

Assuring her own success

At 22, insurance agent Allison Kraus has already survived a couple of tough years, turning her career around.

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Article Last Updated: 06/21/2008 08:13:08 PM CDT



Allison Kraus tends to her hair in the rear-view mirror of her 800-cc Suzuki Volusia motorcycle. Kraus discovered at a young age that she had a knack for sales. She's found a niche helping individuals and small businesses find better deals on health insurance. (Richard Marshall, Pioneer Press)

EDITOR'S NOTE: Starting Out is an occasional series looking at how people in the Twin Cities are launching their careers.

On a bright and sunny June day, Allison Kraus pulls up on her motorcycle outside a Burnsville restaurant, her blond curls blowing behind her. She plucks a bottle of hairspray from her saddlebag, sizes herself up in her rear-view mirror and gives her locks a squirt. Clutching her briefcase, she heads inside to snag another client.

It doesn't take long to get what she came for. In this case, it's persuading Doris Hoel, owner of the Burnsville restaurant and catering service, to switch her health care plan.

The clincher: Kraus explained that, in exchange for a slightly higher deductible, Hoel will save \$109 a month on premiums compared to her current plan and receive coverage that pays for more things, including three free doctor visits a year. Hoel joins Kraus' growing client list.

Kraus bargain hunts for individuals looking for health insurance or for small businesses seeking a break on group plans.

Kraus, 22, is part of the oft-examined millennial generation known for a desire to work in groups and their need for constant positive feedback from their bosses. But she doesn't fit the stereotype. For one thing, she didn't go to college, opting instead to go into business for herself after growing weary of waitressing.

"Most 22-year-olds are in college, partying, wasting away their parents' money," she says. "I'm not that kind of person. I got married at 19 and have been self-sufficient since then."

Now in her fourth year of building her business, she has enough clients to support herself comfortably on a steady stream of commission payments from the plans she sells.

Kraus' day typically starts at 7:30, with a morning meeting with small business owners or at a networking group where she might make a presentation. She attends three to five of them a week. One day she took a few hours out for coffee while eight voice mails and 80 e-mails piled up. The day ends at 9 p.m., after her daily 90-minute gym workout or a yoga class she teaches.

She likes the flexibility of her job, knowing that in the middle of the day, if she wants to, she can head to one of her favorite places — the Mall of America — to return a shirt or shop the clearance racks. "I shop all the time." If she wants to take off for a two-week trip to Mexico, she doesn't have to check the office vacation list.

When Kraus was in junior high, her family moved from a suburb of Chicago to Jordan in the west metro for her dad's job. She was home-schooled, basically learning on her own from a Christian curriculum.

During what would have been her junior and senior high school years, she found she had a knack for selling, working 40 hours or more a week managing the Minnesota Harvest Apple Orchard store in the Mall of America. At 16, Kraus was able to pay cash for a motorcycle and a Firebird sports car.

Work was her thing, she found out. Schoolwork wasn't. When she thought of school, it was: "I hate it. I hate it." For that reason, "I never considered college."

In between her hours at the mall, she squeezed in high school home schoolwork and earned her GED. But she knew she was finished because the academics stressed her to her limits. "I would probably call myself more street smart than book smart," she said.

Her dad, who sold insurance at one point, helped her get set up at an agency specializing in property-casualty insurance.

Business didn't flow in during her first few years. She hardly cut a check.

Working strictly on commissions, her take-home pay was \$3,500 in the first year, 2005, and pretty much the same the next. Those years she described as "brutal." Her husband paid the bills.

She realized her clients or, more accurately, her potential clients, were increasingly asking her for help finding their way through the complicated field of health insurance. She decided to find a niche in health care, which, she thought, would be more lucrative. Fewer agents were competing for the business compared to automotive and home insurance, for one thing.

"For her, I don't think (property-casualty insurance) was something that really resonated internally or that she was excited about," said Jamie Williams, her current boss at Minnesota Health Coverage, who was looking for a sales agent to help with his growing business. "She wanted to learn about health insurance and she wasn't getting that knowledge from the agency she was with."

The two met at a networking meeting. Right away he was impressed that even after two years of making close to nothing, Kraus stuck with it. "I know that she wasn't necessarily making a ton of money after a few years," Williams said.

"That's a big overstatement. I was really surprised when she told me how much her commissions were at that point. I was surprised and impressed she was still in the business. I thought, 'This girl has persistence.'" If you haven't quit yet, he told her, he knew she would be successful.

Since perseverance and drive are crucial traits for a sales agent, he figured he could teach her the specifics of selling health insurance.

It didn't hurt that she had plenty of personality too, one that quickly disarms people and puts them at ease. She picked up the details — the prices and ins and outs of the numerous plans — with no problem.

Hunting for the best price — a key to landing business — is a skill she had already honed through years of bargain-hunting and coupon-clipping. She buys her wardrobe strictly on clearance, proudly pointing out her \$3 A-line skirt from J.C. Penney.

"I'm a bargain shopper," she says, "So if I can save someone \$130 to \$200 a month in premiums, I'm going to do it. It's the thrill of the hunt."

She's not afraid to call her contacts at the various health insurance companies like Blue Cross Blue Shield five or six times a day each, seeking information about their plans and assessing which carrier and plan would be best for her client. It has paid off to the point that she works only off referrals. Basically, people call her for her assistance.

So far this year, revenue at the small brokerage company in the Uptown neighborhood of Minneapolis is up 50 percent.

Driving the business is the lousy economy.

Her clients include people who have been laid off and can't afford COBRA, which allows former employees to keep their health insurance with group rates. Some clients have exhausted their COBRA benefits without finding another job. She helps them find a cheaper, individual plan.

"I'm probably one of those people who can grow my business through a devastating economy," Kraus said.

Although self-assured, she remains wary of how her youth can work against her in an industry where a little gray at the temples has been seen as an asset. But as one client sees it, youth may be a big asset.

"What I like about her is that she's very passionate about learning," said Hoel, the Burnsville restaurant and catering service owner. "If she doesn't know something, she'll find the answers. Because she's so young, she has to think outside the box."

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