

INTERVIEW WITH MATT MASIELLO OF SIAA

EXECUTIVE VICE PRESIDENT, CHIEF OPERATING OFFICER



Matt Masiello

Give us a brief description of SIAA.

SIAA is a national alliance of independent insurance agencies founded in 1995. We are comprised of 49 regional Master Agencies that develop the SIAA model within their exclusive territories. Since the inception of the business model in New England in 1983 (the founding Master Agency, SAN Group, was established then), SIAA and the Master Agencies have signed over 6,150 local independent agencies and ended 2016 with \$6.6 billion in combined premiums.

The ultimate goal for SIAA and the Master Agencies is to be the total solution for independent agencies that join us, as well as being a meaningful and proven distribution model for companies like MAPFRE.

From your perspective, can you describe how MAPFRE's partnership with SIAA can positively impact our growth strategy?

SIAA and our member agencies have a 48-state footprint. As MAPFRE continues

to expand nationally, or focus growth in particular states, we can provide distribution with experienced agents ready to participate. Our member agencies are typically focused on personal lines and small commercial lines, so MAPFRE is a logical fit. Our agencies are growing organically and MAPFRE benefits from that new production versus acquisition or aggregation premiums. In 2016, our members collectively wrote \$622MM of new business with just our partner companies, and as we appoint more agencies with MAPFRE, MAPFRE continues to get a bigger piece of the pie, expanding on our existing participation

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of 18 Master Agencies and 465 Member Agencies writing \$79MM in premium.

SIAA has also assisted over 3,742 insurance professionals starting their own agency, many of these individuals moved from the exclusive agents distribution channel. We see those opportunities growing in the coming years, as the exclusive channel comes under increased consumer pressure to offer choice to their clients. MAPFRE wins as we bring in younger professional insurance producers and new business to the independent agency channel. SIAA is also investing considerably in small commercial growth via training and mentoring programs and is beginning a similar effort in the life and benefits lines in 2017-18.

How does SIAA prepare its agencies to help strategic partner companies like MAPFRE meet their growth and profitability objectives?

We understand the importance of helping our strategic partner companies, like MAPFRE, reach their growth and profitability objectives. To that end, we review the goals of our strategic partners with Member Agencies as part of the annual planning process, as well as work with our partner companies and the agencies throughout the year in measuring performance and book quality. In line with what makes sense for the end customer and the independent agent, adjustments can be made which target the attainment of strategic partner goals.

In addition, SIAA is striving to make sure our member agencies recognize growth opportunities and have the tools to compete for the future. To do this, agencies need to become more sales or business development focused. They need to address the changing needs of the insurance consumer (including business owners),

and these changing needs may not just be coverage, they most likely include how to interact with clients moving forward.

SIAA offers training and mentoring programs, and has a proven program to assist new agencies in building a foundation for the success of their businesses over the long-run. We are developing a new team of field specialists to assist agents in getting over various growth hurdles. The SIAA Training & Learning Center offers exclusive programs to provide agency owners and their staff the tools to manage through these changes while continuing to grow. We provide marketing services and even an alternative marketplace outlet for those tougher to place risks, keeping standard business where it belongs and non-standard or excess and surplus risks where they belong as well.

What is the key to SIAA's success to this point?

Partnerships. It starts with the relationships between SIAA and the 49 Master Agencies, their local member agencies and national, regional and local partnerships with companies like MAPFRE. The Master Agencies recruit and work with the Member Agencies and they do so within their exclusive territories. SIAA established the plan and guidelines, the Master Agencies execute on it. The partnership then extends to the Member Agencies who use a combination of resources offered by SIAA and the Master Agencies. We never lose sight of the fact that it's through the independent member agency that all sales flow, and revenue is generated—it's where the rubber meets the road. SIAA further realizes that our partner companies, such as MAPFRE, play a critical role in the long-term success of our business model—and that a win-win situation ensures success for all participants.