



## MGA Program Leader Survey

2024 - Inaugural Year

## Methodology

The MGA Program Leader Survey was conducted to gather insights from Program Leaders (PLs) regarding their work location, tenure, professional background, program size, product types, and other details, and PL compensation. The survey was distributed to a targeted group of PLs, and responses were collected over a period of several weeks.

## Survey Design

The survey consisted of multiple-choice and open-text questions designed to capture the key data an employer or PL candidate would want to agree upon prior to signing an employment agreement. The questions covered the following key areas:

1. **Work Demographics:** Respondents were asked about their current work location (fully remote, hybrid, or fully on-site) and the number of years respondents have been with their MGA and the age of their programs as well as their previous employers and positions held.
2. **MGA Details:** The survey collected data on the primary funding sources of MGAs, products offered, target classes, number of states in which their programs are active, account sizes, & Gross Written Premium (GWP) written to date.
3. **Compensation:** Questions focused on cash compensation, profit sharing, equity, and the importance of these compensation components to the respondents.

## Data Collection

The survey was distributed electronically to nearly 1800 individuals and took approximately 6 minutes to complete. 35 individuals completed some parts of the survey, with 6 indicating they were not Program Leaders. The survey was designed to be anonymous, allowing respondents to provide candid and honest feedback.

## Data Analysis

The responses were analyzed using both quantitative and qualitative methods. Quantitative data was summarized using descriptive statistics, while qualitative responses were reviewed for common themes and insights. The analysis focused on identifying trends and patterns within the data.

## Sample Size and Limitations

A total of 29 PLs participated in the survey, though not all questions were answered by each PL. Respondent counts are noted for each question. The data below match S&W's anecdotal experience, yet the relatively small sample size means the results may not be fully representative of the broader population of PLs. Additionally, the survey relied on self-reported data, which may be subject to biases or inaccuracies.

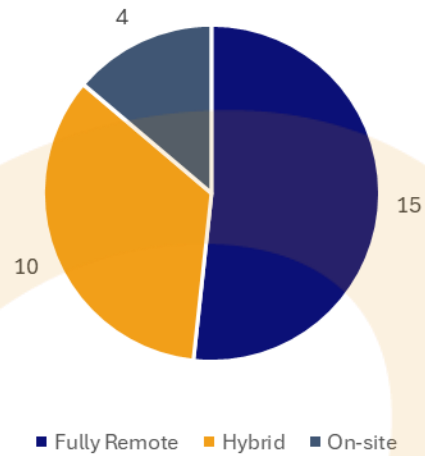
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## Work Demographics

52% of our Program Leader respondents (n=29) work fully remote while 34% and 14% work in a hybrid or fully on-site setting, respectively. 78% of PLs who've been in their role for five or more years enjoyed some form of location flexibility. This number has increased to 90% (18/20) of PLs who have joined in the last five years.

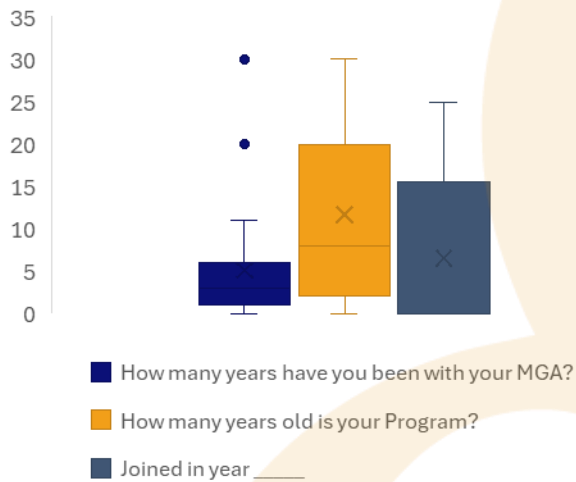
12 respondents have been with their MGA for 0-2 years, 6 for 3-5 years, 7 for 5-10 years, and 4 for over 10 years. This indicates a relatively balanced spread of experience levels among the respondents. The most tenured PLs have been in their positions for 30 years.

### Where do you work?

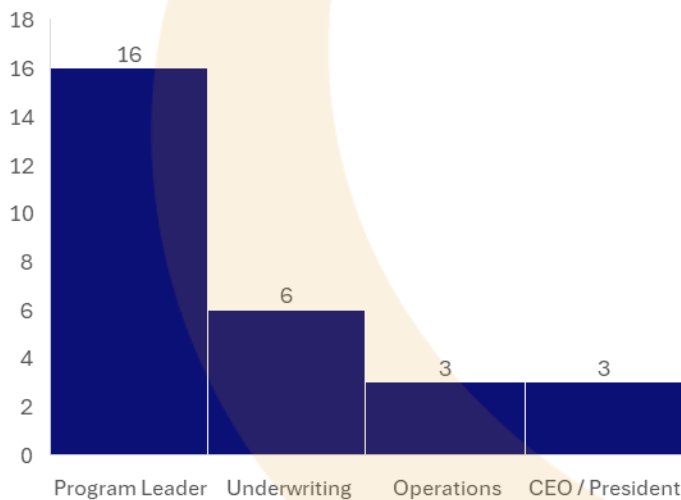


83% (24/29) of respondents joined their Program from either a Carrier or another MGA / MGU. The remaining 5 PLs joined from brokers, program administrators, or service providers. Most respondents held positions as Program Leaders/CEOs (16), followed by underwriting (6), operations (3), and CEO/President (3)

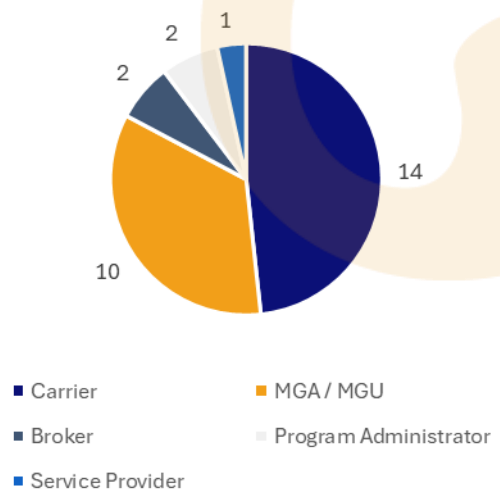
### Tenure & Program Age



### What was your position with this employer?



### What kind of organization did you last work for?



## Program Details

The primary sources of funding for these programs are private equity/venture capital (10/23) & self-funded (9/23), with carrier-backed programs representing 17% of respondents (4/23).

The majority of these programs are active in all 50 states (14/22), with a few active in 40-49 states (4 respondents), 30-40 states (1 respondent), 20-30 states (1 respondent), and fewer than 10 states (2 respondents).

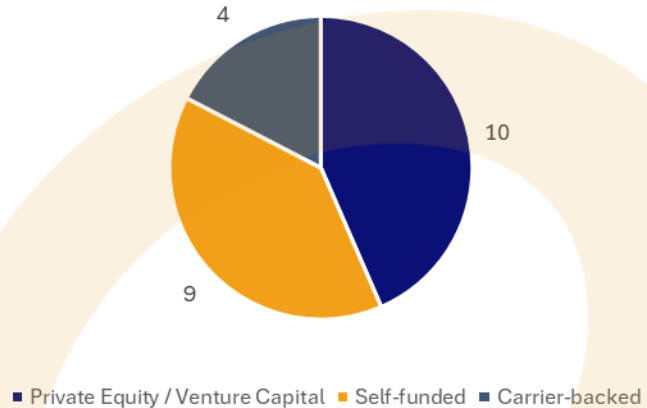
The average account sizes served are predominantly the middle market (18 respondents), followed by small market (13 respondents) and large market (6 respondents). Additionally, 12 respondents serve just one account size, 8 serve two of the three sizes, and 3 serve all three sizes.

Of the 18 respondents, 8 lead Programs that have written over \$50 Million of Gross Written Premium. 75% of this group lead a Program that is 10 or more years old. The two other respondents have both crossed \$100 Million GWP in just three years.

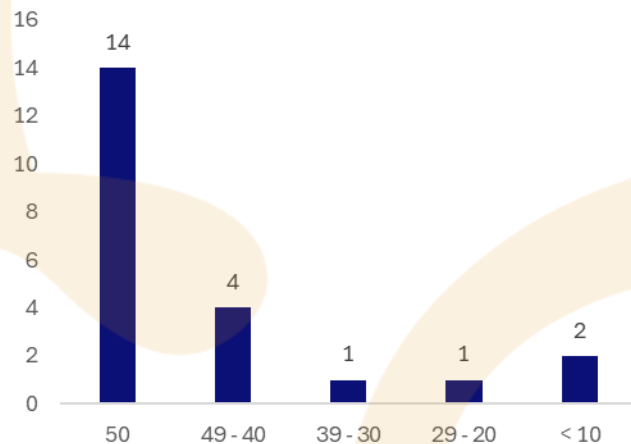
Real Estate / Habitational / CAT and Hospitality were the most well represented target classes, both with 7 programs serving these lines. Allied Healthcare and Construction were both next with 6.

General Liability was the most common product offered by 48% of program respondents, with Commercial P&C, and excess liability following with 45% and 38%, respectively. Inland Marine (28%) and Workers' Compensation (24%) round out the top five.

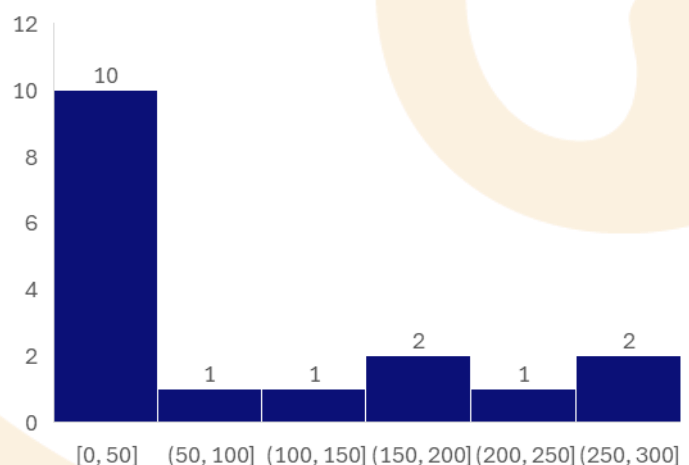
What is the primary funding source of your MGA?



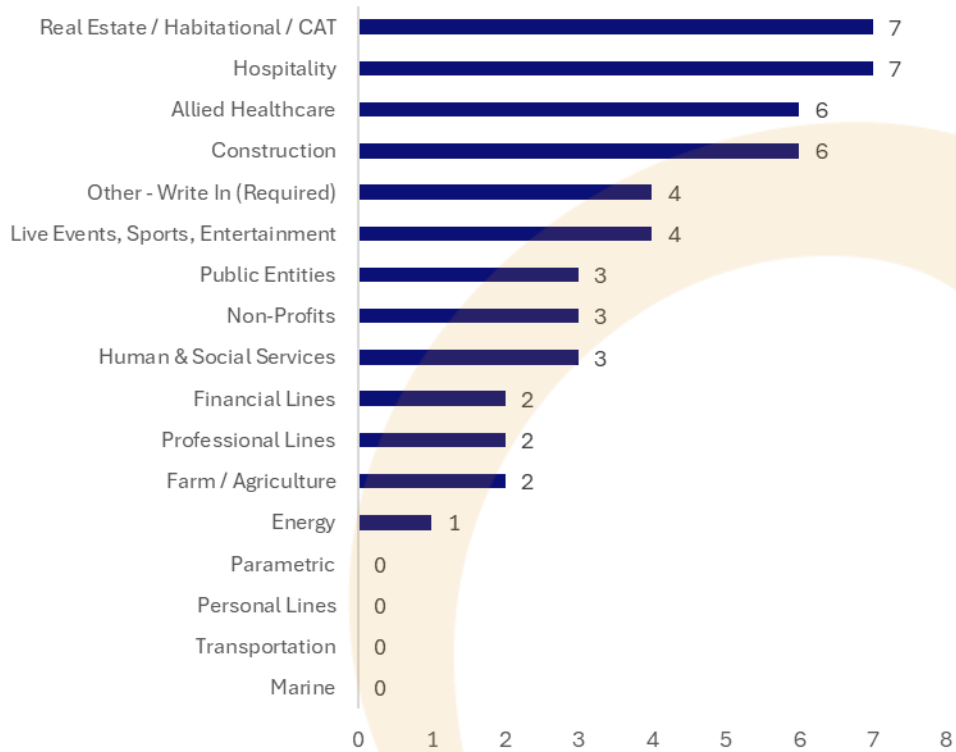
In how many states is your program active?



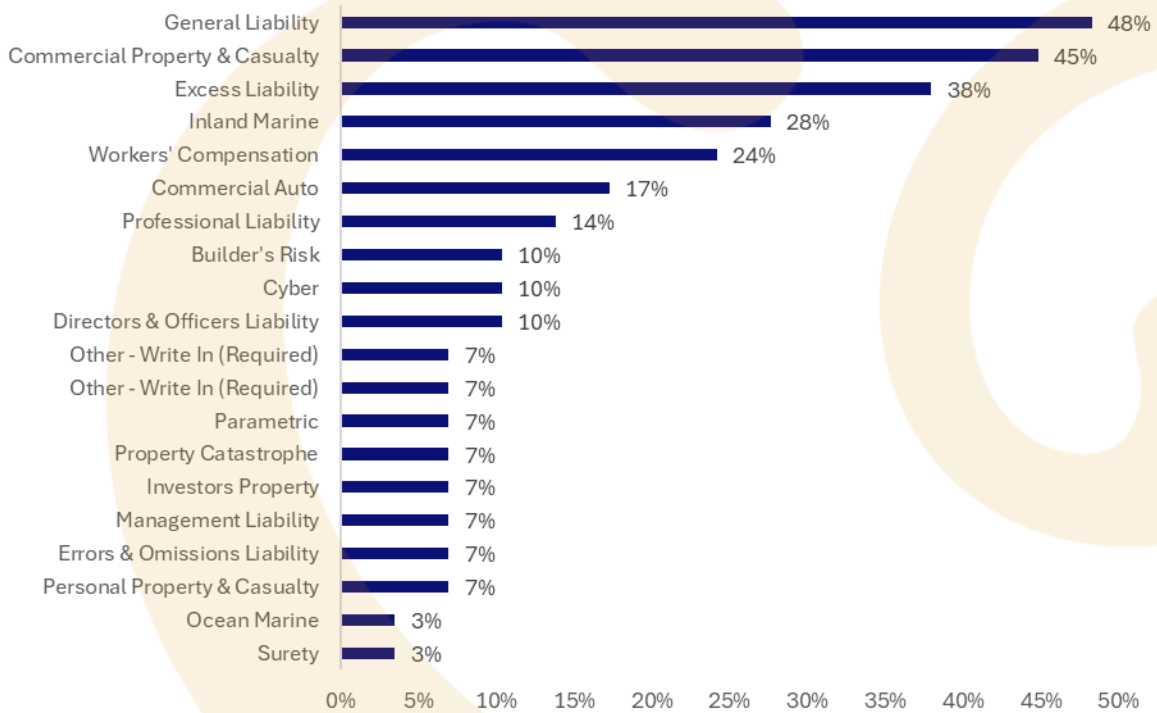
How much GWP has your program written? (\$1M USD)



## What Target Classes do you serve?



## Which Products do you offer?



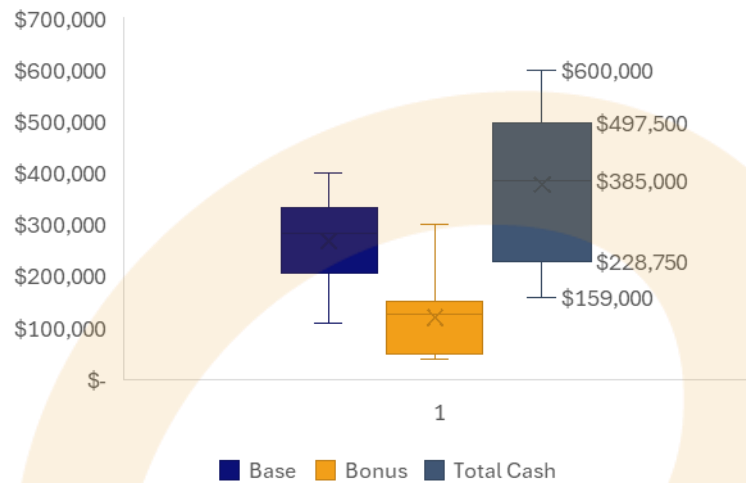
## Compensation

The median base salary for the 16 respondents providing compensation information was approximately \$282,500. A base salary of \$206,250 represents the 25<sup>th</sup> percentile while \$332,250 represents the 75<sup>th</sup> percentile. The highest reported base salary was \$400,000.

11% (2/17) respondents reported no cash bonus as part of their compensation, while the median cash bonus was \$125,000. The largest cash bonus reported was \$300,000, with an expected range of \$50,000 (25<sup>th</sup> percentile) to \$150,000 (75<sup>th</sup> percentile).

Combining these two, the expected total cash compensation based on our 16 respondents ranged from nearly \$230,000 (25<sup>th</sup> percentile) to nearly \$500,000 (75<sup>th</sup> percentile). The median was \$385,000 and the highest reported cash compensation topped \$600,000 a year.

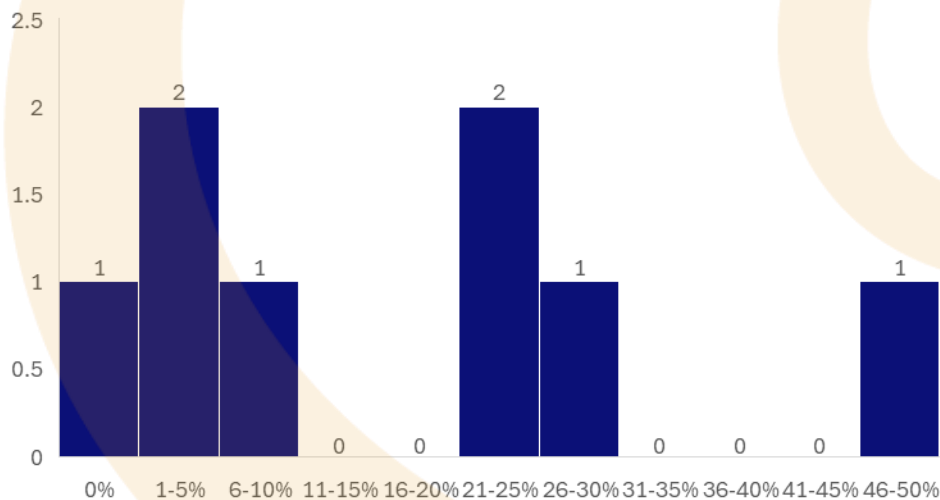
### Cash Comp Components



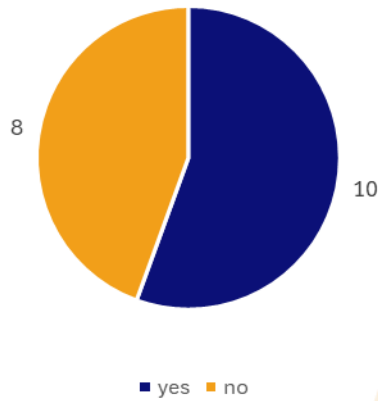
## Profit Sharing

50% of our respondents also reported receiving profit sharing as an additional compensation component. Most (55%) of these profit-sharing agreements begin in years 1-3. The amount of profits shared ranged from 2% to 50%. The number of respondents limits the extent to which these findings are generalizable to the entire PL compensation landscape.

### What % of profit do you earn through profit sharing?



Do you have, or will you receive, equity in your program?



### Equity

44% of respondents report they have or will receive equity in their program. Because of the low sample size and strong correlation between program performance and equity values, estimated equity values have been withheld to protect the anonymity of respondents.

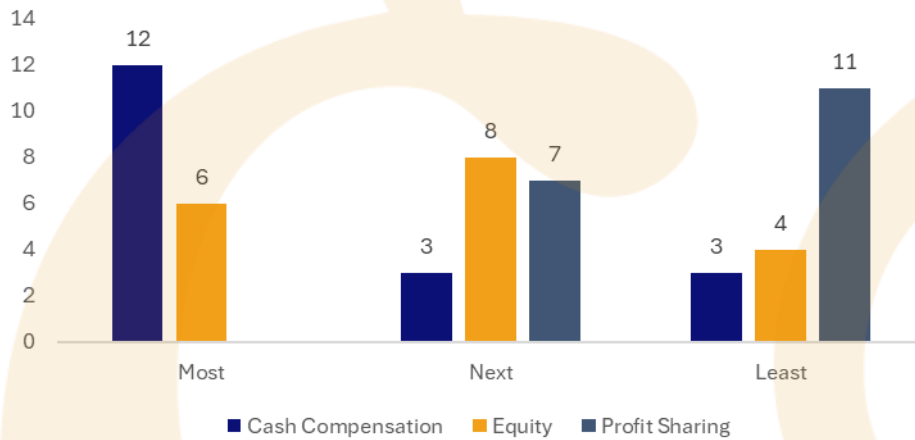
### Compensation Components

Of those who have or will receive equity in their programs, 75% rate equity as the single most important component of their total compensation.

66% (12/18) report Cash as the most important component, with only 3 respondents indicating it was the least important. Unsurprisingly, the

PL's who indicated Equity was most important all received or will receive equity in their programs. However, 80% (4/5) PL's who do not receive equity or profit sharing rated equity as the second most important compensation component, suggesting a preference for equity that is less subject to the current value of one's own compensation.

Which Compensation Component is most / least important to you?



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