



# OPTIS PARTNERS

Agent & Broker

Merger & Acquisition Update: March 2019

April 2019

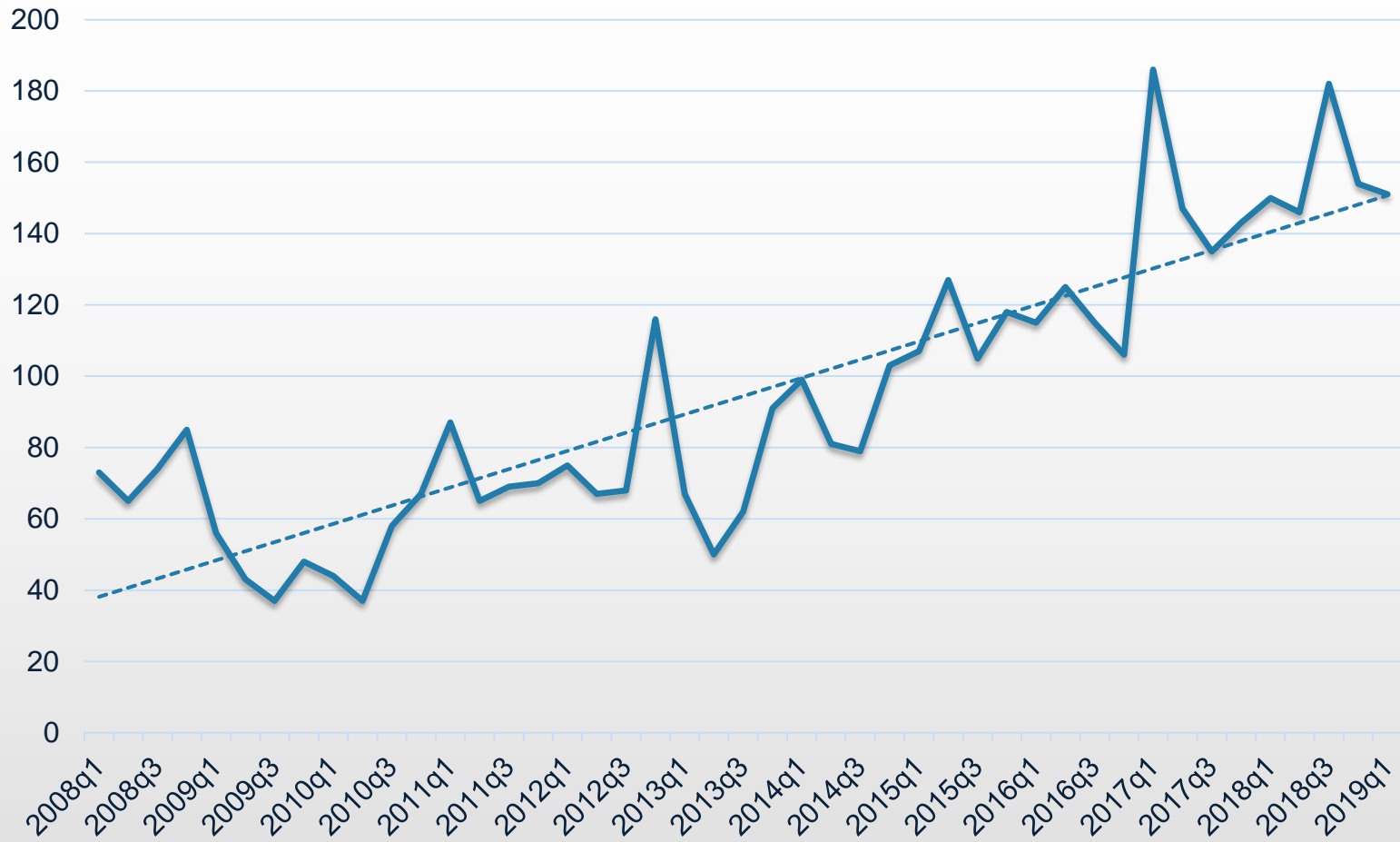
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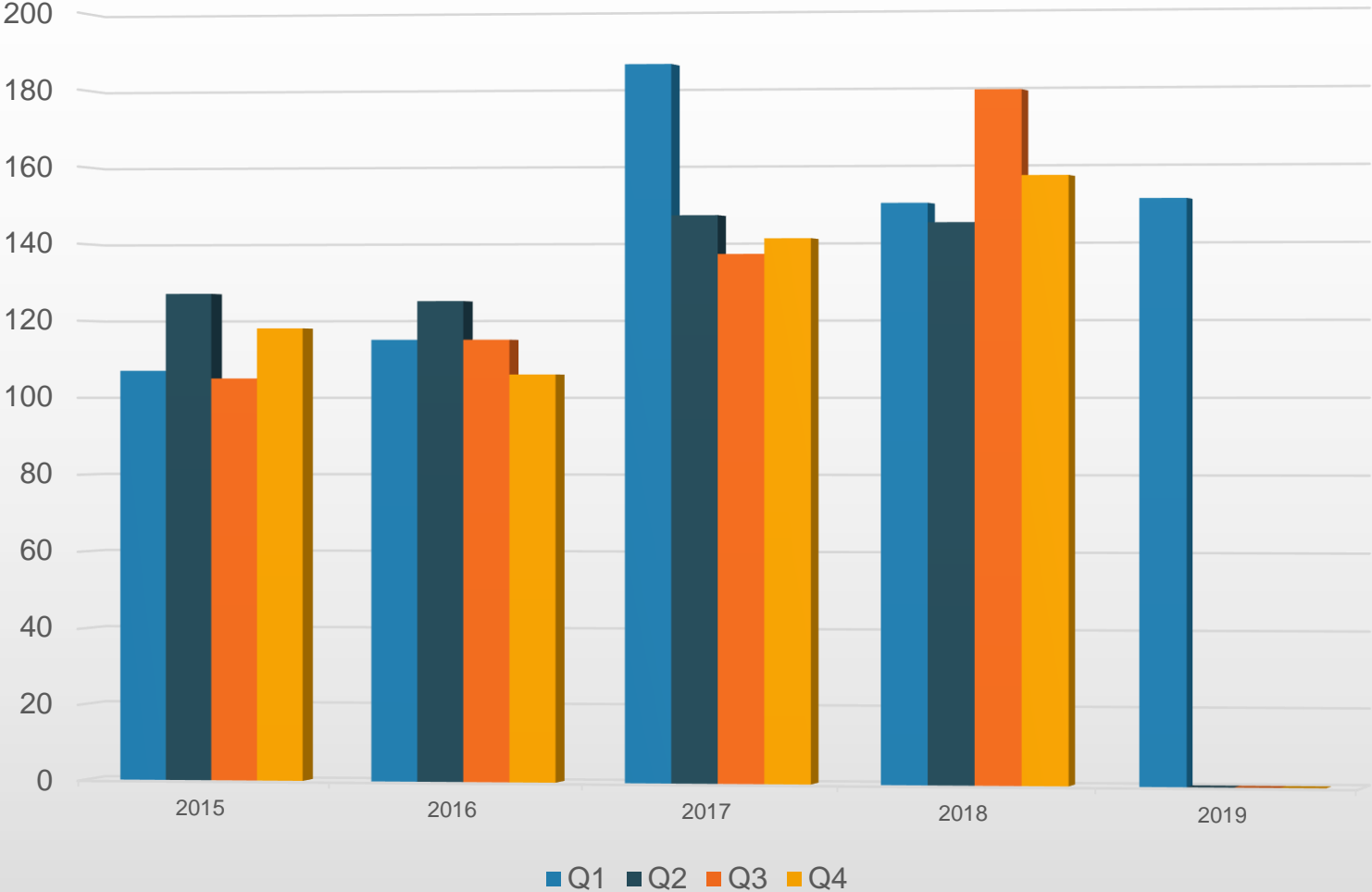
# 2008 - 2019 Trending Information

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# Quarterly M&A Activity



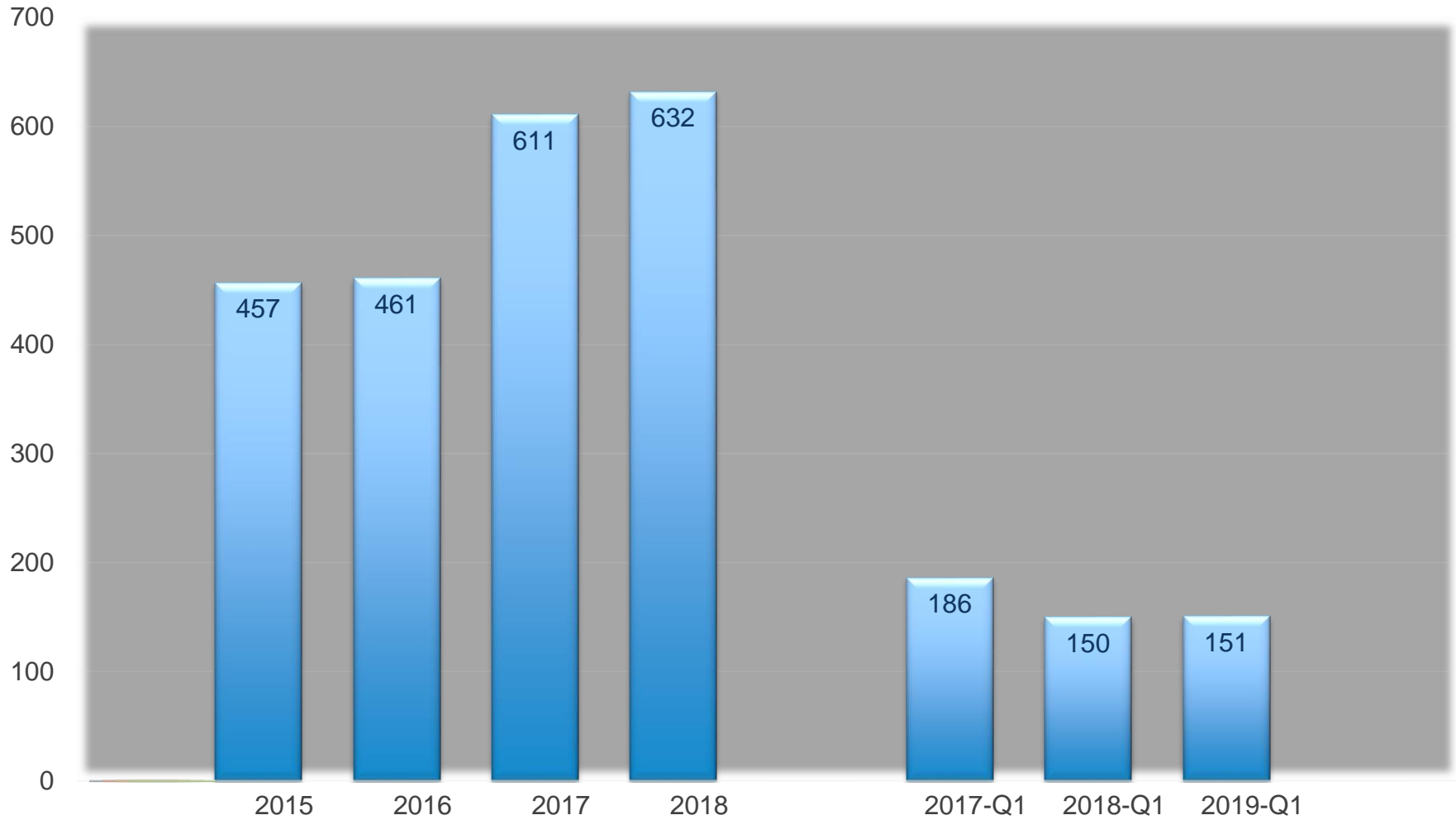
# Quarterly M&A Activity



# Highlights of 2019 YTD M&A Activity

- 151 transactions in Q1-2019, one more than Q1-2018
- 632 transactions in past 12 months
  - Highest of all time, sneaking past the 631 from full year 2018
- Patriot Growth Insurance Services led all buyers with 18 transactions for the Quarter, including 17 closed deals to kick-off their new venture
  - Followed by Acrisure (16), Hub (12), Gallagher (10), and Broadstreet Partners (10)
  - Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for more than 67% of the total transactions in the past 12 months

# Summary Agency Acquisitions by Year



# Active Acquirers w 5 or More Deals in 2019:

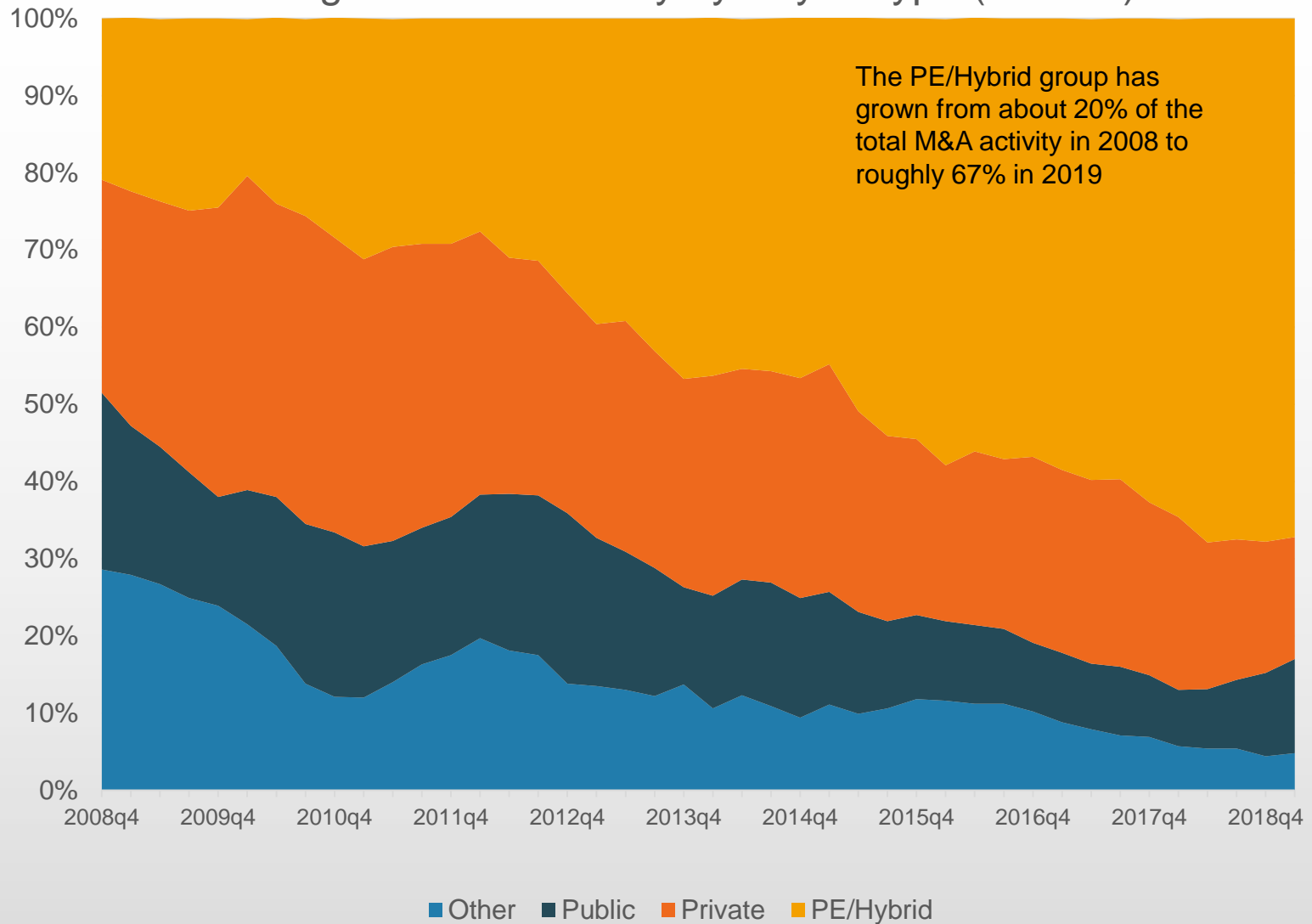
Buyer by Type	Ownership	2015	2016	2017	2018	Q1-2019
Patriot Growth	PE / Hybrid	(*)	(*)	(*)	(*)	18
Acrisure	PE / Hybrid	56	63	92	101	16
Hub International	PE / Hybrid	37	45	49	59	12
Gallagher	Public	27	24	30	30	10
Broadstreet Partners	PE / Hybrid	26	27	32	34	10
AssuredPartners	PE / Hybrid	38	28	26	26	8
Brown & Brown	Public	12	5	8	23	7
Alera Group	PE / Hybrid	(*)	(*)	38	28	5
All Other		261	269	336	313	66
Total Reported Transactions		457	461	611	631	152
(*) Company did not exist						



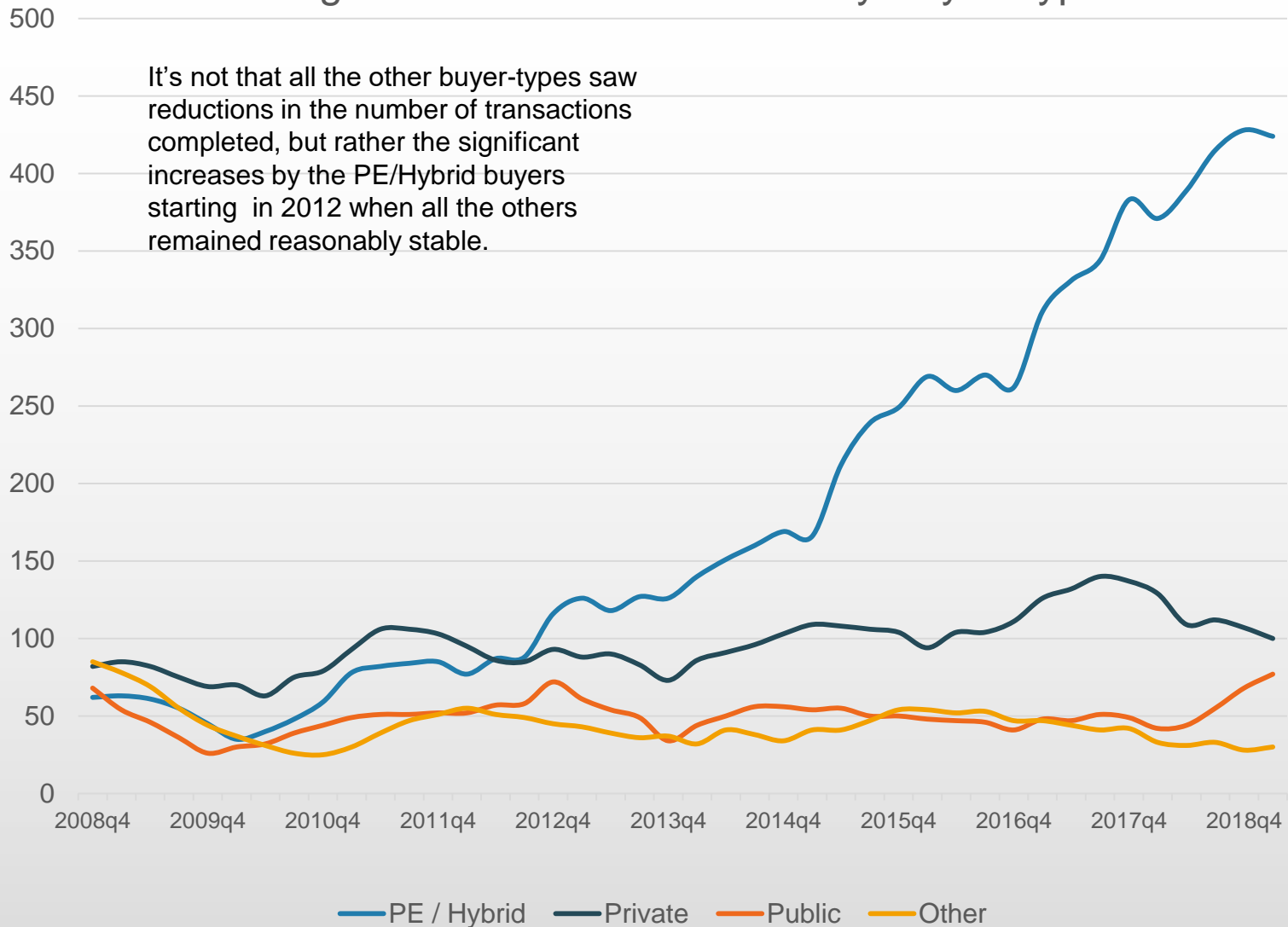
# Active Acquirers w 20 or More Deals in Past 12 Mos:

Buyer by Type	Ownership	2015	2016	2017	2018	TTM
Acrisure	PE / Hybrid	56	63	92	101	88
Hub International	PE / Hybrid	37	45	49	59	58
Gallagher	Public	27	24	30	36	40
Broadstreet Partners	PE / Hybrid	26	27	32	34	37
AssuredPartners	PE / Hybrid	38	28	26	37	35
Brown & Brown	Public	12	5	8	23	28
Alera Group	PE / Hybrid	(*)	(*)	38	28	25
OneDigital	PE / Hybrid	2	8	13	24	24
Seeman Holtz	PE / Hybrid	None reported	6	23	23	23
All Other		259	255	300	266	274
Total Reported Transactions		457	461	611	631	632
(*) Company did not exist						

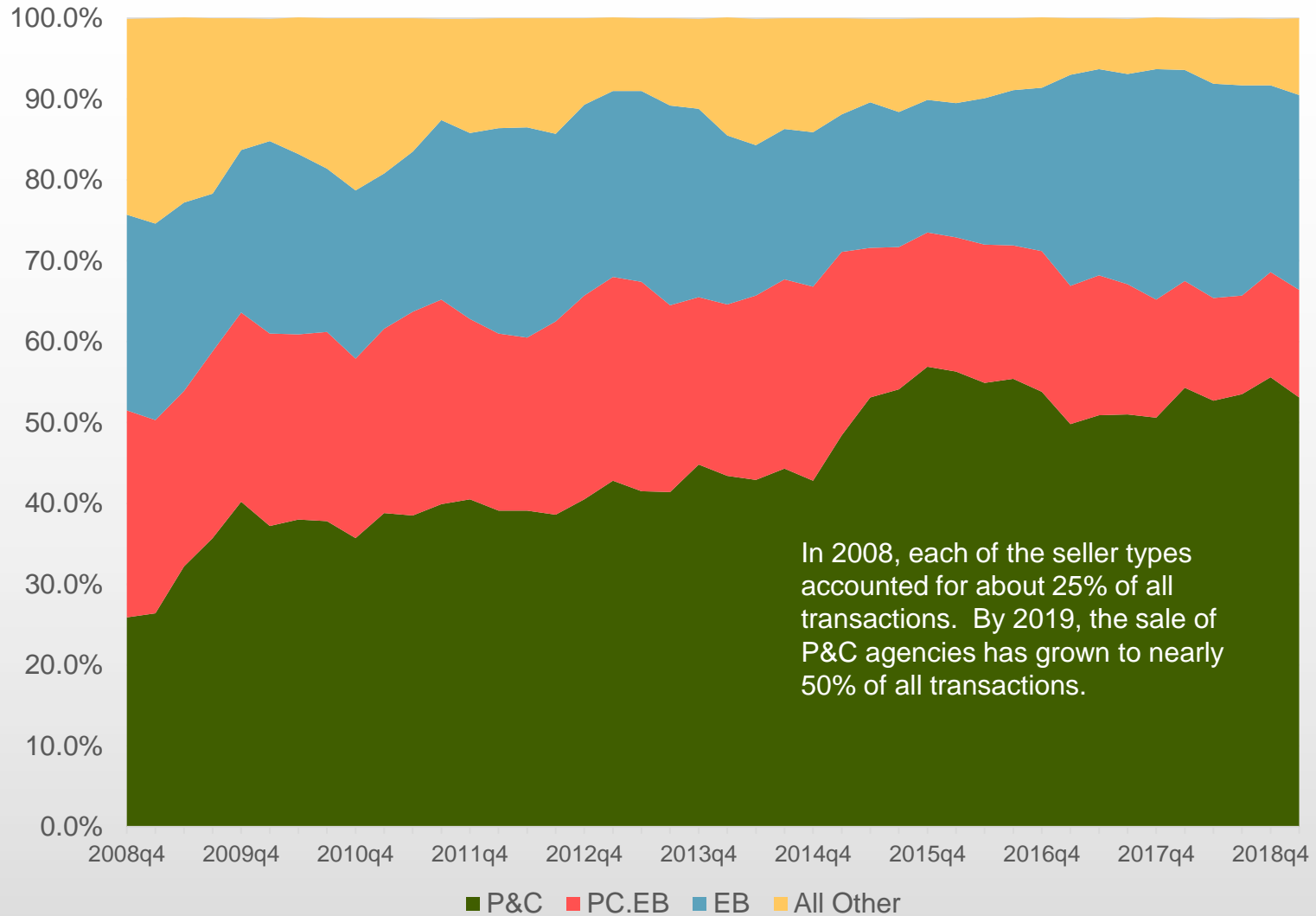
## Rolling 12-Month Activity by Buyer-Type (% Total)



## Rolling 12-Month # Transactions by Buyer-Type



## Rolling 12-Month Activity by Seller-Type (% Total)



# Significant 2019 Broker Transactions

Seller	Buyer	2018 Business Insurance Rank	Date
17 Agencies	Patriot Growth Insurance Services		January, 2019
Bouchard Insurance	Marsh McLennan Agency	#74	January, 2019
Tolman & Wiker Insurance Services	AssuredPartners	#88	February, 2019
JLT Aerospace	Gallagher		March, 2019
US Risk Insurance Group	USI Insurance Services	#25	Scheduled for 2 <sup>nd</sup> Qtr
Lovitt & Touche	Marsh McLennan Agency	#77	Announced April, 2019

# Private Equity-backed Ownership Changes

Insurance Agency	Buyer / Investor	Description	Date
Alliant Insurance	Public Sector Pension Investment Board (Canada)	New minority investor	January, 2019
Assured Partners	GTCR	Sale by APAX Partners	Announced February, 2019
Relation Insurance	Aquiline Capital Partners	Parthenon Capital and Century Equity Partners	Announced March, 2019

## Other Observations & Comments:

- No indications of any changes in Buyer and Seller behavior in the market, both in terms of appetite for transactions and valuations of agencies for sale
- Individual quarterly totals can fluctuate dramatically from one period to the next and are not necessarily indicative of the overall M&A activity level
- Only 57 unique buyers in 2019, the lowest number in any 1<sup>st</sup> Quarter since 2014
- Acquisitions in Canada have increased from 1-2% of the total 10 years ago to now representing 6-8%



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