



OPTIS PARTNERS



Agent & Broker

Merger & Acquisition Update: June 2019

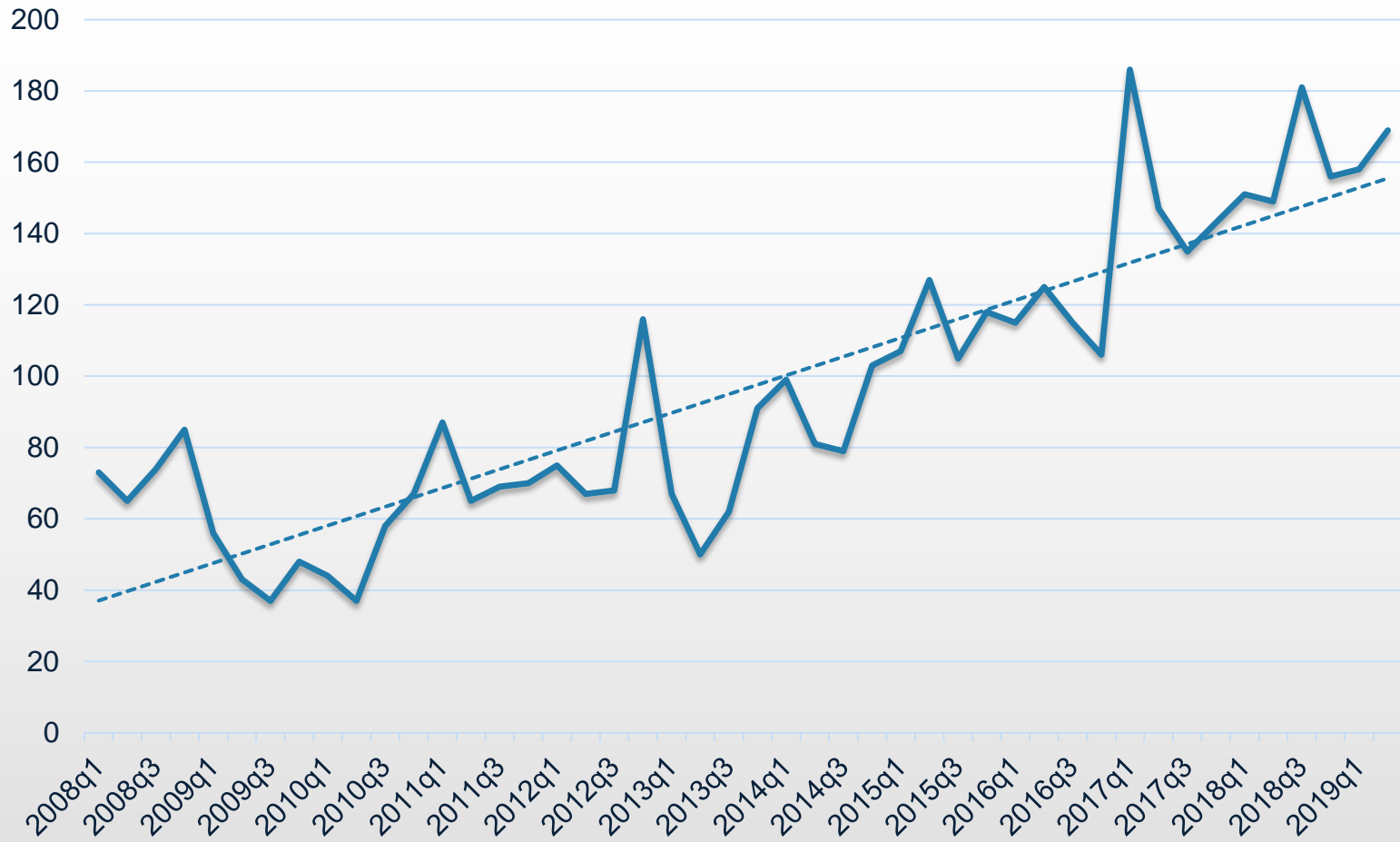
July 2019

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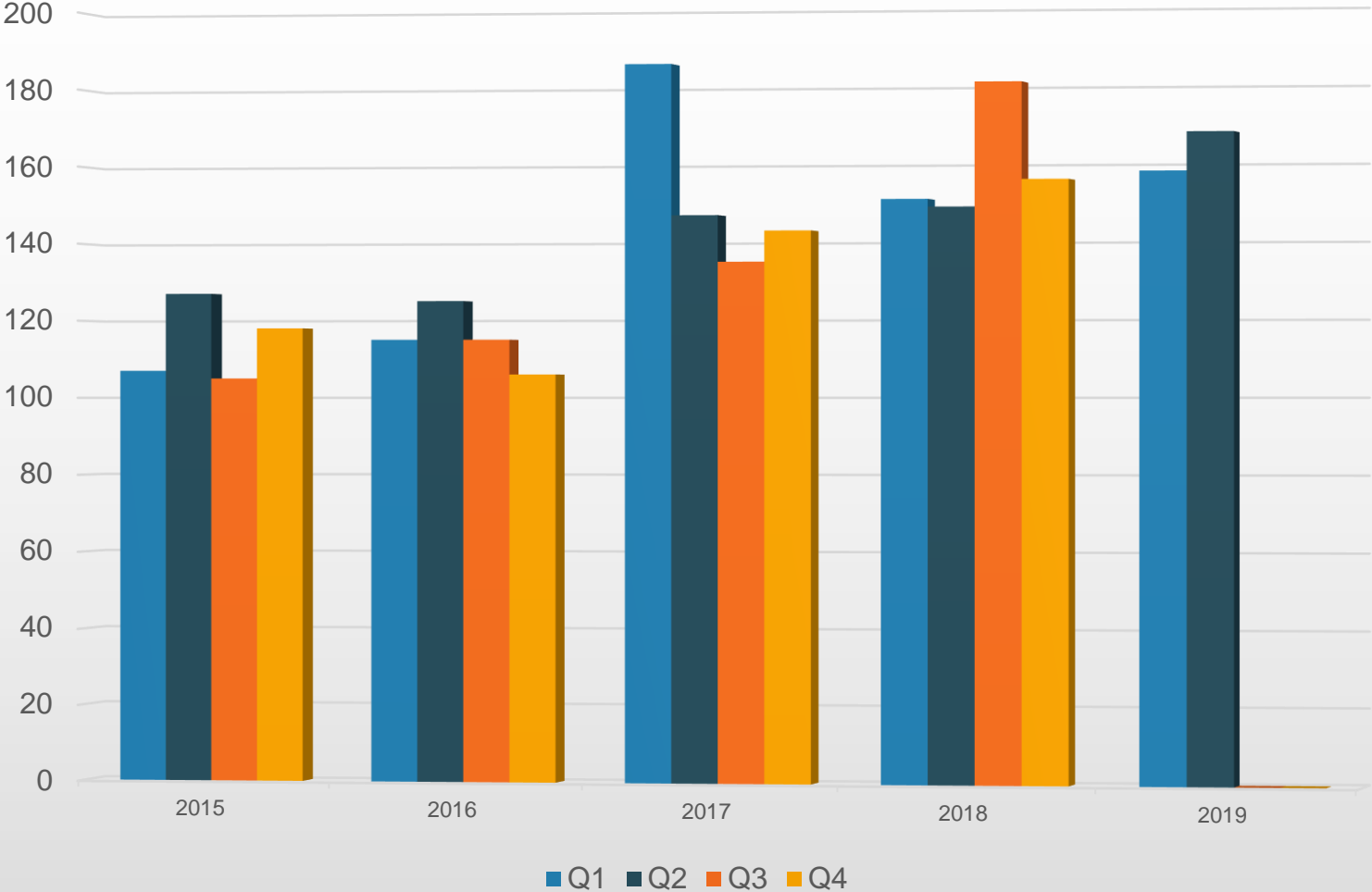
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2008 - 2019 Trending Information

Quarterly M&A Activity



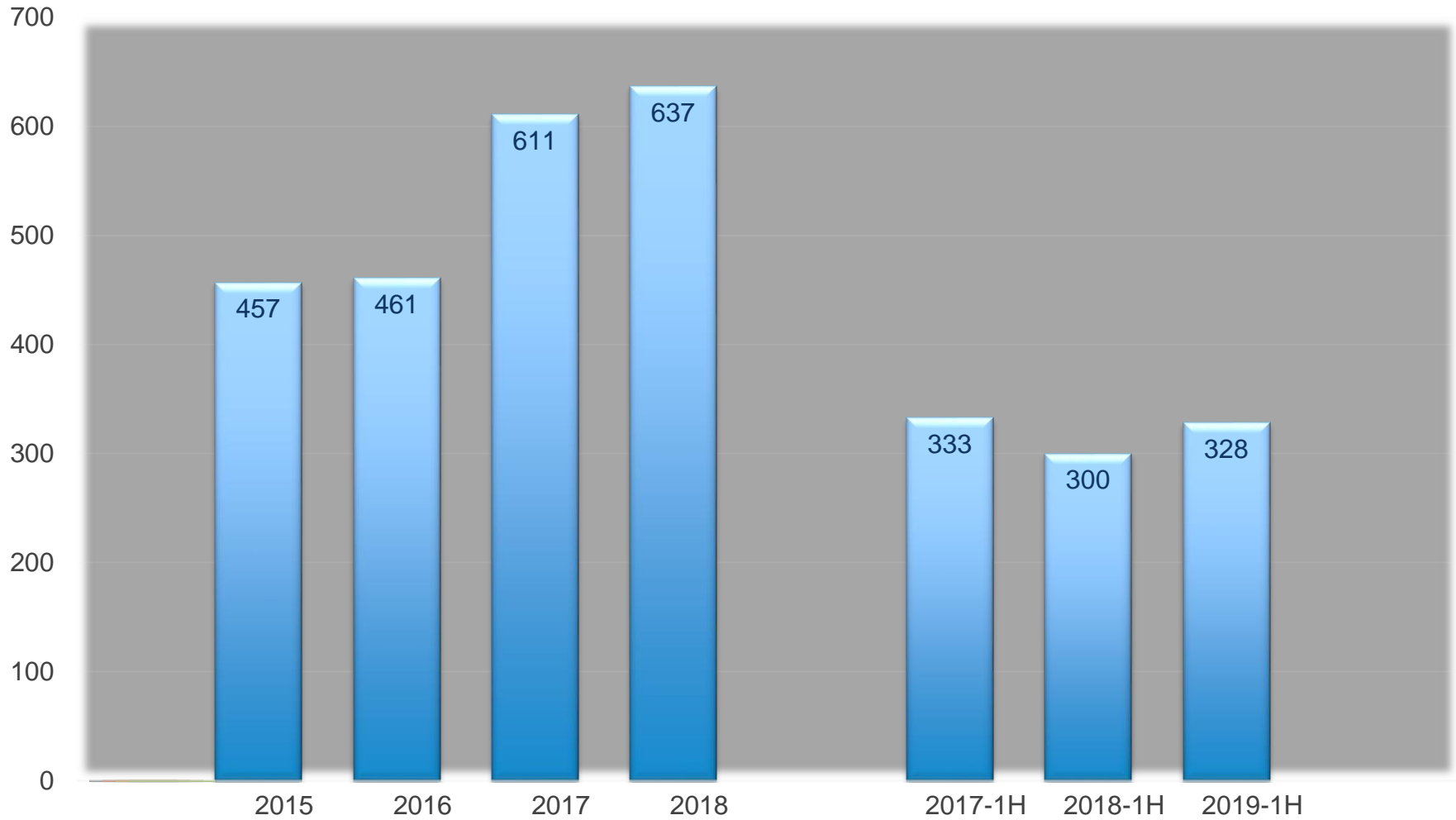
Quarterly M&A Activity



Highlights of 1st Half 2019 M&A Activity

- 328 transactions in 1H-2019, up from 300 for 1H-2018
- 665 transactions in past 12 months
 - Highest of all time, well ahead of 637 from 2018
- Acrisure led all buyers with 39 transactions thru June 30, 2019, but is their lowest total since 2016
 - Followed by Hub International (26), Patriot Growth and Assured Partners (21), Broadstreet Partners (18) and Gallagher (16)
 - Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for nearly two-thirds of all announced transactions in the past 12 months

Summary Agency Acquisitions by Year



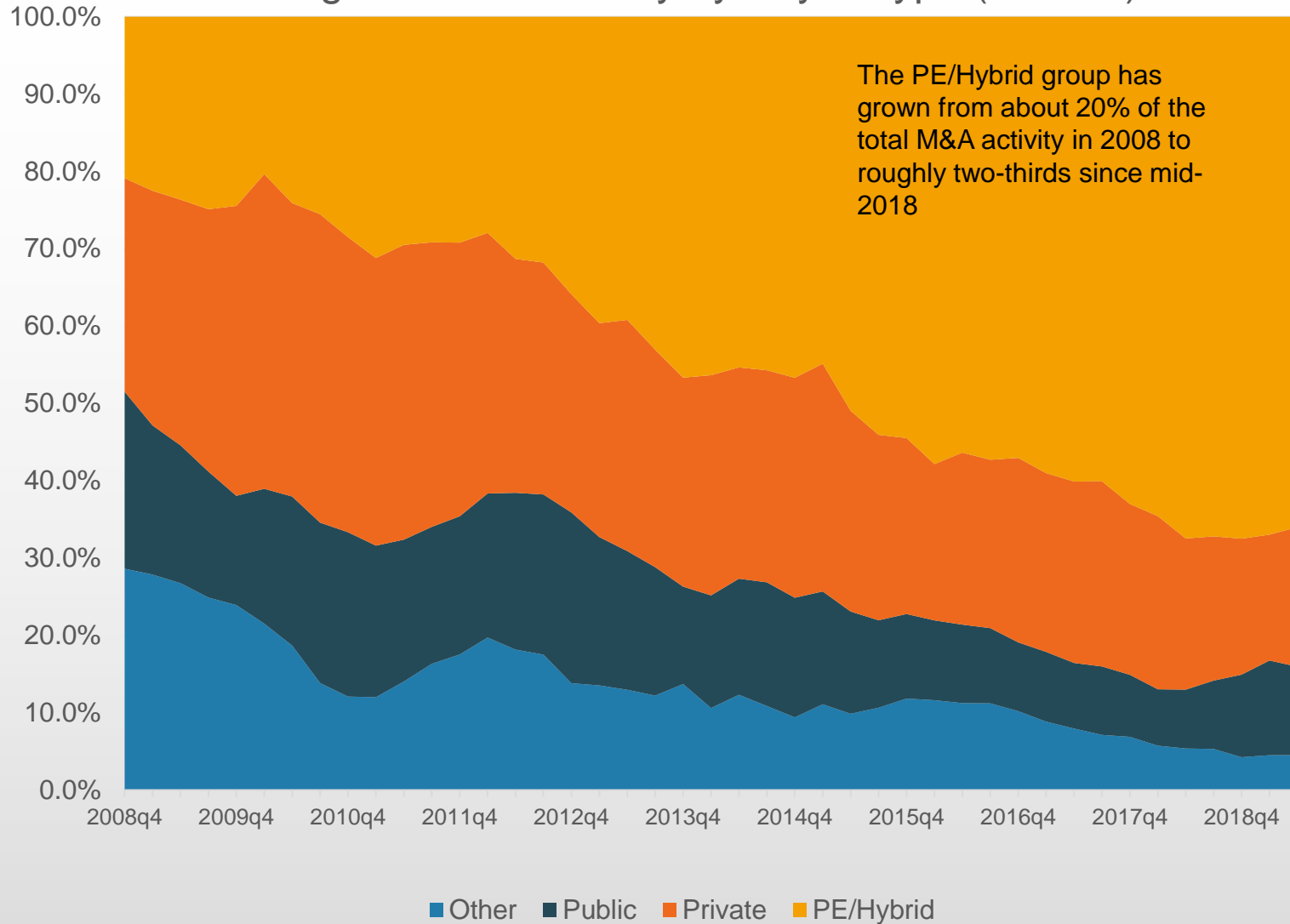
Active Acquirers w 10 or More Deals in 2019:

Buyer by Type	Ownership	2015	2016	2017	2018	Q1-2019
Acrisure	PE / Hybrid	56	63	92	101	39
Hub International	PE / Hybrid	37	45	49	59	26
Patriot Growth	PE / Hybrid	(*)	(*)	(*)	(*)	21
AssuredPartners	PE / Hybrid	38	28	26	37	21
Broadstreet Partners	PE / Hybrid	26	27	32	34	18
Gallagher	Public	27	24	30	30	16
OneDigital	PE / Hybrid	2	8	13	24	15
Brown & Brown	Public	12	5	8	23	11
Alera Group	PE / Hybrid	(*)	(*)	38	28	10
All Other		259	261	323	295	151
Total Reported Transactions		457	461	611	637	328
(*) Company did not exist						

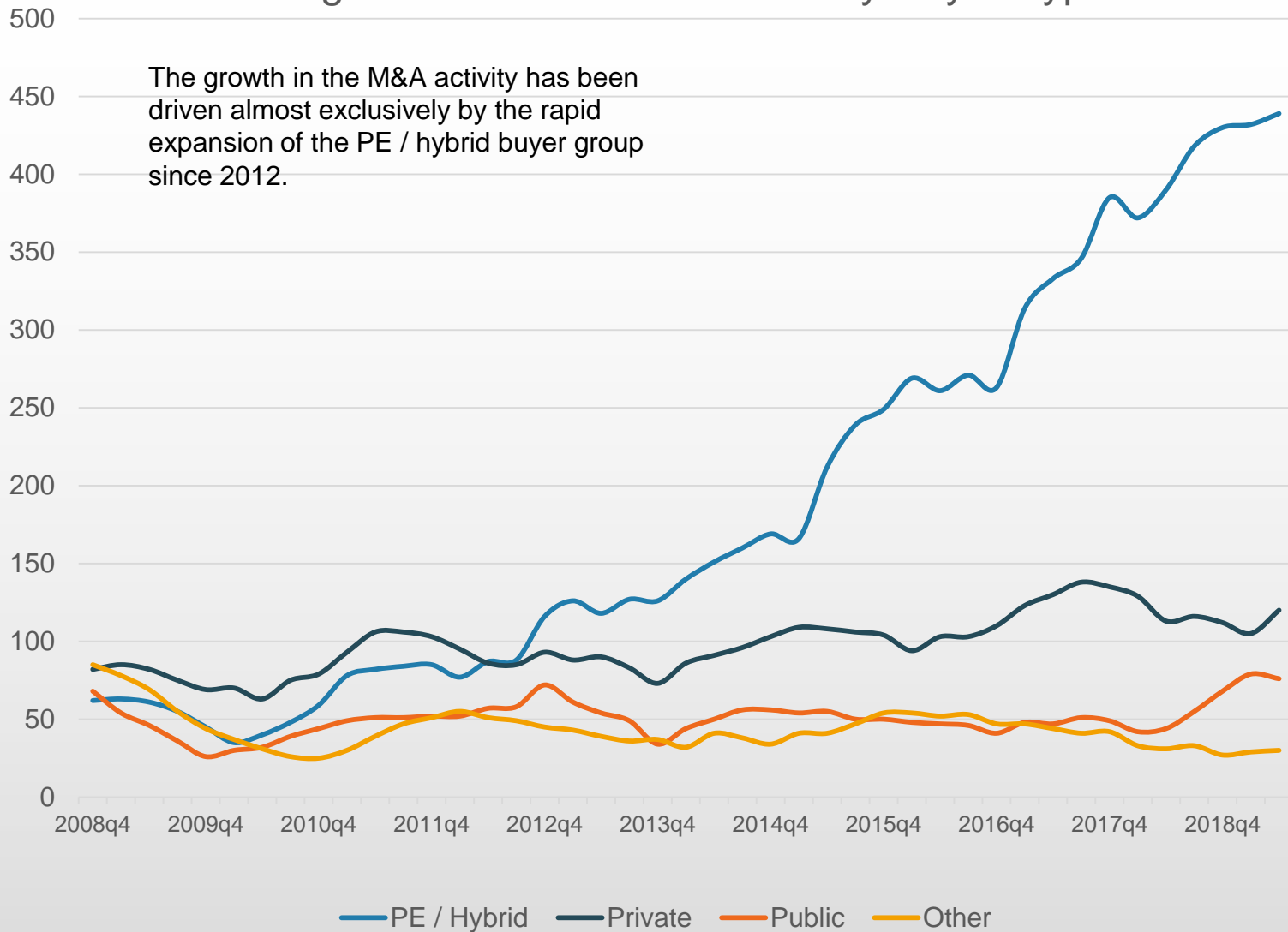
Active Acquirers w Over 20 Deals in Past 12 Mos:

Buyer by Type	Ownership	2015	2016	2017	2018	TTM
Acrisure	PE / Hybrid	56	63	92	101	98
Hub International	PE / Hybrid	37	45	49	59	52
Broadstreet Partners	PE / Hybrid	26	27	32	34	39
AssuredPartners	PE / Hybrid	38	28	26	37	38
Gallagher	Public	27	24	30	36	37
OneDigital	PE / Hybrid	2	8	13	24	26
Brown & Brown	Public	12	5	8	23	26
Alera Group	PE / Hybrid	(*)	(*)	38	28	23
Patriot Growth	PE / Hybrid	(*)	(*)	(*)	(*)	21
All Other		259	261	323	295	305
Total Reported Transactions		457	461	611	637	632
(*) Company did not exist						

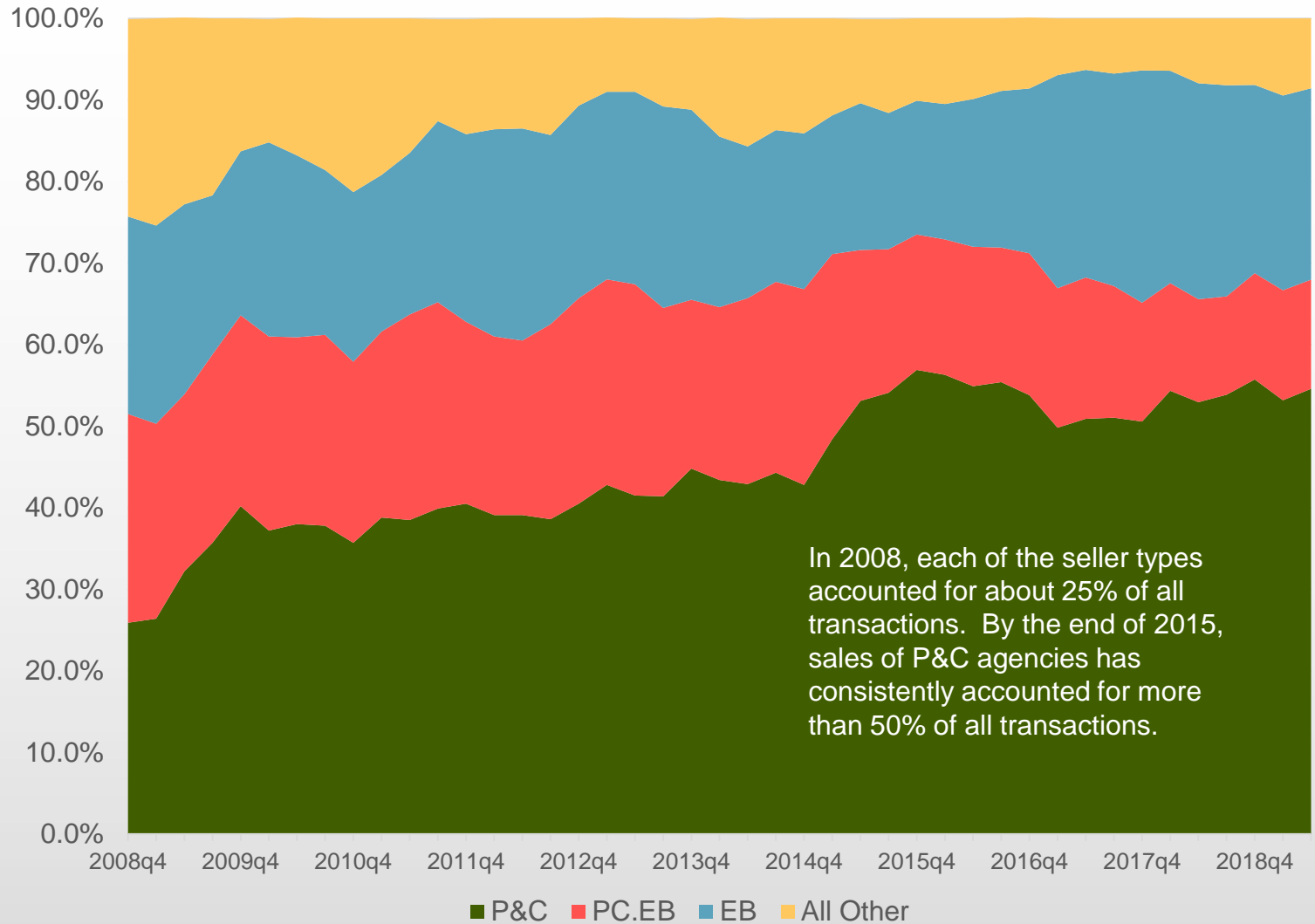
Rolling 12-Month Activity by Buyer-Type (% Total)



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 (Jan 2019) 4 others since	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
Lovitt & Touche	Marsh McLennan Agency	#77	April, 2019
US Risk Insurance Group	USI Insurance Services		July, 2019

Private Equity-backed Ownership Changes

Insurance Agency	Lead Buyer / Investor	Description	Date
Alliant Insurance	Public Sector Pension Investment Board (Canada)	New minority investor	January, 2019
Assured Partners	GTCR	Partial sale by APAX Partners	Announced February, 2019
Relation Insurance	Aquiline Capital Partners	Parthenon Capital and Century Equity Partners	Announced March, 2019
K2 Insurance	Lee Equity Partners (majority interest)	Endeavor Capital	April, 2019

Other Observations & Comments:

- The pace and aggressiveness of the buyers continues to push pricing and transaction counts to new limits
- Pretty quiet during Q2-2019 in the Top 100 group, with only one transaction closed during the quarter
- Out of 67 total PE /Hybrid buyers active since 2008, 28 made acquisitions in 1H-2019, the highest total of any 6-month period other than 1H-2018 when 30 completed one or more acquisitions.



Connect with us:

Telephone:

312-235-0081

630-520-0490

Email:

Cunningham@optisins.com

Menzer@optisins.com

Website:

www.optisins.com