



Houlihan
Lokey

Insurance Distribution

Q1 2025

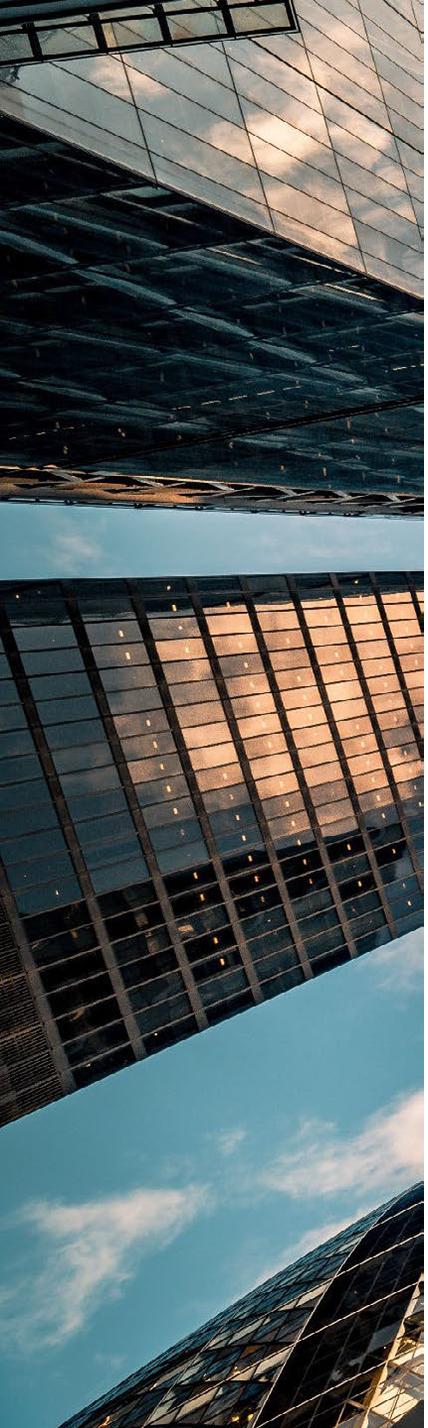


Table of Contents

01

Introduction and
Houlihan Lokey Credentials

02

Insurance
Brokers

- Executive Summary
- Featured Transactions
- Rate Environment
- Growth and M&A Activity
- Public Valuations and Market Data
- Private Equity-Backed Broker Landscape

03

Wholesale Distribution and
Managing General Agencies (MGAs)

- Excess and Surplus Lines (E&S) Market Update
- Wholesale Brokerage Market Update
- Market Dynamics
- M&A Activity
- Private Equity-Backed MGA Landscape
- MGA Business Model and Market Dynamics
- Private Equity Investment Considerations



Introduction and
Houlihan Lokey Credentials

01

About Our Firm

Houlihan Lokey, Inc. (NYSE:HLI) is a leading global investment bank with expertise in mergers and acquisitions, capital solutions, financial restructuring, and financial and valuation advisory.

Our firm is the trusted advisor to more top decision-makers than any other independent global investment bank.

CORPORATE FINANCE

2024 M&A Advisory Rankings
All Global Transactions

Advisor	Deals
1 Houlihan Lokey	415
2 Rothschild & Co	406
3 Goldman Sachs & Co	371
4 JP Morgan	342
5 Morgan Stanley	309

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1

Global M&A Advisor

Leading

Capital Solutions Advisor

FINANCIAL RESTRUCTURING

2024 Global Distressed Debt &
Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	88
2 PJT Partners Inc	59
3 Rothschild & Co	48
4 Lazard	44
5 Perella Weinberg Partners LP	40

Source: LSEG (formerly Refinitiv).

No. 1

Global Restructuring Advisor

1,800+

Transactions Completed Valued at
More Than **\$3.8 Trillion** Collectively

FINANCIAL AND VALUATION ADVISORY

2000-2024 Global M&A
Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,243
2 Duff & Phelps, A Kroll Business	1,045
3 JP Morgan	1,020
4 UBS	792
5 Morgan Stanley	698

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1

Global M&A Fairness Opinion
Advisor Over the Past 25 Years

2,000+

Annual Valuation Engagements



Learn more about how
our advisors can serve
your needs:

Corporate Finance →

Financial Restructuring →

Financial and
Valuation Advisory →

Our Industry Coverage →



Our clients benefit from our local presence and global reach.

35

Locations
Worldwide

~2,000

Total Financial
Professionals

337

Managing
Directors⁽¹⁾

2,000+

Clients Served
Annually

\$11.33B

Market
Cap⁽²⁾

\$2.2B

Annual
Revenue⁽³⁾

AMERICAS

Atlanta	Los Angeles
Baltimore	Miami
Boston	Minneapolis
Charlotte	New York
Chicago	San Francisco
Dallas	São Paulo
Houston	Washington, D.C.

EUROPE AND MIDDLE EAST

Amsterdam	Milan
Antwerp	Munich
Dubai	Paris
Frankfurt	Stockholm
London	Tel Aviv
Madrid	Zurich
Manchester	

ASIA-PACIFIC

Beijing	Shanghai
Gurugram	Singapore
Hong Kong SAR	Sydney
Mumbai	Tokyo

(1) As of December 31, 2024. (2) As of March 31, 2025. (3) LTM ended December 31, 2024.

Fully Integrated Financial
Sponsor Coverage

27

Senior officers dedicated to the sponsor community in the Americas and Europe.

1,900+

Sponsors covered, providing market insights and knowledge of buyer behavior.

800+

Companies sold to financial sponsors over the past five years.



ONE HOULIHAN LOKEY

GLOBAL CONFERENCE

Introducing ONE Houlihan Lokey

Conference

 May 13–15, 2025

 New York Marriott Marquis

T Business Services | Industrials | Oil and Gas

W Consumer | Healthcare

Th Financial Services | FinTech | Tech



Unable to participate in the NYC event?
Join us in London, November 18-20.

Houlihan Lokey is proud to announce the largest showcase of dynamic businesses through a series of multiday conferences in 2025, one of which will be hosted at the New York Marriott Marquis this May. This premier event will bring together the brightest minds in their industries and offer unmatched opportunities for networking, relationship building, and knowledge sharing.

This event will highlight key themes from across more than 160 sectors within multiple industries and services, including:

- Business Services
- Capital Solutions
- Consumer
- Financial Services
- Financial Sponsors
- FinTech
- Healthcare
- Industrials
- Oil and Gas
- Tech

ONE Houlihan Lokey is designed to connect decision-makers, highlight cutting-edge insights, and enable meaningful discussions amid evolving market dynamics. Across all three days, we look forward to welcoming you for:

- **Powerful Insights:** Hear from a multitude of companies spearheading change in their respective industries.
- **Unparalleled Networking Opportunities:** Engage with thousands of attendees from across global markets.
- **Meaningful Engagement:** Targeted one-on-one meetings will offer exclusive opportunities for connecting with senior capital providers.

Conference Highlights

450+
Participating Companies

100+
Panel Discussions

8 to 10
Targeted One-on-One
Meetings per Participating
Company



About Our Insurance Team

The insurance sector coverage team, which operates within Houlihan Lokey's Financial Services Group, has earned a reputation built over three decades for providing superior service and achieving outstanding results in M&A advisory, capital-raising, restructuring, and financial and valuation advisory services.

The global Houlihan Lokey Financial Services team has more than 80 dedicated financial professionals located in five offices around the world, including New York, Miami, Atlanta, Chicago, and Tokyo. We are deeply experienced in advising clients across business models of all types, including advisory, distribution, services, technology, and balance-sheet-driven companies. When our experience is combined with our comprehensive understanding of the industry's financial, regulatory, and competitive dynamics, we are able to more effectively analyze a full range of strategic options, such as acquisitions, divestitures, capital-raising, and asset-sale transactions.

Featured Transactions

RISK TRANSFER PARTNERS
has been acquired by
CRC GROUP
a portfolio company of
STONE POINT CAPITAL
CD&R
Sellside Advisor

NSM Insurance Group
a portfolio company of
CARLYLE
has sold its U.S. commercial insurance division to
NMC
NEW MOUNTAIN CAPITAL
Sellside Advisor

doma
has been acquired by
a portfolio company of
TITLE RESOURCE GROUP
a portfolio company of
Centerbridge
Financial Advisor

SIMPLICITY GROUP
a portfolio company of
LEE EQUITY
has announced new investment from
SKYKNIGHT **DRAGONER**
Sellside Advisor*

Transaction Pending
THE DOCTORS COMPANY
has agreed to acquire
PROASSURANCE
Treated Party
Buyside Advisor

DOXA INSURANCE
a portfolio company of
CENTURY EQUITY PARTNERS
has been acquired by
Goldman Sachs
Sellside Advisor*

ACCUSERVE
a portfolio company of
AQUILINE CAPITAL PARTNERS, LLC
has been recapitalized by
FLEXPOINT FORD
Sellside Advisor*

THL
has made a majority investment in
YA
Buyside Advisor*

Subsector Coverage



Property and Casualty



Life and Health



Insurance Services



Retail and Wholesale Distribution



Specialty Underwriting MGA/MGU



Warranty



Life Settlements

Leadership | Financial Services Group



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Contact Us

Please reach out to us to schedule a call to discuss this quarter's market update or to explore how we can serve your business needs.

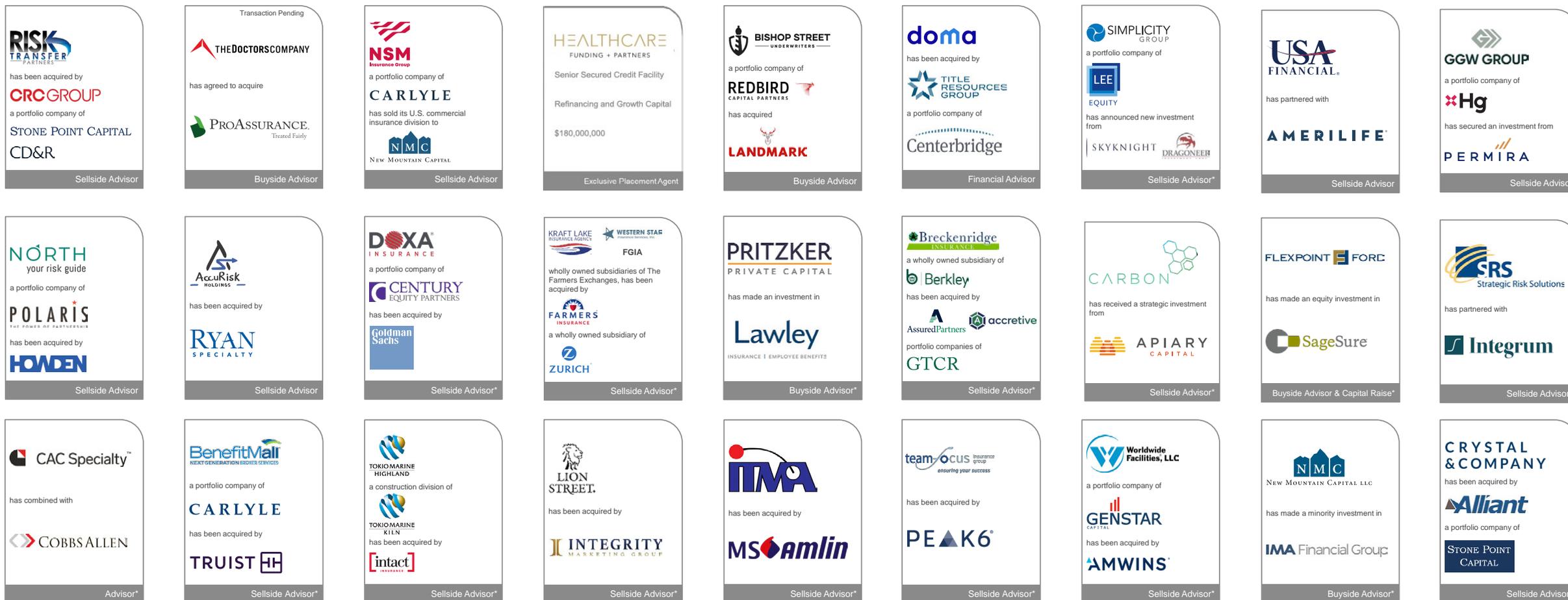
Request a Meeting

Learn More About Us

Superior Insurance Distribution Experience Globally

Transaction activity and diversity provide market insights and context, inform go-to-market strategies, and drive outlier outcomes for our clients.

Insurance Distribution M&A Transactions



Source: SNL Financial

Tombstones included herein represent transactions closed from 2018 forward.

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Houlihan Lokey Acquires Waller Helms Advisors...

Waller Helms Advisors bolsters Houlihan Lokey's position in both the insurance and asset management subsectors.



Combined, the firm includes more than 90 professionals—including 24 Managing Directors—in Houlihan Lokey's Financial Services Group in the United States, Europe, and Japan.



Since its founding in 2014, Waller Helms Advisors has advised on more than 230 transactions and over \$40B in aggregate value.



In 2024, Waller Helms Advisors completed more than 30 transactions for an aggregate value of approximately \$8.5 billion, with insurance transactions averaging nearly \$500 million.



As a single entity, Houlihan Lokey's Financial Services Group serves as the No. 1 advisor for all global financial services transactions, including insurance distribution, insurance services, wealth management/investment services, and diversified financials subsectors.



The combined Financial Services Group will leverage a robust U.S. platform and extensive expertise across insurance and wealth management subsectors to ensure clients benefit from unparalleled resources and improved outcomes.

Source: LSEG (formerly Refinitiv).

(1) Excludes accounting firms and brokers. Excludes banks.

2024 No.1
Financial Services
M&A Advisor⁽¹⁾

1
**Houlihan
Lokey**

2
**Goldman
Sachs**

3
J.P.Morgan

Combined Firm Is the No. 1
Global M&A Advisor for
Financial Services

No. 1

Diversified Financials
M&A Advisor

No. 1

Insurance
M&A Advisor

No. 1

Wealth and Asset
M&A Advisor



And Creates a Powerhouse Across Financial Services M&A Advisory

With highly complementary subsector expertise and geographies, Waller Helms Advisors completes Houlihan Lokey's Financial Services Group.



Houlihan Lokey



WHA | Waller Helms Advisors



Insurance and Insurance Services

Deepens and expands the Financial Services Group's existing insurance coverage.



Asset and Wealth Management

Supplementing strong asset management coverage with deep PWM expertise.



Talent and Passion

Shared philosophy on attracting and developing the best talent in the industry.



Extraordinary Client Care

Hands-on support and a true client-first approach drive repeat transactions.



Global Platform

Provides significant runway for growth fueled by continued industry tailwinds.



Geography

Waller Helms Advisors' (WHA) 30+ professionals in Chicago add the crucial Midwest region to the Financial Services Group.

At its core, WHA has deep sector expertise in insurance and insurance services and asset and wealth management, and more importantly, a fierce dedication to client success.



Managing Directors have worked together for an average of 15+ years—12 of 13 Managing Directors were promoted from within, creating an unmatched track record of developing productive senior financial professionals.



Cultural compatibility and client-first ethos are a key part of what makes this combination so compelling beyond the numbers.



A pure financial advisor, WHA brings a hefty Rolodex of strong client relationships ripe for cross-selling opportunities across private capital markets, restructuring, valuations and opinions, and GP stakes.



WHA's nearly 50 financial professionals, including 13 Managing Directors, have joined Houlihan Lokey's Financial Services Group in Chicago, New York, Miami, and Atlanta.





Insurance Brokers

02

Introduction **Insurance Distribution Market Update**

Houlihan Lokey is pleased to present its Insurance Distribution Market Update for Q1 2025. Recently, the insurance distribution landscape has seen a significant transformation resulting from several multibillion-dollar M&A transactions.

As we move into 2025, the insurance distribution sector remains highly sought after by investors seeking platforms. This supply-demand imbalance will continue to keep valuations elevated.

With this update, we discuss key sector trends and share the latest public and private transactions along with valuation themes shaping the insurance distribution landscape. In addition, we look at recent events in the wholesale and MGA portions of the market that are arguably experiencing the most activity as of late.

Particularly during a choppy macroeconomic environment, we remain optimistic about the near- and long-term prospects for insurance brokers, as secular tailwinds continue to power the sector's growth and countercyclicality to the rest of the market. Demand for insurance assets remains robust, with M&A and financing activity sustaining healthy momentum and valuations holding firm among publicly traded players. Notably, we have observed an ongoing focus on specialized offerings as brokers and investors alike seek to capture expanding market opportunities.

Our firm has been advising the sector for nearly three decades and welcomes the opportunity to discuss recent transactions, emerging opportunities, or broader perspectives on the insurance brokerage and distribution ecosystems.



Featured Transactions Executed by Houlihan Lokey's Insurance Distribution Team

NSM Insurance Group Announces Definitive Agreement for New Mountain Capital to Acquire Its U.S. Commercial Insurance Division



NSM Insurance Group (NSM), a global specialty insurance provider, sold its U.S. commercial insurance division to New Mountain Capital (New Mountain), a leading growth-oriented investment firm with more than \$55 billion in assets under management. NSM is a portfolio company of global investment firm Carlyle.

The agreement encompasses NSM's diverse portfolio of 15 market-leading niche insurance programs across property and casualty, accident and health, and reinsurance—as well as its retail agency, NSM Insurance Brokers. These programs will form a new independent business entity, which will continue to be marketed as NSM until a new brand is established.

Closed April 15, 2025

CRC Group Acquires Risk Transfer Partners



CRC Group (CRC), a leading independent wholesale specialty insurance distributor in North America, announced the acquisition of Risk Transfer Partners (RTP), a top casualty-focused wholesale brokerage business. This strategic acquisition enhances CRC's capabilities and market reach, particularly in the construction, energy, environmental, and manufacturing sectors.

Founded in 2013 and based in Dallas, Texas, RTP has established a national platform with a proven track record of organic growth. The company's focus on delivering tailored solutions and investing in its producer base aligns seamlessly with CRC's mission to provide exceptional service and innovative insurance solutions.

Closed March 17, 2025

Healthcare Funding Partners Has Raised a \$180 Million Senior Secured Credit Facility



Healthcare Funding Partners (HFP), a healthcare insurance distribution company, has raised a \$180 million senior secured credit facility to repay existing indebtedness and fund growth initiatives. The transaction closed on February 10, 2025.

HFP is a leading healthcare insurance agent operating in the Affordable Care Act, Medicare Advantage, and ancillary insurance product markets. HFP works with the largest insurance carriers in the industry (including Aetna, United Healthcare, etc.). HFP also operates a strategic investment arm dedicated to equity and strategic partnerships within the insurance distribution sector.

Houlihan Lokey served as the exclusive financial advisor and placement agent to HFP, assisting the company in arranging, structuring, and negotiating the financing transaction.

Closed February 10, 2025

Simplicity Secures Investment From SkyKnight and Dragoneer



Simplicity Group Holdings, Inc. (Simplicity), a leading financial products distribution firm, has received a majority investment from SkyKnight Capital, LP (SkyKnight) and Dragoneer Investment Group (Dragoneer). As part of the transaction, Dragoneer and SkyKnight will invest equity in Simplicity to provide a liquidity opportunity for Simplicity's employee partners and acquire the interests held by funds managed by Lee Equity Partners (Lee Equity). The transaction marks a continuation of Simplicity's commitment to employee ownership and institutional investment, all of which reinforces Simplicity's unique partnership culture and accelerates the company's ability to better serve its clients.

Closed August 8, 2024

Executive Summary

The insurance distribution landscape continues to evolve as the largest brokers become larger. Despite the sustained higher interest rate environment, brokers have continued to generate high-single-digit organic growth, partially supported by the hard market rate environment over the past few years.

Consolidation and M&A

Overview

Insurance distribution transaction activity remains elevated as the industry continues to consolidate. While some players have reduced their pace of M&A over the past few years, it continues to be an effective value creation lever, especially for PE-backed brokers. Over the past five years, insurance broker M&A in the U.S. and Canada has averaged **~750 transactions per year, over 50% of which had some form of private equity involvement.**⁽¹⁾

Race to the Top

Over the past 12 months, the three largest brokers, Marsh McLennan, Arthur J. Gallagher, and Aon have all made significant acquisitions representing **more than \$25 billion in total transaction value.**⁽²⁾ Additionally, **eight of the top 25 largest insurance broker transactions of all time have occurred in the past 24 months, totaling more than \$50 billion in total transaction value.**⁽²⁾

IPO or Perpetual Recap?

Given The Woodlands Financial Group's (TWFG) successful IPO and the trading levels of other growing brokerage platforms, we expect to see more brokers test the public markets as an exit alternative; however, given recent market volatility, the IPO window may have closed.

Insurance Rates and Pricing

Pricing Environment

The broader P&C insurance sector has experienced a **hard market over the past several years**, with the exception of workers' compensation, which has stayed relatively flat for the past decade or so. The property market has seen the most hardening recently but is subsiding.

Excess and Surplus Market

Rising loss costs driven by both major CAT property events as well as social inflation **have helped support the growth of the E&S market**, with no signs of abating.

Macroeconomic Perspective

Tariffs

Insurance distribution stocks have performed well despite the recent market correction **highlighting the countercyclical and recurring revenue attributes** that make this business model so attractive.

Interest Rates

While higher interest rates have made M&A more challenging, **lenders continue to aggressively support the sector.**

Overview

Several recent trends have affected change throughout the insurance distribution sector, with underpinnings rooted in consolidation and inorganic growth, responses to industry trends, technological developments, and changing consumer expectations.

Increased CAT activity and losses across standard lines have forced acceleration in specialty lines, creating a feeding frenzy for MGAs and wholesalers.

Recapitalization activity has been muted in the past 15 months, but we expect that to change given the number of PE-backed platforms four-plus years into the investment.

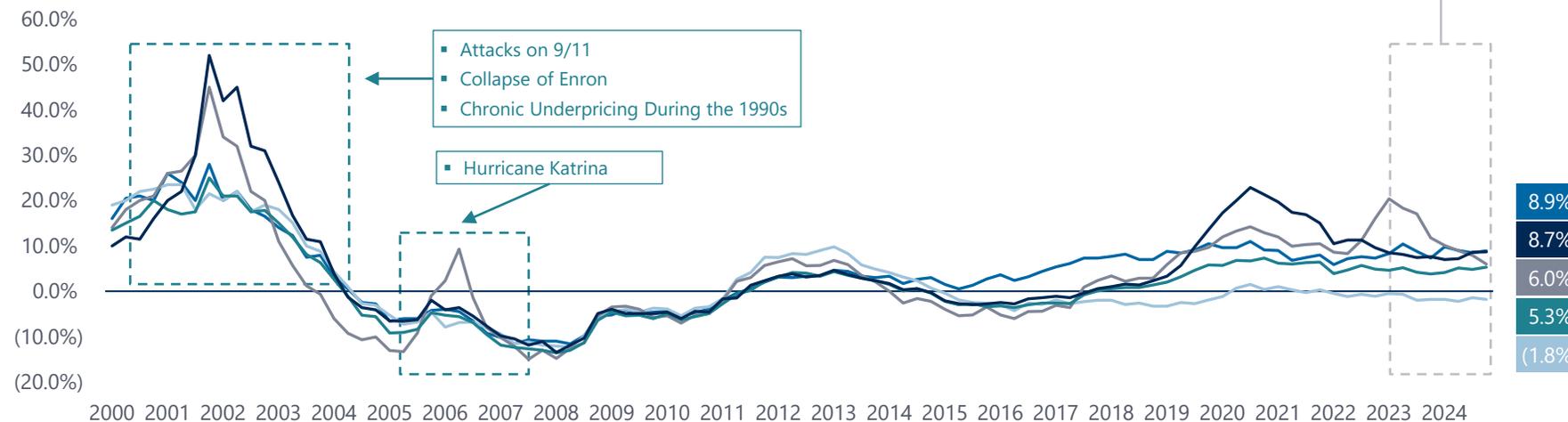
Commercial P&C Rate Environment

Commercial P&C pricing has steadily increased for over the past eight quarters, but moderation is expected as inflation abates, and rates catch up to loss cost trends.

Commercial Lines Pricing—Past Eight Quarters



Commercial Lines Pricing—Past 25 Years



Commentary

Overall, P&C direct written premiums have grown at a consistent, steady pace for the past 25 years, with more significant growth breaking the 6% threshold in the most recent decade.

Nearly all lines have experienced a hard market over the past five years, with property seeing the biggest impact. However, recent data points suggest the property market is flattening.

Commercial auto has seen the longest hard market and consistently experiences high-single-digit rate increases every year due to continued pressure on loss costs.

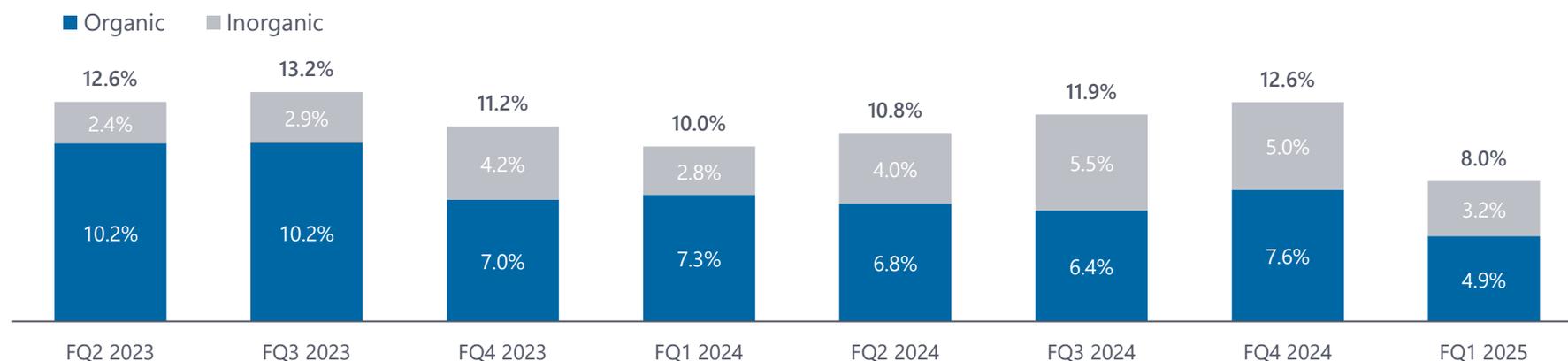
The casualty market is seeing some signs of hardening based on adverse development from pre-COVID-19 policy periods and expected development post-COVID-19.

Workers' comp rates have been flat to down for nearly a decade, despite inflationary pressures, as frequency trends have been benign.

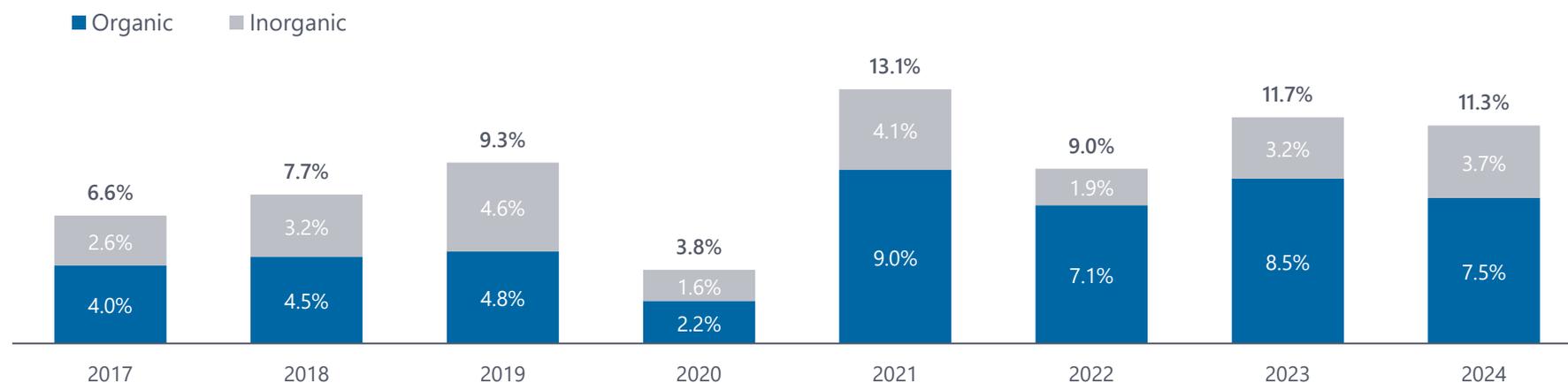
Expansive Growth Across the Broker Landscape

Brokers continue to deliver strong organic growth with rates remaining at high single digits, as well as robust total growth rate bolstered by rampant acquisitions of small-cap brokers.

Quarterly Broker Revenue Growth



Annual Broker Revenue Growth



Sources: SNL Financial, public filings.

Note: AON has not yet reported Q1 2025 financials; therefore, the above Q1 2025 values are an average of AJG, BRO, MMC, and WTW.

Brokers Included in This Analysis

AON



Arthur J. Gallagher & Co.

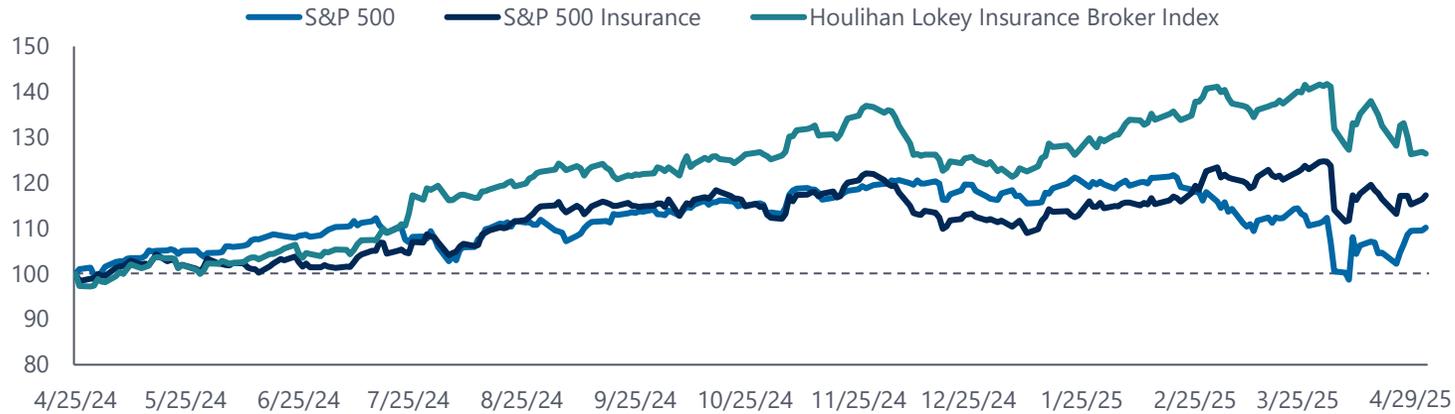
B_B Brown & Brown
INSURANCE®

MarshMcLennan

wtw

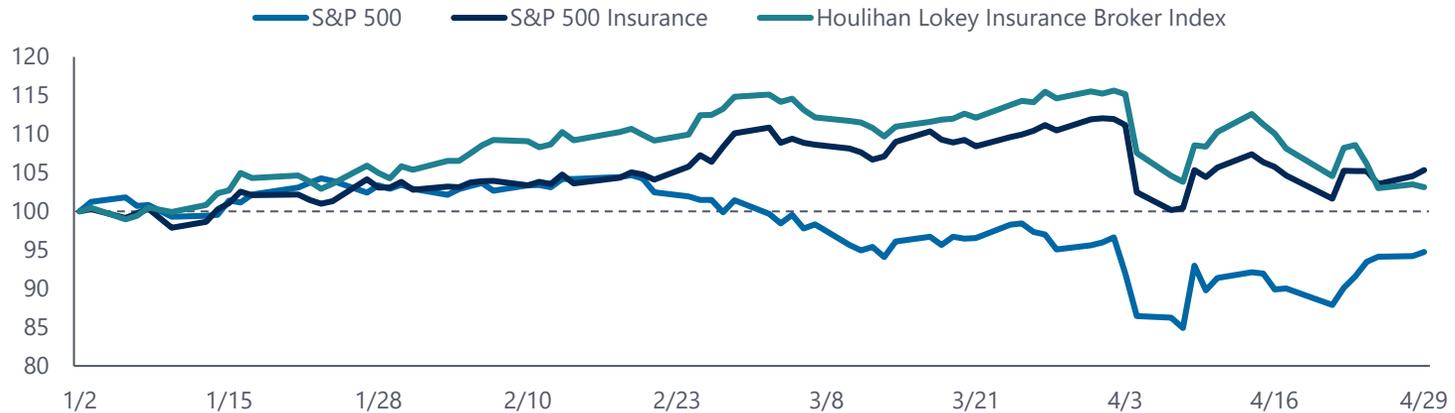
Equity Market Index Performance

LTM April 2025 Performance



Houlihan Lokey Insurance Broker Index ⁽¹⁾	26.4%
S&P 500 Insurance	17.3%
S&P 500	10.1%

YTD April 2025 Performance



S&P 500 Insurance	5.4%
Houlihan Lokey Insurance Broker Index ⁽¹⁾	3.1%
S&P 500	(5.2%)

Source: S&P Capital IQ. Data as of Tuesday, April 29, 2025. All share prices rebased to 100.

Note: The S&P 500 Insurance Index comprises stocks in the S&P Total Market Index that are classified in the GICS insurance brokers, life and health insurance, multi-line insurance, P&C insurance, and reinsurance subindustries.

(1) The Houlihan Lokey Insurance Broker Index consists of a diversified set of 9 companies across the insurance services sector (see page 20).

Key Takeaways

Over the past 12 months, the Houlihan Lokey Insurance Broker Index (HLIBI) was up 26.4%, significantly outperforming the relatively flat performance of the S&P 500, as well as the 17.3% YoY growth of the S&P 500 Insurance Index, which was largely driven by continued organic and inorganic revenue growth.

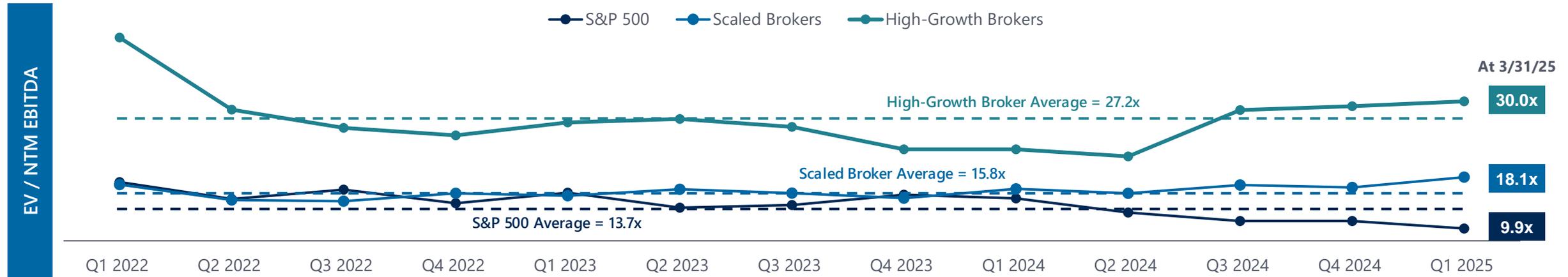
As of April 29, 2025, the HLIBI was up 3.1% and the S&P 500 Insurance Index was up 5.4%, outperforming the S&P 500 by ~8% and ~10%, respectively.

Insurance brokers have proven resilient during the most recent tariff-driven market correction. As with prior macro-driven economic events (COVID-19, GFC), brokers have remained a safe haven for investors due to their recurring revenue and high free cash flow generation attributes.

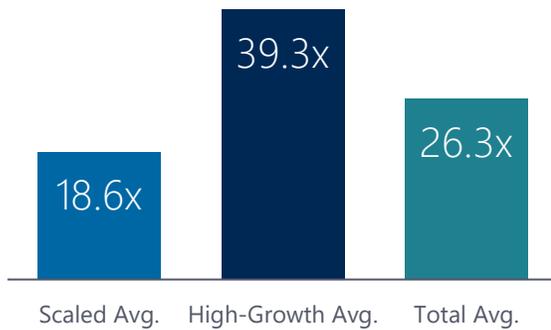
As we move into the rest of 2025, broader economic uncertainty, combined with a potentially improving rate environment, could point to accelerated M&A in the mid-term.

Public Valuations: Insurance Brokers

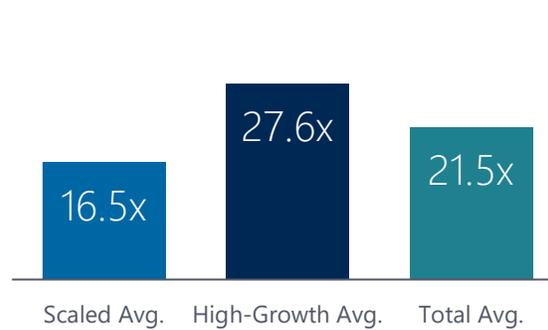
Overall industry multiples retracted in 2022 as interest rates spiked, raising the cost of capital; however, fundamentals remained strong in the brokerage sector throughout 2024 and are expected to continue into 2025.



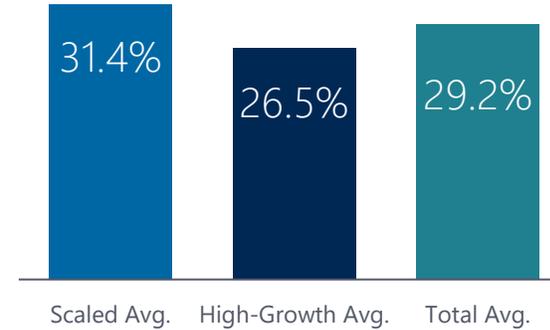
EV/Trailing EBITDA | 2024A



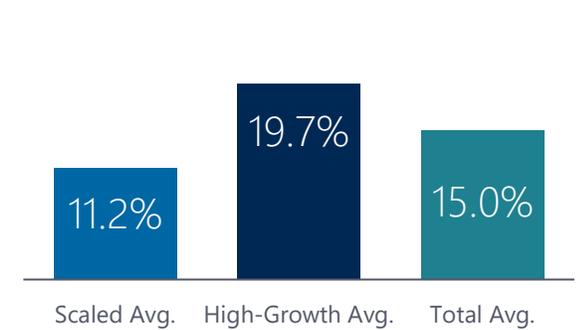
EV/Forward EBITDA | 2025E



EBITDA Margin | 2025E



Revenue Growth | 2025E



Notes: Financial data as of latest available. Market data as of April 29, 2025: Insurance brokers include MMC, AON, AJG, BRO, WTW, BRP, RYAN, GSHD, and TWFG.
 Source: S&P Capital IQ.

Insurance Broker Benchmarking: Publicly Traded Comparable Companies

Broker Benchmarking

	 Marsh McLennan	 Arthur J. Gallagher & Co.	 AON	 Brown & Brown INSURANCE	 wtw	 RYAN SPECIALTY	 The Baldwin Group	 goosehead INSURANCE	 TWFG INSURANCE
EV/Revenue 2025E	4.8x	5.7x	5.4x	6.6x	3.6x	6.6x	4.4x	10.4x	7.3x
EV/EBITDA 2025E	16.9x	17.2x	16.5x	18.9x	13.1x	20.0x	19.1x	34.7x	36.7x

Broker Trading Comparables

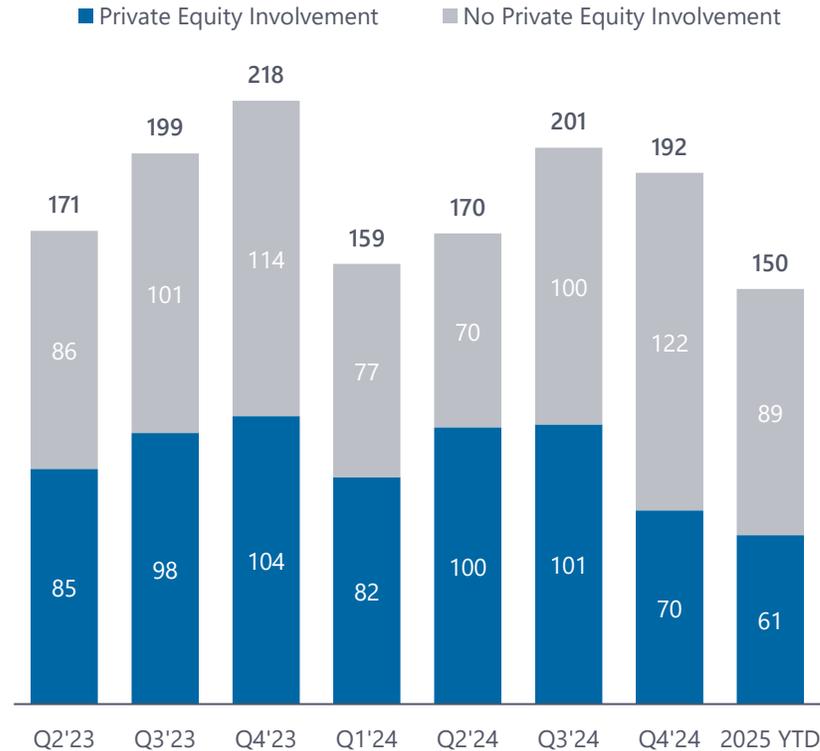
\$ in Millions; Data as of 4/29/2025

Company Name	Market Cap	Enterprise Value	Stock Price	Performance	Growth		Valuation		Profitability		Leverage		
				% of 52 Week High	Revenue Growth		EV/Revenue	EV/EBITDA	EBITDA Margin	Debt/LTM EBITDA			
					One-Year	Three-Year	2024A	2025E	2024A	2025E	2024A	2025E	
Scaled Brokers													
Marsh & McLennan	\$109,386	\$130,404	\$222.00	90%	8%	23%	5.3x	4.8x	18.0x	16.9x	30%	29%	2.9x
Arthur J. Gallagher	80,776	79,720	317.14	90%	14%	37%	7.3x	5.7x	22.0x	17.2x	33%	33%	3.6x
Aon	75,557	93,426	349.90	85%	17%	29%	6.0x	5.4x	18.4x	16.5x	32%	33%	3.3x
Brown & Brown	30,951	34,340	107.99	86%	12%	54%	7.3x	6.6x	21.5x	18.9x	34%	35%	2.3x
Willis Towers Watson	29,998	34,500	302.55	88%	5%	10%	3.5x	3.6x	13.0x	13.1x	27%	27%	2.2x
High-Growth Brokers													
Ryan Specialty	\$16,843	\$20,238	\$64.31	83%	21%	71%	8.2x	6.6x	30.3x	20.0x	27%	33%	5.0x
The Baldwin Insurance Group	4,949	6,725	42.09	75%	14%	143%	4.9x	4.4x	41.6x	19.1x	12%	23%	8.0x
Goosehead	3,578	3,803	95.92	74%	21%	109%	12.1x	10.4x	n.m.	34.7x	23%	30%	4.2x
TWFG	1,770	1,787	31.56	86%	16%	--	9.2x	7.3x	45.9x	36.7x	20%	20%	0.3x
Scaled Broker Median				88%	12%	29%	6.0x	5.4x	18.4x	16.9x	32%	33%	2.9x
Scaled Broker Average				88%	11%	31%	5.9x	5.2x	18.6x	16.5x	31%	31%	2.8x
High-Growth Broker Median				79%	18%	90%	8.7x	7.0x	41.6x	27.3x	21%	26%	4.6x
High-Growth Broker Average				80%	18%	81%	8.6x	7.2x	39.3x	27.6x	20%	26%	4.4x
Total Median				86%	14%	37%	7.3x	5.7x	21.7x	18.9x	27%	30%	3.3x
Total Average				84%	14%	53%	7.1x	6.1x	26.3x	21.5x	26%	29%	3.5x

Notes: Financial data as of latest available. Market data as of April 29, 2025.
Source: S&P Capital IQ.

Insurance Brokerage M&A Highlights

Insurance Broker Transactions in the U.S. and Canada⁽¹⁾



Total M&A Transactions

2022	2023	2024
720	786	722

Source: S&P Capital IQ.
(1) Data as of April 29, 2025.

Notable Transactions

Date	Target	Acquirer	Deal Value \$M
Mar-25	WOODRUFF SAWYER	Gallagher	\$1,200
Jan-25	Kaplansky Insurance	ALERA GROUP	-
Jan-25	UniVista INSURANCE	GRAM	\$700
Dec-24	AssuredPartners	Gallagher	\$13,450
Sep-24	McGriff	Marsh	\$7,750
Aug-24	W INSURANCE	IMA	-
Aug-24	HORTON	Marsh	-
Jul-24	SUNSTAR INSURANCE GROUP	RCP REVERENCE CAPITAL PARTNERS	-
Jun-24	virtus	LNC PARTNERS	-
Jun-24	YourPolicy	LNC PARTNERS	-
May-24	Silveus INSURANCE GROUP	RISK strategies	-
Apr-24	Fisher Brown Bottrell	Marsh	\$345
May-14	INSURVIA	BHARCAP PARTNERS	-
Feb-24	TRUIST	STONE POINT CAPITAL	\$12,600

Key Takeaways

Insurance broker transaction volume in Q4 2024 decreased marginally compared to the previous quarter and YoY. Despite stagnant deal volume in early 2024, aggregate transaction value in 2024 has decreased slightly YoY and remains in line with 2022 M&A volume. Private equity involvement has remained at a ~50/50 split since Q1 2022.

Throughout 2024, the Federal Reserve continued to lower the federal funds target rate, with additional cuts anticipated in 2025. This, coupled with expected changes in regulation from the new government, is projected to fuel the M&A environment.

Most of the notable activity across the sector has been larger brokers acquiring well-established brands. Outside of a couple of non-standard auto transactions (Insurvia and UniVista), the only majority recapitalization was Reverence's investment in Sunstar. We expect more recap opportunities over the next 12 months.

PE-Backed Broker Landscape

Platform	Investor	Investment Date
		Oct 15
		Mar 21
		Feb 17 ⁽¹⁾
		Jan 21
		Nov 12 ⁽²⁾
		May 19
		Jan 22
		Mar 12
		Nov 21
		Apr 16
		Dec 24
		Jan 20
		Jul 22
		Jan 17 ⁽³⁾

Platform	Investor	Investment Date
		Dec 20
		Jul 19
		Dec 09
		Apr 21
		Aug 13 ⁽⁴⁾
		Oct 20
		Oct 23
		Nov 24
		Jul 18
		Apr 22
		Sep 23
		Oct 20
		Oct 21
		Jan 19

Platform	Investor	Investment Date
		Aug 22
		Jan 19
		Jul 24
		Dec 20
		Oct 19
		Jul 15
		Nov 21
		Feb 23 ⁽⁵⁾
		Mar 22
		May 17
		Jan 21
		Nov 22
		Sep 23
		Apr 20

To view the full market map, please contact Pete Nero (Peter.Nero@HL.com)

Source: Business Insider, SNL Financial, PitchBook

(1) Flexpoint invested in 2021 through Propel's merger; (2) Stone Point invested in 2015 and PSP in 2019; (3) Partners Group acquired a controlling stake in Foundation in August 2022; (4) Atlas invested in 2017, LGP invested in 2023; (5) Carlyle invested in 2023



Wholesale Distribution and
Managing General Agencies
(MGAs)

03

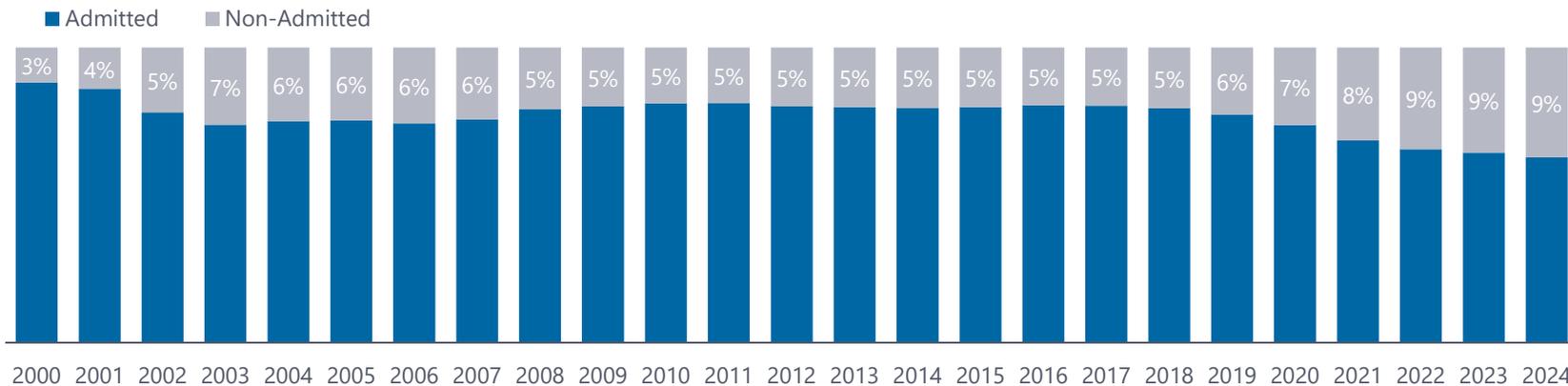
Excess and Surplus (E&S) Market Is Expanding

Increased CAT activity has led to poor performance across standard lines carriers; industry advancement has created new and unique risks, driving accelerated growth in the E&S market; over the past six years, non-admitted premiums are beginning to take up a larger portion of total direct premiums written when compared to admitted lines.

E&S Direct Premiums Written



E&S as % of Total P&C Direct Premiums Written



Sources: CIAB, SNL Financial.
(1) As of Q4 2024.

Commentary

- The non-admitted E&S market has averaged more than 10% annual growth over the past 25 years. Additionally, since 2020, it has averaged 20% annual growth, the main drivers of which have been:
 - Increasing frequency and severity of catastrophe losses.
 - Increasing nuclear jury verdicts and social inflation contributing to limit losses.
 - Challenging regulatory environment limits admitted carriers from achieving rate adequacy efficiently.
- Given that the E&S market is free of standard rate and form regulations, specialty carriers are able to price products more efficiently and commensurate with the risk.
- It is estimated that ~24% of risks being underwritten are bespoke, complex, or larger risks taken by specialty insurance carriers, with the remaining ~76% being more traditional risks of the commercial market.

Wholesale Brokerage Market Update

RYAN SPECIALTY

Summary

- Ryan Specialty has been the most active acquirer of MGAs in 2024, adding eight platforms for an estimated transaction value of more than \$3.4 billion.
- Attractive public market valuation has enabled Ryan to be aggressive in seeking out platforms that fit its business model, which will drive organic growth going forward.
- In July 2024, Ryan announced that Tim Turner would take over for Pat Ryan as CEO, with Pat remaining involved as Executive Chairman.

Featured Transactions

CASTEL

Acquired Castel Underwriting Agencies for undisclosed amount on May 1, 2024.

ethos specialty

Acquired Ethos' P&C MGUs for \$44 million on September 13, 2024.



Acquired for undisclosed amount on October 1, 2024.

geo/

Acquired for undisclosed amount on September 3, 2024.



Acquired for undisclosed amount on August 19, 2024.



Acquired for \$450 million on November 4, 2024.



Acquired for \$525 million on February 3, 2025.



Acquired for \$1.2 billion on August 30, 2024.

CRC GROUP

Summary

- CRC Group has been active internally following the separation of the business from Truist Bank by Stone Point and CD&R.
- Completely refocused its attention on the wholesale/ MGA market by divesting McGriff and Crump and rebranding as CRC Group.
- Has already completed two meaningful transactions that will serve as a catalyst for the transformation and rebranding.

Featured Transactions



Acquired for undisclosed amount on March 19, 2025.



Acquired for undisclosed amount on December 16, 2024.



Divested for undisclosed amount on March 3, 2025.



Divested retail platform for \$7.75 billion on November 15, 2024.

AMWINS®

Summary

- Remains the largest wholesale broker and is still privately held.
- Similar to Ryan, continued its M&A track record by acquiring four businesses, all MGAs.
- Also announced leadership changes, elevating Ben Sloop to President and James Drinkwater to Vice Chairman.

Featured Transactions



Acquired via LBO via financial sponsors for undisclosed amount on February 28, 2025.



Invested \$250 million of growth/expansion capital on May 15, 2023.



Acquired via LBO via financial sponsors for undisclosed amount on December 31, 2024.



Invested minority equity on June 3, 2024.



Acquired for undisclosed amount on January 5, 2024.

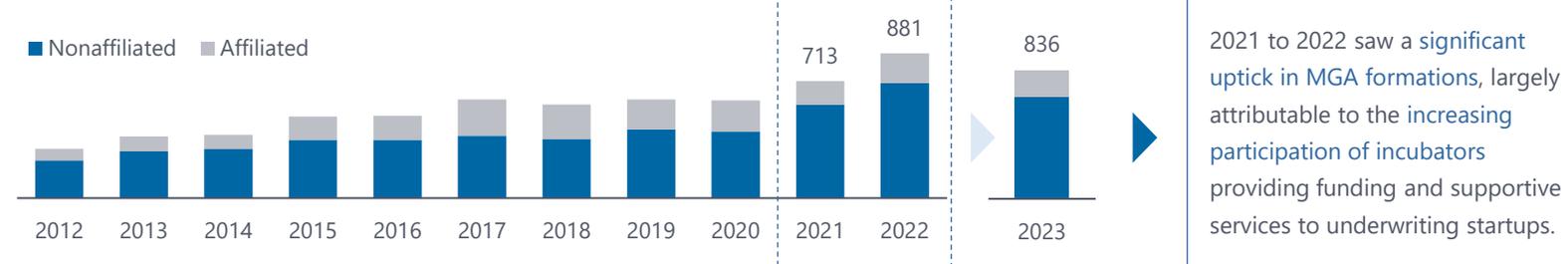
MGA Market Snapshot

Overview

The program market is one of the hottest areas of the insurance sector and is attracting a significant amount of capital, talent, and technology investment.

- Often at the forefront of product development, the underwriting expertise and entrepreneurial spirit of MGA owners, underwriters, and PAs continue to deliver both above-market growth, innovation, and profitability to the insurance market.
- Brokers and MGAs have become a relied-upon distribution channel for both insureds and insurers of all types: large nationals, reinsurers, fronting insurers, international markets, and smaller specialty insurers.

Number of Active P&C MGAs⁽¹⁾



MGA Premium Growth

\$ in Billions



Sources: S&P Global Market Intelligence, Conning.

(1) Per Conning's proprietary MGA database; active MGAs defined as those listed in key annual statement filings.

Growth Profile

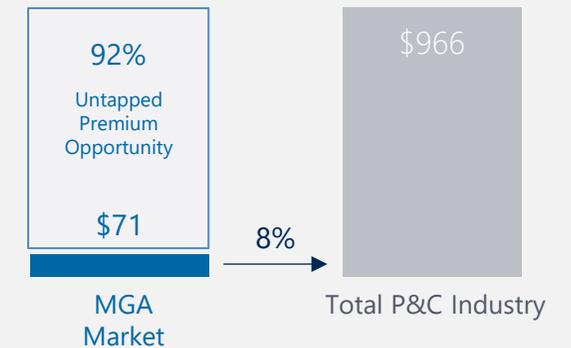
2022–2023 U.S. P&C Insurance Premium Growth



Rapidly Growing Program Segment

Market Sizing

2023 Direct Premiums; \$ in Billions



With Significant Future Runway

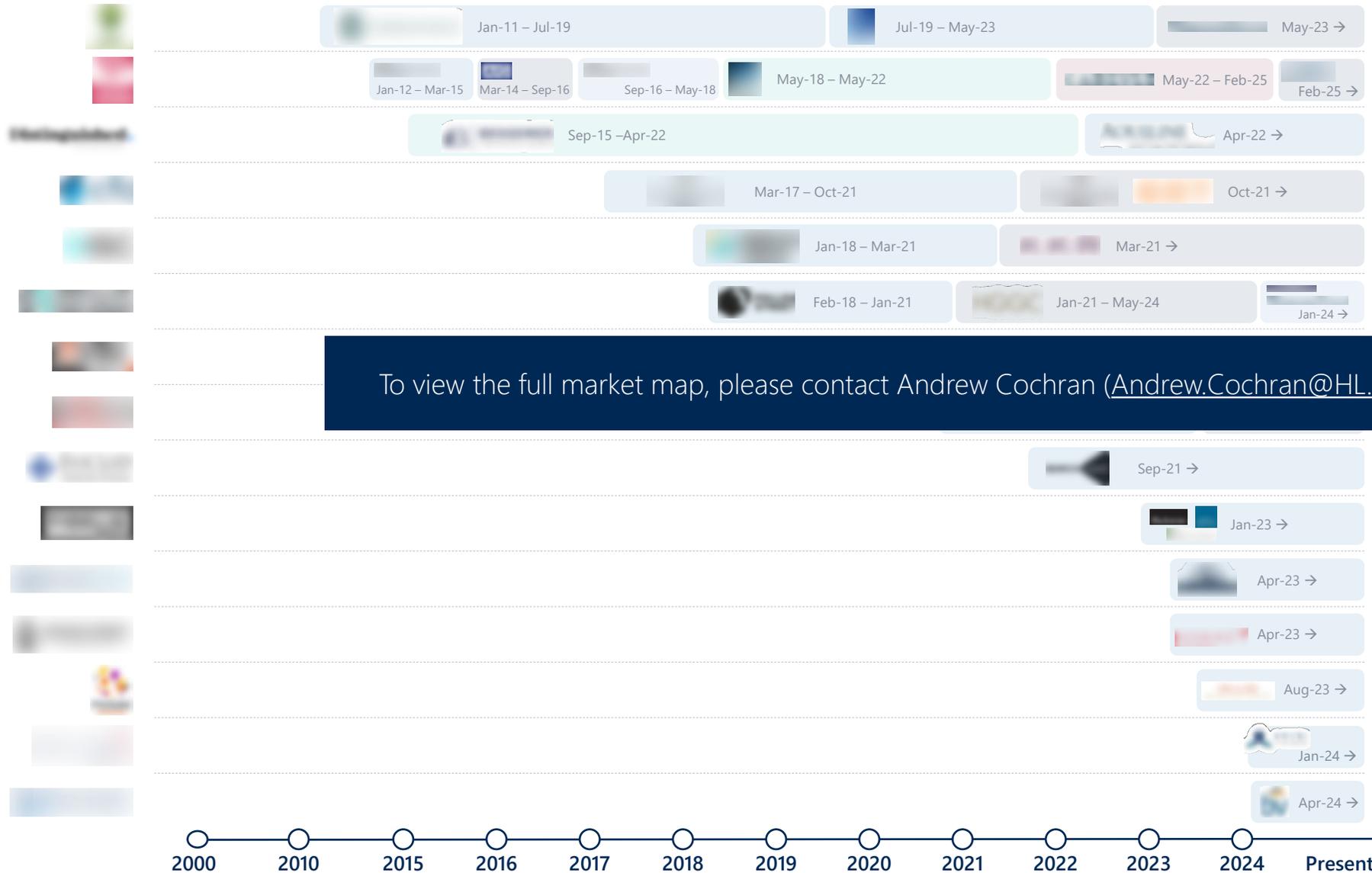
Featured Wholesale/MGA M&A Activity

M&A and capital-raising activities within the sector have been robust in recent years, with deal values and transaction types vastly varying across all subsectors.

Date	Target	Buyer	Deal Value (\$M)	Target Description
3/19/2025			-	Provider of wholesale casualty broker services catering to energy, construction, environmental, and manufacturing industries.
2/24/2025			-	Carve-out of a scaled, national platform of 15 programs out of the NSM Insurance Group.
2/20/2025		 	-	Provider of specialized insurance in professional indemnity, after-the-event, and commercial risks.
2/03/2025			\$525	National property MGA owned by Oaktree Capital; simultaneously sold the balance sheet component of the business to FM Global.
12/16/2024			-	Provider of surplus lines insurance, professional liability insurance, property and casualty insurance, and workers' compensation insurance.
11/27/2024			-	Tech-enabled MGA focused on the condominium association and habitational market.
11/19/2024			-	MGA focused on the treaty reinsurance market.
11/11/2024			-	Provider of risk management solutions related to transactions, offering multiple solutions, including representations and warranties (R&W) and tax insurance.
11/04/2024			\$450	Tech-enabled platform of MGAs with business in the U.S. and the U.K.
8/30/2024			\$1,184	Scaled, tech-enabled builders risk MGA platform.
8/30/2024			-	Diversified portfolio of programs owned by the publicly traded Conifer Insurance Company.
6/05/2024			\$282	Insurance underwriting and MGA incubation and funding platform.
5/01/2024			-	Provider of underwriting services intended to help individuals and teams launch their own underwriting business units.

Sources: S&P Capital IQ, PitchBook, SNL.

Evolution of the Private Equity-Backed MGA Platform



To view the full market map, please contact Andrew Cochran (Andrew.Cochran@HL.com)

Key Points

Interest in MGA platforms from the investor community has grown substantially over the last decade. In addition to this list, there are many MGA platforms that have utilized private equity to scale and have since sold to strategics. These include Arrowhead, Constellation, Worldwide, [redacted], [redacted], Wellington, among others.

The MGA business model has matured and demonstrated to private equity the sustainability and growth opportunity available for underwriting organizations.

While more and more platforms are launching, there are few platforms with scale creating a supply demand imbalance. This has pushed valuations in excess of their retail brokerage counterparts.

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