



**Agent & Broker  
Merger & Acquisition Update  
3<sup>rd</sup> Quarter 2024**

September 2024

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## Agent M&A Update



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# Observations & Comments

- The decline in the pace of deal activity appears to be leveling off since Q1 2023. The relative flattening is indicative of both an ample supply of potential sellers meeting up with a large supply of buyers. To that latter point, new investors in this space continue to appear and privately owned firms are becoming more acquisitive.
- While privately owned firms account for about 20% and publicly traded brokers equal about 7% of the deal activity year in and year out, it's the private firms who are doing slightly more deals since 2021.
- There were 198 announced deals in Q3-2024; up 14% compared to the 173 announced in the prior quarter. In year-over-year terms the count declined 5% over Q3-2023 and is also 13% below the previous 5-year average.
- There were 535 announced transactions during Q1-Q3 2024, down 10% from 594 for the same period in 2023. Q1-Q3 2024 tallies are 13% below the previous 5-year average.

# Observations & Comments

(continued)

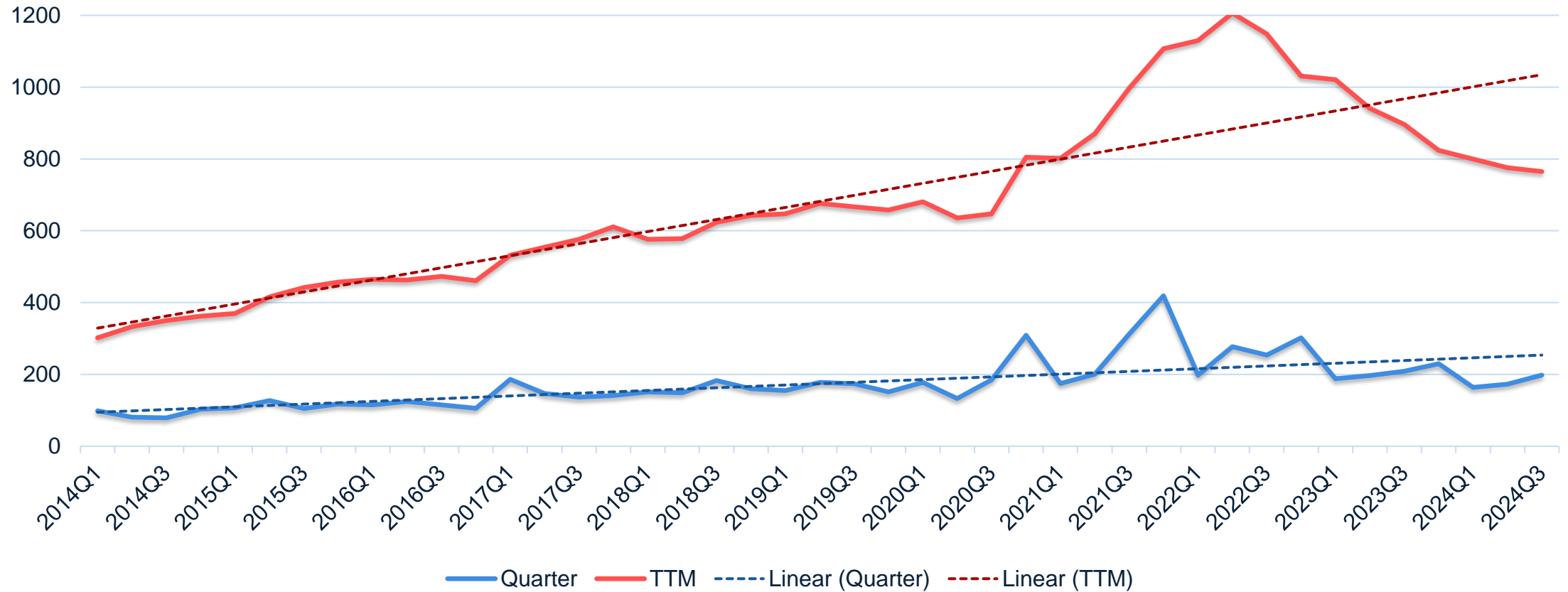
- Expect significant transactions in the next 12-15 months:
  - There were two large agency purchases announced. First was IMA Financial Group's acquisition in August of Wallace Welch & Willingham followed by Marsh & McLennan's announcement of a Q4 purchase of McGriff Insurance Services from Truist Insurance Holdings. We expect to see more acquisitions of \$25M+ revenue agencies in the constant pursuit of growth.
  - Texas-based TWFG (The Woodlands Financial Group) raised \$176M in a public offering of equity in July, and there are several other large firms considering IPOs in 2025-26.
  - There is also word of several private equity-backed firms looking for a sale/recap in the next 12-15 months, and
- There were 87 buyers thus far in 2024, 25 making their first deal, compared with 91 the year before.
- The supply of sellers and buyers along with a stable economic environment leads to revise our expectations of annual deal volume to the 700-800 range.

# Highlights of Q1-Q3 2024 M&A Activity

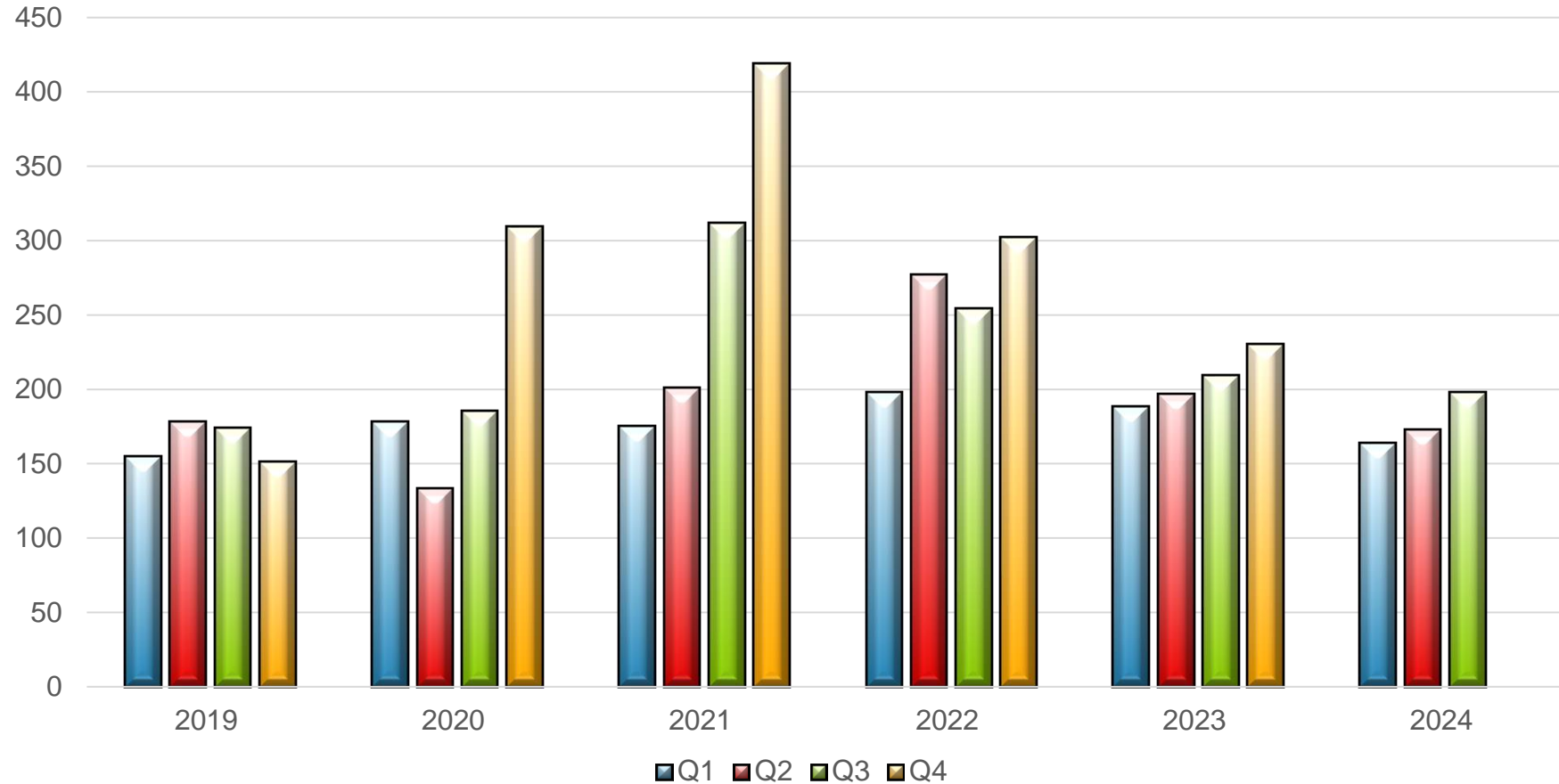
- 535 transactions in Q1-Q3 2024, down nearly 10% from 594 for Q1-Q3 2023
- 198 transactions in Q3-2024, down 5% from 209 recorded in the same period last year and also 13% below the previous five-year average
- 765 transactions in past 12 months, down 15% from 896 for the period ended September 2023
- Broadstreet Partners led all buyers with 68 transactions year-to-date in 2024, 50% above their same period 2023 totals (45)
  - Followed by Hub International (39), Inszone Insurance Services (38), and Patriot Growth Insurance Services (32)
- Private Equity-Backed / Hybrid (“PE/Hybrid”) responsible for 73% of all announced transactions in the past 12 months and the most recent quarter
- Privately-owned buyers, including those with minority ownership held by private equity or family offices, posted 143 deals in the past 12 months, 170 at this time in 2023; over 26% of the deals closed in Q1-Q3 2024 were from this group, up from 22% in the same period last year

# Summary Information

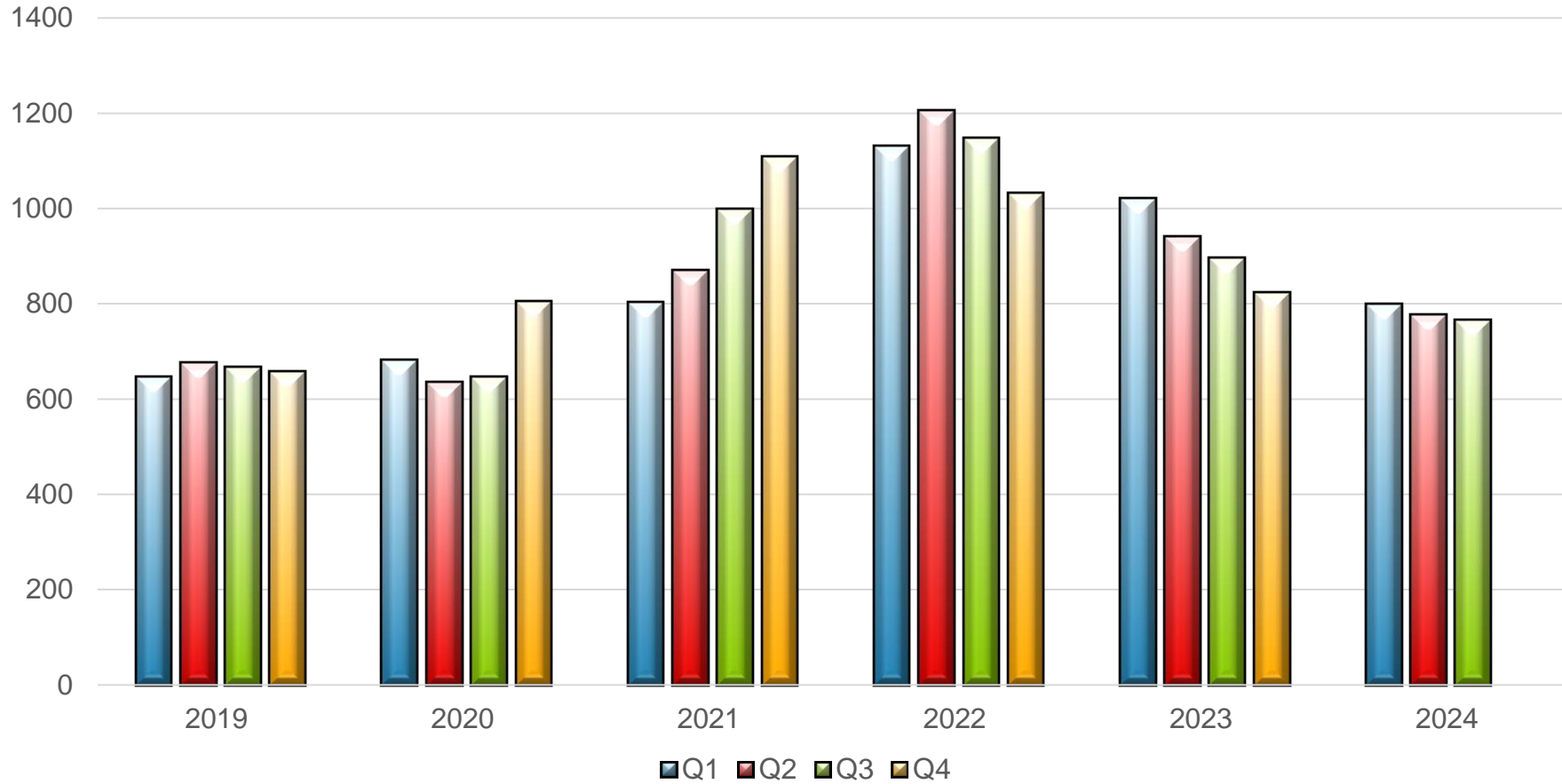
## Quarterly M&A Activity



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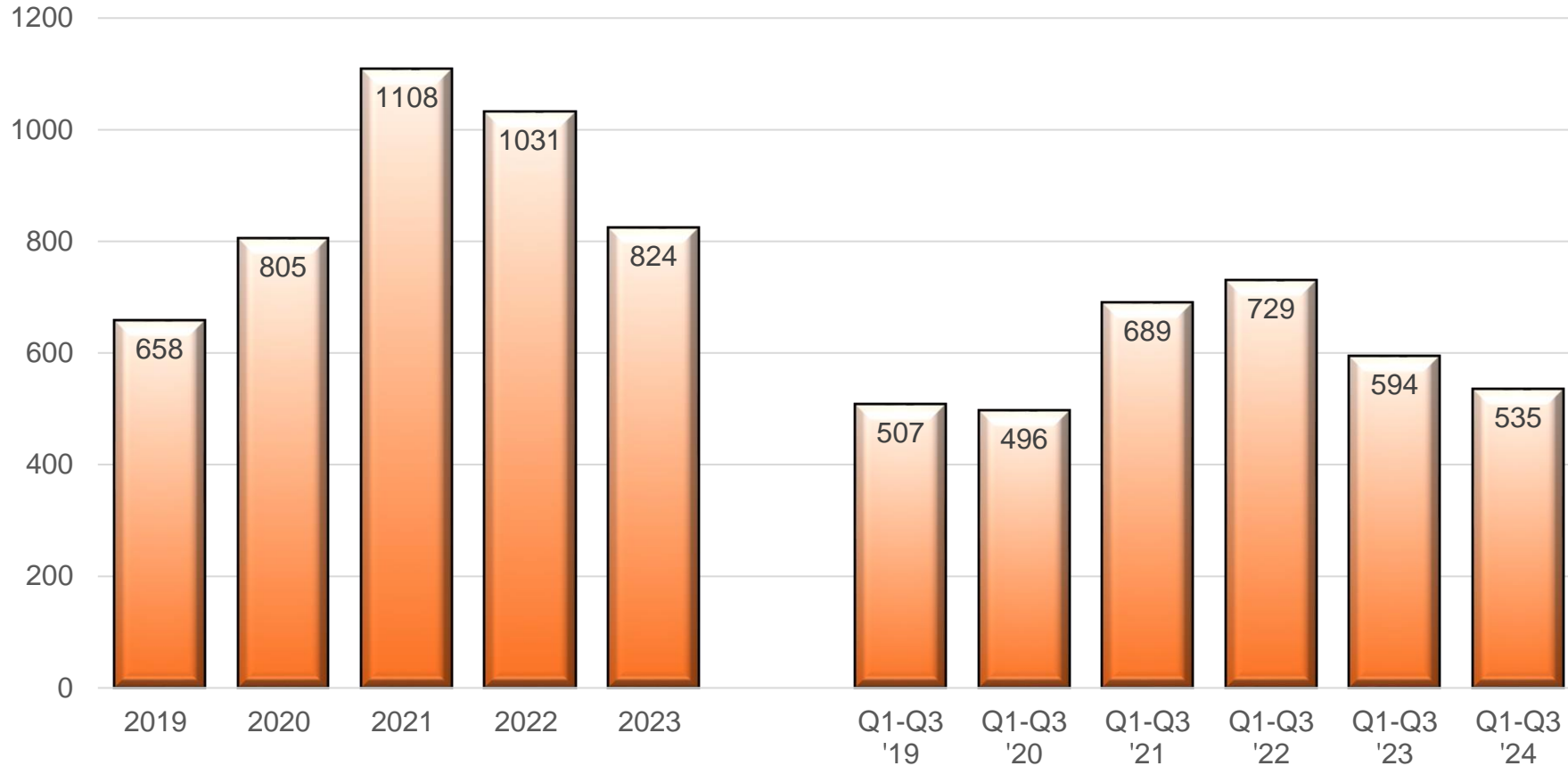


# Quarterly Rolling 12-Month M&A Activity





# Agency Acquisitions By Year and Q1-Q3



## Most Active Acquirers

# Top 10 Acquirers (including ties) YTD in 2024

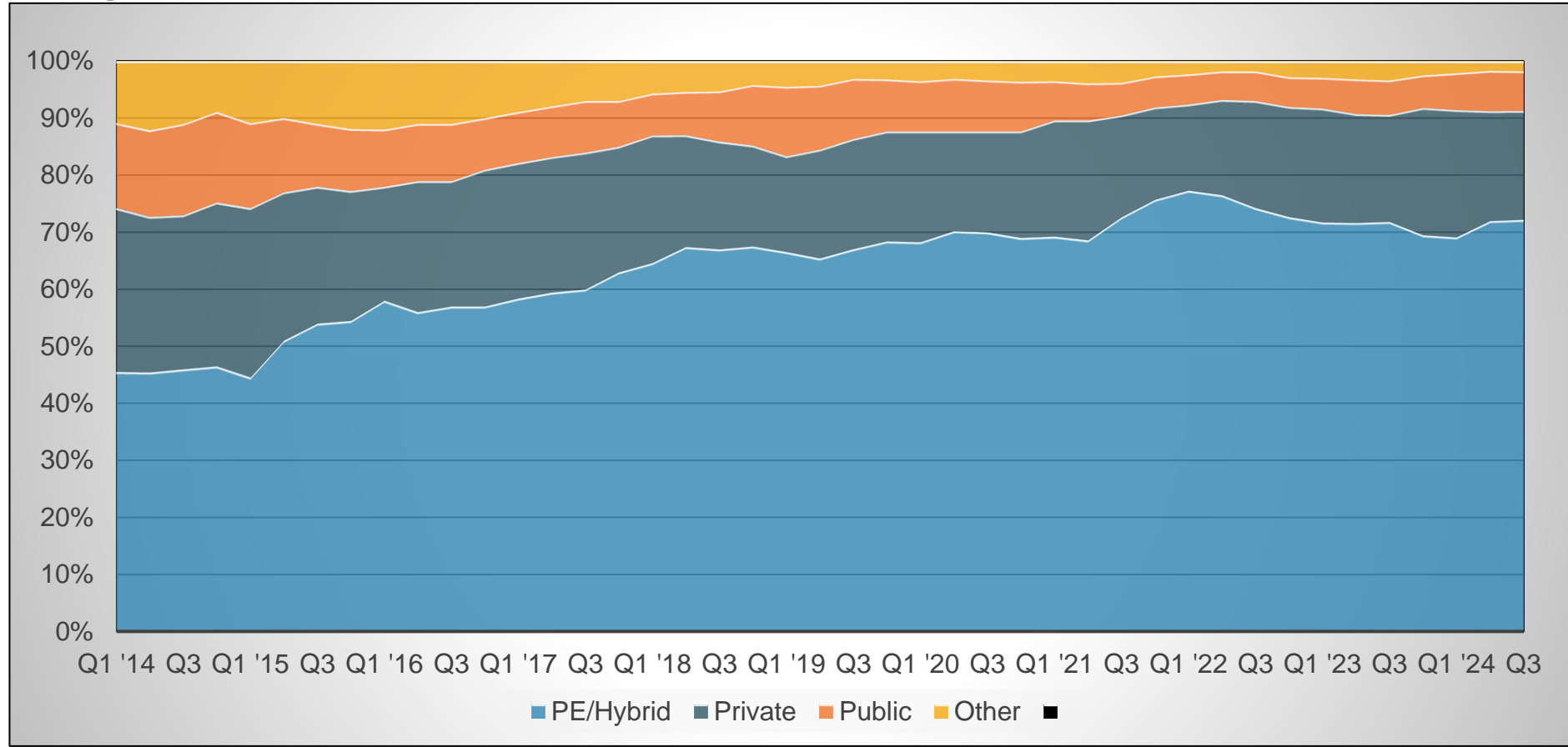
Buyer	Buyer Type	2019	2020	2021	2022	2023	Q1-Q3 '24
BroadStreet Partners	PE-Hybrid	26	40	31	23	45	68
Hub International	PE-Hybrid	37	40	38	54	45	39
Inszone Insurance Services	PE-Hybrid	4	4	6	24	33	38
Patriot Growth Insurance Services	PE-Hybrid	23	13	22	19	17	32
Leavitt Group	Private	10	8	13	15	27	24
Keystone Agency Partners	PE-Hybrid	0	7	10	20	19	22
ALKEME	PE-Hybrid	0	0	2	8	11	18
OneDigital	PE-Hybrid	16	17	14	14	14	18
AssuredPartners	PE-Hybrid	30	26	32	19	17	17
Gallagher	Public	27	14	14	15	25	16
Sub-total		173	169	182	211	253	292
All Others		333	327	507	518	341	243
<b>Totals for Year</b>		<b>506</b>	<b>496</b>	<b>689</b>	<b>729</b>	<b>594</b>	<b>535</b>

## Most Active Acquirers

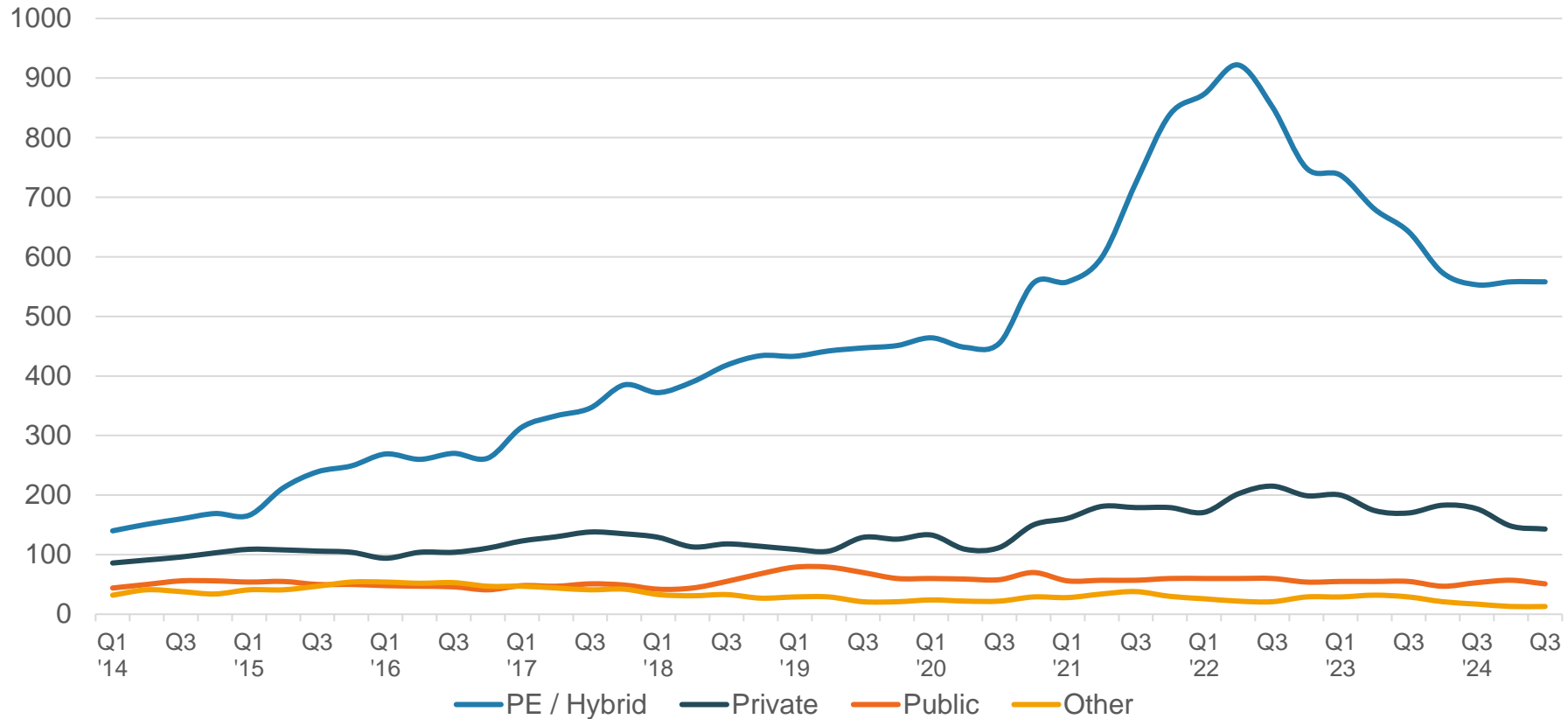
# Acquirers With 20 or More Deals in Past 12 Months

Buyer	Buyer Type	2019	2020	2021	2022	2023	TTM 9/24
BroadStreet Partners	PE-Hybrid	34	58	45	35	59	82
Hub International	PE-Hybrid	52	65	62	70	66	60
Inszone Insurance Services	PE-Hybrid	6	10	12	42	45	50
Patriot Growth Insurance Services	PE-Hybrid	25	21	31	32	32	47
Keystone Agency Partners	PE-Hybrid	0	7	22	29	29	32
Leavitt Group	Private	10	12	24	20	34	31
Gallagher	Public	34	23	25	26	36	27
AssuredPartners	PE-Hybrid	44	38	52	33	26	26
OneDigital	PE-Hybrid	17	32	21	21	19	23
World Insurance Associates	PE-Hybrid	18	42	53	39	36	22
Acrisure	PE-Hybrid	98	108	122	107	36	22
High Street Partners	PE-Hybrid	3	9	71	44	24	20
Sub-totals		341	425	540	498	442	442
All Others		317	380	568	533	382	323
<b>Totals for Year</b>		<b>658</b>	<b>805</b>	<b>1,108</b>	<b>1,031</b>	<b>824</b>	<b>765</b>

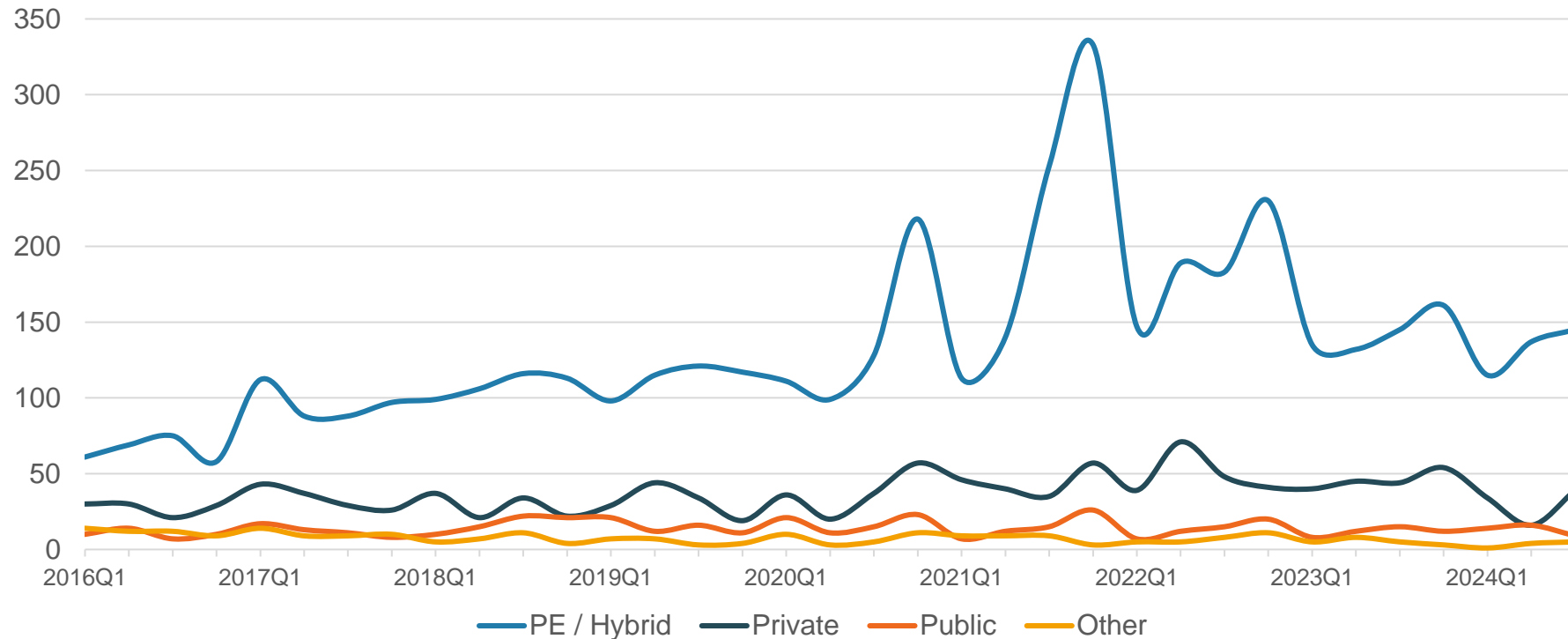
# Rolling 12-Month Activity by Buyer Type (% Total)



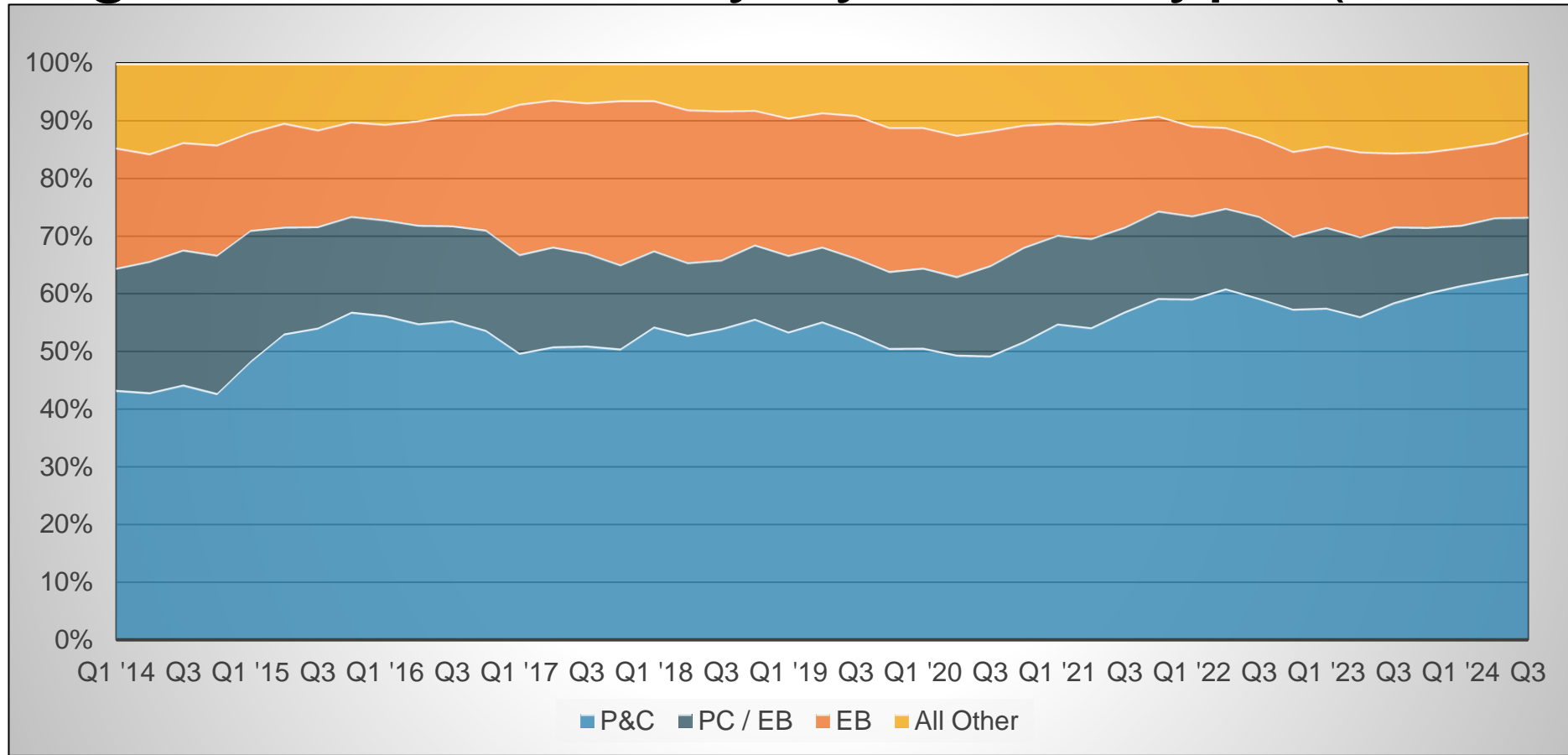
# Rolling 12-Month # Transaction by Buyer Type



# Quarterly # Transaction by Buyer Type



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



## Significant Broker Transactions in 2024

Seller	Buyer	Estimate 2021 Revenue	Date
NFP Corporation (New York, NY)	AON	\$2 billion	April 2024
Truist Insurance Holdings (Charlotte, NC)	Stone Point Capital / Clayton Dubilier & Rice / Others	\$3.4 billion	May 2024
Fisher Brown Bottrell (Jackson, MS)	Marsh McLennan Agency	\$58 million	June 2024
Wallace Welch & Willingham (St. Petersburg, FL)	IMA Financial Group	\$30 million	August 2024
McGriff Insurance Services (Charlotte, NC)	Marsh McLennan Agency	\$1.3 billion	To Close in Q4



# Private Equity-backed Ownership Changes

Insurance Agency	Lead Buyer / Investor	Description	Date
Axis Insurance Managers (Vancouver, BC)	Lee Equity Partners	A Significant Minority Investment	June 2024
Sunstar Insurance Group (Memphis, TN)	Reverence Capital Partners	Acquisition of a Majority Interest	July 2024

# 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)