

THE OVERLOOKED OPPORTUNITY

A Growth Partnership Model for
Sub-\$500K EBITA Insurance Agencies



Strategic Growth Partnership

While private equity firms and large partnered organizations have successfully acquired middle-market insurance agencies valued between \$5–\$50 million, a substantial segment of the market remains underserved: smaller agencies and downline producers generating less than \$500,000 in EBITA.



These agencies are rarely approached in traditional M&A processes and typically receive little to no economic benefit when their upstream organizations are acquired. Yet collectively, they represent one of the largest untapped growth opportunities in insurance distribution.

This paper reframes the conversation. Rather than positioning smaller agencies for sale, it positions them for **strategic growth partnerships** designed to accelerate income, scale operations, and preserve independence.

The Problem with Traditional Consolidation

When large agencies or platforms are acquired, value creation is concentrated at the ownership level. Downline agents and smaller agencies often experience:



No liquidity event



No input



No participation vs expectation



No to poor communication



No improvement in compensation



Increased compliance and administrative burden



Reduced autonomy with little strategic upside

As a result, consolidation frequently extracts value from the bottom of the distribution structure instead of creating it.

A Different Model: Growth Without Selling

Smaller agencies do not need buyouts—they need leverage.

The most effective strategy for sub-\$500K EBITA agencies is a **growth partnership**, where a larger, growth-oriented agency invests resources, time, modest capital, infrastructure, and support in exchange for long-term alignment rather than immediate ownership control.

This “Partnership” model focuses upon:

- Long-term relationships (partnerships)
- Commission structures
- Back-office support
- Strategic mentorship and scalability
- Improved Carrier communications
- Incentives and Recognition

The outcome is accelerated growth without loss of control.



Why Smaller Agencies Are Ideal Growth Candidates

Smaller agencies often possess qualities that large organizations struggle to replicate:

- Strong entrepreneurial drive
- Deep local or niche market relationships
- High personal production efficiency
- Willingness to adapt and grow

What they typically lack is not talent, but access to capital, systems, and institutional support.

With the right partnership, many sub-\$500K EBITA agencies can realistically double or triple earnings over a defined time horizon.

The Partner Agency Advantage

For partner agencies, this model creates a powerful alternative to traditional acquisitions:

- Capital-efficient expansion of distribution.
- Organic growth without paying acquisition premiums.
- Long-term revenue participation
- Early access to future acquisition opportunities

Instead of competing for mature agencies at peak multiples, partner agencies help build the next generation of scalable platforms.

Aligned Economics

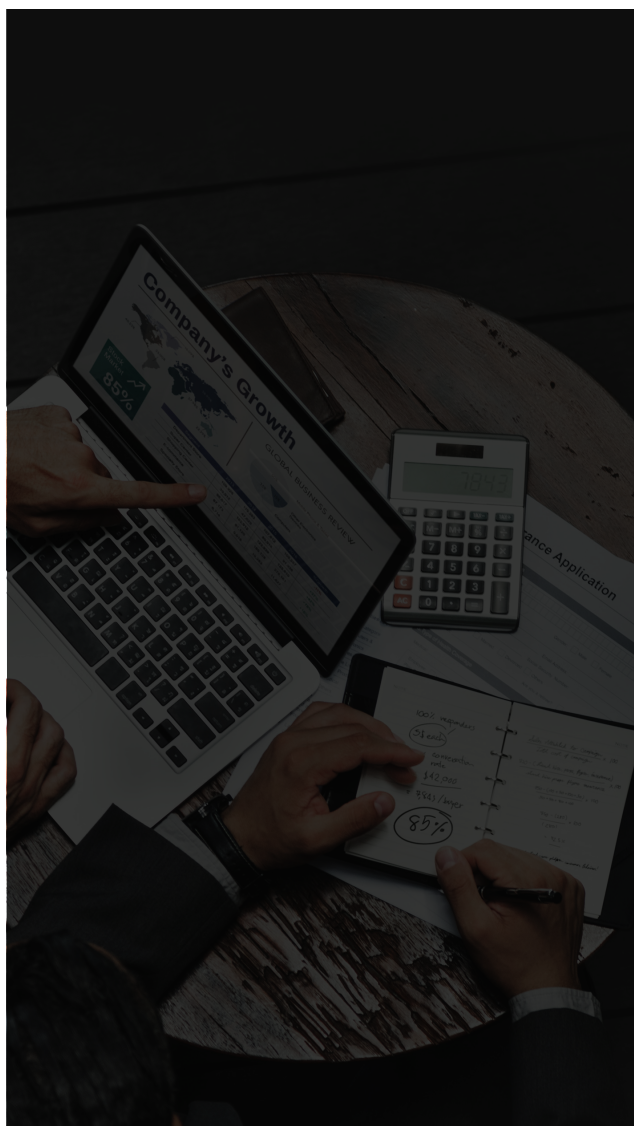
FOR THE Smaller Agency

- Increased net income through higher commissions
- Reduced administrative and compliance burden
- Access to systems and infrastructure typically reserved for larger firms
- Optional future liquidity—not forced exits

FOR THE Partner Agency

- Minority participation or revenue sharing
- Scalable growth without balance-sheet strain
- Strong producer retention and loyalty
- Long-term value creation pipeline

This model is built on alignment—not extraction.



The Message

- You do not need to sell your agency to grow it
- Higher commissions and real support—decreased overhead
- Build income today. Create options tomorrow.
- Partnership before purchase.
- Dreams become reality.
- Improve your Value Proposition.

Growth Partnerships

Growth Partnerships create an environment and opportunity for smaller Independent Insurance Agencies to Grow Faster—Without Giving Up Equity and Control.

Consolidation

The next phase of insurance consolidation will not be defined solely by headline acquisitions. It will be shaped by those who invest early in overlooked producers and scalable operators.

Smaller agencies do not need to be left behind. With the right partner, they can become the most compelling growth stories in the industry.

In a market focused on buying size, the smarter strategy is building it.



Growth Partnership Guide

Helping Independent Insurance Agencies Grow Without Giving Up Equity and Control

Exclusion

Independent insurance agencies producing under \$500,000 in EBITA are often excluded from traditional M&A conversations. When upstream organizations are acquired, these agencies typically see little to no financial benefit—despite being critical contributors to distribution and growth.

This guide introduces an alternative: a growth partnership model designed specifically for smaller agencies that want to scale earnings without selling control.

Rather than focusing on buyouts or exits, this model emphasizes higher commissions, operational support, and aligned incentives that help agencies grow faster today while preserving optionality for the future.

Core Value Proposition

What This Partnership Delivers

- Higher commission structures
- Back-office, compliance, and operational support
- Technology and CRM access
- Marketing and lead-generation assistance
- Strategic mentorship from growth-oriented agencies
- Carrier partnerships
- Incentives and Opportunities
- Life-changing relationships

The result is accelerated growth without loss of independence.



Who This Is For

This partnership model is ideal for:

- Independent agencies valued under \$500K EBITA
- Downline producers seeking better economics
- Owners who want growth—but not a forced sale
- Agencies constrained by admin, compliance, or scale

You Do Not Need to Sell Your Agency to Grow It

If you believe your business could grow faster with better economics and real support, a growth partnership may be the right next step.

