

Member Spotlight



Jason C. Murgio

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Jason Colt Murgio was born in Hartford, Connecticut on August 1, 1975. He attended Renbrook School, Kingswood Oxford and later Avon Old Farms for high school. While at Avon, Jason participated in hockey and lacrosse and was Captain of their Varsity Ski Team. He graduated from Avon with Presidential Honors and attended Union College in Schenectady, New York, earning his B.A. in Political Science with a minor in Sociology.

Upon graduation, Jason returned to Hartford and began his professional career with Phoenix Home Life Mutual Insurance Company as a Registered Investment Advisor. During his years at Phoenix, he earned the award "Rookie of the Year" and was among the Top Ten Insurance and Financial Products Producers in the state. Upon leaving Phoenix, Jason joined Landmark Partners in Simsbury, Connecticut, a private equity firm with over \$1 billion in assets under management, where he served as an analyst for three of the venture funds.

Following his entrepreneurial

spirit, he left Landmark to create an internet start-up company, which he co-founded with his cousin, called onProject.com based in Morristown New Jersey. Jason served as the Director of Business Development for onProject, assisting the company in raising its initial venture funding and later overseeing the company's strategic partnerships and business relationships.

In 2002, he left onProject and moved to Atlanta, Georgia to join a small boutique investment bank, Merger & Acquisition Services, Inc. (M&A). At M&A, he focused on assisting insurance companies with strategic advisory services, mergers and/or acquisitions, and private equity transactions. In 2005, he was named a partner in the firm, relocated to New York City, and opened a new branch for the firm. In 2008, Jason purchased the company, which has grown to twelve employees with offices in Atlanta, New York, and Hartford and has been recognized as the Top Investment Advisory Firm by deal volume for five straight years by SNL Financial.

During his tenure at M&A, he has worked for numerous multibillion dollar insurance carriers, including assignments with Allstate, AIG, Allianz, Progressive, Morgan Stanley and White Mountains. He has assisted international companies (UK, Netherlands, Bermuda, and throughout Latin America), private equity startup operations, and regional insurance carriers, as well as working with various state departments of insurance to assist companies in rehabilitation and liquidation.


In 2007, wishing to return to the area where he grew up in Connecticut, Jason and his wife, Tricia, purchased a home in Groton Long Point. In 2009, their first child, Peter Colt Murgio, was born. They currently live between New York City and Groton Long Point with Colt and their two Shiba Inu dogs.

Jason considers himself a loyal New York Rangers hockey fan, having had season tickets for the last decade, rarely missing a home game.



Murgio with wife Tricia at Whistler Mountain in British Columbia

In addition to work and family, he is an avid skier, advanced scuba diver, active in sport shooting, spends a good amount of time aboard his fishing boat in Connecticut and enjoys travelling throughout the world. Recent travel destinations include Brazil, Czech Republic, Panama, Berlin, Belgium and Honduras.

Jason is a member of the Stonington Harbor Yacht Club and the Groton Sportsman Club, as well as actively involved in alumni development for Avon Old Farms School. 

Spotlight Article: Interesting Times for MGAs / MGUs

As the soft insurance market continues and economic conditions remain sluggish, insurance carriers are looking for new ways to enhance their top and bottom line growth and use their un-deployed capital. The amount of unused capital, in addition to the slow economy and low investment returns, is one of the principle reasons for a continued soft market in our view. Hope springs eternal but, the indicators we review suggest that the soft market problem will last longer than most people expect.

As a result, an area which has received a significant amount of attention from our clients and prospective clients is the acquisition of MGAs and MGUs.

What is most intriguing to us is a change in thinking on valuation metrics. While insurers and bankers alike typically use a multiple of agency earnings alone to value an MGA, our firm has been successful at helping MGAs value the business that entrepreneurs work hard to build... based on both a multiple of earnings and underwriting profits. Valuing an agency by taking into consideration the underwriting profits they produce has always made sense to us if the buyer is an insurer. Consider the fact that after an insurer buys the agency, there is no external commission income to consider in most cases, save perhaps some retail commission. So, what is the real reason for a carrier's acquisition—the value of the expirations the MGA owns. So why would that not form a foundation of value when an MGA is being sold to a carrier?

As a result of the value added through underwriting profits, coupled with strong demand from carriers, MGAs are worth more today than they have been in a long time.

Further, many carriers want and *need* owners and principals to continue in a management role to grow the business.

A book of business with a seasoned track record of profitability will command a higher valuation in this market and that translates into one of the best opportunities we have seen in years. It's a win-win proposition for great partnerships between MGAs and carriers.

In addition, on June 22, 2010, the *Wall Street Journal* reported that Timothy Geithner said that the Obama administration will allow the Bush tax cuts to expire. That debate continues, and no one knows what the resolution will be. But one thing is certain: any increase in the capital gains rate will have a significant effect on after-tax cash in a sale and that problem only continues as the Health Care taxes begin to affect capital gains in the years to come.

While many may feel the overall insurance market does not present an exciting time to think about selling all or a part of your agency, the current environment presents a unique opportunity in an otherwise soft insurance market *because* of the soft market and perhaps changing tax policy. The current appetite of insurance carriers and the resulting increase in valuations which take into consideration underwriting profits together with low capital gains treatment creates a compelling reason to consider all options. And, most carriers want and need the principals to stay on in an executive role at least for some period of time.

The sale process can take between two and four months to complete. M&A is currently involved in, and has completed a number of, projects to assist MGAs. We would welcome an opportunity to discuss your goals, assist you in valuing your business and further elaborate on strategic options which may be available to you. To see some of our case studies and closed transactions, please visit www.maservices.com.

M&A has been ranked as one of the top financial advisors in the insurance marketplace by deal volume for the past five years; successfully completing insurance company transactions, MGA transactions and wholesale/retail agency transactions. Should you be interested to see how M&A can help maximize the value of your MGA, please feel free to contact us for a confidential discussion. 