



OPTIS PARTNERS

Agent & Broker

2018 Merger & Acquisition Update

July 2018

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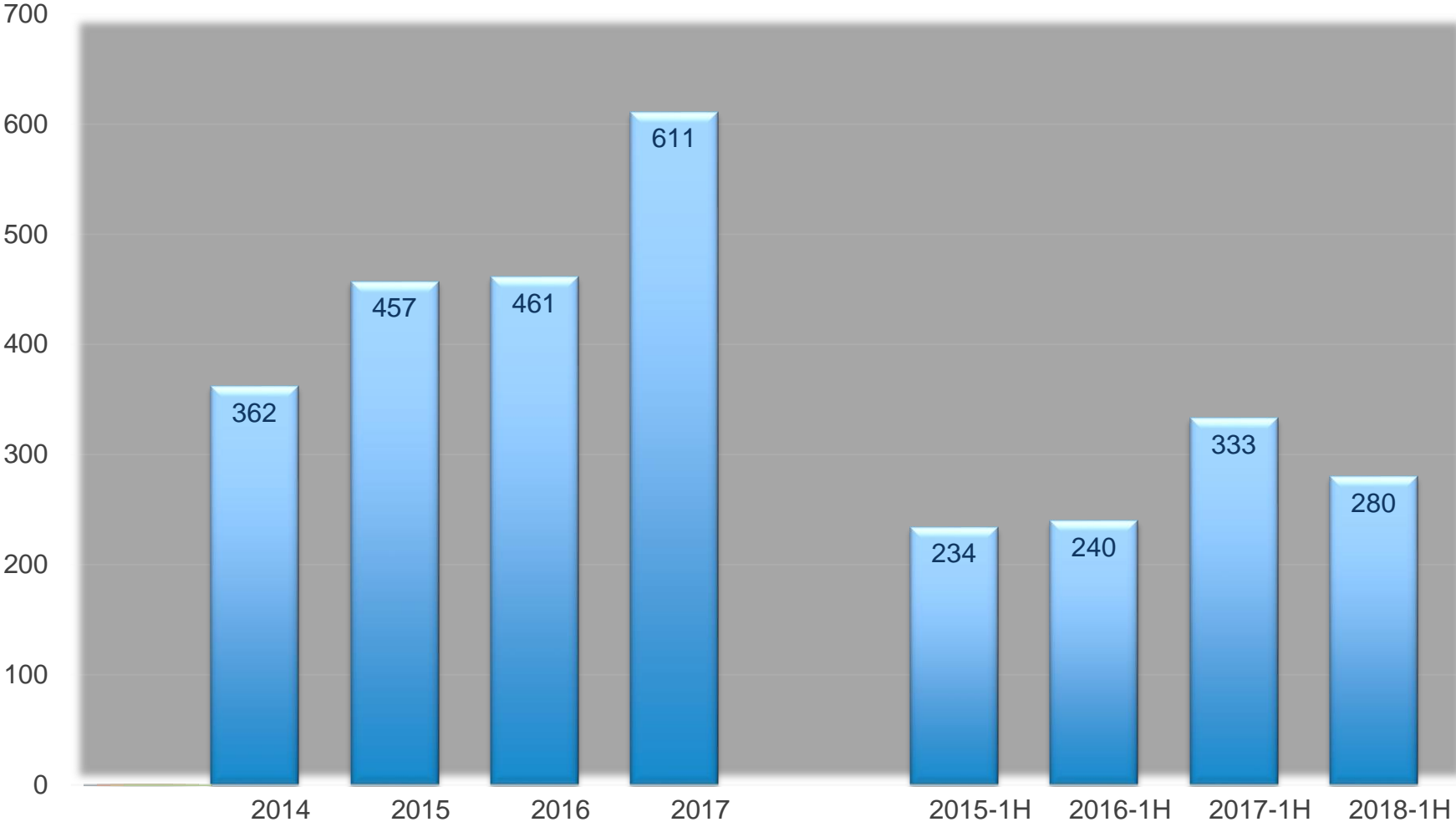
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2008 - 2018 Trending Information

Highlights of 2018 YTD M&A Activity

- 280 transactions in first half of (“1H-2018”), down from 333 in 1H-2017
 - 2nd highest half-year total, behind only 1H-2017
- Activity count is down from 2017, but buyer aggressive behaviors remain at all time high
- 558 transactions in past 12 months
 - 4th highest of all time behind 12-month totals from Q3 and Q4-2017 and Q1-2018
- Acrisure leads all buyers in 1H-2018 with 41 transactions
 - Followed by Hub (33), AssuredPartners (19), Gallagher (15) and Alera and Broadstreet Partners (14 each)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) group of Buyers completing more than 67% of the total transactions

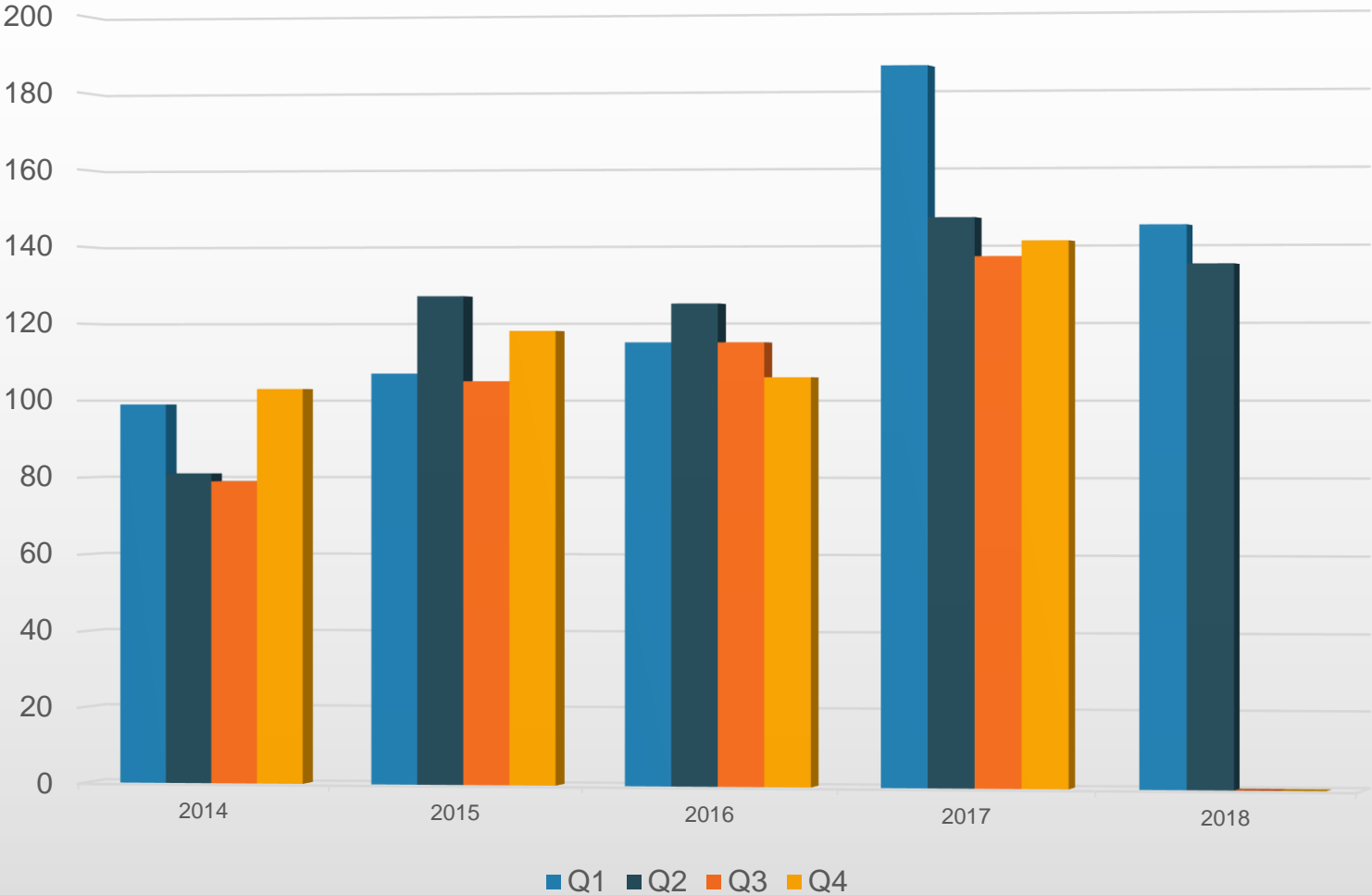
Summary Agency Acquisitions by Year



Active Acquirers w 10 or More Deals in 2018:

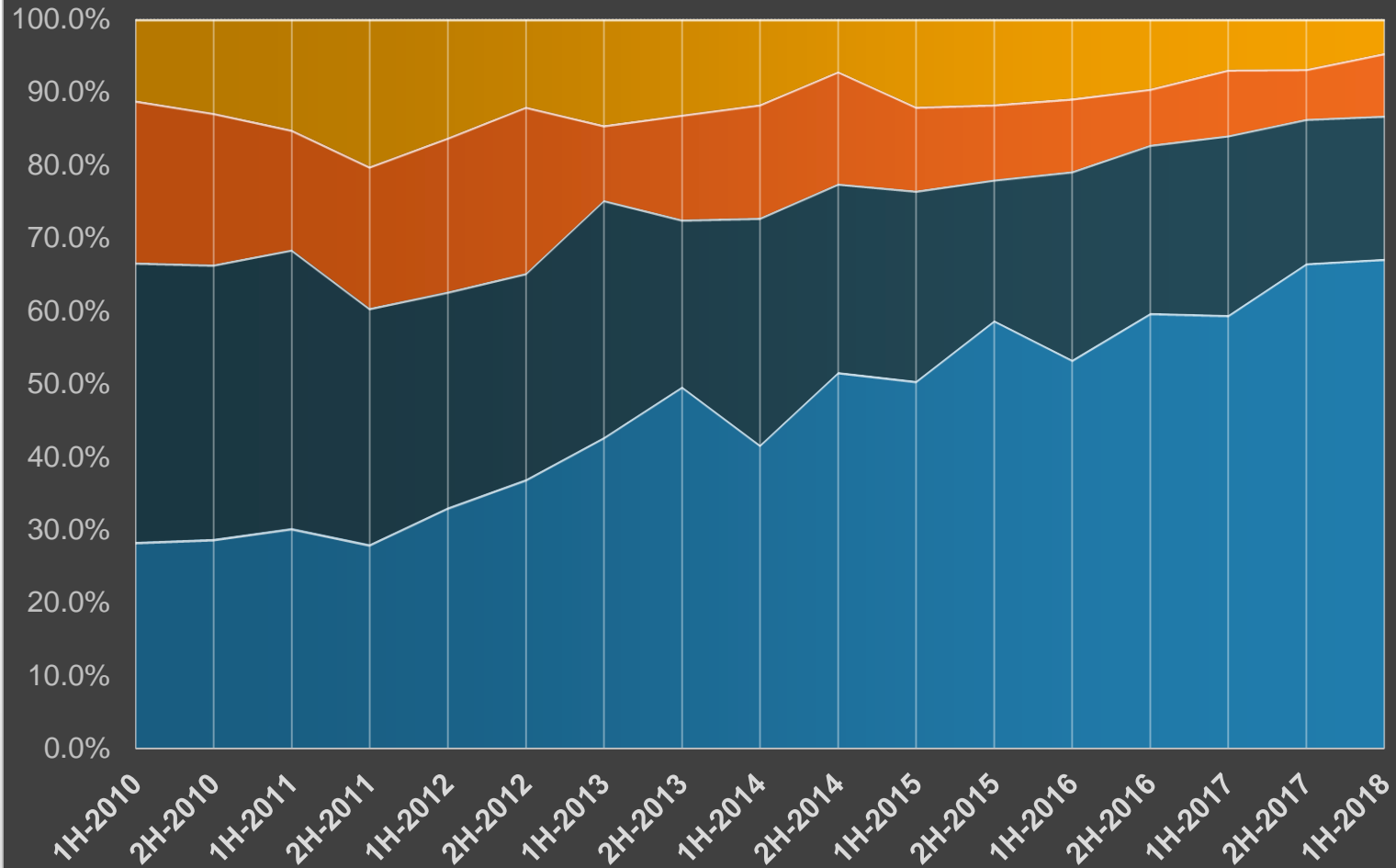
Buyer by Type	Ownership	2015	2016	2017	1H-2018
Acrisure	PE / Hybrid	56	63	92	41
Hub International	PE / Hybrid	37	45	49	33
AssuredPartners	PE / Hybrid	38	28	26	19
Gallagher	Public	27	24	30	15
Alera Group	PE / Hybrid	(*)	(*)	38	14
Broadstreet Partners	PE / Hybrid	26	27	32	14
OneDigital	PE / Hybrid	2	8	13	13
NFP	PE / Hybrid	12	8	24	11
Totals with > 10 Deals in 2018		196	195	291	160
All Other		261	266	320	120
Total Reported Transactions		457	461	611	280
(*) Company did not exist					

Quarterly M&A Activity

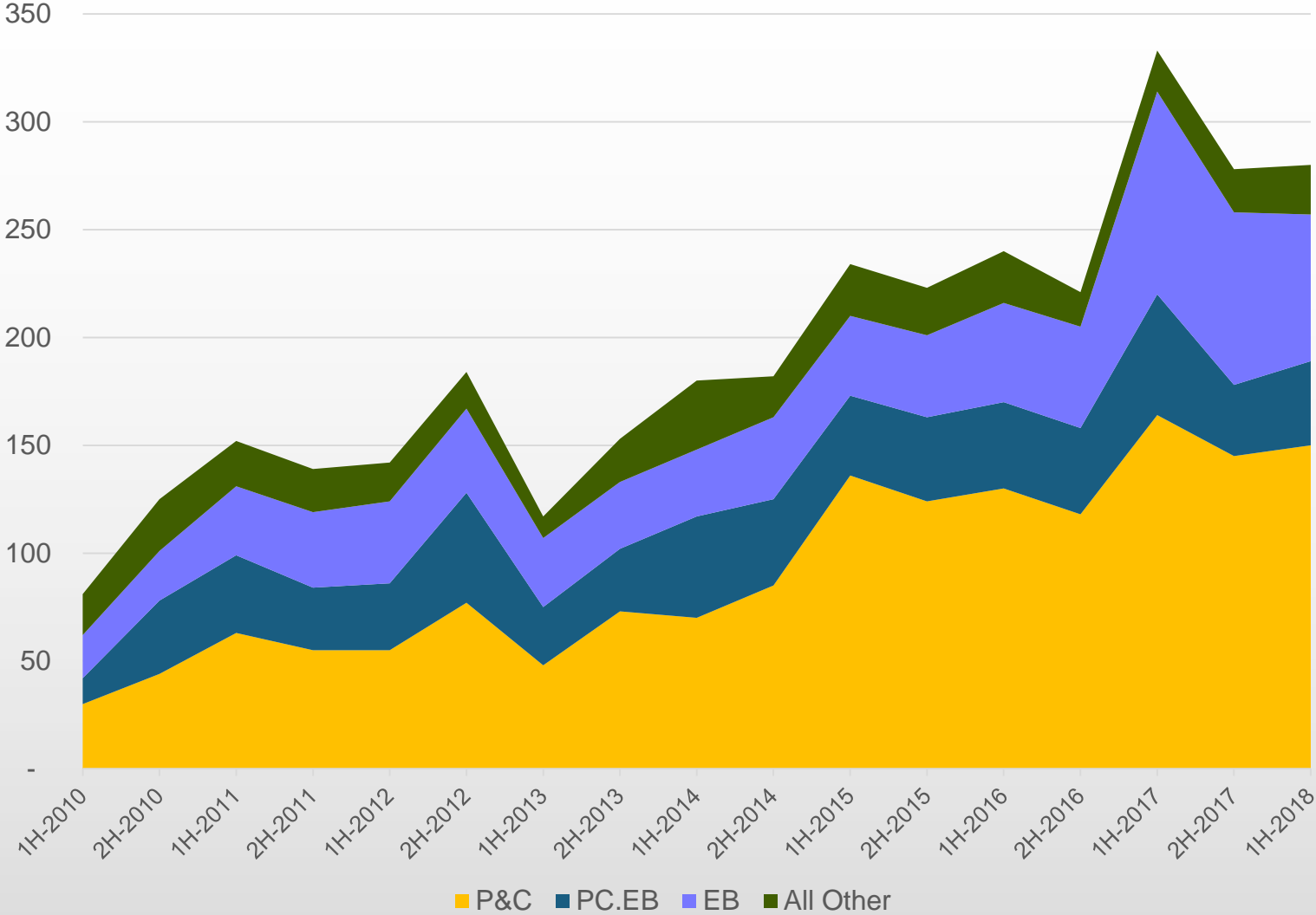


Semi-Annual % Total Transactions by Buyer-Type

PE/Hybrid Private Public All Other



Semi-Annual Activity by Seller-Type



Major 2018 Broker Transactions

Seller	Buyer / Investor	2017 Business Insurance Rank	Date
Key Insurance and Benefit Services (Key Bank)	USI Insurance Services	#58	March, 2018
Crystal & Company	Alliant Insurance Services	#25	April, 2018
Regions Insurance Group, Inc.	BB&T Insurance Holdings	#33	April, 2018
Propel Insurance	Flexpoint Ford (partial investment)	#51	May, 2018
Ryan Specialty Group	Onex Corp (partial investment)		June, 2018
Wortham Insurance	Marsh	#35	Expected to close in Q3-2018

Observations:

- 16% YTD reduction in deal count from 1H-2017 not believed to be indicator of slowing M&A activity
 - Some of the declines likely due to buyers completing larger than normal and/or international transactions and digesting all the transactions completed in 2017
- 280 transactions in the 1st half of 2018 is 2nd highest semi-annual total, behind only 1H-2017
- Agency valuations at historical peaks and Sellers continue to take advantage of buyer interest
- Gap between internal agency valuations (for perpetuation purposes) and 3rd party transactions continues to increase, making the perpetuation choice ever more difficult



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