

Navigating Agency Culture Shifts After a Merger or Acquisition

By: Jack Calabrese

For agency principals, the culmination of a merger or acquisition (M&A) marks the successful end of a long journey.

These entrepreneurs built their agency from the ground up. They chose to sell, either of their own volition or because they received the proverbial offer they could not refuse. Either way, they are ready to pursue new ventures or ease into retirement, and with the deal concluded, they now have the finances to do so.

But what does this transition mean for the producers and staff?

A merger or acquisition is a huge opportunity for an agency principal or owner. However, when new owners begin to make inevitable changes, the agency culture may shift the organization into new and sometimes uncharted territory for the existing staff.

With agency consolidation expected to continue at a steady pace throughout the year, understanding the types of culture changes that occur post-merger and learning how producers can best navigate the next steps in their careers

is an important consideration, both for owners seeking buyers and hoping to retain staff as well as staff members who will remain to guide the newly acquired agency into its next chapter.

State of Agency M&A

The previous 12 months saw a slight slowdown in M&A activity, with 695 total deals, 92 fewer than in 2024, according to OPTIS Partners. The number of unique buyers declined slightly, too, from 104 in 2024 to 95 in 2025, the fourth straight year of decline.

This pool of buyers is growing more selective, and they will scrutinize every potential deal to ensure they are getting the best of the best. Still, OPTIS estimates there are more than 30,000 independent agencies nationwide with less than \$1.25 million in revenue, and most of them have little ability to perpetuate. For that reason, deal volume is likely to remain steady in 2026, although prices could start to rise.

Post M&A Changes Add Up Fast

M&A transactions often bring operational changes as firms integrate systems

and processes. Private equity firms, seeking returns on their investments will work to standardize operations to align their newly acquired agency with other assets within their portfolio.

For producers, these changes can be substantial. They may be asked to sell to new companies or lines of business. Those requests will often be tied to their compensation. A producer might need to sell a certain amount of both property-casualty and life policies to qualify for specific incentives. Or producers may have to sell a higher amount of premium to earn their commissions. In other cases, the new owner's evolving business priorities may shift incentives for selling some policies over others based on profitability.

Producers may be introduced to new or different carrier partners. Such changes present both opportunities and challenges for producers to build new relationships. It also may change producers' eligibility for or the structure of carrier-led contingency programs.

The agency's core technology systems could undergo transformation as well. Most private equity firms will require a

new agency to use the same agency management system or quoting system used by other portfolio agencies. Each new system is implemented to modernize a business and create long-term efficiencies, but with the new system comes a learning curve, creating growing pains even if the new technology is simply an upgrade from the agency's older-but-similar solutions.

All these items are just the operational mechanics. Workplace policies and procedures are a consideration for the new owners and a potential reality shift for staff. A new owner could implement new and varied work schedules, training and workplace practices. Benefits and bonus structures may be revised as well as a change in the agency's organizational structure. Add up all these factors, and producers are left with a shifting landscape that requires thoughtful attention and forthright conversations with the new leadership. They also present opportunities for growth, added benefits and the chance to shake up the status quo to energize the business and its personnel.

Culture Shifts Are Dramatic

Adapting to a new agency culture is the hardest part of any transition.

Producers often seek opportunities with independent agencies because they value the homegrown, family feel smaller organizations can provide. After a merger or acquisition, there is always a chance the agency's culture can change. The selling owner often has a vested interest in staff retention and satisfaction, so it's important to identify the key cultur-

al touchstones of the organization being acquired and relaying that information to the buyers. There may be ways to enhance that culture or at least nurture its transition to better match the new company while preserving or evolving key cultural aspects of highest import to the staff.

There is no one-size-fits-all approach to making this aspect of the transition a success beyond open conversation between the buyers and seller. Understanding the mindset and priorities of the existing staff the new owners hope to retain can help to ensure the aspects of the agency culture that matter most are integrated into the new entity.

Taking the Next Step

In any agency acquisition, there will be producers who choose to stay and others who opt for new horizons. For many, it is imperative that their workplace culture matches their personal and professional values. Sometimes the best means of finding the right cultural fit post-acquisition is for a producer to become a principal and launch their own agency.

Before looking for greener pastures, however, producers must examine their current contractual obligations. They may not be able to bring their existing book of business with them. They may lose their carrier appointments and be required to build a proven track record with their new agency before receiving new appointments.

Economic considerations are important,

too. Principals must have the resources necessary to absorb the financial realities of starting their own agency. They must also be willing to take on added responsibilities, including choosing a tech stack, training their staff and securing market access.

For those producers making the leap to ownership, aligning with an agency network can help ease the transition. Groups like SIAA – The Agent Alliance can offer expert guidance on tech systems and provide learning and development resources. They can also help new owners plan an organic agency growth strategy and open the door to additional compensation opportunities.

Producers will sometimes wait too long to act after a merger or acquisition, but if an agency's culture is no longer a fit post-M&A, it's better to identify it early and start planning your exit so you can refocus your efforts on building your own successful agency. ■



Jack Calabrese is the chief growth officer for SIAA – The Agent Alliance, the largest alliance of independent insurance agencies in the country. He has served in various leadership roles with SIAA for eight years and has worked in the industry for two decades. As an experienced insurance professional, keynote speaker and sales leader, Calabrese is passionate about listening to and speaking with independent agents while developing strategies to help them succeed.

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