

# INSURELINE

HOW TO  
BECOME AN OWNER  
IN TODAY'S  
MARKET

HOW TO GET  
YOUR CLIENTS  
TO FOLLOW YOU

5 THINGS YOU  
SHOULD  
KNOW  
ABOUT OWNING  
A BROKERAGE

DO YOU OWN  
YOUR BOOK?  
WHAT YOU NEED  
TO KNOW NOW!

INDEPENDENT BROKERS ARE DEAD  
LONG LIVE  
INDEPENDENT  
BROKERS

VELVET ROPE  
GAIN ACCESS TO  
LEADING  
MARKETS

WHY YOU SHOULDN'T RUN YOUR OWN TECH by Kelly Walker, InsureLine CTO

ALY KANJI SHARES HIS DJ-TO-LAWYER-TO-BROKER ORIGIN STORY

JOE XU AT PLATINUM WON'T STOP. OR CAN'T. YOU DECIDE.



## CONSOLIDATION SPURS THE NEXT GENERATION OF OWNERS

*When one door closes, another opens.*

– Alexander Graham Bell

### CLOSING DOORS

Every week, there is a press release about consolidation. And with each independent brokerage being acquired, the door of ownership and entrepreneurship closes on the next generation of entrepreneurial brokers.

That's because the succession tree ends. It's cut off. We seem to glamorize these acquisitions, when in reality it's detrimental to the health of our industry.

The unprinted, and whispered things you hear at broker conventions and when you're talking to industry folk, like: "Consolidation cuts off the opportunity to become an owner," "producers are forced to give up ownership of their book," "customers want to deal with locally owned businesses," "customers are frustrated having to now use call centres," "customers don't know the brokerage owner anymore," "everyone else is selling, it's what we're going to have to do."

If you've been part of an acquisition, or know someone who has, then you know. Consolidation feels inevitable. The one unintended consequence of consolidation that doesn't get discussed is ownership development.

Not leadership development. But ownership. The closing door of consolidation means that an entire generation of business owners is not being developed. It takes a different skill set to successfully own and run a business. And you can't learn these things through a bootcamp course. You have to live it.

I submit this isn't just bad for individual brokers who want to own. It's bad for our industry. Owners innovate, while consolidation is stifling.

Some quick math, based on recent press releases, indicates that one consolidator is on track to acquire 30-35 brokerages in the next 18 months. Assuming the other consolidators keep pace (and you know they will), we're likely to see another 120-140 independent businesses eliminated in our industry. And that's only the forecast for the next 18 months.

But there's hope.

### OPENING DOORS

The great thing about the human condition is that it's hard-wired into us. Research shows approximately 16% of us are hard-wired to be entrepreneurs, according to Apollo Technical. If you're one of that 16% then it's something you can't shake. If you've heard the ownership call, you know what I'm talking about.

Consolidation, for all of its oligopolistic outcomes, forces change. It's a triggering event for those 16% of the broker population who have the ownership itch. And it opens the door to what's possible.

Every week we're having conversations with producers and brokers who either:

- A) Have already been displaced by consolidation, or
- B) Are worried that their current brokerage is next.

If this is you, if you've been thinking "What's Next?", here's what I recommend.

First, understand your contract. Have it reviewed by a lawyer. Know it inside out. Do you own your book? What is the buy-back valued at? What happens if you leave the brokerage? What happens if the brokerage is sold to a consolidator?

And if you are being asked to sign a new contract, do not sign it without getting professional advice. Trust me, as a former lawyer turned insurance broker, getting a professional 3rd party assessment will save you a lot of money and equity in the long run. I help people to review their contracts every day. It isn't legal advice, but it may help identify potential pitfalls.

Second, start developing your "what if" strategy. How would I start my own brokerage? Who would I do this with? How much money do I need? What are the steps to ownership? What do I say to my customers? Talk with others who have walked the path to ownership. You'll be amazed at how many are willing to offer their time to advise and support you.

I truly believe that luck is where preparation meets opportunity, a phrase coined by Roman

philosopher Seneca. Said differently, we make our own luck.

Having worked through your strategy in advance means that you won't have to think about what to do. You'll simply execute. Believe me, being prepared will pay off in spades. When a brokerage announces that it has been acquired, things move quickly. Emotions run high. And without a plan, you might feel forced to do something you'll regret later.

**"THERE'S A LOT MORE OF US ENTREPRENEURS OUT THERE, AND AS LONG AS WE FOLLOW OUR DREAM OF OWNING OUR OWN BROKERAGE, AS LONG AS WE SUPPORT AND HELP EACH OTHER, THE INDUSTRY WILL CONTINUE TO BE IN GOOD HANDS."**

I often hear people say that it's impossible to start an insurance brokerage today. Kind of like getting into the real estate market in Vancouver and Toronto; if you're not already in then you've missed the boat. But that simply is not the case. There are paths you can take to achieve your dream of ownership. Who says you can't build generational wealth for you and your family too?

There's a lot more of us entrepreneurs out there, and as long as we follow our dream of owning our own brokerage, as long as we support and help each other, the industry will continue to be in good hands.

**We'll open the door together.**

**ABOUT:** Aly Kanji is the President and CEO of InsureLine Brokers Inc., providing an independent broker channel to operators and producers in Canada. For more details, visit: [www.Joininsureline.com](http://www.Joininsureline.com)