



Agent & Broker Merger & Acquisition Update 3rd Quarter 2021

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3rd Quarter 2021 Agent M&A Report



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Observations & Comments

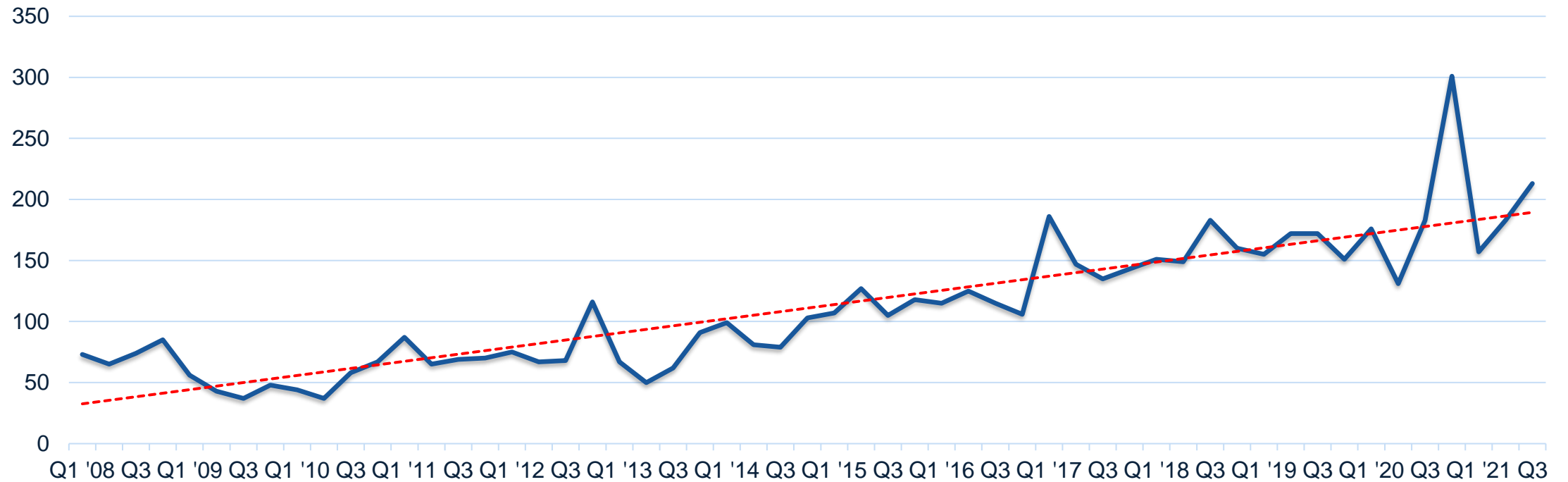
- Deal activity increased again in Q3-2021 as the number of announced transactions of US and Canadian P&C, Benefits, MGA and TPA transactions increased 13% YTD 2021 versus the same period last year. Whether or not capital gains tax rates will be hiked material is still in question, but its this concern in the first place that set the wheels in motion during 2020 and early 2021 that carry the wave of deal activity forward.
- While a number of new PE-backed buyers have emerged in the last two years, its those that are 2-5 years old that are hitting their M&A stride and drive a lot of the increase in deal count. This includes PCF, World Insurance, High Street Partners, and Relation.
- We anticipate:
 - Deal count to reach new annual highs at year-end 2021.
 - Active buyers will continue to buy a relatively large number of small agencies in locations further from metropolitan centers. At the same time, large broker transactions will continue as buyers need efficient means to add scale.

Highlights of Q1:Q3 2021 M&A Activity

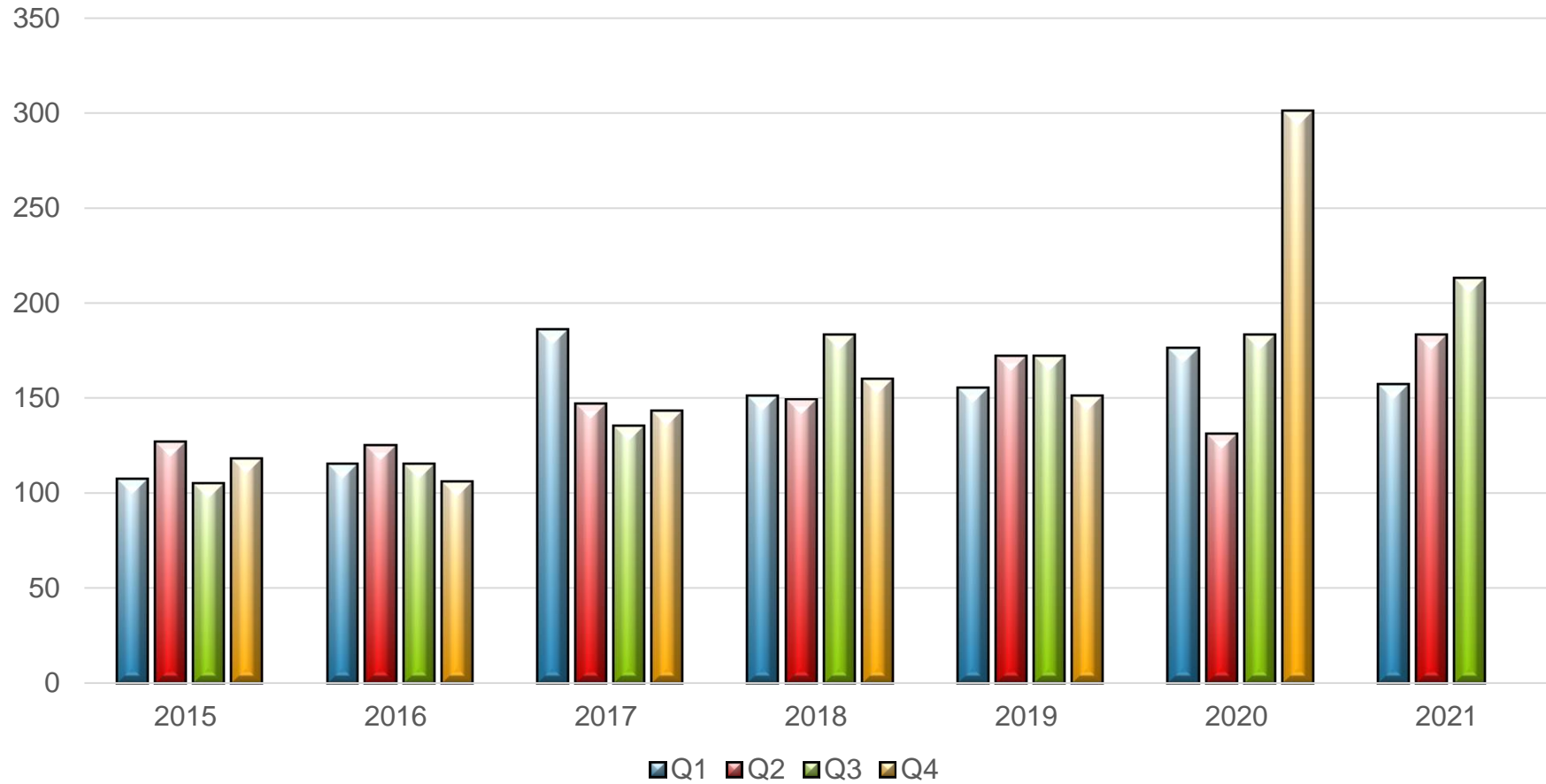
- 553 transactions in Q1:Q3 2021, up 13% from 490 for Q1:Q3 2020
- 213 transactions in Q3-2021, 27% higher than the Q3 average over the previous four years
- 854 transactions in past 12 months, up from 824 for the period ended June 2021 and from 813 for the 12 month period ended Q3-2020
- Acrisure led all buyers with 79 transactions in the first 3 quarters of 2021, up from 69 in the same period last year
 - Followed by BroadStreet Partners and PCF Insurance (31 each), World Insurance Associates (27), and Hub International (25)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for 70% of all announced transactions in the past 12 months and 76% during the most recent quarter
- Privately-owned buyers completed 20% of the deals closed YTD 2021 versus 17% in the same period last year

Summary Information

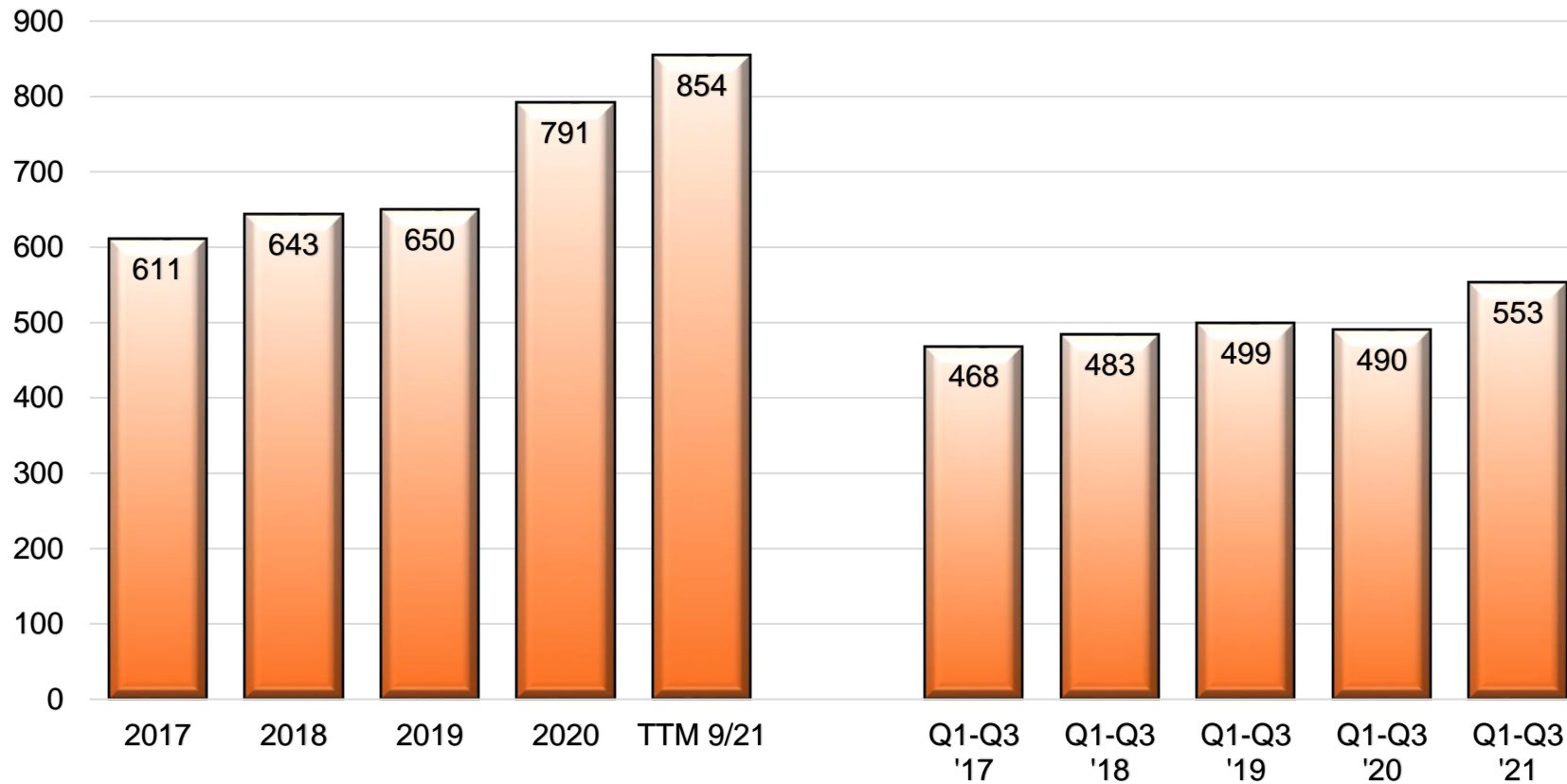
Quarterly M&A Activity



Quarterly M&A Activity



Agency Acquisitions By Year and Q1-Q3



Summary Information

Active Acquirers With 15 or More Deals in 2021

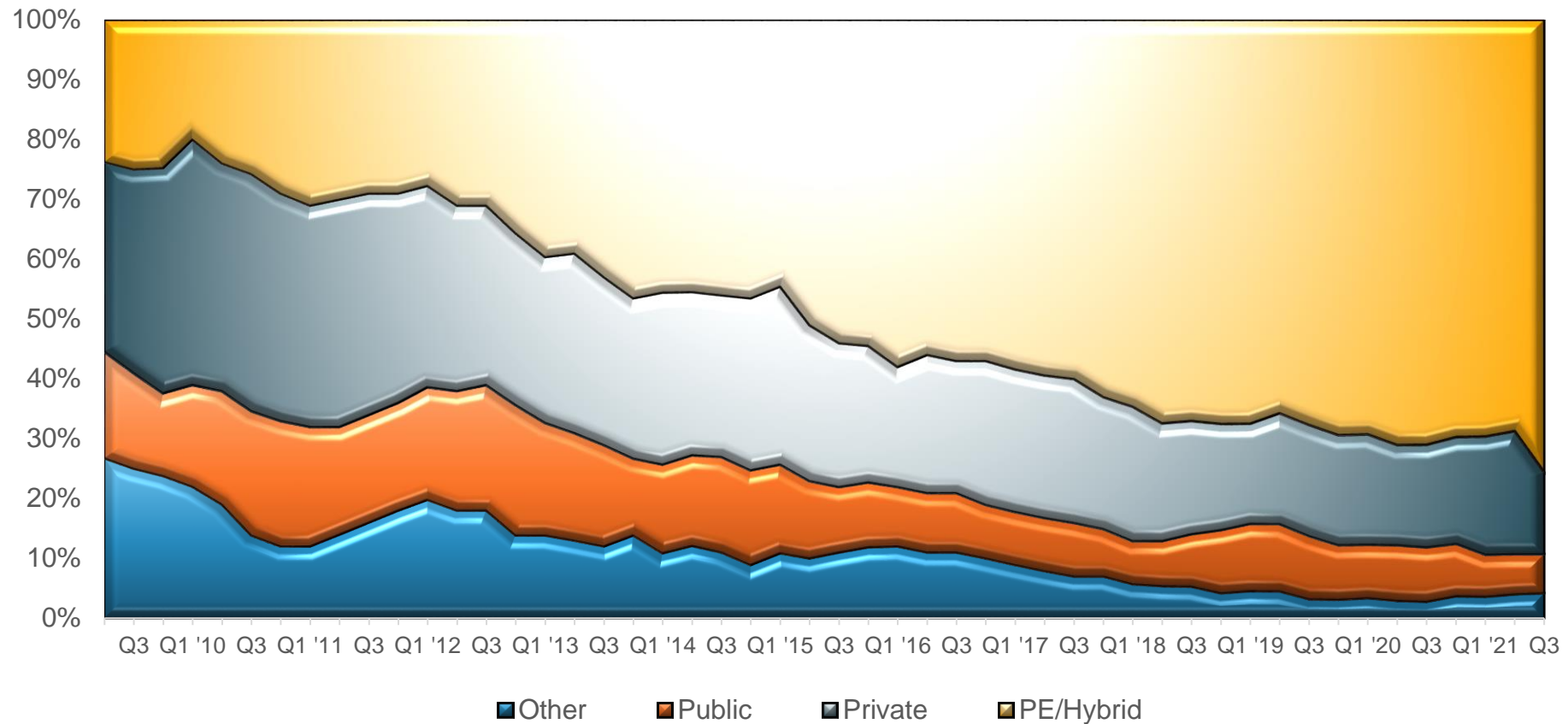
| Buyer by Type | Ownership | 2017 | 2018 | 2019 | 2020 | Q1-Q3 2021 |
|-----------------------------|-------------|------|------|------|------|---------------|
| Acrisure | PE / Hybrid | 92 | 101 | 98 | 108 | 79 |
| BroadStreet Partners | PE / Hybrid | 32 | 34 | 34 | 58 | 31 |
| PCF Insurance | PE / Hybrid | 0 | 4 | 4 | 36 | 31 |
| World Insurance Associates | PE / Hybrid | 5 | 9 | 18 | 42 | 27 |
| Hub International | PE / Hybrid | 49 | 59 | 52 | 65 | 25 |
| High Street Partners | PE / Hybrid | 0 | 1 | 3 | 9 | 24 |
| AssuredPartners | PE / Hybrid | 26 | 38 | 44 | 38 | 23 |
| Alera Group | PE / Hybrid | 38 | 28 | 24 | 18 | 23 |
| Relation Insurance | PE / Hybrid | 2 | 0 | 6 | 11 | 19 |
| The Hilb Group | PE / Hybrid | 14 | 12 | 25 | 22 | 18 |
| All Other | | 353 | 357 | 342 | 384 | 253 |
| Total Reported Transactions | | 611 | 643 | 650 | 791 | 553 |

Most Active Buyers

Buyers With 20 or More Deals in Past 12 Months

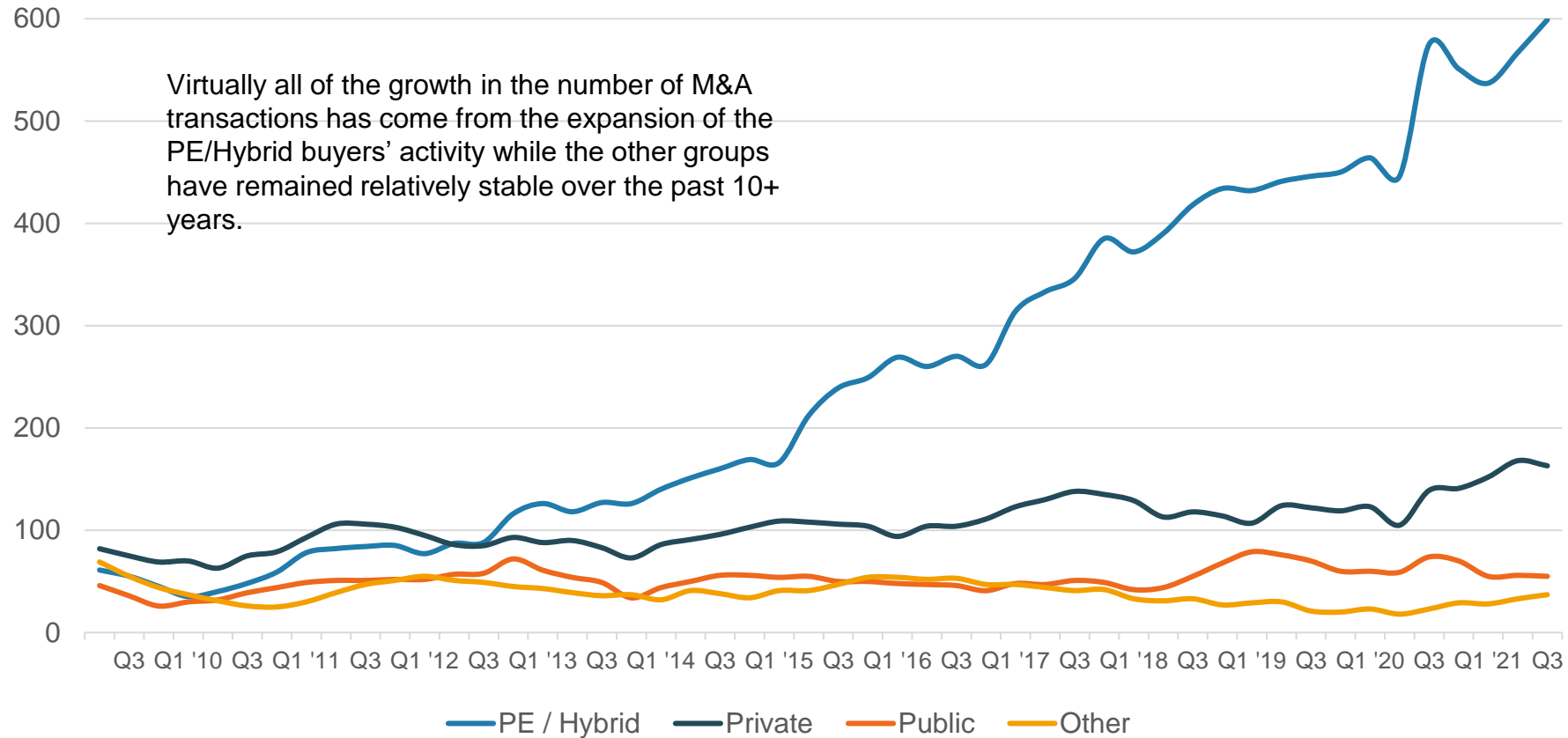
| Buyer by Type | Ownership | 2017 | 2018 | 2019 | 2020 | TTM 9/21 |
|-----------------------------|-------------|------|------|------|------|----------|
| Acrisure | PE / Hybrid | 92 | 101 | 98 | 108 | 119 |
| Hub International | PE / Hybrid | 49 | 59 | 52 | 65 | 50 |
| Broadstreet Partners | PE / Hybrid | 32 | 34 | 34 | 58 | 49 |
| World Insurance Associates | PE / Hybrid | 5 | 9 | 18 | 42 | 47 |
| PCF Insurance | PE / Hybrid | 0 | 4 | 4 | 36 | 45 |
| AssuredPartners | PE / Hybrid | 26 | 38 | 44 | 38 | 35 |
| Alera | PE / Hybrid | 38 | 28 | 24 | 18 | 30 |
| Relation Insurance | PE / Hybrid | 2 | 0 | 6 | 11 | 27 |
| The Hilb Group | PE / Hybrid | 14 | 12 | 25 | 22 | 27 |
| High Street Partners | PE / Hybrid | 0 | 1 | 3 | 9 | 26 |
| Gallagher | Public | 30 | 36 | 34 | 23 | 22 |
| All Other | | 323 | 321 | 308 | 361 | 377 |
| Total Reported Transactions | | 611 | 643 | 650 | 791 | 854 |

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

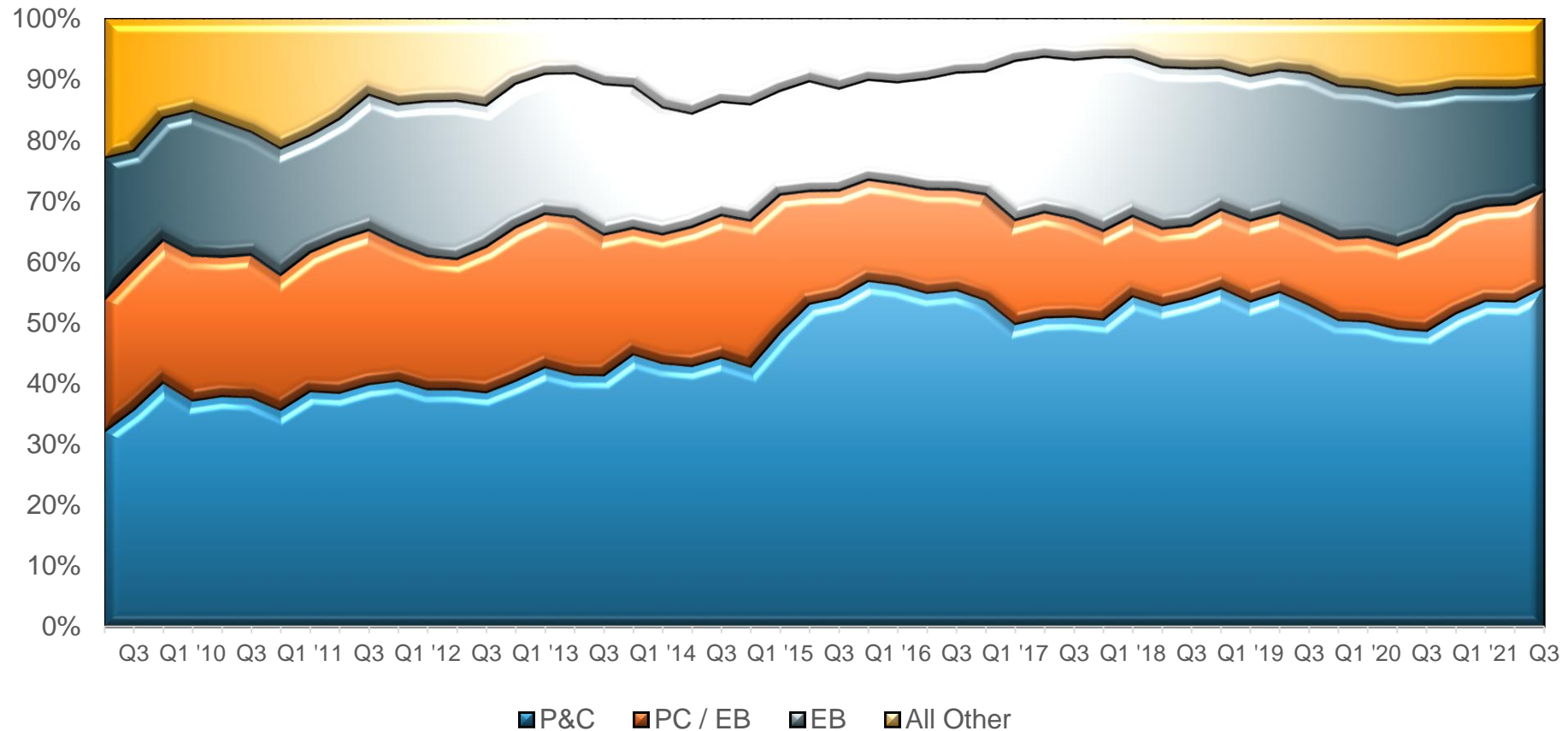


Totals By Buyer / Seller Type

Rolling 12-Month # Transaction by Buyer Type



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



Significant Transactions

Significant Broker Transactions in 2021

| Seller | Buyer | Estimate 2020 Revenue | Date |
|--------------------------------------------------|--------------------------|-----------------------|--------------|
| Murray Insurance Associates (Lancaster, PA) | AssuredPartners | \$31 million | January 2021 |
| Fifth Third Insurance Agency (Cincinnati, OH) | Foundation Risk Partners | \$35 million | January 2021 |
| AP Intego (Waltham, MA) | NEXT Insurance | \$33 million | March 2021 |
| Fiorella Insurance Agency (Stuart, FL) | AssuredPartners | \$33 million | March 2021 |
| Confie Seguros (Huntington Beach, CA) | Alliant | \$475 million | April 2021 |

Significant Transactions

Significant Broker Transactions in 2021 (cont.)

| Seller | Buyer | Estimate 2020 Revenue | Date |
|-----------------------------------------------------------|-----------------------------|-----------------------|----------------|
| PayneWest (Missoula, MT) | Marsh | \$134 million | May 2021 |
| Bolton Company (Pasadena, CA) | IMA | \$57 million | May 2021 |
| ABD Insurance & Financial Services (San Francisco, CA) | Newfront Insurance Services | \$113 million | July 2021 |
| Rogers Gray (South Dennis, MA) | Baldwin Risk Partners | \$39 million | July 2021 |
| Propel Insurance (Tacoma, WA) | Alera | \$117 million | September 2021 |

Significant Transactions

Private Equity-backed Ownership Changes

| Insurance Agency | Lead Buyer / Investor | Description | Date |
|-------------------------------------------------------------|--------------------------------|--------------------------------|----------------|
| Integrated Specialty Coverage (New York, NY) | KKR | Majority Investment | March 2021 |
| Strategic Insurance Agency Alliance (SIAA) (Hampton, NH) | Odyssey Investment Partners | Majority Investment | March 2021 |
| High Street Insurance Partners (Traverse City, MI) | Abry | Purchase from Huron Capital | April 2021 |
| Patriot Growth Insurance Services (Ft. Washington, PA) | GI Partners | Majority Investment | September 2021 |

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