



**Third Quarter 2019**  
**Allstate Agency Value Index**



**PPC LOAN**

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## Values Decrease for All Size Groups

All of the charts historically provided through the quarterly release of the Allstate Agency Values Index are available for viewing below.

We at PPC LOAN would like to set the record straight:

1. **We have not discussed Integrated Services and its effect on agency values with anyone at Allstate corporate or with any high-level regional leader.**

I, Paul Clarke, have reached out to home office to inquire about the purpose and cost of this program, when and if it would become mandatory, along with many other questions. I have received no response.

2. **I have not issued any formal statement regarding Integrated Services and its effect on agency values, nor has any representative of PPC LOAN.**

If you or another agent have heard my name mentioned by leadership at any town hall or other company events, please know that they are providing information without having spoken to me directly.

3. **No – PPC LOAN has not changed our lending guidelines to Allstate Insurance agents due to Integrated Services.**

Our understanding is that Integrated Services is a program only for ECP agencies and start-ups. PPC LOAN does not finance these opportunities (unless for an existing agency owner pledging their existing agency as collateral), so PPC LOAN has no need to change our underwriting standards at this time.

4. **PPC LOAN has not walked away from any loan approvals or commitments to lend.**

We always reserve the right to approve or disapprove any application. Once we commit to lending on a financing request, we have and will continue to honor our commitment to lend 100% of the time, unless:

- i. During our closing due diligence (and as outlined on our commitment to lend offers), we find that there has been “a material adverse change in the financial condition of the Agency prior to closing.” This would include a compensation change initiated by Allstate Insurance, that would adversely effect the profitability of the business.
- ii. or if any “statement or representation made by the Borrower and/or Guarantor is false or materially misleading.” You would be surprised how often a prospective customer lies or provides false documents during the approval process.

\*\*\*Due to PPC LOAN’s confidentiality policy, if one of the two above occur, as frustrating as it is, we cannot share this information with other parties (including the sales leader). Please know that if a deal is approved by PPC LOAN and we decide not to fund it, one of these two scenarios has occurred.

### Allstate Agency Price to New/Renewal Commissions Ratio (National Average)

	2018 2nd QTR	2018 3rd QTR	2018 4th QTR	2019 1st QTR	2019 2nd QTR	2019 3rd QTR
\$0 to \$100,000	N/A	2.07	2.18	N/A	2.17	N/A
\$100,001 to \$200,000	2.15	2.08	2.39	1.46	2.35	2.31
\$200,001 to \$300,000	2.41	2.35	2.49	2.47	2.57	2.40
\$300,001 and up	2.93	2.96	2.69	2.64	2.98	2.63
Simple Average	2.63	2.58	2.5	2.44	2.77	2.52
Low	1.6	1.82	1.84	1.4	1.75	1.94
High	3.65	3.13	3.21	3.21	3.58	3.14

### Percentage of Agency Sales by Size Group

	2018 2nd QTR	2018 3rd QTR	2018 4th QTR	2019 1st QTR	2019 2nd QTR	2019 3rd QTR
\$0 to \$100,000	N/A	5%	4%	N/A	4%	0%
\$100,001 to \$200,000	20%	16%	32%	11%	13%	8%
\$200,001 to \$300,000	28%	32%	36%	33%	25%	50%
\$300,001 and up	52%	47%	28%	56%	58%	52%

### Allstate Agency Value Ratios

	2018 2nd QTR	2018 3rd QTR	2018 4th QTR	2019 1st QTR	2019 2nd QTR	2019 3rd QTR
Agency Price to New/Renewal Commissions	2.63	2.58	2.5	2.44	2.77	2.52
Agency Price to Total Revenues	2.35	2.21	2.34	2.16	2.45	2.20