

Reprint of Austin Business Journal Friday, March 14, 2008

Watkins Insurance grows, will seek more firms to buy

Austin Business Journal - by [Laura Hipp](#) ABJ Staff

Watkins Insurance Group is adding new senior executives and 2,000 square feet to its office.

A mixture of acquisitions and new business has boosted revenue by 75 percent, according to the Austin agency that sells a variety of policies for business and personal needs. The growth occurred as premiums have dropped slightly amid intense competition.

President Patrick Watkins declined to disclose revenue but says commercial, residential and other types of insurance have grown at similar rates.

"We grew at the fastest pace we've seen in our nearly 60-year history as a firm," he says of last year's performance.

The agency plans to expand its 15,000-square-foot office on Spicewood Springs Road by 2,000 square feet this year.

Watkins is the sixth-largest firm in Austin with \$30.7 million in premiums, according to the Austin Business Journal's 2007 Book of Lists.

One month ago, Watkins bought Financially Yours Insurance & Financial Services in Tyler. In 2007, Watkins bought two local independent insurance agencies, AIC-Sun Belt Group Inc. and Matz Insurance Agency LLC.

Watkins expects to complete a few more acquisitions this year, though he declined to identify his targets.

"We've done a couple of deals a year for the last couple of years, so we'll probably do it again," he says.

Industry experts predict that 2008 will be a good year for insurers, so Watkins' growth is not a surprise, says Bill Roof, spokesman for the Independent Insurance Agents of Texas.

Agencies have two basic options for growth, he says.

"You can grow internally by selling more insurance or you can acquire operating agencies," Roof says. "A lot of that depends on the appetite of the individual."

Agencies buy each other if they have extra cash or see a new marketing opportunity, he says.

"I think Watkins is stepping beyond the bounds of its trade territory," Roof says.

Watkins expects the Austin office to see revenue growth of 25 percent this year and there are plans to add a handful of agents. About 50 people are employed in the Austin office and another 50 workers are in East and Central Texas.

New management includes partner Matt Womack, an agent at Watkins since 2003, and accounting supervisor Ramona Coleman, who was an accountant at Texas Associates Insurors.

Father and son team Jerry and Troy Wright recently joined Watkins as agents and brought their customers. They previously worked at Guaranty Insurance Services.