

# Former Patriot talks about selling life with Baystate

*A Conversation with Peter J. Bacchiocchi*

Copyright. InsuranceTimes™ © 2003 by M&S Communications, Inc. All rights reserved. December 9, 2003

*Peter J. Bacchiocchi, managing assistant of Baystate Financial Services in Worcester, Mass., spoke with InsuranceTimes reporter Pat Healy about the recent merger of Patriot Group with one of the region's largest life agencies, Baystate Financial, and the challenges of helping property and casualty agents with life insurance sales.*

## **What kind of advice do you have for property and casualty agents looking to do sales with life insurance products?**

*Bacchiocchi:* We think the best way is to form an alliance as opposed to doing it directly, because doing it directly takes a lot of effort and it's definitely not the specific area in which most P/C agents are specialized so it takes focus away from their P/C business. It's their weakest point and they could easily end up doing neither well.

## **Why do you think an alliance is the answer?**

P/C agents need to expand the number of products their clients own, and this creates more permanence with their clients. They are less susceptible to being poached by other agents and have all of their future or current clients making those investment decisions with someone else. If they think they should get a piece of the pie without investing too many dollars of their own, then the ultimate solution is to develop an alliance.

## **How do you help P/C agents set up their life insurance divisions?**

It could be something quite simple where we could just provide them product support if they happen to have someone in-house who is a life and health expert, or we could find someone for them like a consultant. Or if they are dedicated to expanding we will place someone in their agency under our supervision. It's a real win-win-



win scenario. The P/C agents win, the life agent wins and we win. The reason it benefits us is that we get to have a producer working with already-existing clientele, and it's a very warm base of clients to access, which makes the whole process a little easier for the life producer.

## **How is each party compensated?**

Everyone is compensated. There are commissions and fees generated through the client and split based on a predetermined contract, depending on the type of alliance we have.

## **Where do you find your talent?**

We're a pretty powerful recruiting machine, quite frankly. We're constantly bringing in people all the time. We get them from everywhere from job changers to college campus. We get about 30 new producers every year.

## **Are more companies using alliances?**

I think it's a trend that's definitely growing. Over the past 20 years a lot of individual life and health producers would form alliances by themselves, and we took that and added the agency level to it, and it's working. Part of the reason is that the P/C community has become more receptive.

## **Do you ever find that the P/C agents are wary of life insurance?**

We find that their biggest hesitation is that they're concerned about losing control of their client base. It's easy to look at an agreement like this and think that you're just giving your clients to them, but nothing is further than truth, because in essence by not doing this you're giving up your clients to an unknown outside producer. We do everything up front, which includes written agreements spelling out that a P/C agent's clients are always their clients and they're just expanding into the financial services realm. We've been doing alliances for over 20 years.

## **What has changed now that the Patriot Group is part of Baystate?**

What really has changed is that now that we are representing Baystate we can deliver a higher level of service to our producers. Where we are now part of the largest financial institution in Massachusetts, we have lots of resources on board, including four full-time attorneys.

## **How does this merger help Baystate?**

Their footprint got bigger. With this acquisition they have now become a real regional organization. □