

# INSURANCE NETWORKS SPECIAL SECTION

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## 7<sup>th</sup> Annual INA Meeting Agenda

### Monday, January 22

1:00 – 5:00 PM	Early Registration, Networking Lounge Opens, Trade Show Opens
4:00 – 5:00 PM	Opening General Session  <b>Keynote Presentation:</b> Helping Your Agents Embrace Emerging Technology – Employing ChatGPT and Other Innovations Today, <i>Eric Weisburg, Datos Insights</i>
5:00 – 6:30 PM	Welcome Reception [in Trade Show area]

### Tuesday, January 23

7:30 AM	Breakfast, Registration, Trade Show Opens
9:00 – 10:30 AM	Opening General Session: Welcome – State of the INA  <b>Keynote Presentation:</b> Woodward on Washington: An Economic, Policy and Political Outlook, <i>Joan Woodward, Travelers Institute</i>
11:00 AM	Professional Headshots, Dedicated Networking and Business Development
12:00 PM	Networking Lunch
1:30 – 2:30 PM	<b>Panel Presentation:</b> Navigating the Shifting Landscape of Restrictive Covenants in the Insurance Industry
2:30 – 3:30 PM	Professional Headshots, Dedicated Networking and Business Development
3:30 – 4:30 PM	<b>Workshop:</b> The E&S Market – Loss Control Considerations for Networks and Member Agencies
5:00 – 6:30 PM	Networking Reception

### Wednesday, January 24

7:30 AM	Networking Breakfast
9:00 – 10:00 AM	<b>General Session &amp; Panel Presentation:</b> Adapting to a Rapidly Changing P&C Marketplace: The Shift from Standard E&S Insurance
10:00 – 12:00 PM	Networking and Business Development area available



# Take the *industry* by the horns.

Join us in Fort Worth, TX for the  
7<sup>th</sup> Annual Meeting, January 22-24

## ABOUT THE INA

We are the principal organization promoting the critical role of insurance networks, aggregators, and clusters to the independent agent distribution channel.

## 7TH ANNUAL MEETING

A two-day summit to hear from thought leaders and collaborate for productive relationships with carriers, associations, channel partners, and peers.

## WHO SHOULD ATTEND:

### NETWORKS

Owners and senior management of professionally managed Insurance Networks.

### CARRIERS

Carriers, Wholesalers, and Program Administrators seeking distribution with Insurance Networks.

### SERVICE PROVIDERS

Companies offering products and services that address the needs of Insurance Networks.

## CONTACT US

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[info@networksalliance.com](mailto:info@networksalliance.com)

302-268-1016



# PRODUCERS ADAPT TO E&S MARKETS AS ADMITTED CARRIERS PULL BACK

*INA panel will address changes in property/casualty market*



By Joseph S. Harrington, CPCU

**T**he rapid growth of excess and surplus (E&S) insurance has been a defining feature of U.S. property/casualty insurance over the past five years.

Today, that expansion is taking on another dimension. E&S carriers are stepping in to provide coverage in lines and markets long dominated by admitted carriers, as the latter pull back in response to large property catastrophe losses and escalating liability verdicts.

Agents and brokers increasingly find themselves turning to E&S markets, not only for unique risks and specialized coverages, as they have in the past, but also for standard property and liability coverages for accounts more or less abandoned by admitted markets.

This trend poses new challenges for insurance producers and buyers.

## INA panel discussion

The topic will be explored in-depth during a panel discussion on “Adapting to a Rapidly Changing P&C Marketplace: The Shift from Standard to E&S Insurance Markets,” at the 2024 Annual Meeting of the Insurance Networks Alliance (INA), January 22-24, 2024, in Fort Worth, Texas.

INA is an organization devoted to promoting productive relationships among insurance agencies, carriers,



Steve Pearson

associations, channel partners, and networks. The panel will include representatives from admitted and E&S carriers and from agencies and intermediaries.

According to Steve Pearson, president of ISU Insurance Agency Network and moderator of the panel, many admitted writers are pulling back from certain lines, risks, and territories because they no longer have confidence that their loss experience provides a reliable basis for projecting future underwriting performance.

“What’s currently driving the increase in E&S business is that the admitted market has greatly reduced its appetite for certain risks,” he says. “Some admitted carriers are considering fewer classes as eligible for coverage, and some are cutting commissions to such low levels that the agent’s cost of producing the business exceeds the commission.”

“Admitted carriers can no longer meet the demand on their own,” Pearson adds. “Some say they can’t get approval for the rate they need or some other form of regulatory relief.”

Pearson’s observations are echoed by Mark Angelucci, senior vice president of Utica National Insurance Group’s specialty casualty segment, who will be leading a presentation at the INA meeting titled “The E&S Market: Loss Control Considerations for Networks and Member Agents.”



Mark Angelucci

“Admitted carriers are working to overcome the impact on their profits from natural catastrophe losses, property claim inflation, and higher jury verdicts,” says Angelucci. “As admitted carriers reduce their appetite for risks with those exposures, there are increasing submissions to the E&S market. That’s true also for risks perceived to have greater loss volatility.”

## Property market turmoil

“Turmoil in the property market is forcing more and more risks into the E&S market,” says Jessica Hendricks, vice president for agency development for EMC Insurance Companies, who will also participate in the INA panel discussion. “This results from increasing frequency and severity of storms, both severe convective storms as well as hurricanes,” she continues. “Add in the wildfire activity, higher inflation, and social unrest in urban areas, and you see losses increasing across almost all jurisdictions.”

According to Hendricks, many admitted carriers concluded that they’ve had too much capacity committed in



Jessica Hendricks

some areas and have chosen to reduce their exposure. E&S carriers are prepared to step in. "The E&S market has much more flexibility [with forms and rates] so it can respond more quickly to

changes and new conditions," she says. "E&S carriers see almost any risk as insurable, subject to their terms and pricing."

Catastrophes, litigation trends, and insurance regulation have all played a role in shifting coverage to surplus lines coverage, says Jason Boger, senior vice president and director of national agency and network distribution for CRC Group, an E&S carrier. (Boger will also be a member of the E&S panel at the INA meeting.)

Beyond that, however, Boger notes that "the makeup of a risk today is much different than it was 10 years ago. The exposures are often global, complex, and not within the standard market appetite," he says. "The global and complex nature of the risks can trigger losses all the way down to 'Main Street USA' in today's world."

"E&S carriers and brokers have a greater appetite for hard-to-place or unique risks," Boger adds. "While standard carriers have clearly defined risk appetites and more predictable loss models, E&S carriers can limit or enhance forms to craft coverage based on an individual risk's exposure, allowing the E&S broker to demonstrate value."

### Different approach

Agents and brokers accustomed to writing personal lines and small commercial coverage through admitted carriers need to understand that working with E&S markets involves a different approach.

As Pearson explains, E&S carriers are unlikely to grant producers the quoting and binding authority they may have with admitted insurers; nor are producers likely to have the direct contact with E&S underwriters that they often have with their admitted counterparts.

In most cases, surplus lines transactions will be conducted through an E&S broker, which heightens the need for very clear and thorough communication regarding the details of a risk.

*Agents and brokers increasingly find themselves turning to E&S markets, not only for unique risks and specialized coverages, as they have in the past, but also for standard property and liability coverages for accounts more or less abandoned by admitted markets.*

When dealing with E&S markets, "retail producers usually must go through a wholesaler, MGA or other distributor," says Hendricks. "There may be extensive questionnaires, slow response times, and additional questions that need to go back and forth through multiple parties. Producer commissions are also impacted, as the wholesaler or MGA will also take a share of the total commission paid."

"On the positive side for producers, E&S markets can expand their marketing to include more complex enterprises for which there might not be as much competition," she says. "Producers can also leverage the expertise of wholesalers and MGAs to become experts themselves on unique or challenging risks."

### Will this endure?

Just how permanent will the impact of this latest expansion of



Jason Boger

E&S carriers into admitted market territory be? Attendees at the INA meeting may hear differing perspectives on that question.

"I believe the shift towards E&S will eventually run its course, but that is still a few years off," says Hendricks. "The standard market will adjust to market changes and emerging risks over time. Some business will return to standard carriers as the market stabilizes and their appetite for risk increases, but smaller regional carriers will remain cautious in committing capacity to property

exposures in certain geographic areas.

Boger essentially agrees with Hendricks' observation.

"Historically, as the economy improves, the market will soften and lead to greater underwriting flexibility in the standard market," says Boger. "However, there will be new approaches within the standard market. Most standard markets now own an E&S carrier or have an E&S carrier partnership. This allows them to mitigate their risk exposure while still capturing the premium and being flexible in servicing their agents."

Angelucci thinks the impact is here to stay.

"Some of the shift will endure," he says. "While appetites may change and some submissions now going to E&S carriers will flow back into admitted markets, a large percentage will stay with E&S carriers. The coverage flexibility and creativity will keep some accounts permanently in the E&S market."

Clearly, the lessons learned today will remain relevant for years to come. Adjusting to rapid change is challenging. The latest insights and outlooks from these INA panelists will surely benefit INA attendees. ■

### The author

*Joseph S. Harrington, CPCU, is an independent business writer specializing in property and casualty insurance coverages and operations. For 21 years, Joe was the communications director for the American Association of Insurance Services (AAIS), a P-C advisory organization. Prior to that, Joe worked in journalism and as a reporter and editor in financial services.*

# TOP FIVE WAYS TO BUILD OPPORTUNITIES IN A HARD MARKET

**T**his market is unprecedented—one of the hardest since 2004. Due to higher risks and decreasing profitability, many insurance agencies and their clients are experiencing unique challenges for the first time. Even if you've experienced unfavorable conditions in the past, this one is unlike other hard markets.

Here are the top five things that agencies should be doing today to prepare for tomorrow:

- 1. Win the competition for talent.** Get ahead of the other agencies by analyzing the elements that attract top performers. Do you have an attractive culture? Is your hiring process clear and easy? What about onboarding, training, and talent retention strategy—could anything be done to improve these strategic areas? Evaluate if you have the right people in the right places so you can hit the ground running when it comes time to hire.
- 2. Create a growth strategy.** Identify growth mechanisms that can help you prepare for the market shift, such as adjusting your marketing strategy, developing producer training, or seeking out new business. Instituting a growth culture is a valuable way to inspire the right focus in your people. Things like setting new goals and expectations, along with incentives, can help you and your team uncover sources of revenue when the economy recovers.
- 3. Update your perpetuation plan.** If you don't have a plan to transition your business, this should be at the top of your list. Consider if you want to perpetuate internally, sell, or merge with another agency. There are risks and benefits to each of these approaches but

there's also a lot of misleading information. A good plan can take years to build and implement. Getting educated on the best options for your firm's future is a good first step.

- 4. Improve your use of data.** Well-run agencies use data to influence their business decisions. By working with the right agency network, you can get financial comparisons to your peers, data on year-over-year premium and revenue growth, and production data by carrier. Benchmarking is essential to not only measure performance of your firm's current state, but also set realistic goals comparative to peers of similar size. Embrace a culture of continuous improvement, where you regularly evaluate your business processes, strategies, and performance metrics to identify opportunities for optimization.
- 5. Improve your compensation models.** A hard market may mean you can't give raises and bonuses like you would in a soft market, but there are options to keep your producers engaged and productive. Competitive compensation packages can entice talented individuals to join the company and discourage them from seeking opportunities elsewhere. Review compensation reports and industry trends to gain a better understanding of how compensation is evolving over time.

The market will eventually make the turn. If you've solidified your role as a trusted advisor and executed on the right things, you'll thrive in a competitive market and capitalize on new opportunities. Because when hard markets turn soft, you don't want to be left behind. ■



**Keith Captain**  
President  
FirstChoice, A MarshBerry Company



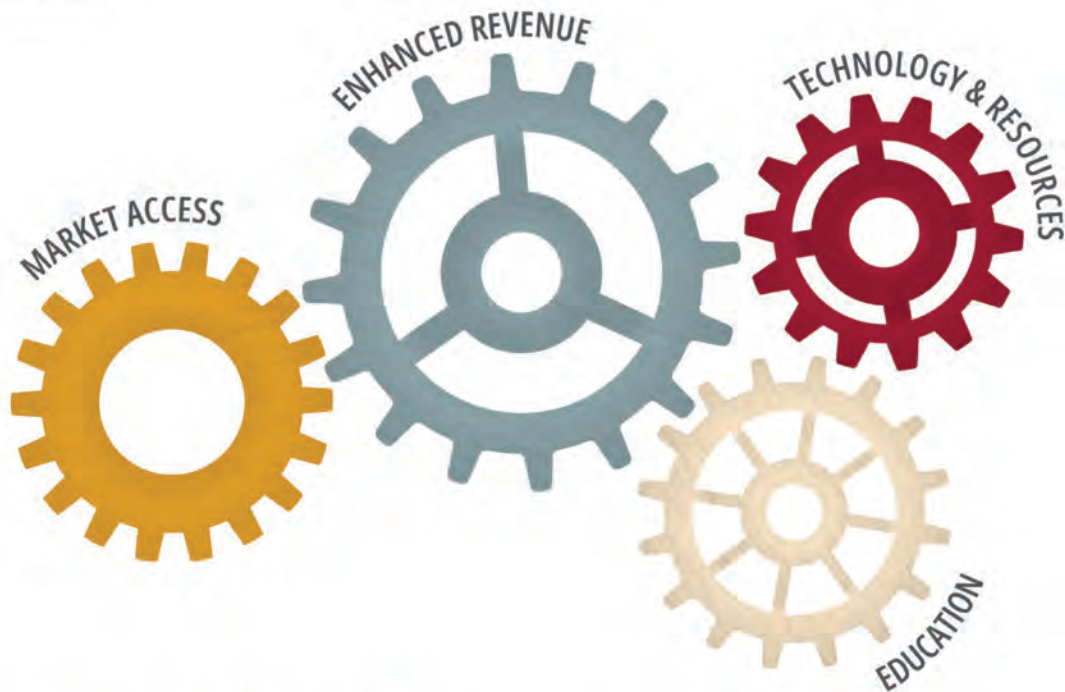


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A MARSHBERRY COMPANY



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LEARN. IMPROVE. REALIZE.

# An Interview With Iroquois' Leadership

**Welcome Laurie and Matt.** Iroquois has been working with independent agents for over 45 years. With all the changes affecting independent agencies over those decades, what has changed in Iroquois' approach to partnering with its members?



**Laurie Branch**  
CEO



**Matt Ward**  
Executive Officer

**Laurie:** We have evolved significantly since those early days. Our approach today is flexible and opportunity focused. We work with each of our member agencies to identify opportunities for them to utilize our markets, strategies, and resources to grow their agencies. One strategy that has worked very well for us is what we call Market Optimization. By helping our members optimize their market mix, they write more new business and retain more customers to build their agencies, while our carrier partners get the profitable growth they seek.

**Matt:** Originally, we worked with rural family-owned agencies in western New York. Today we work with agents and brokers of all sizes across 48 states. What hasn't changed is our passion for partnership in working with each of our 2,600 member agencies individually to help them grow.

**Can you talk more about how you help agencies grow?**

**Laurie:** Our PartnerPlan® compensation model is designed to reward agencies for building profitable books of business with our carriers. The more business you place with our carriers, and the more profitable that business is, the better your compensation will be. And, that compensation can be far more than what the member agency could have earned on its own. Depending on how much volume an agency places with our carriers, we also offer benefits such as funding new producers and providing leads to further stimulate growth. Iroquois' combination of optimized markets, incentives, and services has helped drive new business growth across the organization. This year, Iroquois members will write almost \$500 million in new business premium with their Iroquois-affiliated carriers.

**Matt:** New business growth in this challenging market speaks to the strength and resilience of our partnerships and the quality of our book. For decades, in both hard and soft cycles, we have consistently delivered outstanding results in partnership with our member agencies and a select group of carrier partners. We get those consistent results thanks in large part to our 50+ regional managers. They have decades of experience in the insurance industry which gives them the ability to provide valuable counsel for each of their members in a variety of areas. They don't just sign up new member agencies; they work with them every step of the way to maximize the value of their membership.

**Laurie, you have taken steps to ensure Iroquois remains privately held. Why have you chosen that path when others have used venture capital to fuel greater growth?**

**Laurie:** Well, we have always valued quality over quantity, and our performance with our members and carrier partners attests to that. And, being privately held means we don't have to worry about reporting quarterly results; we can take the long view. Taking a longer-term perspective allows us to find the win/win/wins: creatively finding what is best for our member agencies, our carrier partners, and ultimately for Iroquois.

**Matt:** I want to build on something Laurie said. She mentioned our commitment to creating win/win/win situations, but she didn't say why we are committed to this approach. The reason is it works! For the past 46 years, we have delivered organic profitable growth for our carrier partners, increased revenue, profits and agency value for our members, and built Iroquois' written premium with our carriers from \$50 million in premium to almost \$3 billion.

**That kind of consistent long-term success is hard to argue with. Any final thoughts?**

**Matt:** I want to add that our regional managers are not only experienced insurance professionals, but they are also incredibly caring individuals who are dedicated to helping each member reach their potential personally and professionally. Most of our regional managers have been with Iroquois for years and their members think of them as trusted advisors. That's the relationship we work toward.

**Laurie:** Great point, Matt. From my perspective, it all comes down to the fundamental model we adopted more than 45 years ago which is built to drive performance. That model shapes everything we do. By making our carriers and members successful, we assure our success as well.





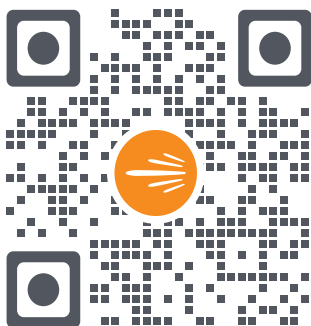
# One-of-a-kind Network for Entrepreneurial Agencies

Iroquois believes that at the heart of the best independent insurance agents is an entrepreneurial spirit. That's why for 46 years, we have been helping agencies grow revenue, profits and agency value, without sacrificing their independence. The only partnership Iroquois believes in is the one where member agencies, carrier partners, and Iroquois can all benefit—what we call “Win/Win/Win.”

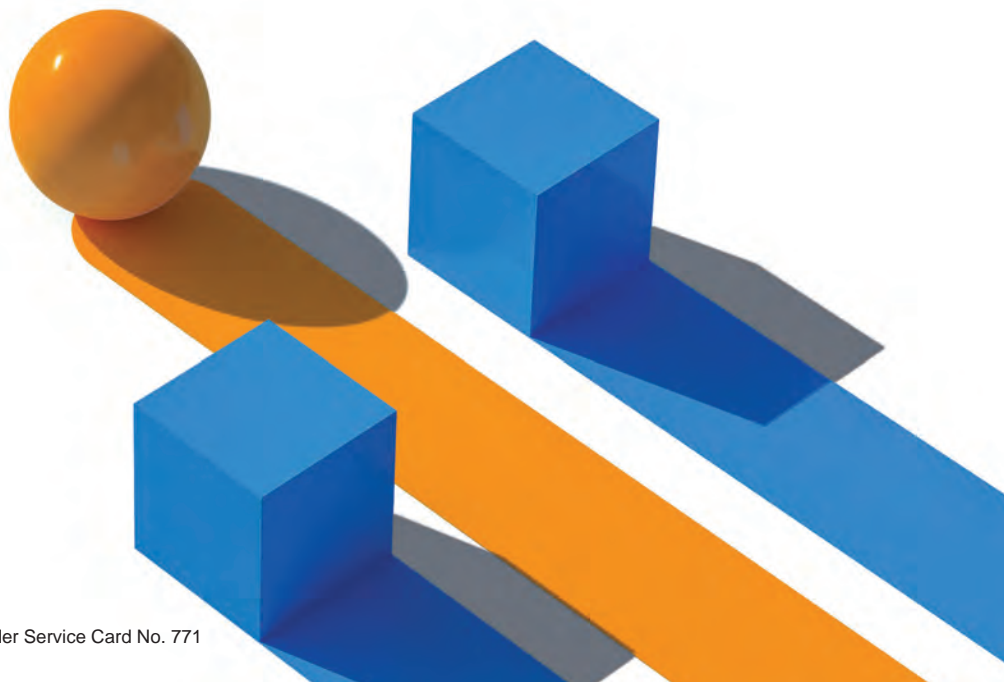
## What Makes Iroquois Different?

- We customize your membership to fit your needs.
- We support your agency with a 50-person expert field team.
- You have the freedom to choose your own markets.
- You receive superior compensation for superior performance.
- Members do not pay initiation fees or monthly dues.
- We operate in all 48 contiguous United States.

Wondering what being  
a Member of Iroquois  
can do for your agency?



[IroquoisGroup.com](http://IroquoisGroup.com)





**Helping Independent Agents Thrive since 1979**  
**For Independent Agents with \$300,000 to \$30,000,000 of revenue.**

Just as a Formula 1 driver needs a best-in-class pit crew to help secure victory, so does a successful, independent business. Winning teams are agile, collaborative, and strategic when approaching how to handle the twists and turns of the course. The ISU Insurance Agency Network team is the elite pit crew for over 240 member agencies in 43 states representing approximately \$8 billion in written premiums. During steady and stressful times, ISU Members rely on ISU to deliver the strengths and resources of a national organization to complement their local presence and independence.

### **ISU Digital Partnerships**

ISU Members have exclusive access at no cost to the proprietary ISU Quote&Bind™ platform developed in partnership with CoverForce™. The platform, custom designed to ISU Member Agency specifications, interacts directly with ISU Preferred Carriers' APIs enabling a single application to support consolidated carrier eligibilities to quote, generate proposals, and bind policies in one click. The Quote&Bind platform doubles as a direct-to-consumer production platform, allowing agencies to generate new business faster at a lower cost. Preferred carriers presently binding commercial policies from all 420 ISU Member offices include AmTrust, Chubb, CNA, Employers, Great American, Liberty Mutual, Nationwide and Travelers. As a trusted brand, ISU Digital Partnerships is the first to issue Great American Insurance Group BOP and Travelers' WC product digitally. Through the Quote&Bind platform, ISU Members enjoy convenience and speed in accessing preferred carriers and products, data security, usage control, preferred compensation, and coverage terms. Additionally, the platform incorporates the ISU Commercial Lines Placement Advisor®, a proprietary system delivering the most up to date carrier appetite guide on the market driven by industry classification, state, and line of business.

### **Win the Race for New Business**

We've listened to our members' struggles with new business production. Because finding producers, training them and reaching your new business and growth goals seems impossible, ISU developed One Responsible Source™ for members. While One Responsible Source™ provides a wide range of training solutions, at its core, it trains producers to answer the question, "Why should I do business with this agency?" Team ISU can help you demonstrate and communicate why clients should use your agency for all of their insurance needs.

### **Data-Driven Business Solutions**

ISU Agency Analytics and Consulting services help ISU members and NON-ISU agents pursue operational excellence using performance metrics benchmarked to over 100 industry best practice data points. Complementing the analysis are the ISU Agency Principal's Forums, discussions amongst peers with the same goals to share invaluable knowledge and experience, which are also available to NON-ISU members.

**The Power of ISU** – They consistently work with their members to help identify ways to advance and optimize how members chose to run their race. Winning any race hinges on the collective abilities of the driver and its pit crew. ISU is that essential pit crew – helping members execute at full speed and win like a Formula 1 race team.





# *the* **POWER** of

**Independence. Strength. Unity.** Today's independent agency owner understands that to win the race, they must always be at the top of their game. Like a Formula One race team - the driver's odds of winning are directly contingent on the performance and execution of its pit crew.

ISU Members are in the driver's seat, adapting to the opportunities and challenges on the track. ISU is the pit crew to help with new tools, data analytics and access to solutions to optimize results.



[JOINISU.COM](https://joinisu.com)

# A Return on Ideology

*At Keystone, we believe independence works better together.*

Keystone was founded in 1983 by four independent agents, knowing that they would be stronger if they worked together. That premise still holds 40 years later.

Analog solutions are still relevant in a digital landscape. In an industry plagued by the promise of swift, transactional results, relationships reign supreme. Being deliberate and flexible, our focus on relationships and trust guides us today. Our ROI is a Return on Ideology.

Keystone's mission is simple: bolster the independent agency spirit. Throughout our footprint, each agency is independently owned and operated. We do not buy agencies; instead, they maintain their brand presence, identity, and ownership in the communities they serve.

These independent agencies benefit from the intellectual capital sharing of our community and national resources they can source locally to their clients. When faced with an intricate claim or risk management need, Keystone agents are backed by hundreds of agents across the country and in-house consultative experts to walk them through it.

Many Keystone agents bring collective expertise across numerous industries from Main Street businesses to multi-state operations. This expertise, combined with premier carrier relationships, provides an added level of service not easily found elsewhere.

Bolstering the independent agency spirit means flexibility. We listen to our agents to offer solutions – not gimmicks. We assess contractually which products and services meet the needs of our agents and guide them through implementation. If you are looking for a suite of offerings with help to strategize a business plan to utilize them for growth, then Keystone may be a fit.

## HOW WE PUT IT ALL TOGETHER

---

**Influence:** Our board of directors is made up of Keystone agents. They influence our direction, services, and offerings to fellow agents. We honor inclusion and perspective – everyone plays a part in where we are headed into the future. As a network, Keystone is 90% owned by its agents, and 10% owned by its staff – giving our agents the freedom and flexibility to influence how and where its network grows.

**Events:** Our national conferences are unparalleled. From marketing strategy to prospecting, developing a niche, to learning how to navigate the age of remote work, we've covered it. Our agents serve on panels to discuss what's working, and not. Combined with our services and mentorship, our agents walk away with the tools and tactics they need to implement strategies that succeed. These conferences and regional events foster an environment for sharing intellectual capital.

**Staff:** From data and analytics to carrier relations, sales training, and revenue generating solutions, each of our staff brings specialized expertise. With it, Keystone agents can give themselves a raise with new business, benchmark against successful peers, and find solutions to meet recruitment and retention challenges.



Keystone's mission is simple

## BOLSTER THE INDEPENDENT AGENCY SPIRIT.

In an industry plagued by the promise of swift, transactional results, relationships reign supreme. Being deliberate and flexible, our focus on relationships and trust guides us today.

### INFLUENCE

*Our board of directors is made up of Keystone agents. They influence our direction, services, and offerings to fellow agents.*

### STAFF

*From data and analytics to carrier relations, sales training, and revenue generating solutions, each of our staff brings specialized expertise to help agents find solutions to complex problems.*

### EVENTS

*Our national conferences are unparalleled. From marketing strategy to prospecting, developing a niche, to learning how to navigate the age of remote work, we've covered it.*

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## STRATEGIC AGENCY PARTNERS

**W**hen it comes to insurance networks, there is no one-size-fits-all solution for independent insurance agents, which makes choosing the right network for an agency all the more important. Strategic Agency Partners understands this all too well and prides its status as a network that creates a space for independently owned and operated agencies to grow stronger through the collective strength of the group. There's no secret to their equation. It's about bringing like-minded agents together who genuinely want the independent insurance agent to succeed for generations to come. So, how do they do it?

### Personalized consultation

As insurance networks and aggregators become more common, larger outfits have come into play. Strategic Agency Partners (SAP) offers something these larger networks cannot—personalized, one-on-one consultative support. SAP exists to simply elevate independent agencies to maximize their growth potential, create more revenue and remain in control of their independence amongst a landscape of mergers and acquisitions. Through consultative support, each member is assisted with their top priorities from experts who have proven success in the independent agent arena. SAP understands each agency's journey is different and they are there to customize a solution for each member agency.

### Strength in partnership

While many networks mention scale, Strategic Agency Partners lives and breathes it. Members can take

advantage of the influence and strong carrier relationships the network has to their fullest power. Network members rest easy knowing the collective strength of the network is working on their behalf to maximize profit sharing and incentives that only add to the agent's bottom line. Gone are the days of meeting with each carrier for annual planning, which leaves time for agents to focus on their business and organic growth goals.

### Remaining independent

Strategic Agency Partners aims to demystify the questions and language concerning networks and aggregators alike. Contracts play a huge part in choosing the right network for an agent. Many promise ease and independence, but SAP is available to help all agents with contract language, whether they are choosing SAP or another outfit. The contract for Strategic Agency Partners is transparent, simple and in favor of the agent. There are no entry fees, no commission splits and all profit-sharing calculations are shared with the agent. Members do not lose their independence, are not required to put the network's name on declaration pages and agencies are not bought by the network. Strategic Agency Partners' goal will always be to ensure the independent broker remains strong and has a long-lasting strategic plan for success.

For those interested in a consultative approach to strength and independence, please contact Strategic Agency Partners at [info@strategicagencypartners.com](mailto:info@strategicagencypartners.com). ■



**John K. Tiene**  
Managing Director  
Strategic Agency Partners







## Strategic Agency Partners

Together, We're Stronger Individually!

*I'm not interested in selling my agency.*

*Membership fees are too expensive.*

*I do not want to lose my independence.*

**If this sounds familiar, let's talk.**

[www.strategicagencypartners.com](http://www.strategicagencypartners.com)



## VOLDICO

**V**oldico is a network of independent insurance agencies joined together to create a more streamlined operation. When joined with Voldico, independent agencies have the ability to gain access to top national and regional carriers alongside the opportunity to receive operational support, customer service, and claims support. By unloading the day-to-day operations from an agency, they're given the opportunity to focus on the growth and development of their business.

Agencies looking to join an independent insurance network have similar needs and Voldico was created to fill those voids. When coming to Voldico, agencies are able to join and keep their existing brand or can opt-in for the fully branded model where more support is offered.

### Access More Insurance Carriers

As an independent agency, it is important to help customers find the best insurance products available, but it is not possible without options. Voldico helps agents gain access to a greater number of well-known and trusted insurance carriers so those options are available to their customers.

- **Streamline Backroom Operations**

Agencies should run like a well-oiled machine so the agents can focus on selling insurance and providing outstanding customer service. Voldico is able to provide full operational support, including payroll system

management, data entry, customer service and claims center, accounting, profit/loss reports, monthly reports, acquisition and conversions strategies, and management services.

- **Retain Complete Ownership of the Agency**

Independent agencies want to remain independent and joining Voldico does not change that. Agency members retain full ownership of their book of business and complete control of their office.

- **Pay Zero Membership Fees**

Voldico makes money when member agents make money. Commission splits are what Voldico thrives on, which makes the relationship between the agency and Voldico that much more important.

- **Customized Perpetuation Planning**

For those agencies looking towards the next chapter of their lives, Voldico offers fully customizable perpetuation planning.

Whether agents coming to Voldico are looking for the full system of support or simply more options for placing business, Voldico's goal is to create a longstanding, lucrative relationship with the agency. As of 2022, Voldico has relationships with over 140 agencies, across 26 states. "Being able to build this company from the ground up has been such a rewarding experience. Building strong carrier relationships and agency relationships is our main focus and if we keep with those foundations, there's no telling how our business can evolve and grow," Jerry Vollmer, Voldico Owner and CEO.

To learn more about Voldico, visit [Voldico.com](https://voldico.com) or call 866-341-2674. ■





# KEEP UP TO 90% OF YOUR COMMISSIONS

## MORE FOR YOU MORE FOR YOUR CUSTOMERS

With Voldico as your agency's partner, you will **RETAIN 100% OWNERSHIP**, experience **NO JOINING FEE**, access the nation's **TOP INSURANCE CARRIERS**, and yes, you **KEEP UP TO 90% OF YOUR COMMISSIONS** because after all, it's your business. We're just here to help.

One conversation is all it takes to see why we're better together. **CALL US TODAY!**

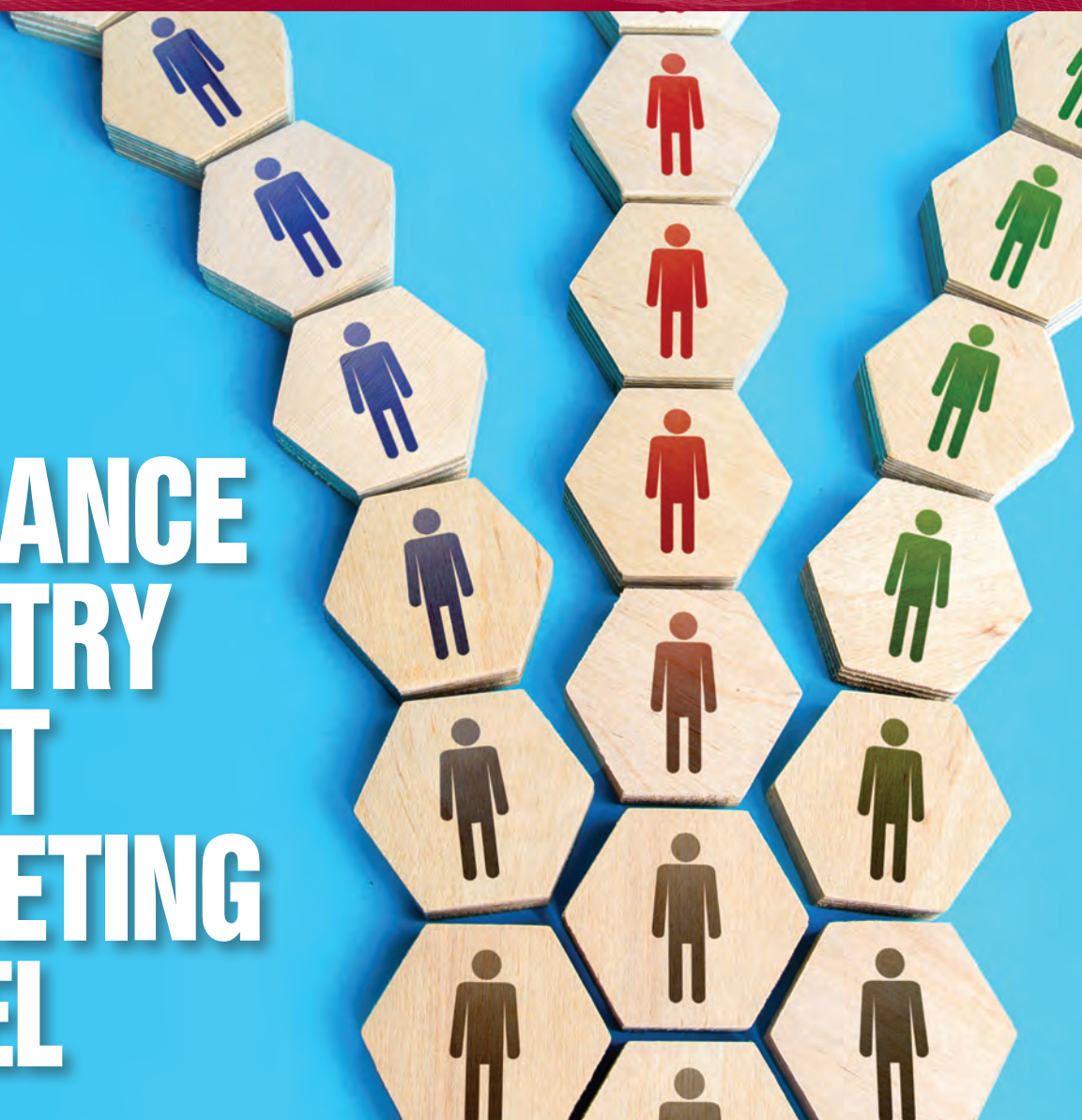


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# THE INSURANCE INDUSTRY TALENT MARKETING FUNNEL



*Invest program educates students on possibilities in insurance*

By Elisabeth Boone, CPCU

**T**he talent gap. It's real, and it's growing, both industrywide and in the independent agency system. To gain some insight into the challenges this reality presents, we spoke with Diane Wagner, who is vice president of education and strategic planning for MarshBerry and its unit called FirstChoice Agents Alliance, Wagner's former employer.

Wagner is a 43-year veteran of the insurance industry and is keenly aware of the talent gap the industry is facing. With as many as 1 million baby boomers set to retire in the next several years, Wagner believes it's crucial for the industry to persuade young people that insurance is an attractive career option. A key driver of that is a long-standing insurance industry initiative, Invest, which aims to build a pipeline of prospective industry employees.

## **Invest on the move**

Let's meet the people behind the scenes at the Invest program.

Whitnee Dillard is executive director for the National Invest<sup>SM</sup> Program administered by Independent Insurance Agents and Brokers of America (The Big "I"). Dillard began her insurance career in 2012 as a licensed P-C agent. Prior to joining the insurance industry, Whitnee managed multiple nonprofit programs focused on youth development and college preparation in partnership with both middle and high schools.

Johanna Holling is the volunteer relations program manager for Invest. She is dedicated to helping industry professionals across insurance agencies, companies and



affiliated industry groups become involved in the Invest program along with newly hired, Erika Matthews, who is the education program manager. Matthews is focused on the recruitment and retention of Invest programs taking place within schools and workforce development programs across the country.

Invest's mission is to educate individuals on insurance, financial literacy, and risk management, while encouraging the pursuit of insurance careers with a focus on independent agencies. The organization is supported by the Insurance Networks Alliance (INA), the principal organization that's dedicated to promoting the critical role of insurance networks to the independent agent distribution channel. INA has adopted the Invest program as a charity of choice.

"Independent agencies may not have a human resources department or a talent recruitment program," says Dillard. "The need for talent is urgent for both carriers and agencies. It's reported that 50% of the current insurance workforce will retire in the next 10 to 15 years, leaving 400,000 positions to be filled. When we talk to agencies, we find that their number one challenge is finding talent to support their business growth."

Dillard continues, "We know that many factors will attract young people to the insurance industry. There's so much variety, opportunity for advancement, stability, flexibility, and personal growth and satisfaction. The Big 'I,' which administers the National Invest Program, often talks to young people about being the trusted advisor in their communities."

### Talent funnel

"We have worked with more than 900 schools across the country, including high schools, colleges and workforce development programs, serving more than 33,000 students and counting," Dillard says. "We are pleased that a significant number of our programs represent underserved diverse student populations."

"We've recently introduced what we call the Insurance Industry Talent Marketing Funnel. At the top of the funnel is awareness (I didn't know about the insurance industry). The next level is consideration (Should I consider working in the insurance industry?). The bottom level is action

*"When we talk to agencies, we find that their number one challenge is finding talent to support their business growth."*

*—Whitnee Dillard  
Executive Director, the National  
Invest<sup>SM</sup> Program  
Independent Insurance Agents and  
Brokers of America*

(I'd like to work in the industry, possibly as an independent agent or broker.)"

How does Invest support the classroom? First, Dillard explains, is assistance from Invest staff and insurance professionals. Next, she says, are printed textbooks, online curriculum and exams. In addition, virtual games and activities play an important part in the learning experience, and a comparative rater simulation enables students to quote policies. Finally, Dillard notes, Invest focuses on promoting insurance careers, offering internship and scholarship opportunities.

The curriculum covers careers in insurance, agency operations, marketing and selling insurance, managing risks, car insurance, homeowners and renters insurance, businessowners insurance, and life and health insurance.

The curriculum is tailored to fit a teacher's schedule with 12 chapters, sample lesson plans, discussion questions, short quizzes, and interactive games. Micro-module presentations help break down the chapters into shorter time increments. Furthermore, volunteers help students understand essential business skills including résumé building, developing a LinkedIn profile, networking and plugging into internship and career opportunities. Schools and workforce development programs have the option to incorporate Invest into current business or finance classes or teach Invest throughout the course of several weeks, a semester or even a year.



### Invest support

"Here are some of the ways Invest helps students," Dillard says. "Among these are classroom-to-career scholarships, college-bound scholarships, internships and mentorship programs."

Invest's classroom-to-career scholarships provide current or prior Invest students who wish to move directly into an insurance career up to \$500 in funds to reimburse insurance education expenses, including pre-licensing fees, entry level courses, or CISR and ACSR designations.

Invest's college-bound scholarship provides \$5,000 to \$10,000 to current or prior Invest students who are pursuing a two-year or four-year college degree. Applicants must be pursuing a degree with an emphasis on insurance, risk management, actuarial science, or business with the intent of pursuing an insurance-related career after graduation.

In an effort to promote hiring interns, Invest also provides internship matching grants for independent agencies. To apply for this grant, the agency must hire a minimum of two interns to participate in their internship during the same time. Interns' previous participation in an Invest program is strongly encouraged but not required.

"In rural or urban areas we see a lack of opportunities for young people to pursue insurance careers," Dillard says. "To address that need, we have been piloting a program with the Boys & Girls Club of Southeastern Michigan. The program is offered

as a 12-week afterschool internship in which students learn about the insurance industry, while developing a business plan to create their own insurance agencies in a mock *Shark Tank* format. At the conclusion of the program the students present 'pitches' to the 'sharks' and win support for the causes they espouse."

Another new Invest offering is Insurance Careers to Go, a resource guide that's organized in five steps designed to serve as a basic roadmap for insurance professionals to

Kathy Conley-Jones, LUTCF, an insurance and financial counselor for Protect and Preserve Your Assets, which she launched after three decades as a successful agency owner and financial advisor, also took part in the discussion. "I had been in the industry for several years, and I attended a conference of the National African American Insurance Association (NAAIA) at which the president of the Big 'I' was speaking," Jones says.

"He talked about the need for the industry to focus on ... attracting

Talk about financial literacy; that's a big part of insurance. I can provide that school and that teacher a structured resource to engage students in a discussion of insurance."

The second challenge, Jones continued, is communication. "Talk to your family, your friends, and your clients about Invest," she advised. "Talk about why it's important to encourage young people to come into the industry and how we can support them through mentorship. Talk about helping them prepare for insurance careers."

Rob Townley is president of Townley Kenton, Inc., an independent agency based in Atlanta.

"Invest is really about finding the right teachers," he asserted. "Teachers love to have content in their classes and Invest can meet that need. This is a phenomenal program. If you're trying to start a program, be ready to tell the story of Invest."

Holling asked what tips the panelists can offer attendees who may be interested in starting an Invest program.

"Putting students in small groups and creating a *Shark Tank*-like environment is huge," Townley said. "When we started our Invest program 15 years ago, it wasn't much like what it's become today. I was amazed at the ideas the students were coming up with. The kids loved creating their own company and engaging in ideas about the insurance aspects."

Added Wagner: "We know that the Gen Zers have a burning desire to make a difference in the world. Ours is a noble profession. We need to share with them how impactful insurance is in the day-to-day lives of individuals and businesses. We're there in times of crisis, and that plays into Gen Zers' desire to make a difference."

Jones notes that the industry needs to accept technology, which is front and center with today's young people. "They have a lot to teach us, and collaboration is key," she declared. ■

*Individuals interested in listening to the INA webinar that was the basis for this article can go to <https://bit.ly/3RNJzs6>.*

## The author

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*"[W]e have been piloting a program with the Boys & Girls Club of Southeastern Michigan. The program is offered as a ... internship in which students learn about the insurance industry, while developing a business plan to create their own insurance agencies in a mock Shark Tank format."*

—Whitnee Dillard

formally get in front of organized groups of students in their communities by way of a school or youth nonprofit program. The guide also provides key grab-and-go customizable materials.

## Panelists share views

Invest's Volunteer Relations Program Manager Johanna Holling spearheaded a three-person panel who shared their involvement with Invest. She asked the panelists what attracted them to the program; Diane Wagner was part of that panel. "I was first introduced to Invest at a speaking engagement in upstate New York in the mid-80s," she says. "More recently, I organized a group of agents and other industry professionals to teach 30 business high schoolers about the Invest program in one-hour sessions for eight weeks.

"To my surprise," she adds, "19 of those 30 students had an interest in working in local agencies. We set up interviews with agencies and coached the students on how to prepare. There's a tremendous amount of interest in insurance careers, and we're excited about the opportunities for young people."

the next generation of talent," she recalls. "I was intrigued by what he was saying and started to do some research. I went to a meeting of my local chapter of NAAIA, and we were able to coalesce around the idea that we did need to take action to bring in talented young people.

"I was approached by an individual with the St. Louis public school system who asked if we could attend a career academy," Jones says. "Six of us responded, and we went to two different schools. I was amazed at how many students were unaware of the insurance industry or had never considered a career in the industry.

"All of that increased my need to get involved with Invest," she continues. "Invest provides the resources, a roadmap, and the tools you need to be successful."

## Challenges abound

Holling asked the panelists to recount the challenges they may have faced when implementing an Invest program.

"The first challenge," Jones responded, "is to get everyone on the same page. Start small. Talk to the career counselors in smaller schools.





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Senior Vice President and  
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Utica Mutual Insurance Company

“

*Insurance agents network executives are so focused on meeting the needs of their members and policyholders' that they are, at times, a little like the childhood fable of the cobbler's children having no shoes. Our approach gives them the opportunity to get this important part of their needs met correctly.*

”

*As appeared in Rough Notes Magazine in November 2023.*



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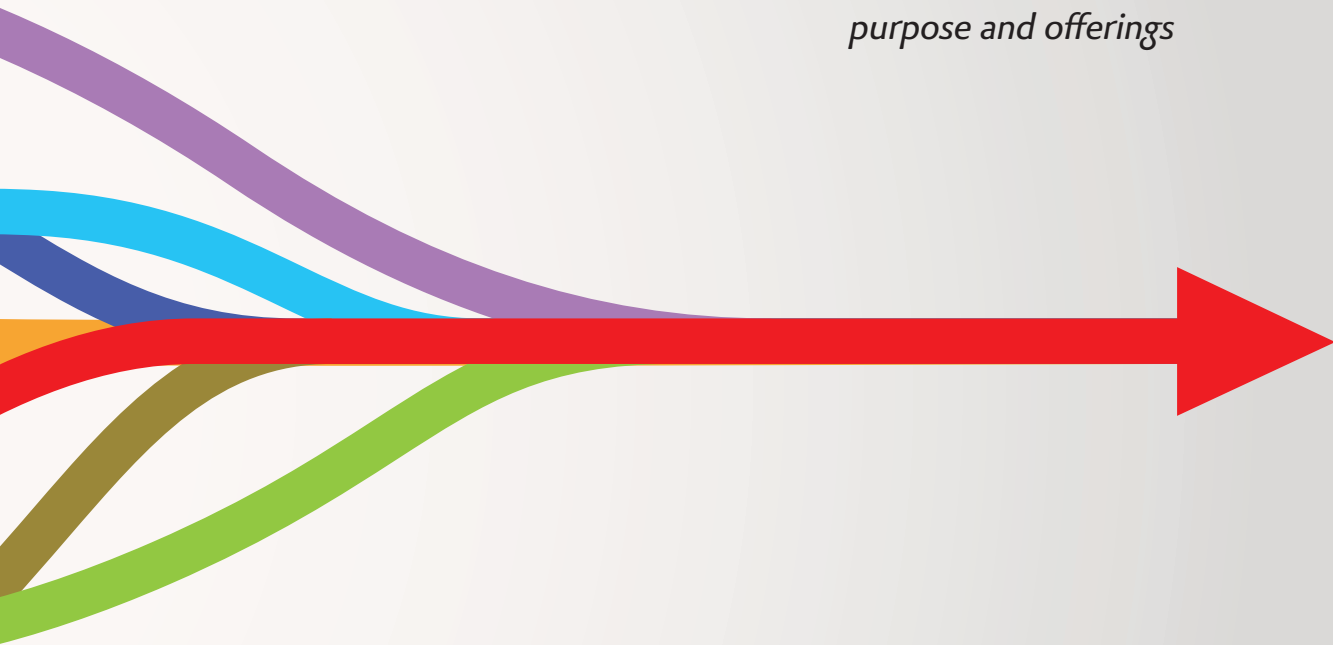
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# THE NETWORK EVOLUTION

*Market dynamics and M&A activity have challenged the insurance network sector to redefine their purpose and offerings*



By Lori Widmer

Insurance agency merger and acquisition (M&A) activity hit the ground running in 2021 and continued through 2022. A MarshBerry report shows that M&A activity qualified as the second-highest year on record, second only to 2021, where the number of deals closed skyrocketed in the fourth quarter, presumably by sellers concerned about a federal capital gains tax increase in 2022.

Likewise, private equity has been very active in the insurance distribution space for almost a decade. The deal volume has surged in the last couple of years. Most recently, private equity has focused on insurance networks making a series of acquisitions in 2022.

That activity has impacted the network circuit. Networks, often hard-pressed to help their constituents navigate the M&A process, are reporting a loss of

members and uncertainty about how to best serve their member agencies in a changing landscape. As agencies consolidate, their needs change. Product offerings also change. And an agency's current network affiliation may not be addressing those changes.

As the independent agent community ages, such M&A activity will only increase. A 2022 Agency Universe Study conducted by Future One and the Independent Insurance Agents and Brokers of America (The Big "I") shows that the average age of agency principals with 20% or more agency ownership control is 54 years; 17% of those are aged 66 or older. The need for guidance, education, and resources on consolidation will only increase.

These aging agency principals are looking to transfer the business. In 2021, private equity flooded the market, fueled in part by investors keen to find profitable, stable business



*“Some of the networks are saying, ‘If I’m only X by myself and I can be Y by combining forces,’ that’s one of the more attractive aspects. How do you grow a network when you’ve only gotten so far over so many years? Maybe joining a bigger group brings those new members.”*

—Mike Strakhov  
Senior Vice President and Head of Insurance Lending  
Live Oak Bank

investments in an era of cheap capital. New owners may not value the network relationship or may opt to work directly with carriers. That loss of premium volume within the network itself can be a difficult blow for a network.

Amid the flurry of agency consolidation, networks are seeing their own M&A activity. In a world of an estimated 150 insurance network groups (Insurance Networks Alliance’s 2021 estimate), there has been significant consolidation. Prior to 2021, “there was an occasional one or two consolidations a year, typically a larger network buying a small one, or a merger where the smaller one couldn’t survive,” says Mike Strakhov, senior vice president and head of Insurance Lending for Live Oak Bank. Since 2022, however, “it went from almost zero to eight to ten in a year.”

### Consolidation drivers

Why is it happening? Much like the reasons for independent agency consolidation, networks are looking for the same stability and market relevancy. Networks, responding to the same pressures brought on by hard markets and a tight economy, are trying to create a more attractive, resource-rich experience for member agents while finding ways to stay within budgets.

Strakhov, who was instrumental in the formation of Insurance Networks Alliance in 2016, says networks are trying to compete for members

with some large considerations. “With network consolidation, how do you get economies of scale? How can you provide additional benefits? Networks need to evaluate what they’re offering, what the value proposition is, what’s that compared to in the marketplace, and whether it makes sense to go it on your own or [consider a] strategic merger in order to get to that next level.”

In many respects, networks are looking at gaining strength in a small, competitive market space, says Strakhov. “Some of the networks are saying, ‘If I’m only X by myself and I can be Y by combining forces,’ that’s one of the more attractive aspects. How do you grow a network when you’ve only gotten so far over so many years? Maybe joining a bigger group brings those new members.”

Consolidation may bring new members, but networks still need to attract new members and retain and nurture members over the long term. That means giving the members access to exclusive market offerings, attractive compensation, better networking opportunities, discounted services, plus the tools they need to grow and manage their own businesses better.

### Staying relevant

The goal, according to Strakhov, is for the network to be anticipating and responding to the needs that are emerging from the insurance agency consolidation environment. “More than


agents buy each other,” he says, alluding to the private equity purchases. “If a member of a network sells outside the network, that’s premium possibly leaving the network, and it’s one less member and loss of premium volume. So, there is a vested interest in networks understanding the dynamics of what’s happening in the marketplace.”

Staying part of the conversation, Strakhov says, can help networks remain relevant to their members and add real value. He suggests looking at the conversations that members are having. If a significant portion of member agencies are going to be considering a change in ownership within the next five years, that’s an opportunity to insert yourself into the process by providing resources and guidance, he says.

That guidance can also help agencies examine their consolidation options. Strakhov says that bringing the conversation to the forefront of networking events and resources can help an agency determine if consolidation is a good fit for their situation.

The best way to start the conversation is by getting agencies talking about perpetuation. Perpetuation planning and training give members a good understanding of what it takes to pass on a business, plus it gives them the foundation for beginning the process, vetting their options, and deciding how each aspect of the business will be transitioned. “They need to be thinking about the strategic implications of M&A to their network,





and what they can do to help their members and themselves,” Strakhov says.

That includes access to tools that can assist in the planning and execution of a consolidation, says Strakhov: valuation, perpetuation, acquisition, legal, accounting, and financial resources. That means networks should be providing training in:

- Buy/sell preparations
- The loan process and how to prepare
- The perpetuation and acquisition processes
- What financial solutions are available to them
- Navigating a partner buyout/buy-in

Having industry experts as partners can give members direct access to the resources and information they will need for a smoother consolidation process, he says.

### Navigating a consolidation

The same holds true for networks themselves. In fact, networks have a few more critical components to consider when entering into discussions about consolidation. “Our insurance carriers may not be thrilled about having a partner going from a certain amount of premium to significantly more. They may start to feel that there are a lot of eggs in one basket,” he says. Fortunately, a network’s diverse population can diversify the portfolio of business across its

*“If a member of a network sells outside the network, that’s premium possibly leaving the network, and it’s one less member and loss of premium volume.”*

—Mike Strakhov

members, he says, so a larger relationship may not create a challenge for the carriers. Still, they should be part of the consolidation conversation, Strakhov says.

So, too, should the members, he adds. Communicating the added benefits and resources to the member agencies, he says, can keep them engaged and informed, which can help with retention.

### Successful planning

All of these details require careful planning. “It’s not something you start thinking about once [the acquisition deal] is closed. It should be a built-out transition plan on how this will unfold in order to be successful,” Strakhov says.

The goal is to smooth the transition and retain members while transitioning new members into the

organization. That includes making sure carrier partners are part of the conversation.

The role of agency networks has changed dramatically, according to Strakhov. What was once about market access has now evolved into “complex and progressive types of organizations that are doing everything they possibly can for their members.” That includes building out their own offerings to help agencies with all stages of their business, including perpetuation planning. ■

*Note: Individuals interested in listening to an INA presentation that was the basis for this article can go to: <https://bit.ly/48GqzC4>.*

### The author

Lori Widmer is a Philadelphia-based writer and editor who specializes in insurance and risk management.

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