

HOW TO KNOW STARTING A BROKERAGE IS FOR YOU

7 SIGNS THAT CAN HELP YOU DETERMINE IF YOU'RE READY

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I PUSHED ALL-IN.

The game wasn't poker.

It was the future direction of the brokerage I was leading.



"Look, I'm basically running the show right now and I see where we're headed. We're too heavily weighted in auto. We need to diversify our book and update our technology if we're going to compete. Consolidators are buying up brokerages left and right. The market is changing."

The owner didn't see it the way I did. I'd forced his hand. My business proposal pushed him to a 'yes/no' position.

"If that's how you feel, Aly, then I'm going to ask you to leave."



I'd never been let go.

And even though I had a moment of "oh shit", I knew what was ahead.

I'd been hearing "it" over and over in my head, and couldn't ignore it any longer.

I was going to start my own brokerage.

**AND I BET IF YOU'RE READING THIS,
YOU'VE BEEN HEARING IT, TOO.**

THE CALLING

There's something that drives entrepreneurs forward. For me, I've always enjoyed creating. Building. Taking something and turning it into something that's better. Something that's mine.

When I started in the insurance business, I was at a brokerage for 10 years, eventually running the brokerage, and mostly responsible for more than tripling the number of locations, the number of staff, and most importantly the revenues!

I believed in what we were doing and loved the challenge.

Yet, I would never get to participate in the growth of the enterprise, because I didn't have an ownership stake.

And that nagged at me, because I was adding tremendous value but I knew, when the exit happened, I'd be left out. I wouldn't see any of it.

I needed to step out and do my own thing. And all of the InsureLine franchise owners (and every entrepreneur I've ever spoken with) has said the same thing, **"... the calling" to do their own thing was just too strong to ignore.**

HOW TO KNOW

Hearing "the calling" isn't enough. Not in today's broker channel. Starting your own brokerage is not as easy as it once was. **But it's absolutely possible.**

WHAT FOLLOWS ARE 7 SIGNS THAT WILL HELP YOU TELL IF STARTING A BROKERAGE IS FOR YOU.





YOU HAVE A BOOK OF BUSINESS

An established, healthy book of business is key when looking to strike out on your own. It gives you the footing and cushion you need to create cash flow to support your business.

What does a healthy book look like? Because you're a conscientious producer, it's one with low loss ratios and low claims frequency. What we call 'good quality' business.

And if you're thinking of striking out on your own, then your book will ideally have around \$2,000,000 in gross written premium. This isn't a hard and fast rule, but having this premium will help offset your start-up costs (I talk about this in my book, What You Need to Know).

It's your most valuable asset. But here's the thing: do you own your book?

Did you sign a contract when you started working at the brokerage you are at? Do you have a copy of your agreement. Do you know what the contract says?

A lot of brokers have a general understanding of their contracts, but don't know them intimately. And that can lead to some problems. Know yours before making any move.

Bonus Resource: www.checkyourcontract.com

If you are unsure about exactly what you own, or would like to have your contract reviewed, let's talk. As a former lawyer turned insurance broker, I can review your contract and give you an unbiased, 3rd party assessment. I'm not giving you legal advice, but I will give you my take on the potential pitfalls of your agreement.

Simply go to www.checkyourcontract.com to set-up your free, confidential consultation with me.



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YOU HAVE THE EXPERIENCE

Running a brokerage takes more than just making sales. If you've ever managed a team, or even one person, you know what I'm talking about.

Managing people is one of the most unexpected challenges new owners face. It was an adjustment for me. And many others, too.

So if you have experience managing people, you're one big step ahead.

You also have experience in the industry.

When I say 'experience', here's what I mean:

- **You have your Level 2 or unrestricted insurance broker license,**
- **You have, or are working towards, your Principal Broker / Designated Representative / Nominee license (whatever the manager's license is in your jurisdiction),**
- **Some experience working 'on' the business of the brokerage.**

If you don't have your Principal Broker designation to start a brokerage, don't worry. It's something you can get (you've just never had a need before to get it).

Basically, you know most of what it takes to run a successful insurance brokerage.

This is a huge head-start.



YOU FEEL FRUSTRATED BY LACK OF INVESTMENT

Any of these sound familiar to you?

1. Your technology stack needs improving, but ownership doesn't want to invest.
2. Service is slipping or under-staffed at your current brokerage, but ownership doesn't want to invest.
3. Your marketing is non-existent or out-of-date, but ownership doesn't want to invest.

There are others, but what I hear from producers time and again is that they're tired of busting their hump to bring in revenue, only to see it go straight to the owner's pocket. Little to none of it gets reinvested in the brokerage.

Here's the thing - these are often signs that the owner is:

A) thinking of selling the brokerage, or

B) they're just going to milk the brokerage until they decide to sell.

Either way, your frustration is justified, and it's likely an early warning system.





#4 YOU “JUST WANT WHAT THEY HAVE”

This is one of the most common things I hear from producers striking out on their own: “I just want what they have”. They see the wealth that owning a successful brokerage can deliver.

And they want it for themselves. They want it for their families. Their children.

Wanting to create your own generational wealth is a good thing. And you’re willing to put in the time and effort to build it because you’re not scared of working hard.

It means you’re not comfortable with where you are today.

And you’ll need that drive to succeed.

But be warned: the brokerage ownership where you are today is unlikely to give you an “all the best” send off.

They don’t want you to start your own brokerage because YOU ARE THEIR GRAVY TRAIN.

And if they’re considering selling their brokerage, you just decreased their exit value.

**YOU CAN HAVE
WHAT THEY HAVE!**



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YOU'RE ALREADY HIRING SUPPORT STAFF

Successful producers often find themselves at a point where their growth becomes too much for them to handle on their own.

The result?

They need to hire support staff. Here's the thing: if you're in a position where you've already hired staff, or are on the verge of needing to do so, then you're basically running a brokerage.

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YOU FEEL THE PULL OF LEADERSHIP

For some, there's a need, the need to lead.

And though you can do this in someone else's brokerage, there's nothing quite like being the head boss.

You know what you can do – you believe in yourself!

Ask any entrepreneur and they'll tell you the same thing.

Going back to working for someone else just doesn't feel like an option.

Ever.



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#7 YOU HEAR THE CALLING

You know what this is. We've all heard it. And for some reason you just can't shake the feeling that you want, no NEED, to do your own thing.

For me, I had to find out for myself if I had what it took to start my own business. Even if I'd failed, I'd have known that I gave it a shot.

What about you? Do you hear it?

Is "needing to do your own thing" keeping you up at night, or causing you to dream during the day?

If so, then starting a brokerage may just be for you.

And if you find yourself wondering what your next step might be, let's talk.

Drop me a line at aly@insureline.com.



OPPORTUNITY = PREPARATION + TIMING

Starting your own brokerage is not something that you'll likely ever be 100% sure about. So what I tell ambitious producers is this: be prepared for when opportunity strikes.

Sometimes you create your own path. Sometimes it's created for you.

Regardless, be prepared. Because when a big event happens, like the brokerage you're at is sold to a consolidator, things will move quickly.

If you've thought about doing your own thing, if you've gone through the exercise of knowing your contract, of knowing what it takes to start a brokerage, you'll be in a much better position to act.

And if you ever want to discuss entrepreneurship over a coffee or beer, just email me at aly@insureline.com.

ABOUT ME

A broker, lawyer, and DJ walk into a bar.

Bartender says, "Hey Aly, how's life?"

...

That's me.



I ran a DJ company in university to support becoming a lawyer. And then, after falling in love with insurance, left a national law firm to join a brokerage (try telling your Indian parents you're leaving law to sell insurance).

What matters to me? Deep relationships. Making an impact. And taking action. That's a big reason behind why I started InsureLine. My partners and I are guided by a simple philosophy: the insurance experience can always be better.

I've been in insurance for almost 20 years. And I feel like I'm just getting started. I'm learning new things every single day. And even though I'm starting to feel old, I'm really in the prime of my career right now. This is the time for me when I can help many people get into the business and make a significant impact on the insurance industry in Canada. I want to play a role in making sure the independent broker channel not only survives, but thrives in Canada.

And the most important thing about me, I'm a family man. My wife (who's also a lawyer and a licensed broker) and I have two kids. My youngest is learning karate. She's a firecracker. And my oldest, he's into hockey and soccer. And no matter how much I love my work (yes, it's true, I love going to work every day, and when it's your own, you will too), family always comes first.

Aly

ABOUT INSURELINE

At InsureLine, we believe in creating value within the broker distribution channel, not consolidating it.

Our values are simple: own it; innovate, and have fun.

At a time when starting a brokerage is almost impossible, we're building a network of brokerage owners. Using a franchise model, we help our franchise owners succeed by providing the framework and supporting resources needed to not only survive, but thrive. The best part about joining a franchise is all the hard work is already done for you: there is a system in place for you to follow, and you get support and guidance to avoid critical and costly mistakes that minimizes the risk to you.

When you boil it all down, we believe in playing long term games with long term people.

You have deep relationships with your clients. We know your clients will follow you to the end of the earth. We want to help you to continue to cultivate those types of relationships, and show you how to turn those relationships into generational wealth that will set you and your family up for long-term success.

If this sounds like the kind of business you'd like to be a part of, reach out. We'd love to hear from you.

