

Know Your Agency's Customer Retention Rate—It Matters

Do you know your customer retention rate? Are you measuring it regularly?

Your customer base is the foundation of your insurance agency and high customer retention rates are critical to your agency's success.

After all, acquisition costs for replacing them are high. In fact, getting a new customer versus selling to an existing one is much higher in insurance than other industries, according to [Daily Fintech](#).

To calculate your agency's customer retention rate, first identify a consistent time frame you want to measure. This could be weekly, monthly, or quarterly.

Take your total number of customers at the end of the period (E) and subtract the new customers you acquired (N). Then, take that number and divide it by your total customer base at the start of the period (S). Finally, multiply the final number by 100.

Here's an example of the formula in action, provided by [Zendesk](#).

Repeat this calculation on a consistent basis to track your customer retention. The average customer retention rate within the insurance industry is 84%, according to [PC360](#), and the most successful agencies retain around 95% of their customers.