

Insurance Times: Regional Agency Networks
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Insurance Associates of America
Shrewsbury, Mass. - 508-795-0096

This network launched several years ago with eight members and now has about 100. IAA is based in suburban Milwaukee but is in the process of expanding nationally. Local offices are based in Shrewsbury. Agents who join pay \$5,000 at first and then "a small maintenance fee" each month, said Ben Graves, vice president of the network. Members also sign a contract but it isn't long term; they must give 30 days notice if they want to leave the network. Services include insurance company markets, and support in agency automation, marketing and perpetuation. Also offers "high levels of compensation" toward splitting commissions with agents, Graves said. The network does not take ownership of members' agencies. Looking to expanding New Jersey, New York and New England.

Satellite Agency Network
Swansey, N.H. - 1-603-430-0055 ext. 11

SAN Group counts 132 member agencies in seven states in New England and New York. SAN Group is part of a larger network called the Strategic Independent Agents Alliance which includes 560 member agencies nationally. SAN Group is about 18 years old, and has added about 25 new members each year, according to executive vice president Matt Masiello. Services include access to markets, automation discounts, agency management consultation and assistance with placement and pricing. Membership fees are individually negotiated based on a percentage of growth at an agency. But in the end Masiello says SAN Group pays "back to our agencies greater amounts than they pay us ... because of profit sharing, bonuses and overrides, and because of access to additional companies." SAN Group is not actively purchasing agencies, and agencies that join can retain ownership of their business. Typical new member agencies have less than \$300,000 in annual revenue and are often one-person agencies.

Allied Insurance Agents Group
Sturbridge, Mass. - 1-800-696-8873

Formed in 1999, this network includes four member agencies but may expand at some point. Dennis McCurdy says Allied is trying to focus on policies and procedures an agency can use and standardize, such as software, so all members of the network can visit each others' office "and could start working," McCurdy said. Group benefits include profit sharing and common marketing efforts, and monthly meetings as the network expands. Members pay \$2,500 to join, with a monthly fee schedule based on revenue. Fees decrease as agency grows. Typical members are agencies with at least \$1-2 million in premium volume with 10 years or more experience.

Iroquois of New England
Olean, N.Y. - Wakefield Mass. - 1-877-497-7690/914-213-5292

Iroquois of New England actually conducts business in New England, New York and New Jersey. But the network is a division of the larger Iroquois Group, which operates in 25 states and has more than 1,100 member agencies to date. Formed in 1977, Iroquois offers a number of benefits to members, including access to standard carriers, central placement capabilities, technology discounts, guidance and assistance in agency development and marketing and growth incentives. Agencies can also take advantage of profit sharing incentives and retain ownership. There's a monthly \$150 fee to start.

Gencorp Insurance Group, Inc.

East Greenwich, R.I. - 1-800-232-0582

More than 40 agencies throughout New England have joined Gencorp since the network launched several years ago. Agents who join have access to retail products and services including commercial lines, life, health and financial services. Agencies pay \$2,500 to join and an annual \$1,500 administration fee. The network makes money on the commission splits but takes no ownership stake in member businesses. Gencorp emphasizes its "interrelated" products and services "that transcend the old property and casualty agents," said Jay Madden, Gencorp's vice president of network marketing and underwriting. Typical members write \$2.5 to \$5 million in annual premium, with many agencies being family-owned.

Telamon Insurance Network

Newton, Mass. - 1-888-349-0659

Telamon launched in 1981. Twenty years later, the network has about 300 agency members throughout New England. Typical agency membership benefits include access to standard insurance companies, excess and surplus lines and financial services. Telamon also offers members marketing and underwriting and some consulting work regarding agency perpetuation and automation. Telamon CEO Mike Susco says his network has a broader product selection than many networks, such as the access for agents to the excess and surplus lines market. Agents can also use exclusive programs, such as a nursing home program through Fireman's Fund and Healthcare Underwriters Mutual. Agencies don't pay any fee to join, and are only charged for consulting services. Those fees are "priced by the job," Susco said. Agencies aren't required to sign a contract, either, Susco said.