

Five Agency Growth Tips for Independent Agents

By: Steve Tombarelli

With a softer insurance market expected to gradually materialize in 2025, carrier capacity is anticipated to increase slowly. This shift in the insurance market presents new opportunities for independent agents to grow their businesses, provided they adopt the right strategies. From leveraging technology to aligning with carriers, consider the following five tips for independent agency growth in the year ahead:

1. Leverage Data to Work Smarter

Agency management systems (AMS) provide extensive data that can drive growth. These insights can identify opportunities for cross-selling, enhance retention strategies and offer a clearer understanding of an agency's book of business.

A customer relationship management (CRM) system can complement an AMS by streamlining communication with current clients and prospects. For example, if a carrier focuses on a specific segment, such as restaurants, a CRM can help agents locate and follow up on past leads within that niche.

2. Align with Carrier Objectives

Carriers are cautiously increasing capacity, prioritizing specific states, lines and classes of business. As this trend continues, agents who align their efforts with their carriers' priorities will benefit from the reinforced relationship as the market becomes more competitive.

Start with open conversations with your carrier representatives to understand their areas of focus. Are they expanding in different states or regions? Are they interested in personal auto, homeowners or commercial lines? By writing business that aligns with their goals, agents can increase profitability while strengthening their carrier relationships.

3. Focus on Client Retention

Growth is not just about acquiring new clients, it's also about maximizing the value of an agency's existing book of business. A client retention strategy can help ensure agents do not neglect clients or lose business, forcing them to fill in gaps later.

Having a consistent messaging and

a strong communications strategy for such conversations can go a long way in reducing client turnover. Many clients may be tempted to shop their policies as prices decrease in search of perceived savings. It's essential to educate clients on the potential downsides of switching carriers and assist them in making better informed decisions.

4. Cross-Sell to Existing Clients

Most clients have multiple insurance needs your agency can fulfill, but many agencies write two or fewer policies per client on average. A proactive cross-selling strategy could help identify untapped opportunities within your client base, increasing profitability while adding value to and strengthening your client relationships.

5. Invest in Staff and Training

Recruiting, training and retaining skilled producers and support staff remains crucial. This is especially true as staffing challenges persist. Agencies should develop strategies to free up time for growth-oriented tasks. Too often, producers

and support staff spend too much time servicing an account rather than selling. A clear service plan, combined with efficient processes, allows your team to focus on growth while ensuring existing clients are adequately served.

Every team member within an agency should also receive sales training, whether they are producers, customer service staff or agency principals, to help perpetuate growth and reveal opportunities. An agency where everyone is aligned and prepared to better meet the needs of their clients will only benefit the business and its clients' interests.

Embracing Technology

No guidance on growth would be complete without discussing the application of technology across the enterprise. Agencies that embrace innovation will have a distinct advantage going forward. In addition to providing vital data, many new technologies can help agents gain deeper insights into their businesses. These tools can highlight areas where agencies may be over-concentrating on service-heavy accounts like construction and suggest opportunities to diversify into less intensive areas such as professional offices.

Digital marketing platforms can also

play a pivotal role in client prospecting. Automated campaigns that target specific niches aligned with carrier priorities can drive leads directly to your agency. Additionally, virtual customer service representatives (CSRs) offer a cost-effective means of handling repetitive tasks, freeing up your team to focus on growth.

Common Mistakes

With growth opportunities on the horizon, it's important to steer clear of common mistakes that could limit an agency's growth. These may include:

- **Selling on Price Alone:** While lower pricing may attract new clients in a softening market, this strategy often leads to short-term gains and long-term losses. Focus instead on the value your agency provides in terms of expertise and education.
- **Failing to Say No:** Some agents take on a mindset that they are not allowed to say no, overwhelming and impacting the overall health of an agency. It is better to have the right clients and focus on strong relationships than to take on numerous clients the agency cannot manage properly.
- **Not Understanding the Com-**

petition: Agents who do not understand the industries their competition serves, the carriers they work with or the sales strategies of others in the market could be missing out on opportunities in their own backyard. An agency's competition can be an effective resource to understand where improvements can be made to their sales strategies, or areas, industries and niches that could aid growth. Agents should work to understand their competition's businesses, where they have been successful, and areas they have not yet explored.

To take full advantage of the opportunities on the horizon in 2025, agents must implement strategies that address current challenges while also preparing their agencies for the future. By maintaining focus and executing a clear, forward-thinking plan, independent agents can better navigate the shifting landscape and thrive in 2025 and beyond. As I often say, keep your eyes up and look down the field. ■



Steve Tombarelli is the senior vice president, programs and services, at SIAA.

Reprinted by permission of Standard Publishing Corp. © 2025.

To subscribe to *The Standard* and stay up-to-date on what's happening in New England insurance, please go to www.spcpub.com or call 617-457-0600.