



Agent & Broker Merger & Acquisition Update

April 2020

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Agent M&A Update



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Observations & Comments

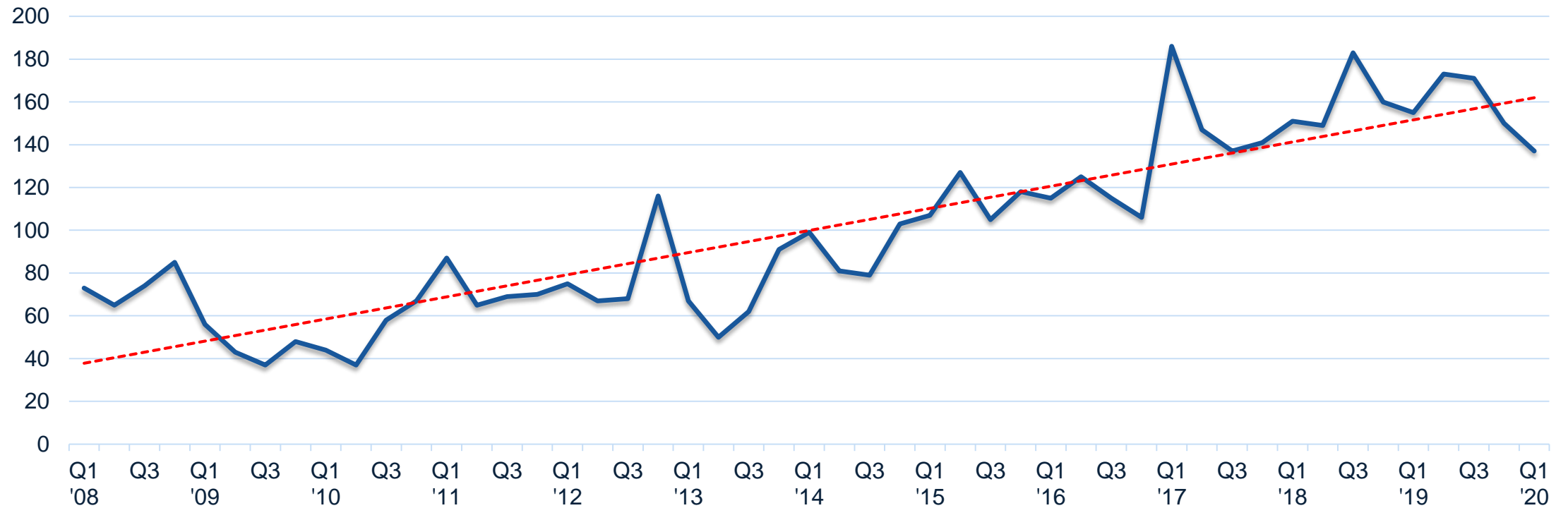
- The pace and scope of agency M&A continued unabated through most of February, until the realities of this global pandemic started to hit home.
- Interest in acquisitions for strategic and operational reasons remains very strong, but buyers have started to put on the brakes or completely stop the process until some degree of stabilization has been achieved regarding the impact of the pandemic.
- We extend our best wishes and good health to all buyers, sellers, friends and families and all related parties to this wonderful industry we are all part of. We will be here when the world finds it's new normal, and we will all get through this together.

Highlights of 2020 YTD M&A Activity

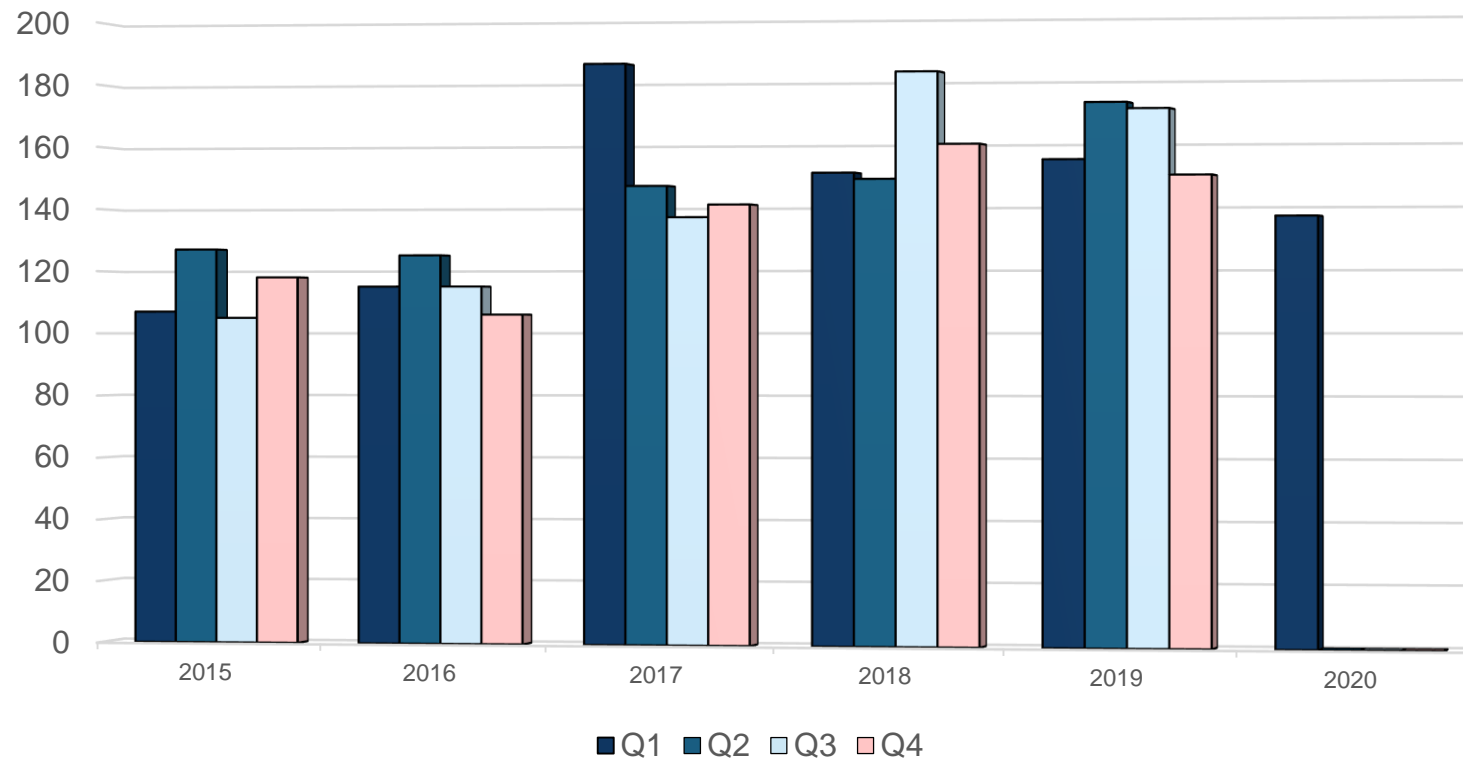
- Slight 1st quarter impact from global pandemic
- 137 transactions in Q1-2020, the lowest quarterly total since Q4-2016 and third quarterly decline in a row
- 631 transactions in past 12 months, lowest level since Q3-2018
- Acrisure led all buyers with 18 transactions for the Quarter, one more than 2019
 - Followed by Broadstreet Partners (17), Hub (12), Assured Partners (8), and The Hilb Group (6)
 - Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for nearly 69% of the total transactions in the past 12 months, but only 60% for the quarter
- Expectations of a slow-down in Q2 and possibly Q3 as buyers reassess future projections and valuation implications from the pandemic.

Summary Information

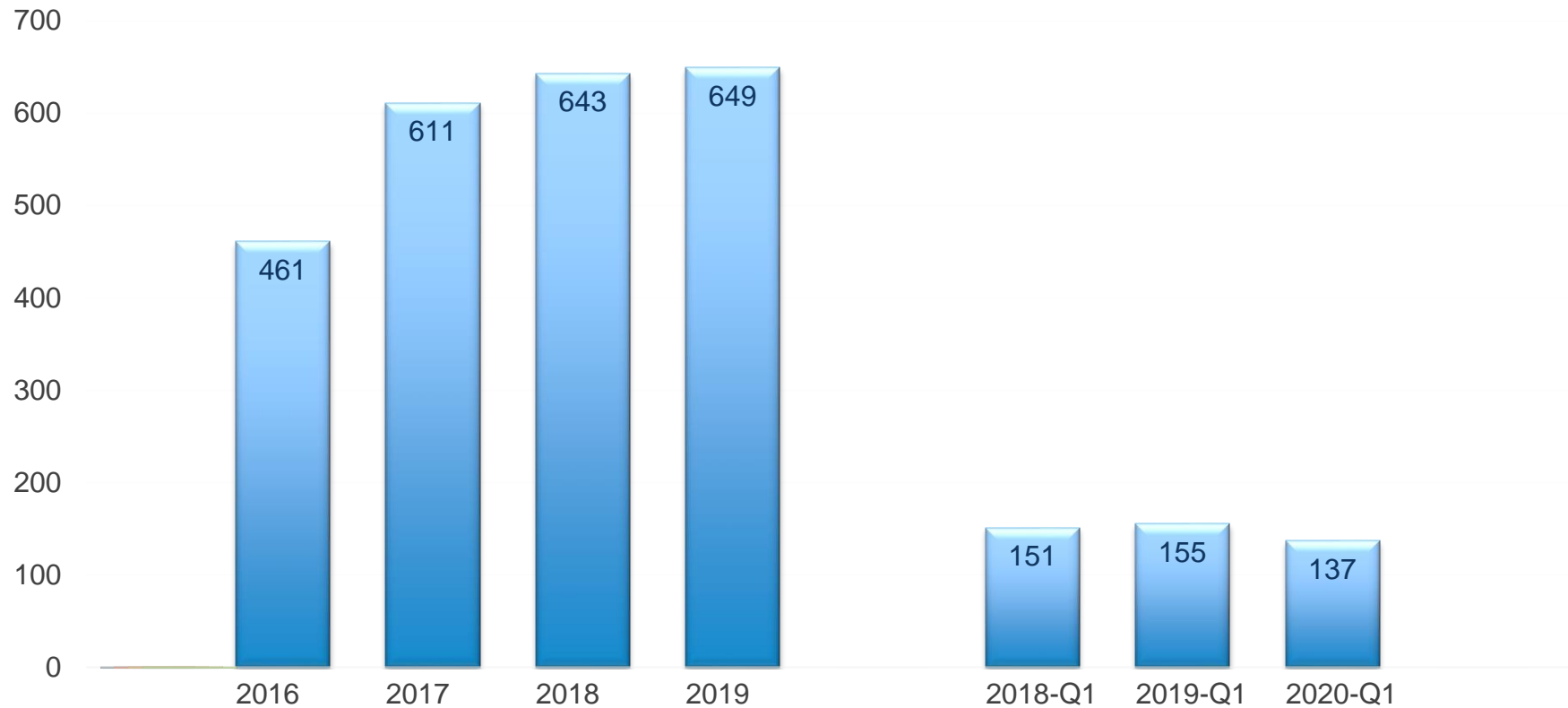
Quarterly M&A Activity



Quarterly M&A Activity



Summary Agency Acquisitions By Year



Most Active Acquirers

Active Acquirers With 5 or More Deals in 2020

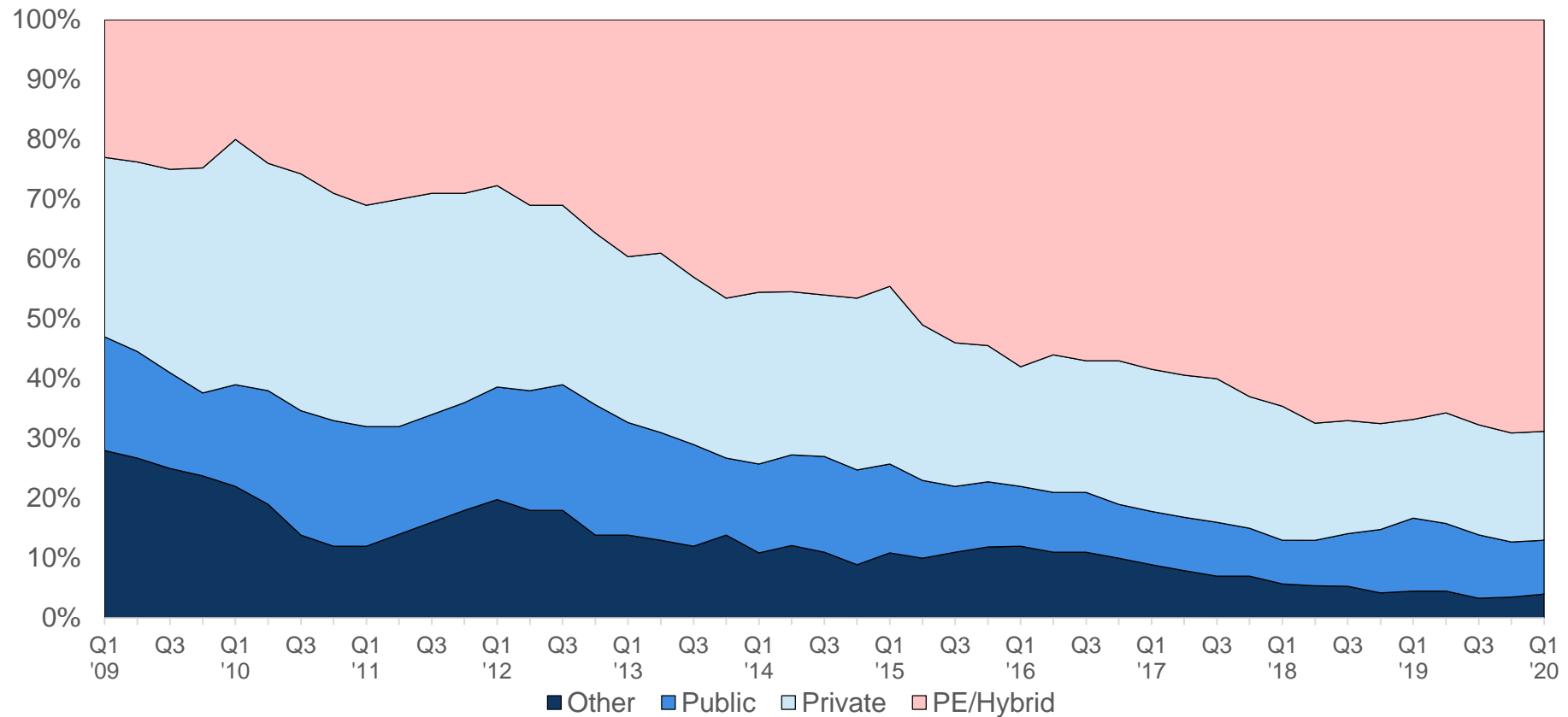
Buyer by Type	Ownership	2016	2017	2018	2019	Q1-2020
Acrisure	PE / Hybrid	63	92	101	98	18
Broadstreet Partners	PE / Hybrid	27	32	34	34	17
Hub International	PE / Hybrid	45	49	59	51	12
AssuredPartners	PE / Hybrid	28	26	38	44	8
The Hilb Group	PE / Hybrid	11	14	12	25	6
Gallagher	Public	24	30	30	33	5
Brown & Brown	Public	5	8	23	20	5
All Other		258	360	340	344	66
Total Reported Transactions		461	611	643	649	137

Most Active Acquirers

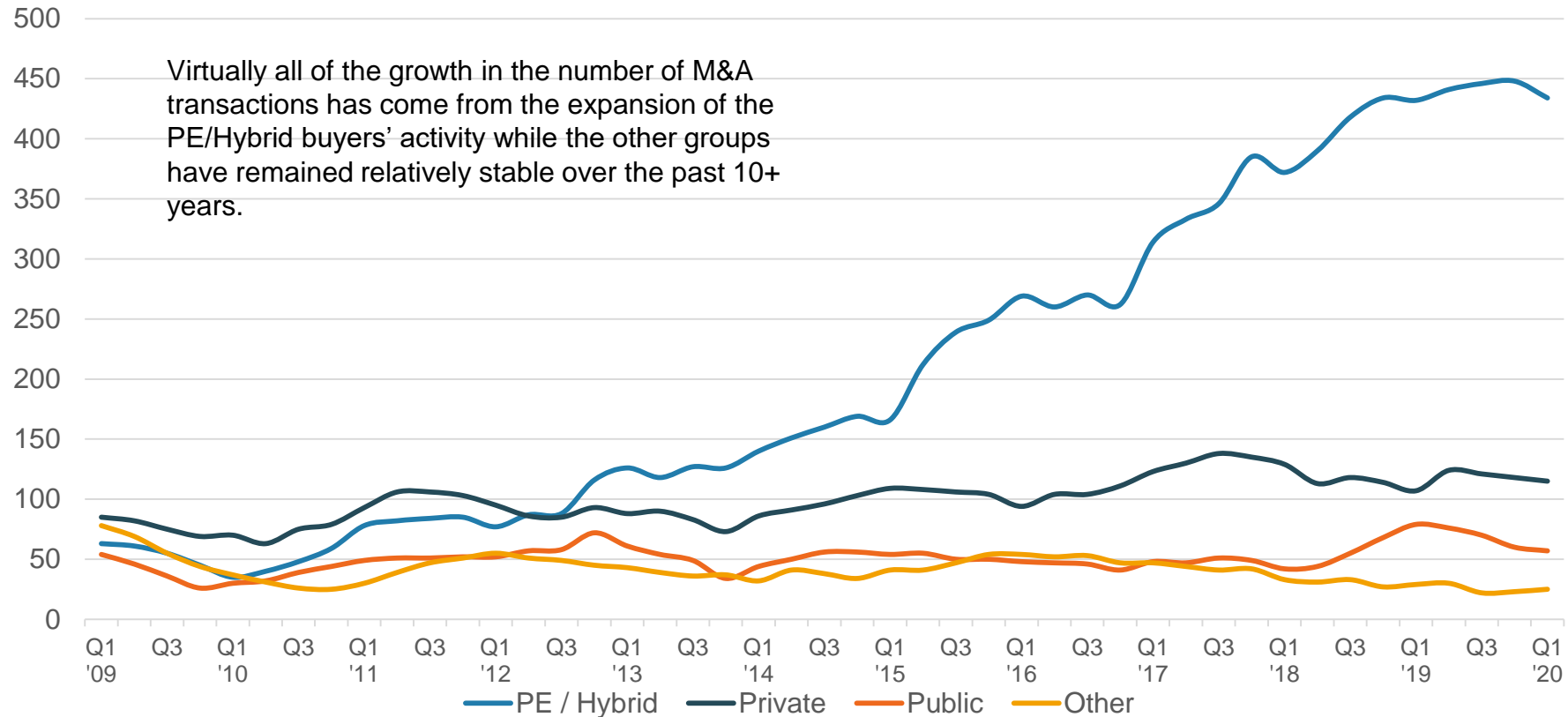
Acquirers With 20 or More Deals in Past 12 Months

Buyer by Type	Ownership	2016	2017	2018	2019	TTM
Acrisure	PE / Hybrid	63	92	101	98	99
Hub International	PE / Hybrid	45	49	59	51	51
AssuredPartners	PE / Hybrid	28	26	38	44	44
Broadstreet Partners	PE / Hybrid	27	32	34	34	42
The Hilb Group	PE / Hybrid	11	14	12	25	29
Gallagher	Public	24	30	36	33	26
Risk Strategies	PE / Hybrid	9	11	10	22	22
Alera Group	PE / Hybrid	(*)	38	28	24	20
All Other		254	319	325	318	298
Total Reported Transactions		461	611	643	649	631
(*) Company did not exist						

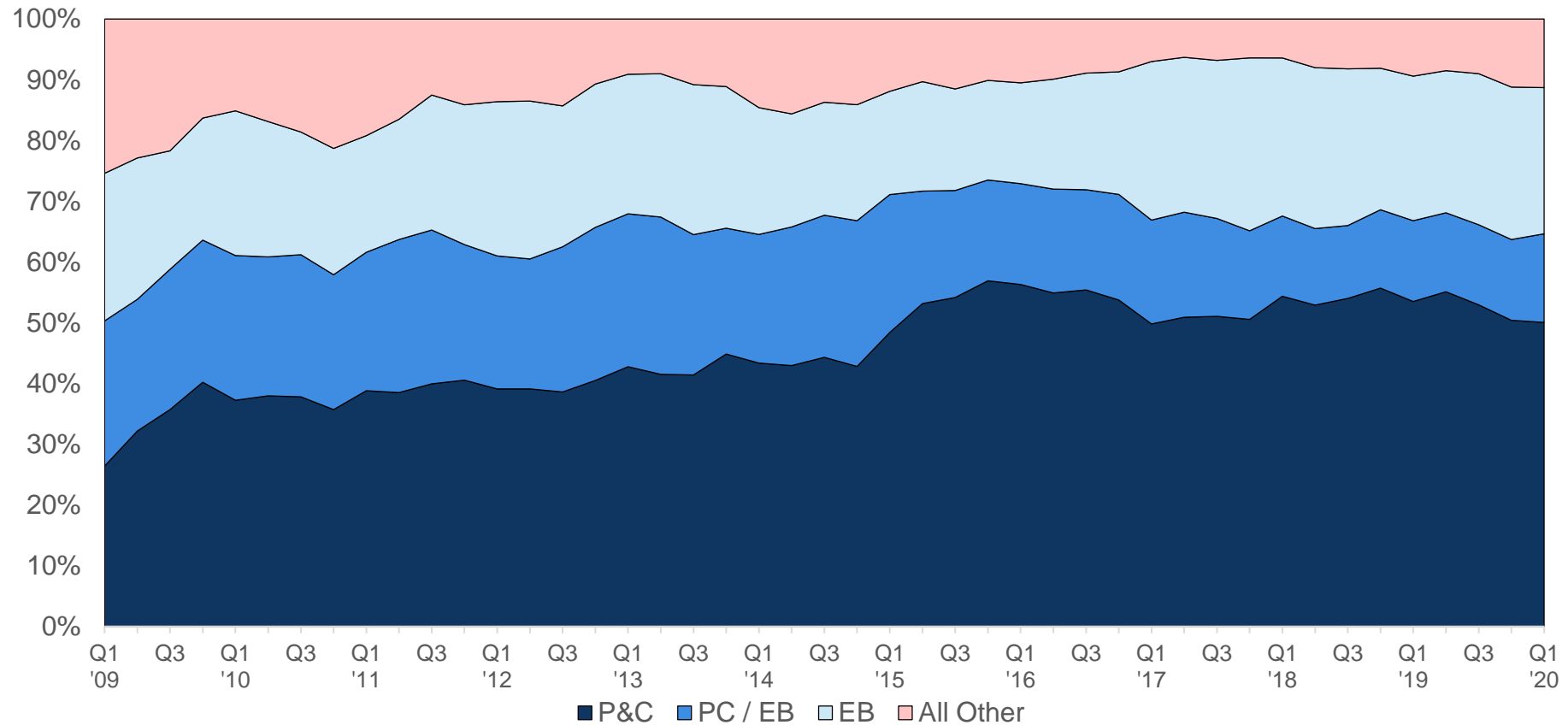
Rolling 12-Month Activity by Buyer Type (% Total)



Rolling 12-Month # Transaction by Buyer Type



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



Significant 2019 Broker Transactions

Seller	Buyer	2019 Business Insurance Rank	Date
LMC Insurance & Risk Management	AssuredPartners	58	February 2020
Assurance Agency	Marsh McLennan Agency	35	April 2020
Willis Towers Watson PLC (Announcement Only)	Aon PLC	3	Expected to close Q1/Q2 - 2021

Private Equity-backed Ownership Changes

Insurance Agency	Buyer / Investor	Description	Date
World Insurance Associates	Charlesbank Capital Partners	New Majority Investor	March 2020
Risk Strategies	Kelso & Co.	Kelso & Co. (1)	March 2020
Peter C. Foy	HGGC	Majority interest acquired from BHMS	March 2020
(1) Risk Strategies completed a recapitalization led by the same private equity firm that previously owned the company			

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