

Top Global Insurance Brokers

Hub jumps three spots to No. 5 and Epic Insurance Brokers & Consultants debuts in the top 20.

by Jeff Roberts

Mergers and consolidation. Consolidation and mergers. The white-hot mergers and acquisitions market continued unabated in a record-breaking 2018. An unprecedented 631 transactions in the United States and Canada were tracked last year, according to Optis Partners, a Chicago-based financial consulting firm specializing in the insurance industry.

MarshBerry, a consulting and advisory firm for the insurance distribution space, counted 580 announced U.S. brokerage transactions in 2018, a 4% increase from a then-record 557 in 2017.

The M&A activity reshaped the landscape as *Best's Review* presents its annual ranking of the top global insurance brokers, based on 2018 total revenue.

Marsh & McLennan Cos. (\$14.95 billion in total revenue last year), Aon (\$10.77 billion), Willis Towers Watson (\$8.61 billion) and Arthur J. Gallagher & Co. (\$6.93 billion) maintained their positions among the top four.

The marquee deal of 2018 was MMC's acquisition of Jardine Lloyd Thompson Group plc in September in a \$5.6 billion merger. It was completed in April 2019.

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Top 20 Global Brokers Ranked by 2018 Total Revenue

2018 Ranking	2017 Ranking	Broker	2018 Total Revenue
1	1	Marsh & McLennan Cos.	\$14.95 billion
2	2	Aon Plc.	\$10.77 billion
3	3	Willis Towers Watson	\$8.61 billion
4	4	Arthur J. Gallagher & Co.	\$6.93 billion
5	8	Hub International Ltd.	\$2.15 billion
6	5	BB&T Insurance Holdings Inc.	\$2.03 billion
7	6	Brown & Brown Inc.	\$2.01 billion
8	7	Jardine Lloyd Thompson Group plc	\$1.94 billion
9	10	Lockton Inc.	\$1.72 billion
10	9	USI Insurance Services	\$1.68 billion
11	13	Acrisure LLC	\$1.40 billion
12	11	Alliant Insurance Services Inc.	\$1.35 billion
13	12	NFP Corp.	\$1.25 billion
14	15	AssuredPartners Inc.	\$1.23 billion
15	14	AmWINS Group Inc.	\$1.09 billion
16	16	CBIZ Inc.	\$922 million
17	19	Hyperion Insurance Group	\$887 million
18	17	The Ardonagh Group	\$849.14 million
19	18	AmeriTrust	\$632.18 million
20	—	Epic Insurance Brokers & Consultants	\$589.01 million

JLT stood at No. 8 in this year's ranking, its final appearance, with \$1.94 billion in total revenue.

MMC reported deploying an additional \$1.1 billion across 23 transactions in 2018, including Marsh's acquisition of Wortham Insurance.

"The need for specialist advice has never been greater as clients deal with the increasing size, complexity and range of business challenges,"



1. Marsh & McLennan Cos.

Headquarters: New York

Revenue 2018: \$14.95 billion

Top Executive: Daniel S. Glaser, president and CEO

Top Lines: Insurance and reinsurance broking; human resource consulting; management consulting

Developments in 2018: Risk and insurance services (Marsh and Guy Carpenter) revenue increased 8% to \$8.2 billion in 2018, while consulting (Mercer and Oliver Wyman) revenue increased 5% to \$6.8 billion. Announced plans in September to acquire UK-based Jardine Lloyd Thompson Group plc for \$5.6 billion. The acquisition was completed in April 2019. Deployed an additional \$1.1 billion of capital across 23 transactions, including Marsh's acquisition of Houston-based Wortham Insurance, and Mercer's acquisition of Pavilion Financial and Summit Strategies. Marsh & McLennan Agency added seven agencies. Launched Bluestream, Marsh's digital broking platform for the affinity market, and Guy Carpenter's GC Genesis, a proprietary advisory offering on insurtech.



2. Aon Plc.

Headquarters: London

Revenue 2018: \$10.77 billion

Top Executive: Greg Case, CEO

Top Lines: Commercial risk; retirement and health solutions

Developments in 2018: Aon adopted a single P&L, embraced a single brand, announced a global Aon Operating Committee overseen by co-presidents and created a New Ventures Group to accelerate innovation. The firm delivered accelerated organic revenue growth, record operating margin, and adjusted earnings per share of \$8.16.



3. Willis Towers Watson

Headquarters: London, Arlington, Va.

Revenue 2018: \$8.61 billion

Top Executive: John Haley, CEO

Top Lines: Human capital and benefits; corporate risk and broking; investment, risk and reinsurance; benefits delivery and administration

Developments in 2018: Total revenue increased 5% to \$8.61 billion, led by the human capital and benefits segment with \$3.2 billion in revenue and the corporate risk and broking segment with \$2.9 billion in revenue. The company reached significant financial milestones including synergy goals around margin expansion for revenue growth and lowering tax rate, and nearly doubled free cash flow. In May, China's Banking Insurance Regulatory Commission approved Willis Insurance Brokers to be the first fully licensed foreign broker to transact all lines of insurance business in China.



4. Arthur J. Gallagher & Co.

Headquarters: Rolling Meadows, Ill.

Revenue 2018: \$6.93 billion

Top Executive: J. Patrick Gallagher Jr., chairman, president and CEO

Top Lines: Property, casualty, commercial auto, professional liability, workers' compensation

Developments in 2018: Completed 48 acquisitions with estimated annualized revenues of \$340 million.



Adopted a new revenue recognition accounting standard using the full retrospective method to restate each prior reporting period presented. Accordingly, all 2017 amounts were restated from previously reported information. The retail insurance brokerage operations accounted for 84% of the brokerage segment revenues in 2018. The retail brokerage operations place nearly all lines of commercial property/casualty and health and welfare insurance coverage. Wholesale insurance brokerage operations accounted for 16% of brokerage segment revenues in 2018.

5. Hub International Ltd.

Headquarters: Chicago

Revenue 2018: \$2.15 billion

Top Executive: Marc Cohen, president and CEO

Top Lines: Commercial; employee benefits; personal

Developments in 2018: Secured a substantial minority investment from funds managed by Altas Partners; acquired more than 65 brokerages; introduced new specialty products: hospitality captive, cannabis insurance and risk services, mortgage impairment insurance and umbrella/excess risk purchasing group; launched strategy to assemble best-in-class capabilities and entrepreneurial talent across Canada to offer clients a complete employee benefits and pension solution—since launch, Hub has acquired 13 Canadian brokerages; increased focus on retirement services to round out employee benefit solutions.



6. BB&T Insurance Holdings Inc.

Headquarters: Parsippany, N.J.

Revenue 2018: \$2.03 billion

Top Executive: John M. Howard, chairman and CEO

Top Lines: Commercial property/casualty; employee benefits; life

Developments in 2018: Developed and implemented transformational operating model that reflects differentiation of BB&T Insurance Holdings; closed on Regions Insurance acquisition in July, rebranded its middle market retail group to McGriff Insurance Services and formed new retail division structure designed to enable ongoing growth; strong sales culture drove 6% organic revenue growth; focused on margin improvement through operational efficiencies and invested in key technologies and automation for improved customer experience and capture future growth opportunities.



7. Brown & Brown Inc.

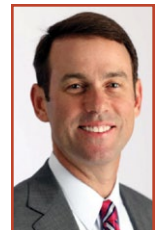
Headquarters: Daytona Beach, Fla.

Revenue 2018: \$2.01 billion

Top Executive: J. Powell Brown, president and CEO

Top Lines: Middle and upper middle-market property/casualty, employee benefits, personal and professional lines—retail, national programs, wholesale and specialty third-party administrative services

Developments in 2018: Surpassed \$2 billion annual revenue goal with growth of 7.1% and 2.4% organic growth, with margins of over 30%. Completed 23 acquisitions with annualized revenue of about \$323 million. Hayes Companies was largest acquisition in company history. Invested in technology and launched new capabilities to provide risk management solutions.



8. Jardine Lloyd Thompson Group plc

Headquarters: London

Revenue 2018: \$1.94 billion

Top Executive: Dominic Burke, Group CEO

Top Lines: Specialist insurance products; captive management; capital raising and corporate finance advice; pension administration; trustee and corporate and benefits consulting; wealth and investment management; pension software

Developments in 2018: Reorganized into three global divisions: specialty, reinsurance and employee benefits. It also began its Global Transformation Programme, which is expected to achieve US\$51 million in annual savings by 2020. The company acquired International Risk Consultants, a credit risk and political risk broker; Chartwell Healthcare, a private medical insurance company in the U.K. SME sector; Moola, a digital savings and investment platform; and Owl Marine Insurance Brokers, a specialist broker for hull and machinery protection and indemnity insurance. In September, Marsh & McLennan Companies announced a bid for JLT for an estimated enterprise value of \$6.4 billion, which was approved by shareholders in November. The acquisition was completed in April 2019.



9. Lockton Inc.

Headquarters: Kansas City, Mo.

Revenue 2018: \$1.72 billion

Top Executive: David M. Lockton, chairman

Top Lines: Risk management (property/casualty insurance), employee benefits, retirement services, affinity programs

Developments in 2018: Launched Lockton Capital Markets to facilitate investment banking and capital markets transactions focused on the convergence between insurance and alternative capital. Named Said Taiym executive vice president, chief digital officer; Julie Gibson senior vice president, director of marketing, communications and external affairs; and Mark Moitoso executive vice president, risk practices leader.



10. USI Insurance Services

Headquarters: Valhalla, N.Y.

Revenue 2018: \$1.68 billion

Top Executive: Michael J. Sicard, chairman and CEO

Top Lines: Commercial property/casualty, employee benefits, personal risk, retirement solutions, programs/wholesale

Developments in 2018: Saw a continuation of strong organic growth, heavy investments in top industry talent, innovation and investment in technology, and strategic expansion through partnership transactions across the country.



11. Acrisure LLC

Headquarters: Caledonia, Mich.

Revenue 2018: \$1.40 billion

Top Executive: Greg Williams, president and CEO

Top Lines: Commercial (60%) employee benefits (29%) personal (11%)

Developments in 2018: Expanded by partnering with 102 agencies and international expansion of the firm. Product expansion continued in property/casualty as well as employee and voluntary benefits and specialty offerings. Key internal efforts included the build-out of Acrisure Partner Solutions and the related internal product development, data and analytic initiatives.



12. Alliant Insurance Services Inc.

Headquarters: Newport Beach, Calif.

Revenue 2018: \$1.35 billion

Top Executive: Thomas W. Corbett, chairman and CEO

Top Lines: Property/casualty (specialty vertical niches and middle market); personal lines; employee benefits; retirement services; underwriting

Developments in 2018: Continued expansion through organic growth, acquisitions and the procurement of top brokerage talent. Grew to encompass more than 3,600 employees in more than 100 offices throughout the United States. Completed seven acquisitions, including: CLS Partners, Crystal & Company, Dumortier Risk Management, Engel Agency, Harbor Group Consulting, Hecht & Hecht and Zande Group.



13. NFP Corp.

Headquarters: New York

Revenue 2018: \$1.25 billion

Top Executive: Doug Hammond, chairman and CEO

Top Lines: Property/casualty, corporate benefits, individual solutions

Developments in 2018: Experienced growth in key markets throughout the United States and Canada. Completed 40 acquisitions while seeing considerable growth in the P/C line of business and steady expansion in the corporate benefits and individual solutions (wealth management and life insurance) divisions. Established an innovation lab and venture fund to advance ideation and deliver new solutions focused on the dynamic needs of clients and prospects. Advanced diversity and inclusion to drive talent acquisition and retention and reinforced its commitment to elevating women in leadership positions. Hit a key milestone by exceeding more than 5,000 employees worldwide.



14. AssuredPartners Inc.

Headquarters: Lake Mary, Fla.

Revenue 2018: \$1.23 billion

Top Executive: Jim Henderson, chairman and CEO

Top Lines: Commercial property/casualty with a focus on senior living, aerospace, transportation, professional liability and real estate. Employee benefits for large and small employers. Personal lines.

Developments in 2018: Continued growth with the addition of 42 acquisitions. Many of the new acquisitions were focused on our current specialty markets. Expansion into new regions and specialties with continued investments in producer training and mentoring programs.



15. AmWINS Group Inc.

Headquarters: Charlotte, N.C.

Revenue 2018: \$1.09 billion

Top Executive: Scott M. Purviance, CEO

Top Lines: Commercial property/casualty; employee benefits; niche programs

Developments in 2018: Generated organic growth of approximately 12% and continued to develop more proprietary capacity and products for our retail broker clients.



16. CBIZ Inc.

Headquarters: Cleveland

Revenue 2018: \$922 million

Top Executive: Jerome P. Grisko Jr., CEO, president

Top Lines: Group health benefits, property/casualty insurance, retirement plan consulting, payroll, human resources consulting services

Developments in 2018: In the benefits and insurance services segment, retirement planning, property/casualty, and payroll services all performed well. The group health benefits business continued its positive trend, and at the same time, there was an increased focus on hiring and developing additional producers. Investments were made in new technologies to support our growing business and to meet the evolving needs of our clients both today and in the future. A new national branding campaign was launched in our major markets throughout the United States.



17. Hyperion Insurance Group

Headquarters: London

Revenue 2018: \$887 million

Top Executive: David Howden, CEO

Top Lines: Broking divisions Howden and RKH, underwriting division DUAL, and data and technology business, Hyperion X

Developments in 2018: Made a number of investments to strengthen product and distribution capabilities both geographically and in terms of specialist market positions. Expanded the retail broking operations in Turkey with its investment in insurance broker ACP to form Howden ACP. DUAL Italia acquired Synkronos Italia. Expanded retail broking operations in Asia with an investment in International Planning Group to form IPG Howden. The Group acquired a 9.9% share in Apollo Partners LLP. Howden expanded its Ibero-American operations with its investment in top-five Mexican broker, Grupo Ordás, in Mexico City, to form Grupo Ordás Howden. Operational highlights: The equity investment by Caisse de dépôt et placement du Québec completed. CDPQ joined as a long-term investor alongside General Atlantic and our employee



shareholders. Launched Hyperion X to develop key areas of data, analytics and digital platform delivery.

18. The Ardonagh Group

Headquarters: London

Revenue 2018: \$849.14 million

Top Executive: David Ross, CEO

Top Lines: Corporate, advisory, retail and wholesale insurance broking, health care, digital distribution, specialist underwriting

Developments in 2018: Reshaped portfolio through the acquisition of Swinton, a personal lines brand, and the disposal of the claims and commercial MGA businesses. Largely completed the turnaround of the Towergate business that the current shareholders, board and management team inherited in 2015.



19. AmeriTrust

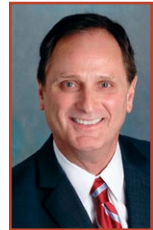
Headquarters: Southfield, Mich.

Revenue 2018: \$632.18 million

Top Executive: Kenn R. Allen, president and CEO

Top Lines: Workers' compensation, general liability, auto liability and property coverages

Developments in 2018: Retail agent appointments, new product development and enterprise risk management.



20. Epic Insurance Brokers & Consultants

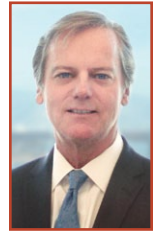
Headquarters: San Francisco

Revenue 2018: \$589.01 million

Top Executive: Peter Garvey, CEO

Top Lines: Workers' compensation, commercial package, medical, commercial property and commercial auto

Developments in 2018: Acquired Vanbridge LLC and Integro USA. Selected as broker/program administrator for the American Council of Engineering Companies Business Insurance Trust. Steve Denton appointed president of Epic Holdings Inc.



President and CEO Daniel S. Glaser said in an April conference call.

Hub International Ltd. (\$2.15 billion) was the biggest riser, jumping to No. 5 from No. 8 in last year's *Best's Review* ranking. The Chicago-based commercial, employee benefits and personal lines broker acquired more than 65 U.S. brokerages in 2018 and 13 in Canada.

Another active mover was Acrisure LLC (\$1.40 billion), which rose to No. 11 from No. 13 and from No. 18 in 2016. Last year, the Caledonia, Michigan-based commercial, employee benefits and personal lines broker partnered with 102 agencies.

Mergers & Acquisitions

MMC, Hub and Acrisure are hardly the only brokers pursuing mergers.

Gallagher completed 48 deals, acquiring \$340 million in estimated annualized revenues. No. 7 Brown & Brown Inc. completed 23 acquisitions

with annualized revenue of about \$323 million.

No. 13 NFP Corp. completed 40 acquisitions.

And No. 14 AssuredPartners Inc. made 42 deals.

Making a Debut

Epic Insurance Brokers & Consultants cracked the ranking at No. 20 with revenue of \$589.01 million. Last year, the San Francisco-based workers' compensation, commercial package, medical, commercial property and commercial auto lines broker acquired Vanbridge LLC and Integro USA.

It also appointed Steve Denton as president.

The Deal That Almost Was

The entire landscape could have shifted in March 2019 when No. 2 Aon announced it was considering an all-stock offer of No. 3 Willis Towers Watson. The merger quickly fell through.

It might have propelled Aon ahead of Marsh into the top spot in the 2020 *Best's Review* rankings. **BR**