



**Agent & Broker
Merger & Acquisition Update
1st Quarter 2021**

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1st Quarter 2021 Agent M&A Report



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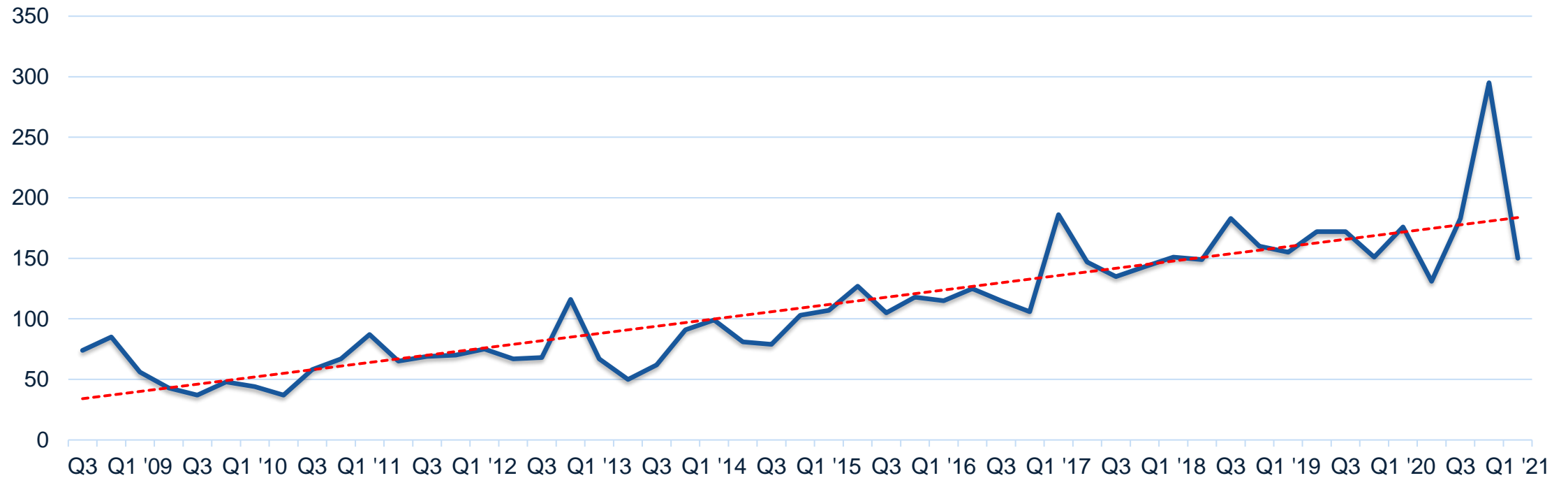
Observations & Comments

- The 1-2 punch of pent-up deals from a COVID slow down and a concern over an increase in capital gains tax fueled the well-documented increase in the number of deals in the last quarter of 2020. It appears that the industry needed a breather in Q1 2021 as deal volume declined by nearly 50% from 295 to 150 transactions, the lowest 1st quarter volume since 2016.
- Each of the 10 most active acquirers over the last 5 years logged well-below average deal counts in the 1st quarter. Acrisure, which typically averages 25+ deals per quarter, completed just 9. Hub's pace of acquisition was down 37% over recent averages, and Brown and Brown acquired no U.S. or Canadian brokers in the quarter.
- Activity in the remainder of 2021 will likely rise, though perhaps not to the level of 2020. The principal driver will be flushing out the remainder of potential sellers that didn't pull the trigger in 2020 as the expected tax increase should actually take effect in 2022 instead of 2021.

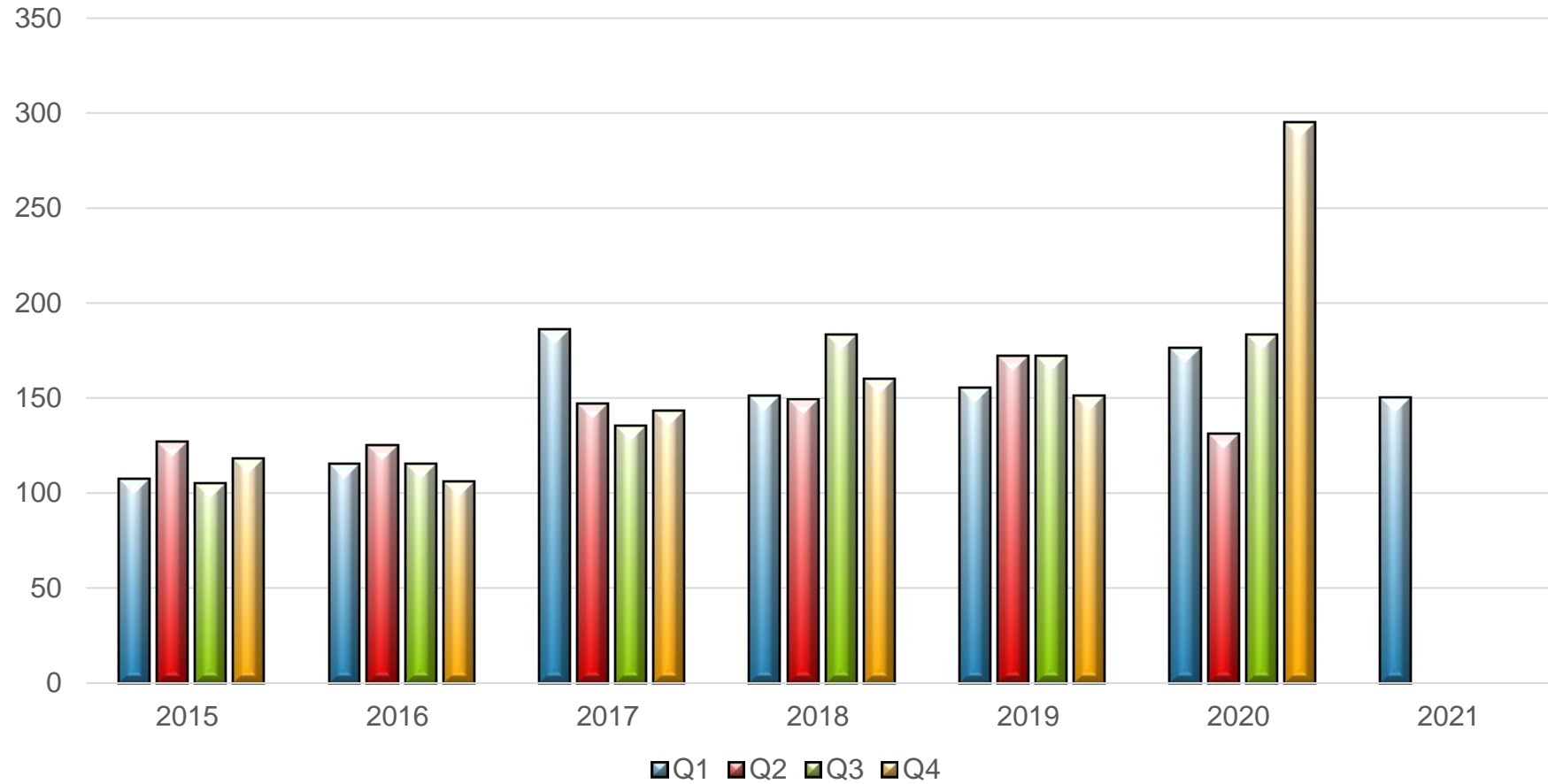
Highlights of 2021 Q1 M&A Activity

- 150 transactions in Q1 2021, down from 176 in Q1 2020
- Broadstreet led all buyers with 12 transactions in Q1 2020, down slightly from the 16 they did in the same period of 2020
- Following were Hub (9), Acrisure (9), Assured Partners (6), and PCF Insurance (5)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) continues to be the leading force in M&A activity as they accounted for 61% of all announced transactions in Q1 2021 (63% in 2020) and 69% over all transactions in the trailing 12-months ended March 2021
- There were six large agency transactions that were reported in 2021, though two were actually December 2020 deals (see pp 13-14)
- Two of the three private equity investments announced were outside of the direct retail agency/broker space: Integrated Specialty Coverages and Strategic Insurance Agency Alliance (SIAA) (see p 15)

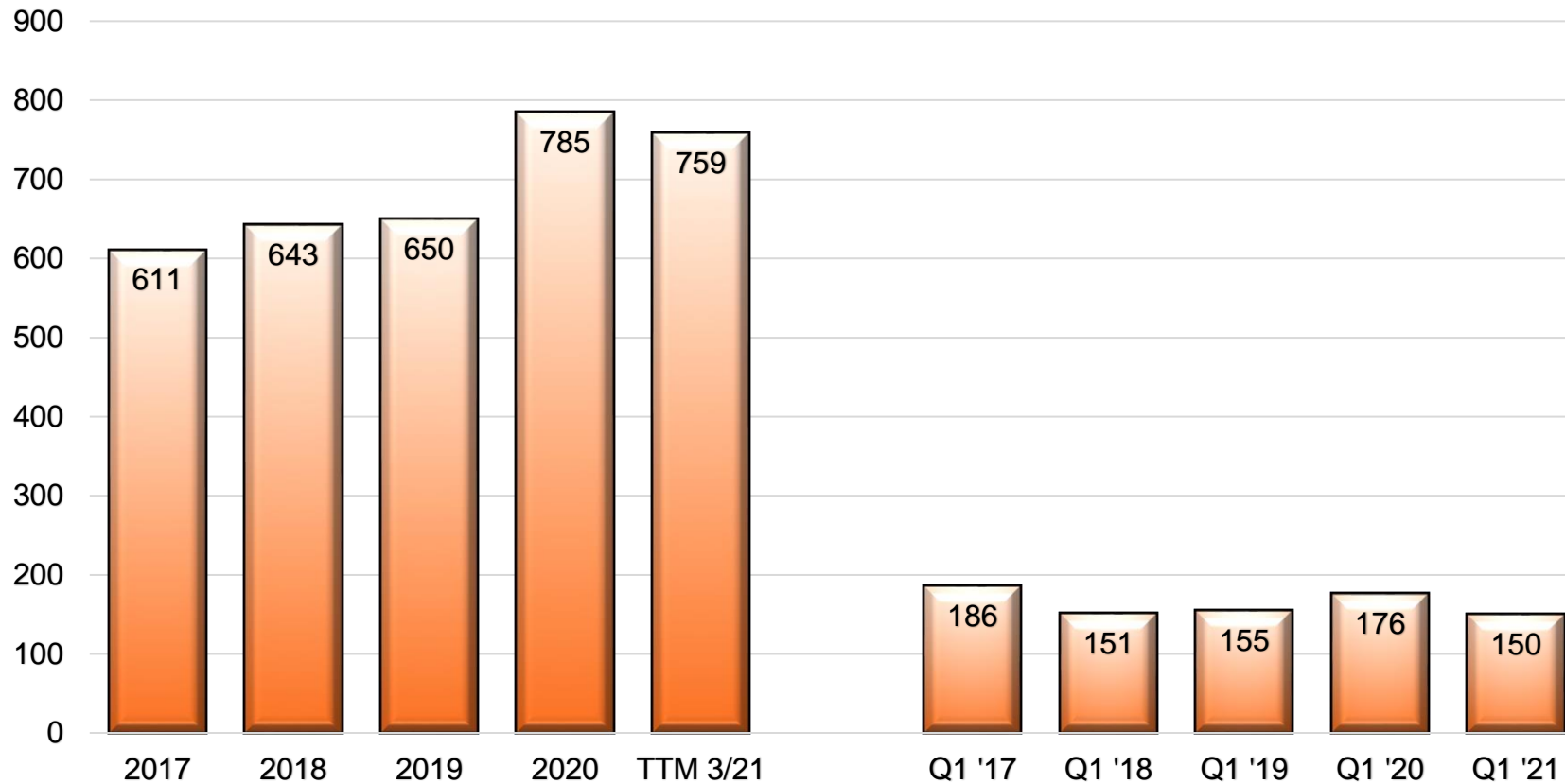
Quarterly M&A Activity



Quarterly M&A Activity



Agency Acquisitions By Year and Quarter



Summary Information

Active Acquirers With 5 or More Deals in Q1 2021

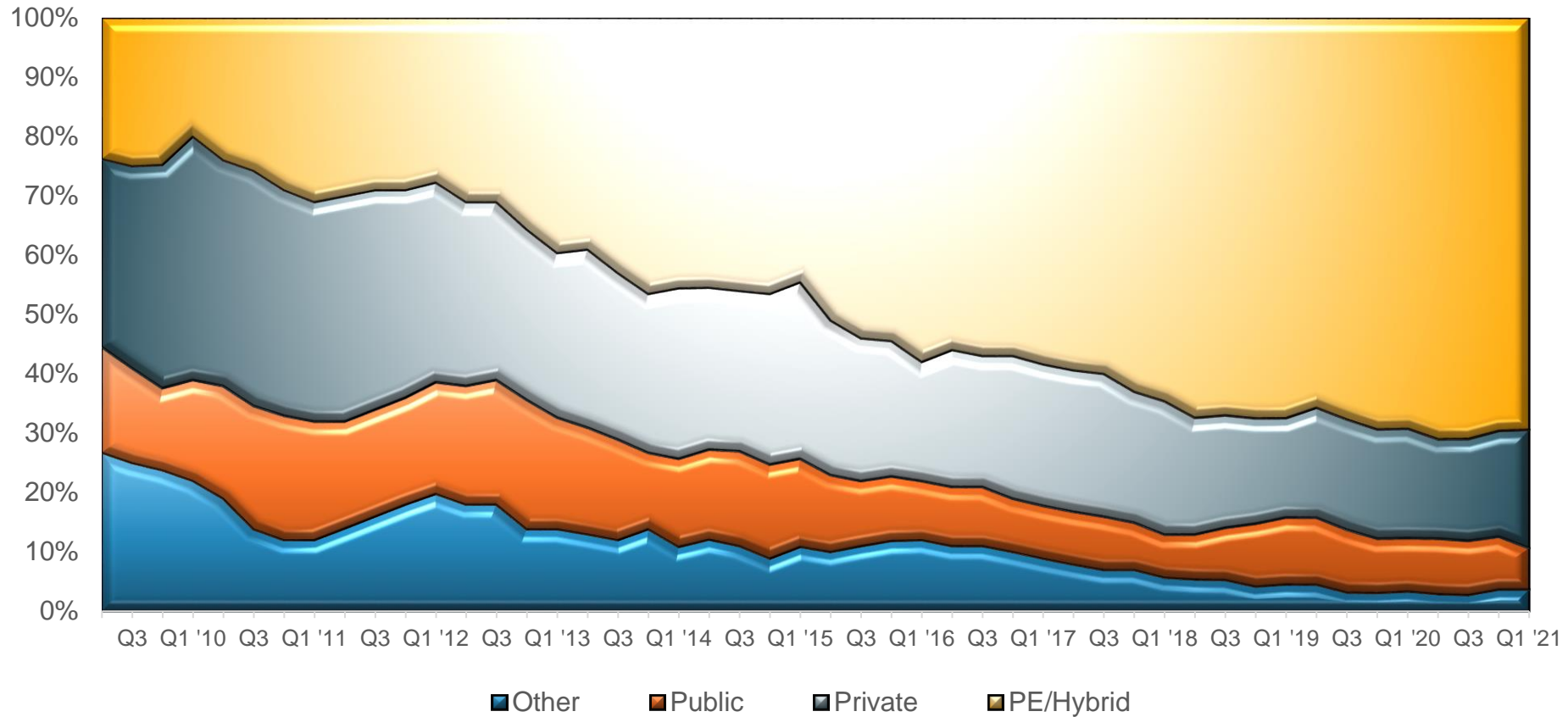
Buyer by Type	Ownership	Q1-2017	Q1-2018	Q1-2019	Q1-2020	Q1-2021
Broadstreet Partners	PE / Hybrid	10	7	9	16	12
Hub International	PE / Hybrid	8	13	12	17	9
Acrisure	PE / Hybrid	29	29	17	18	9
AssuredPartners	PE / Hybrid	7	10	8	10	6
Alera	PE / Hybrid	24	8	6	2	6
World Insurance Associates	PE / Hybrid	2	3	5	4	5
USI	PE / Hybrid	3	1	1	3	5
PCF	PE / Hybrid	0	0	0	9	5
Relation	PE / Hybrid	1	0	2	1	5
Westland Insurance Group	Private	0	3	0	1	5
All Other		102	77	95	81	83
Total Reported Transactions		186	151	155	176	150

Most Active Buyers

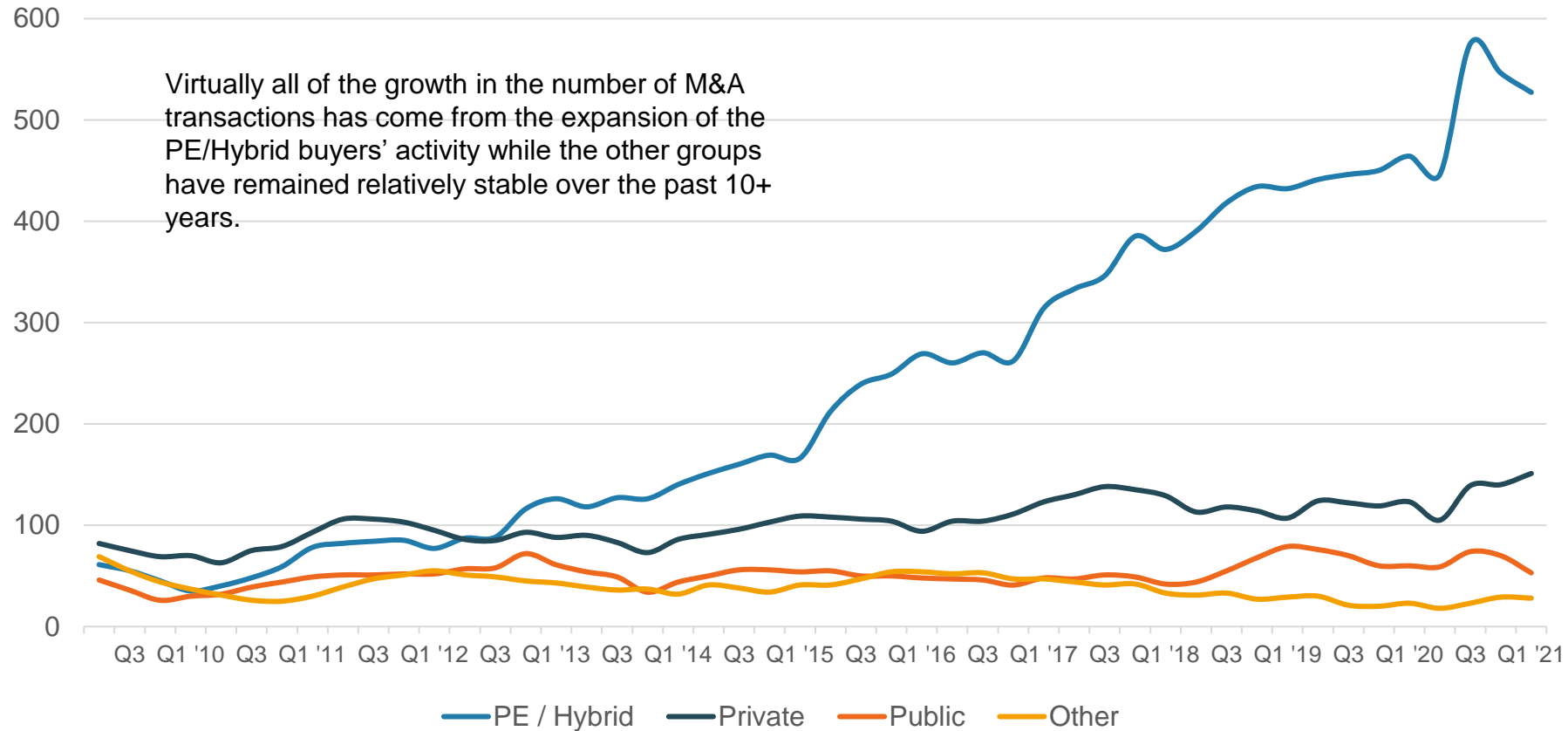
Buyers With 20 or More Deals in Past 12 Months

Buyer by Type	Ownership	2017	2018	2019	2020	TTM 3/21
Acrisure	PE / Hybrid	92	101	98	108	99
Hub International	PE / Hybrid	49	59	51	64	56
Broadstreet Partners	PE / Hybrid	32	34	34	58	54
World Insurance Associates	PE / Hybrid	5	9	18	42	43
AssuredPartners	PE / Hybrid	26	38	44	38	34
PCF Insurance	PE / Hybrid	1	4	6	36	32
OneDigital	PE / Hybrid	13	27	17	29	24
Alera	PE / Hybrid	38	28	24	17	21
Gallagher	Public	30	36	34	23	20
All Other		325	307	324	370	376
Total Reported Transactions		611	643	650	785	759

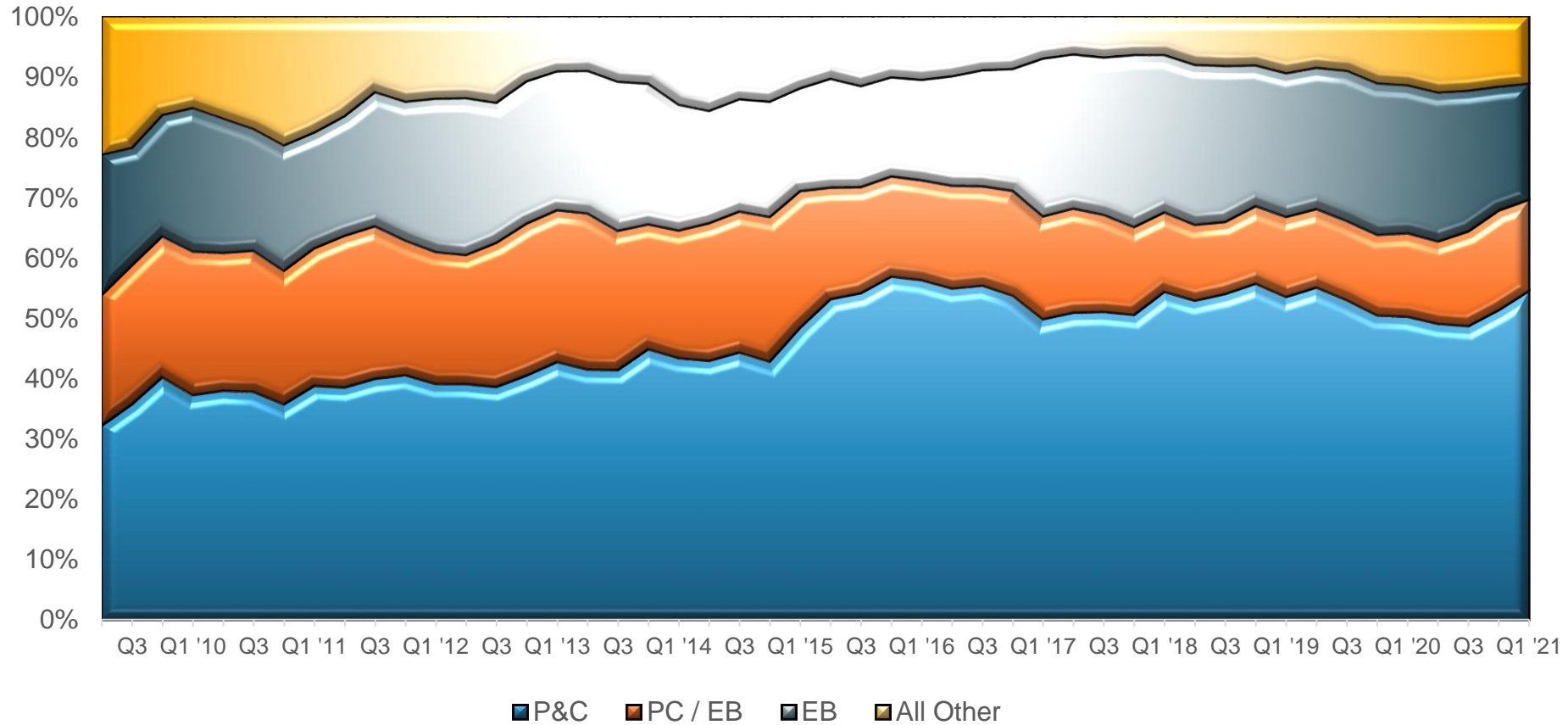
Rolling 12-Month Activity by Buyer Type (% Total)



Rolling 12-Month # Transaction by Buyer Type



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



Significant Broker Transactions in 2021

Seller	Buyer	Estimated Revenue	2020 Business Insurance Rank	Date
Lipscomb & Pitts (Memphis, TN)	Higginbotham	\$29M	Not Ranked	December 2020*
HM EB & Risk Management (St. Louis, MO)	OneDigital	\$29M	Not Ranked	December 2020*
Murray Insurance Associates (Lancaster, PA)	AssuredPartners	\$31M	98	January 2021

* Reported in January 2021

Significant Transactions

Significant Broker Transactions in 2021

(Continued)

Seller	Buyer	Estimated Revenue	2020 Business Insurance Rank	Date
Fifth Third Insurance Agency (Cincinnati, OH)	Foundation Risk Partners	\$35M	Not Ranked	January 2021
Fiorella Insurance Agency (Stuart, FL)	AssuredPartners	\$33M	Not Ranked	March 2021
PayneWest (Missoula, MT)	Marsh Agency	\$134M	33	April 2021

Private Equity Backed Ownership Changes in 2021

Insurance Agency	Lead Buyer / Investor	Description	Date
Integrated Specialty Coverages (Carlsbad, CA)	KKR	Majority Investment	March 2020
Acrisure (Grand Rapids, MI)	BDT Capital Partners; Consortium of Investors	\$3.45B Capital Raise	March 2020
Strategic Insurance Agency Alliance (SIAA) (Hampton, NH)	Odyssey Investment Partners	Material Investment	July 2020

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