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Agent and Broker Mergers & Acquisitions - 3rd Quarter 2024

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Mergers and acquisitions among insurance agencies and brokers in the United States and Canada totaled 535 through the first 3 quarters of 2024.

The Q3 2024 Merger & Acquisition Update prepared by Optis Partners reports 535 announced insurance agency mergers and acquisitions in the first three quarters of 2024, as compared to 594 transactions in the first three quarters of 2023 (a 10% reduction).

However, there were 198 announced deals in the third quarter of 2024 and this represents a 14% increase compared to the 173 announced deals in the 2nd quarter of 2024. Although deal count has declined over the past 2 years (down from the peak of 1,108 in 2021), Optis suggests that annual deal volume could be in the range of 700-800.

Although the pace of activity seems to be leveling to pre-Covid 2019 deal count, there appears to be a ready supply of sellers and buyers. Optis reports 87 distinct buyers during the first three quarters of 2024, with 25 of those making their first transaction. The report indicates that private equity backed transactions account for 73% of transactions year-to-date and in the 3rd quarter.

There continue to be opportunities and value premiums available for quality agencies, in particular those demonstrating a history of growth. Agencies will be well served to perform in-house due diligence in advance of any planned deal activity. See **this prior article** for suggested items to review before proceeding.

As you consider preparing your own agency for a sale or if you are considering the purchase of another agency, you may find it helpful to review our **5-part series discussing the merger and acquisition process**.

Knox Law has a history of representing both agent and broker buyers and sellers, and we would be happy to work with you as you consider or proceed with your transaction. Contact Bill Helbling for more information.



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