



The SIAA Executive Group. From left:  
Nick Pappajohn, President; Doug Coombs, Chief Marketing Officer;  
Matt Masiello, AAI, Chief Executive Officer; Paul Labonte, Chief Financial Officer; and  
Jim Masiello, Founder, Chairman and Chief Strategy Officer

# DRIVING INNOVATION AND GROWTH

*National network focuses on making a positive impact on the independent agency channel*

By Dave Willis, CPIA

Just over a quarter century ago, SAN Group was entering its second decade of serving independent insurance agencies in northern New England. SIAA was an idea that was starting to germinate, and Matt Masiello, AAI, was readying for his career path, which he thought might involve the marine business but rather would eventually lead him to his current role as chief executive officer of agency network SIAA.

"I'm a water guy," says Matt, explaining the pleasure he derives, with his family, living near the tip of New Hampshire's 18 miles of Atlantic Ocean shoreline. "My wife, three boys and I are outdoors as much as possible. We hike year-round, and in the summertime we fish and cruise."

Fortunately, Matt's a frozen-water guy, too—living just south of New Hampshire's White Mountains. "In the winter, we downhill and cross-country ski and snowshoe," he explains. "Of course, we do these when we're not attending the kids' sporting events and other activities."

For a time, Matt contemplated a water-related career, which are plentiful locally. "Like many people you encounter in our industry, I didn't see myself in insurance," he recalls, "even though my father started and owned a retail agency and had started SAN

Group in 1983. But as I looked at SAN Group and the business model that was being built, I realized very quickly how much the insurance business had to offer. I jumped in with both feet, ready to give it a 200% effort." (Even Matt's metaphors are water related.)

SIAA is a national agency network started in 1995 by Jim Masiello, Matt's dad, who came up with the concept of a master agency. Master agencies are larger, regional, like-minded entrepreneurial agencies that partner with SIAA to help build and serve smaller agencies in distinct geographic areas.

Today, SIAA is made up of 48 master agencies operating in exclusive territories around the country. High-population states may have a handful of them; in less populated areas, a master agency may operate in a few states. SAN Group, the original master agency, fueled the creation of SIAA.

## Motivating factors

Matt started with SAN Group in 1993. "Back then, the business model only had 28 agents and operated just in northern New England," Matt recalls. "The model and the SIAA concept were new; nobody was doing what we were doing. We were in uncharted waters."



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SIAA

Matt Masiello

Jim Masiello

In such an entrepreneurial environment, Matt’s initial motivation focused around survival and growth. “I doubled down, educating myself on the industry and our business model,” he says. “I listened a lot—wanting to be the best I could be.”

He dug into both models, helping out however he could. “A primary focus was on growth,” he recalls. “My mindset from the start was, ‘If we do the right thing for our agencies, if we put member agencies first, then we will achieve the results we want, as well.’ The belief energized me.

“That was 26 years ago,” Matt explains, “and the members-first concept hasn’t changed one bit; it still drives us. But *times* have changed; what energizes me in this environment is ‘execute and evolve.’ That’s a mantra we have in the office—and it’s something I focus on.”

The first part, execute, recognizes that, amid growth, leaders must maintain a stable business model. “If we’re executing at a high level as we serve our member agencies, that brings them the stability they need,” he says. “But given the state of the industry, looking at what’s going on—things like changing consumers and insurtech, for example—we must look beyond day-to-day execution.

“That’s why so much of our motivation is around the second

piece—evolving,” Matt notes. “This is where we can impact the future of the property and casualty insurance agency distribution system. With all of the agencies we have—almost one in seven independent agencies—and tens of thousands of carrier codes, we’re a subset of insurance distribution, and it’s imperative that we keep evolving.”

#### Team approach

According to Matt, “Master agencies are key to our success. They have the local resources, people, and motivation to expand our business model in their territories. The master agencies deserve a lot of kudos for how the SIAA business model has grown.

“Of course, the national leadership team also has been a huge asset,” he adds. “Their breadth of expertise and experience and their hard work behind the scenes provide a lot of benefits to our member agencies.”

He cites two individuals in particular whose mentorship and support readied him for the SIAA CEO role he assumed last year and the ensuing transition. “One, obviously, is my dad. He didn’t go anywhere when I took on the CEO role; he’s still chairman. More important, he’s our chief strategy officer.” The other is Nick Pappajohn, who has been an integral part of SAN Group and SIAA from the start. Matt also values the support of Paul Labonte, chief financial officer; and



SIAA team members at the organization’s Hampton, New Hampshire office

Photography by Arturo Paulino



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Doug Coombs, chief marketing officer, who round out the executive group.

“And then the entire team at SIAA—we work closely to execute on the things we do for our agencies around the country,” he adds. “Between SIAA headquarters staff and the master agencies and their team members, some 350 people support our member agencies. But it goes a step further; credit also goes to strategic partnerships we have with insurance companies.

“We have a unique partnership between national staff, people in the master agencies, and the various strategic partnership companies we work with who come together to support the members,” he notes. “In every instance, strategic partner carriers have a dedicated liaison at the corporate or national level. Also, because of the size of the master agencies in the field,

carriers in a lot of the regions have dedicated liaisons supporting those relationships as well, because it really is about execution in the field.”

#### Ongoing role

Matt believes that networks, alliances, market access providers—call them what you will—are here to stay. “More and more agencies need or want to be part of something, and it’s no longer just smaller agencies; larger agencies are joining us for access to services and benefits beyond just markets.”

He notes that some organizations are looking to just offer market access or profit sharing to agencies. “They’re not delivering growth services and perpetuation services,” he notes. “In my mind, that means they’re not really preparing their agencies for tomorrow.

“An analogy I use is, ‘an organization that is aggregating premiums and providing some profit sharing today is like an independent agency that does all of its advertising in the Yellow Pages; it’s yesterday’s business model.’ Today’s networks need to focus in on what the future will be.”

The SIAA mission statement describes its dedication to the “creation, retention, and growth of the independent insurance agency distribution system” and the local independent agency. “Over time,” Matt says, “we’ve done a good job of delivering on that. Today we offer benefits for everyone from an experienced insurance professional starting an independent agency all the way to larger agencies.” Of the hundreds of agencies that come on board with SIAA each year, about 60% are startups.

“What agencies need and when they need it will change based on where they are in their business life cycle,” he adds. “We make our offerings available to member agencies on an à la carte basis—delivering services and benefits that help them from when they’re a startup in their growth mode all the way to perpetuation or a sale down the road.”

#### Driving change

Matt is rather optimistic about the independent agency channel. “We’ve heard for years independent agencies are dinosaurs and will disappear,” he explains. “To be honest, I believe right now is one of the best times in my 26 years in the business to be an independent agent.” The shrinking of the exclusive channel contributes to that optimism.

“Exclusive carriers pulling back affects their agents, who are a part of our local communities,” he explains. “There will be a vacuum that local independent agencies can fill by building and strengthening their community brand and serving people who want to do business locally.”

One factor contributing to IA channel growth is technology. “We completed a multi-year rebuild of our technology infrastructure that drives how we interact with 8,000 users in our agencies,” Matt says. “The revamp fortified our position to let us more aggressively move into other technology opportunities moving forward.”

Data also is playing a big role in how SIAA is run, as is insurtech. “We need to figure out where insurtech investment will take us,” he says. “To do that, we started an innovation and insurtech group at SIAA over a year ago—an eight-person team that includes people from other industries besides insurance. We didn’t want to put a lot of insurance people in the room

and pretend we're not insurance people. And we went out and hired someone from the carrier tech consulting world."

The goal: Go headfirst into the tech space to figure out what can benefit agencies and how. "Early on, we decided to not go it alone," Matt explains. "Many insurance company partners, especially larger ones, have a technology hub or lab and are looking very closely at insurtech investments."

"Because of the size of our books of business and our relationships with the carriers, I believe it's imperative that we walk hand-in-hand down this path of insurtech," he says. "We asked if they'd share with us what they're seeing, where they're investing, and what they think we should be looking at—and vice versa. They agreed. And it's been a great partnership."

For its part, SIAA is working with a leading insurtech firm to develop its own small commercial submission system for member agencies around the country. It also developed and broadcast in September 2019 a virtual conference called IA Evolve designed to examine insurtech as it relates to agents and brokers.

"We designed the conference to help independent agencies understand where they are today, where they should be, and what digital solutions exist," Matt explains. "We wanted agencies to see what's next and what benefits exist for agencies—their operations, their client work, their marketing, and efficiencies they need to gain."

"We have to figure out as an industry how we can take available insurtech digital solutions and prop up and support the existing agency distribution system so we're all relevant in the future," he adds.

### Giving back

SIAA is also about supporting and propping up local communities. "We support Wounded Warriors as our nationally endorsed charity," Matt explains. "We do contests and matches on Memorial Day, Veterans Day, and throughout the year for wounded warriors that master agencies and members take part in."

The group also supports a local organization in New Hampshire called Veterans Count, which provides local services and support to families of veterans and active-duty military. "Maybe mom or dad is deployed, and the family needs a little extra to pay the oil heating bill or the car needs to be repaired or a window got broken," he explains. "Veterans Count steps up."

"We're also big supporters of the Jimmy Fund and the Dana-Farber Cancer Institute," Matt notes. "We hold an annual Evening in Pink fundraiser in Boston and invite our agencies and master agencies and companies to join us."

Sometimes the charities that a business supports aren't the ones its team members want to support. "So we encourage staff to give both time and treasure to organizations that are

important to them and their communities by giving them time to volunteer and matching their donations," Matt notes.

### Lasting effect

Overall, about 13% of independent agencies are part of SIAA. "We add more than 400 new agencies a year and we ended 2018 at \$8.1 billion of total premium," Matt explains. "With just our strategic partner insurance companies—we have 23 of them—we average about 15% growth per year and wrote roughly \$800 million dollars in new business last year."

Matt sees SIAA and its master agencies, in conjunction with carrier partners, making a long-term positive impact on the independent agency system. "Technology is part of what makes us successful," he explains. "Independent agencies—especially our members—if they're taking advantage of what we offer are going to be better prepared for the evolution in the industry."

"Couple that with the people working to help agencies, and we're confident in our ability to be a valuable solution for the evolution of agencies and distribution within the independent agency channel," he adds.

"We're very bullish on the independent agency system and where we are in the industry," he concludes. ■

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### For more information:

**SIAA**  
[www.siaa.net](http://www.siaa.net)



*From left: Jeff Holmes, Senior Vice President and Chief Operating Officer; Matt Masiello; and Frank Waters, Chief Operating Officer at SAN Group, Inc.*