

Mergers & Acquisitions

POSITIONING YOURSELF AS A BUYER

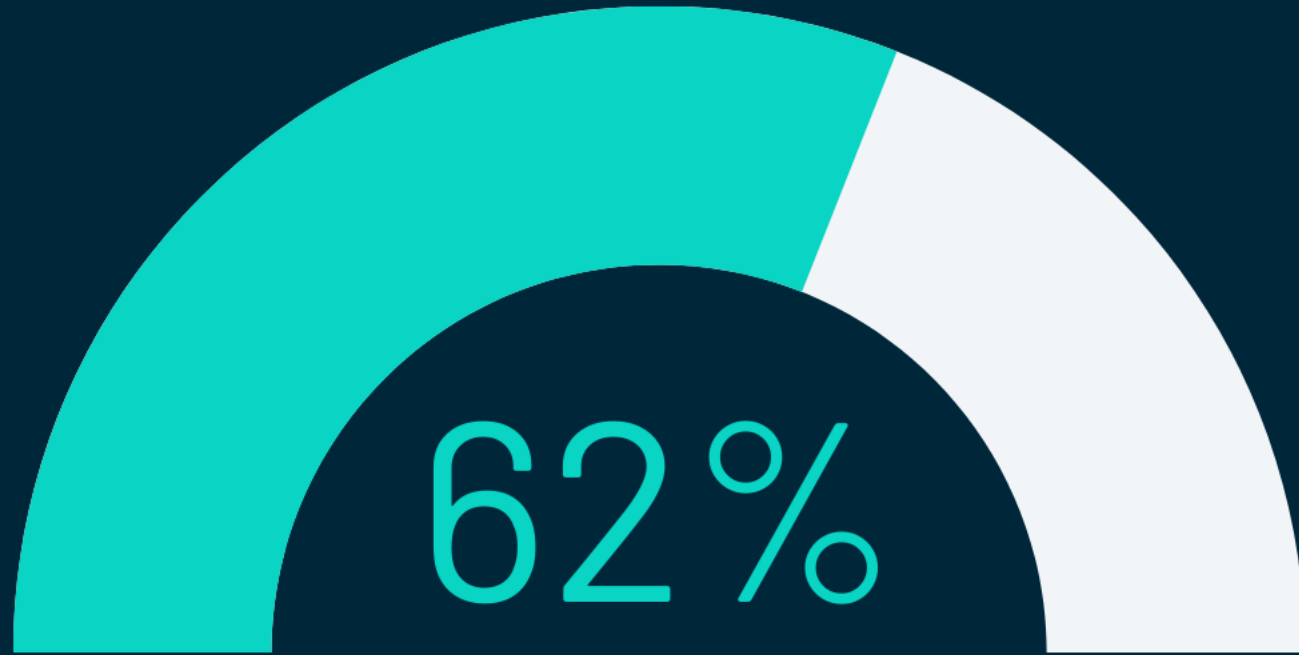


Marketplace Changes



Consumer Changing Expectations

**Independent insurance agents place approximately 62% of all
P&C premiums written in the U.S.**



(Big I Report)

Top 6 Pressures

Independent Insurance Marketplace



**Compliance
Changes**



Cyber threats



**Technology
Changes**



Climate Changes

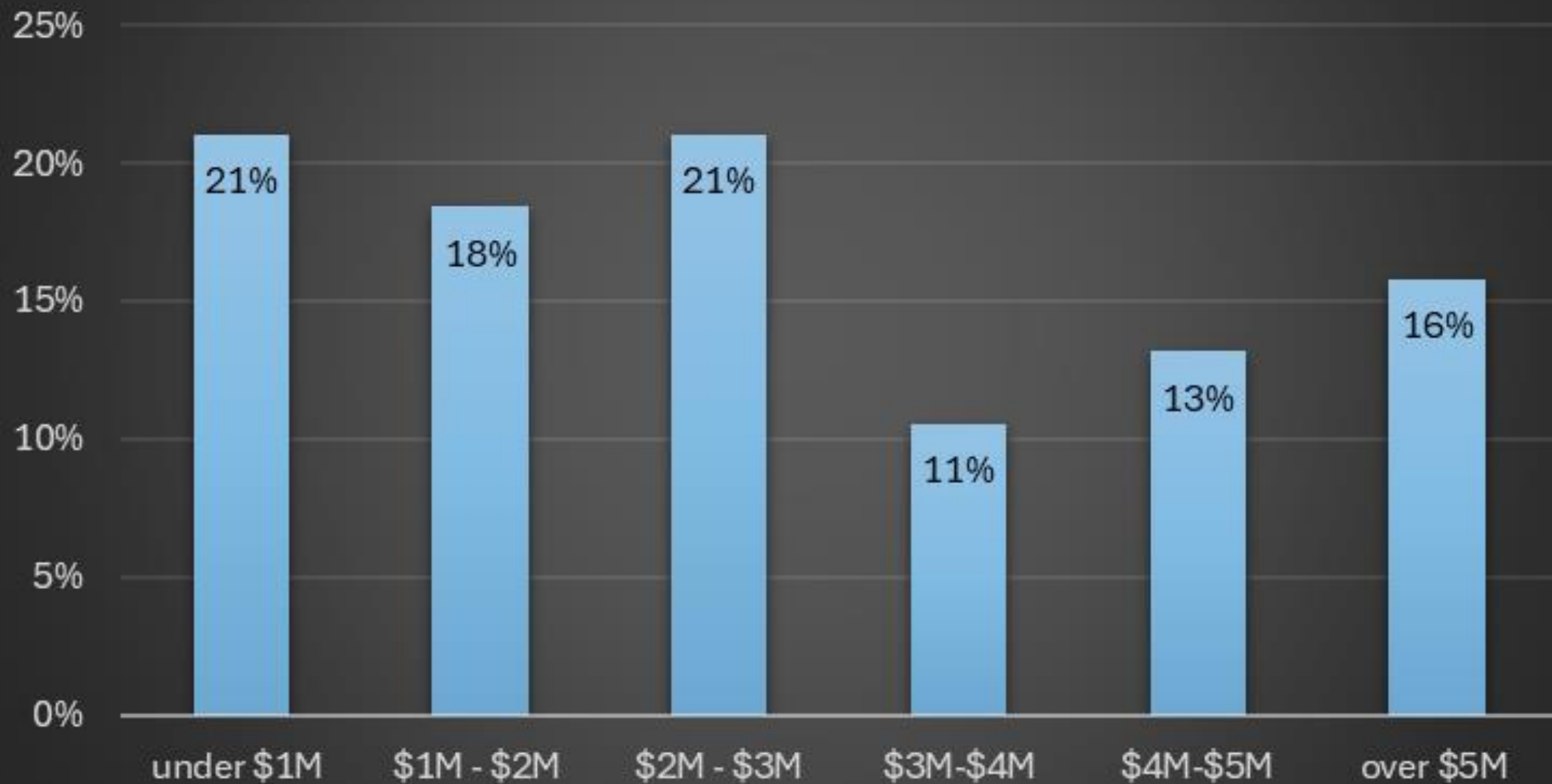


Talent Shortage

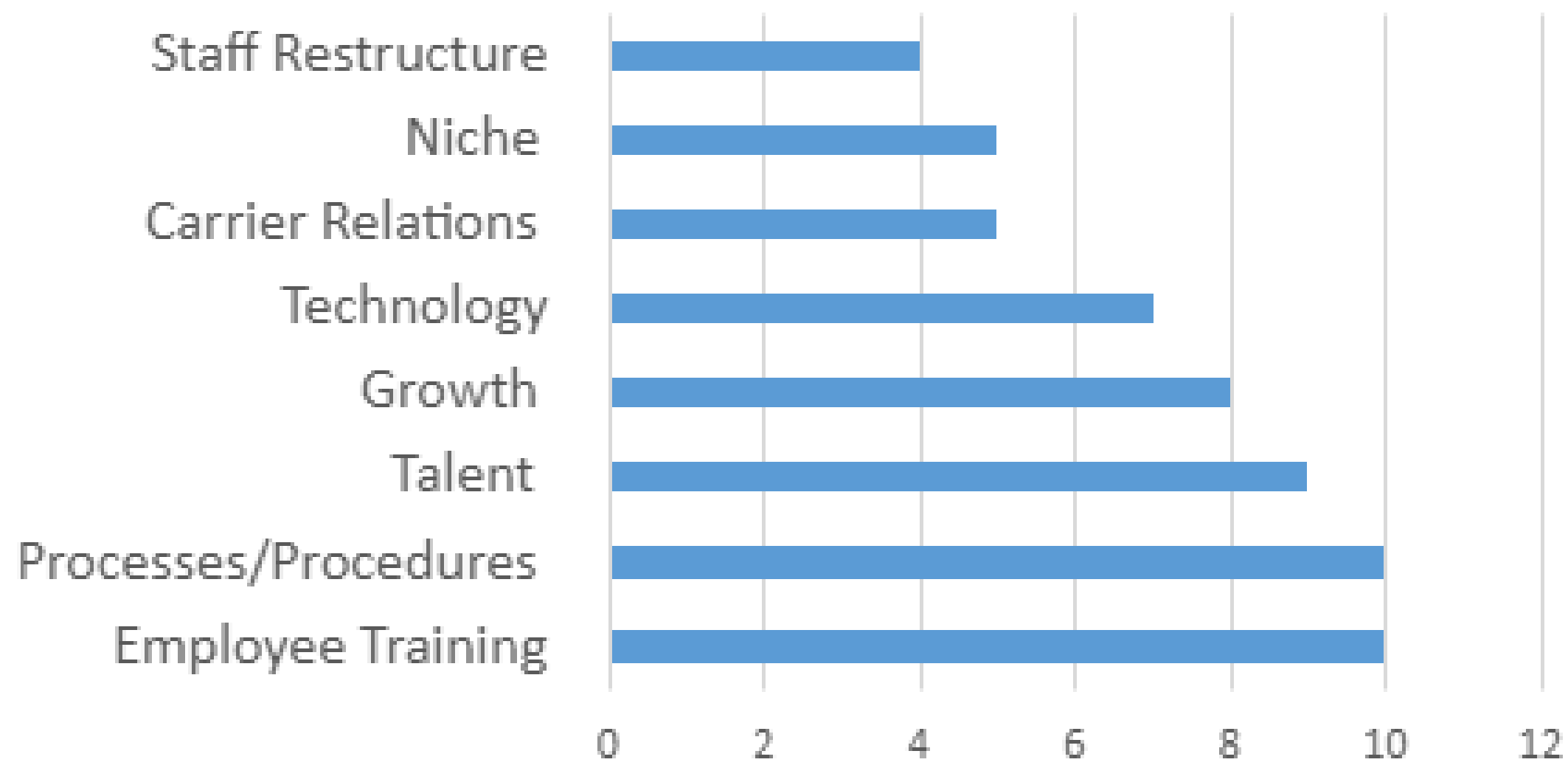


Financial Risks

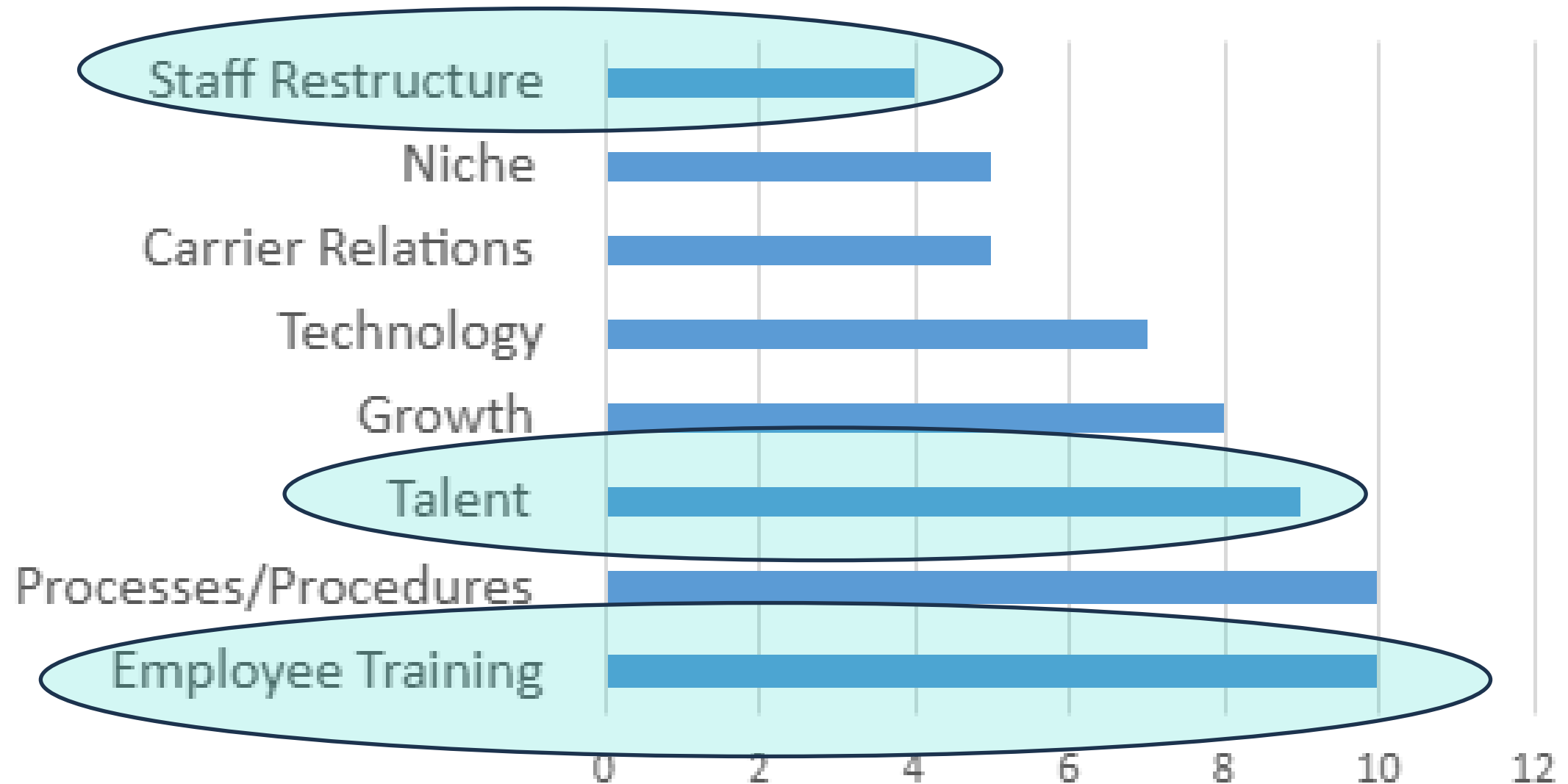
Agency Principle's Forum Agencies



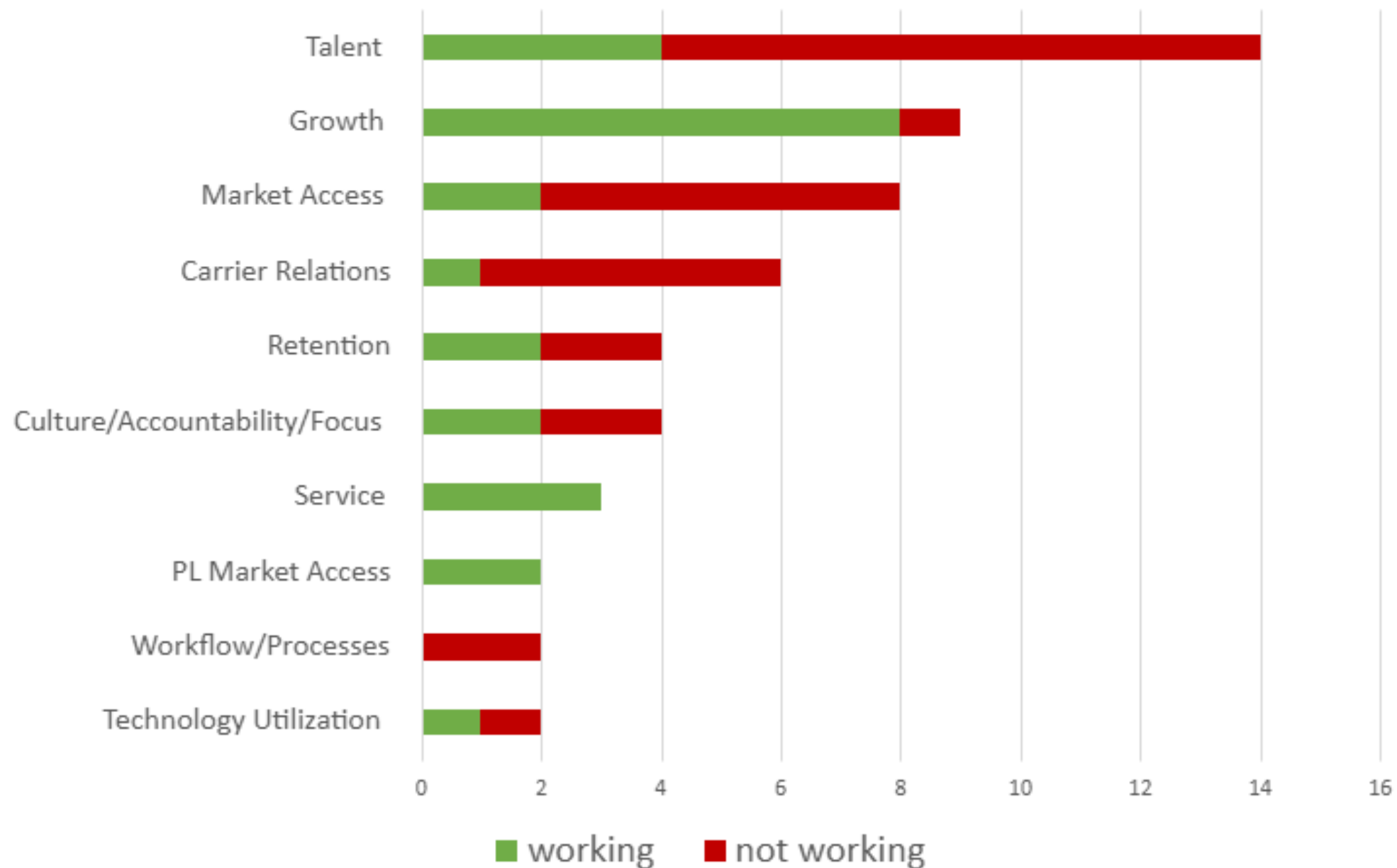
Top Priorities



Top Priorities



What's Working vs. Not



 Insurance News · US insurance sector to lose around 400,000 workers by 2026

US insurance sector to lose around 400,000 workers by 2026

New insight highlights concern around an aging workforce



Talent Gap & New Talent Needs

Rapid Technological shifts, regulatory shifts, and evolving customer preferences

Skills in demand insurance companies :

Data analytics

Cyber Security

Digital Marketing

50%

50% Agency Workforce Retiring by 2028





Silver Tsunami

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

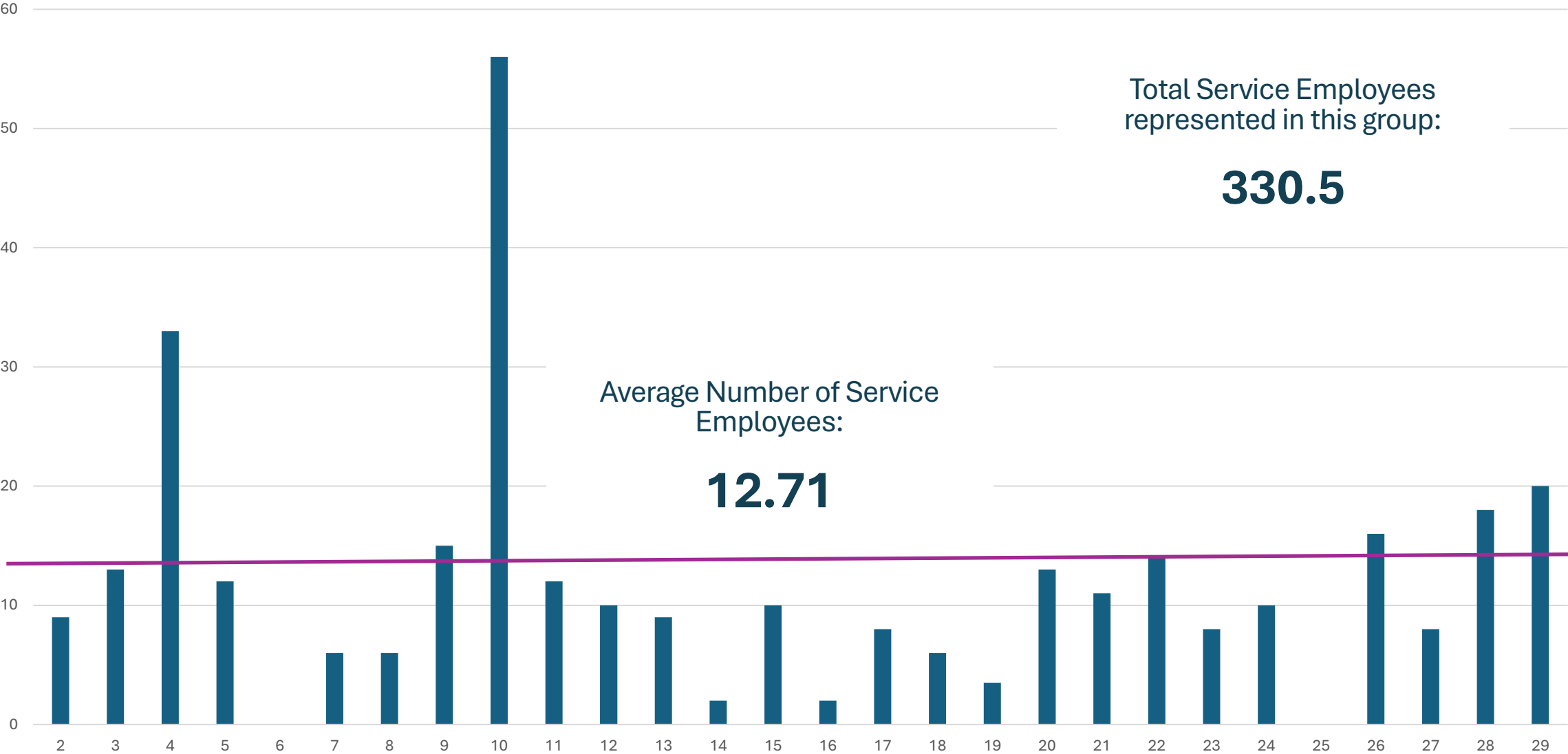


Your People



Redesigning the Team

Number of Service Employees



MODE

A

B

C

D

SCANNING...

STATUS

A game-changer for scale and margins

After watching thousands of CSRs create tens of millions of cases the data is clear: CSRs are overloaded with processing, preventing them from working on what matters most to the customer and the agency.

DATA

- 65% of a CSR's time is spent changing coverage and remarketing accounts— high-volume, no-margin processing
- These requests prevent CSRs from doing what matters most, like talking to customers about coverage, pricing, claims and advice
- It doesn't work for the customer, employee or agency when CSRs spend all their time working on things that matter least to stakeholders

NSC CHANGES EVERYTHING

let neon do it
SERVICE REQUESTS

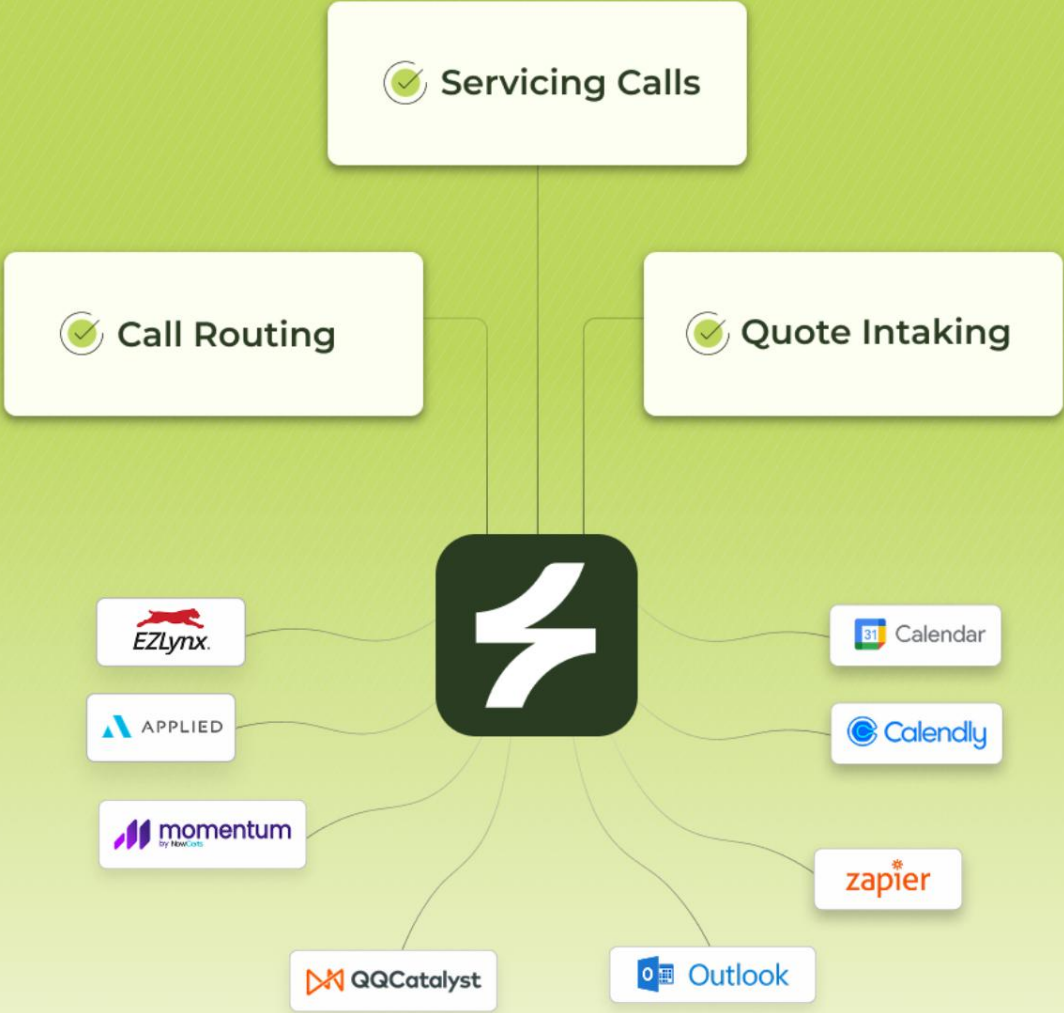


The AI Receptionist for Insurance *P&C Agencies*


Turn routine incoming calls into revenue in less than 30 days.

<https://your.website>

Get a Personalized Demo →



AI driven Training Coverage Knowledge



THE INTELLIGENT AGENT
Training, Advisory, Solicitation, Automation

Access The Agent Now


The Ultimate Insurance Genius—At Your Fingertips.

Imagine having an insurance expert available 24/7—ready to answer **ANY** question. **Commercial Lines, Personal Lines, Bonds, Farm & Ranch, and everything in between.**

- Coverage questions?
- Need form breakdowns or dec page reviews?
- Want a marketing campaign built in minutes?
- Looking for case studies or risk management insights?

Done. Instantly. Effortlessly. Accurately.

Access The Agent Now

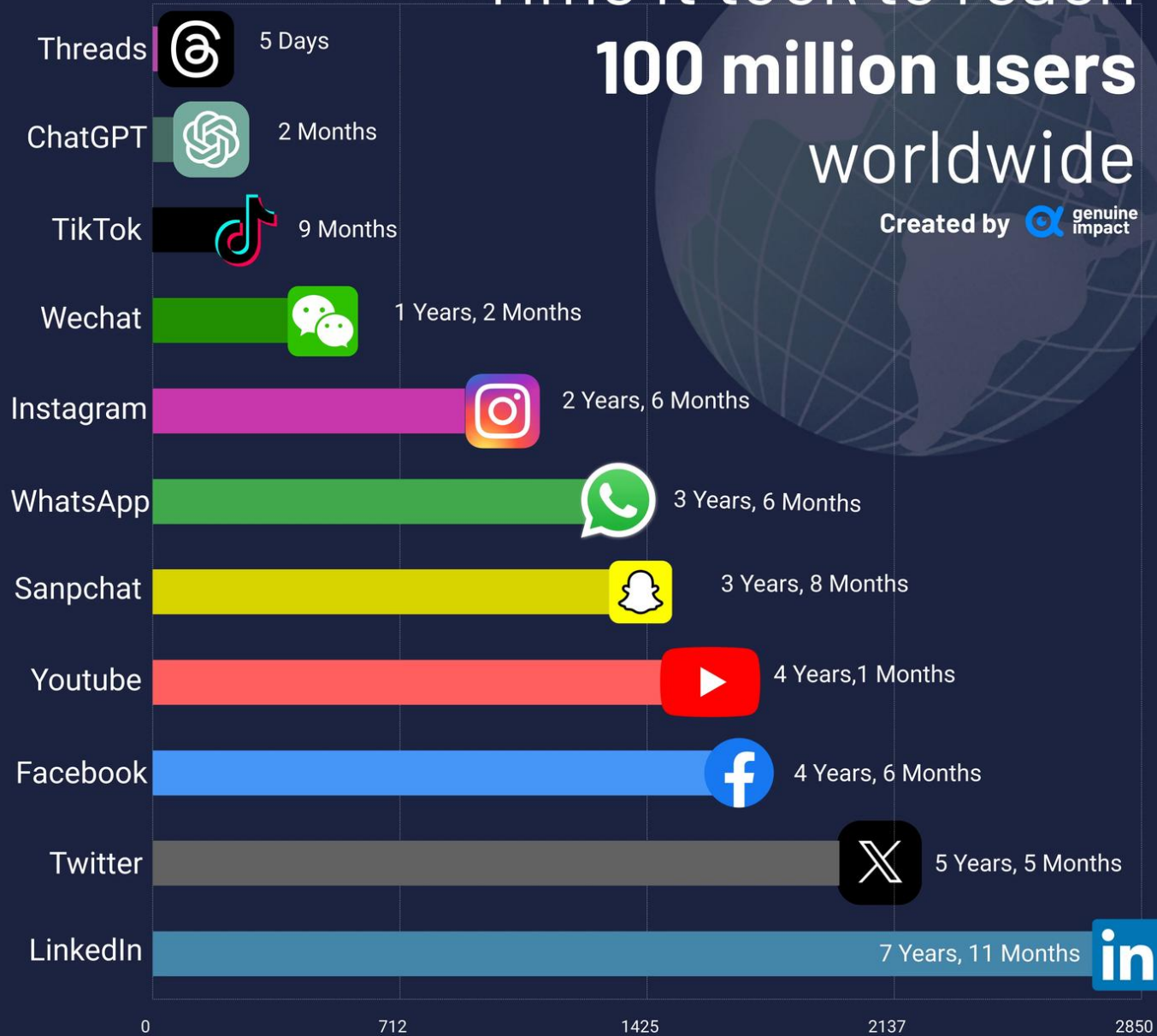


0:00 / 1:09

Technology Automation & AI

Time it took to reach **100 million users** worldwide

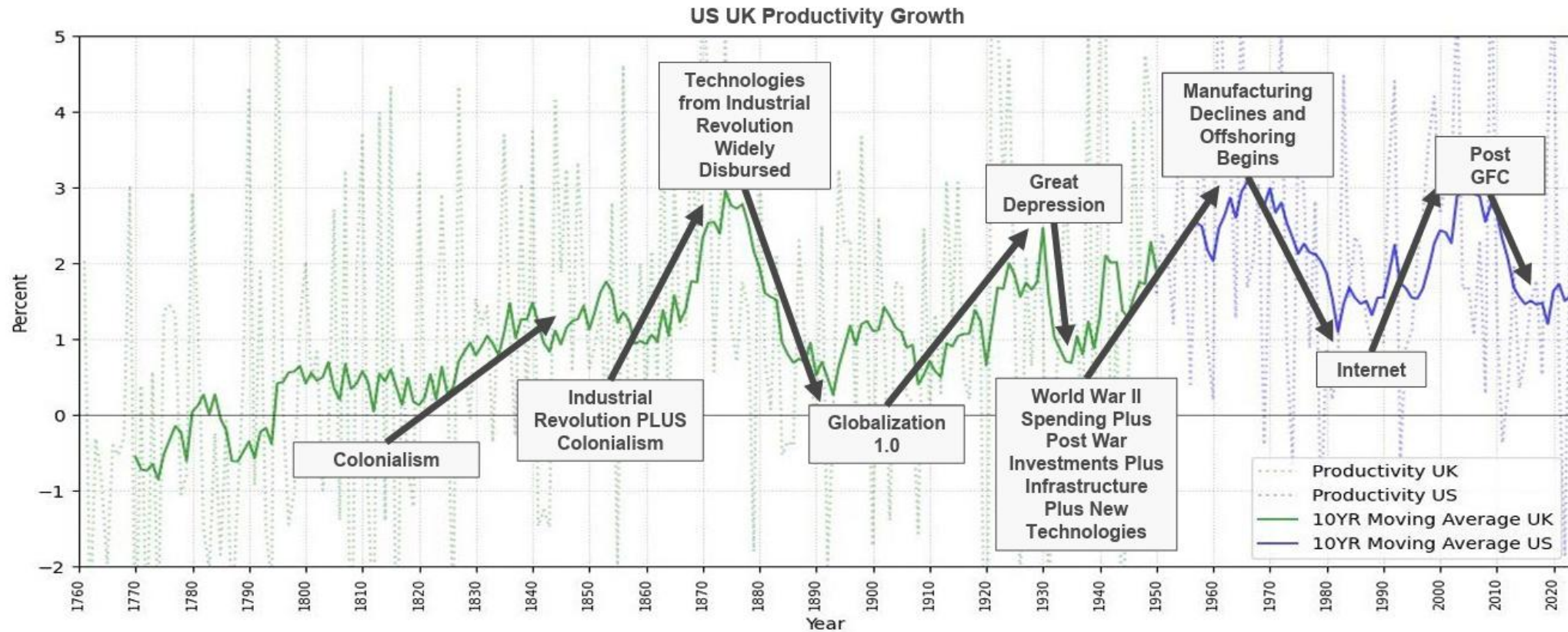
Created by  genuine
impact



Source: PwC Analysis

More charts: genuineimpact.substack.com

Artificial Intelligence: 300 years of productivity gains following technological changes.



INSURANCE HAS
HISTORICALLY BEEN
SLOW TO EVOLVE...



BUT CAN WE AFFORD TO BE?

Automate it

An alternative to Virtual Assistants



RPA

Robotic Process Automation

4 Bots

Development Cost - \$2,000/each - \$8,000

Maintenance \$1,700/mo. \$20,400

Total Cost \$28,400

Human Resource Savings

6,500 hours per year savings = 3.25 people

Cost = \$227,500 annual salaries

Difference to the agency:

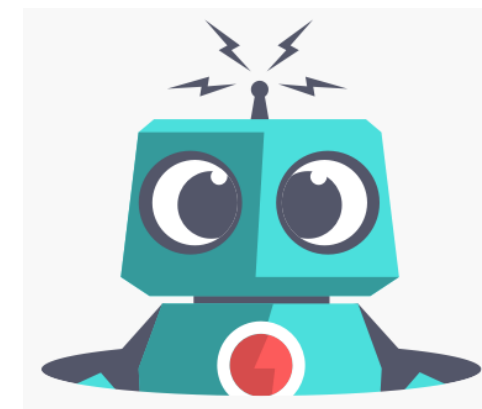
\$199,100



Quandri ☼



Adapt API



A blue-toned image featuring a robotic arm in the upper half, hovering over a glowing digital data grid in the lower half. The grid consists of horizontal lines of light blue and white, with some red highlights, suggesting a high-tech or artificial intelligence theme.

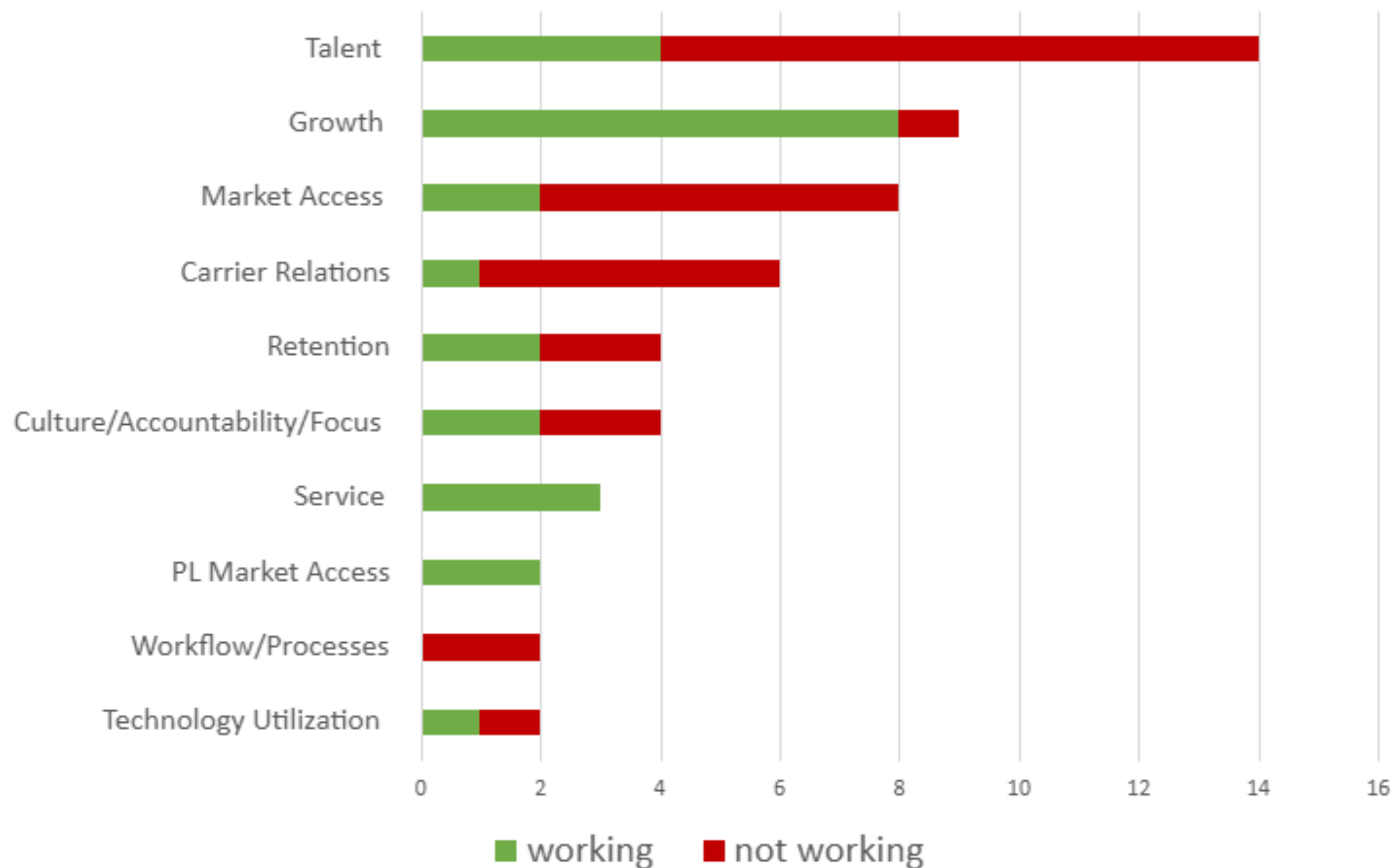
Artificial Intelligence

Focus by utilizing predictive technology



THE AGENCIES THAT ADAPT WILL BE THE ONES THAT THRIVE

What's Working vs. Not



Discussion Topic

Talent & Staff ranked #1

Your people are your biggest asset.

Where are you finding new talent?

How are you onboarding and training?

What are some ways that you are setting new hires up for success?

BONUS: What KPIs/metrics are you using to measure success?

Discussion Topic

Utilizing Technology, Automation & AI

How are you innovating?

What have you implemented?

What problem does it solve?

What has been the outcome?

AGENT OF TODAY



Relationships



Data



Technology

Maximize Your Options



Know Your
Numbers



Create a
Plan



Invest in
the Agency



Focus &
Efficiency



Partners



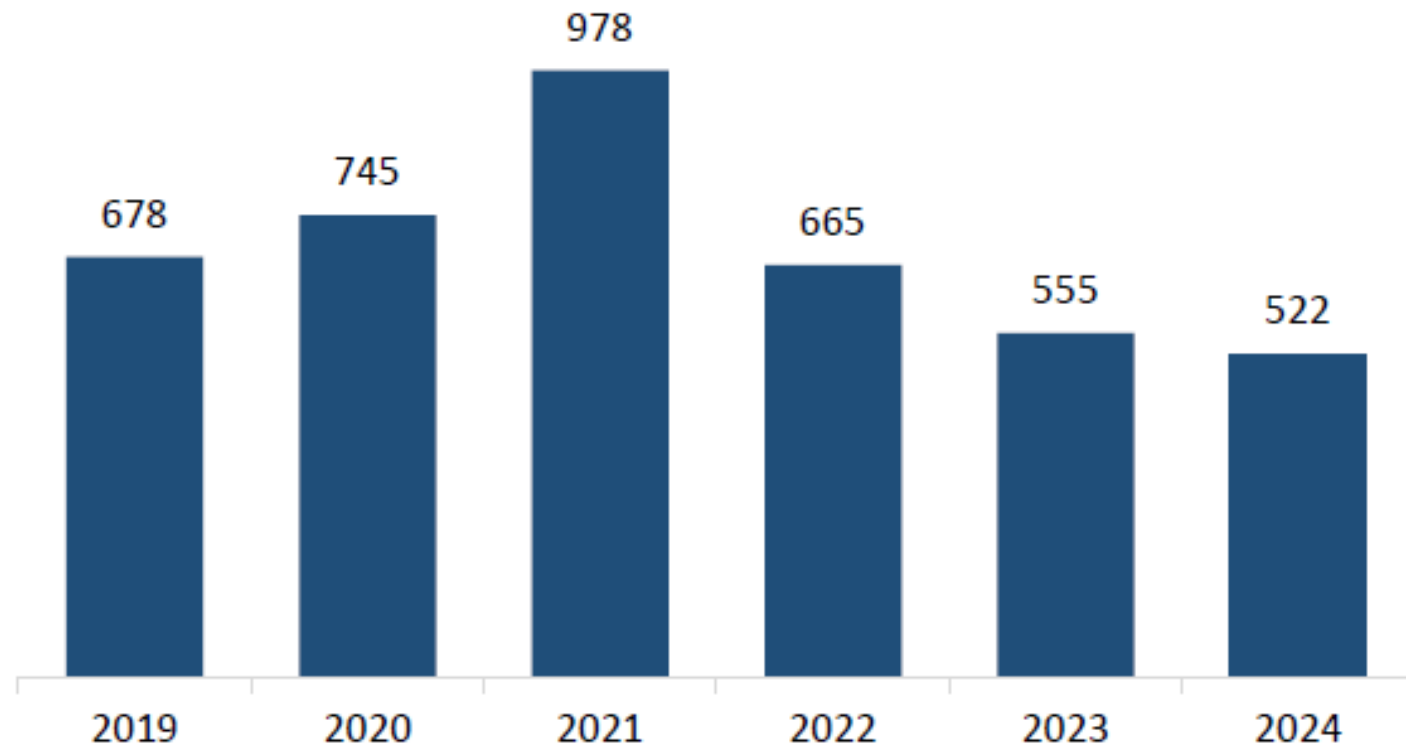
AGENCY FOCUS

Acquisition Opportunity



Number of Insurance Broker Deals – North America

Source: S&P Global Market Intelligence.



Top Acquirers 2019-2024

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

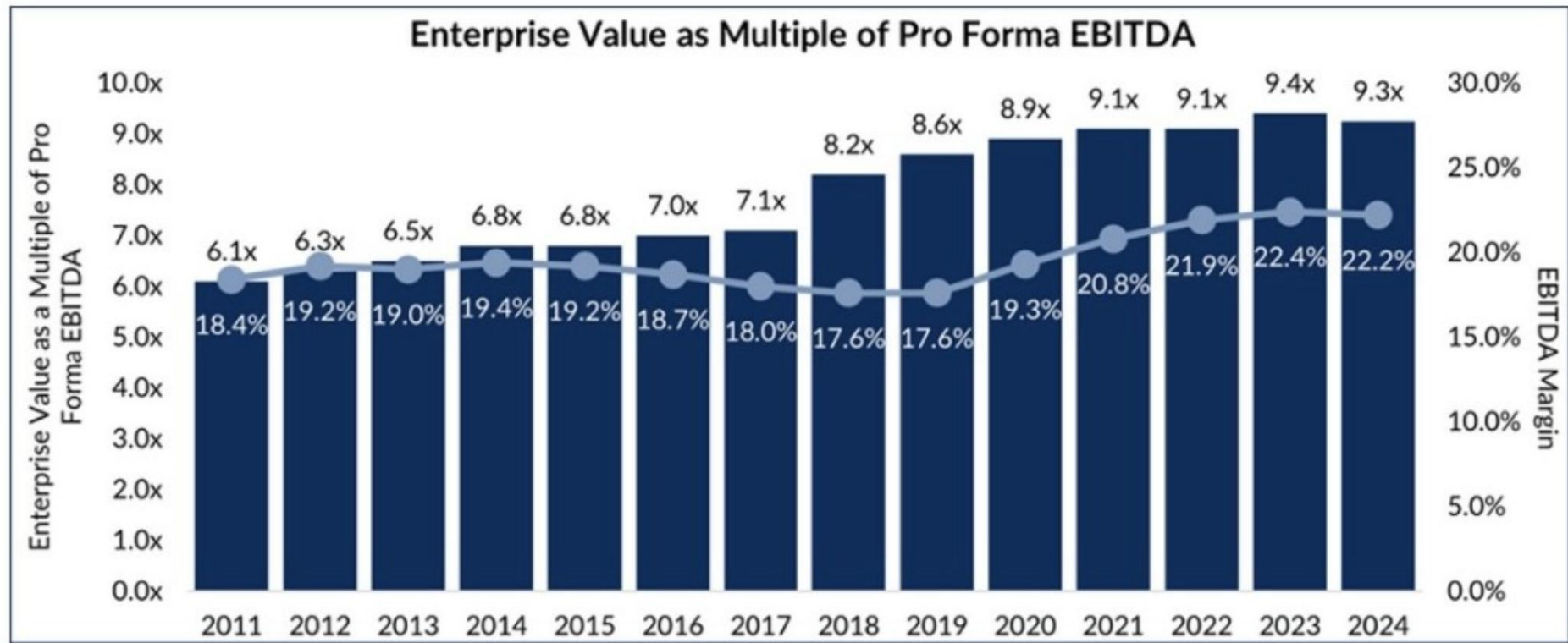
Source: S&P Global Market Intelligence.

PUBLIC BROKER EBITDA MULTIPLES²



Source: Public filings, press releases, Reagan analysis. See notes at left.





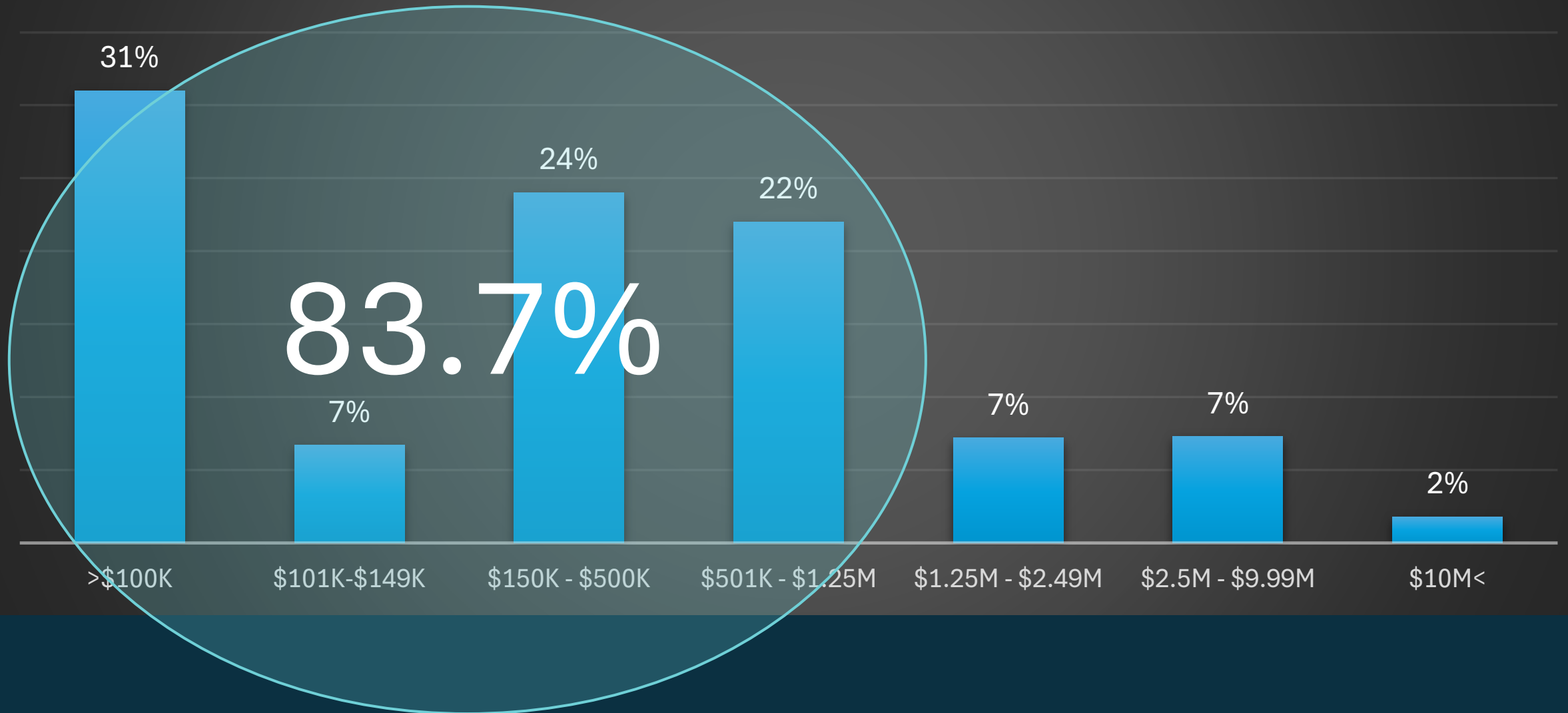
Source: Reagan Value Index

Multiples for agencies in private transactions internal and external

Agency Size	Multiple EBITDA
\$2M or less	6.5- 8x EBITDA
Over \$2M	7.5- 9x EBITDA

Structure, Debt to EBITDA ratio, 75% Profitability, Down payment, cashflow.

Independent Agencies by Size - 2025

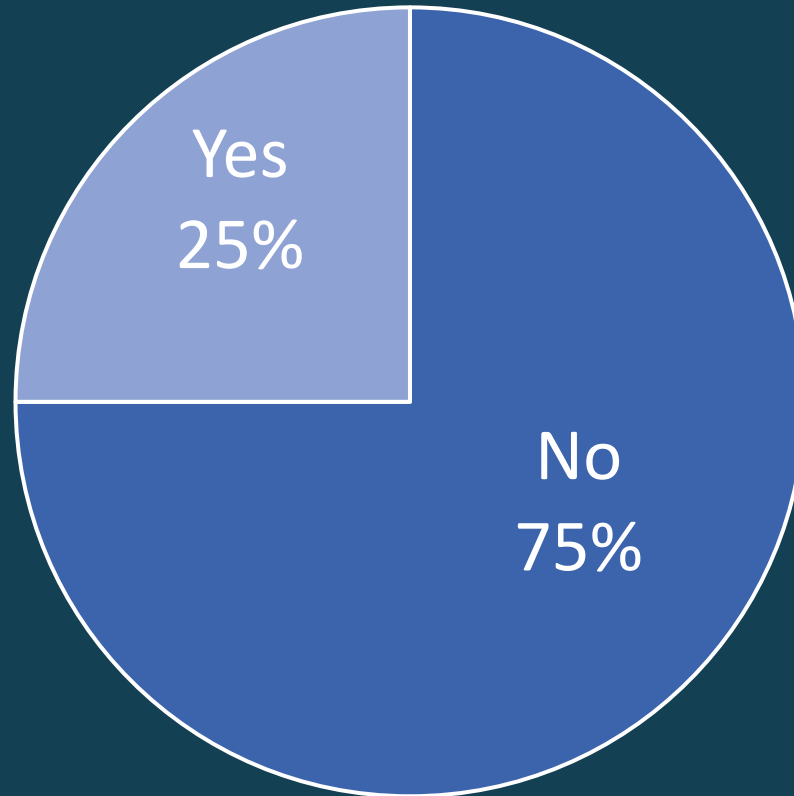






You need to know **yourself** first.

Have You Acquired in the Last Three Years?



Analysis of Agency Financials

- Map to Benchmarks
- Look for trends
- Peaks/One-time Expenditures
- Discretionary Expenses
- Compare to Benchmarks
- Reasonableness

CALCULATING EBITDA

Start with your agency's net profit, then adjust for non-operational, non-cash, or owner-specific items to arrive at EBITDA, the metric most commonly used in agency valuation.

Step 1: Start with Net Profit

Total Revenue - Total Expenses = Net Profit

(This is your agency's unadjusted profit from operations.)

Step 2: Add Back Non-Cash or Non-Recurring Items

- Add: Interest
- Add: Taxes
- Add: Depreciation
- Add: Amortization
- Add: One-Time Expenses (e.g., legal settlement, event costs)
- Subtract: One-Time Income (e.g., PPP forgiveness, asset sale)

Step 3: Adjust for Discretionary or Owner-Specific Items

- Add: Discretionary Expenses (e.g., personal travel, owner vehicle)
- Add or Subtract: Owner Compensation (adjust to market rate)

Step 4: Final EBITDA

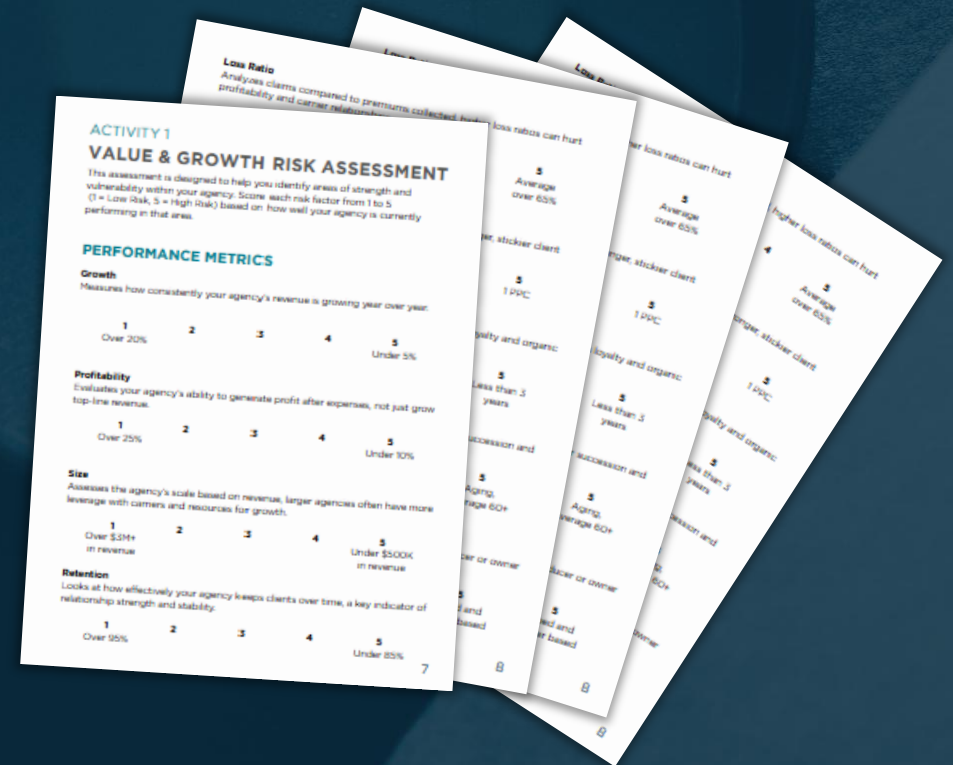
This is your normalized, comparable number used for valuation.
EBITDA = Adjusted Net Profit after all relevant add-backs and adjustments.

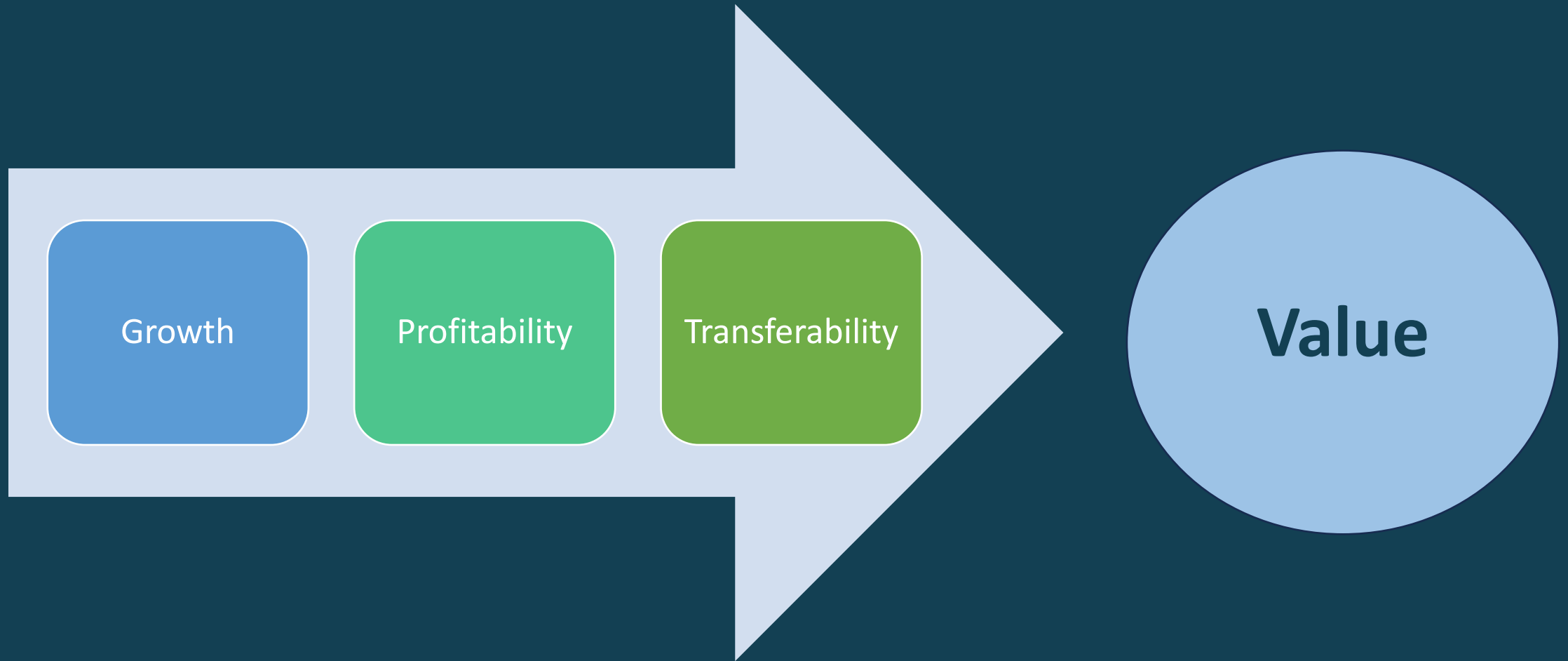
Activity Break

Value & Growth Risk Assessment

This assessment is designed to help you identify areas of strength and vulnerability within your agency.

Score each risk factor from 1 to 5 (1 = High Risk, 5 = Low Risk) based on how well your agency is currently performing in that area.





Risk Factors

Performance

- Growth
- Profitability
- Size
- Retention
- Loss Ratio





Risk Factors

Concentration

- Owner Concentration
- Producer Concentration
- Carrier Concentration
- Customer Concentration
- Top Ten Clients Concentration
- Niche Concentration
- Regional Concentration
- Business Mix Concentration

The background image shows a business meeting in progress. Several people are seated around a table, with their hands and arms visible. One person is holding a pen over a document, while another is gesturing with their hand. A laptop and a small potted plant are also on the table. The entire image is covered with a semi-transparent blue overlay.

Risk Factors

Book Health

- Policies per Client
- Account Age
- Producer Age
- Transferability



Risk Factors

Culture

- Perpetuation Plan
- Employee Contracts
- Producer Contracts
- Source of New Business
- Reputation
- Owner/Leadership Involvement
- Systems Utilized
- Paperless Operations
- Digital Presence
- Designations (Professional Certifications)
- Expertise Depth
- Turnover Risk

Activity Break

Gap Identification Worksheet

Review your results from the Personal Risk Assessment and identify 3–5 areas where your agency has the most room for improvement.

Then consider: Could acquiring another agency help you fill that gap through talent, structure, client mix, or geography?

Use this worksheet to connect your vulnerabilities to strategic acquisition opportunities.

ACTIVITY 2
GAP IDENTIFICATION

Review your results from the Personal Risk Assessment and identify 3–5 areas where your agency has the most room for improvement. Then consider: Could acquiring another agency help you fill that gap through talent, structure, client mix, or geography?

Use this worksheet to connect your vulnerabilities to strategic acquisition opportunities.

Identified Gap or Risk Area	How It's Affecting Your Agency Today	Could an Acquisition Help? If Yes, How?

Additional Considerations

- Which risks did you score the lowest on?
- Are there areas where you're dependent on just one person or carrier?
- Could you gain a new market, talent, or tech stack through acquisition?
- What kinds of agencies would complement your current book or structure?

 AGENCY FOCUS

11



Discussion Topic

WHERE ARE THE GAPS?

START WITH THE END IN MIND

- What are your current agency goals?
- How does this acquisition help you achieve those goals?
- What is your current growth plan? What would strengthen it?
- Are you trying to grow into a new geographical location? Niche? Line of Business?
- Are you looking to add a particular carrier or gain access to certain markets?
- Are you looking to expand your team and expertise? Which roles? What expertise?
- Are you looking to gain and develop future owners of your agency?
- Are there specific relationships that you are trying to develop and build?
- Are you looking to expand within your current footprint or into a new or complementary niche?



**NOT EVERY
BUYER IS
RIGHT FOR
EVERY SELLER**

Ours!



Think about
one agency
you'd like to
target...

Activity Break

Buyer Profile Worksheet

Use this worksheet to define the characteristics of your ideal acquisition target, the size, structure, and culture that would best complement your agency.

This will serve as a guide when evaluating real opportunities and help you focus your search on agencies that align with your goals and fill strategic gaps.

BUYER ICP WORKSHEET

Use this worksheet to define the characteristics of your ideal acquisition target — the size, structure, and culture that would best complement your agency. This will serve as a guide when evaluating real opportunities and help you focus your search on agencies that align with your goals and fill strategic gaps.

Questions to Consider:

- What kind of agency would make you stronger tomorrow than you are today?
- What risks or gaps in your business could this agency help solve?
- What does a "perfect fit" feel like culturally, not just financially?
- Is there one agency you can picture in your mind? Write down their traits.

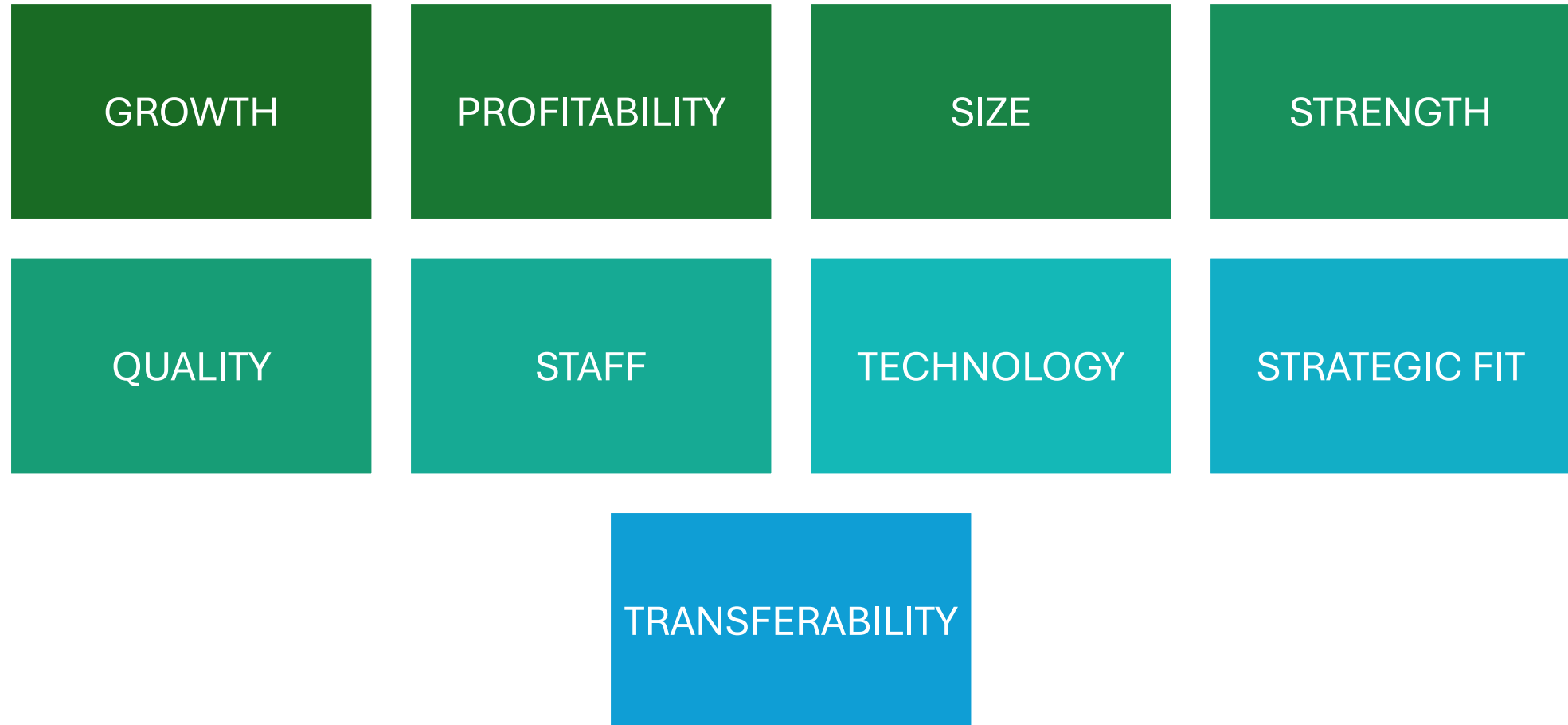
ICP Category	Your Ideal Criteria	Why It Matters to You
Size (Revenue, Premium, Staff)		
Geographic Location		
Client Mix (PL/CL/Benefits/Life)		
Niche / Specialization		
Culture Fit		
Tech Stack (AMS, tools, etc.)		

12

Generations

Describe your "ideal agency" as if you were telling someone to look for.

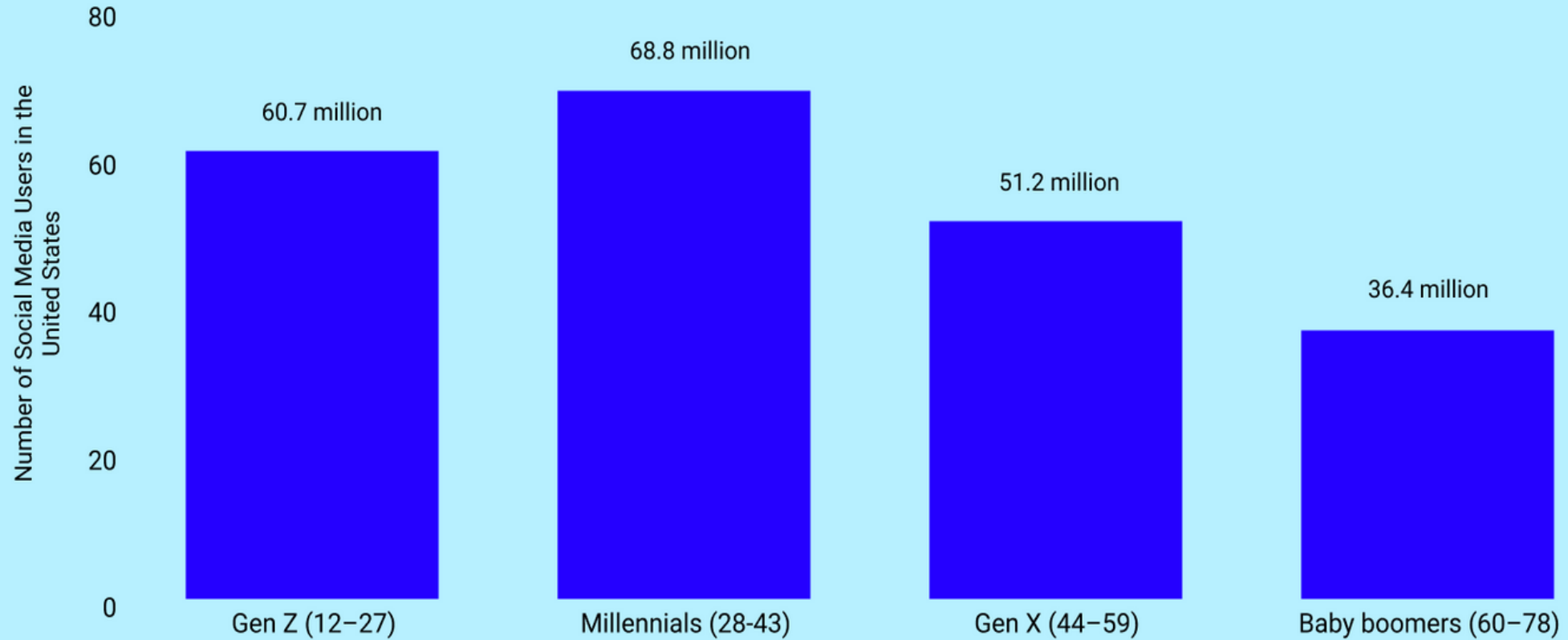
13



Agency's Digital Presence



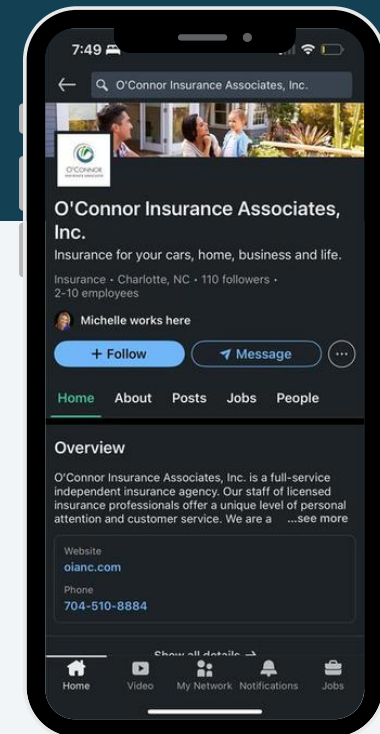
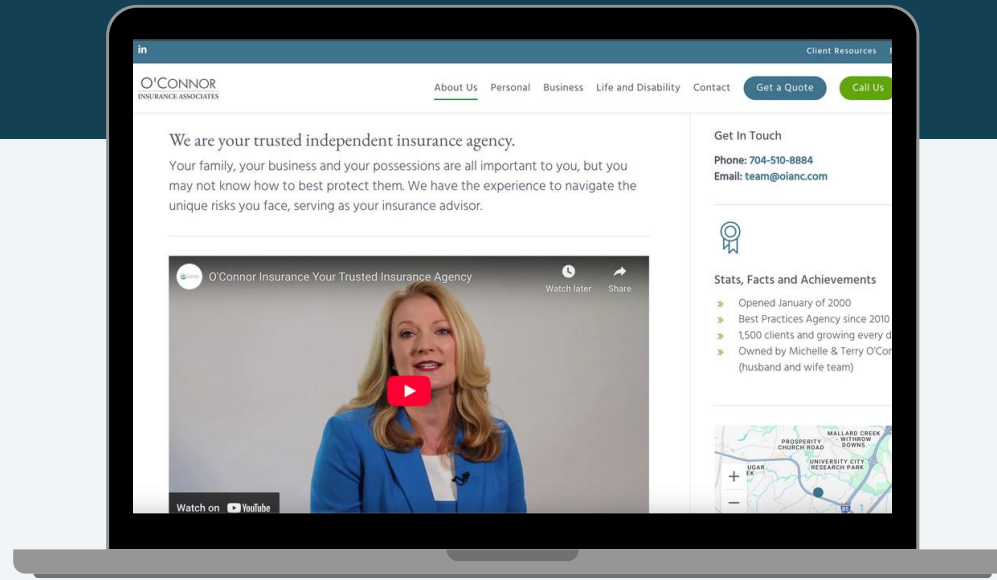
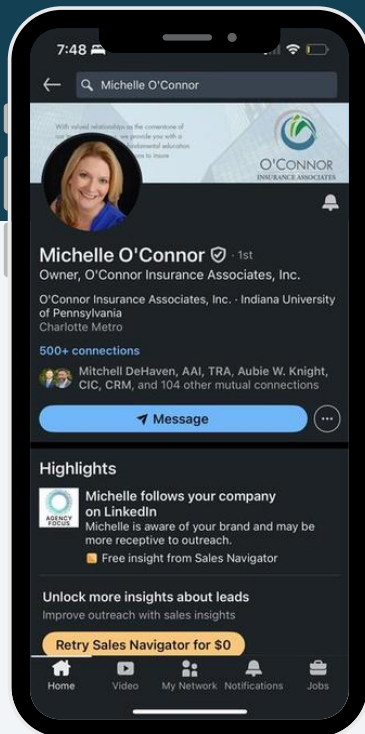
Social Media Usage by Age (2024)



Source: eMarketer

OBERLO

WHAT'S YOUR ONLINE PRESENCE LIKE?



WHAT'S YOUR **INDUSTRY** **PRESENCE** LIKE?



- Carrier Boards
- Tech Boards
- Masterminds
- Lobbying Groups
- Board Memberships

Activity Break

Attracting the Right Seller

Now that you've identified your agency's strengths, gaps, and ideal acquisition profile, it's time to put it into action.

This activity will help you focus on one specific agency you'd love to attract and build a visibility strategy around it.

ATTRACTING THE RIGHT SELLER

WHO'S YOUR IDEAL AGENCY AND HOW WILL YOU ATTRACT THEM?

Instructions:

Now that you've identified your agency's strengths, gaps, and ideal acquisition profile — it's time to put it into action. This activity will help you focus on one specific agency you'd love to attract and build a visibility strategy around it.

Step 1: Identify Your Ideal Target

Who is the one agency that fits your profile?

(Name, description, or just what you know about them.)

What you could highlight more?
profits, chamber of commerce, civic

Why would this be a great fit for your agency?

(What gaps would they fill or strengths would they bring?)

Step 2: Think Like Them

Where do they show up or stay active?

- ☐ Local or national associations
- ☐ Industry events or mastermind groups
- ☐ LinkedIn or other social platforms
- ☐ Podcasts, publications, newsletters
- ☐ Other: _____

Did they know enough about you

audit your digital presence and st.

ies?

What would they want to see in a buyer like you?

(Consider things like culture fit, financial stability, shared values.)

is your agency different?
their legacy?
or owner?

Target Completion Date

Positioning Yourself as a Buyer

Reflect on the discussions and activities.

Summarize your key takeaways.

What are the top 3-5 things you can do the better position your agency for organic growth, profitability, and to acquire?

What actions do you plan to take? By when?

What do you want to learn more about or discuss further?