



**Agent & Broker
Merger & Acquisition Update
1st Quarter 2022**

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1st Quarter 2022 Agent M&A Report



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Observations & Comments

OPTIS Partners has provided M&A reports since 2012. Since that time, our reports have been focused on North American acquisitions of businesses directly involved in the placement of property-casualty and employee benefits insurance (both retail and wholesale) as well as third-party claims administrators.

The industry has evolved in countless ways since 2012, and we don't see that changing any time soon. One of the ways it has changed is the appetite of many buyers that go beyond P&C and employee benefits agency and broker activities. We are seeing an increasing number of buyers completing transactions in life insurance, financial services/wealth management, Medicare agencies, title insurance, various consulting businesses, PEOs, insuretech ventures, and more.

Starting Q1 '22, we are expanding the range of buyers to include North American acquisitions of these businesses. We will categorize these segments and provide commentary when it is meaningful.

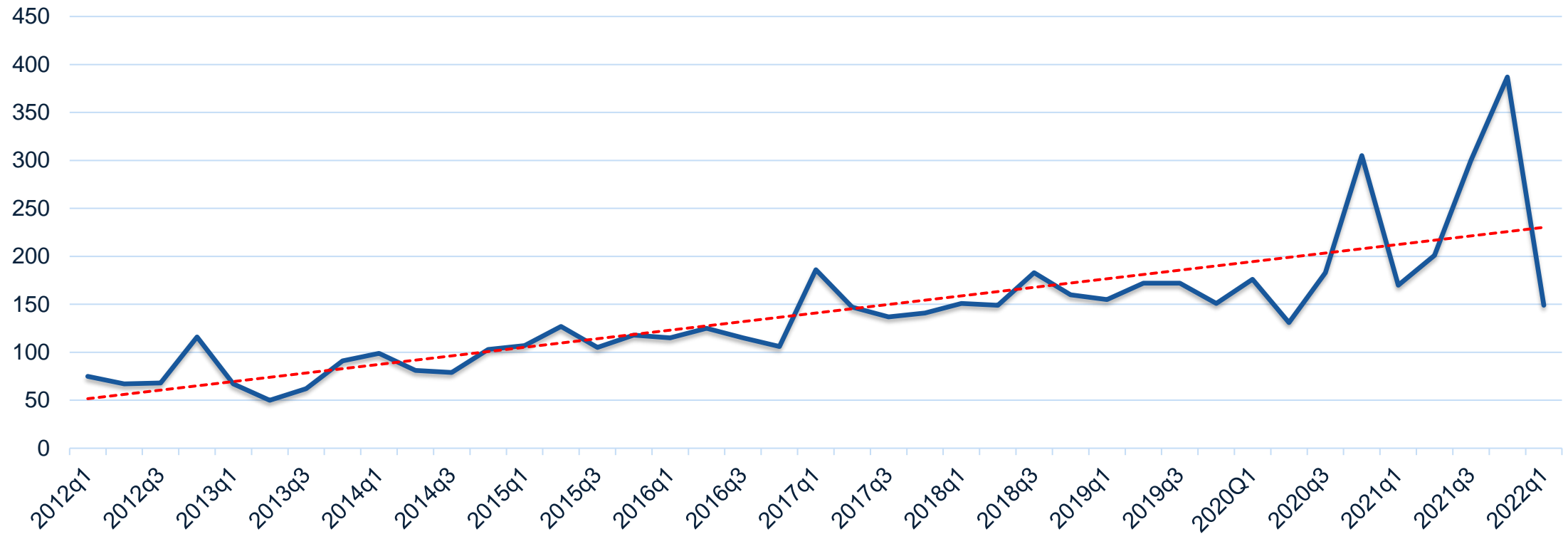
Observations & Comments

- It's common to see first quarter M&A transactions fall significantly from the 4th quarter of the prior year as inventory shrinks and deal teams take a pause. Q1 '22 was no different. Total deal activity in this past quarter fell 14% to 149 recorded transactions, 14% below Q1 '21 and 7% below the 5-year average. This is the lowest 1st quarter volume since 2016.
- When we adjust for the 26 life/financial services, consulting, and other types of sellers from the Q1 '22 count, there were a net 123 transactions. This represents a 17% decline in transactions using our past reporting criteria (P&C, Employee Benefits, TPAs).
- Announced deals from the 10 most active acquirers over the last 5 years was a mixed bag. Acrisure and Hub recorded the most transactions in Q1 '22, and they at least kept pace with same results in the prior year. At the other end of the spectrum, AssuredPartners and Alera announced no transactions in Q1 '22, and OneDigital announced just one.
- History would tell us that activity in the remainder of 2022 will likely rise, and conversations with a number of buyers shows that will be true as many are reporting double digit number of LOIs in hand going into the Q2.

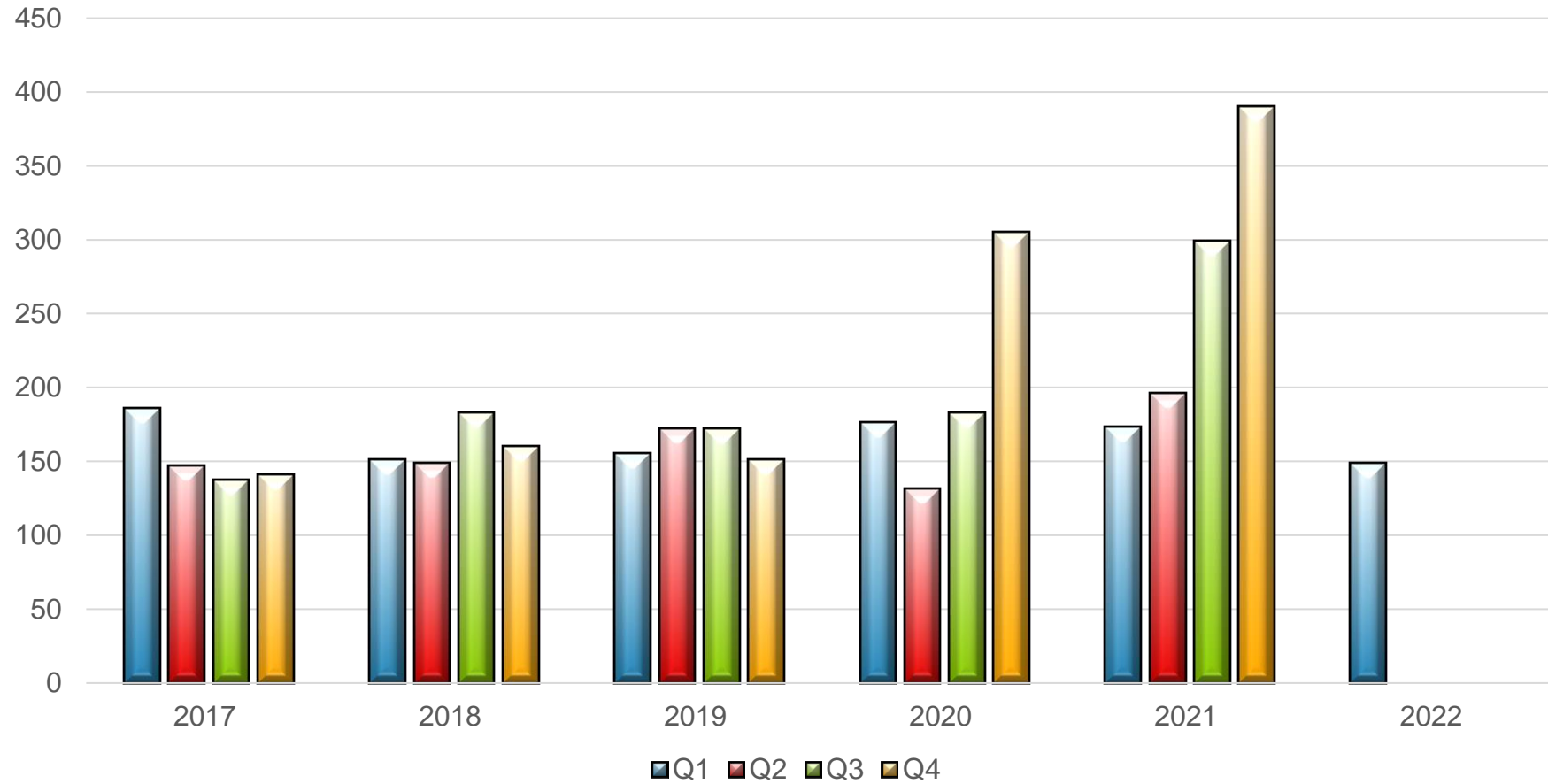
Highlights of 2022 Q1 M&A Activity

- 149 transactions in Q1 2022, down from 173 in Q1 2021
- Acrisure led all buyers with 14 transactions in Q1 2022, up nearly 50% from the 9 they did in the same period of 2021
- Following were Hub (12), Inszone (10), and High Street Partners (9)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) continues to be the leading force in M&A activity as they accounted for 70% of all announced transactions in Q1 2022 (65% in 2021) and 78% over all transactions in the trailing 12-months ended March 2022
- There was just one large agency transaction that was reported in Q1 '22 with Baldwin Risk Partners purchase of Westwood Insurance Agency (\$82 million revenue)
- There was one announced investment from private equity investors in the insurance agency/brokerage as Peloton Risk Advisors made a significant minority investment in Unison, the combined business of Oswald Companies and RCMD

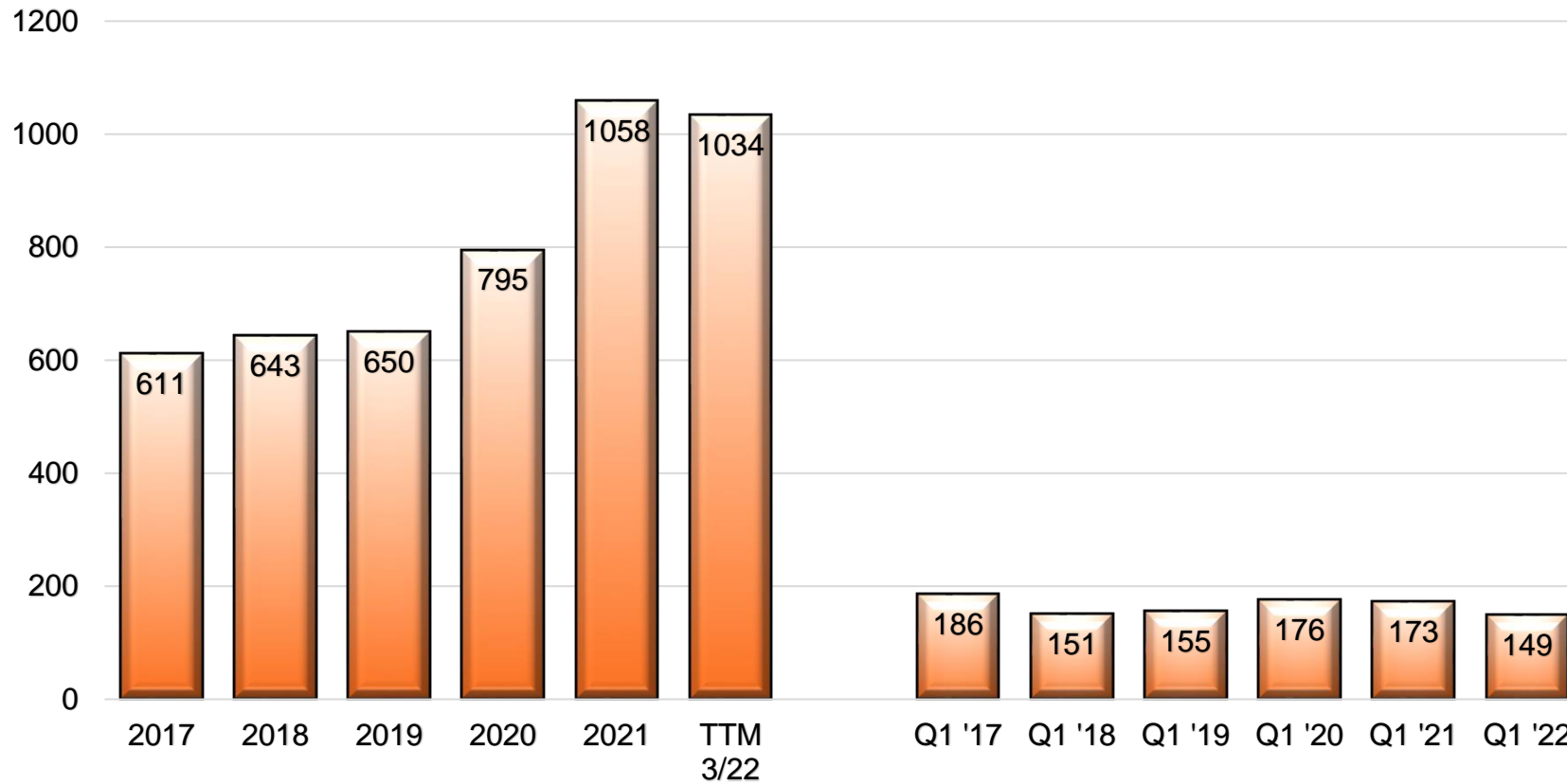
Quarterly M&A Activity



Quarterly M&A Activity



Agency Acquisitions By Year and Quarter



Summary Information

Active Acquirers With 5 or More Deals in Q1 2022

Buyer by Type	Ownership	Q1-2018	Q1-2019	Q1-2020	Q1-2021	Q1-2022
Acrisure	PE / Hybrid	29	17	18	9	14
Hub International	PE / Hybrid	13	12	17	12	12
Inszone Insurance Services	PE / Hybrid			4	2	10
High Street Partners	PE / Hybrid				4	9
Integrity Marketing Group	PE / Hybrid	1	1			7
PCF	PE / Hybrid	0	0	9	8	6
World Insurance Associates	PE / Hybrid	3	5	4	6	5
Alkeme Holdings	PE / Hybrid					5
Broadstreet Partners	PE / Hybrid	7	9	16	12	5
Westland Insurance Group	PE / Hybrid	3		1	5	5
Higginbotham & Assoc	PE / Hybrid	1		1	3	5
Alliant Insurance Services	PE / Hybrid	1	1	1	7	5
All Other		93	110	105	99	61
Total Reported Transactions		151	155	176	150	149

Most Active Buyers

Buyers With 20 or More Deals in Past 12 Months

Buyer by Type	Ownership	2018	2019	2020	2021	TTM 3/22
Acrisure	PE / Hybrid	101	98	108	122	127
PCF Insurance	PE / Hybrid	4	6	36	99	93
High Street Partners	PE / Hybrid	1	3	9	71	76
Hub International	PE / Hybrid	59	51	65	61	60
World Insurance Associates	PE / Hybrid	9	18	42	50	49
AssuredPartners	PE / Hybrid	38	44	38	52	41
Alera	PE / Hybrid	28	24	18	45	40
Broadstreet Partners	PE / Hybrid	34	34	58	45	38
Patriot Growth Services	PE / Hybrid		25	21	31	31
Relation Insurance	PE / Hybrid		6	11	33	31

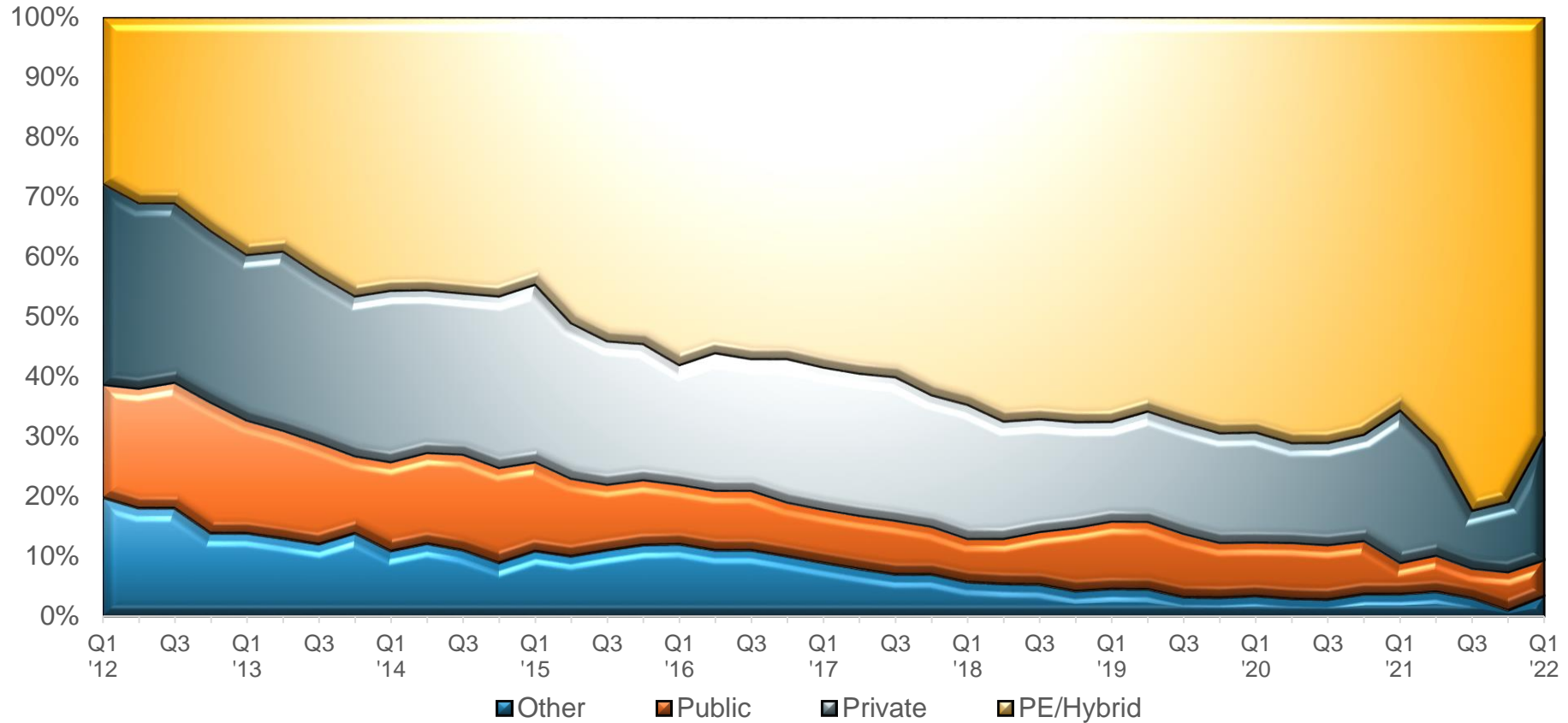
Most Active Buyers

Buyers With 20 or More Deals in Past 12 Months (continued)

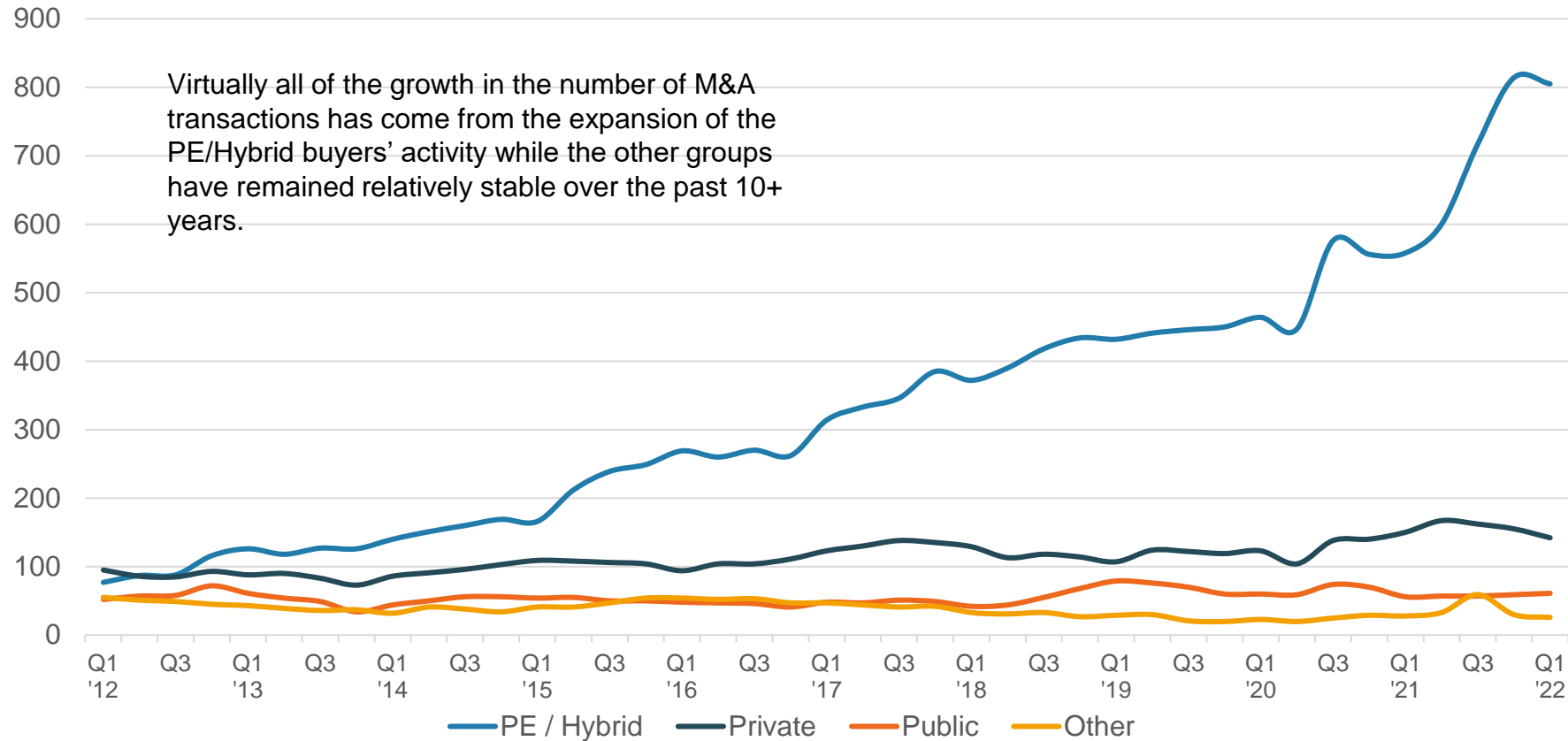
Buyer by Type	Ownership	2018	2019	2020	2021	TTM 3/22
Gallagher	Public	36	34	23	25	25
Risk Strategies	PE / Hybrid	10	22	18	24	22
The Hilb Group	PE / Hybrid	12	25	22	25	22
Alliant Insurance Services	PE / Hybrid	7	7	6	22	20
Inszone Insurance Services	PE / Hybrid	2	6	10	12	20
All Other		403	345	418	463	466
Total Reported Transactions		643	650	795	1,058	1,034

Totals By Buyer / Seller Type

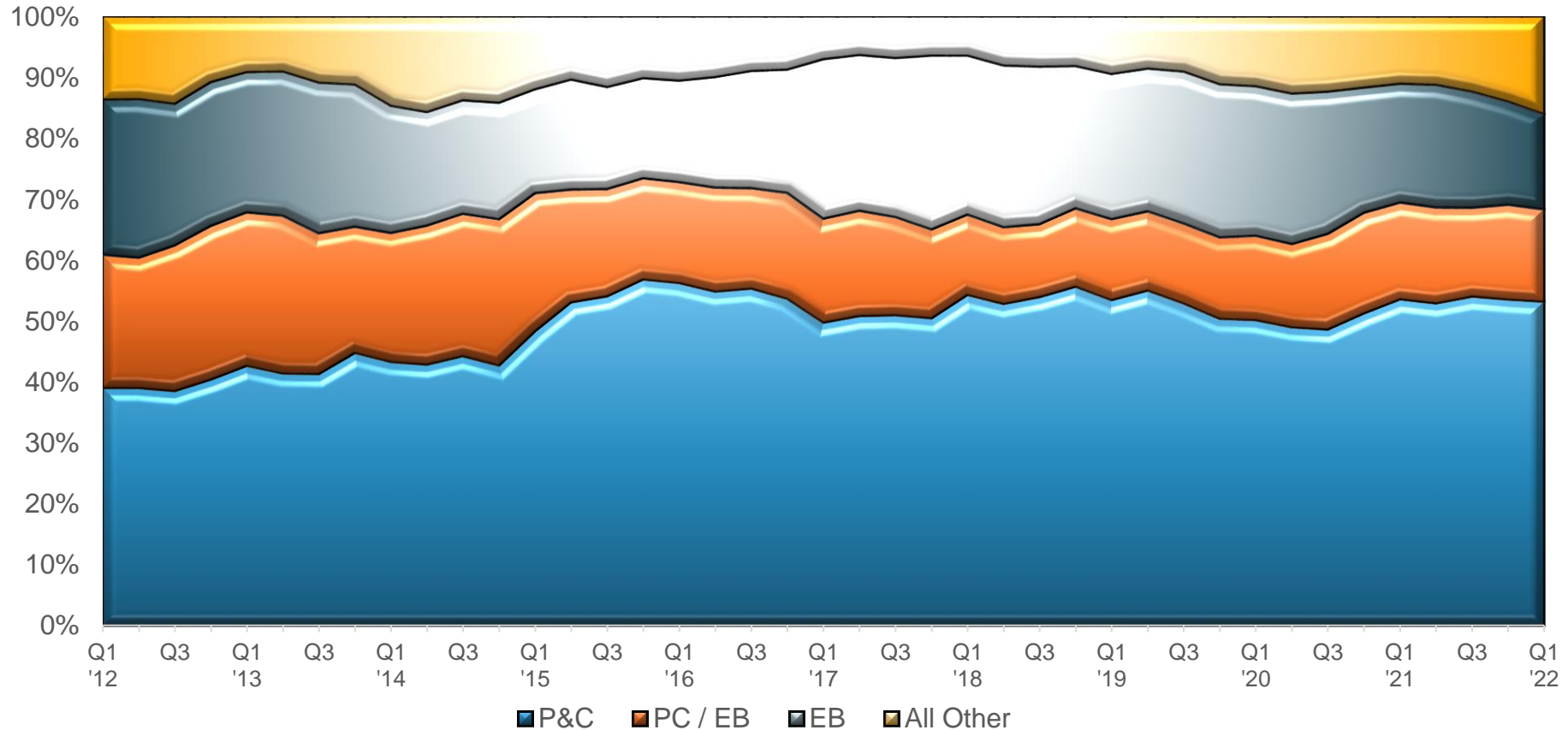
Rolling 12-Month Activity by Buyer Type (% Total)



Rolling 12-Month # Transaction by Buyer Type



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



Significant Broker Transactions in 2022

Seller	Buyer	Estimated Revenue	2020 Business Insurance Rank	Date
Westwood Insurance Agency (West Hills, CA)	Baldwin Risk Partners	\$82M	Not Ranked	March 2021

Private Equity Backed Ownership Changes in 2022

Insurance Agency	Lead Buyer / Investor	Description	Date
Unison (Oswald/RCMD) (Cleveland, OH)	Peloton Risk Advisors	Significant Minority Interest; Management Retains Majority	March 2022

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