).

6. **What is the commission split?**
   You get 75% or 80% of the gross commission on both new business and renewals.

7. **Can I have outside P&C appointments?**
   No. Our structure is the key to you getting every carrier with no production requirements. Learn why by clicking the link above.

8. **How does book ownership work?**
   You can do pretty much whatever you want with your book as long as it stays under the Firefly umbrella.

9. **Does Firefly have books of business for sale?**
   We almost never do, because our agents have no production requirements and therefore have no pressure to sell their book. They'd rather keep the residual income for many years than to sell it.

10. **Does Firefly provide leads to agents?**
    No. We've solved the markets problem for people who have solved the marketing problem. Getting leads is up to you.

11. **Which agents choose to work Firefly?**
    After you've read through this ebook, you will understand the difference between Firefly and alternative options. With that knowledge, the answer to this question will make sense to you. We suggest you read to the end of this PDF to get there. If you want to jump straight to it, click the link above.
WHAT MAKES FIREFLY DIFFERENT?

To answer this question, let’s start with two major problems that agents who want to go independent are trying to solve:

1. **Getting appointed with carriers is hard.** Carriers vet agents to make sure they have *already* written lots of business before even giving them a chance by appointing them.
2. **Maintaining a carrier appointment is hard.** If a carrier appoints you, you have to hit their production requirements year after year, or you risk losing your appointment.

Losing a carrier isn’t just theoretical. It happens every year to agents who don’t reach an insurer’s quota. It happens to agents after their first year and to agents who’ve had a carrier for 20 years. **The pressure never goes away.**

Aggregators partially solve problem one. Brokers solve problem two. *Neither of them solves both, but Firefly does.*

To understand how Firefly is *different* from Brokers and Aggregators, you first need to understand how they try to solve these problems.

**BROKERS:**

Brokers advertise that you can get “immediate access to carriers,” or “start writing today” with *no production requirements.* That’s because with a broker, you will NOT be directly appointed with any carriers. Getting appointments *is* hard (problem one), and brokers can’t solve it for you. Instead, they quote, service, and bind your policies as a middle-man.

Because you are not appointed with any carriers, you have no production requirements. Problem two is solved! You will never *lose access* to a carrier . . . but it’s because problem one wasn’t solved and you were *never appointed with the carrier in the first place.*

When any organization says you’ll have “access to carriers” or “immediate access”, they almost always mean they’ll be brokering for you. You are not appointed with the insurance companies and you have no relationship with them. The carriers work with the broker instead of with you.
In practice, working with a broker means waiting on them to quote, bind, or service your customers. The costs that brokers incur to pay the people who do all of that quoting and binding are the reason that the commission split with brokers is usually quite low.

When you see “access” or “broker,” you should think “middle-man” and lower commissions.

AGGREGATORS, CLUSTERS AND NETWORKS:

Some aggregators describe what they do as being a matchmaker between a carrier and the agent. They partially solve problem one (that getting appointed is hard), but they only get you 4 or 5 direct appointments.

Aggregators will negotiate a lower production requirement for you with these carriers than you could get on your own, but you must still hit these lower quotas or you will lose your carrier appointment.

An aggregator can’t appoint you with all of their carriers because it’s practically impossible for any single agent to write enough premium to satisfy the requirements of 10 or more companies. Instead, you get your 4 to 5 appointments, and try to write enough premium so none of your carrier contracts are terminated. Problem two (maintaining appointments is hard) is still a major problem if you work with an aggregator.

That’s why even though aggregators often have a very similar carrier lineup as Firefly, their agents have far fewer carrier appointments than Firefly agents do.

If you work with an aggregator, THEIR carrier list is not YOUR carrier list.

Because aggregators can only give you a small number of direct carrier appointments, they will often also give you “ACCESS” to their remaining companies. As you might have guessed, that access is provided through a brokering arrangement. You’ll experience the lack of control, waiting, and lower commission splits that go with “access” when you use those additional carriers.
Any agent working with an aggregator still has to deal with the two problems:

1. You need more than 4 or 5 carriers to win the most customers. You have to use the aggregator’s “access” (brokered) carriers because **problem one – getting carrier appointments is hard – has not fully been solved**, AND
2. You still have the never-ending burden of production requirements for each of your 4 to 5 direct carriers because **problem two is not solved** and you fear losing your appointment.

**HOW IS FIREFLY DIFFERENT FROM BROKERS AND AGGREGATORS?**

When you work with Firefly, the carriers look at you as an agent who runs a Firefly branch. That’s why each one of our carriers will give you a direct appointment right away.

Problem one – getting carrier appointments is hard – is solved.

**Carriers evaluate Firefly as a whole – not as individual branches.** That’s why you don’t have to deal with production requirements.

Problem two – maintaining carrier appointments is hard – is also solved.
If you are with Firefly, OUR carrier list is YOUR carrier list

Once you start working with us, we submit appointment forms to add you as a new branch of Firefly. You will be directly appointed with all of our carriers. On the department of insurance website, your carrier list will look like this Ohio agent’s does:

Also, note how fast they got appointed.

This agent has more carrier appointments than we can fit on this page! **Make sure you know what carriers you’d get direct appointments with, if you’re considering another organization.**
Finally, imagine three agents. Each agent seems to have the same 10 carriers. One works with a broker, one with an aggregator, and one is a Firefly agent. Here's how the Firefly agent is different:

![Chart showing number of carriers for broker, aggregator cluster network, and Firefly]

- **No** direct appointments (carrier “access” only, low commissions)
- Direct appointments **WITH** production requirements
- Direct appointments **WITH NO** production requirements

Now, ask yourself these three questions:

1. If all three of these options have a similar carrier list, which one is the best for you?
2. Which of these agencies would you want to compete against?
3. Which model do you think your competitors want you to choose?
WHICH CARRIERS WILL I GET?

Carriers vary by state and sometimes change. Rather than put them in this PDF, they are on our website.

Click this link to go to our site and see the carriers available to you in your state.

DO I NEED TO HAVE A PHYSICAL OFFICE?

No, you do not need to have a brick and mortar office space dedicated to your agency. This is one more thing agents love about working with Firefly.

For most agents, having an office doesn't get you prospects. If you feel that the benefits of having an office outweigh the costs, you should get one. We feel you are the best person to make that decision for your agency.

No matter where you work, your customers need to be able to reach you easily. Responding quickly to your email, having a strong marketing plan, website, fast internet connection, and a dedicated phone number for your business are essential. A good social media presence can also be helpful.

Sometimes agents ask if there is a premium threshold or timing requirement that would eventually require them to get an office. With Firefly, there is not.

There is only one time that we would require you to have an office; that is if you want to hire a Team Member to whom you are not related.

WHAT ARE FIREFLY’S STARTUP COSTS?

$0.00. For real. Seem too good to be true? Allow us to explain. Our goal isn't to make a profit from fees - it's to help you grow your agency.

Many other organizations charge you a hefty franchise fee, initiation fee, or other cost to start with them. We don't. We only make money when our agents grow.
WHAT ARE THE MONTHLY FEES?

Our number one aim is to put you in the best position to grow and be successful, so we want to keep your monthly costs as low as possible. You then have the best chance of building a successful agency. Firefly's monthly fees get you these three essential things:

1. Errors and Omissions insurance
2. A comparative rater (EZLynx) and
3. A management system (also EZLynx)

Your total cost for all three items is $395 per month. This is the same or less than you would pay if you were to get each of them on your own. Aggregators or franchises often charge you a monthly fee just to belong to their group. On top of that, you still have to pay for your E&O, a comparative rater, and a management system. Firefly doesn’t do that.

WHY DO I NEED THESE?

• **E&O** - Firefly and our agents get their E&O policies through the same company. You not only get a great price, but our system gets your coverage in place within one week of signing up. This gets you off to a faster start than if you were doing it on your own. Your coverage is also coordinated with ours, which you can read about in this Learning Center article.

• **The EZLynx comparative rater** allows you to quickly and efficiently quote all your carriers and present the best options to your clients. It also helps you diversify your book of business, instead of writing with the same carriers again and again.

• **EZLynx’s management system** helps you manage your book efficiently, store client information, track their renewals, increase policy retention, make notes on communication between you and your clients, and avoid E&O claims.

How is it paid?

Firefly pays you your commissions electronically on the 15th of each month. We draft your fees on the 16th of each month.

To be clear, these fees are applied to cover the above costs. We do not have:

• A monthly access fee (which is charging money “just to belong”) OR
• An initiation fee, franchise fee, training cost, or other buy-in cost

**NOTE:**

Of course, you will incur other costs as you manage your agency, which will depend on how you choose to operate. You can learn more about some of these in our Learning Center article “What expenses will I incur when I start my agency?”
WHAT IS THE COMMISSION SPLIT?

This is an important question, and it's easy to answer because it's very simple. If your book has:

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<th>Under $500,000 of in-force P&amp;C premium</th>
<th>Over $500,000 of in-force P&amp;C premium</th>
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<td>You Receive:</td>
<td>You Receive:</td>
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<td><strong>75%</strong> of the gross commission on both new business and renewals</td>
<td><strong>80%</strong> of the gross commission on both new business and renewals</td>
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When you reach $500,000 your *entire book* moves to 80% - not just the premium in excess of $500,000. For example, if you have a book of $550,000, you receive 80% of the gross commission paid on all of your policies. *(We do not pay 75% on your first $500,000 and then 80% on the remaining $50,000.)*

WOULD YOU LIKE TO START OUT WITH AN 80% SPLIT?

Of course you would! And you *can* be at 80% right out the gate by co-branding with Firefly.

**Click here to download our PDF about co-branding** and learn what it includes. *(Hint: we love our logo and would love to see you use it, too.) You’ll also see what else is in it for you in addition to the commission boost.*
HOW DO COMMISSIONS WORK IN REAL LIFE?

We have lots of carriers, and their commissions change based on product, state, monoline vs package, non-standard vs standard, etc. What follows are some numbers to give you an idea of what your commissions could be. They're not a guarantee, okay? But we want you to get a realistic idea how it works.

For package business, most companies pay 15%, though there are a couple of carriers that pay 12%, and one that pays 20%. For monoline auto, our carriers typically pay anywhere from 10-12% of the gross premium. Monoline home is usually between 10-12%.

Here's the bottom line: whatever commissions we receive, you get 75 or 80% of it. Most of our agents focus on writing package business, and most of our carriers pay 15%, so they end up receiving 11.25% or 12%.

FINALLY, HERE IS A SIMPLE EXAMPLE TO MAKE SURE IT'S TOTALLY CLEAR:

Let's say you write and home and two autos with a premium of $2,000.

- The carrier pays us 15% of the total, which is $300.
- You would get at least 75% of that, which would be $225.
- If you were at the 80% level, you would get $240.

If you have any questions about commissions, please just ask us.
CAN I HAVE OUTSIDE P&C APPOINTMENTS?

No. Long ago we tried it, but it didn’t work well because of these two realities:

1. Agents with outside appointments had production requirements from those carriers.
2. There was no commission split on those outside carriers.

Naturally, the best accounts went to their outside carriers. It wasn’t malice, it was math. Being the second outlet meant our carriers got the more challenging, less desirable customers. Before long, these agents had a less profitable book of business with us than agents who were “all in” with us.

Or, to put it another way, the risks these agents wanted to quote with us were like curve-balls for our carriers – while they took the best stuff (the fastballs down the middle) to their own few companies. This made it much more difficult for Firefly to grow profitably, so we stopped allowing it.

The requirement to be exclusive with us (for P&C insurance) is the main reason our carriers are willing to give you direct appointments without production requirements. They understand that your only financial concern is to do what’s best for your customers – not to be swayed or pressured into writing with a few of your own carriers.

If you’re looking for an organization that will supplement the P&C carriers you already have, or appointments you can get on your own, then we’re not a good fit for you. You should reach out to a broker, cluster, or aggregator instead.

Note that Firefly agents can write life, health, disability, annuity, and other such policies outside of Firefly. Their E&O through Firefly covers them for this activity.

HOW DOES BOOK OWNERSHIP WORK?

Imagine you’re on the phone with a new prospect. You’ve built good rapport, and you’re gathering information to run the quote. You ask, “what deductible do you have for collision?”

Your prospect responds, “I have full coverage”

You’ve heard this before, probably hundreds of times. But what does “full coverage” really mean? It’s an industry standard phrase with no industry standard definition. The problem is the prospect really thinks that this means their policy covers “everything.”
Most people would agree that “full coverage” means broad coverage, and generally includes things like comprehensive and collision. But some agents would say it also includes glass coverage, towing, rental reimbursement, and more.

Using one phrase for all those coverages is unclear. A client can be very frustrated if they have a claim that is not covered when they thought it should have been.

The lesson here is that an insured shouldn't rely on an unclear phrase as a guarantee of coverage.

Like a customer looking for a new insurance policy, you are looking for something new – a way to become an independent agent. One of your key considerations is “book ownership.” But like “full coverage,” what does “book ownership” really mean? It's an industry standard phrase with no industry standard definition.

We had screen shots from various competitor websites showing their explanations of “book ownership,” but our attorneys kindly told us not to use them. Instead, below is text from their websites that shows how “book ownership” has a different meaning to each company.

HERE ARE SOME EXAMPLES OF WHAT YOU'LL SEE OUT THERE:

One aggregator’s website says:  “You own your book of business.”

Agents say:

A second aggregator’s website says:  “Your clients and companies are always yours . . .”

Agents say:
Company three, a franchise’s website says: “Grow your business, we help agents grow their book.”

Here is a screenshot from the SEC website where you can see specific public franchise agreements, like for this company.

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<th>TERM AND RENEWAL</th>
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<td>2.1</td>
<td><strong>Term.</strong> The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire ten (10) years from the Effective Date.</td>
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<td>2.2</td>
<td><strong>Renewal.</strong> You will have the right to renew your rights to operate the Franchise Business for two (2) additional successor terms of five (5) years, so long as you have satisfied all of the conditions specified in Sections 2.2.1 through 2.2.10 before each such renewal.</td>
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Their agreement says:

If you ask any of the organizations above “Do I own my book?” they will emphatically answer, “Yes.” Their ads say that you do. We don’t have a problem with their contracts, but we’re concerned about their message that you “own” your book when their definition of ownership could be so different from yours.

Even if you have your own appointment with a carrier (not through an aggregator) the reality is that the carrier can restrict who you can sell your book to and can terminate your contract at any time. So even if you’re on your own, “book ownership” isn’t perfect!

Are these reasons to not work with a company? That depends. Life is not perfect, and everything in life – including becoming an independent agent – is about tradeoffs.

Our setup isn’t perfect either, but maybe we have the right combination of tradeoffs for you. Either way, we want to be as clear as we can for you, so without using the term “book ownership” . . .

HERE IS WHAT FIREFLY AGENTS CAN DO WITH THEIR BOOK:

Pretty much anything they want, provided the book stays under the Firefly umbrella. You can pass your book onto a relative, sell it to another agent, or even give it to a licensed friend. Like many organizations, there is a non-compete if you want to leave us altogether. Unlike some of our competitors, you keep 100% of the amount you sell it for. We have no separation or termination fees, either.

Firefly agents have a particular advantage when related to retirement. The pressure of production requirements and the threat of a carrier terminating your contract, forces many agents to sell their book.

Many would prefer to hire someone to service their policies and live off their renewals during their retirement years. Without the burden of production requirements, Firefly agents can do this without worrying that their carriers will cancel their contract. Our agents rarely want to sell their books, because they prefer to keep the goose that lays the golden eggs.

No company is perfect, so whether or not you work with Firefly, get clear, specific information from any organization you’re considering.
DOES FIREFLY HAVE BOOKS OF BUSINESS FOR SALE?

Because Firefly agents don’t have production requirements, very few of them ever want to sell their book of business. Carriers are not pressuring them to grow, which means they are not forced to sell or fully retire.

From their perspective it doesn’t make financial sense to sell. Instead, they can service the book with little effort and continue to get paid the residual income. For them, selling the agency would be like selling the goose that lays golden eggs. Would you do that?

To see an active list of agencies currently for sale, click here.

There is rarely an agency listed on that page, but you are welcome to check it to see if any acquisition opportunities are available.

DOES FIREFLY PROVIDE LEADS TO AGENTS?

No. Agents choose to work with us because they already have a proven marketing plan that works. They come to us so they can use their new carrier relationships to close more business than they could before.

That’s why we like to say that Firefly is a great market solution for agents who have already solved the marketing problem.

Some captive carriers have discounted pricing with lead venders, and agents sometimes ask if we have any similar arrangements. We don’t.

If you need help getting prospects, Firefly is probably not what you are looking for.
WHICH AGENTS CHOOSE TO WORK WITH FIREFLY?

We can't say who is best for you, but we can tell you that agents pick Firefly when their top priorities are:

1) To have direct appointments and high commissions with ALL of our carriers

2) To always be able to do what's best for their customer because they never have to worry about satisfying a carrier production requirement instead.

If that sounds like you, you'll find that Firefly is really tough to beat and we're probably just what you are looking for.
WHAT’S NEXT?

Having read through all of this information, you are on your way to understanding what you might be able to accomplish with Firefly. Of course, you probably have more questions that need to be answered.

**Here are questions that we frequently hear, and you should be asking:**

- What training does Firefly offer?
- Can I write commercial insurance with Firefly?
- What about document retention?
- Can I sell in non-resident states?
- What are the steps to get started with Firefly?
- What if it doesn't work out?
- What equipment do I need?

*These are all answered in our second ebook, which you can download here.*

If you have any questions that aren’t addressed in either ebook, call us at (855) 921-6877. We’ll do our best to answer anything you can throw our way.

WANT TO KNOW WHAT AGENTS SAY ABOUT THEIR EXPERIENCE WITH FIREFLY?

You’ve learned a lot about how Firefly is structured, but how does it work in real life? Find out for yourself:

1) Click this link to [read online reviews from our agents](#).
2) And click here to read a few [success stories of Firefly agents](#). See specifically how they benefit by working with our team and model.