

A modern office interior with large windows and ergonomic chairs. The scene is bathed in a blue light, creating a professional and serene atmosphere. The windows offer a view of a cityscape, and the chairs are arranged in a way that suggests a collaborative workspace.

# TARGET MARKETS

OCTOBER 16, 2017

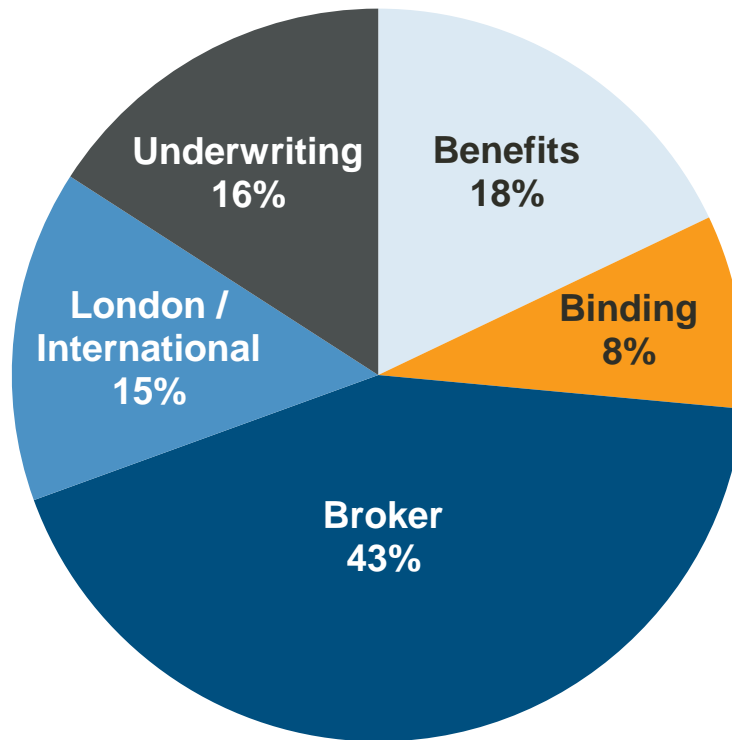
# AMWINS GROUP

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- Founded in 1998 as Americana Financial
  - Dot.com/Retail Insurance
  - Failed miserably
- CEO in January 2001
  - Revenue: \$20M
  - EBITDA (\$10M)
  - Retail brokerage subsidiaries
  - STOP: Coneheads/Retail
- June 1, 2002 merged MTS, New Century and SPFM
- Borrowed capital from seller
- New Name! American Wholesale Insurance Group: **AmWINS**
- Completed 43 acquisitions since then

# FIVE DIVISIONS

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**\$902.0M**

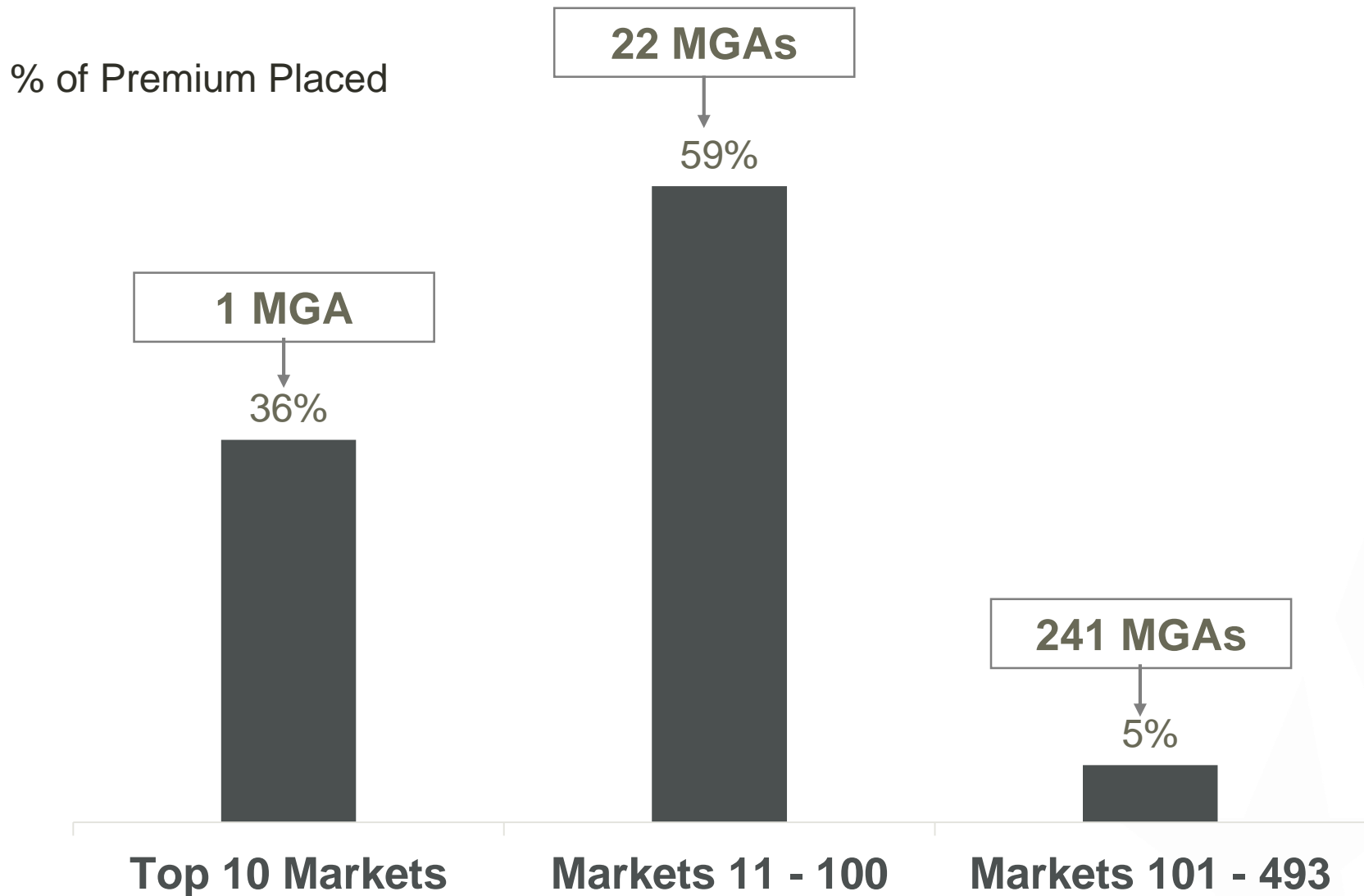
# LINE OF UNDERWRITING BUSINESS

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2016: \$1,360,000,000

- Small Commercial: \$371,000,000
- Workers' Comp: \$297,000,000
- Cat Property: \$158,000,000
- USL&H: \$148,000,000
- Programs: \$147,000,000
- Non-Standard Auto: \$77,000,000
- Trucking: \$67,000,000
- Umbrella/Environmental: \$23,000,000
- Sawmills: \$21,000,000
- Apartments: \$16,000,000
- All Other: \$35,000,000

# AmWINS BROKERAGE: MARKET PERSPECTIVE



## Insurance Products Targeted To A Specific Niche Market or Class

# DIFFERENTIATION

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- Product
- Risk Management Services
- Delivery Mechanism
- Price

# DISTRIBUTION

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- Retail
- Wholesale



# ADMINISTRATION RESPONSIBILITIES

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- Underwriting Selection
- Binding
- Issuing
- Billing
- Marketing
- Premium Collection
- Data Gathering
- Claims Management
- Loss Control
- Risk Sharing

# DIFFERENTIATION

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- Product
- Risk Management Services
- Delivery Mechanism
- Price
- Underwriting Selection
- Marketing
- Data Gathering

**That is differentiation!**

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# DISTRIBUTION



Capital  
“Decides Distribution”

# CAPITAL DECIDES DISTRIBUTION

Traditional  
U.S.

Lloyd's

Specialty

Far East

Alternative  
Capital



# CAPITAL DECIDES DISTRIBUTION

"Not only do we have too much capital in the business, my belief is we have too many providers and distributors of that capital. The trend will be towards fewer, larger and leaner companies in the space."

- Peter Eastwood, president of Berkshire Hathaway Specialty Insurance : RIMS annual conference

# CAPITAL DECIDES DISTRIBUTION

Capital  
Providers

~3,000

Lloyd's  
Brokers

~250

MGAs

~1,200

Wholesale  
Brokers

~400

Retailers

~50,000

“Fewer?”

2,000?

150?

800?

250?

35,000?

“Still Highly Fragmented”

# CAPITAL DECIDES DISTRIBUTION





# 10PM GUY

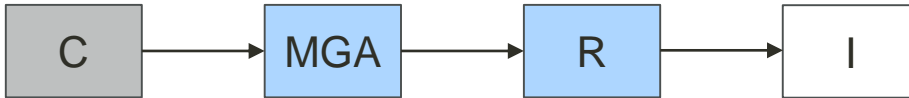
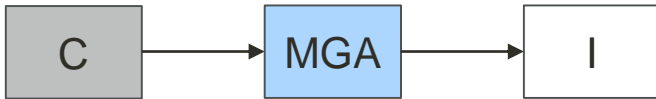
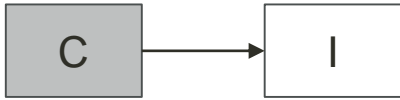
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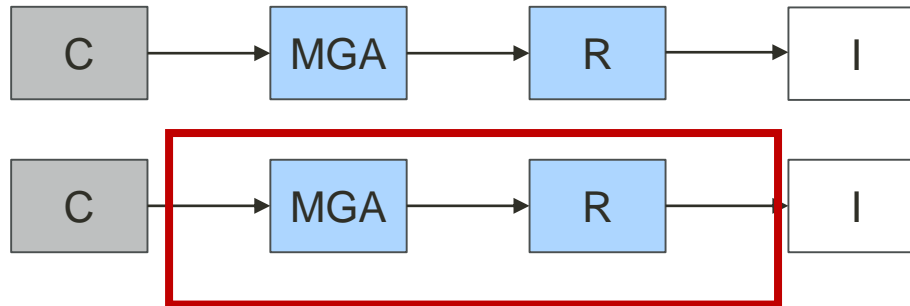
# CAPITAL DECIDES DISTRIBUTION



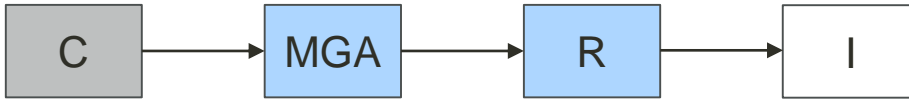
# CAPITAL DECIDES DISTRIBUTION



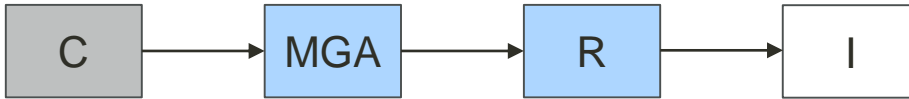
# CAPITAL DECIDES DISTRIBUTION



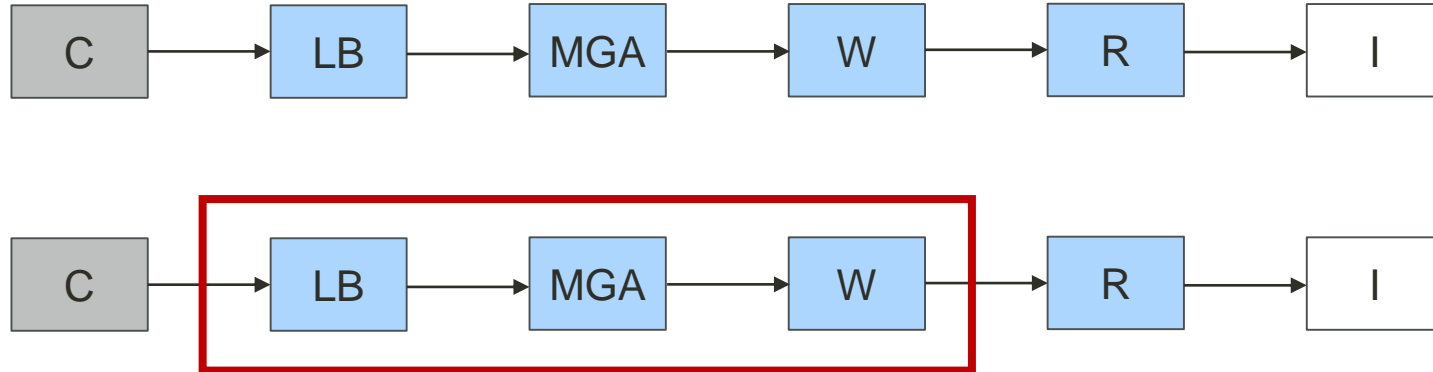
# CAPITAL DECIDES DISTRIBUTION



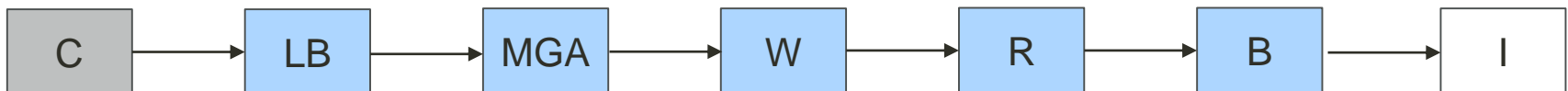
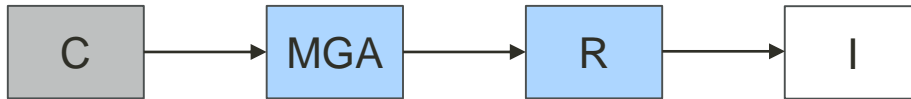
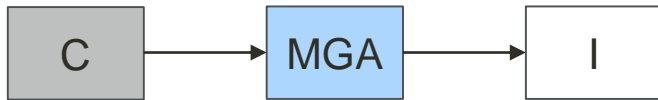
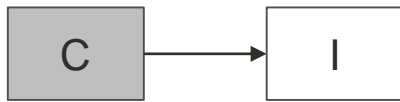
# CAPITAL DECIDES DISTRIBUTION



# CAPITAL DECIDES DISTRIBUTION

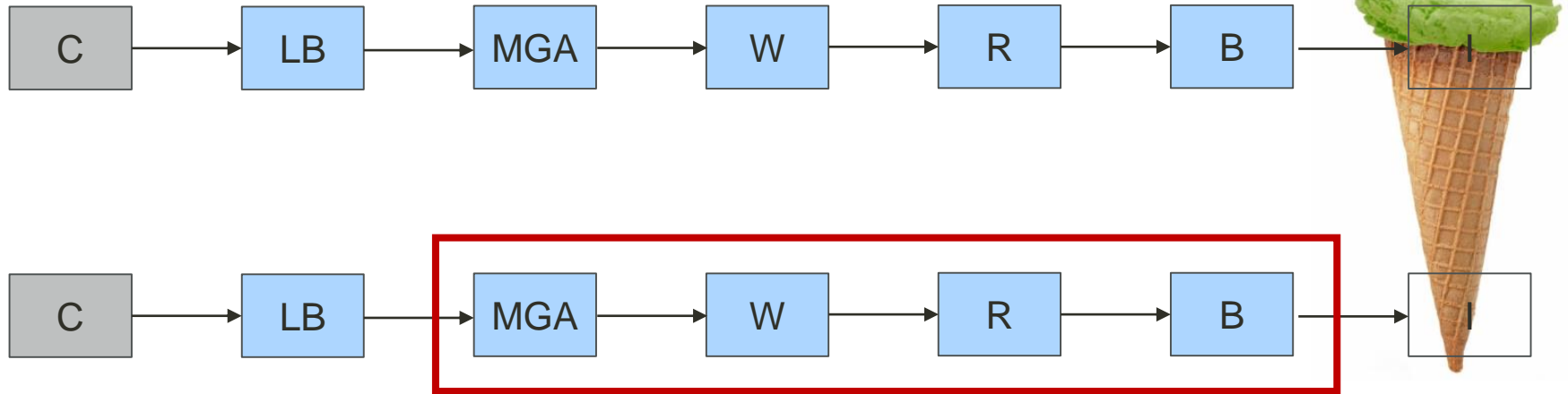


# CAPITAL DECIDES DISTRIBUTION





# CAPITAL DECIDES DISTRIBUTION



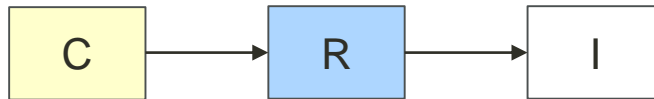
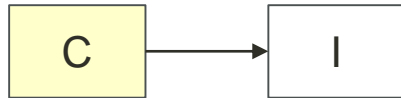
# CAPITAL DECIDES DISTRIBUTION

Can We Do Five?

# CAPITAL DECIDES DISTRIBUTION

## Example

**GEICO**



**BRIT**





CHANGE

# CHANGE

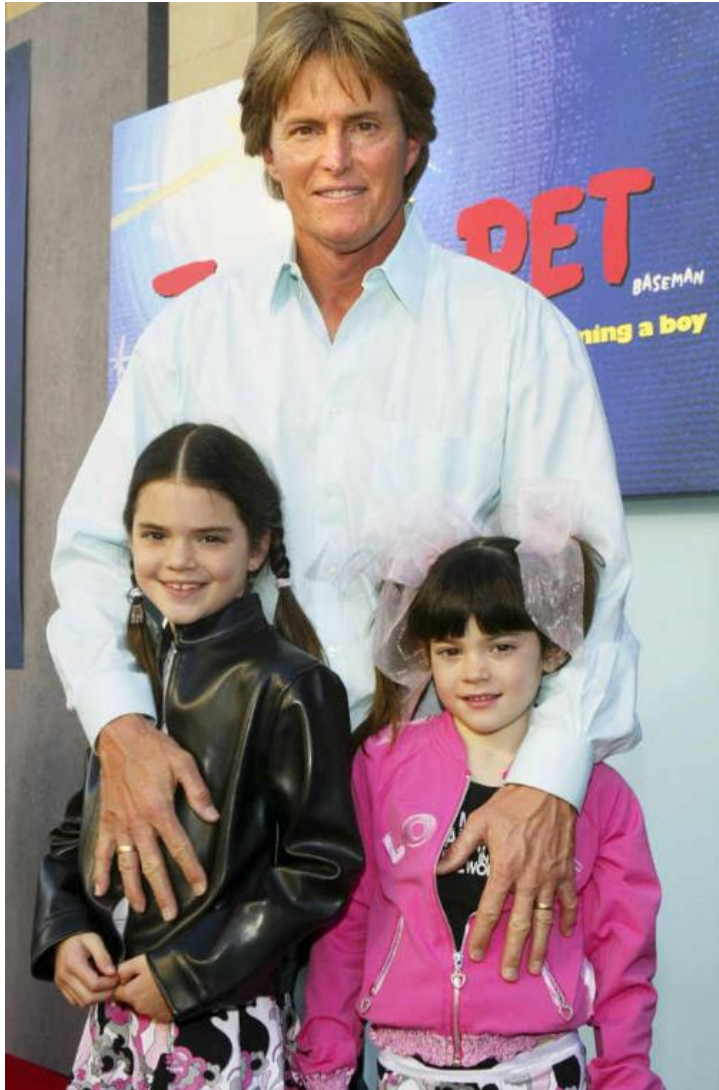
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# SOME THINGS CHANGE

2005



2017



# SOME THINGS JUST NEVER CHANGE

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2005 Super Bowl Champs

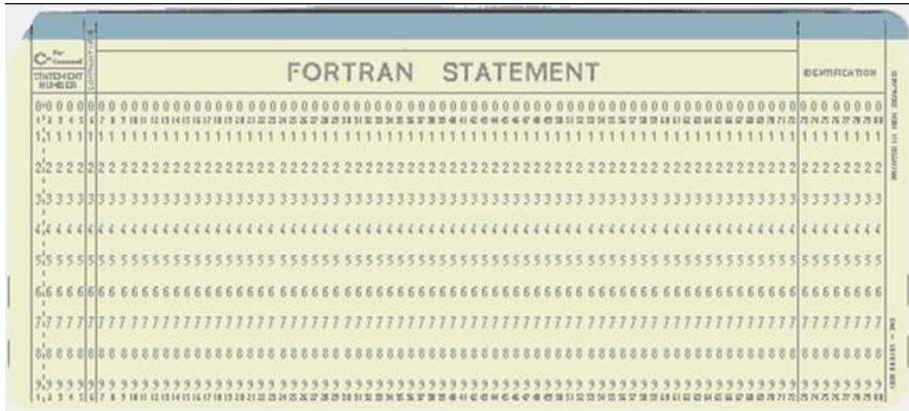


2017 Super Bowl Champs





# CHANGE





# CHANGE

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# MARCH 24, 1986: STOCK SURGE

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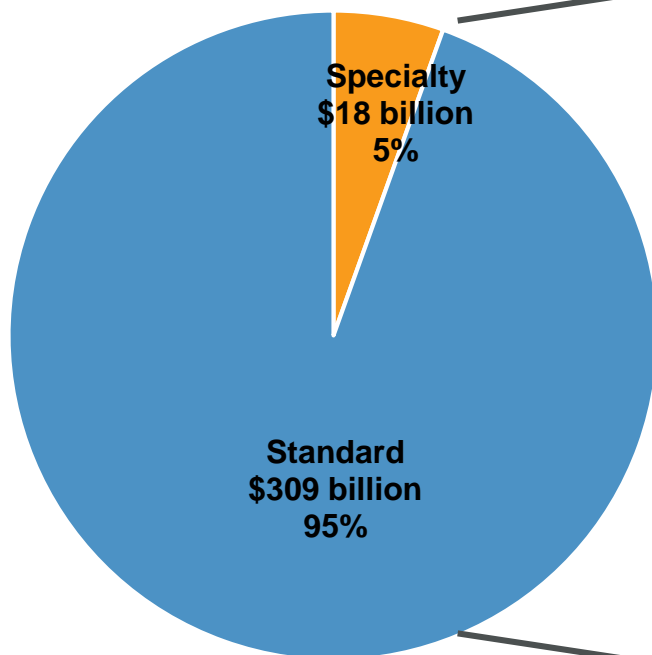
# MARCH 24, 1986: STOCK SURGE

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	Dec 31, 1986	Sept. 30, 2017
Dow Jones Industrial Average	1,895	22,381
S&P 500	242	2,510
NASDAQ	248	6,453
Companies to Watch	GE Exxon GM	Apple Tesla Google Amazon

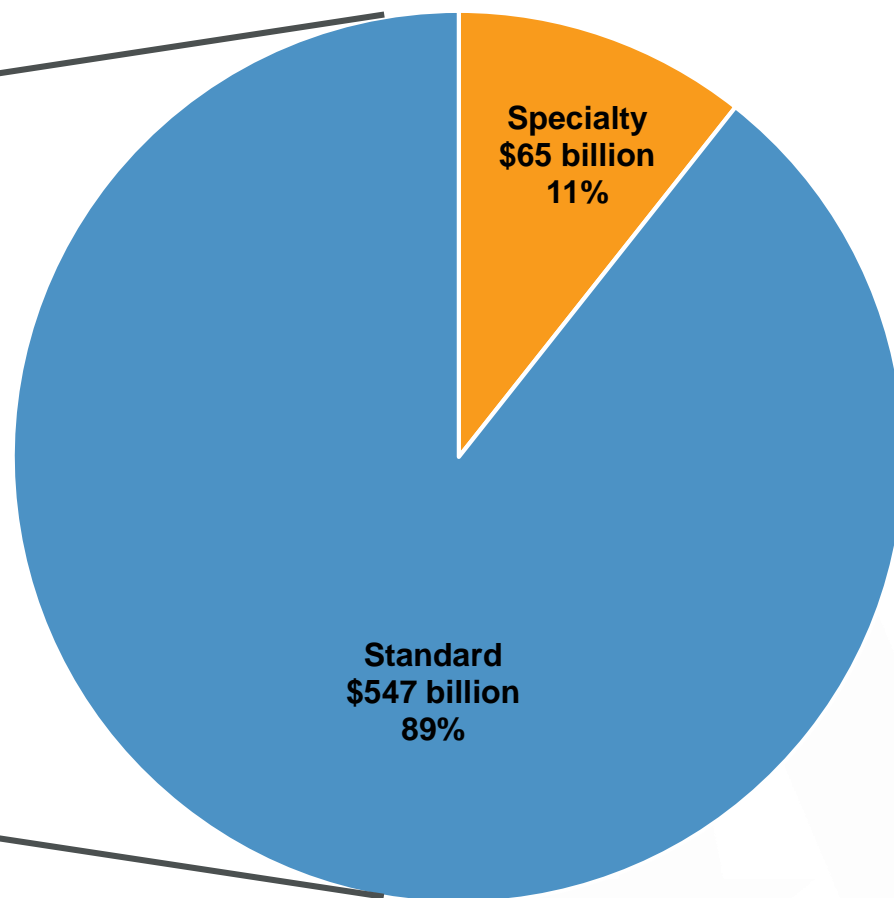
# MARKET PERSPECTIVE: P&C INDUSTRY

**2000**



**Total P&C: \$327 billion**

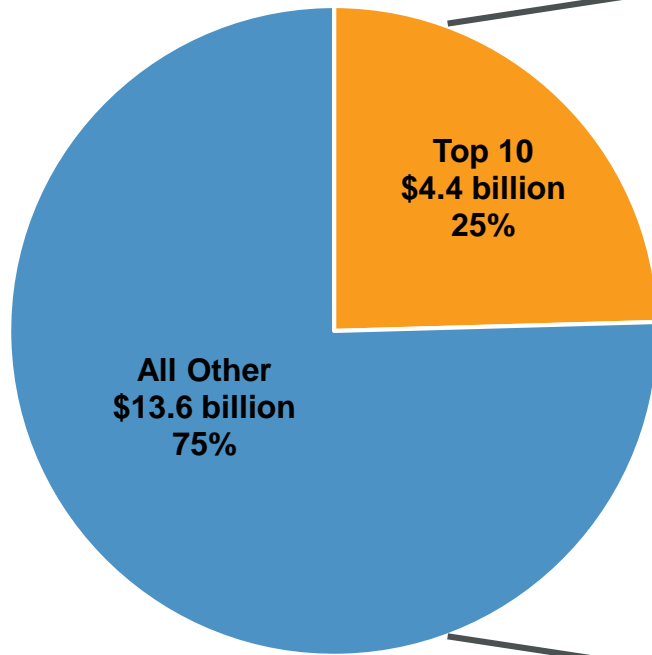
**2016**



**Total P&C: \$613 billion**

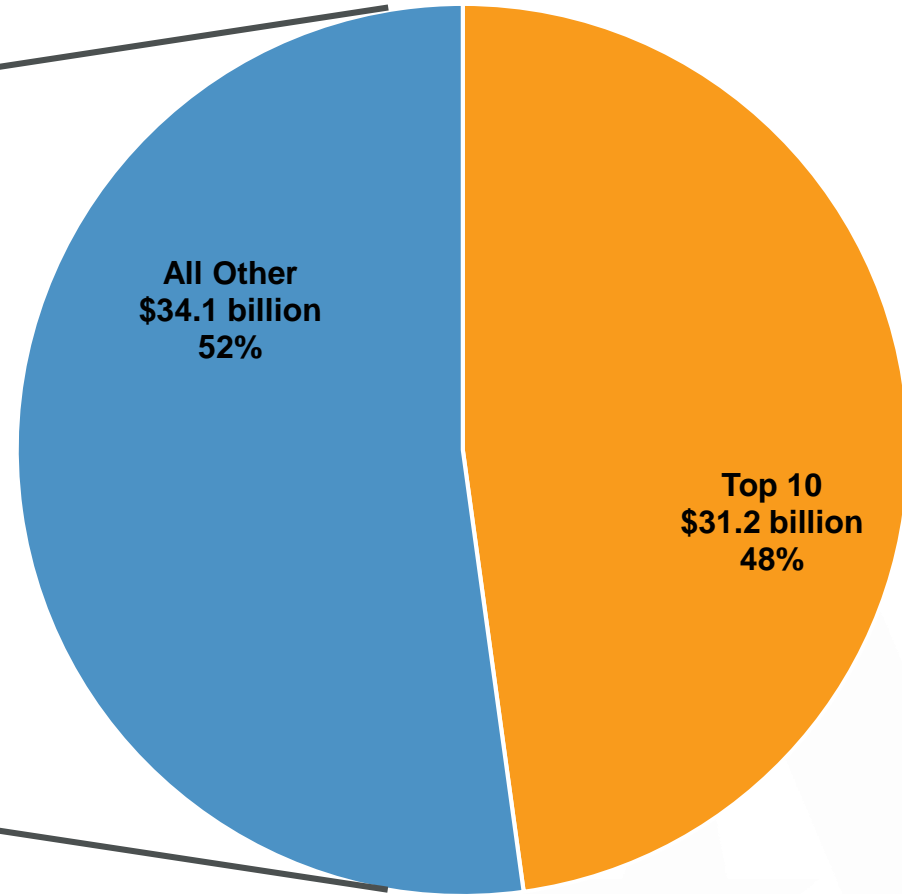
# MARKET PERSPECTIVE: P&C SPECIALTY

**2000**



**Total Specialty: \$18 billion**

**2016**



**Total Specialty: \$65 billion**

	Retailer	1985 U.S. Revenue
1	Marsh & McLennan Cos. Inc.	\$1,392,700,000
2	Alexander & Alexander Services Inc.	\$967,900,000
3	Johnson & Higgins	\$523,514,000
4	Frank B. Hall & Co. Inc.	\$417,406,000
5	Fred S. James & Co. Inc.	\$391,503,000
6	Corroon & Black Corp.	\$263,497,000
7	Rollins Burdick Hunter Co.	\$141,500,000
8	The Crump Cos. Inc.	\$97,973,000
9	Jardine Emett & Chandler Inc.	\$93,758,000
10	Bayly, Martin & Fay International Inc.	\$91,900,000

# 1985 VS. 2016

Retailer	1985 U.S. Revenue	Now:
1 Marsh & McLennan Cos. Inc.	\$1,392,700,000	Marsh
2 Alexander & Alexander Services Inc.	\$967,900,000	Aon
3 Johnson & Higgins	\$523,514,000	Marsh
4 Frank B. Hall & Co. Inc.	\$417,406,000	Aon
5 Fred S. James & Co. Inc.	\$391,503,000	Marsh
6 Corroon & Black Corp.	\$263,497,000	Willis
7 Rollins Burdick Hunter Co.	\$141,500,000	Aon
8 The Crump Cos. Inc.	\$97,973,000	Marsh & BB&T
9 Jardine Emmett & Chandler Inc.	\$93,758,000	JLT
10 Bayly, Martin & Fay International Inc.	\$91,900,000	Aon

Retailer	2016 U.S. Revenue
1 Marsh & McLennan Cos. Inc.	\$6,614,500,000
2 Aon P.L.C.	\$6,065,933,500
3 Willis Towers Watson P.L.C.	\$3,733,440,000
4 Arthur J. Gallagher & Co.	\$2,888,409,000
5 USI Insurance Services L.L.C. <sup>1</sup>	\$2,010,924,263
6 BB&T Insurance Holdings Inc.	\$1,809,175,000
7 Brown & Brown Inc.	\$1,762,787,105
8 Hub International Ltd.	\$1,286,060,100
9 Lockton Cos. L.L.C	\$1,054,685,740
10 Alliant Insurance Services L.L.C	\$966,769,832
11 NFP Corp.	\$930,815,040
12 Assured Partners Inc.	\$820,926,226
13 AmWINS <sup>®</sup> Group, Inc. U.S. Operations	\$809,215,522

<sup>1</sup> Includes acquisition of Wells Fargo Insurance Services USA Inc.

# 1985 VS. 2016

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## 1986

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### Top 3 Wholesale Brokers

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Swett & Crawford

*The St. Paul Cos. Inc.*

\$530,571,000

Montgomery & Collins Inc.

*CIGNA Corp.*

\$343,975,000

Stewart Smith Holdings, Inc.

*Stewart Wrightson Group, P.L.C.*

\$299,000,000

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## 2017

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### Top 3 Wholesale Brokers

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AmWINS Group, Inc.

*Independent*

\$14,401,261,958

CRC / Crump Insurance Services

*BB&T*

\$13,969,529,842

Ryan Specialty Group L.L.C.

*Independent*

\$5,132,000,000



# 1985 VS. 2016

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## 1986

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### Top 3 MGAs

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<b>Crum &amp; Forster Managers Corp. of IL</b> <i>L.W. Biegler / Xerox Corp.</i>	\$418,471,000
<b>Shand, Morahan &amp; Co. Inc.</b> <i>Alexander &amp; Alexander Services Inc.</i>	\$281,629,000
<b>Victor O. Schinnerer &amp; Co. Inc.</b> <i>Marsh &amp; McLennan Cos. Inc.</i>	\$268,000,000

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## 2017

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### Top 3 MGAs

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<b>Risk Placement Services, Inc.</b> <i>Arthur J. Gallagher &amp; Co</i>	\$3,200,000,000
<b>Burns &amp; Wilcox Ltd.</b> <i>Independent</i>	\$1,500,000,000
<b>AmRisc L.P.</b> <i>BB&amp;T</i>	\$835,807,481

# 1985 VS. 2016

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## 1986

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### Top 3 Surplus Lines Insurers

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Lexington Insurance Company <i>AIG</i>	\$361,726,000
California Union Insurance Co. <i>CIGNA Corp.</i>	\$192,105,000
Great American Surplus Lines Ins. Co. <i>Great American Insurance Co.</i>	\$180,129,000

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## 2017

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### Top 3 Surplus Lines Insurers<sup>2</sup>

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Lexington Insurance Company <i>AIG</i>	\$3,072,090,784
Nationwide Excess and Surplus <i>Nationwide Mutual Insurance Company</i>	\$1,677,321,986
Chubb Ltd. <i>Chubb Limited</i>	\$1,486,045,491

# 2000 VS. 2016

Wholesaler	2000	Now:
1 Swett & Crawford Group	\$1,050,000,000	BB&T
2 Crump Insurance Services Inc.	\$639,000,000	BB&T
3 Stewart Smith Group Inc.	\$432,138,000	AmWINS
4 Cooney, Rikard & Curtin Ins. Group	\$377,000,000	BB&T
5 Burns & Wilcox Ltd.	\$349,716,395	
6 Heath Holdings USA Inc.	\$340,100,000	AmWINS
7 Risk Placement Services Inc.	\$323,725,000	
8 Sherwood Insurance Services	\$320,000,000	BB&T
9 Insurance Brokers Services Inc. (IBS)	\$290,000,000	BB&T
10 Tri-City Insurance Brokers Inc.	\$282,750,000	BB&T

Wholesaler	2016
1 AmWINS Group Inc.	\$9,902,159,750
2 CRC Insurance Services, Inc. (BB&T)	\$7,366,873,768
3 Ryan Specialty Group, LLC	\$5,132,000,000
4 Risk Placement Services Inc. (AJG)	\$3,200,000,000
5 All Risks Ltd.	\$1,534,000,000
6 Burns & Wilcox Ltd. (Kaufman)	\$1,500,000,000
7 Brown & Riding	\$655,702,672
8 Worldwide Facilities L.L.C.	\$649,372,030
9 U.S. Risk Insurance Group Inc.	\$640,000,000
10 ARC Excess & Surplus L.L.C.	\$632,000,000










P/E





# PRIVATE EQUITY: INSURANCE DISTRIBUTION

Private Equity	Sample Portfolio Companies
	Confie Seguros, HealthSCOPE Benefits, HealthPort, Hilb Group, NSM Insurance
	Towergate
	Duck Creek, One Call Care, AssuredPartners
	Beach & Associates, Futurity First, Simply Business, Worley Claims Services
	HealthMarkets
	RFIB
	Minova (BMS), Portfolio Group
	EPIC, JenCap, Wholesale Trading Co-Op
	Cunningham Lindsey
	Hyperion
	Acrisure, Financial Horizons Group, Innovative Aftermarket Systems, Insurity

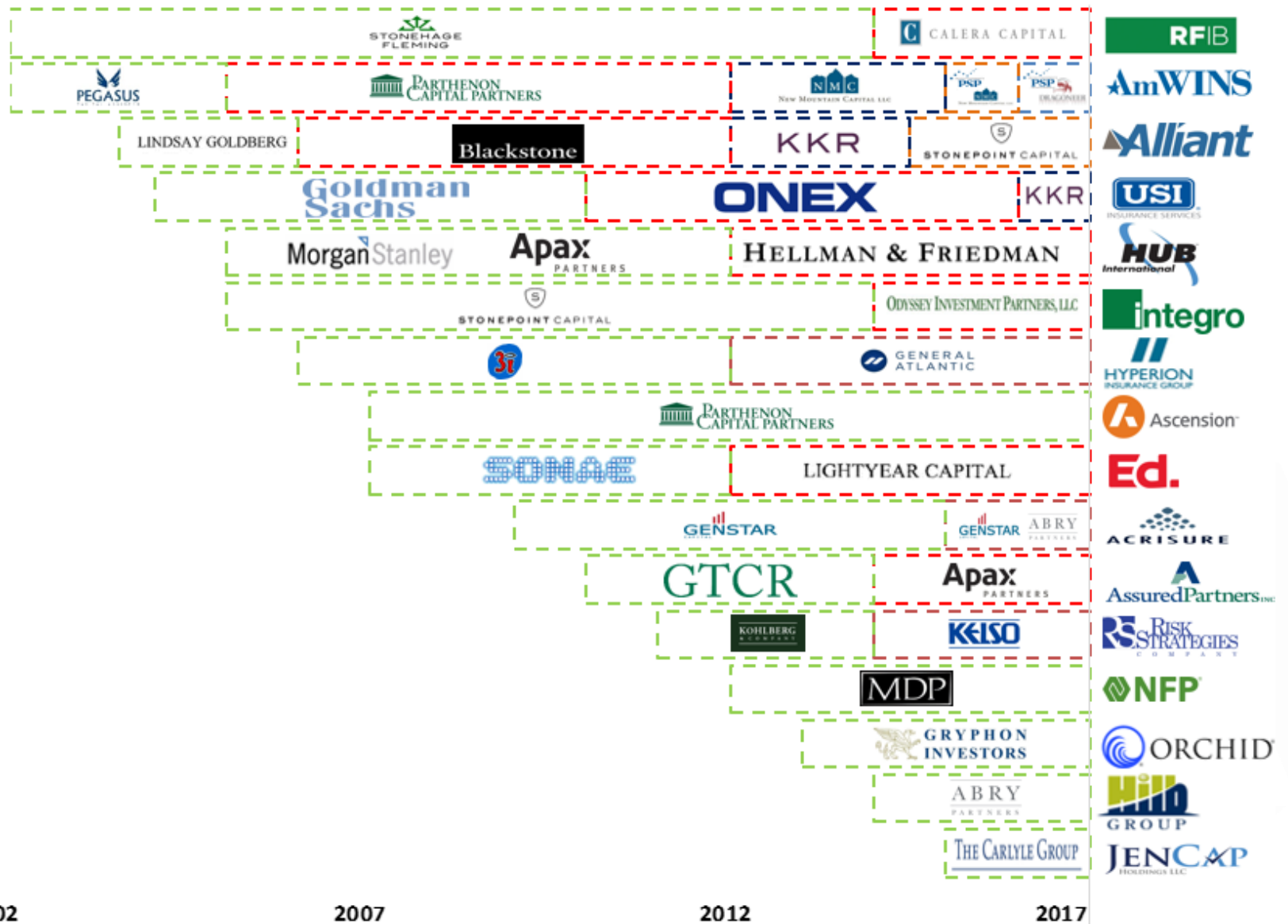
Private Equity	Sample Portfolio Companies
	Orchid Underwriters
	Hub
	Health Plan Holdings
	Pearl Holding Group, Premier Senior Marketing
	AmeriLife
	Alliant, Sedgwick
	U.S. Risk
	Alegeus, Ed (fka Cooper Gay)
	USI, York Risk Services
	Ascension, Stratose
	APCO, ARC, Atrium, Alliant, Hodges-Mace, NEBCO Ins. Svcs., New Point, Sedgwick
	Prime Risk Partners
	IMS Health, Vertafore, The Warranty Group

# PRIVATE EQUITY: INSURANCE CAPITAL

Private Equity	Sample Portfolio Companies
	Equity Red Star, Validus, Wellington
	SquareTrade
	Direct General, Ironshore
	Hamilton Insurance
	Domestic & General, Fidelis Insurance
	PartnerRe
	21 <sup>st</sup> Services, Palomar Specialty

Private Equity	Sample Portfolio Companies
	Enstar
	Enstar, LTCG, PURE, Starstone
	Direct General, ProSight
	Aeolous Re, MBIA

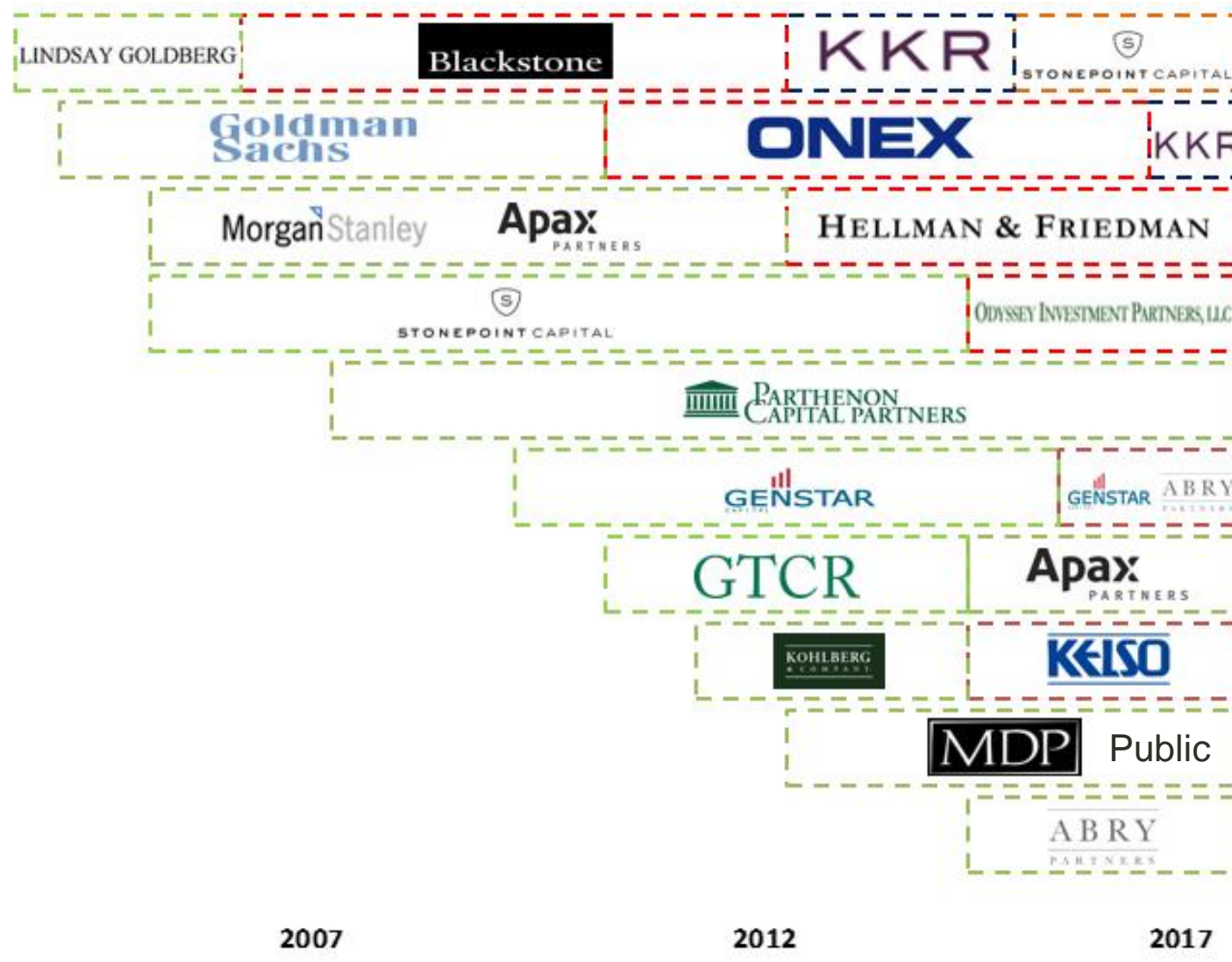
# PRIVATE EQUITY: INSURANCE CAPITAL





# PRIVATE EQUITY: INSURANCE CAPITAL

## RETAIL BROKERS



Alliant

USI  
INSURANCE SERVICES

HUB  
International

integro

Ascension

ACRISURE

AssuredPartners Inc.

RISK STRATEGIES  
COMPANY

NFP

HIH  
GROUP

2002

2007

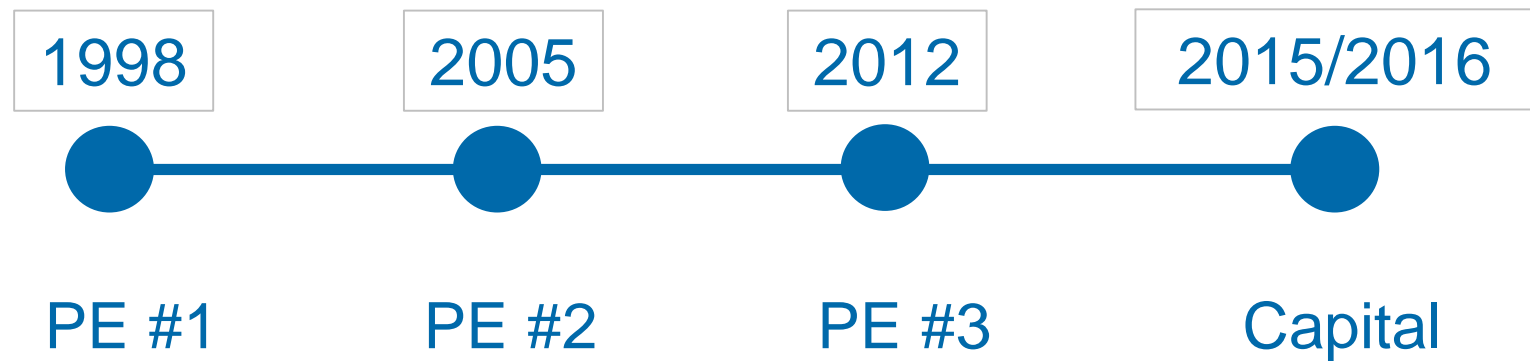
2012

2017



# PE/CAPITAL – OUR STORY

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# PE/CAPITAL – OUR STORY

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# PE/CAPITAL – OUR STORY

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## EMPLOYEES - 500

#1



#2



A close-up photograph of a person's hand holding a small, white, rectangular card. The card is tilted slightly and features the word "WHY?" in a bold, black, sans-serif font. The person holding the card is wearing a dark suit jacket, a white shirt, and a red tie with a subtle pattern. The background is dark and out of focus, emphasizing the card and the hand. The lighting is soft, highlighting the texture of the suit and the skin of the hand.

**WHY?**

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# LEVERAGE

# CREDIT RATINGS



Privately Held Brokers	Rating	Leverage	Outlook
<b>AmWINS Group, LLC</b>	<b>B+</b>	<b>5.0x</b>	<b>Stable</b>
Acrisure, LLC	B	7.5x	Stable
Alliant Holdings L.P.	B	7.2x	Stable
AssuredPartners, Inc.	B	6.5 - 7.5x	Stable
Hub Holdings, LLC	B	7.9x	Stable
Hyperion Insurance Group	B	6.5 - 7.0x	Stable
NFP Corp.	B	7.5 - 8.0x	Stable
USI, Inc.	B	7.5 - 8.0x	Stable
Confie Seguros Holding II	B-	7.5x	Stable



Privately Held Brokers	Rating	Leverage	Outlook
<b>AmWINS Group, LLC</b>	<b>B2</b>	<b>5.0x</b>	<b>Stable</b>
AssuredPartners, Inc.	B2	10.2x	Stable
Hyperion Insurance Group	B2	6.3x	Stable
Alliant Holdings L.P.	B3	8.8x	Stable
Hub Holdings, LLC	B3	8.5x	Stable
NFP Corp.	B3	8.0x	Stable
USI, Inc.	B3	7.1x	Stable
Acrisure, LLC	B3	10.8x	Negative
Confie Seguros Holding II	Caa1	8.1x	Stable

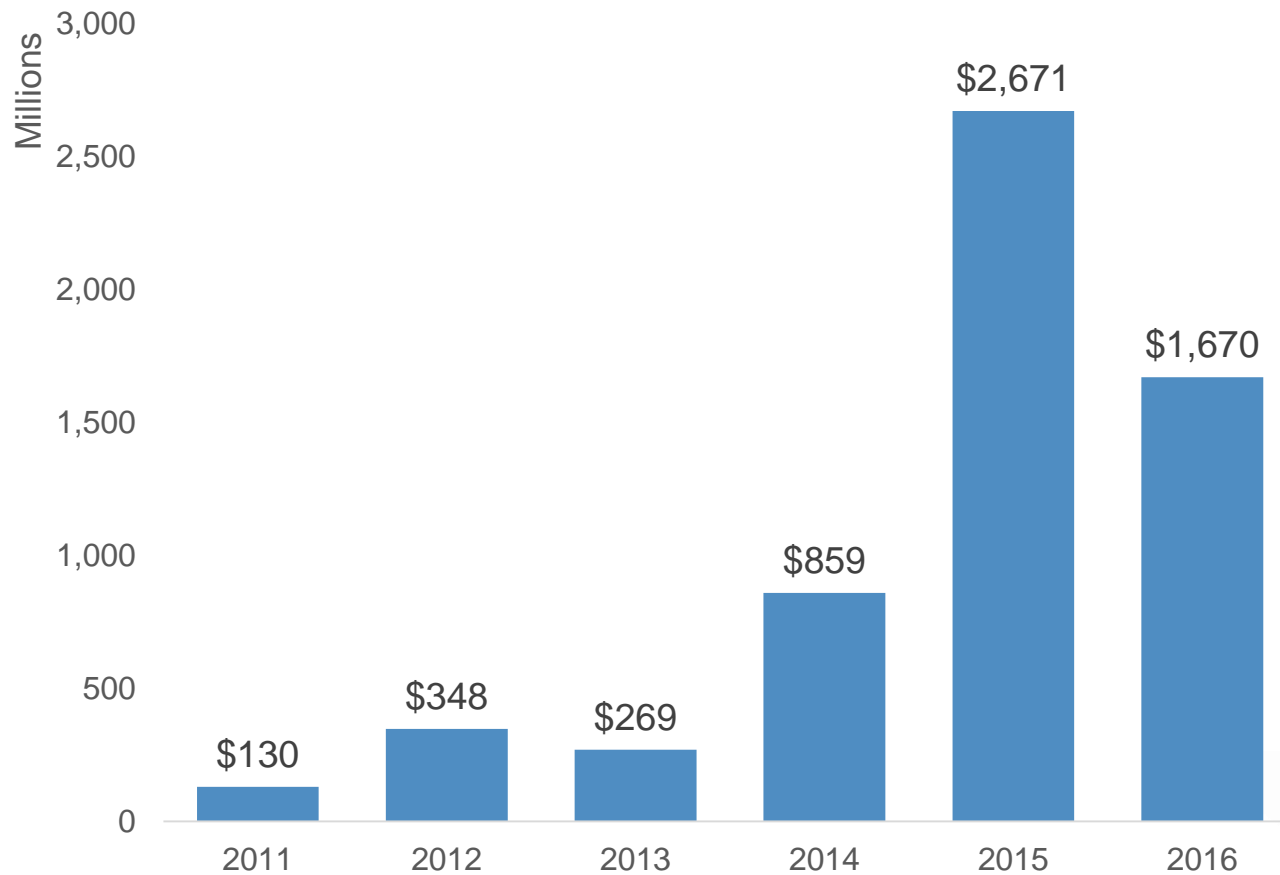


# INSURETECH

# INSURANCE HAS BECOME SEXY

## AN EXPLOSION OF VENTURE CAPITAL

FUNDING WITHIN THE INSURETECH INDUSTRY HAS INCREASED AT A CAGR OF 67% FROM 2011 TO 2016 REPRESENTING AN INFLUX OF CAPITAL INTO THE INDUSTRY





# OUR MARKETS

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## GLOBAL INSURANCE COMPANIES INVESTING IN STARTUPS

Munich RE 

CHUBB



中国平安 | 创新  
PING AN VENTURES



# INSURETECH

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Insurtech	=	INSURANCE TECHNOLOGY
Fintech	=	FINANCIAL TECHNOLOGY
Saltech	=	SALES TECHNOLOGY
Undertech	=	UNDERWRITING TECHNOLOGY
Peptech	=	PEOPLE TECHNOLOGY

**.com**

***WE ALL KNOW HOW  
THAT ENDED...***

“Bitcoin gains value due to criminal use,”  
says Forbes Columnist

“Military, intelligence agencies alarmed by  
surge in bitcoin value in ‘dark web’ fight”

# BITCOIN

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# INSURTECH

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1999-2002



insurance  
noodle



TODAY



coverwallet

Lemonade

EMBROKER



Slice

bright  
HEALTH

# BUT WHAT DOES IT DO

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- Product
- Process
- Sales

# MY FRIEND

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# MY REAL FRIEND

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# WHAT WE BELIEVE

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- Insurance is a people business
- Technology will improve the way business is done – there is a Better Way!
- All of us are in a fantastic position to drive change in the industry – from within!

# TECHNOLOGY

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“DAMN GOOD AT  
DISTRIBUTION”



The background image shows a modern office space with large windows and a curved desk. The scene is overlaid with a blue gradient. The word 'ENTREPRENEURSHIP' is centered in a white box.

# ENTREPRENEURSHIP

# ENTREPRENEURSHIP #1

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# ENTREPRENEURSHIP #2

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# RISK

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# AMWINS GROUP - 2001

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## Americana Financial

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### *Summary Operating Results*

*For the year ended December 31, 2001*

	Q1	Q2	Q3	Q4	Total
<b>Net Revenue</b>	4,778,774	5,250,591	5,069,095	6,091,308	21,189,768
Personnel Expenses	3,099,538	3,666,307	2,811,334	2,844,476	12,421,655
Business Development Exp.	508,238	567,307	537,697	462,859	2,076,101
Operating Expenses	1,981,859	3,350,222	1,879,145	1,882,633	9,093,859
<b>EBITDA</b>	<b>(810,861)</b>	<b>(2,333,245)</b>	<b>(159,081)</b>	<b>901,340</b>	<b>(2,401,847)</b>

# SIZE

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**Small**

2001

\$20M

**Medium**

2005

\$142M

**Large**

2015

\$902M

# IT ALL COMES DOWN TO

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A row of ten wooden blocks, each with a black letter, spelling out the word "EXECUTION". The blocks are arranged horizontally against a dark, textured background. The lighting is dramatic, highlighting the texture of the wood and the bold letters.

EXECUTION

# DIVE DEEPER

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# THE ART OF THE ...

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# CONCLUSION

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Wholesaler

Aggregator

Broker's Broker

MGA

Program Administrator



Broker

Intermediary

TPA

MGU

The image shows a modern office environment with a curved desk and several ergonomic chairs. Large windows in the background provide a view of a cityscape. The entire scene is overlaid with a semi-transparent blue gradient. The text "THANK YOU" is centered in a white, sans-serif font, enclosed within a thin white rectangular border.

THANK YOU