


Breaking Barriers

How Underrepresented Minorities Thrive as Independent Insurance Agency Owners



If you want to take charge of your career and unlock unlimited income potential while serving your local community, owning an independent insurance agency is an attractive option. Unfortunately, people of color are still underrepresented among insurance agency owners.

This report covers:

- Current representation among insurance agency owners
- Six key advantages of owning an independent agency
- Inspiring success stories of minority independent insurance agency owners
- Tips to help new agency owners succeed



Current Representation Among Insurance Agency Owners

According to the [U.S. Bureau of Labor Statistics](#), as of 2025, there were 618,000 insurance sales agents.

- 81.8% were White
- 10.1% were African American
- 6.2% were Asian
- 17.2% were Hispanic or Latino

The insurance industry is slowly becoming more diverse, but more progress is needed. According to the [Insurance Journal](#), in 2022, 83% of agency principals were White, compared to 88% of agency principals in 2020.

Several organizations are helping the insurance industry improve its minority representation, including:

- *The National African American Insurance Association (NAAIA)*
- *The Latin American Association of Insurance Agencies (LAAIA)*
- *The Black Insurance Industry Collective*

Six Key Advantages of Owning an Independent Agency

The insurance industry offers many career paths. You can become an underwriter, a claims adjuster, or an actuary, but if you really want to take control of your career, insurance sales is a great choice, particularly as an independent agency owner.

Here are six key advantages of building your own agency.

Advantage #1:

Strong New and Recurring Income Potential

The [U.S. Bureau of Labor Statistics](#) says the median pay for insurance sales agents was \$60,370 a year as of 2024. That's strong earning potential for a job that doesn't require a college degree. However, many insurance agents make more than this average, sometimes a lot more.

The BLS statistics don't distinguish between captive and independent insurance agents or between employees and agency owners, and there's a big difference.

Independent insurance agents can earn higher commissions, and because they can represent multiple carriers and lines, their growth potential is unlimited. Insurance policies renew every year, enabling agents to earn new business commissions as well as recurring renewal commissions.

Independent insurance agency owners have even more income potential. Your agency earns commissions when you make sales, and it also earns commissions when your employees make sales. There's no limit to growth. The bigger your agency grows, the more you earn.

Advantage #2:

Control Your Own Destiny

When you work for someone else, you're helping to boost the earnings for that person or their agency. You might be rewarded with bonuses, raises, or promotions, but it's not guaranteed, and many corporations won't hesitate to lay off loyal, hard-working employees if it makes financial sense.

As an independent insurance agency owner, you're your own boss. You call the shots, and when you work hard, you're making money for yourself.

In recent years, many people of color have embraced entrepreneurship as a way to take control of their destinies. Starting an agency is a practical and lucrative way for many people to embrace entrepreneurship.



\$178,000-\$299,000
Typical income
for independent insurance agents

Source: [Glassdoor](#)

Black women are the fastest-growing group of entrepreneurs, and the number has more than doubled since August 2019.

Source: [GoDaddy](#)

Advantage #3: No Glass Ceiling

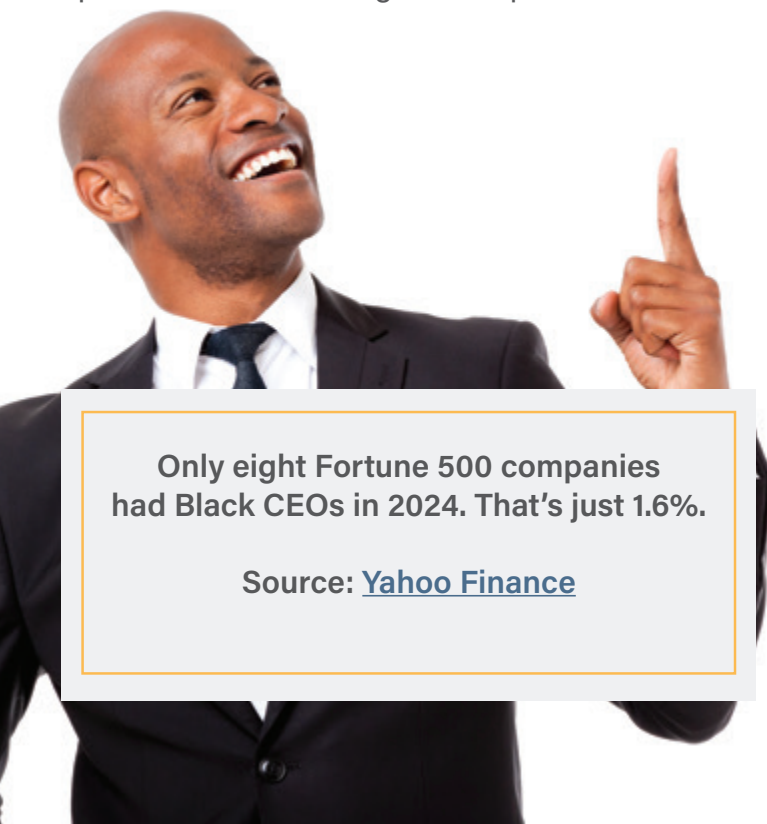
Systemic barriers can make it difficult for women and minorities to climb the ranks in certain fields, a phenomenon commonly known as the glass ceiling.

As an insurance agency owner, there's no glass ceiling to stop you from reaching your potential.

To sell insurance, you need to meet state licensing requirements, but that can usually be accomplished in a matter of weeks.

Before opening their own insurance agency, many owners learn the ropes working at another agency. It's also possible to secure support, for example, through an [insurance network](#) that offers carrier access with no fees.

Running an agency can be hard work, certainly, but it can also be worthwhile. When you're your own boss, you don't need to worry about being passed over for a promotion that you know you deserve. You also don't need to worry about losing your position due to a merger or acquisition.



Only eight Fortune 500 companies had Black CEOs in 2024. That's just 1.6%.

Source: [Yahoo Finance](#)

Advantage #4: You Can Serve Your Community

Almost everyone needs insurance. More importantly, they need the right insurance coverage to protect assets from risks. Without appropriate coverage, families can lose homes to disasters, businesses can go bankrupt due to lawsuits, and a single loss can lead to financial ruin.

Minority groups are especially likely to be underinsured, putting them at risk of losing everything.

Increasing diversity among independent insurance agency owners can help strengthen connections within underserved and historically underrepresented communities. Agency owners who have a range of backgrounds and perspectives may be better positioned to understand the unique needs of the clients they serve. In some cases, shared language or cultural familiarity can help build trust and improve access to appropriate coverage. These connections can play an important role in expanding opportunity and delivering more inclusive service.

Homeowners of color are disproportionately at risk of being uninsured.

- 22% of Native American homeowners are uninsured.
- 14% of Hispanic homeowners are uninsured.
- 11% of Black homeowners are uninsured.

Source: [Consumer Federation of America](#)

Advantage #5:

You Can Become a Trusted Leader in Your Community

Community involvement may begin with helping homeowners and business owners secure coverage, but it doesn't have to end there.

Agency owners are often very active in their local communities. For example, they may sponsor local youth sports teams or clubs, or they may help organize donation drives for local charities.

Community involvement is frequently viewed as a good way to increase your agency's visibility while giving back, so it makes sense from both a business and personal perspective.

When minorities become agency owners, they also act as positive role models for their local community, showing others how success is within reach. Beyond inspiration, agency owners can offer internships and provide jobs.

Advantage #6:

Perpetuation

When you own an agency, you're building an asset that can develop significant value. When you're ready to retire or advance to your next chapter, you have options. You can ...

- Sell your agency and use the proceeds to help fund your retirement.
- Pass the agency on to your children, so it becomes a multi-generational business.
- Continue earning passive income after you retire by managing a few clients on a part-time basis.

Retiring as an owner can be quite lucrative compared to retiring as an employee.



Success Is Possible – and These Inspiring Stories Prove It

Opening an independent agency can be a direct and immediate route to success, one that gives you full control over your destiny. Success is not guaranteed, and it takes hard work and commitment, but it is absolutely possible, as these success stories demonstrate.



Claudia Valencia
Owner of Valencia Insurance

Claudia Valencia started her insurance career by responding to a job ad for a bilingual agent at Allstate.

She had no insurance experience at the time, but she could speak English and Spanish, and she was offered the job. After learning the ins and outs of insurance sales and agency management, she struck out on her own.

Today, Claudia is the owner of Valencia Insurance, a successful independent insurance agency with five locations, 16 employees and premium volume in excess of \$5 million. The *Insurance Journal* named her as one of its [Agents of the Year](#).

"I feel very proud. I never dreamed of providing employment. I know there are families depending on Valencia Insurance now," Claudia says.



Thuan Hieu Nguyen
Owner of THN Insurance Solutions

Thuan Hieu Nguyen is the owner of THN Insurance Solutions. He's also the founder of the Asian Chamber of Oklahoma, and he helped start the Asian District Cultural Association. He's seen how language barriers can prevent people from securing the coverage they need, and he uses his English and Vietnamese skills to help people understand their insurance needs. His hard work and community involvement have paid off, both in terms of cultural enrichment and business success driven by referrals.

"We don't even need to find new clients," Thuan says. "We get new referrals every single day."



Andy Patton
Owner of Patton Financial & Insurance

Andy Patton is both a pastor and the owner of Patton Financial & Insurance. He created his own agency because he couldn't find one that matched his vision. He specializes in commercial insurance, building long-term relationships with the businesses and religious organizations in his community.

"I saw my agency as being more than just selling wedges of insurance," Andy explains.



Francisco Castro
Co-Owner of JCC Group

Francisco Castro launched JCC Group with his brother. He focuses on the company's insurance services, while his brother manages the company's accounting services. JCC Group has been very successful, and Francisco attributes this to their commitment to education. He doesn't just sell policies. He helps his clients understand their coverage and business needs so they can thrive, and he's active in the Hispanic community.

"We advocate for the Hispanic community," Francisco says.

How to Achieve Success as an Independent Insurance Agency Owner

Starting a business can be scary. You're putting yourself out there, with both your dreams and your financial future on the line. But if you never try, you'll never know what you're capable of. As you are launching your business, remember to:

1. Cover the basics. If you haven't already done so, you'll need to get licensed in the state or states where you do business, and you'll also need to set up your business structure, for example, as an LLC or an S Corp. There are other practical matters to consider, such as whether you'll rent an office or work out of your home, what you'll name your agency, and how you'll fund your business before you begin earning commissions. You'll also need a detailed business plan.

2. Build relationships. You can join organizations like the NAAIA, the LAAIA or the Black Insurance Industry Collective. Being an active member of your community is also a great way to build relationships. Once you start getting clients, be sure to provide excellent customer service, even after you make the sale. With great service, clients will stay with you and send you referrals.

3. Leverage support. Being the agency owner doesn't mean you have to do everything completely on your own. Many agency owners find they need to join an insurance network to gain access to top carriers. A network can also provide general guidance as well as sales and marketing support. But be careful, not all networks are the same. Some networks charge expensive fees, restrict your options or claim ownership of your book.

Why Smart Choice?

Smart Choice helps agency owners succeed with access to more than 100 carriers, responsive support, and a no-fee, agent-friendly contract.

We're proud that agency owners like Claudia Valencia, Thuan Hieu Nguyen, Andy Patton and Francisco Castro have chosen to be part of the Smart Choice network. We'd be honored to be part of your independent agency success story as well!

[Become an agency partner.](#)

