

Independent Insurance Agencies Providing Options



When searching for home, auto, property and business insurance, consumers have three different avenues to choose from. They include working with a captive agency, an independent agency or buying directly from an insurance carrier.

Captive insurance agencies carry only one insurance provider such as State Farm, American Family or Farmers. In contrast, an independent agency offers multiple insurance companies to best meet the needs of their customer base. Selecting the right carriers to suit clients' needs is an ongoing assessment. An independent agency allows the freedom to be able to make sure they are representing a competitive lineup of insurance carriers for their clients.

Business Insurance

Insurance companies specialize in insuring specific industries. They are comfortable in these specific industries because they understand the risk. An independent insurance agency offers many different companies to meet the needs of their clients. Unlike the home and auto insurance marketplace, the business insurance marketplace has always had many underwriting factors. You can see how the risks of a heavy construction company are far different than that of a CPA office.

Home and Auto Insurance

This can be even more complicated. Insurance companies underwrite home and auto insurance utilizing hundreds of factors, with each insurance company weighing each factor differently. As your

life changes, underwriting insurance factors change with you. The insurance carriers you had when you were in your 20s, single and without children, is likely not the same insurance company you should have when you're 45, married, a homeowner, financially stable, and with children.

Insuring the complexities of life

Insurance is nothing more than shifting financial risks of your ever-increasing complex life to an insurance company willing to take those risks, for a price. An insurance agency continually works to match the customer's risk with the insurance company best able to absorb it for the fairest price.

Insurance is data-driven

Insurance companies have the data to price the risk for the consumer. This big data is here and getting bigger. With the evolving use of the internet, GPS, etc. insurance companies can track consumers based on credit, driving distance, income, debt and claims history. In some cases, there can be over 300 underwriting factors. Big data is allowing insurance companies to continue to specialize their risk. For example, 30 years ago it would not have been uncommon for a couple to have State Farm insurance for 30 years. Today, independent agencies can select insurance companies that are not simply competitive based upon location, but can dive deeper into the other data points.

Independent agencies have carriers that are better at underwriting people with



Paul Borchert
THE CANOPY GROUP
OWNER & MANAGING
PARTNER



Josh Sitzmann
THE CANOPY GROUP
LICENSED AGENT &
SALES TEAM MANAGER




Cara McCann
THE CANOPY GROUP
MARKETING &
COMMUNICATIONS

below-average credit, people in their 20s, people in their 60s, people that drive shorter distances to work. So, if you are with an independent agency, as your life changes, they can find an insurance company that is specializing in your specific risk. Again, the agency's role is matching the insurance carrier with the client's personalized insurance situation.

With business insurance, these same principles apply. We have had insurance carriers that were specifically wanting to write long haul truckers. As the insurance companies' exposure increased, their competitiveness decreased. Therefore, we had to find other markets (other insurance companies) that were more competitive with this risk.

Managing your insurance

Captive agencies, because they only represent one company, cannot offer you additional insurance company options. It is upon us as an independent agency to stay on trend to make sure we always offer the best coverage at the best price. As the client's needs change and the insurance companies' appetites change, an independent agency acts as a matchmaker in providing the client the best coverage at the best price.

For help with your insurance needs, call The Canopy Group at (800) 967-3389. 

Named 2018 Minnesota Independent Insurance Agency of the Year, The Canopy Group has been in business since 1930. Working with more than 16 companies, our team of 40 professionals has one goal: matching clients' specific insurance needs to an ever-changing insurance marketplace.