

# Insurance Agency & RIA Trends & Overview

## Transaction Information

	2017	2018	2019	LTM Q1'20
<b>EBITDA Multiples</b>				
Insurance Agencies	8.0x	8.6x	9.0x	9.2x
RIAs	7.7x	6.2x	6.4x	6.4x
<b>Transaction Count</b>				
Insurance Agencies	611	643	649	631
RIAs	90	101	132	134

Note: Multiples represent averages. Source: DeVoe & Co.; FactSet; MarshBerry; OPTIS Partners.

## Recent Notable Transactions

Sector	Target	Acquiror	Transaction Comments
Insurance / RIA Services		 Thomas H. Lee Partners	An investor group comprised of Thomas H. Lee Partners LP, Cannae Holdings Inc. and certain THL limited partners paid \$1 billion to acquire a majority stake in AmeriLife Group LLC from J.C. Flowers & Co. LLC.
			Itasca, Ill.-based Arthur J. Gallagher & Co. has acquired Meridian, Idaho-based Cunnington And Associates Inc. Cunnington And Associates Inc. provides insurance brokerage services.
			Fort Washington, Pa.-based Patriot Growth Partners LLC has acquired Omaha, Neb.-based Olson Group. Olson Group is a comprehensive employee benefits consulting firm.
			Los Angeles-based Worldwide Facilities LLC has acquired Green Bay, Wis.-based Strategic Underwriting Solutions LLC. Strategic Underwriting Solutions LLC is a managing general underwriter provides life and health insurance.
			Lake Mary, Fla.-based AssuredPartners Inc. has acquired Fort Lauderdale, Fla.-based Cypress Insurance Group Inc. Cypress Insurance Group is an insurance agency.

## Industry Trends

### Insurance Agencies:

- During a hardening price cycle, insurance providers raise premium prices to boost profitability
- Online brokerage businesses and direct insurance sales pose a threat to industry revenue
- While legislation has enabled consolidation, industry participation has increased during the period
- Industry operators will benefit from an increase in the total number of motor vehicles registered
- As the price of health insurance policies increase, operators are expected to generate higher commissions
- Demand is expected to improve as consumers return to work

### RIA's:

- An aging population and financial market volatility have attracted more business to the industry
- Higher investor uncertainty led more consumers to seek the services of financial planners
- High-net-worth individuals are expected to continue to seek the advice of wealth management professionals
- Rising borrowing costs and geopolitical tensions will encourage consumers to consult industry services
- The aging of the US population is a long-term trend in the industry's favor
- The industry is anticipated to experience rising external competition from online discount brokers

Source: IBIS World