



- In 2020, the world's top 20 insurance broking groups accounted for just over a half of global insurance broking revenues

- worldwide, total fees and commissions earned from insurance broking activity were worth around USD 117.7 billion

- further consolidation among insurance broking groups is taking place during 2021 but the sector will remain a comparatively fragmented one

London, 8th June 2021

According to rankings and analyses completed by Insuramøre, the value of the worldwide market for insurance broking in terms of fees and commissions earned was USD 117.7 billion in 2020. This broke down between around USD 55.1 billion due to commercial P&C (non-life) insurance retail broking, USD 11.2 billion to private P&C (non-life) insurance retail broking, USD 37.6 billion to employee benefits plus life and health insurance retail broking, USD 5.3 billion to reinsurance broking and USD 8.4 billion to wholesale insurance broking. (Noting that these data points omit tied agency and MGA activity among other elements, please see the following two pages for precise definitions of these activities.)

If not exactly emerging as lockdown winners, the global pandemic had much less of an impact on insurance broking groups than it did on enterprises in some other industries. Discounting inflation, growth in global broking revenues during the year is thought likely by Insuramøre to have been between around 3% and 5% with reinsurance and wholesale insurance broking plus both commercial and private P&C insurance retail broking tending to fare better than broking and administration of employee benefits.

A further feature of 2020 was the acceleration in M&A activity among broking groups; the pandemic had the effect of encouraging such activity rather than diminishing it with many hundreds of transactions concluded globally. Furthermore, among the top 250 broking groups at the end of 2020, a significant number were in the process of merging with or being acquired by rivals via deals expected to conclude in 2021. In addition to the well-documented combination of Aon with Willis Towers Watson, other major acquisitions (listed alphabetically) already completed or poised to conclude during 2021 as at the date of this press release include the following: A-Plan Group by Howden Group Holdings; ASCOMA by Chedid Capital; Be Wiser by Ardonagh Group; the insurance broking interests of BGC Partners by Ardonagh Group; Bollington Wilson Group by Arthur J. Gallagher; Brightside by Markerstudy; Confie by Alliant; PayneWest Insurance by Marsh & McLennan; Voogd & Voogd by Heilbron Groep; Wirtschafts-Assekuranz Gruppe by MRH Trowe; and Worldwide Facilities by Amwins.

While this M&A activity will bring about further consolidation in the worldwide insurance broking market, Insuramøre's global rankings of broking groups (www.insuramøre.com/rankings/brokers) indicate that the sector remains quite fragmented. These rankings indicate that the world's top 20 broking groups as measured by total insurance broking revenues in 2020 accounted for a combined 51.8% of fees and commissions earned (and the top 250 groups for 77.6%). Meanwhile, and noting that these data points do not count international broker networks as consolidated groups, the equivalent percentages for the top 20 groups in each of commercial P&C insurance retail broking, private P&C insurance retail broking and employee benefits plus life and health insurance retail broking were a respective 57.5%, 37.0 % and 54.8%.

Ordered alphabetically, Arthur J. Gallagher, Aon, Marsh & McLennan and Willis Towers Watson are the four largest groups in commercial P&C insurance retail broking and employee benefits plus life and health insurance retail broking, and are also four of the five largest in reinsurance broking. However, Amwins, Ryan Specialty Group and Truist Insurance Holdings are among the foremost competitors in wholesale insurance broking with Confie (in the process of merging with Alliant, as noted above) followed by HUB and AA Insurance Services likely to be the top three in private P&C insurance retail broking.

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Notes to editors:

Insuramore is a provider of marketing services and related consultancy with a primary focus on the insurance sector. Its positioning stems not only from the broad range of services (see www.insuramore.com/services) that it offers and its worldwide coverage but also from its deep understanding of all types of insurance spanning life, health and P&C (non-life) insurance, whether bought by individual consumers, commercial enterprises, the public sector or not-for-profit entities, plus related services such as assistance and warranties. Insuramore's insurance provider rankings (see www.insuramore.com/rankings) provide original and unrivalled insights into carrier (underwriter) and broker groups around the world. The full list of insurance types about which Insuramore can provide data, research and consulting services at an international level can be seen at the www.insuramore.com/insurance-types page.

Definition of insurance broking revenues

Insurance broking revenues are defined as fees and commissions earned from any kind of insurance (or reinsurance) wherein the intermediary (brokerage / independent agency) acts in an advisory capacity for its customers and places risks with all or a broad range of carriers / underwriters in the relevant market either directly (on a retail basis) or indirectly via other intermediaries (on a wholesale basis). Fees earned from alternative risk transfer (ART) activity such as the placement of risks with a captive carrier / underwriter, risk retention group (RRG) or insurance pool, or into an insurance-related security, are also classified here as insurance broking revenues, as are fees intrinsically related to core broking activity such as those earned from safety / risk / crisis management consulting, claims advocacy / claims management, premium finance, employee benefits / health / pensions / wellness consulting, associated data / actuarial analytics etc.

Fees and commissions earned from activity wherein the intermediary acts as a tied agent for a single (non-captive) carrier / underwriter or places risks with a limited panel of (non-captive) carriers / underwriters are NOT classified here as insurance broking.

Fees and commissions earned from underwriting activity by managing general agents (MGAs), managing general underwriters (MGUs), cover-holders with binding authority (i.e. where risks are not retained) are also NOT classified here as insurance broking revenues.

Likewise, revenues earned from ancillary services that are not intrinsically related to insurance broking (as defined above) are also NOT classified here as insurance broking. Various, and depending on the breadth of activities of the intermediary, these ancillary services may include general human resources (HR) and compensation consulting / communication / administration, workforce absence management consulting, general management consulting, capital advisory services for insurance-related investments, other professional services (e.g. audit, compliance, deal advisory, tax etc.), financial advisory services for individual customers concerning investments / pensions / retirement savings / wealth management, estate planning, online price comparisons for insurance / other services (i.e. aggregation), and premium finance (where not intrinsically related to the intermediary's core broking activity).

Captive brokers that focus mainly on arranging insurance for their parent organizations (and their suppliers) are excluded from the analysis; these are present in a few specific countries such as Germany and Japan.

Definition of commercial P&C insurance retail broking revenues

Broking revenues (as defined above) derived from property and casualty (non-life) insurance acquired directly (i.e. on a retail basis) by business enterprises (including the self-employed), the public sector and not-for-profit entities comprising commercial auto (motor), liability (e.g. D&O, professional) and property insurance plus other commercial lines cover including (but not limited to) business interruption, commercial cyber, group accident (but not health), legal protection, MAT (marine, aviation and transport), surety, trade credit and workers' compensation insurance.

Definition of private P&C insurance retail broking revenues

Broking revenues (as defined above) derived from property and casualty (non-life) insurance acquired directly (i.e. on a retail basis) by private individuals (but NOT by the self-employed for their own business activity) comprising auto (motor) and home insurance plus other personal lines cover including (but not limited to) boat / yacht, extended service contract / warranty, legal protection, personal accident (but not health), pet, private cyber / liability, travel and unemployment insurance.

Definition of employee benefits plus life and health insurance retail broking revenues

Broking revenues (as defined above) derived from independent arrangement of and advice / consulting in relation to employee and executive benefits programs (comprising both core and voluntary group benefits and including employee retirement / pension schemes), plus broking (as defined on the following two pages) of protection-related life and / or health insurance (including dental and vision cover plus creditor / loan-related policies) acquired directly (i.e. on a retail basis) by any kind of customer either on a group or individual basis.

Definition of reinsurance broking revenues

Broking revenues (as defined above) derived from reinsurance (including retrocession).

Definition of wholesale broking revenues

Broking revenues (as defined above) derived from any kind of insurance (or employee benefit) wherein the broker acts as an intermediary between carriers / underwriters and retail brokers / independent agencies.