



Agent & Broker 2019 Year-end Merger & Acquisition Update

January 2020

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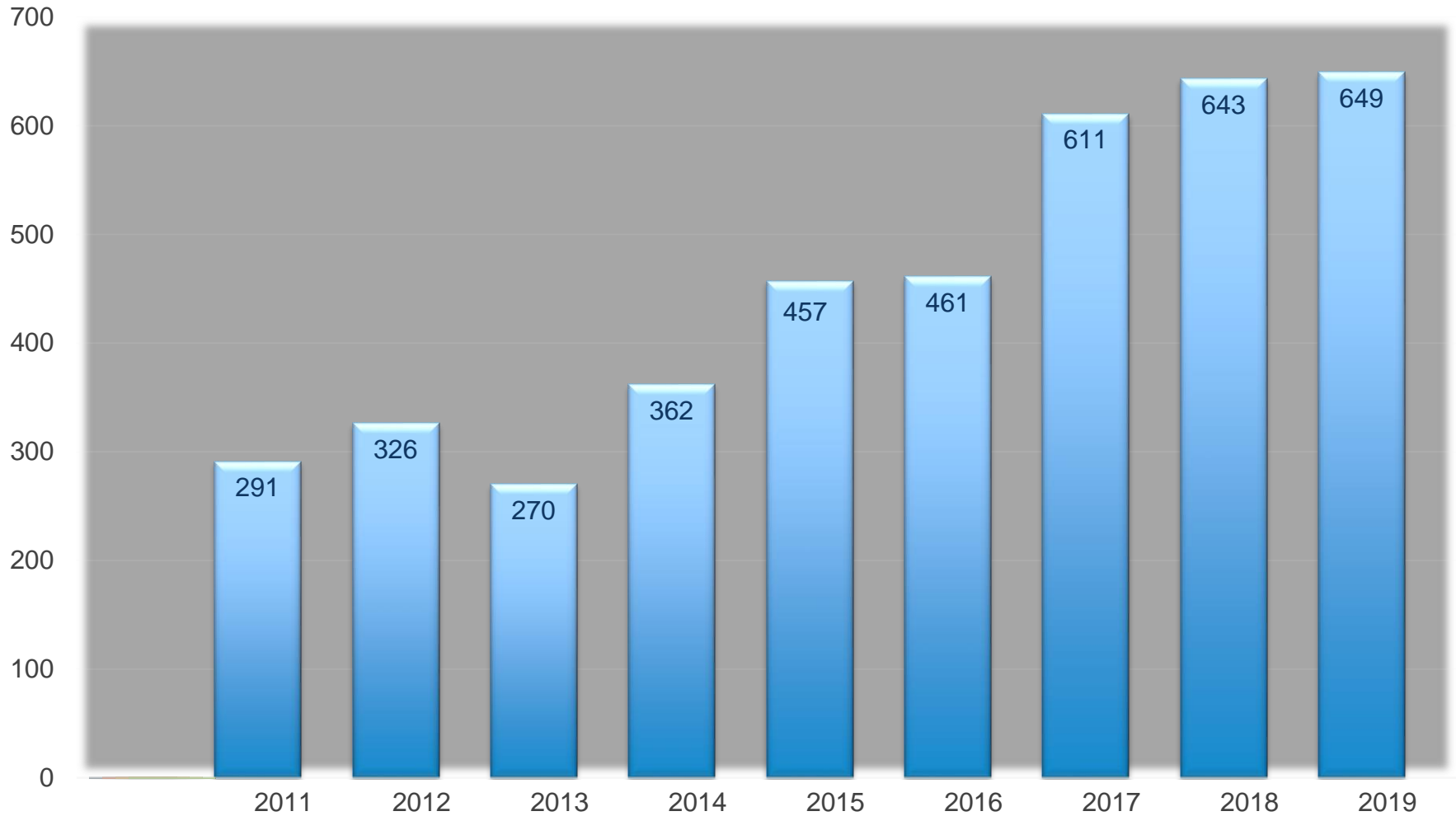
2008 - 2019 Trending Information



Highlights of 2019 M&A Activity

- Highest annual total (again!) with 649 transactions, surpassing 643 from 2018
- Some slow down in 2nd half of 2019 with 320 compared to 343 in 2nd half of 2018 and 329 in 1st half of 2019
- Little change in the top buyers:
 - Acrisure led all buyers with 98 transactions in US and Canada
 - Followed by Hub (51), AssuredPartners (44), Broadstreet Partners (34) and Gallagher (33)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) group of Buyers continues to increase their share of the total activity with 69% of all announced transactions in 2019, up from 67% in 2018
- 131 unique buyers in 2019, down from 144 in 2018 and 177 in 2017

Summary Agency Acquisitions by Year



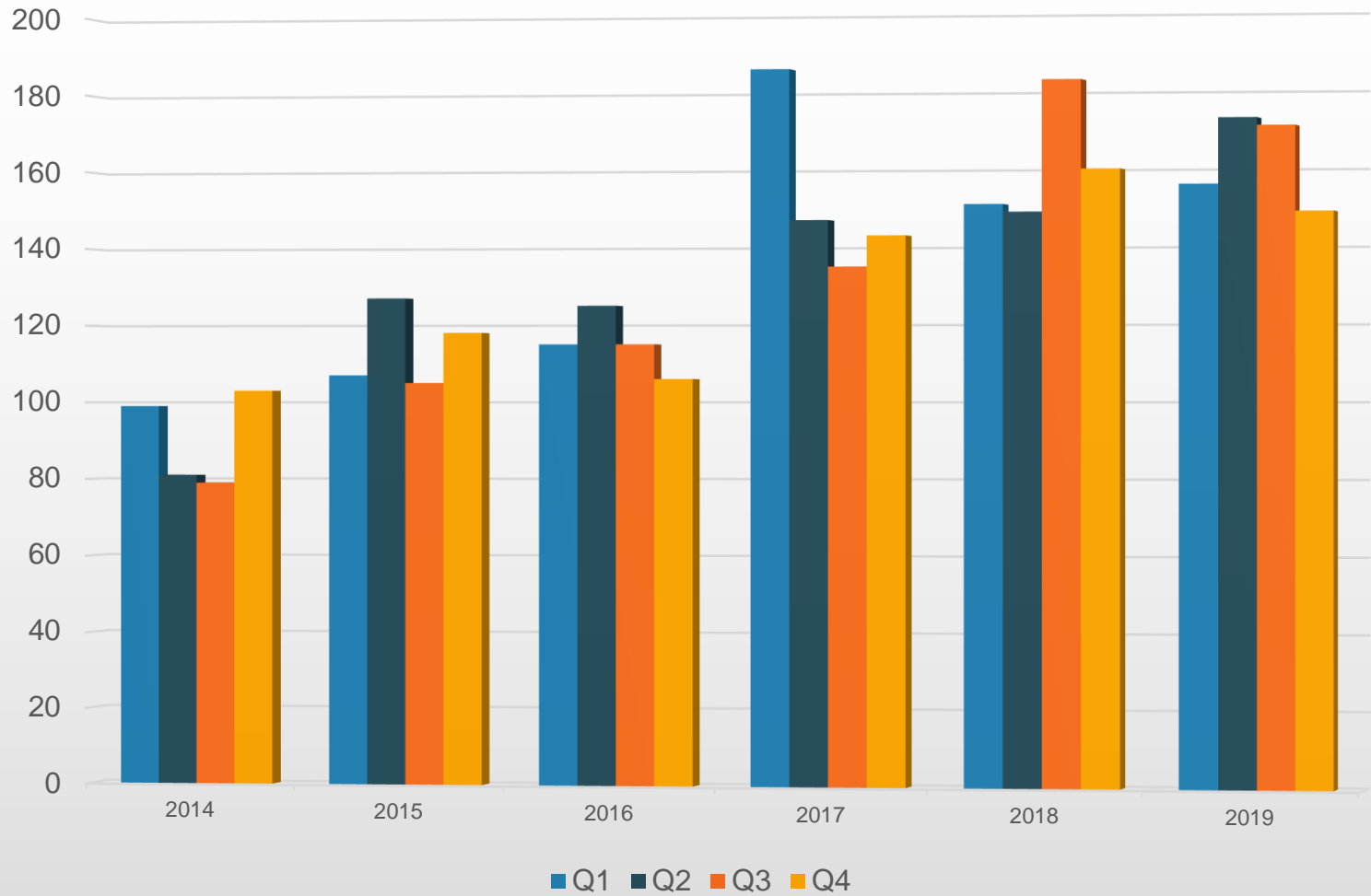
Top 10 Buyers in 2019:

Buyer	Buyer Ownership	2015	2016	2017	2018	2019
Acrisure	PE	56	63	92	101	98
Hub International	PE	37	45	49	59	51
AssuredPartners	PE	38	28	26	38	44
Broadstreet Partners	PE	26	27	32	34	34
Gallagher	Public	27	24	30	36	33
The Hilb Group	PE	8	11	14	12	25
Patriot Growth Insurance Services	PE	(*)	(*)	(*)	(*)	25
Alera Group	PE	(*)	(*)	38	28	24
Risk Strategies	PE	5	9	11	10	22
Brown & Brown	Public	12	5	8	23	20
(*) Company did not exist						

Top 10 Buyers by Year: 2015 - 2019

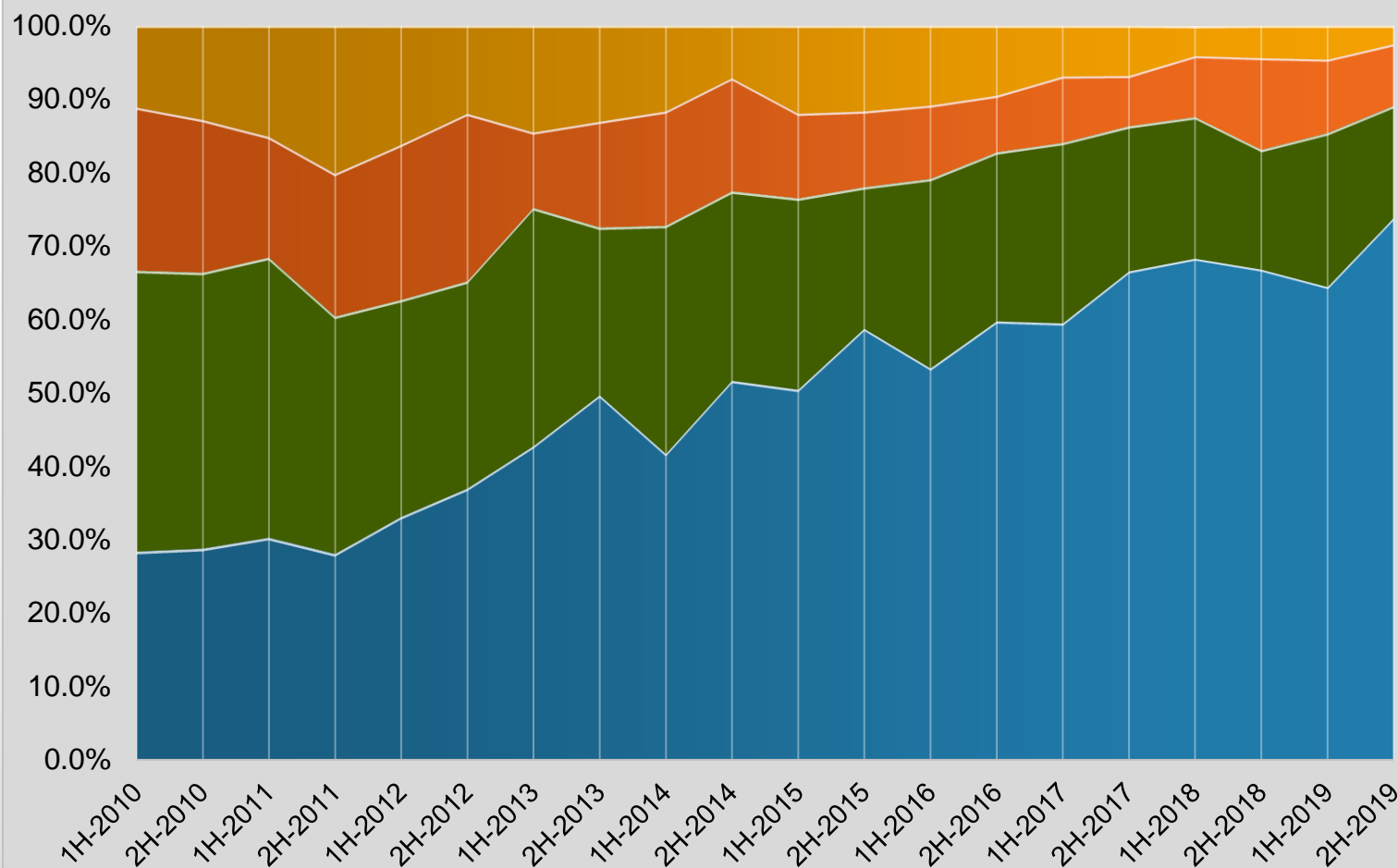
2015	2016	2017	2018	2019
Acrisure	Acrisure	Acrisure	Acrisure	Acrisure
AssuredPartners	Hub International	Hub International	Hub International	Hub International
Hub International	AssuredPartners	Alera	AssuredPartners	AssuredPartners
Gallagher	Broadstreet	Broadstreet	Gallagher	Broadstreet Partners
Broadstreet	Gallagher	Gallagher	Broadstreet Partners	Gallagher
Confie	Confie	AssuredPartners	Alera Group	The Hilb Group
NFP	The Hilb Group	NFP	OneDigital	Patriot Growth Ins.
Brown & Brown	Risk Strategies	Seeman Holtz	Seeman Holtz	Alera Group
USI	OneDigital	The Hilb Group	NFP	Risk Strategies
The Hilb Group	NFP	OneDigital	Brown & Brown	Brown & Brown
Top 10: 244	Top 10: 240	Top 10: 341	Top 10: 392	Top 10: 376
53% of total	52% of total	56% of total	61% of total	58% of total

Quarterly M&A Activity

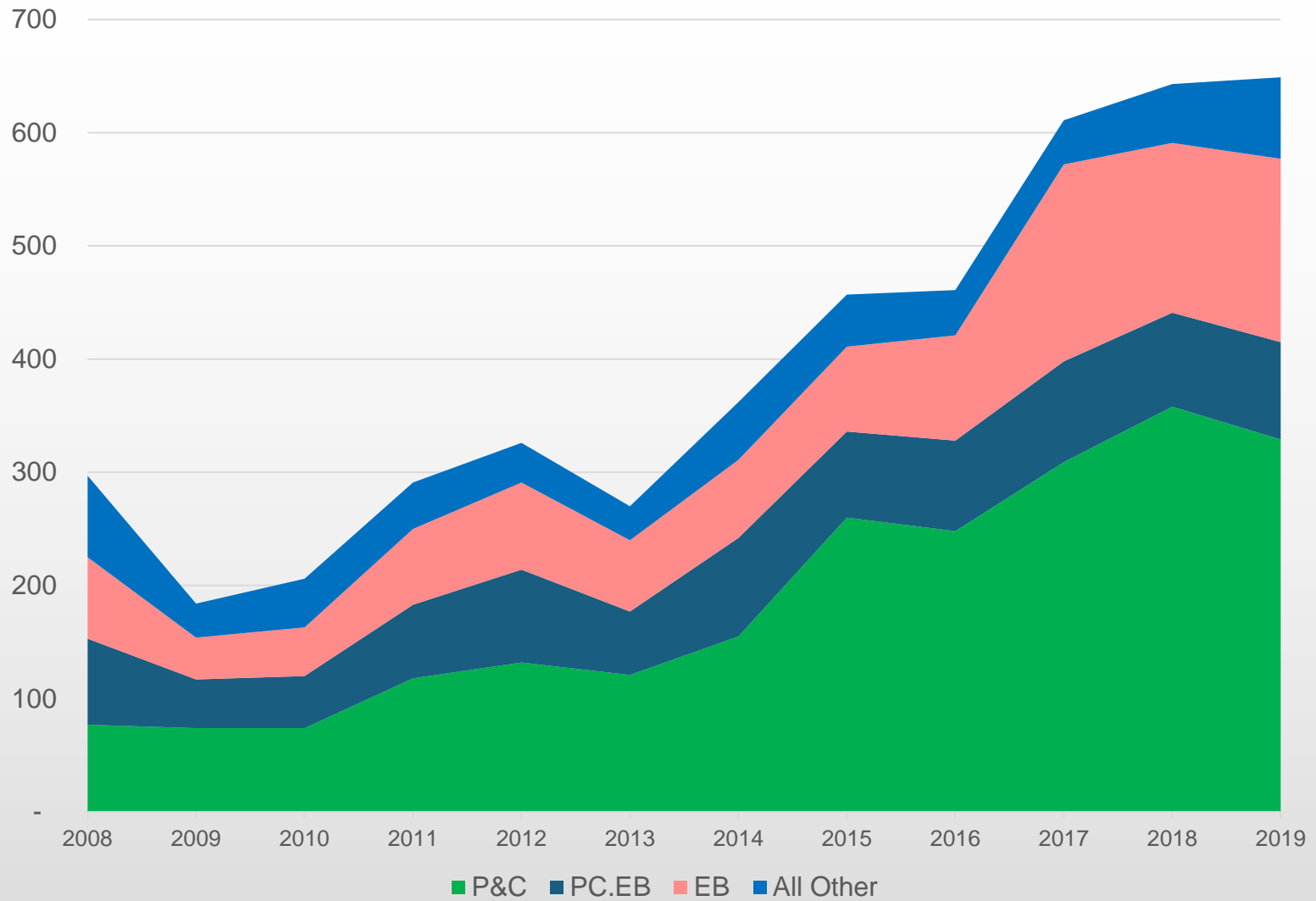


% Total Transactions by Buyer-Type

■ PE/Hybrid ■ Private ■ Public ■ All Other



Annual Activity by Seller-Type



Major 2019 Broker Transaction Announcements

Seller	Buyer / Investor	2018 Business Insurance Rank	Date
17 Agencies (Jan 2019) 8 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
Baldwin Risk Partners	Initial Public Offering	#43	October, 2019
Prime Risk Partners	EPIC Insurance	#34	November, 2019

Major 2019 Private Equity Recapitalizations

Agent/Broker	Private Equity Group Buyer	Private Equity Group Seller	Date
Alliant Insurance	New investors	Public Sector Pension Investment Board (Canada)	January, 2019
Relation Insurance	Parthenon Capital and Century Equity Partners	Aquiline Capital Partners	February, 2019
K2 Insurance	Endeavour Capital	Lee Equity Partners	April, 2019
AssuredPartners	APAX Partners	GTCR	May, 2019
Portfolio Holding, Inc.	Capital Z Partners	Abry Partners	August, 2019
Worldwide Facilities	Lovell Minnick	Genstar Capital	September, 2019
The Hilb Group	Carlyle Group	Abry Partners	October, 2019

Ownership of active PE-backed buyers (*)

Name	2008 - 2010	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Acrisure	← Private	Acquired by GCP Capital Partners			Acquired by Genstar Capital			Internal Mgmt. buyout #				
Alera Group									Founded in 2017 with backing by Genstar Capital			
Alliant Insurance Services	Acquired by Blackstone Capital				Acquired by KKR			Acquired by Stone Point Capital #				
AssuredPartners, Inc.			Founded with backing by GTCR			Acquired by Apax Partners, LP			Acquired by GTCR			
Confie	Founded with backing by Genstar Capital				Acquired by ABRY Partners							
EPIC Insurance Brokers	← Founded with backing by StonePoint Capital (Jul 2007)					Acquired by Carlyle Group			Acquired by Oak Hill Capital Partners			
Hub International	← Acquired by Apax Partners (Jun 2007, previously Public)				Acquired by Hellman & Friedman #							
Higginbotham			Acquired by Stone Point Capital									
NFP	← Public				Acquired by Madison Dearborn Partners #							
OneDigital	← Private (founded in 2000)				Acquired by Fidelity National Financial			Acquired by New Mountain Capital				
Patriot Growth Insurance Services										Founded in 2019 →		Owned by Summit Partners
Relation Insurance	← Founded with backing by Parthenon and Century Equity Partners (2007)										Acquired by Aquiline Capital Partners	
Risk Strategies Co.	← Founded with backing by Berkeley Capital (1997)				Acquired by Kohlberg & Co.		Acquired by Kelso & Co.					
The Hilb Group		Founded/Private		Acquired by BHMS Investments			Acquired by ABRY Partners			Acquired by Carlyle Group		
USI Insurance Services	← Acquired by Goldman Sachs (Jan 2007)				Acquired by Onex Corp (PE in Canada)				Acquired by KKR / CDPQ			

(*) Transactions dates are approximate

(#) Reflects investment by additional private equity investors

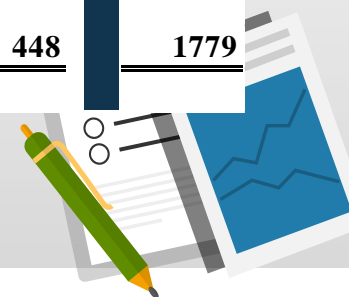
Observations:

- Concentration of buyer activity within the most active buyers dipped slightly in 2019, falling to 58% of the total from 61% in 2018
- 5 of the 10 most active buyers did fewer deals in 2019 than they did in 2018
- The number of unique buyers has dropped from 153 in 2016 to 131 in 2019 while the number of PE/Hybrid buyers has increased from 26 to 34 during the same period
- Agency valuations continue to climb based in part on the continued expansion of interest from the PE/Hybrid group
- There's nothing on the horizon to indicate any change should be expected in the current state of agency M&A

Appendix – Top Buyers by Type

Appendix 1: Active Buyers – PE / Hybrid

PE / Hybrid			2015	2016	2017	2018	2019	5 Yr Totals
PE Sponsor (if applicable)								
Top Buyers since 2015:								
1	Acrisure	Blackstone, Partners Group and Harvest Partners	56	63	92	101	98	410
2	Hub International	Hellman & Freidman	37	45	49	59	51	241
3	AssuredPartners	GTCR	38	28	26	38	44	174
4	BroadStreet Partners	Canadian Pension Fund	26	27	32	34	34	153
5	Alera Group	Summit Partners	0	0	38	28	24	90
6	NFP	Carlyle Group	12	8	24	23	15	82
7	The Hilb Group	Genstar Capital	8	11	14	12	25	70
8	Seeman Holtz	Hybrid	2	8	13	27	16	66
9	Seeman Holtz	Hybrid	0	6	23	23	6	58
10	Risk Strategies Company	New Mountain Capital	5	9	11	10	22	57
Active Buyers			184	205	322	355	335	1401
All Others			65	58	63	79	113	378
Total Transactions			249	263	385	434	448	1779



Appendix 2: Active Buyers – Privately Owned

Private		2015	2016	2017	2018	2019	5 Yr Totals
Top Buyers since 2015:							
1	Cross Insurance	3	4	5	5	12	29
2	Leavitt Group	5	4	7	5	1	22
3	Ryan Specialty Group	1	2	5	4	6	18
4	Kaplansky Insurance	2	4	2	5	2	15
5	TrueNorth Cos	1	2	4	3	4	14
6	Archway Insurance	0	3	1	3	3	10
7	Inszone Insurance Services	0	0	0	2	6	8
8	Acentria Insurance	1	4	3	0	0	8
9	Combined Agents of America	0	0	0	0	7	7
10	Element Risk Management	0	2	2	0	3	7
Active Buyers		13	25	29	27	44	138
All Others		91	85	106	87	74	443
Total Transactions		104	110	135	114	118	581



Appendix 3: Active Buyers – Publicly Traded

Public		2015	2016	2017	2018	2019	5 Yr Totals
Top Buyers since 2015:							
1	Gallagher	27	24	30	36	33	150
2	Brown & Brown	12	5	8	23	20	68
3	Marsh McLennan Agencies	7	7	4	6	4	28
4	CBIZ	2	2	1	0	1	6
5	Jardine Lloyd Thompson	0	1	2	1	0	4
6	Marsh	1	0	1	1	0	3
7	Aon	0	2	1	0	0	3
8	Willis Towers Watson	0	0	0	0	1	1
9	Morneau Shepell Inc.	0	0	0	0	1	1
10	NexgenRx	0	0	0	1	0	1
Active Buyers		49	41	47	68	60	265
All Others		1	0	2	0	0	3
Total Transactions		50	41	49	68	60	268



Appendix 4: Active Buyers – Banks

Banks		2015	2016	2017	2018	2019	5 Yr Totals
Top Buyers since 2015:							
1	Eastern Bank	2	4	1	3	0	10
2	TowneBank	5	0	0	1	1	7
3	BB&T Insurance Services	2	1	0	0	1	4
4	Lake Michigan Credit Union	0	1	3	0	0	4
5	Western Financial Group	0	0	0	2	1	3
6	Regions Bank	3	0	0	0	0	3
7	Evans Bancorp Inc.	0	1	1	1	0	3
8	Lifestore Financial Group	1	0	1	0	0	2
9	Northwest Bancshares, Inc.	0	2	0	0	0	2
10	Salem Five Bancorp	0	1	0	1	0	2
Active Buyers		13	10	6	8	3	40
All Others		14	15	17	11	6	63
Total Transactions		27	25	23	19	9	103



Appendix 5: Active Buyers – All Others

All Other		2015	2016	2017	2018	2019	5 Yr Totals
Top Buyers since 2015:							
1	Intact Financial Corp	3	5	3	0	0	11
2	Co-operators General Insurance	1	1	2	0	5	9
3	Patriot National Inc.	6	1	0	0	0	7
4	Boston Omaha (General Indemnity)	0	1	3	0	0	4
5	AmTrust Financial Services	2	2	0	0	0	4
6	Ameritrust Group	0	0	1	1	1	3
7	Arch Capital Group	0	0	0	1	1	2
8	National General Insurance	2	0	0	0	0	2
9	Secure Financial Group	0	0	0	0	1	1
10	Nationwide	0	0	0	0	1	1
Active Buyers		14	10	9	2	9	44
All Others		13	12	10	6	5	46
Total Transactions		27	22	19	8	14	90





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