



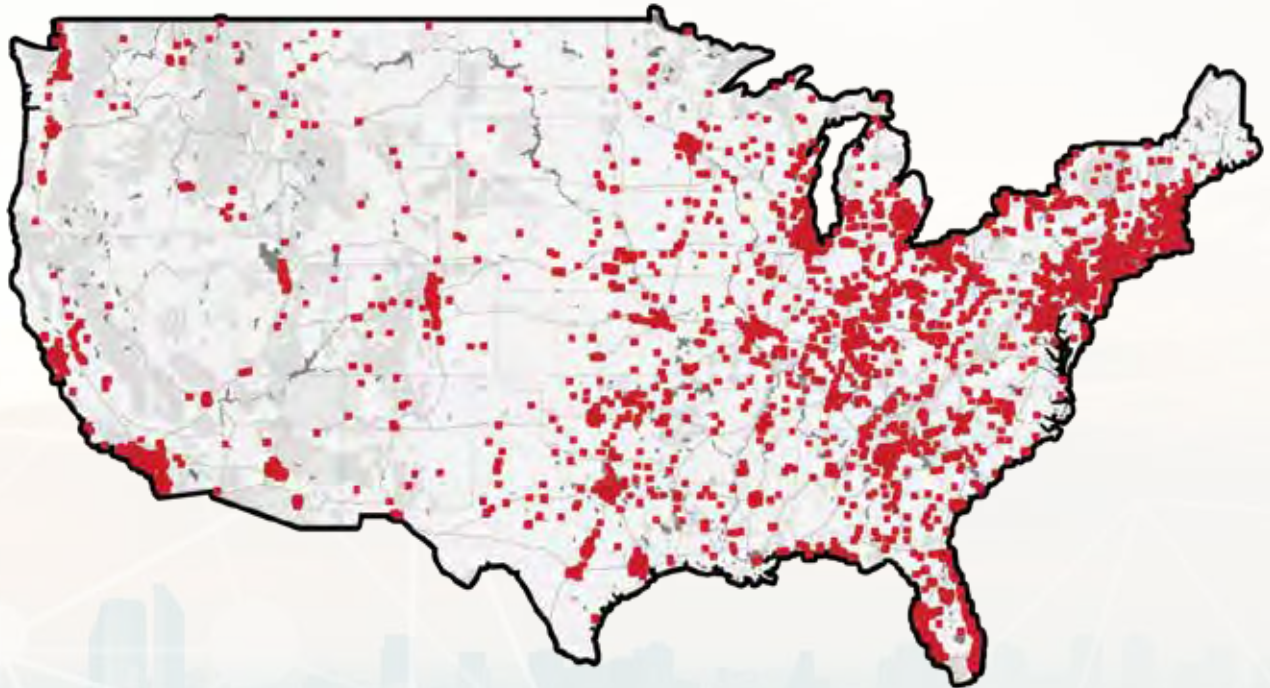
# THE STORY OF SIAA

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

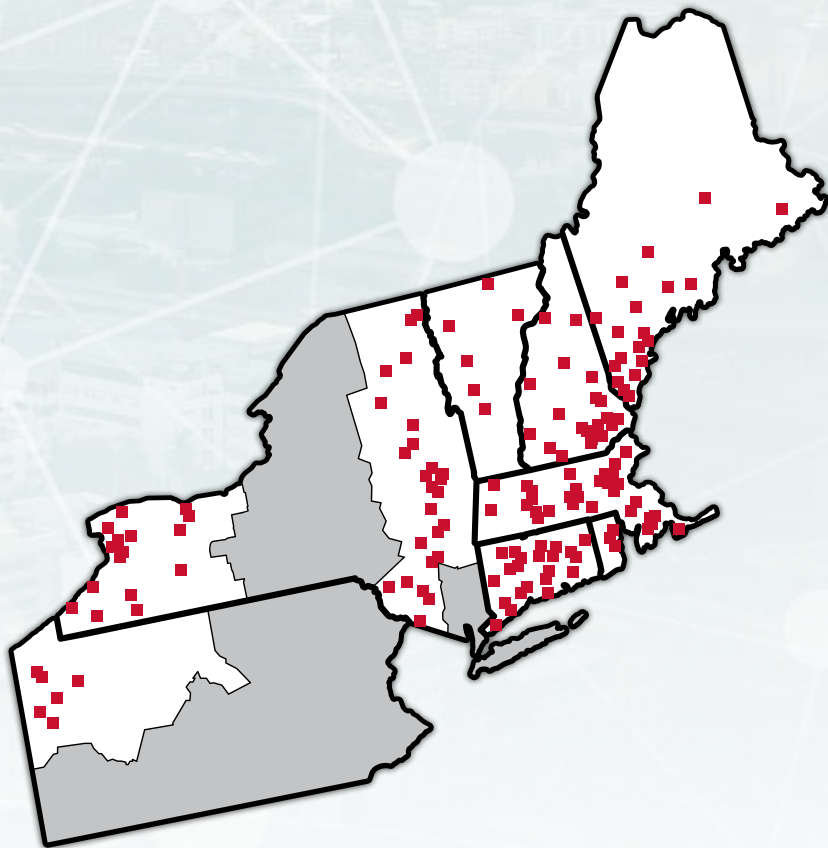
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SIAA Member Agencies across the US



SAN Group Member Agencies across the northeast

# SIAA EXECUTIVES ORGANIZATION CHART





# QUICK FACTS

**Through its partners and staff, SIAA provides insurance network and consulting services to its member agencies.**



Total Staff of 68



SIAA Incorporated in 1993  
SAN Established in 1983



SIAA Headquarters in  
Hampton, NH



# THE STORY OF SIAA

## INTRODUCTION



Jim Masiello  
*Founder, Chairman &  
Chief Strategy Officer*



Matt Masiello  
*Chief Executive Officer*

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

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, approximately 13% of all independent insurance agencies in the U.S. are members of SIAA, with more than \$8.1 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.**

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.

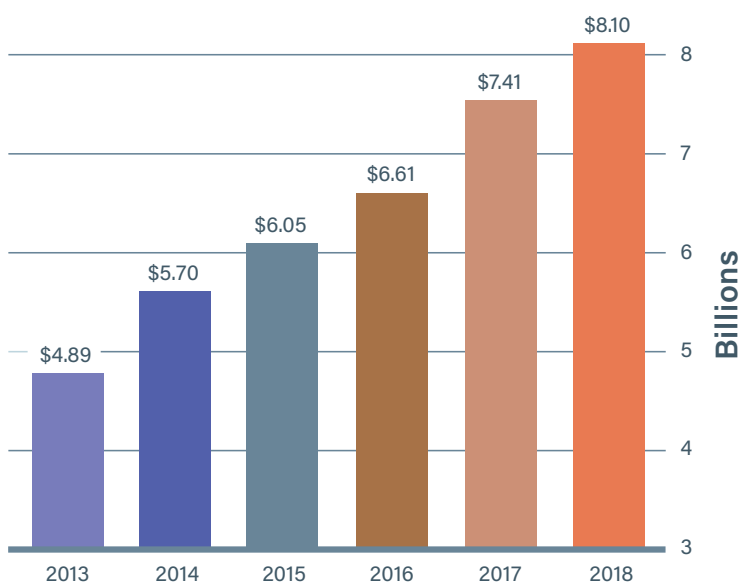
That something was a master agency called the Satellite Agency Network (SAN). After a group of independent agencies signed on, the master agency was appointed by its first Strategic Partner Company, which saw the potential of the SAN model and the concept was off and running.

"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 (2013-2018)



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.

**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.**

Meanwhile, SAN continued to grow to more than 360 members; the alliance currently spans eight states and reports more than \$718 million in total member premiums. With strategic leadership 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 48 master agencies spread over the 48 contiguous states. By the end of 2018, it had signed 13% of all independent insurance agencies in the U.S., having generated hundreds of millions in new business premium annually.

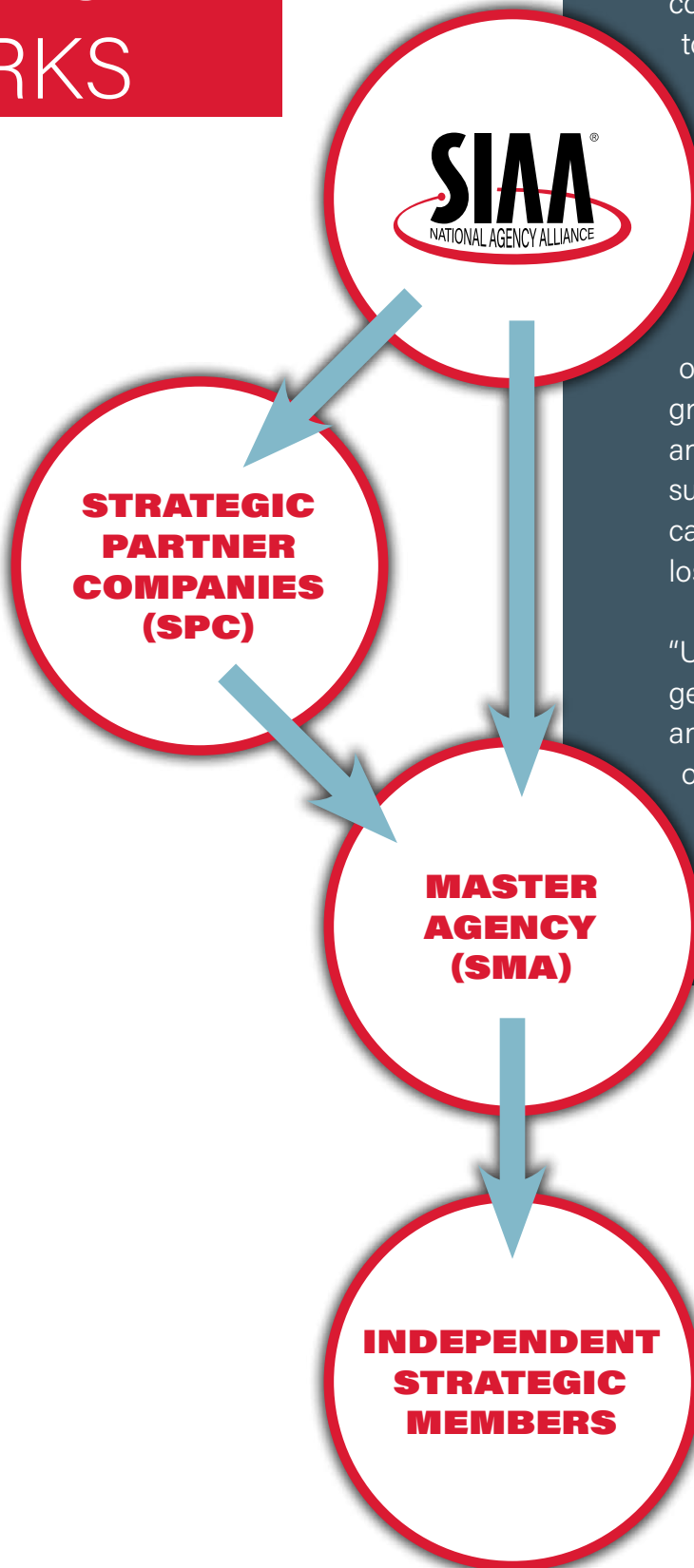
Today, SIAA is the nation's largest alliance of independent insurance agencies.

Since 2000, SIAA and its master agencies have created over 4,487 new independent insurance agencies.

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.

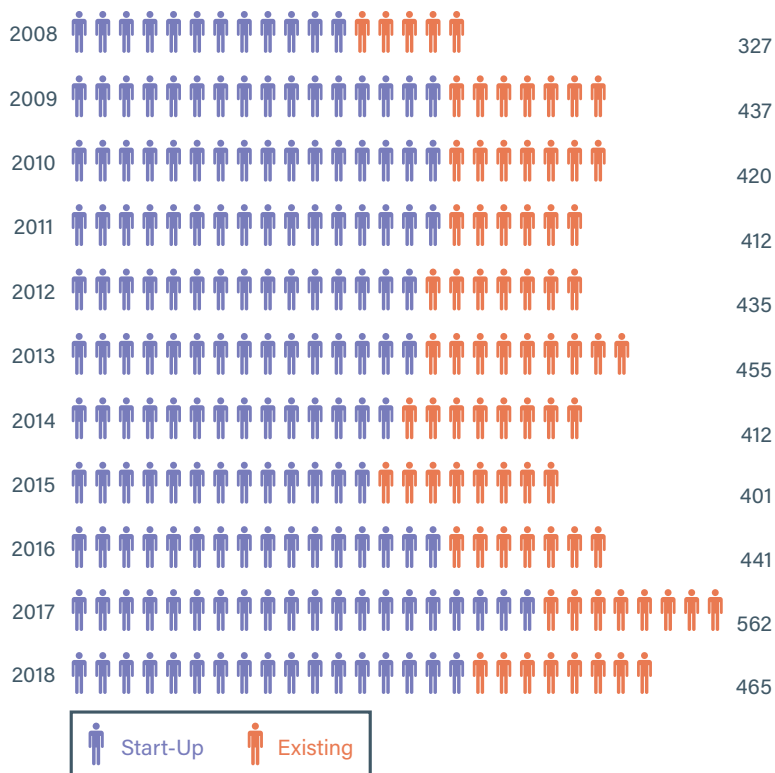
# HOW SIAA WORKS



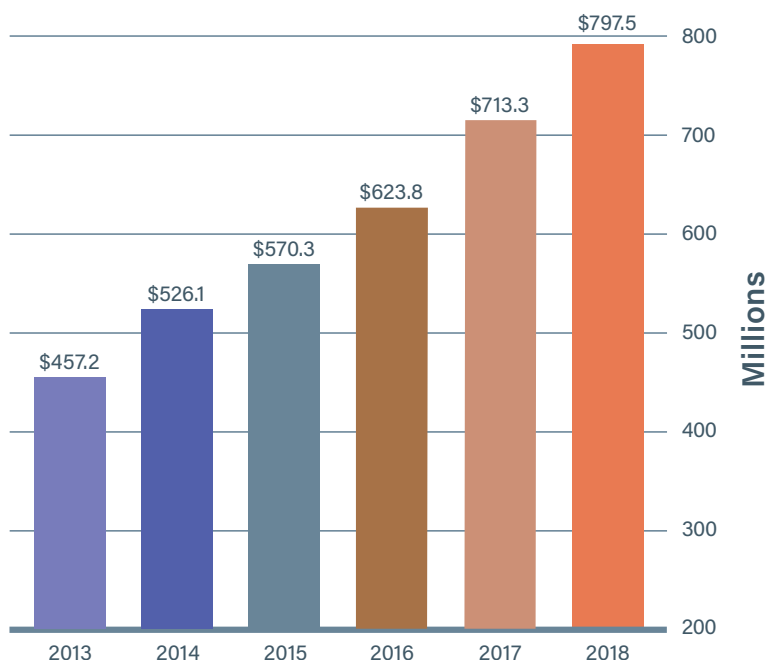
"The key characteristic of an agency joining one of SIAA's master agencies is the desire to grow," says Matt Masiello, president and CEO of the SAN Group and CEO of SIAA. "Our continued success can be traced to the original master agency model from 1983. We pick the right agencies – agencies that want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

## New Membership (2008-2018)



## Strategic Partner Company New Business Premium (2013-2018)



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.

"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 innovative programs, SIAA and the Master Agencies provide resources, underwriting guidance and market access to member agents who decide to open their own agencies.



# MARKET ACCESS, HIGHER PROFITS

## 2018 NETWORK GROWTH YTD

Region	Signed
Northeast	64
Northwest	101
Southeast	104
Florida	39
Mid-America	65
SAN	38
Southwest	56

## 2018 MEMBER RETENTION LEVEL OVERALL 95.6%

Region	Network % Retention
Northeast	96.7%
Southeast	96.0%
Mid-America	95.9%
Northwest	95.8%
Florida	94.8%
SAN	94.6%
Southwest	93.7%

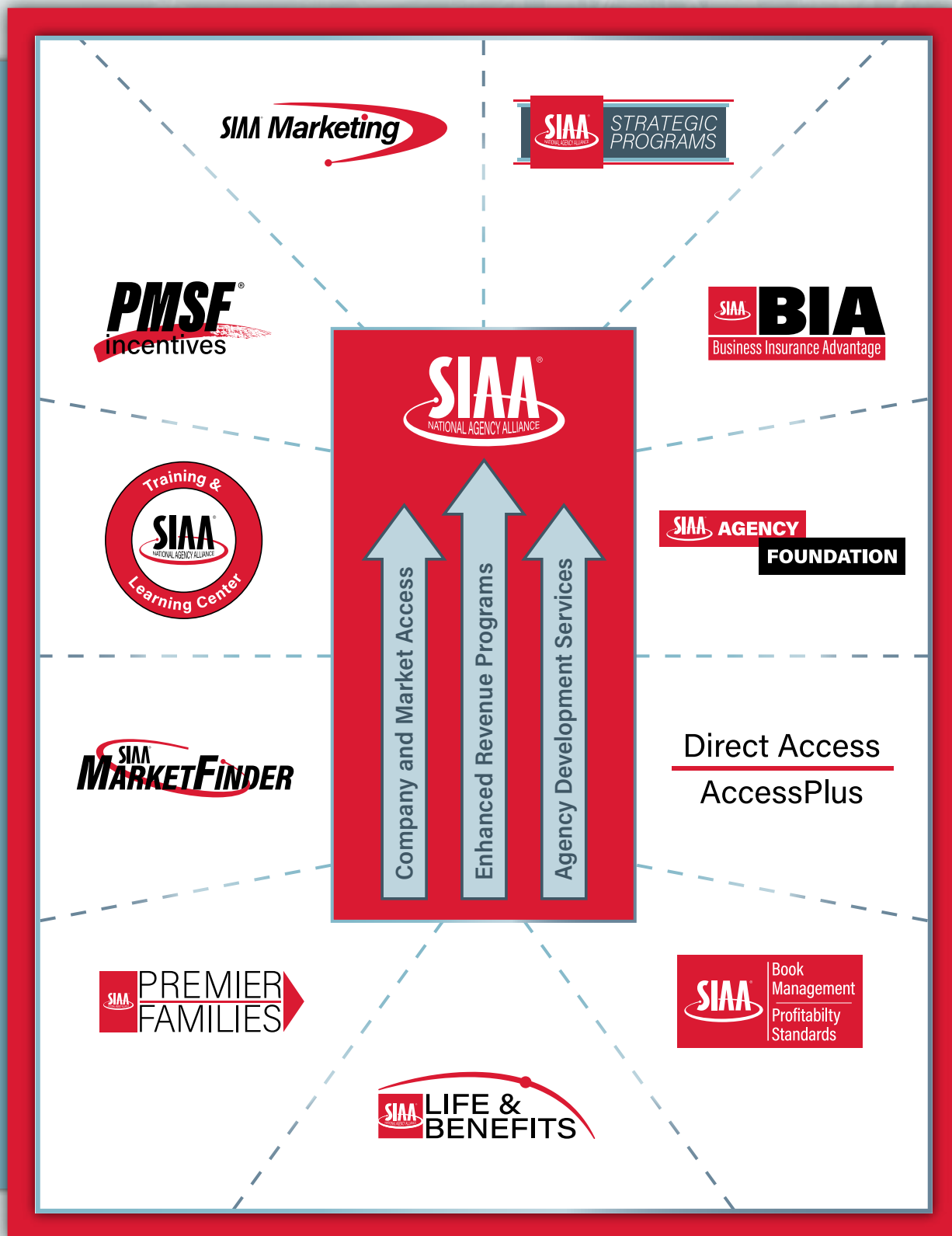
With more than 20 top insurance carriers – its strategic partners – the SIAA model gives member agencies strong, diversified market access and, thus, the ability to compete at a completely new level, both for personal and commercial lines customers.

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.”

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 FOR THE INDEPENDENT AGENT



# THE TOTAL SOLUTION FOR THE INDEPENDENT AGENT

**Portfolio Management Service Fees<sup>SM</sup> (PMSF):** Quarterly and year-end strategic partner incentives paid to member agencies. Year-end incentives based on overall book performance.

**Life & Benefits:** Providing revenue, account-rounding, and retention of clients through life insurance (and group & individual benefits and supplemental coverages) by making submissions easy with quality partner companies and favorable commissions.

**SIAA MarketFinder:** Exclusive web-based resource for member agencies to access numerous excess & surplus lines and specialty markets, as well as strategic partner program business.

**Business Insurance Advantage:** Step-by-step program designed to efficiently build “main street” commercial lines books of business for member agencies and strategic partners for retention, income and value.

**SIAA Marketing:** Marketing services and tools needed to increase sales, cross-sell, and retain clients – includes traditional, digital, and social marketing channels.

**Direct Access/AccessPlus:** Used for member agencies to access non-appointed carriers and provide a gateway to earning direct codes. Ultimately, our goal is to have over 95% of member agency business placed in direct codes.

**Strategic Programs:** An in-house administrator of SIAA insurance programs available exclusively to member agencies. This area offers easy access, a streamlined process, and niche program opportunities.

**Premier Families:** Training and mentoring program that provides insight and tools to help member agencies become the trusted advisor to successful households.

**Book Profitability Management:** In concert with strategic partner companies, actively identify, monitor and manage member agency business placed with strategic partners for quality and profitability.

**Training & Learning Center:** Sales training, continuing education curriculum and more - designed to help member agencies increase growth, income and value. This training resource, including insurance agency product education, assists member agencies in preparing for the future.

**Agency Foundation:** Fast track system to help new members become a successful and profitable independent agency and agency owner. Real-time assistance and support to start-up independent insurance agencies. Creating a solid base for agency growth, income and value.

# FUTURE GROWTH

**Premium  
volume is  
projected to  
exceed  
\$8.8  
billion**

**2019**

**2019**

**The number  
of member  
agencies  
signed is  
projected  
to exceed  
430**

SIAA's growth shows no signs of slowing down. In each of the past ten years, an average of 444 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 2018, total in-force premium volume reached \$8.1 billion. The total of member agencies is approximately 13% of all independent agencies in the U.S.

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

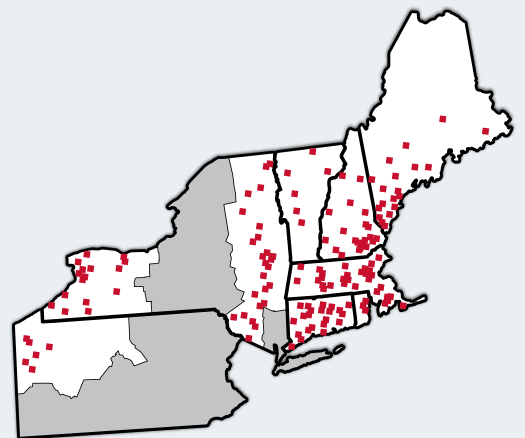
As SIAA has focused on providing independent agency members with access to strategic partner companies and serving as the total solution for the independent agent, the organization has evolved into much more. "Something special has emerged as a result of our success with independent agencies," according 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



**SIAA MEMBERS ACROSS THE US**



**SAN TERRITORIES  
& MEMBER AGENCIES**

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.

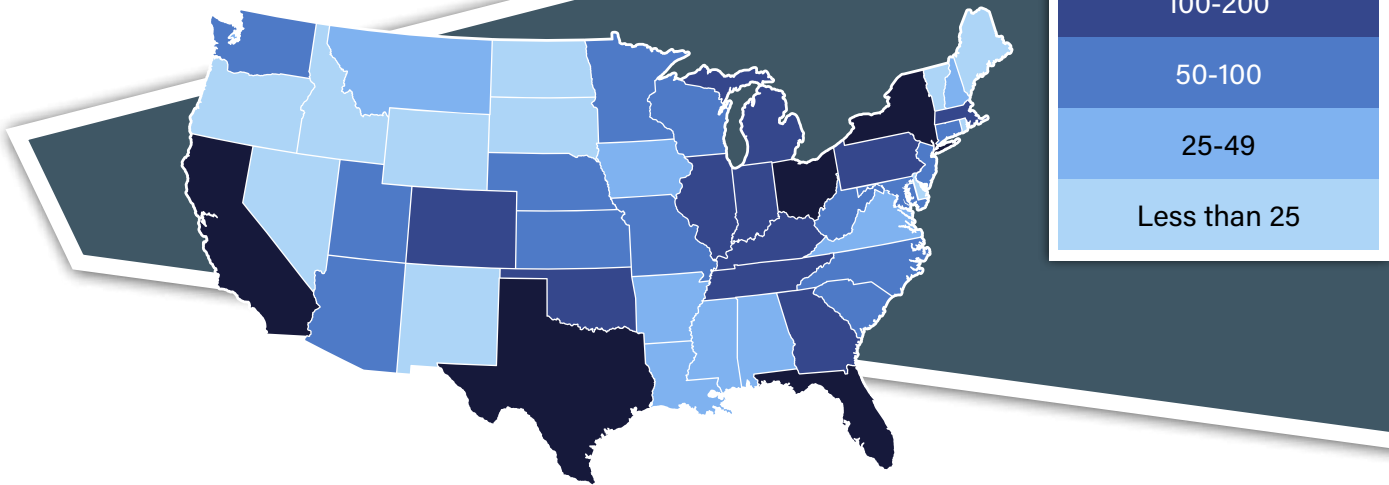
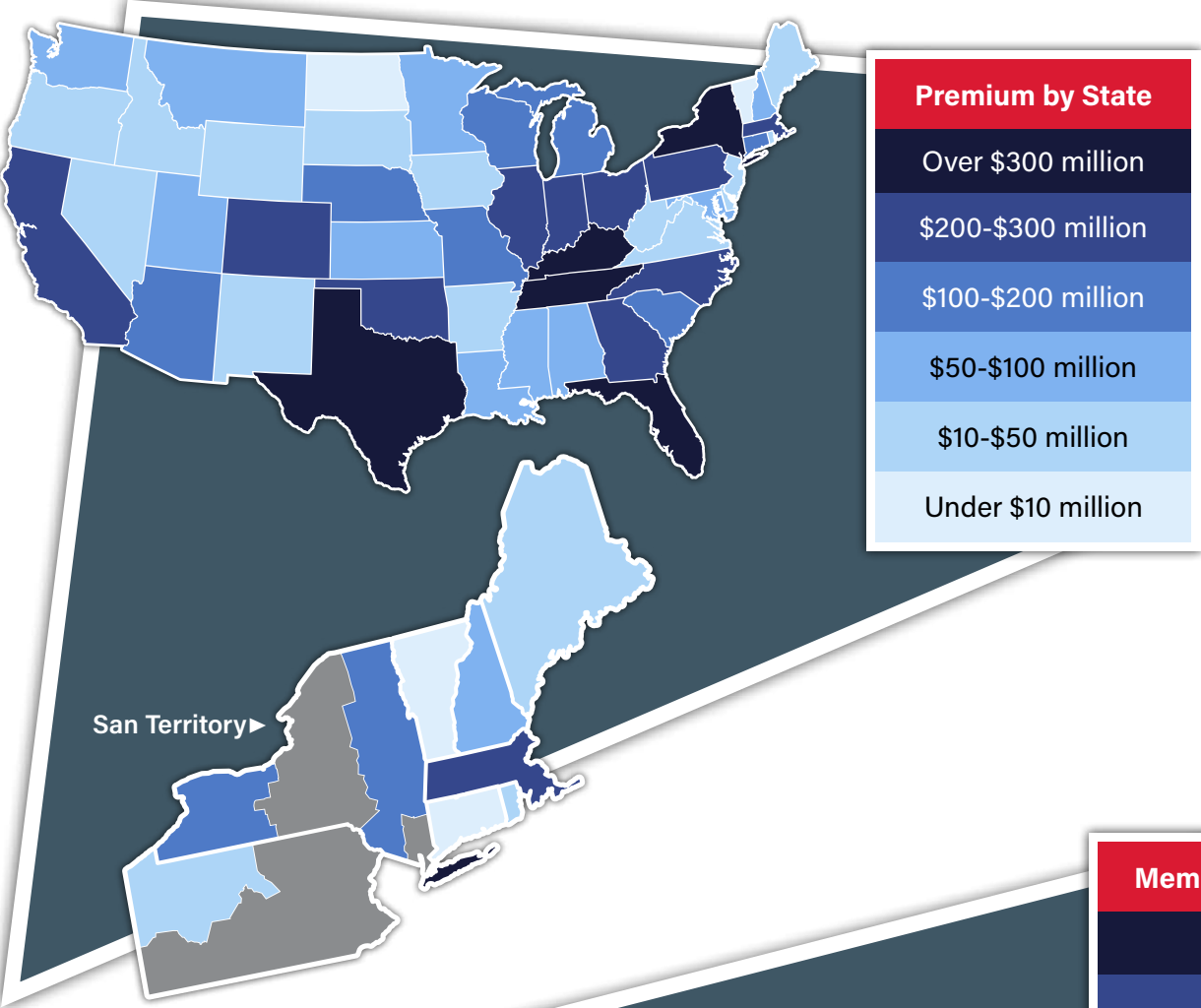


# SIAA MASTER AGENCY LOCATIONS

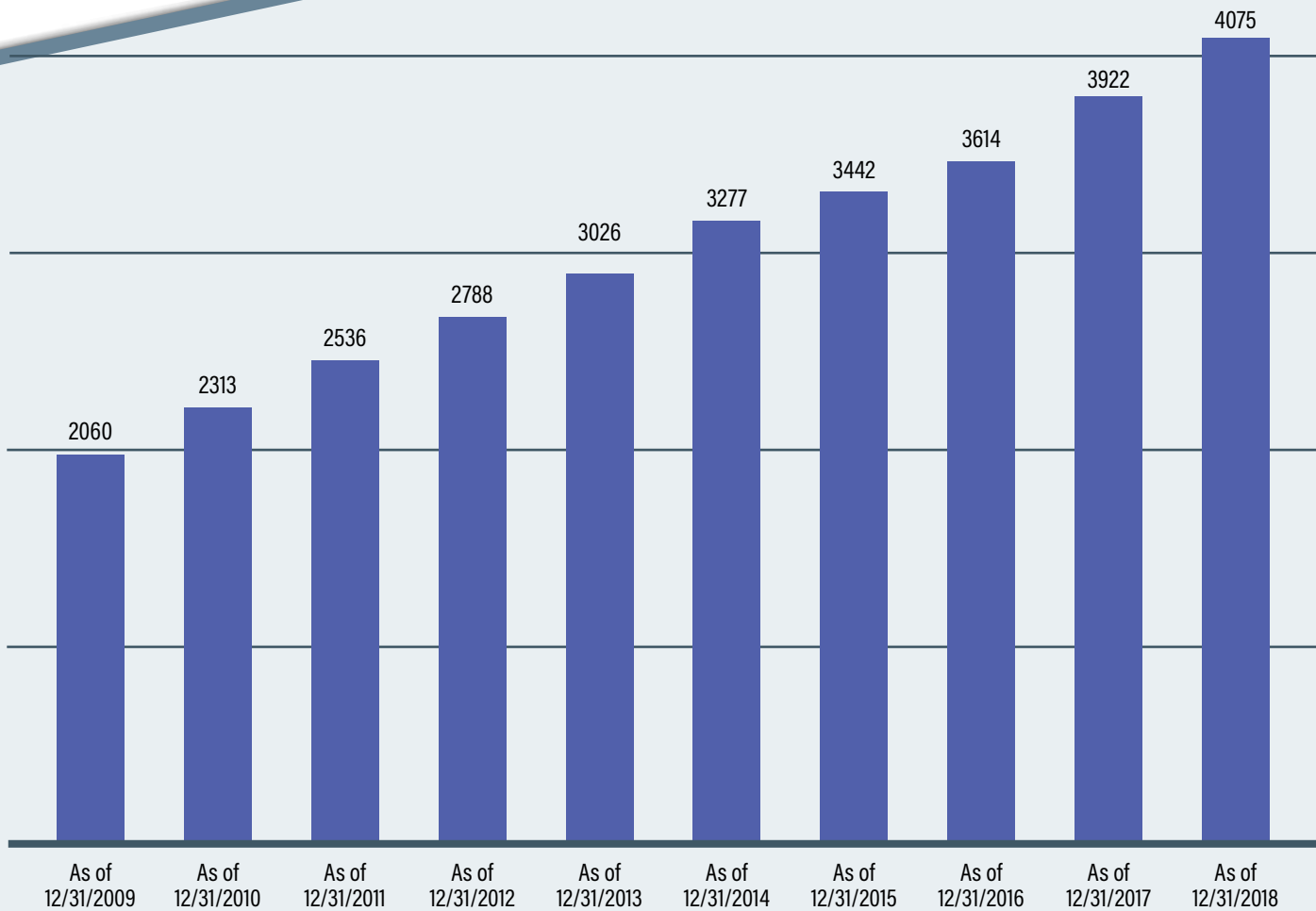


**Total Staff/Producers/Agents:**  
**17,302**

# PREMIUM & MEMBER AGENCIES BY STATE



## ACTIVE MEMBER AGENCIES





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