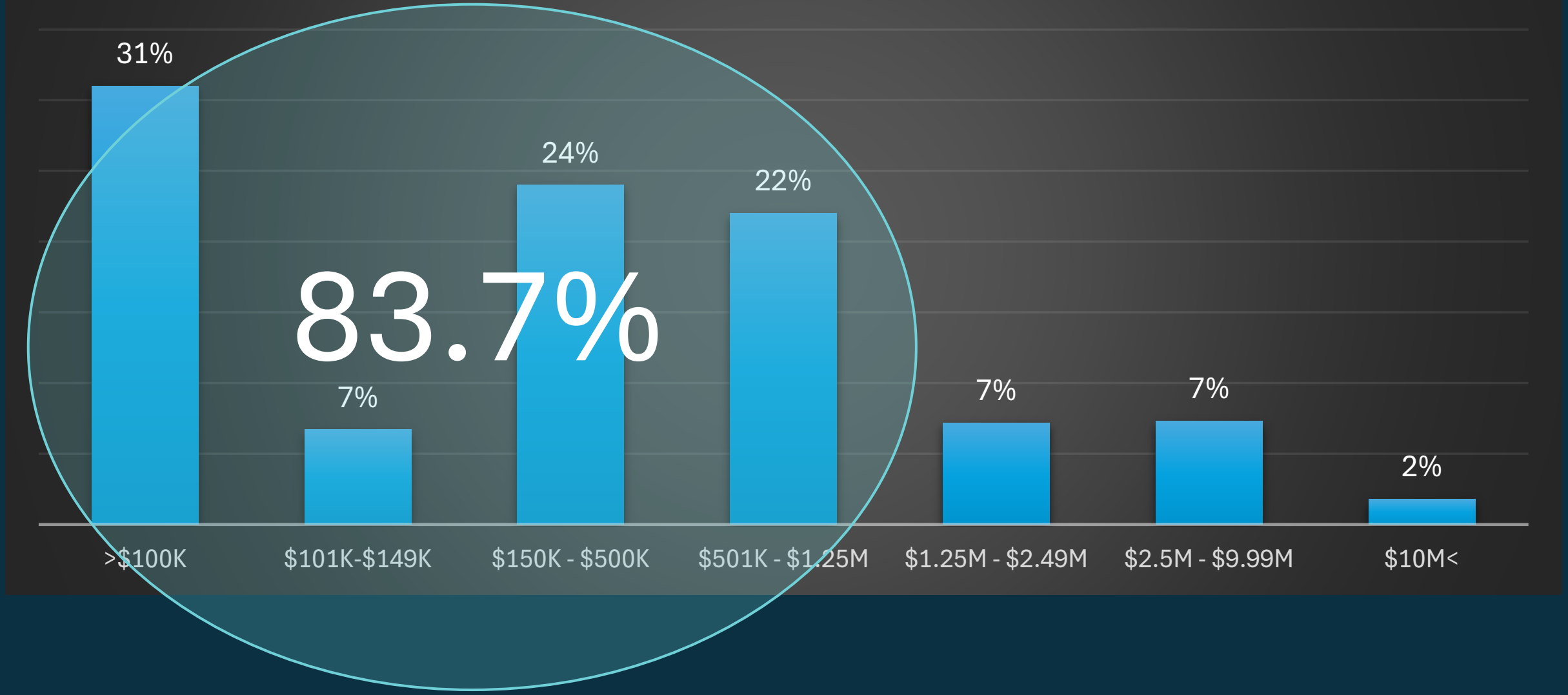
# Network’s Impact on Agency’s Value

# Independent Agencies by Size - 2025



# Agency Networks

61%

23,790

AGENCIES

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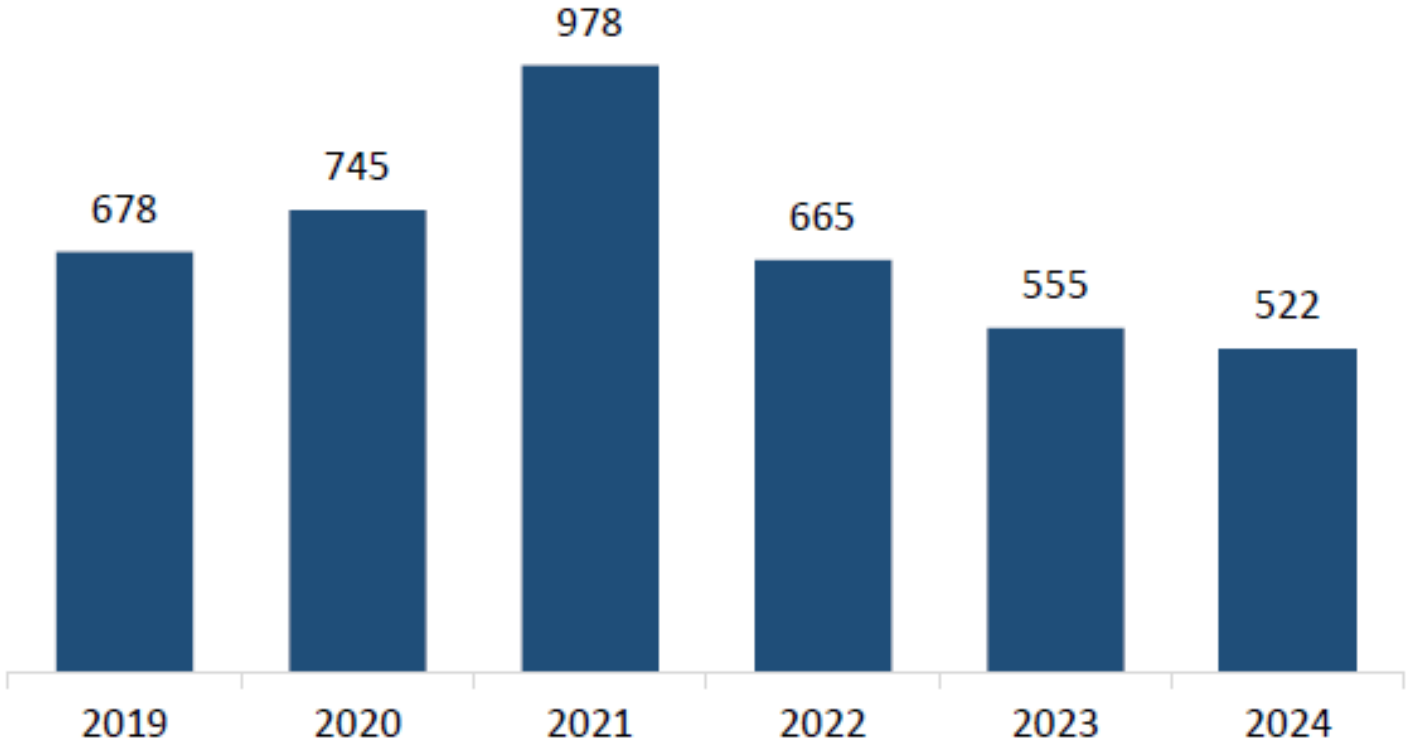
## Number of Insurance Broker Deals – North America

*Source: S&P Global Market Intelligence.*

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# M&A Announced Deals

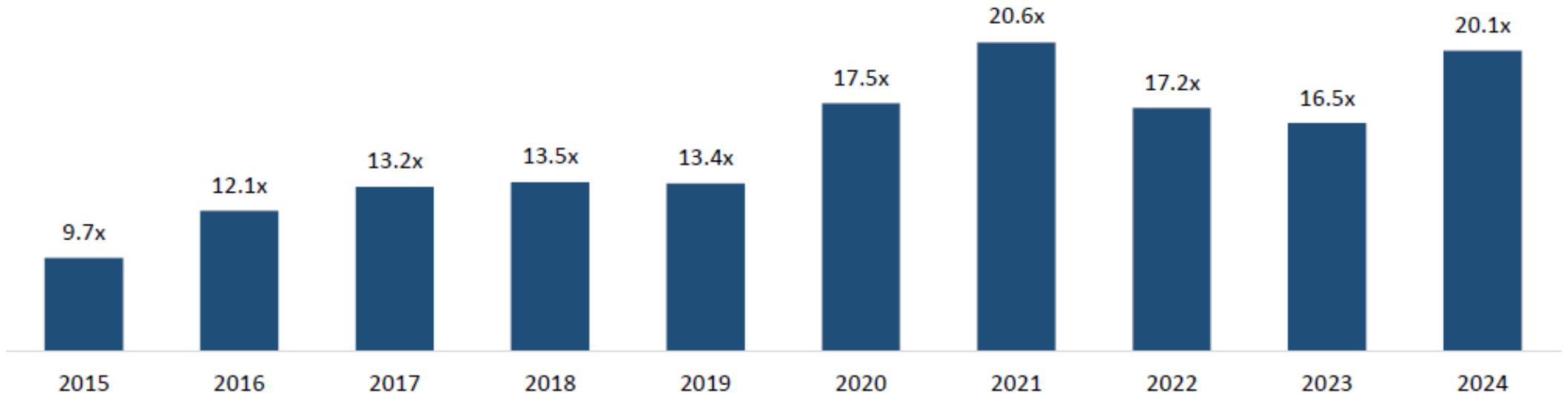
## Top Insurance Broker Acquirers

| Acquirer | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| BroadStreet Partners | 35 | 62 | 43 | 34 | 58 | 88 |
| HUB | 51 | 46 | 48 | 46 | 33 | 46 |
| Inszone Insurance Services | 6 | 10 | 16 | 23 | 36 | 44 |
| Arthur J. Gallagher | 28 | 22 | 24 | 18 | 26 | 25 |
| Keystone Agency Partners | 1 | 8 | 22 | 23 | 16 | 24 |
| ALKEME | 0 | 0 | 3 | 2 | 12 | 18 |
| High Street Insurance Partners | 4 | 10 | 56 | 17 | 12 | 14 |
| The Hilb Group | 24 | 20 | 29 | 18 | 18 | 13 |
| King Insurance Agency | 0 | 2 | 3 | 11 | 7 | 11 |
| Peter C Foy & Associates | 4 | 30 | 85 | 38 | 2 | 11 |
| Relation Insurance Services | 6 | 10 | 25 | 10 | 1 | 10 |
| Risk Strategies | 16 | 20 | 23 | 26 | 32 | 9 |
| All Others | 503 | 505 | 601 | 399 | 302 | 209 |
| **Total** | **678** | **745** | **978** | **665** | **555** | **522** |

*Source: S&P Global Market Intelligence.*

## Historical Year-End TEV / EBITDA Multiples

*Source: S&P Global Market Intelligence.*




Note: reflects actual EBITDA figures; no adjustments made for impact of acquisitions, non-recurring expenses, etc.

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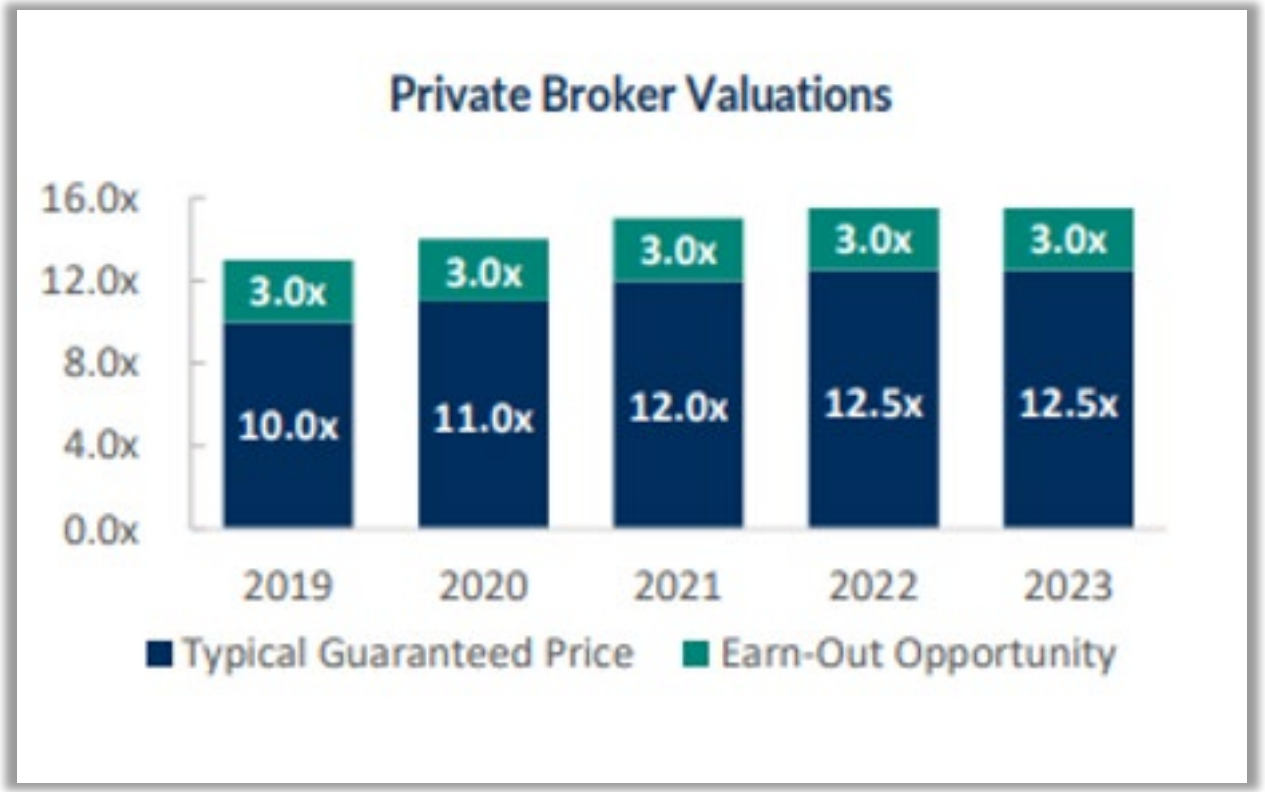
# Multiples 2019-2023




Source: Reagan Consulting Winter 2024 Reagan Market Update

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GROWTH

PROFITABILITY

SIZE

STRENGTH

QUALITY

STAFF

TECHNOLOGY

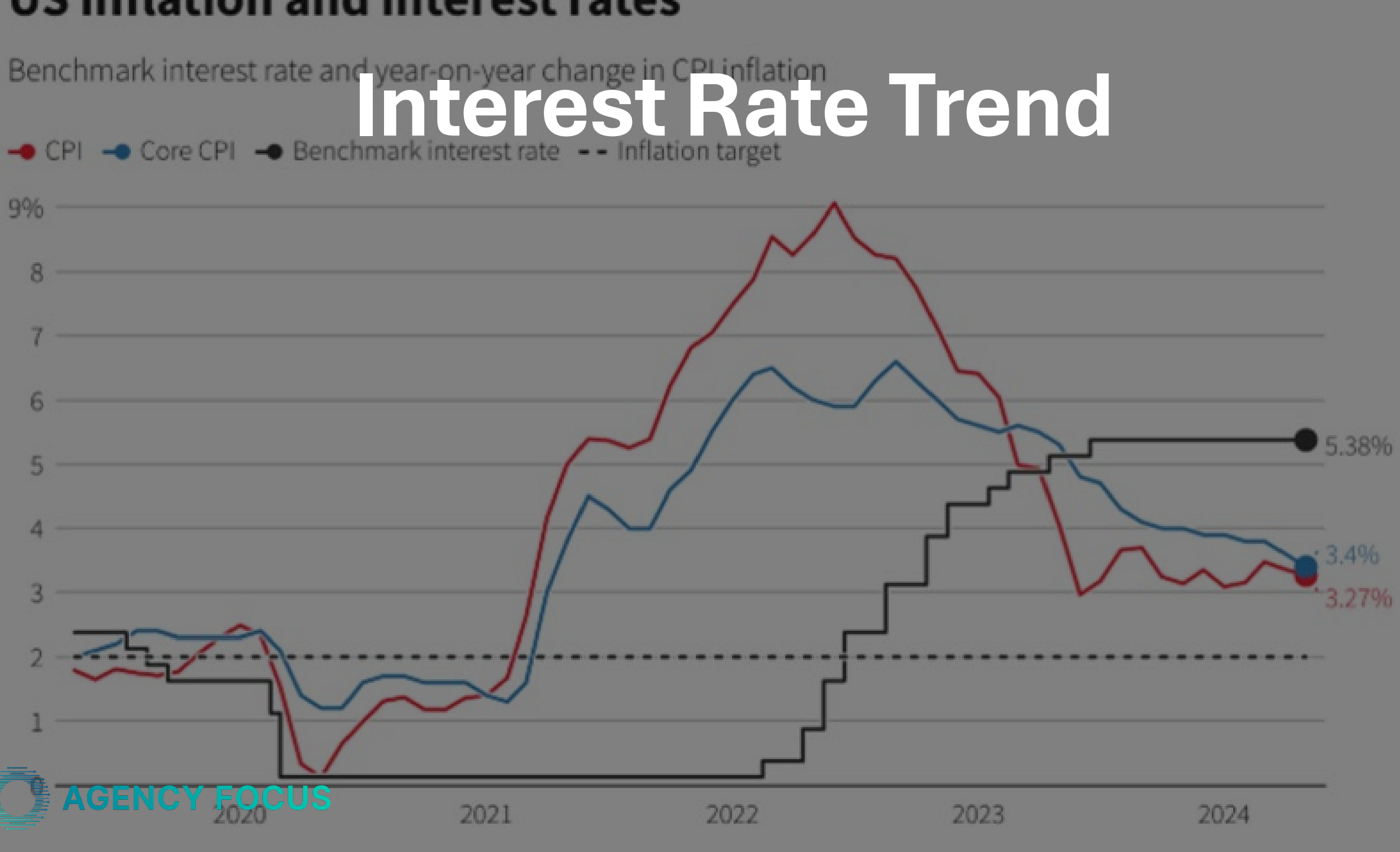
STRATEGIC FIT

TRANSFERABILITY

# Marketplace Changes

Changing Expectations

# Interest Rate Trend

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# Silver Tsunami

- Half of the workforce over age of 52
  - Average age Owner - 56
  - Average age of Producer 54
  - Average age CSR 52
- Talent is the #1 concern

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# Hard Market

Average agency is seeing 15%+ increase in Premiums - AmBest

60% Change in Appetite

No more than 25% with a single carrier

**Is now the High?**

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# Agency Decisions

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# How are Agents Responding?

- Rethinking  teams & workload
- Implementing retention strategies
- Developing a Niche
- Exploring technology
- Create capacity & increase efficiency
- Investing in Automation
- Redefining goals
- Networks

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# Carriers

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# Niche Programs

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# Building a Strong Team

# Remote & Hybrid Working

74% of professionals expect to be able to work remotely

97% state that they do NOT want to work full-time in office.

You will offer it **or** compete against it

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# Network Resources

- Training
- Accounting
- Service
- Loss Control
- Networking

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# Explore Utilizing Virtual Assistants

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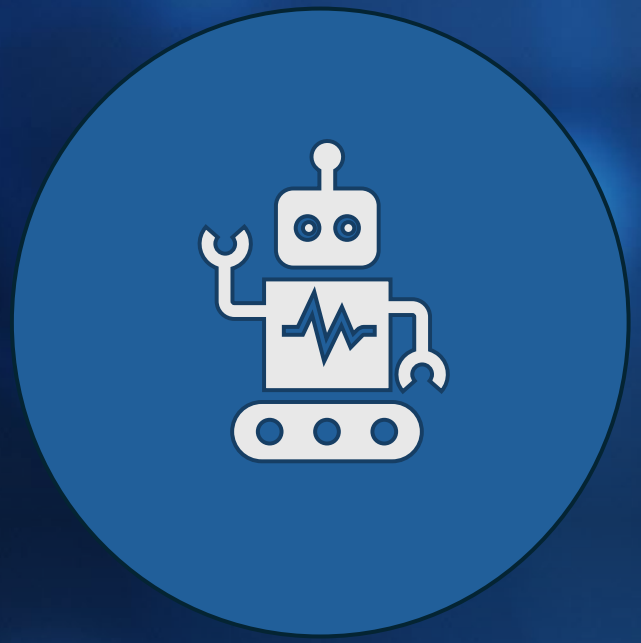

# Technology & AI

Nationwide

insurance websites

insurance rater

lead marketplaces

insurtech companies

agency management systems

policy management systems

carrier policy download

sales pipelines

# Technology

- Evaluation
- Training
- Discounts
- Data insights & Sharing
- Peer Feedback

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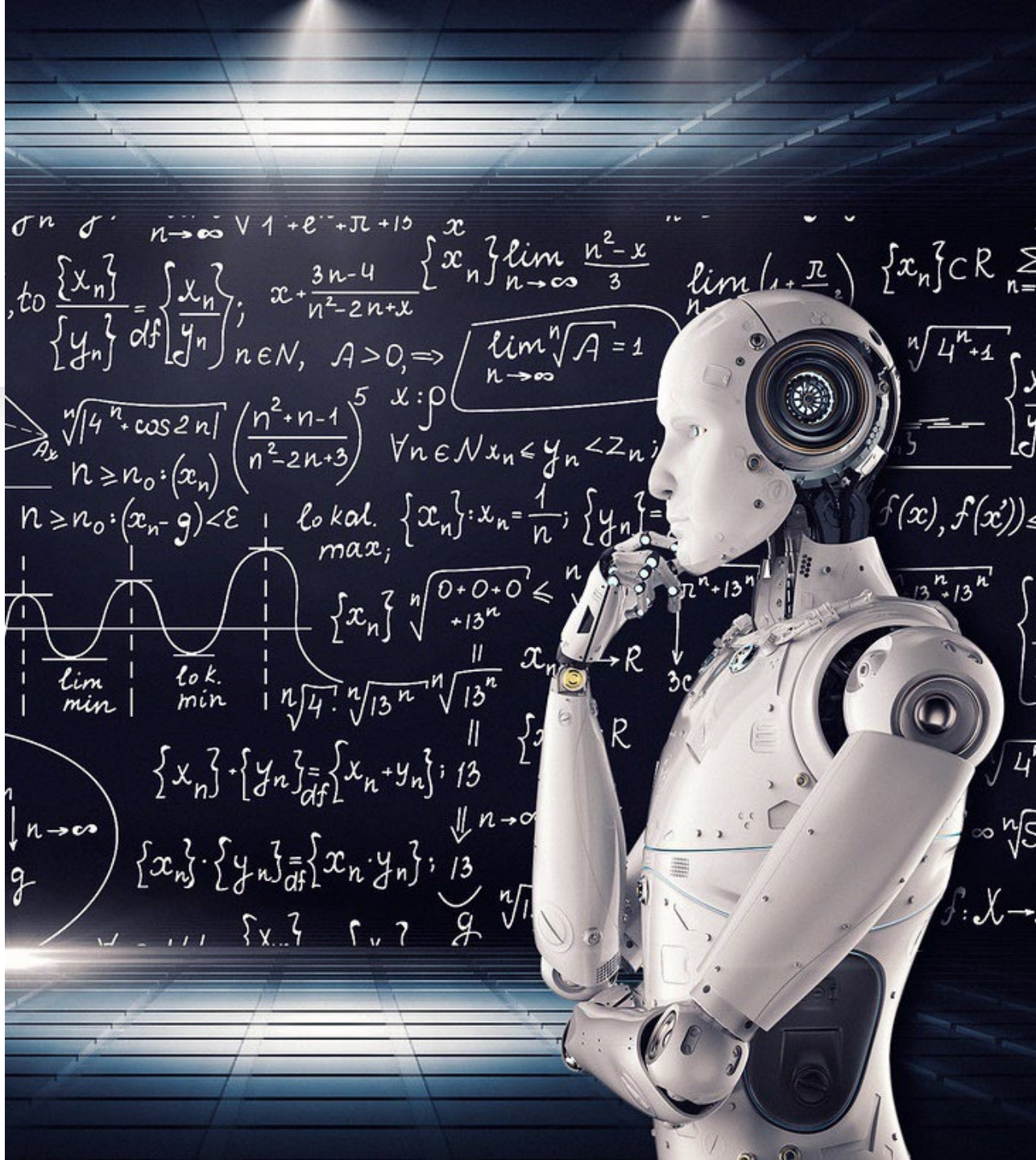
# Artificial Intelligence & Machine Learning

- Automation
- Improving Customer Service
- Increasing Efficiency
- Providing Product Recommendations
- Segmenting Audiences
- Analyzing Customer Satisfaction



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# Defining Target Customers

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# Acquisition Opportunities

Buy
PANIC!
Buy
SELL
Buy
SELL
FOMO
SELL

# Network Relationship Game Changers

- Carrier Alignment  & Depth
- Aggregation & Contingency Opportunity
- Marketplace inside the network
- Cultural Fit
- Resources
    - Technology, services, and support inside the network

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# EBITDA x Multiple = Value

Performance & Owner Decisions

**Market Factors**
Risk in the Agency

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# Not all networks are created equal

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# Possible Disadvantages of a Network Relationship

- Restricts the number of buyers
- Agent does not understand ownership or terms of the contract
- Exit Fees & First Right of Refusal
- Competition to keep the book when it is sold outside the network

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Not all buyers are right for every seller.

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The **value of an agency** and the **strength of an acquirer** can be greatly impacted by the agency's network relationship.

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