

Mergers & Acquisitions

2012 Insurance M&A Snapshot

Here is a snapshot of the property/casualty insurance industry merger and acquisition activity reported by *Insurance Journal* in 2012.

Major carrier transactions included Nationwide's acquisition of Harleysville, The Hartford's selling of its life units, Allegheny and Transatlantic completing their merger, and Markel's announced intention to acquire Alterra. There were several transactions involving medical malpractice insurers.

There was considerable activ-

ity in the wholesaler/MGA/program administrator space. BB&T completed its \$570 million acquisition of Crump Insurance units.

Ryan Specialty, AmWins and Bollinger proved to be active buyers.


In the agency space, Illinois-based insurance broker Arthur J. Gallagher left other insurance agency buyers in the dust in 2012, scoring or announcing 26 acquisitions, far more than any other buyer. Five of its acquisitions were in its home state of Illinois. Brown & Brown, Confie

Seguros, Marsh, Assured Partners/Neace Lukens and USI were also busy.

Two of the most active buyers, Confie Seguros and USI, were themselves bought. ABRY partners acquired a majority of the equity of the large personal lines insurance broker Confie Seguros from Calif.-based Genstar Capital. Canadian private equity firm Onex Corp. acquired USI Insurance Services from Goldman Sachs Group's GS Capital Partners for approxi-



mately \$2.3 billion.

In addition to those agencies that were busy in 2012, *Insurance Journal* reporters indicate buyers to watch in 2013 include Aon and Wells Fargo. The following are 2012 transactions or announcements of note. Special thanks to this year's "Insurance M&A Snapshot" sponsor MarshBerry. 

Carriers

- MedPro completes acquisition of New Jersey-based Princeton Insurance
- Chartis acquires warranty services provider Service Net
- Allegheny and Transatlantic complete merger
- OneBeacon completes sale of AutoOne business to New York's Interboro
- Goldman Sachs completes acquisition of Ariel Re's Bermuda operations Arch Capital completes acquisition of Ariel Re's Credit & Surety Reinsurance
- HSBC sells general insurance business to AXA, QBE for \$914 million
- Tokio Marine buyout of insurer Delphi allowed to proceed
- Hartford bows to shareholder Paulson, sells most life units
- Southeast non-standard auto insurer Peachtree acquired by California equity firm
- Liberty Mutual acquires Kit Finance, enters Russian auto insurance market
- North Carolina's Red Ventures buys HomeInsurance.com
- Workers' comp insurer BrickStreet acquires PennCommonwealth
- Canopus to buy Lloyd's Omega insurance for \$265 million
- Tower Group to invest in Lloyd's

- Canopus
- Nationwide Mutual completes Harleysville merger
- Flexpoint Ford agrees to acquire GeoVera from Hellman & Friedman
- Western National completes purchase of American Freedom insurance
- Hilltop Holdings, PlainsCapital Corp. Sign merger agreement
- Maryland's state-run WC insurer IWIF to become private nonprofit
- Private equity firm Southport Lane to acquire Dallas National Insurance Co.
- Southport Lane acquires Redwood Reinsurance
- RSA acquires Quebec insurer L'Union Canadienne
- Lexon buys Florida's Peninsular Surety
- Fairfax runoff sub Riverstone to acquire Brit Insurance Ltd.
- White Mountains acquires 2 Pico Holdings insurers in run-off
- Independent Nevada Doctors Insurance Exchange to merge with ProAssurance
- Medical liability insurer ProAssurance to acquire Medmarc in Virginia
- CNA completes acquisition of Hardy Underwriting Bermuda Ltd. for \$230 million
- Catalina Holdings acquiring two insurance operations from HSBC

- Main Street America, Austin Mutual Insurance affiliation finalized
- The Hartford sells life private placement unit to Philadelphia Financial
- MetLife acquires Georgia's Reynolds Plantation
- Physicians Insurance acquires EMPAC/Scrubs
- Zurich to transfer automotive aftermarket business to Arrowhead
- Flagstone Re completes the sale of Lloyd's operation to ANV
- Validus to buy Flagstone Re for \$600 million in cash and stock
- The Hartford to sell retirement plan unit to MassMutual
- Dubai Group sells Turkey insurance unit to Starr, Oman Insurance
- Ace acquires 80% of Indonesia insurer Asuransi Jaya Proteksi
- Ageas to acquire Groupama Insurance (UK)
- Catalina acquires runoff vehicle KX Re from Tawa
- American Family acquiring Permanent General, Lumbermens Casualty
- Prudential to pay \$615 million for Hartford's life insurance unit
- ING to sell Malaysian insurance unit to AIA for \$1.73 billion
- OneBeacon cuts ties with Hagerty Agencies, selling Essentia to Markel
- OneBeacon selling runoff business to Bermuda's Armour Group
- Ally Financial to sell Mexican insur-

- ance business to Ace
- Hong Kong's Li returns to insurance with \$2.1 billion ING deal
- Penn. regulators approve pending sale of Isreal's CLAL's U.S. unit to Berkshire's National Indemnity
- The Doctors Co. to acquire Utah Medical Insurance Association
- RLI acquires Medical Malpractice Underwriting Agency
- RLI acquires Houston's Rockbridge Underwriting Agency
- MetLife to sell mortgage service unit, focus on insurance operations
- Endurance acquires Galileo Weather Risk
- AIG, others to take up half of China Pico's \$3.6 billion Hong Kong IPO
- AIG acquires The Hartford's financial advisory group Woodbury
- White Mountains completes acquisitions of AIG, Pico runoffs
- Thai group buys Ping in stake from HSBC for \$9.38 billion
- Chinese group to buy AIG's plane leasing unit for up to \$4.8 billion
- Treasury completes final sale of AIG stock
- PartnerRe to acquire Calif.-based Presidio Re Group
- Markel acquiring Alterra for \$3.1B
- RSA announces sale of Dutch Caribbean operation
- Zurich transfers Eagle Star to Riverstone; Irish banking business to Dunbar

Wholesalers/MGA/Program Managers

- Penn.-based Glatfelter acquires faith-based and senior living programs
- N.J.-based Bollinger acquires Argent Professional Insurance Agency
- R-T Specialty acquires Texas insur-

- ance wholesaler Maclean, Oddy & Associates
- R-T to acquire workers' comp wholesaler IFIS in California
- IMAC acquires Chicago-based Specialty Service Solutions
- U.S. wholesale broker AmWins com-

- pletes acquisition of London's THB
- Kaufman Financial acquires London's Chesterfield Group, Texas MGA
- K2 acquires majority stake in Midwestern Insurance Alliance
- BB&T completes \$570M acquisition

- of Crump Insurance units
- N.J.-based broker Bollinger acquires Creative Agency Group
- Worldwide Facilities acquires N.Y.-based wholesaler Privett
- The McGowan Cos. purchases Md.-based Allied Insurance Brokers

Wholesalers/MGA/Program Managers Continued

- Stoermer Insurance to assume accounts of Black/White & Assoc.
- PGI acquires N.Y.-based program administrator American Altair Group
- Personable Insurance acquires Texas-based endeavor General Agency
- R K Harrison completes specialty lines purchase from Gibbs Hartley Cooper
- AmWins Group completes recapitalization deal
- N.Y.-based broker Sterling & Sterling, Hyde Agency form joint venture
- Ryan Specialty to buy Direct Group in UK
- AmWins buys Wisconsin school insurance broker, SMIC
- Ryan Specialty Group acquires Atlantic Star Intermediaries in New York
- Ryan Specialty Group to acquire WKFC Underwriting Managers
- CRC/Crump acquires preferred brokerage unit of Preferred Concepts
- N.J. brokerage Bollinger acquires The Morville Agency
- Preferred Concepts acquires Metro Insurance Services in New Jersey
- Kaufman Financial Group acquires Premium Insurance Auditor
- Prowriters acquired; opens as independent managing general underwriter
- IDP Holdings acquires NSU's Hospitality Program in Washington
- Penn.-based W.N. Tuscano buys Special Risk Solutions from Utica Mutual
- AmWins Group to acquire Georgia-based Gresham & Associates
- Brown & Riding in California merges with Travis-Pedersen
- Utah-based Veracity acquires Stratus Insurance Services
- KKR to acquire Alliant Insurance from Blackstone
- California's Trinity Insurance Services bought by McNeil & Co. of New York

Most Active Agency Buyers

Arthur J. Gallagher

- Capital Bauer Insurance in Albany, N.Y.
- South Carolina's Riley & Associates
- Prosource Financial in Illinois
- Louisiana MGA, First Premium
- Dallas-based Wischmeyer Benefit Partners
- Human Resource Management Systems in Illinois
- Canadian broker BenefitLink Resource Group
- Louisiana's Besselman & Little Agency
- Ohio's Schiff, Kreidler-Shell
- UK's Insurance Dialogue Limited
- Professional Claims Managers of Dallas
- Grossman & Associates of Ohio
- Broker Benefit Services in Missouri
- Alabama's Whitehaven Insurance
- Miller Buettner & Parrott in Illinois
- Triad USA in Pennsylvania
- Grace/Mayer Insurance Agency of Nebraska
- Texas-based Sunday and Associates
- Coyle Insurance Agency of Illinois
- Unison Inc. of Minnesota
- Park Row Associates in Rhode Island
- Aires Consulting Group of Illinois
- Nebraska's Brendis & Brendis
- Michigan's Charter Lakes Marine

- Insurance Agency
- Western Benefit Solutions of Idaho
- Ahrold Fay Rosenberg of Iowa

Confie Seguros

- Power Auto in California
- Survival Insurance in California
- Speedlane Insurance in California
- The Chapman Agency in New Jersey
- Coppola Insurance in New York
- Palmetto Insurance in Florida
- Daley Insurance in Florida
- Bradley Insurance Agency in Nevada
- Auto Insurance World of Florida
- Westside Auto, Ontario, Canada
- Stonewood Insurance Services in California
- Maurisset Insurance in Florida
- CNS Insurance Services in Florida
- Briar Bay Insurance in Florida
- Got Insurance of Las Vegas, Nevada

Brown & Brown

- Arrowhead General Insurance Agency in California
- D. Bezona & Co. in California
- Moten Associates in Pennsylvania
- Mass.-based Richard W. Endlar Insurance
- Insurcorp in Nevada
- Behnke & Associates in Florida
- Gilbert RV Insurance in Florida

- Rowlands & Barranca Agency in New York
- RV America Insurance Marketing in Kentucky
- Let's Talk Insurance in Kentucky
- Johnson & Strachan in Virginia
- Edgren Hecker & Lemmon Insurance in Washington
- Texas Security General Insurance Agency in Texas

Marsh/Marsh & McLennan Agency

- Africa's Alexander Forbes' brokerage business
- KSPH in Virginia
- Cosmos Services, a unit of Japan's Itochu Corp.
- Progressive Benefit Solutions in North Carolina
- Security Insurance Services in Wisconsin
- South Carolina's Rosenfeld Einstein
- South Dakota's Howalt+McDowell Insurance
- Protector Group in Massachusetts
- Ohio's Brower Insurance Agency
- Independent Insurance Group Benefits in Texas

Assured Partners/ Neace Lukens

- Kentucky's Berryman Agency

- Indiana's Jenkins Insurance Services
- Indiana's Matrix Benefits and Consulting Group
- Kentucky's Morehead Insurance
- South Carolina's Gosnell Agency
- Davis-Garvin Agency in South Carolina
- Dawson Cos. in Ohio
- Moore & Johnson in North Carolina
- Schifman Remley and Associates in Kansas
- R. Stanford Webb Agency in North Carolina

USI

- Virginia's the Pinnacle Group
- Illinois-based Euclid Insurance retail business
- National Insurance Specialists in Ohio
- Georgia's Impact Benefit Management Services
- Lynch, Beretta and Bucci Insurance in Rhode Island
- Kelly Insurance Brokerage in New York
- Florida's Suncoast Associates
- Canadian TD Bank's U.S. Insurance subsidiary
- Compass Insurance in Alabama

Noteworthy Agency/Broker Transactions

- Hub acquires Associated Independent Agencies Inc. (AIA) in Washington
- TDECU Insurance Agency acquires Associated Insurance Advisors in Houston
- Bolton & Co. acquires Pacific General Insurance Services, California
- UPA Insurance brokers in California acquired by Risk Strategies
- Ascension Insurance acquires North Carolina's Falcone Williams
- Digital Insurance buys Va.-Based strategic employee benefits services
- PSA acquires Baltimore office of edgewood partners insurance center
- Direct-link acquires Southern California firm Cumbre
- Ventura Partners acquires California's Barlocker, forms Coastal States
- Lubbock office of Shofner, Lynch & Shulse joins McQueary Henry Bowles Troy in Dallas
- TDECU Insurance acquires assurance Insurance Agency in Texas
- TDECU Insurance acquires Burridge Insurance agency based in Texas
- The Buckner Co. acquires Leonardson Insurance in Idaho
- Florida Harbor Agency acquires Fidelity Insurance Associates
- Town & Country Insurance Agency completes Whittington acquisition in Texas
- Palomar buys Martin Grace Benefit Group in Alabama
- Bell-Anderson in Washington acquires Michael J. Girias
- Poms acquires Stone, Harris & Stone in California
- Benefit Specialists joins Higginbotham Insurance group in Texas
- Stahlka Agency acquires Historic Square Agency's Western N.Y. practice
- Michigan's InPro Insurance group acquires Falvay-Counihan Insurance
- Bancorpsouth Insurance acquires Alabama agency, Securance Group
- CBIZ acquires Texas-based Stolz and Co.
- Sebs of the Midwest merges with Digital Benefit Advisors' Chicago office
- Whitfield United Insurance Agencies in Washington join the Leavitt Group
- Coverica acquires assets of Dallas-based Unimark Insurance
- Bolton acquires Reaume Financial Group in California
- Digital Insurance acquires DSG Benefits Group in Dallas
- Integro buys UK Media Insurance
- McGowan purchases assets of CGA Associates in Ohio
- Ascension acquires Modern Services Insurance in Atlanta
- Bolt buys 2 Florida agencies: PRG and Florida Direct
- Digital Insurance acquires Knoxville's First Benefit Partners
- Ohio's Norman-Spencer Agency acquires N.Y.-Based Keenan Marine Agency
- CBIZ acquires Trinity RiskAdvisors of Atlanta
- New York's Cook, Hall & Hyde to merge with Maran Corporate Risk Associates
- Digital Insurance buys North Carolina's Strategic Benefit Solutions
- HUB International expands in Caribbean with Puerto Rico broker
- Lockton Dunning Benefits acquires Excelsior Solutions in Minnesota
- MJ Insurance acquires Indianapolis-based Mead & Company
- Powter acquires Jordan in Texas
- CBIZ buys Leavitt Pacific's employee benefits in California
- HUB acquires Raintree Insurance Agency in California
- The Horton Group, Cassidy Neeser & Brasseur merge
- Risk innovations acquiring work comp business of Missouri's TAS Insurance Group
- Risk Strategies Co. acquires D&D Insurance Agency in Massachusetts
- Northwest Savings Bank acquires Bert Insurance Group of Pennsylvania
- Willis North America to acquire Canadian benefits broker Avalon Actuarial
- Coastal Insurance Group becomes a Higginbotham Co.
- Integro acquires southern California's the Rule Group