



SIAA: The Network That Works Plans Major Growth

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"Kentucky." "Georgia." "South Carolina." "New York."

Conversing with Jim Masiello during a break at his company's business meeting is a bit like interrupting an emcee eyeing the parade of contestants at a beauty pageant. As each agent comes within view, Masiello can't help but call out the agent's state and, for each, recall the success story behind the man or woman.

"That agent came to us when...."

Masiello is the proud chairman of SIAA, the Strategic Independent Agents Alliance, the Portsmouth, N.H.-based network of insurance agencies that operates nationwide and in Canada. With 1,400 member insurance agencies in his network, Masiello has many success stories to tell. He beams as he recalls the individual stores of struggle and success. "We gave them an opportunity and they responded," he says of those who have joined his "noble" organization. "Being able to help people; it doesn't get any better than this."

SIAA has 55 so-called "master agencies" covering 200 territories across the country. These master agencies in turn are responsible for recruiting individual "independent strategic members" (ISMs) among agencies with one to nine employees to join in the network. In addition, about 25 percent of SIAA agencies are former direct writer agents.

The network provides markets and profit opportunities that these smaller ISMs would otherwise not be able to access. SIAA's agencies now write an impressive \$3.1 billion in combined premium.

"We have seen steady growth year after year and we will continue to make the effort," stated Masiello, who initiated the concept behind the highly successful SIAA in New England in 1983 with the formation of SAN Group. The SAN Group is now the largest of SIAA members with 165 agencies writing more than \$205 million in business. In 1995, SIAA was formed to copy the SAN Group concept and create a series of national networks.

Once approved, individual agencies pay an initial investment fee and a monthly membership fee to be part of the network. In return they get markets and earn extra income. SIAA consolidates its individual member premiums to surpass carrier requirements to qualify for excess income and then it shares the monetary benefits with everyone in the network.

Insurance companies like the arrangement because it allows them efficient access to smaller agencies they might otherwise not work with, SIAA officials maintain. Some of the standard carriers whose products members can access include Liberty Mutual, Travelers, The Hartford and Safeco, along with various alternative markets.

"We are in the enviable position where we have companies coming to us," said Masiello, who adds that SIAA is very careful about which companies it partners with and loyal to those with whom it partners.

While \$3.1 billion is big by most standards—Masiello notes that only about a dozen independent agency companies write more—he is not afraid to think even bigger. Masiello sees his network expanding to as many as 4,000 to 5,000 agencies nationwide over the next five to 10 years.

Masiello said the organization's growth will continue to come as a result of its "careful selection" of quality master agencies and ISMs. He figures SIAA can sign up one out of 10 prospects from the field of agencies employing from one to nine workers.

"We don't want everyone," he said, stressing that quality control and loss ratios play an important part in the network's success.

While he believes "there is a need in every state," Masiello sees California, Michigan and Indiana as promising exceptional growth.

In April, SIAA held its 17th semi-annual business meeting for its master agencies in Boston, MA. The meeting included remarks by Clyde Fitch, president of Travelers personal lines operation. Travelers is one of SIAA's partner companies. SIAA also honored its Rookie of the Year, the Mississippi Insurance Alliance, represented by Robbie Bratcher Cross and Ladd Bratcher.

The gathering also included presentations by SIAA's top performing agencies:

Tim Hyland and Dawn Whalen of Agents Helping Agents; Jerry Hansen of Continental Insurance Agency Alliance Inc.; Mark Rollins and Carla Moccia of Hudson Valley Agency Alliance; Carl Frilling and Will Fleming of INEX Agency Alliance Inc.; Scott Treiber and John Paterno of Insurance Agents Alliance of Long Island; Ted Cogswell and Dianne Hanson of Montana Agency Alliance; Dan Kerns and Mary Kerns of Mountain State Agency Alliance LLC; Eric Blew and Jack Bury of Pennsylvania Insurance Alliance Inc.; Jon Pappas of Potomac Insurance Network; Bill Fahy of Satellite Agency Network of New York; Tom Harrison of SIA of Wisconsin; Ben Taylor and Diane Wagner of South Carolina Agents Network.