



Agent & Broker Merger & Acquisition Update

July 2020

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Agent M&A Update



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Observations & Comments

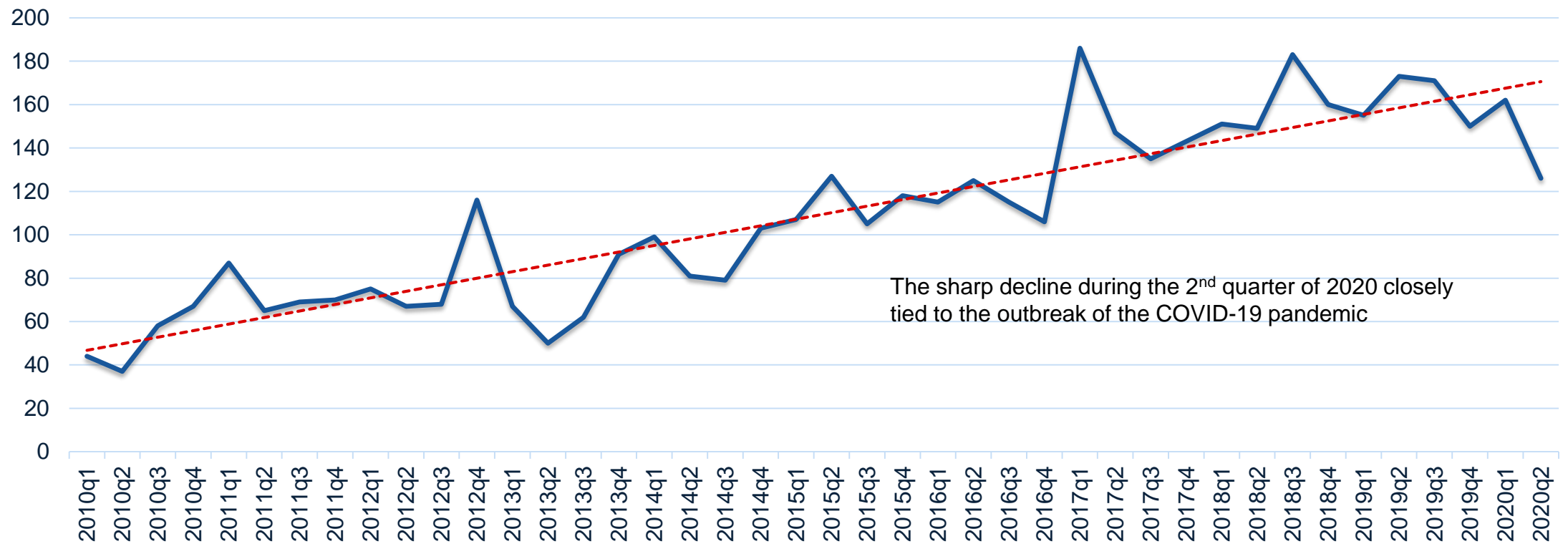
- Although transactions continue to be closed in spite of COVID-19, a number of buyers have dramatically slowed their M&A activity due to travel and meeting limitations and concerns over the uncertainty of revenue projections
- The number of 2020 transactions by public companies included 9 deals by the new publicly traded Baldwin Risk Partners
- We anticipate the slow-down in M&A activity to continue through at least the 3rd quarter and possibly beyond until there is more certainty of the impact from COVID-19 and buyers can re-build their M&A inventory

Highlights of 1st Half 2020 M&A Activity

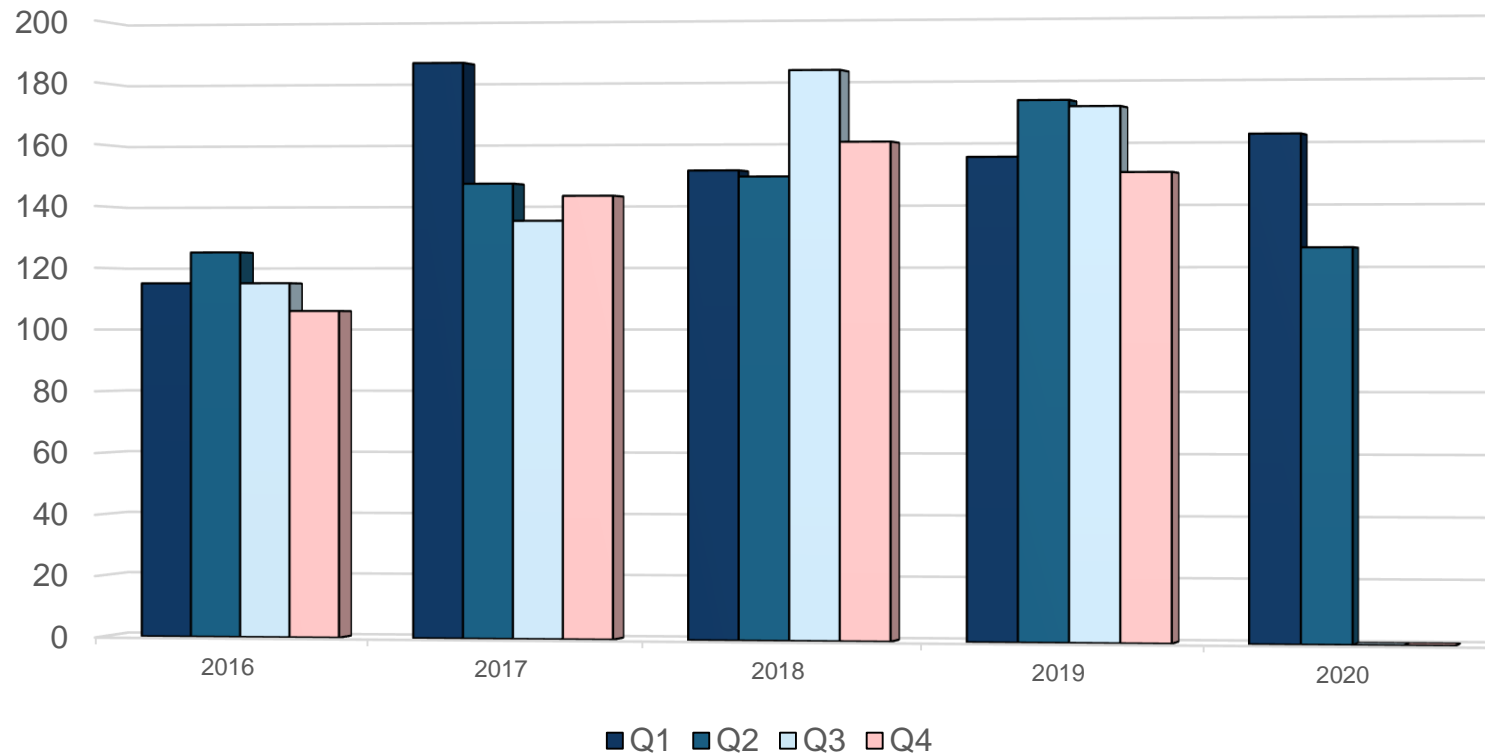
- 288 transactions in 1H-2020, down from 328 for 1H-2019
- Only 126 transactions in Q2-2020, the lowest since Q4-2016 as the COVID-19 pandemic creates uncertainty in the marketplace
- 609 transactions in past 12 months
 - Down from the peak of 671 for the period ended June 2019
- Acrisure led all buyers with 39 transactions thru June 30, 2020, the same total they had in first half of 2019
 - Followed by Broadstreet Partners (30), Hub International and AssuredPartners (19), World Insurance Associates (12) and PCF Insurance (11)
 - Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for over 70% of all announced transactions in the past 12 months and 75% during the most recent quarter

Summary Information

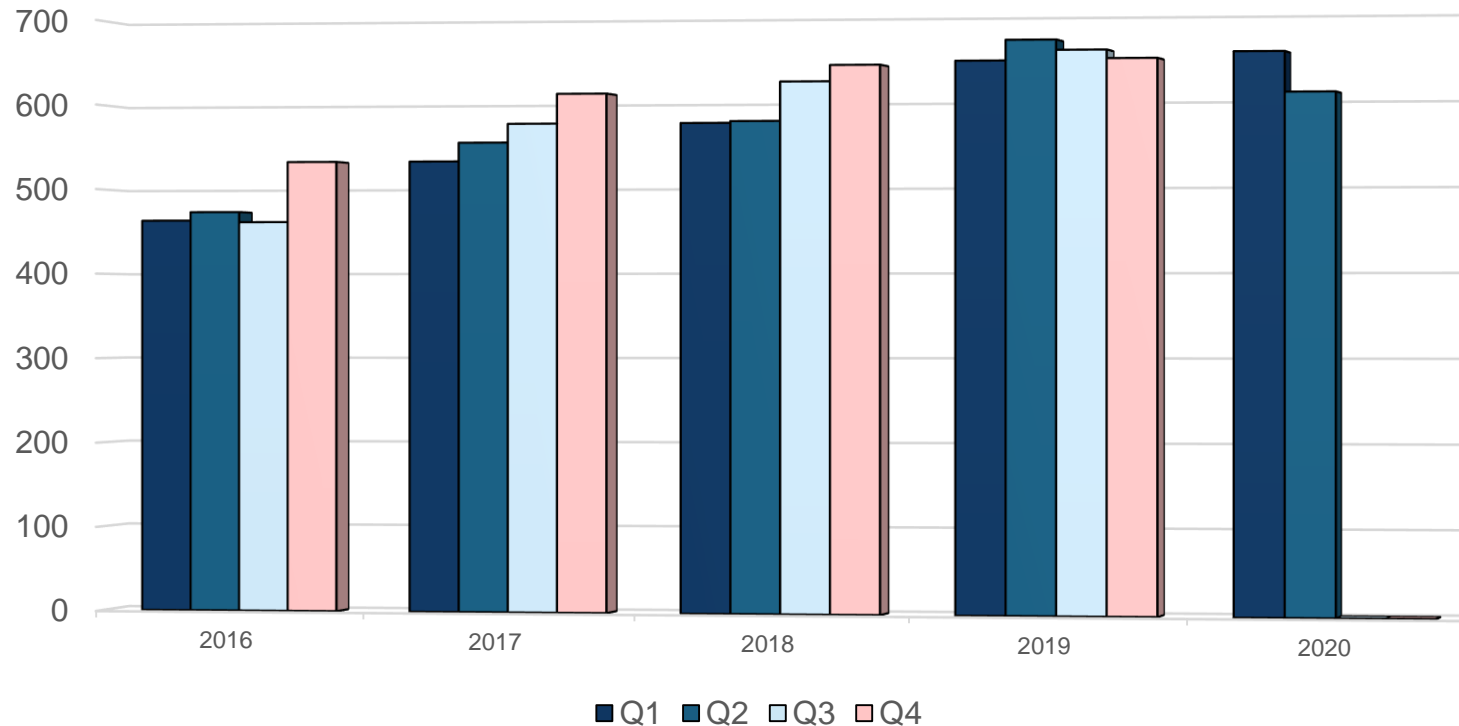
Quarterly M&A Activity



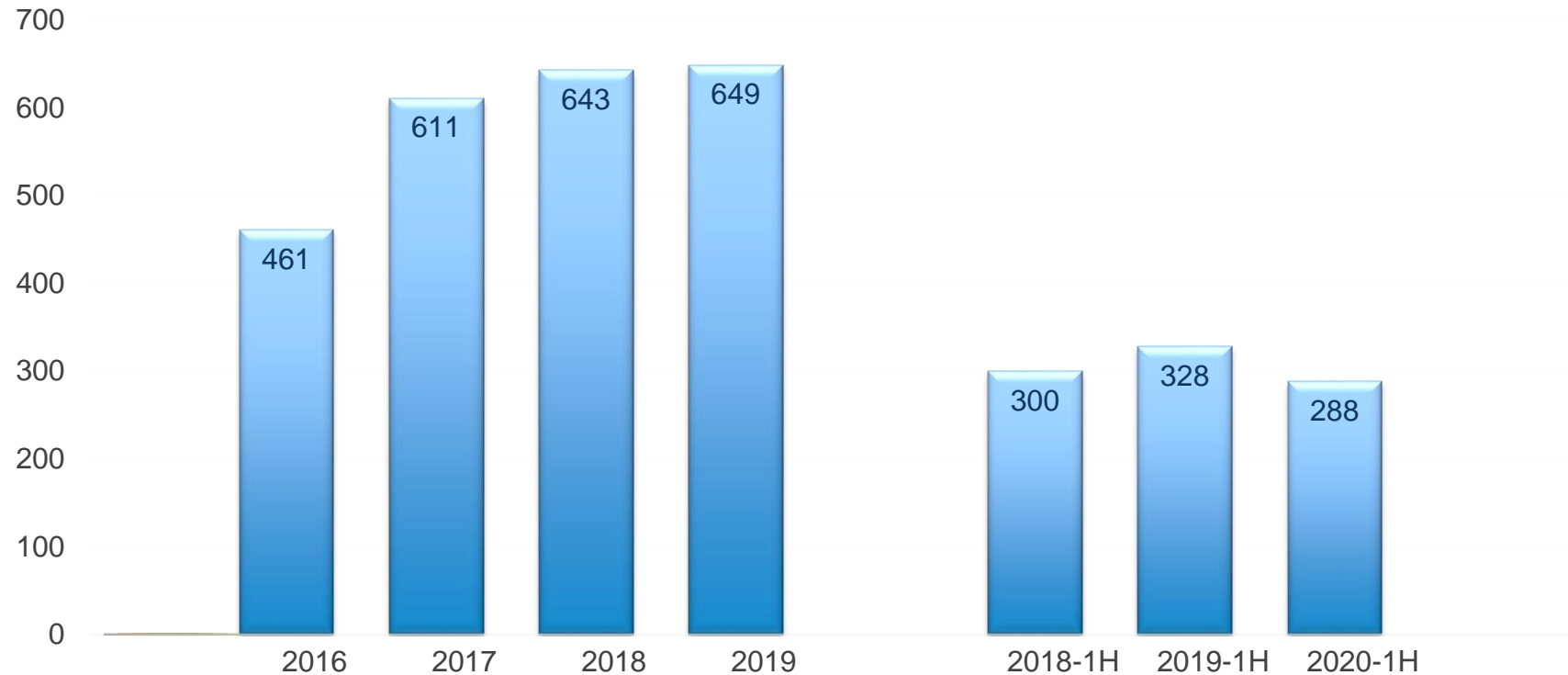
Quarterly M&A Activity



Quarterly Rolling 12-Month M&A Activity



Summary Agency Acquisitions By Year



Most Active Acquirers

Top 10 Acquirers (incl ties) in 2020

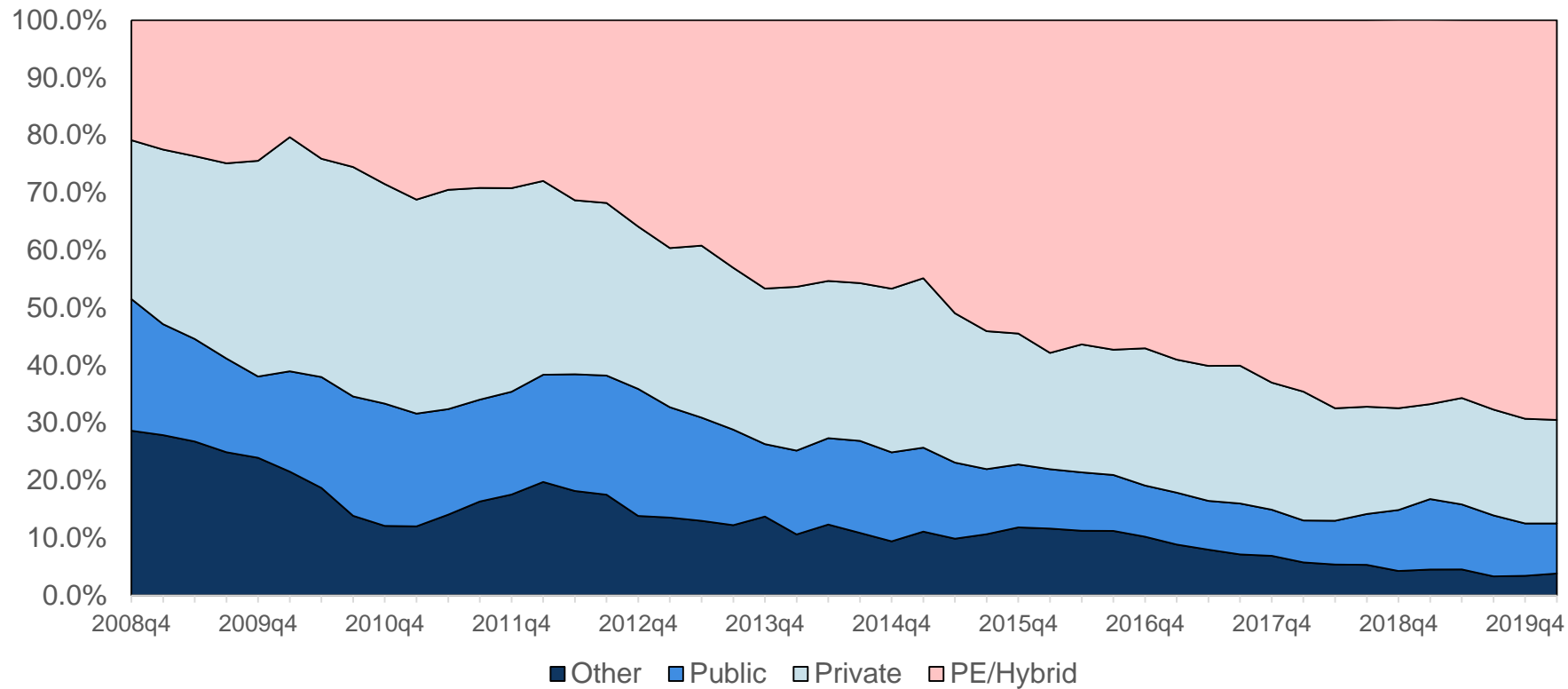
Buyer	Ownership	2016	2017	2018	2019	1H-2020
Acrisure	PE / Hybrid	63	92	101	98	39
Broadstreet Partners	PE / Hybrid	27	32	34	34	30
Hub International	PE / Hybrid	45	49	59	52	19
AssuredPartners	PE / Hybrid	28	26	38	44	19
World Insurance Associates	PE / Hybrid	4	5	9	18	12
PCF Insurance	PE / Hybrid	0	0	4	4	11
Patriot Growth Ins Services	PE / Hybrid	(*)	(*)	(*)	25	9
OneDigital	PE / Hybrid	8	13	27	17	9
Baldwin Risk Partners (#)	Public	2	5	12	4	9
The Hilb Group	PE / Hybrid	11	14	12	25	8
Risk Strategies	PE / Hybrid	9	11	10	22	8
Gallagher	Public	24	30	36	33	8
All Other		240	334	301	273	107
Total Reported Transactions		461	611	643	649	288
(*) Company did not exist (#) Company went public in October 2019, previously PE / Hybrid						

Most Active Acquirers

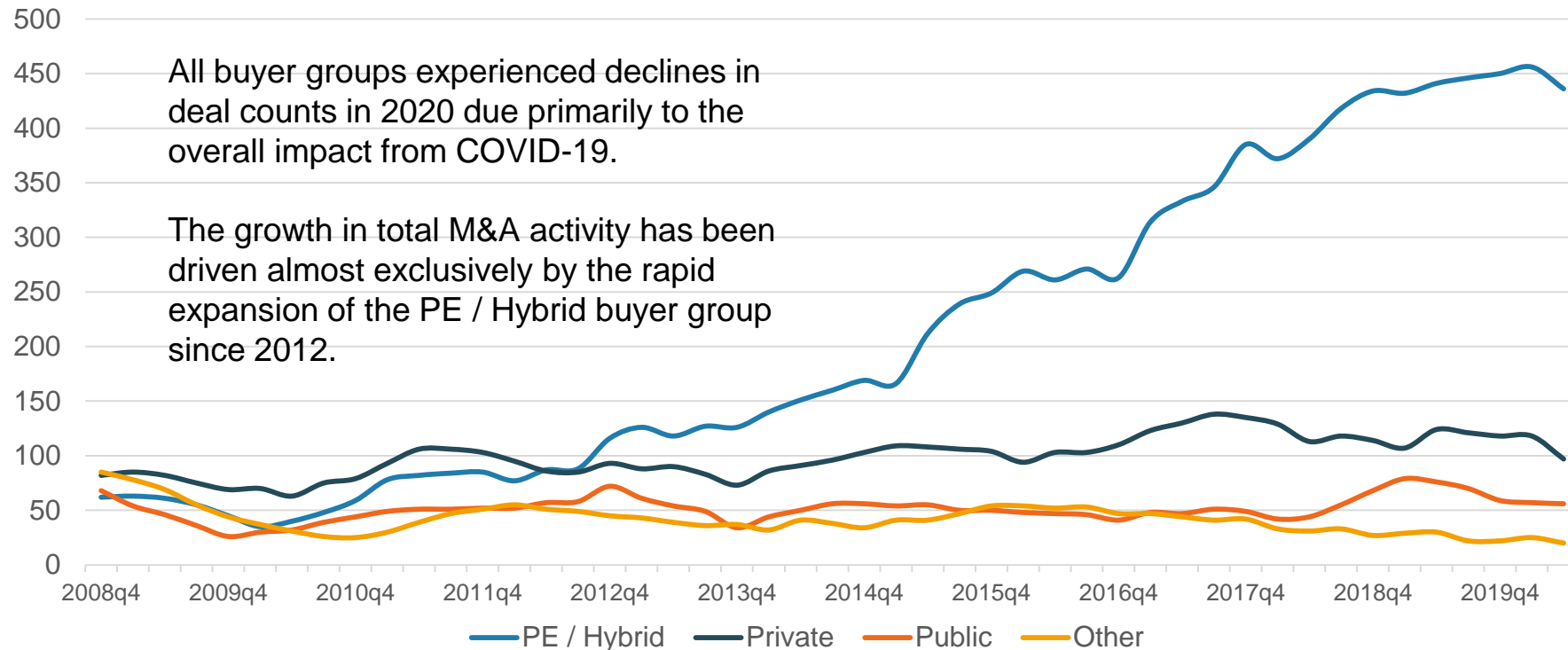
Acquirers With 20 or More Deals in Past 12 Months

Buyer by Type	Ownership	2016	2017	2018	2019	TTM
Acrisure	PE / Hybrid	63	92	101	98	98
Broadstreet Partners	PE / Hybrid	27	32	34	34	47
Hub International	PE / Hybrid	45	49	59	52	45
AssuredPartners	PE / Hybrid	28	26	38	44	43
Risk Strategies	Public	9	11	10	22	26
Gallagher	Public	24	30	36	33	25
The Hilb Group	PE / Hybrid	11	14	12	25	24
World Insurance Associates	PE / Hybrid	4	5	9	18	22
All Other		250	352	344	323	279
Total Reported Transactions		461	611	643	649	609

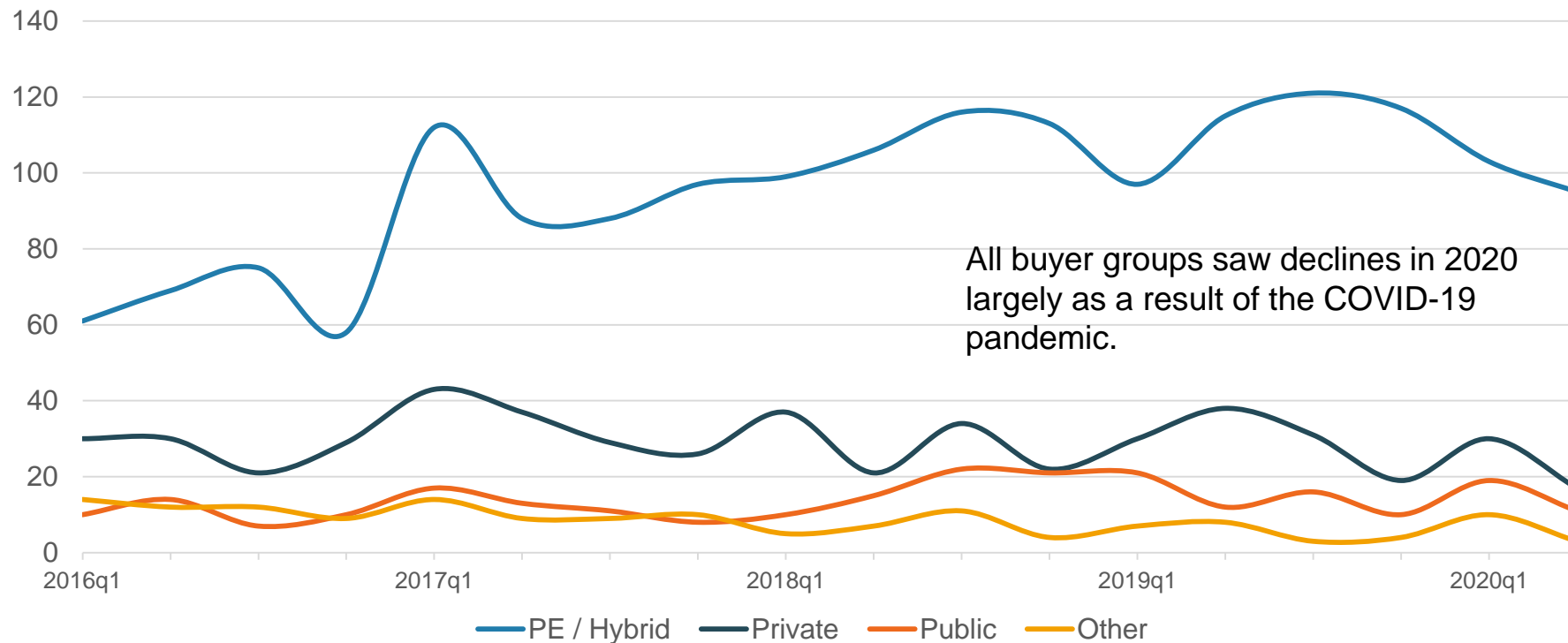
Rolling 12-Month Activity by Buyer Type (% Total)



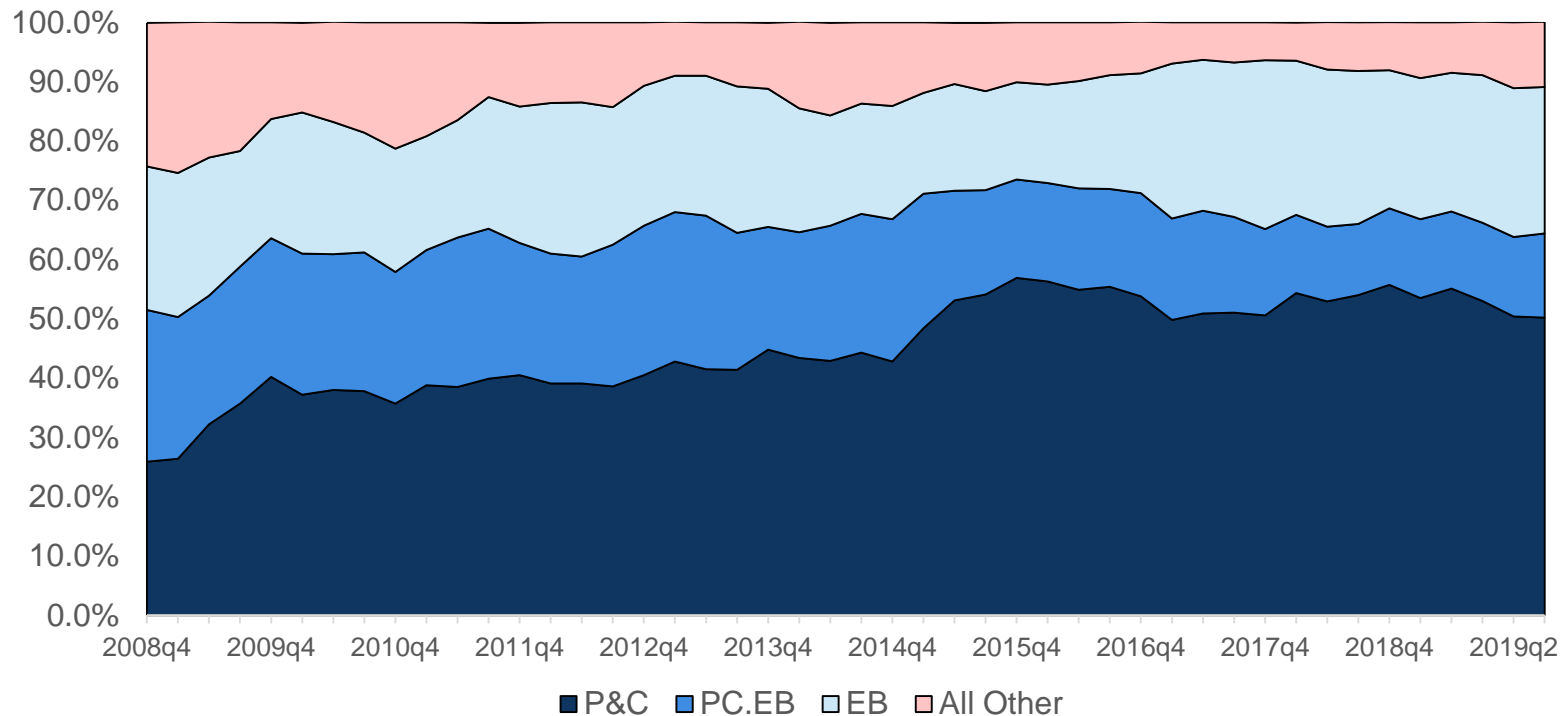
Rolling 12-Month # Transaction by Buyer Type



Quarterly # 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 (Des Moines, IA)	AssuredPartners	58	February 2020
Assurance Agency (Schaumburg, IL)	Marsh McLennan Agency	35	April 2020
Associated Benefits & Risk Consulting (Minnetonka, MN)	USI Insurance Services	39	May 2020
Willis Towers Watson	Aon	3	Announced Plan March 2020

Private Equity-backed Ownership Changes

Insurance Agency	Lead Buyer / Investor	Description	Date
World Insurance Associates (Tinton Falls, NJ)	Charlesbank Capital Partners	Majority Investment	March 2020
PCF Insurance (Woodland Hills, CA)	HGGC	Sale by BHMS	March 2020
Sunstar Insurance Group (Memphis, TN)	CCH Capital Partners	Majority recapitalization	June 2020
JenCap Holdings and EPIC Insurance Brokers (will continue to operate as two separate PE-backed organizations)	Carlyle Group and Oak Hill Capital	Combined under Galway Holdings	June 2020

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