OPTIS PARTNERS

Agent & Broker 3rd Quarter Merger & Acquisition Update

October 2018

Table of Contents - Agent M&A Update

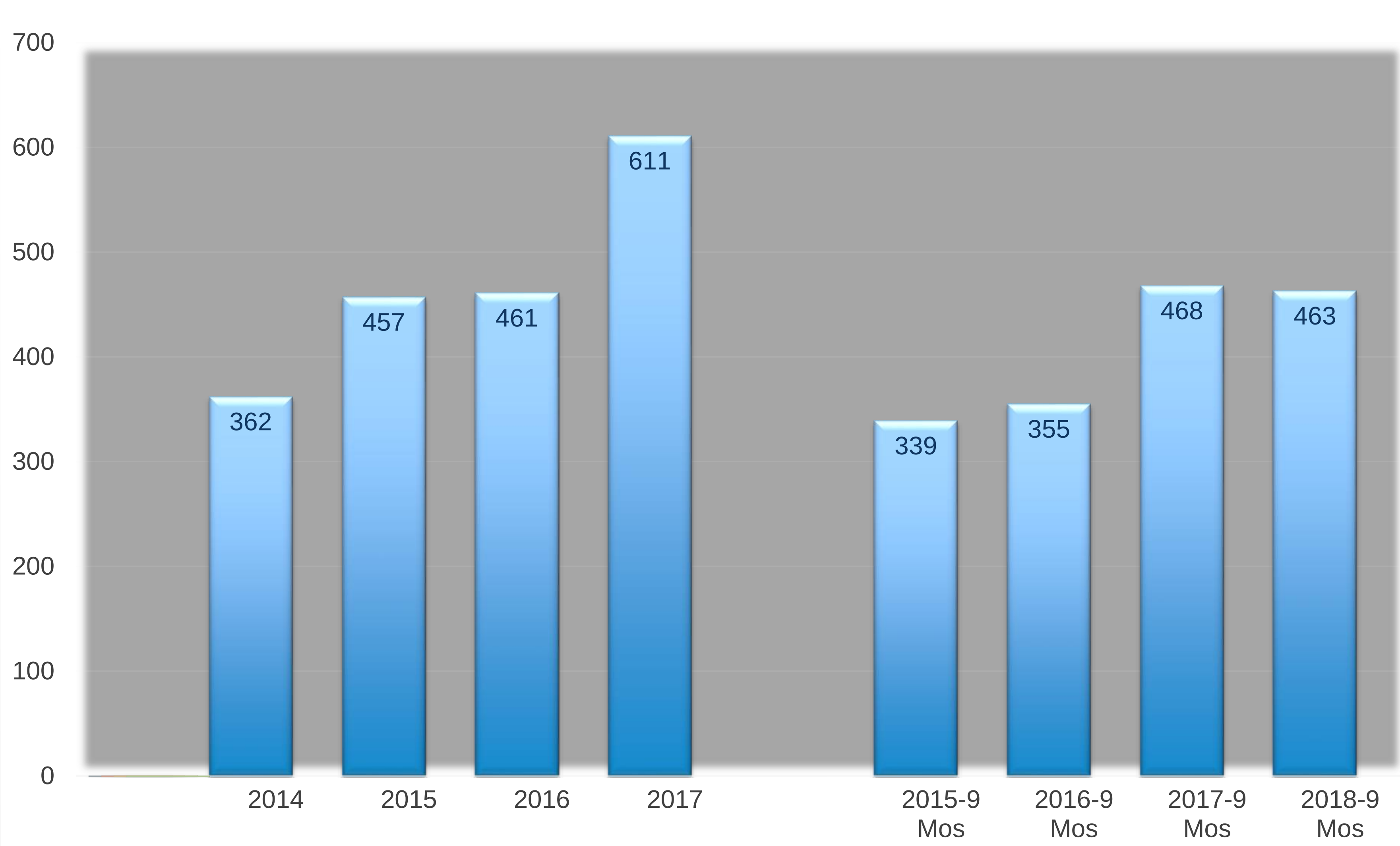
OPTIS PARTNERS

2008 - 2018 Trending Information

Highlights of 2018 YTD M&A Activity

- Highest 3rd Quarter total with 174 transactions and 2nd highest quarterly total overall, behind only 1st Quarter 2017
- 463 transactions in first 9 months of 2018 compared to 468 in 2017
- 606 transactions in past 12 months
  - 2nd highest of all time behind full year 2017
- Acrisure leads all buyers through 9 months with 70 transactions
  - Followed by Hub (47), AssuredPartners (30), Gallagher and Broadstreet Partners (23 each)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) group of Buyers still completing two-thirds of all agency M&A transactions

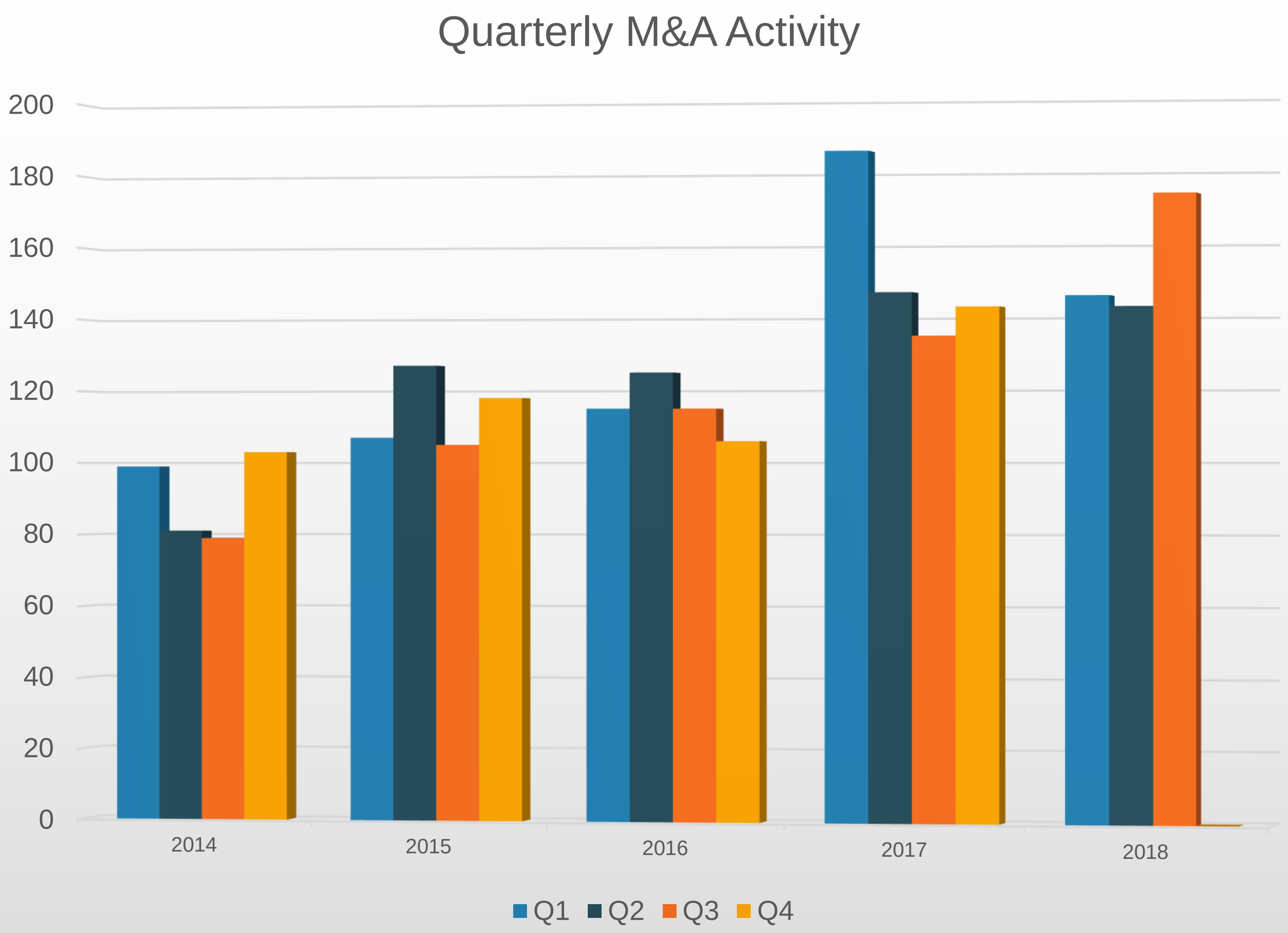
Summary Agency Acquisitions by Year



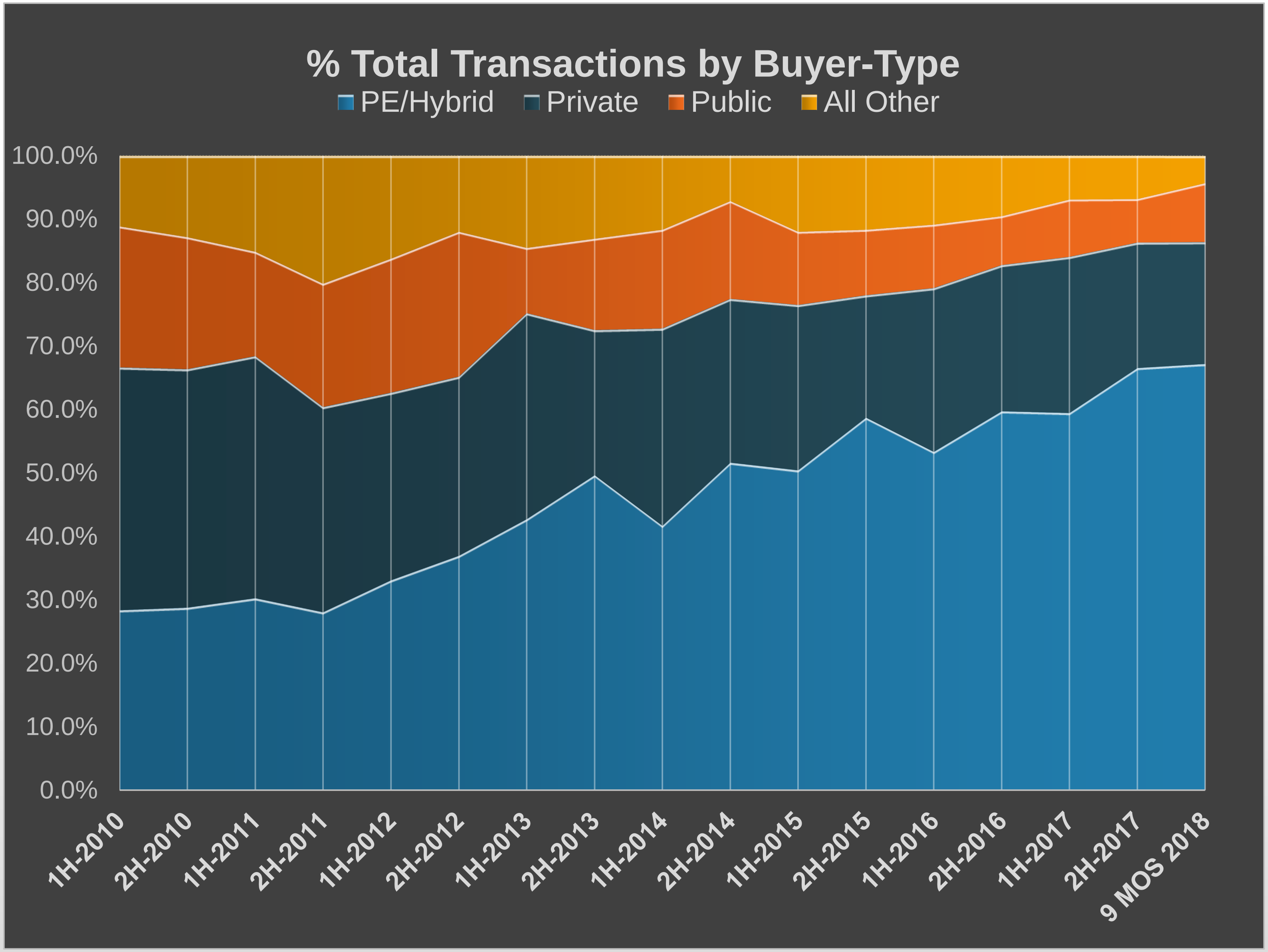
Active Acquirers w 15 or More Deals in 2018:

Buyer by Type	Ownership	2015	2016	2017	9 Mos-2018
Acrisure	PE / Hybrid	56	63	92	70
Hub International	PE / Hybrid	37	45	49	47
AssuredPartners	PE / Hybrid	38	28	26	30
Broadstreet Partners	PE / Hybrid	26	27	32	23
Gallagher	Public	27	24	30	23
OneDigital	PE / Hybrid	2	8	13	21
Seeman Holtz	PE / Hybrid	0	6	23	20
Alera Group	PE / Hybrid	(*)	(*)	38	20
Totals with > 15 Deals in 2018		186	201	303	254
All Other		271	260	308	209
Total Reported Transactions		457	461	611	463
% of Most Active Buyers		40.7%	43.6%	49.6%	54.9%

(*) Company did not exist



Quarterly M&A Activity
200
180
160
140
120
100
80
60
40
20
0
2014
2015
2016
2017
2018
Q1
Q2
Q3
Q4



% Total Transactions by Buyer-Type
PE/Hybrid
Private
Public
All Other
100.0%
90.0%
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
1H-2010
2H-2010
1H-2011
2H-2011
1H-2012
2H-2012
1H-2013
2H-2013
1H-2014
2H-2014
1H-2015
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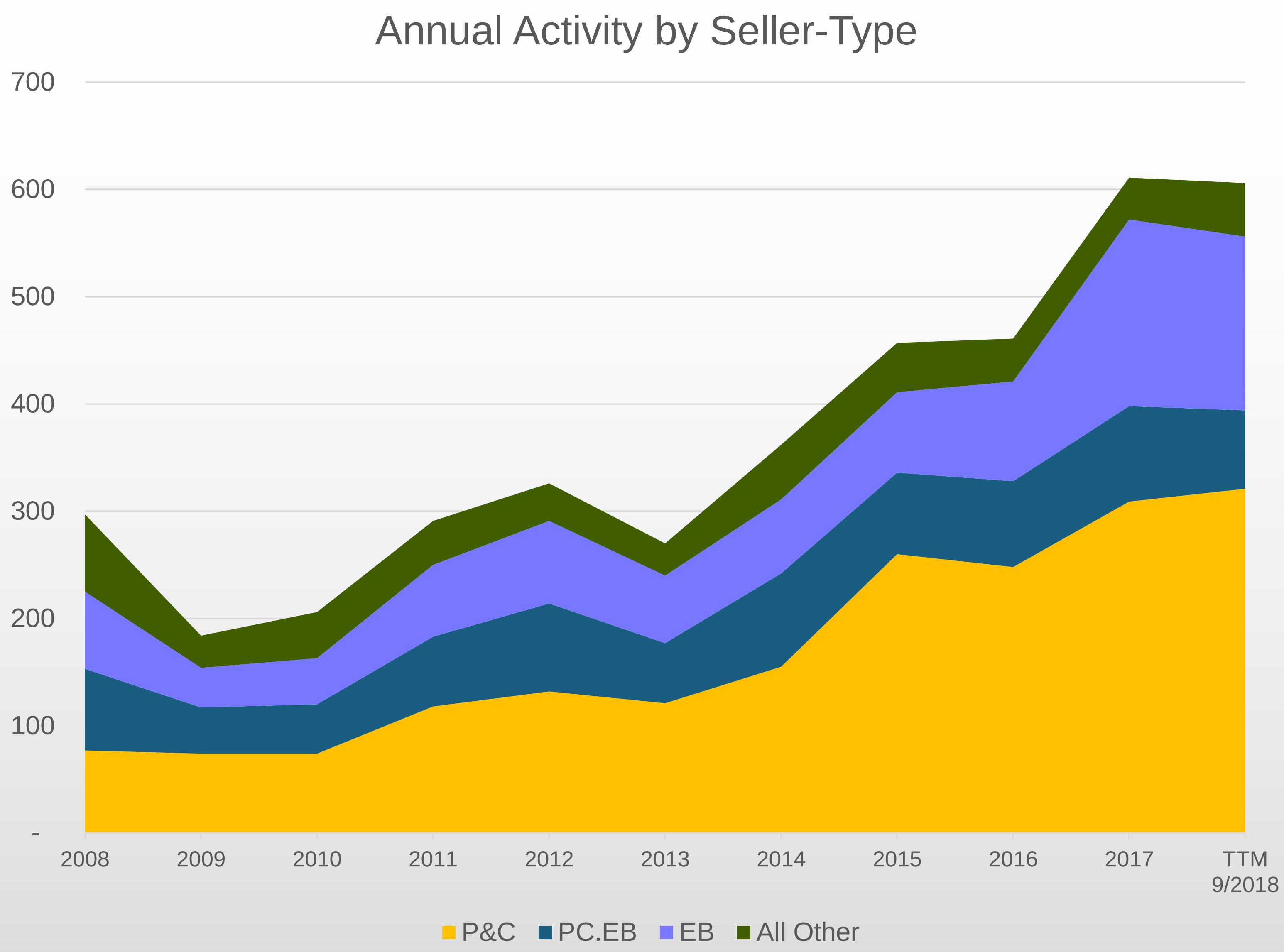
1H-2017
2H-2017
9 MOS 2018



Annual Activity by Seller-Type
700
600
500
400
300
200
100
-
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
TTM 9/2018
P&C
PC.EB
EB
All Other

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	August, 2018
Jardine Lloyds Thompson (London)	Marsh	#16	Expected to close in early 2019

Observations:

- Surge in Q3 acquisitions virtually catches up to 2017 M&A activity
- 463 transactions thru Sept 30 is higher than any full year total other than 2017
- Concentration of buyer activity within the most active buyers continues to increase
- Agency valuations seem to continue rising in spite of recent interest rate increases
- No obvious end in sight for the continued aggressive M&A activity and valuations

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