



# Agent & Broker Merger & Acquisition Update

July 2022

# Table of Contents

## Agent M&A Update



OPTIS Partners View	Page	2
Observations	Page	3
Summary Information	Page	4
Most Active Buyers	Page	9
Totals by Buyer / Seller Type	Page	11
Significant Transactions	Page	15

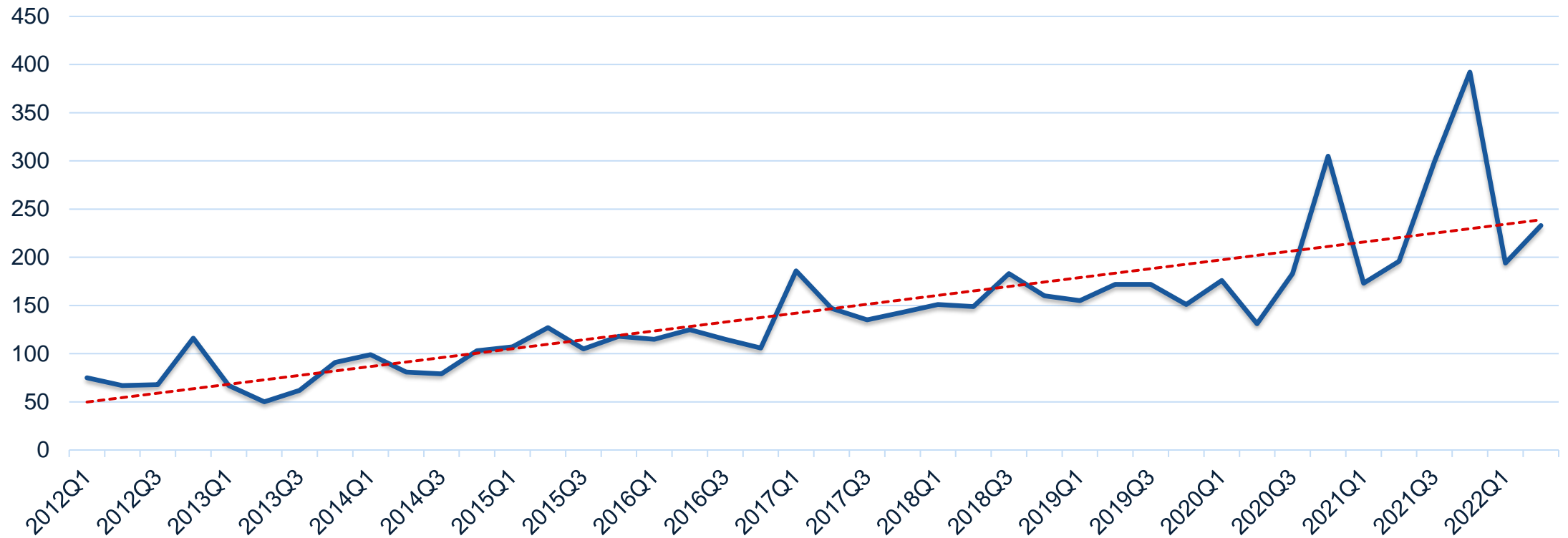
# Observations & Comments

- Following the typical 1<sup>st</sup> quarter lull, the 2<sup>nd</sup> quarter of 2022 shot up 20% in volume to become the 4<sup>th</sup> most active quarter of all time. One of the drivers is the expanded appetite of the most active buyers to look at businesses adjacent to the agency/brokerage business (see Observations & Comments from our Q1 2022 report).
- There were 427 announced insurance agency mergers and acquisitions during the first half of 2022, up 16% from 369 for the same period in 2021.
- When we adjust for the 53 life/financial services, consulting, and other types of sellers from the H1 '22 count, there were a net 374 transactions. This represents slightly more than 1% increase in transactions using our past reporting criteria (P&C, Employee Benefits, TPAs).
- We anticipate:
  - Deal count to rise through end of 2022 in spite of general economic headwinds.
  - More transactions in the expanded categories as buyers are looking to put capital to work, fill holes in existing operations, and round out revenue opportunities.

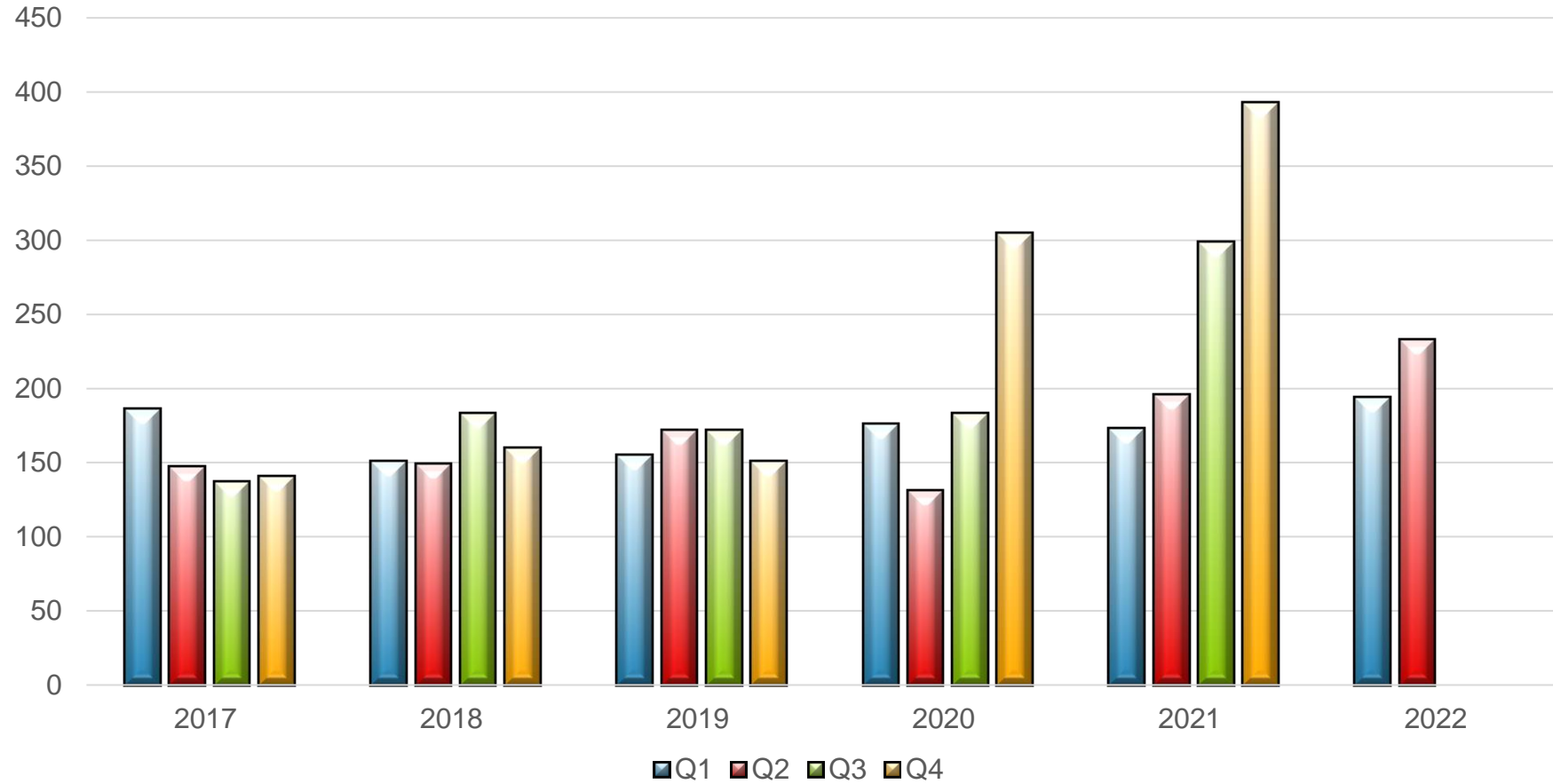
# Highlights of 1<sup>st</sup> Half 2022 M&A Activity

- 427 transactions in 1H-2022, up 16% from 369 for 1H-2021
- 233 transactions in Q2-2022, up 19% from the 196 recorded in the same period last year and 46% above the previous five-year average
- 1,118 transactions in past 12 months, up from 1,081 for the period ended March 2022
- PCF led all buyers with 48 transactions in the first half of 2022, up 71% from 28 last year
  - Followed by Acrisure (43), Hub International (35), High Street Partners (20), and Inszone Insurance Services (20)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for over 79% of all announced transactions in the past 12 months and 75% during the most recent quarter
- Privately-owned buyers slow activity to 33 deals in the past 12 months (down from 36). In total, 13% of the deals closed in first half of 2022 were from this group versus 20% in the same period last year

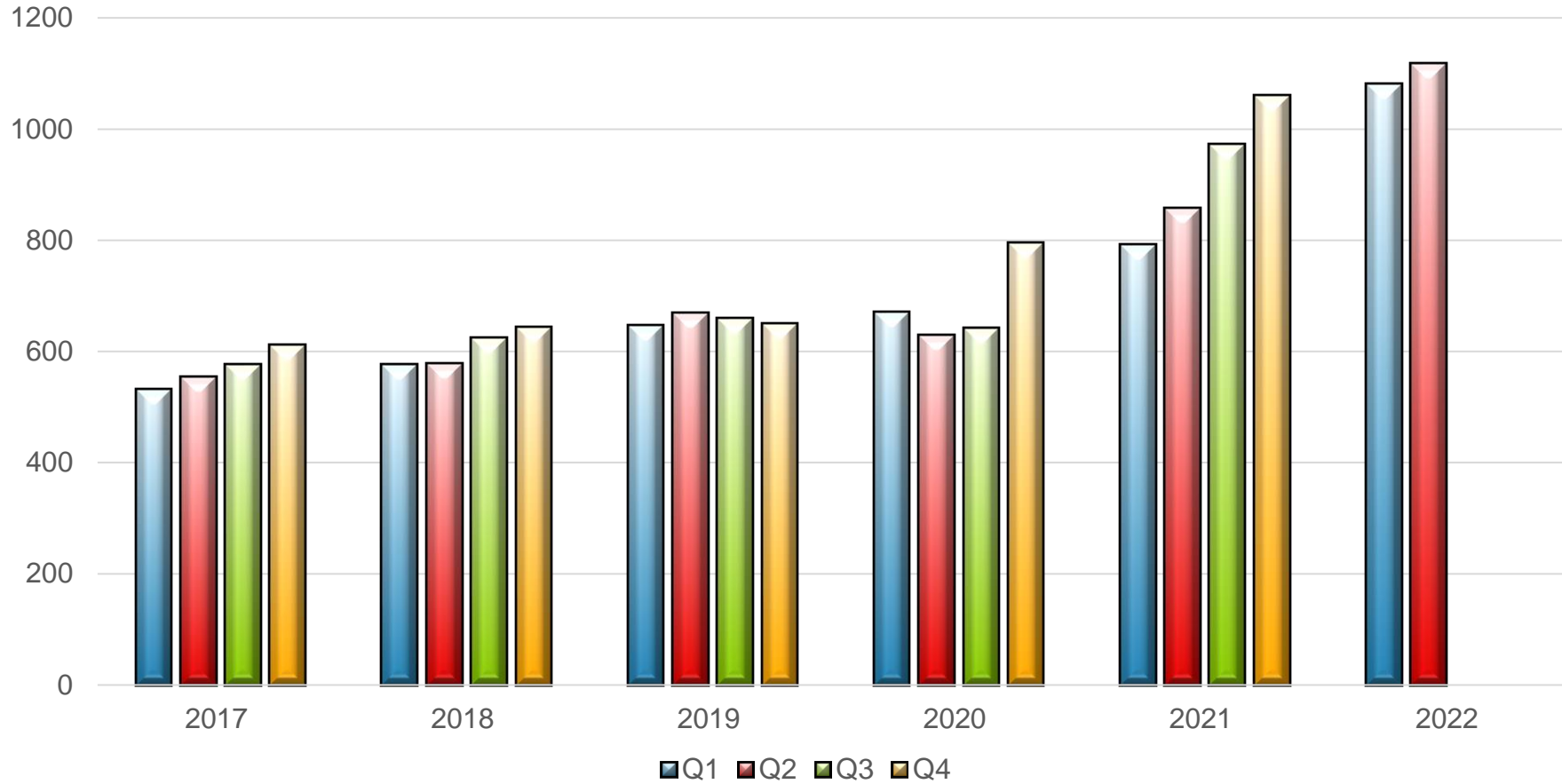
## Quarterly M&A Activity



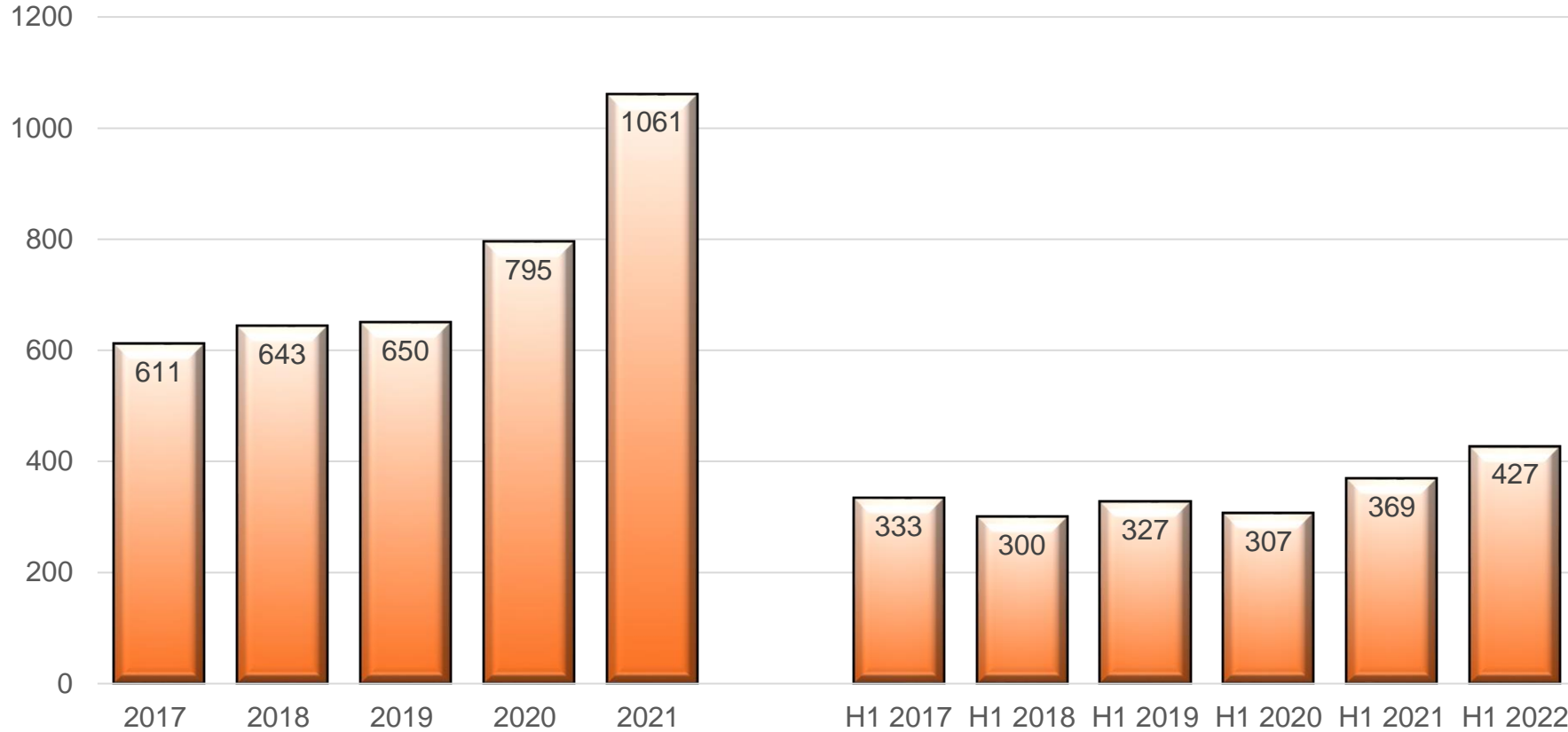
# Quarterly M&A Activity



# Quarterly Rolling 12-Month M&A Activity



# Summary Agency Acquisitions By Year





## Most Active Acquirers

# Top 10 Acquirers (including ties) in 2021

Buyer	Ownership	2018	2019	2020	2021	1H-2022
PCF Insurance	PE / Hybrid	4	4	36	99	48
Acrisure	PE / Hybrid	101	98	108	122	43
Hub International	PE / Hybrid	59	52	65	61	35
High Street Partners	PE / Hybrid	1	3	9	71	20
Inszone Insurance Services	PE / Hybrid	2	6	10	12	20
BroadStreet Partners	PE / Hybrid	34	34	58	45	16
Patriot Growth Insurance Services	PE / Hybrid		25	21	31	16
Relation Insurance	PE / Hybrid		6	11	33	16
Integrity Marketing Group	PE / Hybrid	4	6	1	6	11
Keystone Agency	PE / Hybrid			7	14	10
All Other		438	416	469	567	192
Total Reported Transactions		643	650	795	1,061	427

## Most Active Acquirers

# Acquirers With 20 or More Deals in Past 12 Months

Buyer	Ownership	2018	2019	2020	2021	TTM 6/22
Acrisure	PE / Hybrid	101	98	108	122	135
PCF Insurance	PE / Hybrid	4	4	36	99	119
High Street Partners	PE / Hybrid	1	3	9	71	73
Hub International	PE / Hybrid	59	52	65	61	71
World Insurance Associates	PE / Hybrid	9	18	42	50	45
BroadStreet Partners	PE / Hybrid	34	34	58	45	42
Patriot Growth Insurance Services	PE / Hybrid	0	25	21	31	42
AssuredPartners	PE / Hybrid	38	44	38	52	37
Relation Insurance	PE / Hybrid	0	6	11	33	36
Alera Group	PE / Hybrid	28	24	18	45	33

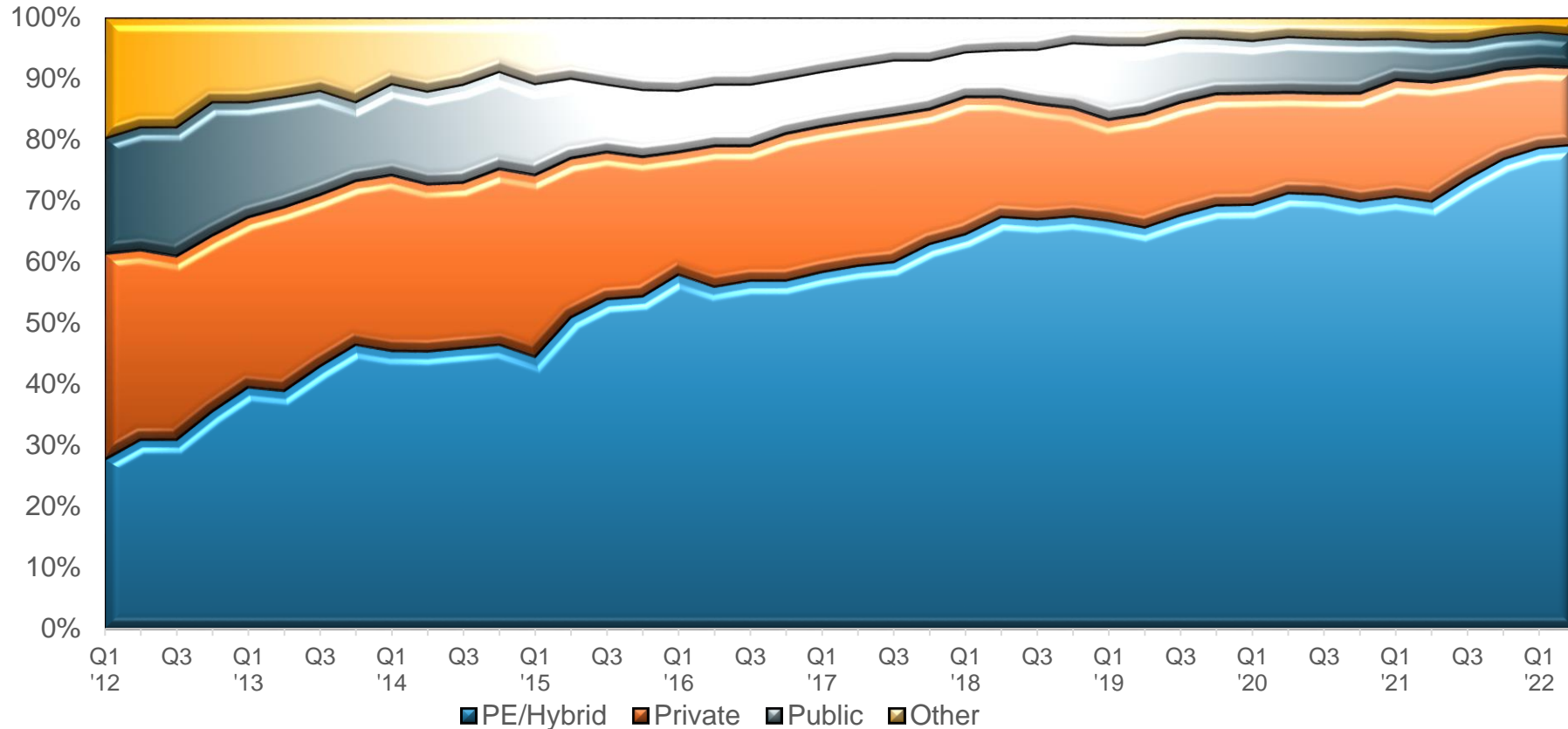
## Most Active Acquirers

# Acquirers With 20 or More Deals in Past 12 Months

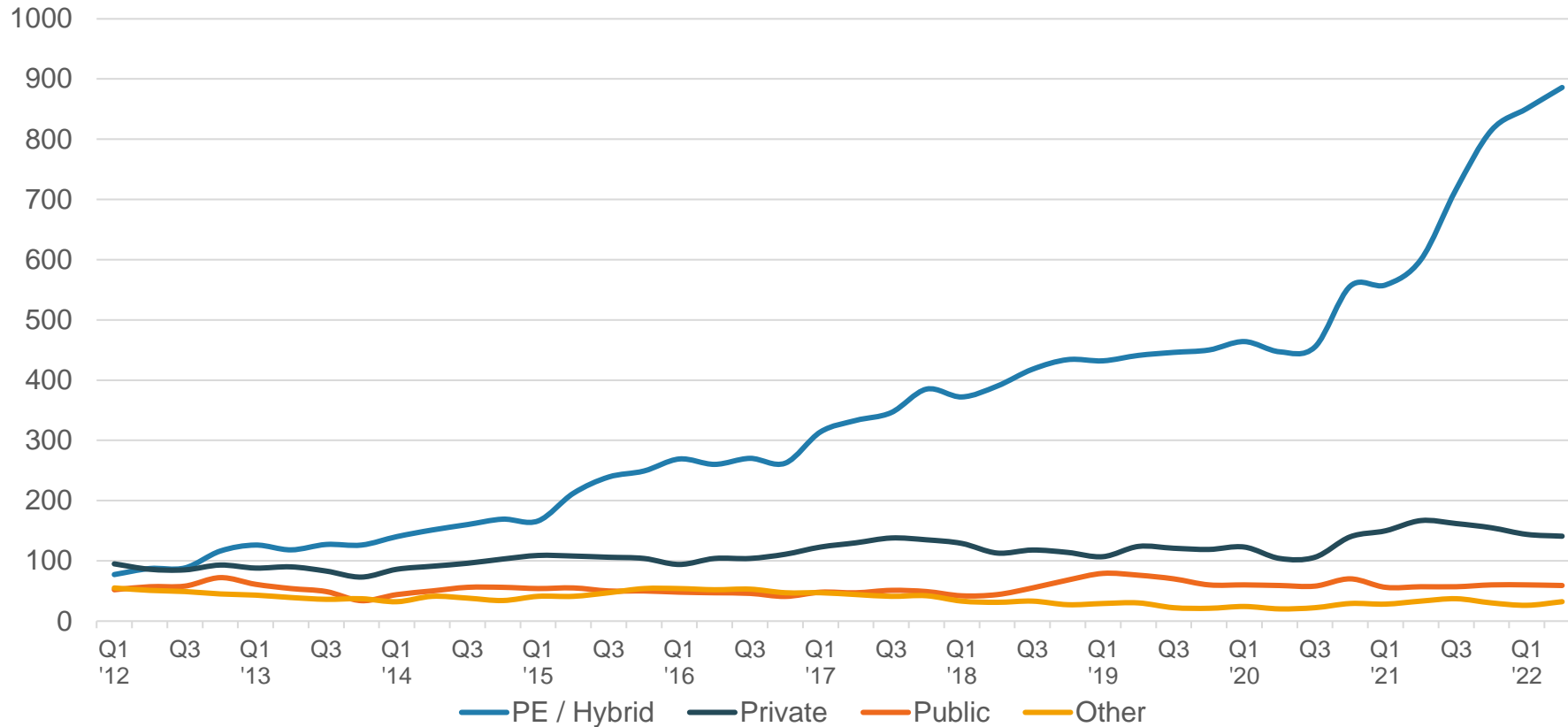
(continued)

Buyer	Ownership	2018	2019	2020	2021	TTM 6/22
Risk Strategies Company	PE / Hybrid	10	22	18	24	30
Inszone Insurance Services	PE / Hybrid	2	6	10	12	29
The Hilb Group	PE / Hybrid	12	25	22	26	24
Gallagher	Public	36	34	23	25	24
Keystone Agency	PE / Hybrid	0	0	7	14	21
OneDigital	PE / Hybrid	27	17	32	21	20
All Other		282	238	277	330	338
<b>Total Reported Transactions</b>		<b>643</b>	<b>650</b>	<b>795</b>	<b>1,061</b>	<b>1,119</b>

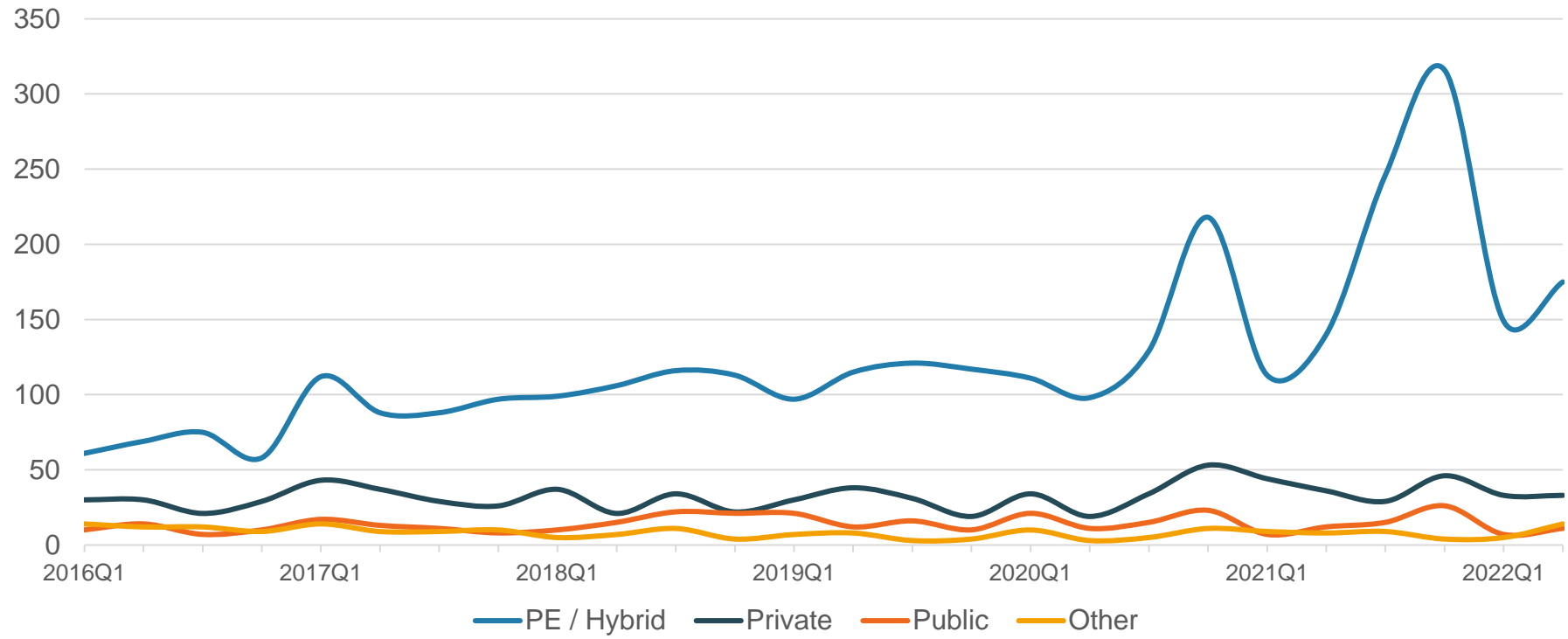
# Rolling 12-Month Activity by Buyer Type (% Total)



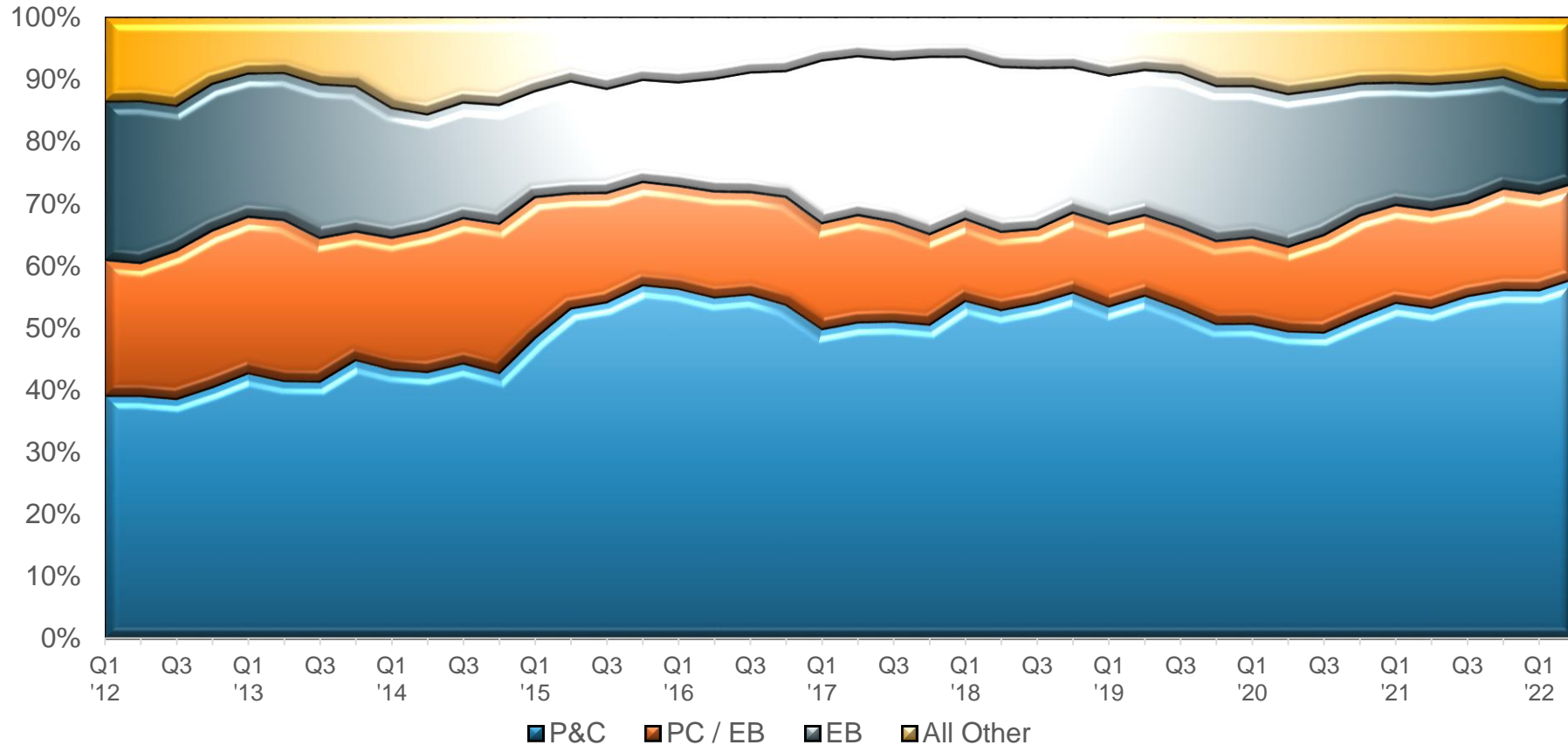
# Rolling 12-Month # Transaction by Buyer Type



# Quarterly # Transaction by Buyer Type



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



# Significant Broker Transactions in 2022

Seller	Buyer	Estimate 2021 Revenue	Date
Westwood Insurance Agency (West Hills, CA)	Baldwin Risk Partners	\$82 million	March 2022
Distinguished Programs (New York, NY)	Aquiline Partners	\$122 million	April 2022
NSM Insurance Group (Conshohocken, PA)	Carlyle	\$250 million	May 2022



# Private Equity-backed Ownership Changes

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

# OPTIS PARTNERS



## Connect with us:

Tim Cunningham

312-235-0081

[cunningham@optisins.com](mailto:cunningham@optisins.com)

Website:

Dan Menzer

630-520-0490

[menzer@optisins.com](mailto:menzer@optisins.com)

[www.optisins.com](http://www.optisins.com)

Steve Germundson

612-718-0598

[germundson@optisins.com](mailto:germundson@optisins.com)