



# THE STORY OF SIAA

SIAA's mission to grow and its  
commitment to the success of the  
independent insurance agency system.

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# INTRODUCTION



Jim Masiello  
CEO & Founder

**Thousands of local independent agencies - all committed to profitable growth - have benefited from joining SIAA.**



Matt Masiello  
Executive Vice President & Chief Operating Officer



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The story of SIAA (Strategic Insurance Agency Alliance) goes back more than three decades to Jim Masiello and his independent insurance agency in New Hampshire. Struggling through a particularly difficult market, he – like so many others – was searching for a way to help his agency grow.

As he put together the national network of agencies that became SIAA, Masiello focused on a mission to support the growth and continuing success of the independent agency distribution system.

Today, SIAA has signed more than 6,750 member agencies, writing more than \$7.41 billion in combined premium. Thousands of local independent agencies – all committed to profitable growth – have benefited from joining SIAA. They have gained the tools to flex their combined muscles to access many of the nation's biggest and best insurance companies.

The SIAA story is inspiring for the thousands of independent agents who have prospered through SIAA and for the future of the independent insurance agency system.

# THE ROOTS OF SIAA



*Original headquarters of  
Masiello Insurance Agency*

**Local agents found they could remain independent, concentrate on producing profitable business and take advantage of opportunities usually only afforded to larger agencies producing significant volumes of business.**



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It's 1983 and the insurance market is challenging independent agents and brokers. Jim Masiello, owner of Masiello Insurance Agency in Keene, N.H., is looking for a way to overcome the two biggest challenges faced by independent agencies: growth and access to markets.

"Those times were very tough," Masiello says. "We were in a hard market and our location limited our potential to grow. It became clear to me we had to grow outside of Keene, which was quite isolated in terms of population."

Masiello was not interested in acquiring other agencies, so he set his sights on partnering with other independent agents to create one master agency. "My concept was to put little pieces together that could add up to something very powerful," he says.

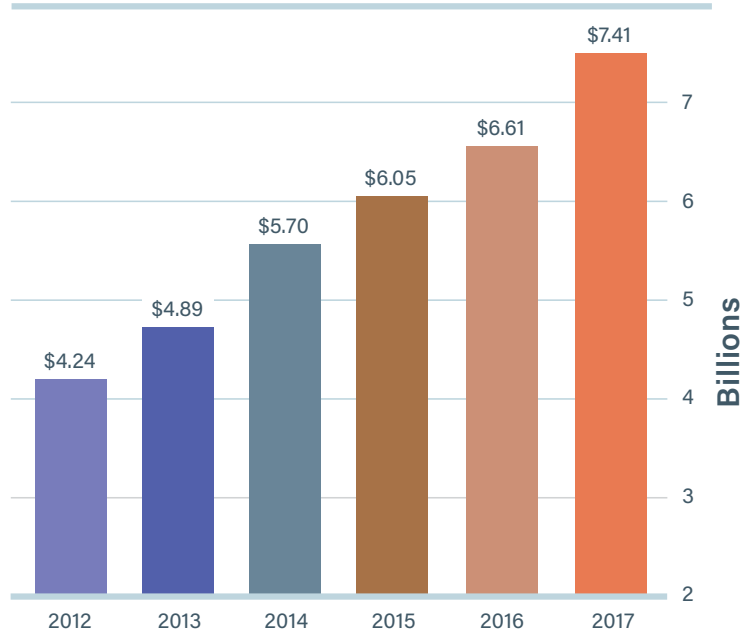
That something was a master agency called the Satellite Agency Network (SAN). After a group of independent agencies signed on, the master agency was appointed by its first Strategic Partner Company, which saw the potential of the SAN model and the concept was off and running.

"Once they saw the model, how we could control the quality of the business and our growth, the concept really resonated with them and they became very interested," he says.

With interest from agencies throughout New England, SAN grew quickly as a regional alliance. Local agents found they could remain independent, concentrate on producing profitable business and take advantage of the opportunities usually only afforded to larger agencies producing significant volumes of business.

# TAKING IT NATIONAL

## Premium Volume: All Companies (2012-2017)



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With the success of SAN, Masiello was encouraged by carriers, associations, industry consultants and existing member agencies to expand the concept nationally. Rather than selling SAN in geographic markets he didn't know, Masiello developed the idea for a national alliance of master agencies like SAN, each operating in an exclusive territory.

In 1995, this national alliance – SIAA (Strategic Insurance Agency Alliance) – was born. The model was created and successfully tested as a multi-level partnering concept, and Masiello and SIAA President Nick Pappajohn were instrumental in signing additional master agencies.

In 1997, a national marketing plan was put in place with regional presidents signing qualified master agencies in exclusive geographic marketing territories. The regional presidents identified large retail agencies around the country, many in growth mode. They explained there was a different model – the SAN model – that could bring growth without the financial pain of buying agencies, funding branch offices, investing in producers or giving up some independence and control through a merger. SIAA was a natural fit for the prospective master agencies that were not interested in acquisitions.

Meanwhile, SAN continued to grow to more than 360 members; the alliance currently spans eight states and reports more than \$700 million in total member premiums. With strategic leadership

# TAKING IT NATIONAL

**SIAA is the nation's largest alliance of independent insurance agencies... nearly 13% of all independent agencies in the United States are members of SIAA.**



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provided by president and CEO Matt Masiello, SAN is the largest alliance of independent insurance agencies in the Northeast.

On the national stage, by the end of 2015 SIAA had connected 49 master agencies spread over the 48 contiguous states. By the end of 2017, it signed the 6,723rd independent agency member, having generated hundreds of millions in new business premium annually.

Today, SIAA is the nation's largest alliance of independent insurance agencies. In fact, it is estimated that 13% of all independent agencies in the United States are or have been signed members of SIAA master agencies.

Since 2000, SIAA and its master agencies have created over 4,158 new independent insurance agencies, which represents approximately 11% of all independent insurance agencies in the United States (based on estimates of 37,500 P&C independent agents nationally)

These agencies came from the direct writer/captive ranks, as well as from agency producers and life and financial service sectors.

Over the past five years, SIAA has averaged more than \$600 million in new written premium, with organic growth representing in excess of 70% of the total.

# HOW SIAA WORKS



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"The key characteristic of an agency joining one of SIAA's master agencies is the desire to grow," says Matt Masiello, president and CEO of the SAN Group and executive vice president and COO of SIAA. "Our continued success can be traced to the original master agency model from 1983. We pick the right agencies – agencies that want to grow – and the return is significant."

Agencies must clear the SIAA due diligence process, which not only looks at the organization's size and desire to grow, but also its financial health and key performance factors such as management experience, carrier experience and historical loss-ratios.

"Unlike aggregators who generally accept business from any agent, the SIAA model relies on quality, not quantity," says Jim Masiello. "We're very careful about who we allow to come into our organization."

Existing smaller agencies that are able to join an SIAA master agency become instantly big as they access top national carriers, which SIAA calls its strategic partner companies. The size of SIAA and the master agencies affords access to markets most of these smaller local agencies never had before, while retaining control of their own agencies.

# HOW SIAA WORKS



*SIAA headquarters in  
Hampton, New Hampshire*

**“Unlike aggregators who generally accept business from any agent, the SIAA model relies on quality, not quantity.” - Jim Masiello**



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“Our formula is simple,” Jim Masiello says. “We find good people who want to succeed, but have limited access to competitive companies and other resources. We enable them to use their hard work and determination to grow successful independent insurance agencies. We make a difference in the quality of life for our member agents, significantly raising their personal and business standard of living.”

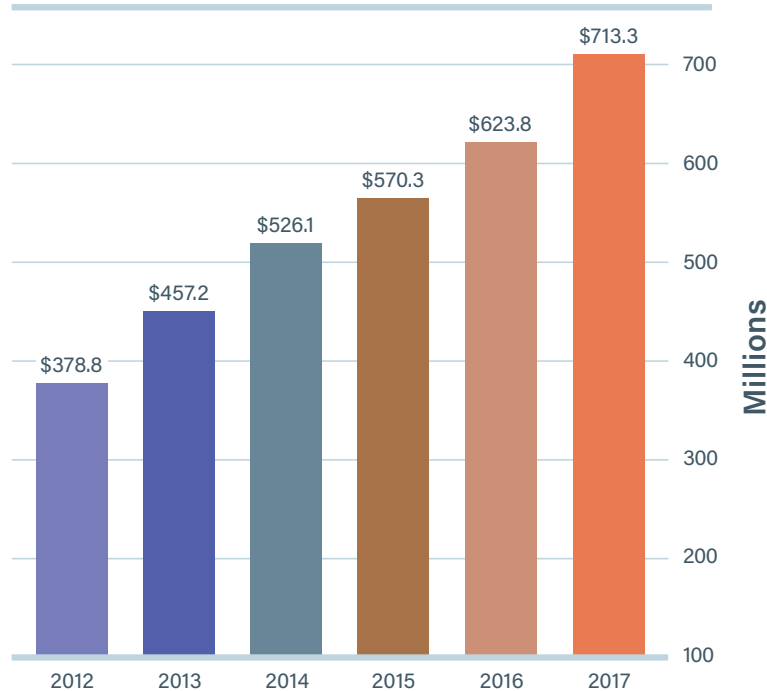
Membership also offers access to support services well beyond the reach of smaller agents. The result is the ability to grow and compete with bigger agencies.

For captives, direct writers, agency producers and life and financial agencies, SIAA and its master agencies provide structure and teach them how to become an independent insurance agency business. The markets they access give them a sales track to grow rapidly.

Through an innovative program called AccessPlus, SIAA provides the resources, underwriting guidance and market access to member agents who decide to open their own agencies.

# MARKET ACCESS, HIGHER PROFITS

**Strategic Partner Company  
New Business Premium (2012-2017)**



With more than 20 top insurance carriers – its strategic partners – the SIAA model gives member agencies strong, diversified market access and, thus, the ability to compete at a completely new level, both for personal and commercial lines customers.

On the flip side, SIAA member agencies also are very attractive to carriers, says Matt Masiello. “Not only does SIAA offer volume,” he says, “but we seek to build long-term carrier partnerships based on value. We’re not just an agency to our strategic partners, we’re a powerful form of distribution. And that creates value.”

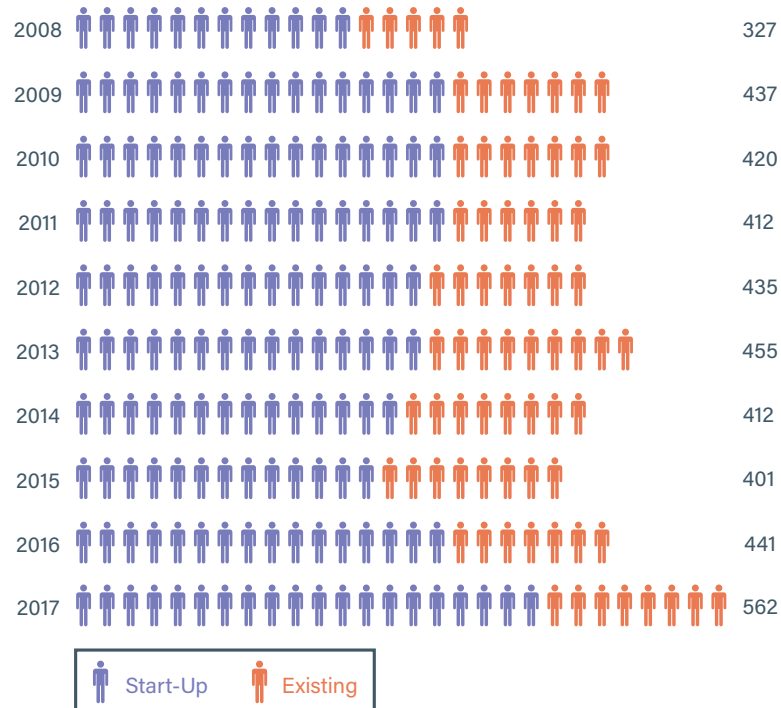


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# MARKET ACCESS, HIGHER PROFITS

**Total signed  
since inception  
through 2017:  
6,723**

## New Membership (2008-2017)



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This philosophy is why SIAA calls itself an “integrator,” not an aggregator. It is committed to bringing profitable premium growth and quality relationship integration between member agencies and strategic partners.

Agencies joining SIAA also find higher agency income and value generated by local and national incentives, which would not be otherwise available to most stand-alone, smaller agencies. All SIAA member agencies receive the incentives based on growth and profitability.

# THE TOTAL SOLUTION

**“Delivering services to member agencies is another key to continued premium growth,” says Matt Masiello. “We deliver services to our agencies that help them grow. It’s a total solution for the independent agent.”**



## **SIAA MarketFinder**

A valuable part of this solution is the SIAA MarketFinder, which enables SIAA member agencies to place more difficult Excess & Surplus (E&S) risks with access to a wide array of insurance programs, specialty markets, wholesale and brokerage partnerships. There also are opportunities to build a life and benefits business.

Other SIAA services range from marketing and lead generation support to training and new business development techniques, services which would be out of reach for smaller non-member agencies. SIAA member agencies find all services via a members-only web portal designed just for them.

## **Marketing**

SIAA Marketing is established as a separate wholly-owned subsidiary to demonstrate a commitment to all member agencies at various stages of development and provide all facets of SIAA-related marketing and communications.

As part of these marketing services, the SIAA Online Store operates as a storefront where member agencies can choose collateral material, buy a prospect list, execute a direct mail campaign and more. The online store includes complimentary creative services so agencies just have to pick up the printing and postage costs.

Insurededeals4u.com, a proprietary consumer-facing web portal, finds new business leads for distribution to all member agencies on a zip code basis. Established in 2006 and re-launched in 2009, this portal was the first of its kind in the independent insurance agency system. It enables consumers to request multiple quotes from several insurance companies, using a local agent of their choice. Consumers can obtain quotes on the insurance needed, and all contacts are relayed to the respective member agency as the result of a zip code location process.

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# THE TOTAL SOLUTION

## **Training & Learning Center (TLC)**

In its mission to help members increase sales and revenue, SIAA has created and operates a Training & Learning Center (SIAA TLC) with online and self-study courses. Focusing on sales and career growth for new and seasoned independent insurance agents, the TLC is open to all member agencies who also have access to WebCE credits. Members have over 70 SIAA courses and an additional 1500+ courses available through the WebCE extension relationship. The TLC features:

- QuickSTART program to equip member agents with the training and tools necessary to build a profitable, growth-oriented business while maximizing productivity.
- Growing library of content and resources on many subjects and processes related to the insurance industry, sales and general business ownership/management.

## **Business Insurance Advantage (BIA)**

Business Insurance Advantage provides an instructive system to member agencies for starting or increasing commercial lines premium. This includes a step-by-step approach, training, and mentoring. BIA is an excellent means for cross-selling, diversifying and creating more income and agency value.

According to Matt Masiello, the ability to write commercial lines is part of SIAA's commitment to the future success of independent agents. "The agency of the future will not offer just auto, home and umbrella," he says. "They will have a balanced book of commercial and personal lines."

## **Agency Foundation**

SIAA initiated the Agency Foundation to provide real-time assistance and support to start-up agencies with a clear path to success. This is a hands-on approach to implement the tools and processes that create a solid base for agency income and value. These resources are also open to all member agencies as needed.



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# FUTURE GROWTH

**Premium volume is  
projected to exceed  
\$8.0  
billion.**

**2018**

**2018**

**The total member  
agencies signed  
is projected to  
exceed  
7,150.**



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SIAA's growth shows no signs of slowing down. In each of the past nine years, an average of 441 new member agencies have signed on and the alliance had its largest annual growth in 2017 with 562 new member agencies signing with SIAA's master agency partners. Average annual premium growth among member agencies is now in excess of \$620 million.

In 2017, total in-force premium volume reached \$7.41 billion. The total member agencies signed since its inception reached 6,723.

At the heart of its success is the same mission to grow that drove Jim Masiello to form the first master agency in 1983. Along the way, SIAA has remained dedicated to the creation, retention, growth and continued success of the independent insurance agency distribution system.

That's a formula that bodes well not only for SIAA, but also for independent insurance agents and consumers across the country.

# THE PROVEN DISTRIBUTION SYSTEM



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As SIAA has focused on providing independent agency members with access to strategic partner companies and serving as the total solution for the independent agent, the organization has evolved into much more. "Something special has emerged as a result of our success with independent agencies," according to Matt Masiello, "Insurance companies/carriers view us a complete distribution system for their insurance products. Early on, they recognized SIAA brought value to their organizations, but it's gone beyond that."

Masiello attributes this view of SIAA by strategic partners to:

- The size and scope to which SIAA has grown
- The selection process for new independent agency members
- Book management and formal quality control monitoring
- Commercial lines production
- Transparency of incentive distributions
- Creation of new independent agencies with experienced insurance professionals

Ultimately, SIAA has come to provide increased revenue and value for all participants in the business model. It's a unique business approach in the insurance industry – one that continues to succeed because it has appeal to insurance carriers and independent agencies alike.



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