

BUSINESS INSURANCE®

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DATA & RANKINGS

WORLD'S 10 LARGEST INSURANCE BROKERS

Ranked by 2018 brokerage revenue

2019 rank	2018 rank	Company/office/website	Officers	2018 brokerage revenue	% increase (decrease)	Employees	Offices	PERCENTAGE OF REVENUE*							
								Commercial	Wholesale	Reinsurance	Personal lines	Employee benefits	Services	Investments	Other
1	1	Marsh & McLennan Cos. Inc. ¹ New York www.mmc.com	Daniel S. Glaser, president/CEO	\$16,839,000,000 ²	20.0% ²	75,000	727	48.5%	0%	9.3%	0%	30.3%	12.2%	0.6%	(0.9%)
2	2	Aon PLC London www.aon.com	Gregory C. Case, CEO	\$10,717,000,000	7.5%	50,000	550	47.3%	0%	15.9%	0%	35.2%	0%	0.5%	1.1%
3	3	Willis Towers Watson PLC London www.willistowerswatson.com	John Haley, CEO	\$8,413,000,000	3.7%	43,300	425	26.4%	4.0%	10.6%	0.8%	49.3%	7.8%	0%	1.2%
4	4	Arthur J. Gallagher & Co. Rolling Meadows, Illinois www.ajg.com	J. Patrick Gallagher Jr., chairman/ president/CEO	\$5,106,500,000	12.5%	30,362	867	30.3%	10.6%	0%	3.2%	16.0%	13.5%	26.4%	0%
5	6	Hub International Ltd. Chicago www.hubinternational.com	Martin P Hughes, executive chairman; Marc Cohen, president/CEO	\$2,146,659,000	14.7%	11,465	447	48.8%	5.9%	0%	17.3%	27.0%	0.7%	0.4%	0%
6	5	BB&T Insurance Holdings Inc. ³ Parsippany, New York www.bbt.com	John Howard, chairman/CEO	\$2,016,267,000	5.1%	7,240	135	30.8%	46.8%	0%	7.1%	10.9%	3.8%	0.7%	0%
7	8	Brown & Brown Inc. ⁴ Daytona Beach, Florida www.bbinsurance.com	J. Powell Brown, president/CEO	\$2,009,856,649	8.2%	9,590	291	30.5%	36.7%	0%	6.5%	16.7%	9.4%	0.1%	0.1%
8	10	Lockton Cos. LLC ⁵ Kansas City, Missouri www.lockton.com	David Lockton, executive chairman; Ron Lockton, president/CEO	\$1,705,989,000	9.1%	7,500	95	60.0%	3.7%	2.2%	1.3%	32.0%	0%	0.9%	0%
9	9	USI Insurance Services LLC Valhalla, New York www.usi.com	Michael J. Sicard, chairman/CEO	\$1,665,445,136	1.9%	7,360	164	52.1%	2.1%	0%	5.5%	39.1%	0%	0.3%	0.8%
10	14	Acisure LLC Caledonia, Michigan www.acisure.com	Gregory Williams, president/CEO	\$1,378,108,087	34.3%	6,267	407	54.6%	2.8%	3.4%	10.9%	27.0%	0%	0.2%	1.0%

*Percentage of revenue may not add up to 100% due to rounding; ¹Acquired John L. Wortham & Son LP, Aug. 2, 2018; Bouchard Insurance Inc., February 2019; Jardine Lloyd Thompson Group PLC, April 1, 2019; Lovitt & Touché Inc., April 2, 2019; ²Pro forma to reflect acquisition of Jardine Lloyd Thompson Group PLC in April 2019; ³Acquired Regions Insurance Group Inc., July 1, 2018; ⁴Acquired The Hays Group Inc. et al., Nov. 16, 2018; ⁵Fiscal year ending April 30.
Source: BI survey



5 Hub International Ltd.

2018 brokerage revenue: **\$2.15 billion**
 Percent increase (decrease): **14.7%**

Hub International Ltd. continued its acquisition focus in 2018 as a new private equity firm acquired a minority share of the brokerage.

In October, Hub announced Toronto-based private equity firm Altas Partners LP acquired a minority stake, with the Altas transaction valuing the Chicago-based brokerage at more than \$10 billion, according to a company statement last year. But despite some earlier speculation to the contrary, the brokerage is expected to continue to be majority owned by San Francisco-based Hellman & Friedman LLC, which bought Hub in 2013.

Hub reported \$2.15 billion in 2018 brokerage revenues, a 14.7% increase from a year earlier, putting it in the No. 5 position in *Business Insurance's* ranking of the world's largest commercial insurance brokers, a notch up from its ranking last year.

The Chicago-based brokerage completed 66 acquisitions in 2018, accounting for more than \$200 million in additional revenue over the past year, said CEO Marc Cohen.

"What makes the number both impressive and sustainable is the fact that we really opened up new windows of opportunity in the



Marc Cohen, President & CEO

(merger and acquisition) space," Mr. Cohen said.

In the past, Hub tended to focus on "traditional acquisitions," including property/casualty transactions in the United States and Canada, he said. But "in 2018, we really expanded the acquisition pool" to include employee benefit agencies in Canada and 401(k) agencies in the United States, Mr. Cohen said.

"We have a specific strategy to acquire (managing general agencies) across all of North America," he said.

The acquisitions reflect a combination of the "heated acquisition environment with the fact that we've really expanded the types of agencies that we're looking to acquire and bring into the organization," Mr. Cohen said.

From an acquisition standpoint, the company expects to surpass its 2018 results this year, according to Mr. Cohen, who succeeded

longtime chief Martin Hughes in January 2018. Mr. Hughes remains executive chairman of the brokerage.

Hub prides itself on its integration process, Mr. Cohen said.

"The difference between us and many of the brokers whom we compete with in the acquisition space is, we've got a corporate infrastructure to source the potential acquisition candidates.

"Then we have committed and dedicated assets within our field operations that have full-time representatives to integrate the acquisitions into our culture, including providing to them a roadmap that's necessary to take advantage of the resources and the expertise we've got throughout the organization."

"They've built an impressive track record of acquisitions," said Timothy J. Cunningham, managing director at Optis Partners LLC, a Chicago-based M&A advisory firm and consultancy. "They've done a good job of integrating their acquisitions."

"One of the things that they sell to potential acquisition targets is they, and all the other private equity-based firms, do a mix of cash and some equity. But they sell the benefit of the equity" and how its value has increased over the years, Mr. Cunningham said.

This past year, Hub acquired a small business platform in Windsor, Ontario, and established

a call center in Chicago — both designed to handle transactional personal lines business, which is essentially its first step into the services center arena, Mr. Cohen said.

But the company sees expanding this business into the small commercial insurance and employee benefits area "down the line," he said.

Five years is often the traditional time frame for private equity investments.

"The private equity world is in love with insurance brokers, and all these transactions have seen an uptick in value," but it is unknown if this will last, Mr. Cunningham said.

Mr. Cohen said he anticipates Hub will continue to be private equity-owned for at least the next five to six years.

Altas "has a long-term view of companies that they invest in, and Hellman & Friedman, with confidence after the typical private equity term of five years, made the decision to remain an owner of Hub for an additional term," selling only a portion of their equity, Mr. Cohen said.

As to eventually becoming publicly held, "everything is on the table," but it is "not a topic of discussion at this point," Mr. Cohen said.

Judy Greenwald

