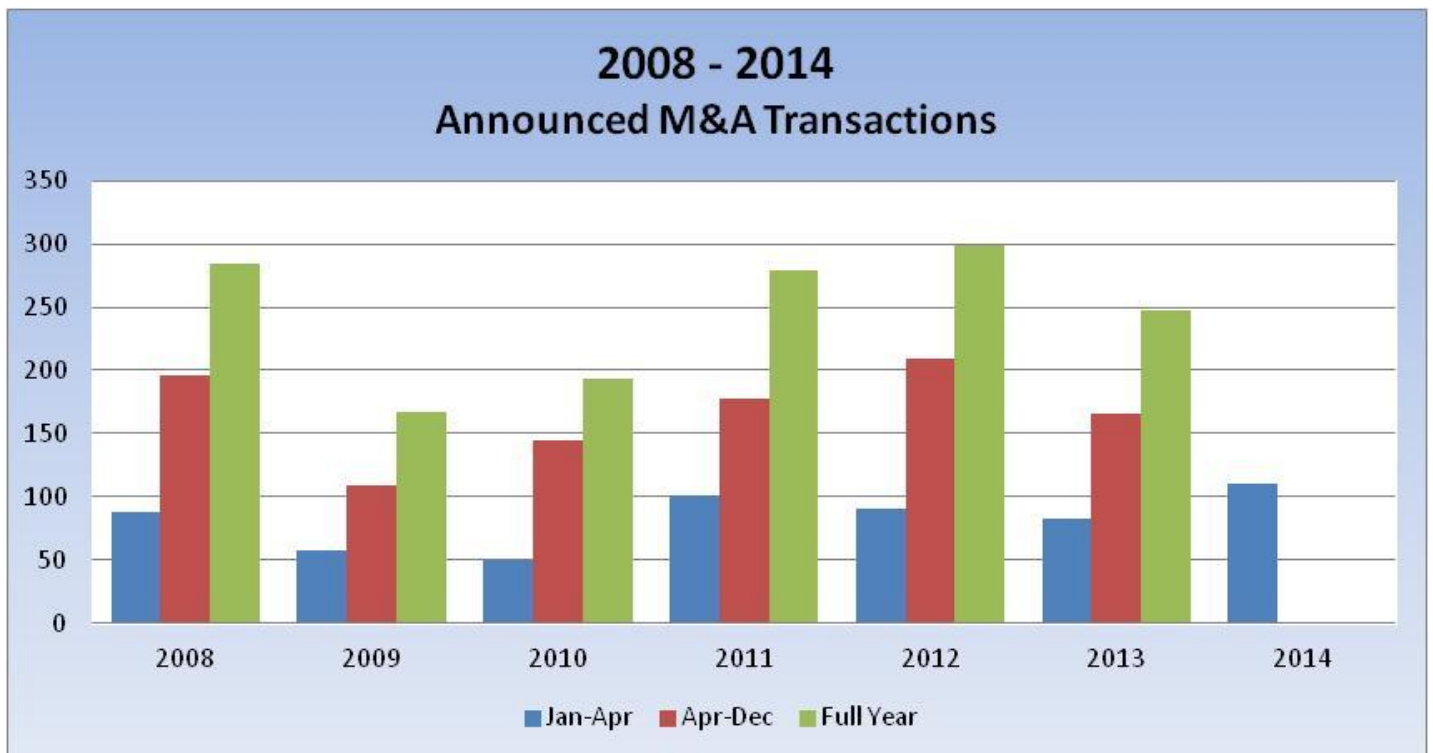


Insurance Agency M&A Update

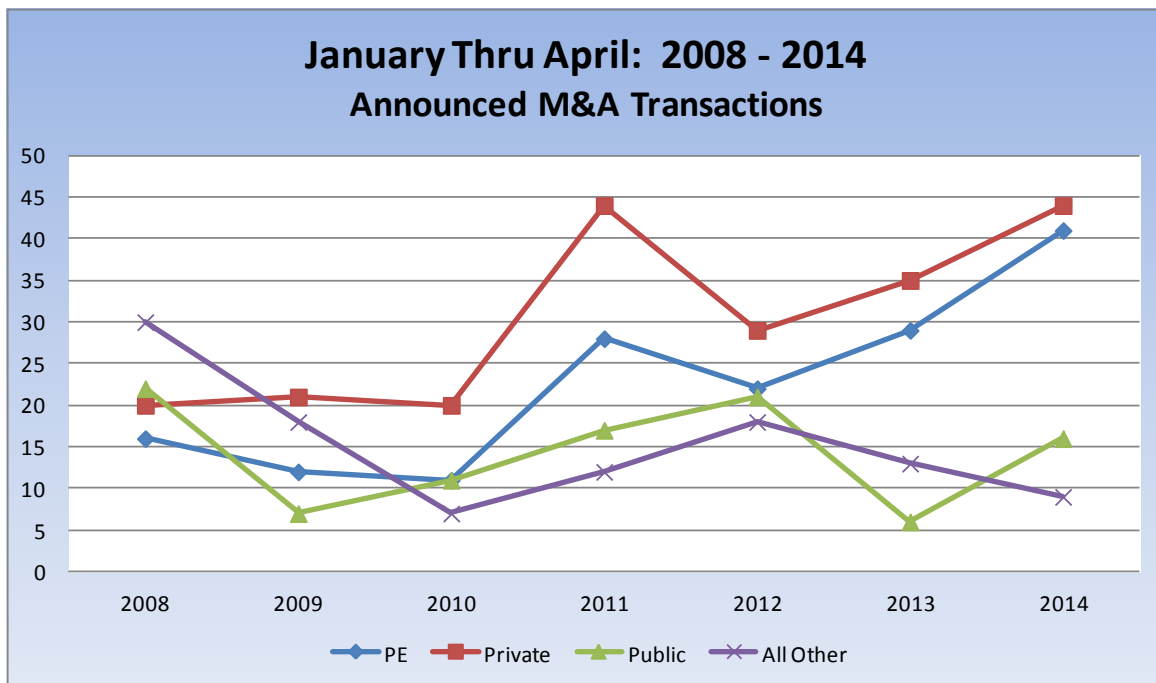
April 30, 2014

OPTIS Partners, LLC

There were 110 announced Merger & Acquisitions (“M&A”) transactions in the US and Canada in the first four months of 2014, the strongest showing of any comparable period since before 2008. The nearest challenger was 2011 when there were 101 announced transactions during the January-April period. Coming off the record year in 2012 and the re-grouping that took place during the first half of 2013, M&A activity currently appears to be continuing its vibrant activity level of the latter part of 2013.



On the buy side, the privately held buyers and Private Equity (“PE”) backed firms accounted for nearly 80% of all announced M&A activity during the first four months of 2014. Nevertheless, all the major categories of buyers increased their transaction counts except for the All Other group (banks, insurance companies, others) which declined again in 2014.



Looking at the most active buyers to date in 2014, there are a couple new or reinvigorated buyers along with the long-standing active buyers:

2014 Rank	Buyers	2011	2012	2013	2014	2011-2014
1	Hub International	14	6	8	12	40
2	Assured Partners	1	5	3	12	21
3	Gallagher	5	9	2	6	22
4	Cross Insurance			1	5	6
5	USI Holdings	2	3	4	5	14
6	Marsh McLennan Agencies	4	1	2	4	11
7	Brown & Brown	8	5	1	3	17
8	Align Financial Group	1			2	3
9	BB&T				2	2
10	Captive Resources, Inc.				2	2
11	CBIZ		1		2	3
12	Confie Seguros	2	1	2	2	7
13	Digital Insurance	5	1	4	2	12
14	Edgewood Partners Ins Center			1	2	3
15	Johnson & Johnson				2	2
16	Leavitt Group			2	2	4
17	McGowan Companies		1	1	2	4
18	NSM Insurance Groups				2	2
19	Risk Strategies Company		1		2	3
20	Selman & Company				2	2
Top 20		42	34	31	70	180
All Other		59	56	52	40	205
Total All Transactions (Jan-Apr)		101	90	83	110	385

There have been a total of 57 different buyers thus far during 2014, very consistent with each of the prior three years. Of the top 20 firms listed above, only one firm, Digital Insurance, had fewer transactions in 2014 than the corresponding period in 2013 while 17 completed more transactions than in 2013.

While it's still early and certainly 2012 experienced a significant number of transactions late in the year as everyone tried to beat the tax-change deadline, 2014 could equal the 2012 record-setting year if the marketplace continues to perform for the balance of the year as it has through April. Buyers continue to be hungry and aggressive for deals and the robust inventory of sellers will likely equal another active M&A year.

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