Insurance Times

Top50 Brokers 2015

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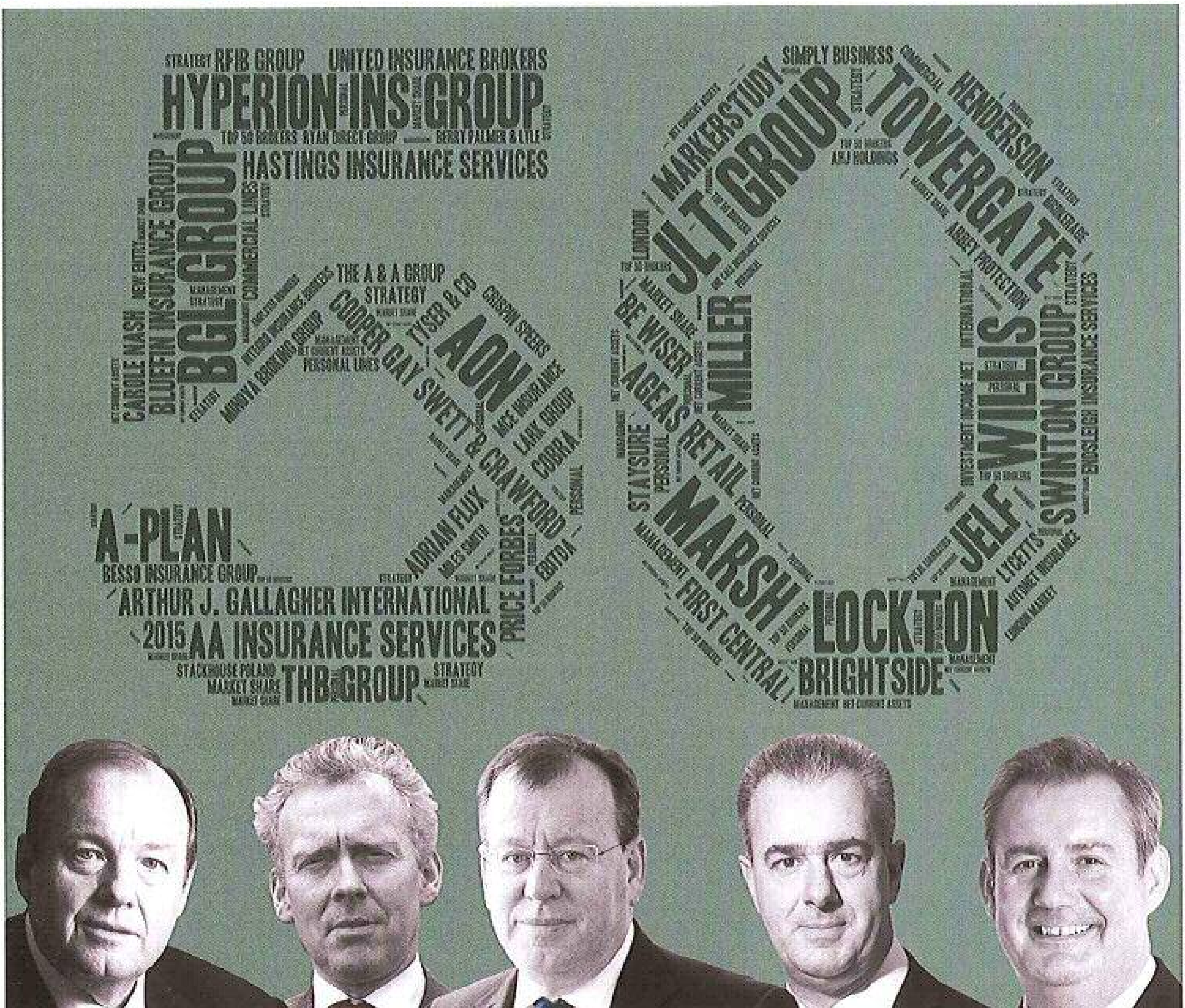

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Trading places

There's a new name at the summit of the Top 50, but further down the table there are other standout performances

After two years at the top of the industry, Aon has been knocked down to third place by JLT Group in this year's *Insurance Times* Top 50 Brokers.

As Aon's broking revenue stood still, JLT shot past both Aon and second-placed Marsh with a blistering 13% rise in UK brokerage, to capture the top spot in what is widely recognised as the definitive ranking of the UK broking industry.

JLT has stuck by its strategy of generating strong organic growth, supplemented by prudently priced acquisitions: and it has paid off this year.

And, with Willis hanging on to fourth place, the Big Four of UK insurance broking remain unchallenged.

Brokerage growth of only 2.5% was enough for Arthur J Gallagher to hold off a strong challenge for its fifth spot from BGL, but it was not enough to catch Willis, which chalked up growth of more than 6%, and launched one of the year's biggest deals with its $18bn merger with professional services group Towers Watson.

One of the standout performances this year is by a company no longer eligible for inclusion in the Top 50 Brokers – RK Harrison. It has posted impressive growth figures over the past two years, and new owner Hyperion is set to reap the benefit.

'There is no question that consolidation of the broking sector will continue in the coming year'

Hyperion itself registered impressive growth figures, rising three places to eighth through a combination of organic growth and acquisition.

Also impressive has been Stackhouse Poland, which has achieved brokerage growth of 45% and maintained margins above 30%. Its strengthened management team and new financial backing promise more in the years ahead.

The highest new entrant into the Top 50 is Markerstudy, in at 22 after acquisitions including BDML and Lancaster from Capita.

Also new to the rankings is US-based Integro Insurance, which has been busy buying brokers in the UK. The healthcare, entertainment, aviation and energy broker is itself currently being taken over by private equity firm Odyssey.

There is no question that consolidation of the broking sector will continue in the coming year, with the big four competing for market share and mid-size companies like Hyperion striving to join them at the top table. Private equity has also continued its march into the broking sector, as cash-rich investors look for respectable returns in a low-interest rate world.

Finally, thanks go to IMAS, our data partners for this project. They continue to provide all the necessary information that makes the Top 50 Brokers the definitive source of rankings for UK insurance brokers. The many thousands of online searches made each month for 'Top 50 Brokers' shows this supplement is as relevant and valuable a resource as ever.

Top of their

IMAS highlights the brokers that have led the market in terms of growth

These 10 brokers produced standout performances, according to IMAS's data. Their dynamism helped them lead the market and create value for shareholders.

HONOUR ROLL OF THE PAST SEVEN YEARS

	First	Second	Third
2015	RK Harrison	BGL Group	Stackhouse Poland
2014	Hyperion	RK Harrison	Arthur J Gallagher
2013	Hastings	Hyperion	Stackhouse Poland
2012	Miller	A-Plan	Aston Scott
2011	JLT	Brightside	Oamps UK
2010	RK Harrison	Abbey Protection	Cooper Gay
2009	Kwik-Fit	Windsor	JLT

#1

RK Harrison

Brokerage
n/a

EBITDA
n/a

RKH is no longer listed in the Top 50, as it is now part of Hyperion. It has achieved compound growth, largely organic, over the past two years of more than 15%. But the best test of creating shareholder value is actually realising it, as Towergate's travails have demonstrated. The spotlight is on Hyperion to prove that a great deal for RKH is also a great deal for the new parent group.

EBITDA growth:
n/a

#2

BGL Group

Brokerage
£507.2m

EBITDA
£125.8m

This was another strong year. BGL has not made the winners' podium before, but year in, year out it delivers strong results. Looking at 10 years rather than a single year, BGL is one of the real success stories. Ten years ago, it reported turnover of £95m, making a profit of £8m. This year's turnover of £507m generated a profit of £126m. Simply outstanding.

EBITDA growth:
18.2%

#3

Stackhouse Poland

Brokerage
£21.3m

EBITDA
£7.0

In 2014 the company posted growth of 45%, maintained margins at above 30% and announced a management buy-out supported by a private equity firm. That saw one of the principals of the business retire, the other two bank some cash and bring in Tim Johnson (ex-Paymentshield and CCV). A great result and management has been strengthened for the next chapter.

EBITDA growth:
52.2%

REST OF THE BEST

We have not sought to rank the seven firms

JLT

Brokerage
£816.2m

EBITDA
£154.3m

It is always harder for the big boys to shine. While Willis announced some major deals recently, JLT has stuck to its pursuit of strong organic growth, occasionally supplemented by sensibly priced acquisitions. It will be looking to increase margins in the next few years. Where will JLT be in five years? Hard to tell.

EBITDA growth:
2.9%

AA Insurance

Brokerage
£252.8m

EBITDA
£109.7m

Personal lines motor is a highly competitive place to be, but the AA, with its great brand names, continues to deliver margins of 40% plus. The challenge now is where the AA takes its insurance business to next given the number of other players looking to eat its lunch.

EBITDA growth:
-16.3%

game

NOTES FROM IMAS

CRITERIA
IMAS has kept the key criteria as consistent as possible with previous years but needs to recognise the new entrants.

Growth
This is clearly a key factor. It is, however, not purely a drag race but one in which overall increases in shareholder value are reflected and we, therefore, focus on organic and acquisition-led growth that creates value rather than merely size.

Margin
Sustainable margin is just as important as sustainable growth. Recovery to acceptable levels of profit following a poor year, while commendable, is unlikely to win an award.

Peer performance
Where a sector has turned in excellent results, we have to look at the impact of a potential cycle and discount this influence as is regularly seen in the stock markets. It is individual excellent performance against peers that counts.

Past success
While it is not impossible to imagine, we have yet to choose the same company as the winner in consecutive years. This reflects the dynamic market and range of different activities undertaken.

de the top three, but have highlighted what has been outstanding, from the largest to smallest by turnover

Hastings

Brokerage
£204.5m

EBITDA
£69.5m

Hastings's broking business continues to grow strongly, with a 19% increase in income and an even sharper rise in profitability of 34%. Goldman Sachs, with its 50% stake, has picked another winner. Personal lines has seen a few winners picking up ever increasing market share.

EBITDA growth:
34.3%

Markerstudy

Brokerage
£60.1m

EBITDA
£6.1m

New entrant Markerstudy has come in at 22, having acquired BDML and Lancaster from Capita, as well as Supercover and Ultimate in the last year. This is just the broking part of the Kevin Spencer-led insurance group, which in aggregate has grown from minnow to mammoth over the last 15 years.

EBITDA growth:
n/a

Henderson

Brokerage
£28.4m

EBITDA
£4.9m

'Turnover is vanity, profit is sanity' is a constant theme of this annual commentary. While Henderson's business has continued to grow its top line by making selected acquisitions and investment, more importantly there has now been a focus on driving the bottom line, with a 72% increase in profits.

EBITDA growth:
71.9%

Berry Palmer & Lyle

Brokerage
£27.2m

EBITDA
£11.3m

Berry Palmer & Lyle is a consistently excellent performer in the Lloyd's market, with best-in-class income and profit per employee and an outstanding profit margin. Overseas expansion has sustained growth and it is impressive that this has not suppressed margins.

EBITDA growth:
19.8%

Miles Smith

Brokerage
£19.1m

EBITDA
£2.4m

Wholesale broking is arguably the least fashionable end of the market. Miles Smith, along with a handful of others, has demonstrated that focusing long-term on particular markets and providing a quality service can generate a strong return to shareholders, whatever the segment served.

EBITDA growth:
132.3%

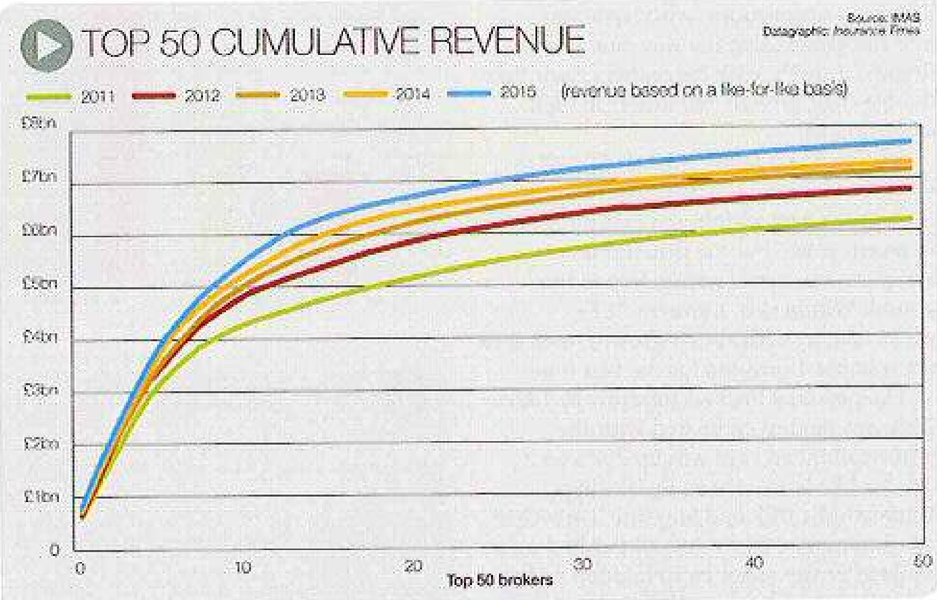
The new guard

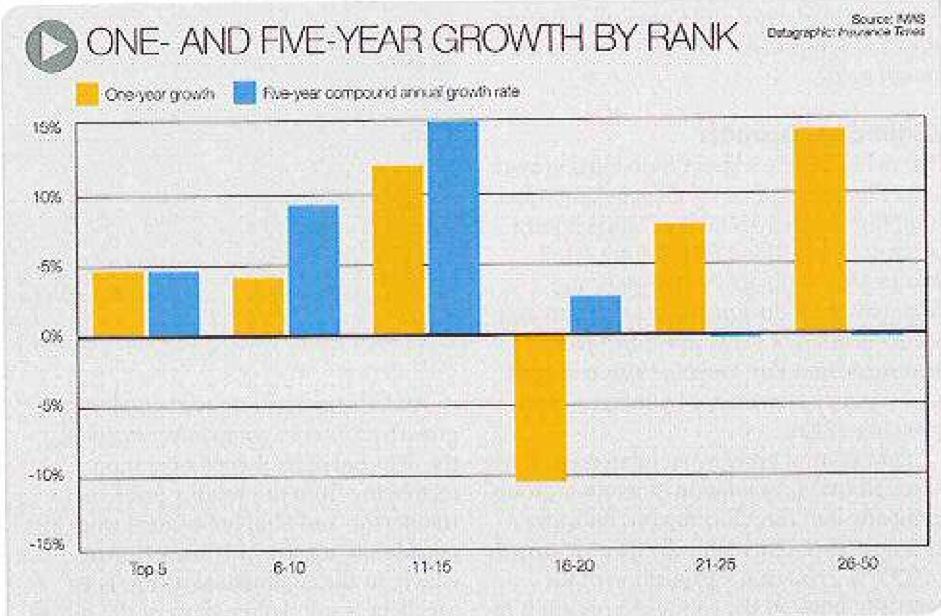
IMAS's James Simpson looks at the changing growth landscape in this year's Top 50

The past year has been full of action across the insurance sector and the large and numerous transactions have made their impact, although not all to the extent that might be expected.

The Hyperion and RK Harrison transaction was the largest to hit the Top 50, moving Hyperion up three places. The Willis and Miller transaction has, however, not changed the table as the businesses continue to be run and managed separately and so have not been merged in the Top 50.

Other transactions have propelled Markerstudy, Integro and First Central well up into the Top 50, while organic developments have encouraged good growth at the larger brokers such as Hastings, JLT and BGL Group.





Total and bands

The Top 50 aggregate revenue has grown by 5.2% compared with last year and 8.8% on a like-for-like basis – the growth of this year's Top 50 compared with their individual revenue last year rather than last year's Top 50.

Growth across the rankings follows the broad pattern of the past five years, although there are three bands that buck the trend that this year: those ranked 16-20, which have seen an aggregate decline in income, and the 21-25 and 25-50 bands, which have both seen growth well above their five-year compound annual growth rate (CAGR).

The banding analysis shows the importance of the 6-10 and 11-15 bands as the main drivers of overall growth, even though their 2015 performance is below their five-year average.

A five-year CAGR of 9.1% and 14.9% respectively for the two bands drives significant growth and this can be seen in the cumulative revenue graph.

The likes of Hyperion, now ranked eighth, last year 11th, with almost 88% growth as a result of the RK Harrison acquisition; and Hastings with 19.2% growth at 12th, were the main engines of growth this year; but in prior years this has also been the domain of Towergate, Oval, Bluefin and Ageas as they grew and moved up the bands.

The 16-20 band has declined significantly, down 10.4%, as the takeover of RK Harrison has taken a large amount of income out of this band that has not been replaced by others. The growth has, in fact, taken place in the next band down, 21-25, up 7.6%, where Markerstudy and Integro have materially boosted revenues through multiple acquisitions. The growth of the second half of the table has also been significant in the past year, recording the highest annual rate of any band, 14.2% and well above its five-year CAGR of near 0%.

Strong performances by Simply Business, Henderson, Berry Palmer & Lyle, Stackhouse Poland, Staysure and Miles

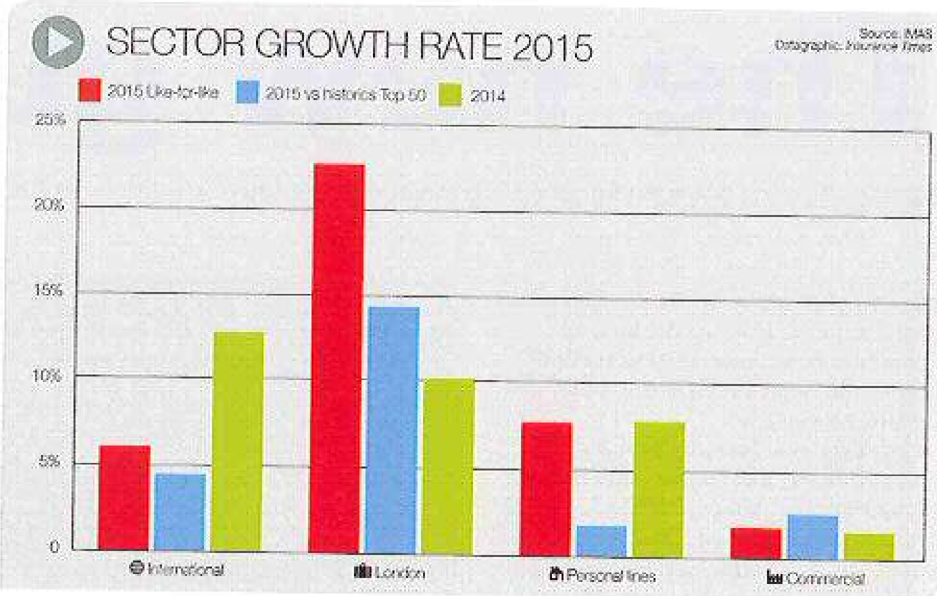
Smith all contributed to raising the Top 50 entry threshold from £14.7m to almost £18.5m this year, an increase of 26%.

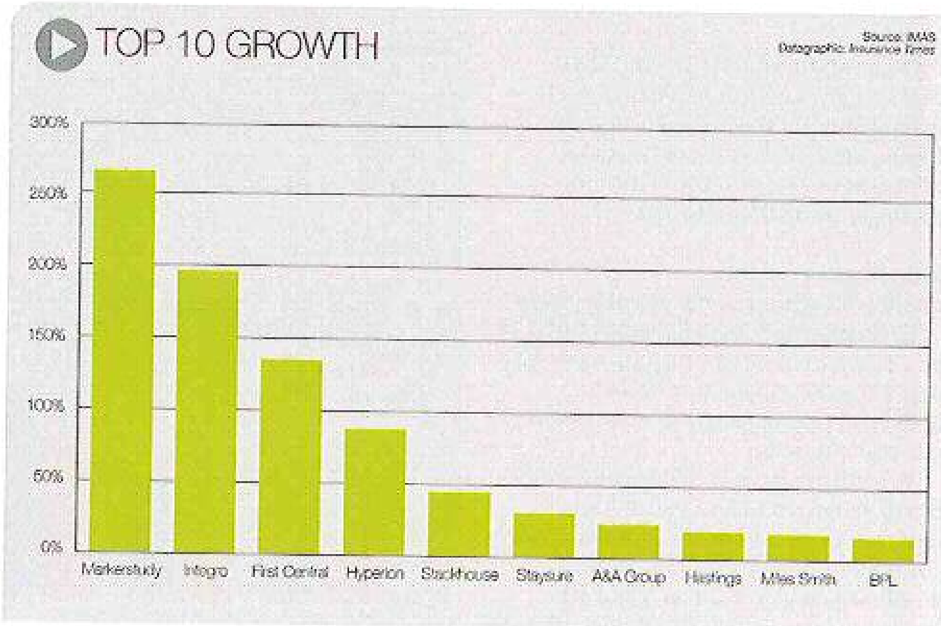
Sectors

Growth by sector – international, London, commercial and personal lines – has been varied this year. London brokers have done well, up 22.7% like-for-like. This has been driven by acquisitions, with Hyperion and Integro leading the way, but also by organic growth, with four others recording double-digit growth and others in high single digits.

International sector growth slowed to 6.1%, below its five-year CAGR of 7.5%. Gallagher's acquisitions have driven growth in recent years, but the firm did not complete a material transaction in the period. Within this, however, JLT's performance, with 13.5% growth, took it to the number 1 position for the first time.

The personal lines sector grew by 1.8%. That was modest compared with the historic numbers, but was up 7.8% on a like-for-like basis, driven by Hastings, Markerstudy, BGL and Staysure. Growth in the commercial sector has languished for a while after the major consolidation and growth rush of the later 2000s. Stackhouse Poland, Henderson and Cobra all achieved double-digit growth but elsewhere it was tough going.





Individual growth

There has been excellent individual growth over the past year or so, all acquisition-led. Topping the growth table is Markerstudy, after its acquisition of the Capita retail businesses, Ultimate Pet Partners and Supercover. Following them is Integro and its acquisition of Howard Global, NPA Insurance and Kite Warren Wilson as well as a strong performance by Integro itself, growing 158%.

First Central grew by an impressive 136% through the consolidation of another group company into the UK company, boosting revenues by £22m alongside its own growth of 27.6%. Hyperion's acquisition of RK Harrison boosted the combined revenues to £357.1m, an 87.9% increase for Hyperion that must put it close to being in the international broker category.

Excellent organic growth stories have been achieved by Staysure, Hastings, Miles Smith and Berry Palmer & Lyle, all achieving in excess of 15% growth. These are all quite different businesses benefiting from their market conditions or their concerted business development initiatives.

A&A Group has achieved good organic growth in its core companies, excluding the disposal of its French operation, recovering from the weaker prior year. Henderson and Simply Business were just outside the top 10 with 16% growth which, in the commercial sector, is an excellent result, where most of the others were only achieving single digit growth at best.

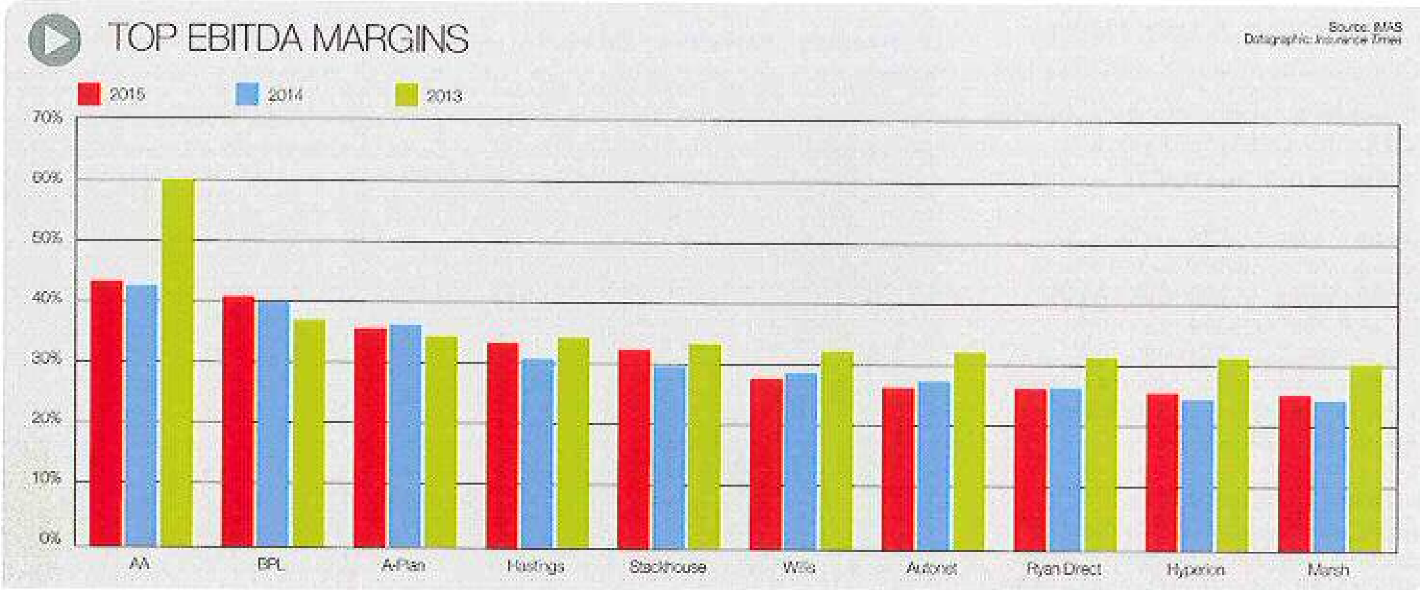
'Growth in the commercial sector has languished for a while after the major consolidation and growth rush of the later 2000s'

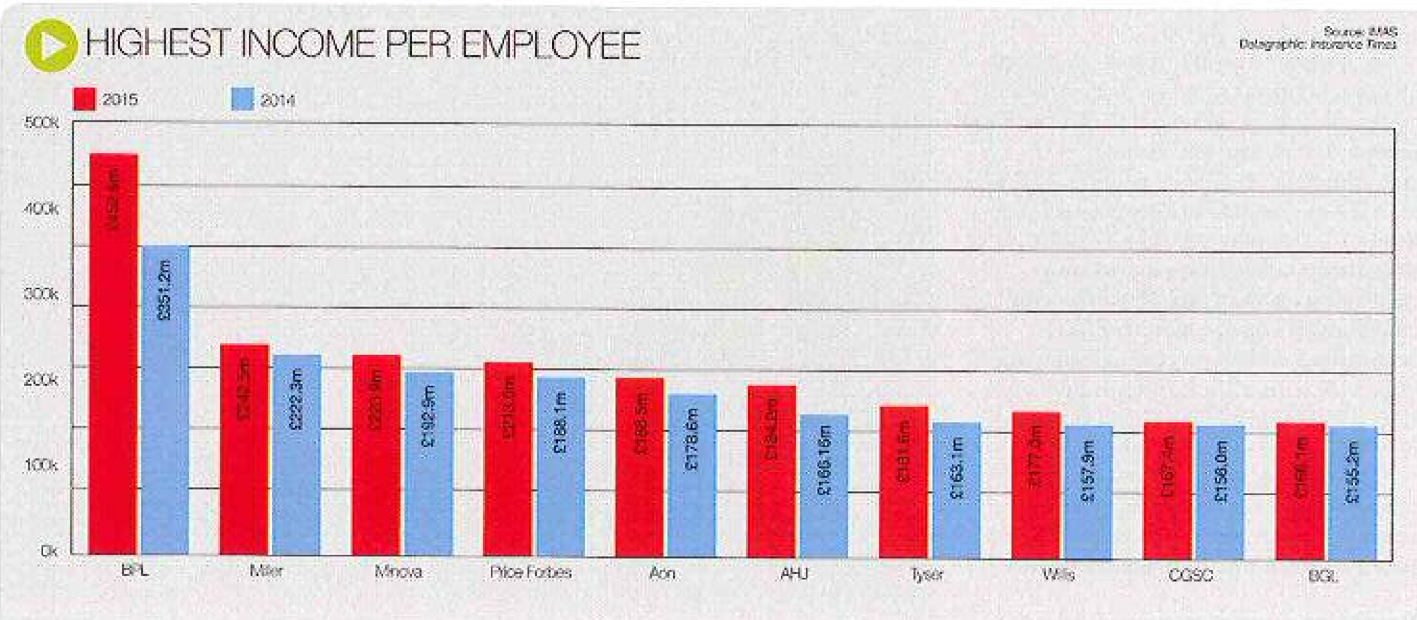
Margin

Margin is the true value driver for a business and here we have a much broader picture, with all market sectors represented.

Top of the pile this year is AA Insurance Services, with a 43.4% earnings before interest, tax, depreciation and amortisation (EBITDA) margin although, interestingly, this is lower than the best margin five years ago. In fact, eight of the top 10 best EBITDA margins are lower than the same ranked performance five years ago – surely a sign of the pressures on brokers' margins.

The only two businesses that managed to outperform their 2010 colleagues were Berry Palmer & Lyle and A-Plan, the second and third ranked businesses. Comparing margins with last year's top performers, the





five-year picture was similar, although 2015 margins show improvements over 2014 indicating that brokers are regaining some of the lost ground. It is also good to see both Willis and Marsh in the margin top 10.

The best improvement in margin is quite often achieved by a business rebounding from a depressed year and this is the case this year. There are, however, some excellent improvements in performance by other businesses. Jelf increased its margin by 3.8 points (see above), Hastings's was up by 3.8 points and Willis increased its margin by 3.7 points. Simply Business not only got into the top 10 growth table, it also almost doubled its EBITDA margin to 11.5%, an encouraging sign for the online SME market. AA Insurance Services has kept the top spot in the EBITDA margin table despite only growing its margin by 0.3 points.

Employees

Income per employee is a key performance indicator for any business, but the range across the insurance market is wide and that is reflected in the Top 50. Not all brokers have provided employee numbers, so the comments below only apply to those that have provided the relevant data.

London Market and international brokers will always lead this table because of the nature of their business and they claim nine out of the top 10 places for businesses that have provided employee data.

Berry Palmer & Lyle claims its habitual top spot with an impressive £452,600 per employee; the nearest to this is Miller with just under half the income per employee: £239,100. BGL Group's achievement of £166,100 per employee is good and well above the average for personal lines businesses at £92,350, and reflects the efficiencies of the multiple aspects of the

> 'The best improvement in margin is often achieved by a business rebounding from a depressed year and this is the case this year. There are, however, some excellent improvements in performance by other businesses'

'Berry Palmer & Lyle, having topped the highest income per employee table, also achieved a top 10 performance for margin improvement'

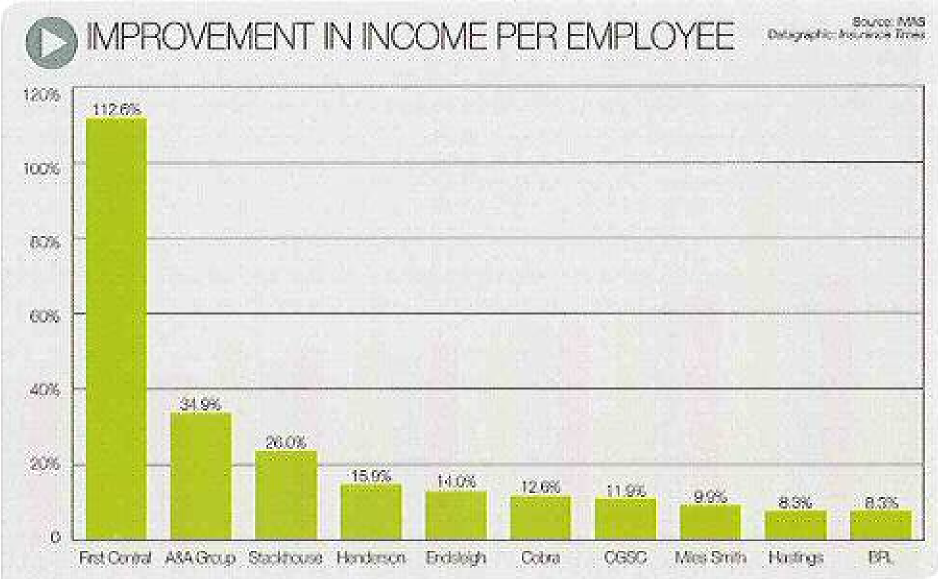
group. Commercial lines brokers are conspicuous by their absence as their average income per employee is only £77,860, the lowest average of all four sectors. The best commercial performance is by Cobra with £130,900 per employee, followed by Stackhouse Poland with £106,500.

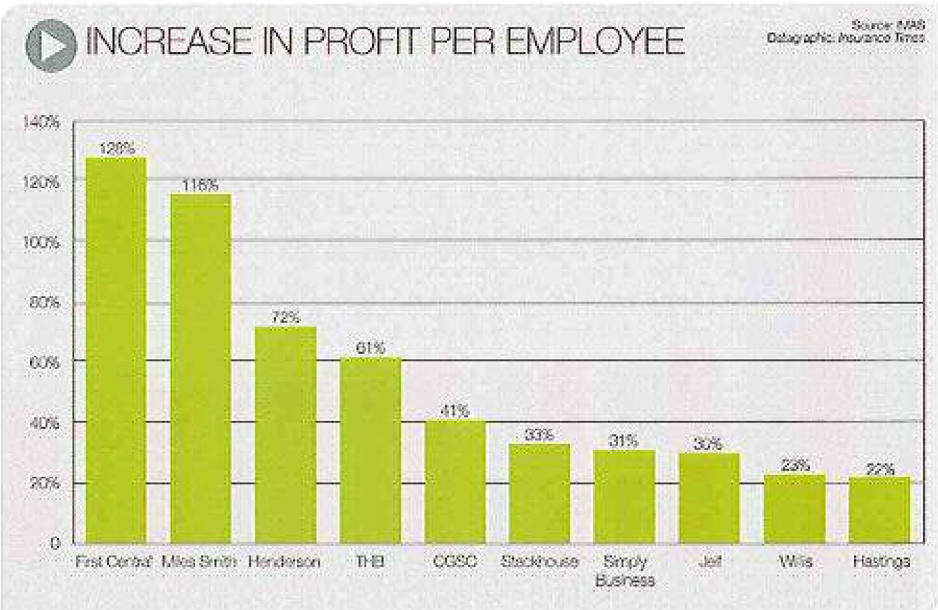
Income per employee

There has been much talk in the press about the sluggish improvement in productivity across the UK economy, but the picture for insurance brokers would suggest that is not the case.

Most of the Top 50 brokers showed an increase in income per employee, ranging across all sectors, with First Central taking first place following its business consolidation. The restructured A&A Group has achieved a good recovery, increasing income per employee by almost 35%. Stackhouse Poland has reported an excellent improvement in its figures for a commercial broker, the sign of good acquisitions and synergy. Henderson has done well with a 15.9% improvement to rank it fourth, while Endsleigh is ranked fifth with a 14% improvement.

Impressively, Berry Palmer & Lyle, having topped the highest income per employee table, also achieved a top 10 performance for margin improvement.





Profit per employee

The second key performance indicator is the profit or EBITDA per employee, and in particular we focus on improvement here. Top of the table is First Central, but this is most likely due to its restructuring transaction; second is Miles Smith with a 116% improvement, reflecting that the good income growth achieved has all flowed through to the bottom line.

Next is Henderson, with a 72% improvement, also seeing the benefit of good cost control allowing the increased revenue to flow through to profit.

The future

New potential growth vehicles have been launched over the last 18 months and we would expect these to make an impact next year. Global Risk Partners, just outside the table this year, is highly likely to achieve more acquisitions and enter the Top 50; Professional Insurance Brokers, with strong private equity (PE) backing, the drive of Brendan McManus and Chris Giles and their high expectations, is a strong candidate for Top 50 membership next year – it may be that they acquire an existing Top 50 broker. Aston Scott, with Peter Blanc at the helm and strong PE backing is sure to be on the acquisition trail before long and that will bring it into the Top 50 again.

There is strong PE appetite for the broking sector as evidenced above and by the backing of current Top 50 brokers such as A-Plan. These buy-and-build strategies will continue to drive growth, absorbing brokers from outside the Top 50. PE-backed businesses represent 19.8% of the 2015 Top 50 revenue, up from 16.5% last year. This growth has come at the expense of privately owned companies, down from 19% to 14.4% of the Top 50.

This shift in ownership profile is expected to continue and we believe that as PE exits its investments it will be the overseas companies that emerge as the most likely buyers. Foreign companies currently represent 50.4% of the Top 50 revenue and this is expected to rise.

The other category that is expected to increase as PE exits is listed companies; with the apparent success of the recently listed insurance broking businesses in London we would expect to see more follow that route over the next two to three years.

JLT goes top

Aon falls back to third place, but for how long? Meanwhile, Gallagher's distractions put the brakes on surge

The composition of the leading pack in this year's Top 50 Brokers ranking is as interesting for what it does not show as for what it does.

The big news, of course, is that JLT has taken the number one spot, and that Aon, which topped the table for the past two years, is now down in third place.

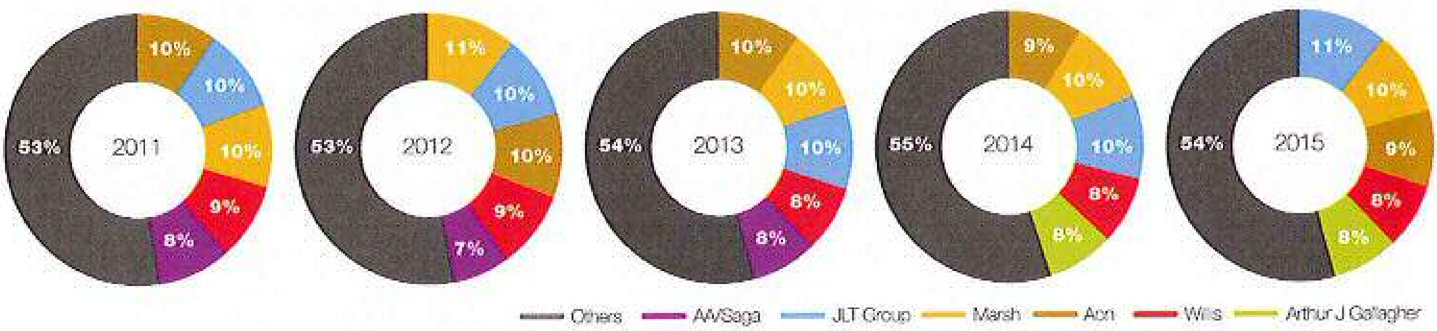
But Arthur J Gallagher International's lack of movement in the rankings also tells a story.

Gallagher has surged up the rankings over the past five years, largely thanks to its voracious appetite for mid-sized UK SME brokers. It jumped three places in last year's ranking to break into the top five.

This year, however, it did not budge, as the company put its acquisition strategy, in the UK at least, on hold. The company has had plenty of distractions, including the departure of a large swathe of its top team, including chief executive David Ross, the installation of new chief executive Grahame Chilton, and its high profile lawsuit against Ross and others.

While the top five contains the same brokers this year, their positions are by no means assured. Eighth place holder Hyperion looks a likely contender for the top five in a few years. Its acquisition of RK Harrison helped boost it three places, and the company was in the throes of buying Perkins Slade at the time of going to press.

MARKET SHARE AMONG THE TOP FIVE BROKERS

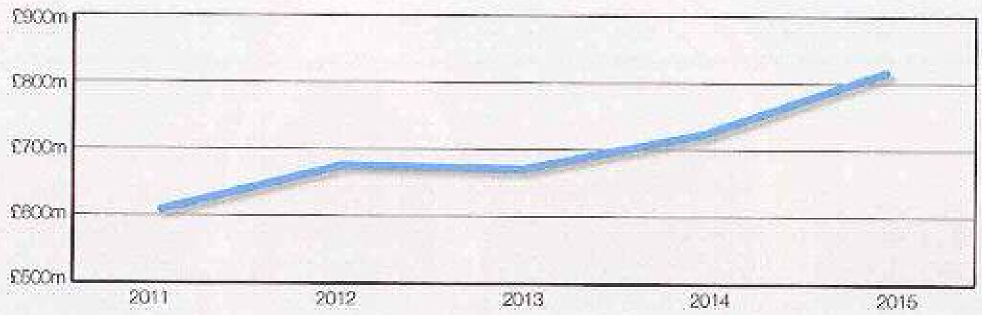


TOP FIVE BROKERS' PERFORMANCE COMPARED

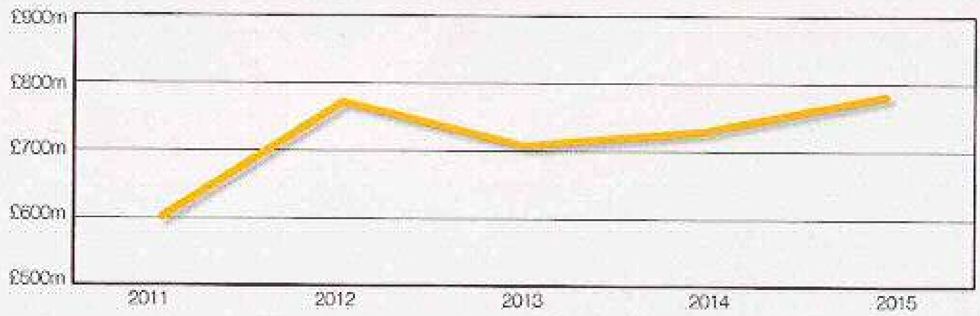
Source: company results
Datagraphic: Insurance Times

Note: Figures printed here and relative positions may differ from previous editions of the Top 50 Brokers as a result of companies restating results

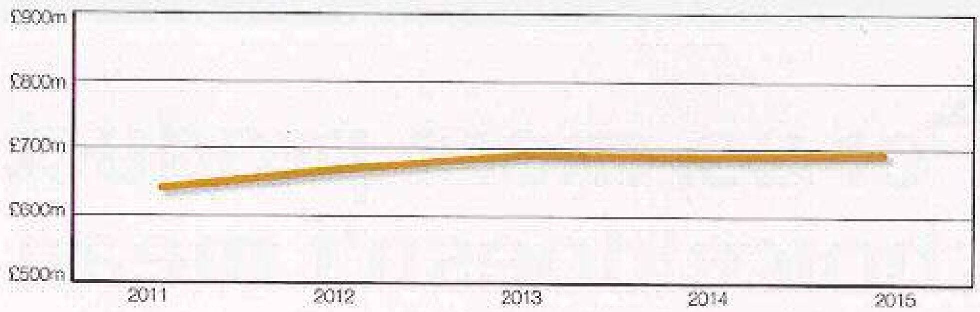
1. JLT Group
JLT chief executive Dominic Burke is likely to be pleased with his company's top position in the 2015 Top 50 Brokers. Not only is it the first time on the number one spot, but the position also lends weight to Burke's assertions that JLT has been adept at taking market share from bigger rivals.



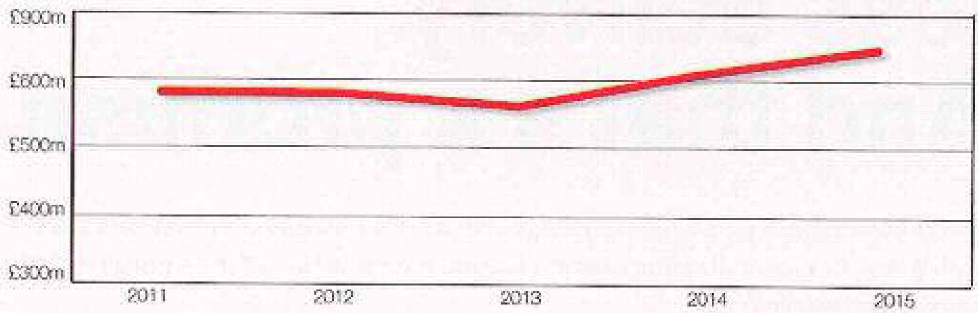
2. Marsh
Bigger brokers usually grow slower, but Marsh was able to boost its brokerage by 7.1% in 2014, powering it past Aon to keep second place. The company is looking to bulk up in the UK SME space, and bought Leeds-based broker SME Insurance Services in June.



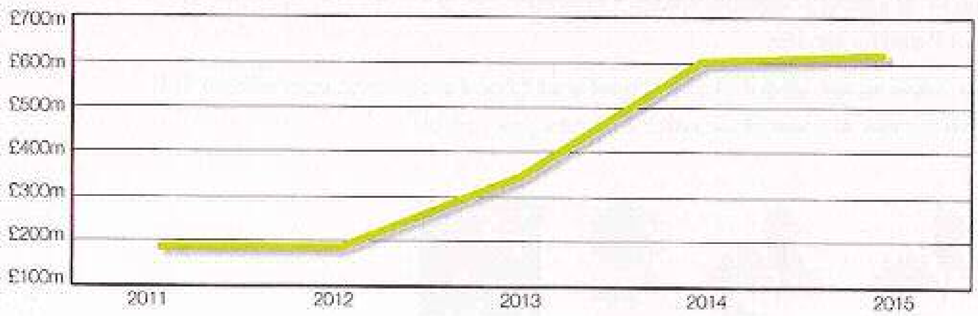
3. Aon
This is not the first time Aon has been pushed into third place, and it will likely regain the top spot at some point. It remains the biggest broker globally, with 2014 broking revenue of $7.8bn (£5bn) to Marsh & McLennan Companies' $6.9bn. Also, it is known to be on the lookout for acquisitions.



4. Willis
At group level, Willis does less well than its rivals. But the performance of its UK-regulated company, Willis Ltd, has enabled the broker to consistently hold the fourth spot in this ranking. The Towers Watson merger should help boost its UK broking figures.



5. Arthur J Gallagher
What happens to Gallagher International now depends largely on how successful it is at integrating its purchases of Oval, Giles and OAMPS in the UK and converting them into organic growth, and whether or not it is able to restart its acquisition activity in the UK soon.



#1

JLT Group

2014: **3rd**

Chief executive: **Dominic Burke**

Brokerage: £816.2m

Management

JLT's ebullient, outspoken chief executive Dominic Burke (right) has repeatedly insisted that his company is taking market share from rivals Aon, Marsh and Willis. JLT's rise to the top of the ranking this year, knocking last year's frontrunner Aon into third place, indicates that this was more than just boasting.

Burke, who has run JLT since 2005, is supported by deputy chief executive Mark Drummond Brady, who has been at JLT for 27 years. James Twining is JLT's group commercial director. In July, the company hired former Brightside chief executive Paul Williams to run Thistle, its struggling UK managing general agency.

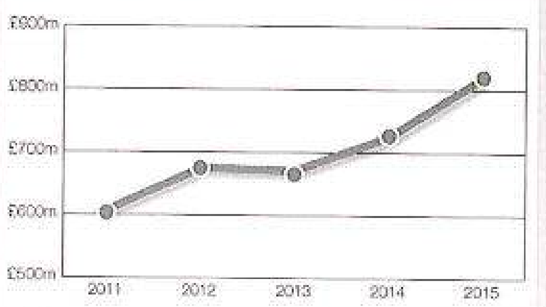
Strategy

JLT is not shy of acquisitions. It is constantly on the look-out for small purchases, and its swoop for Towers Watson's reinsurance broking division in 2013 shows it has the stomach for larger deals.

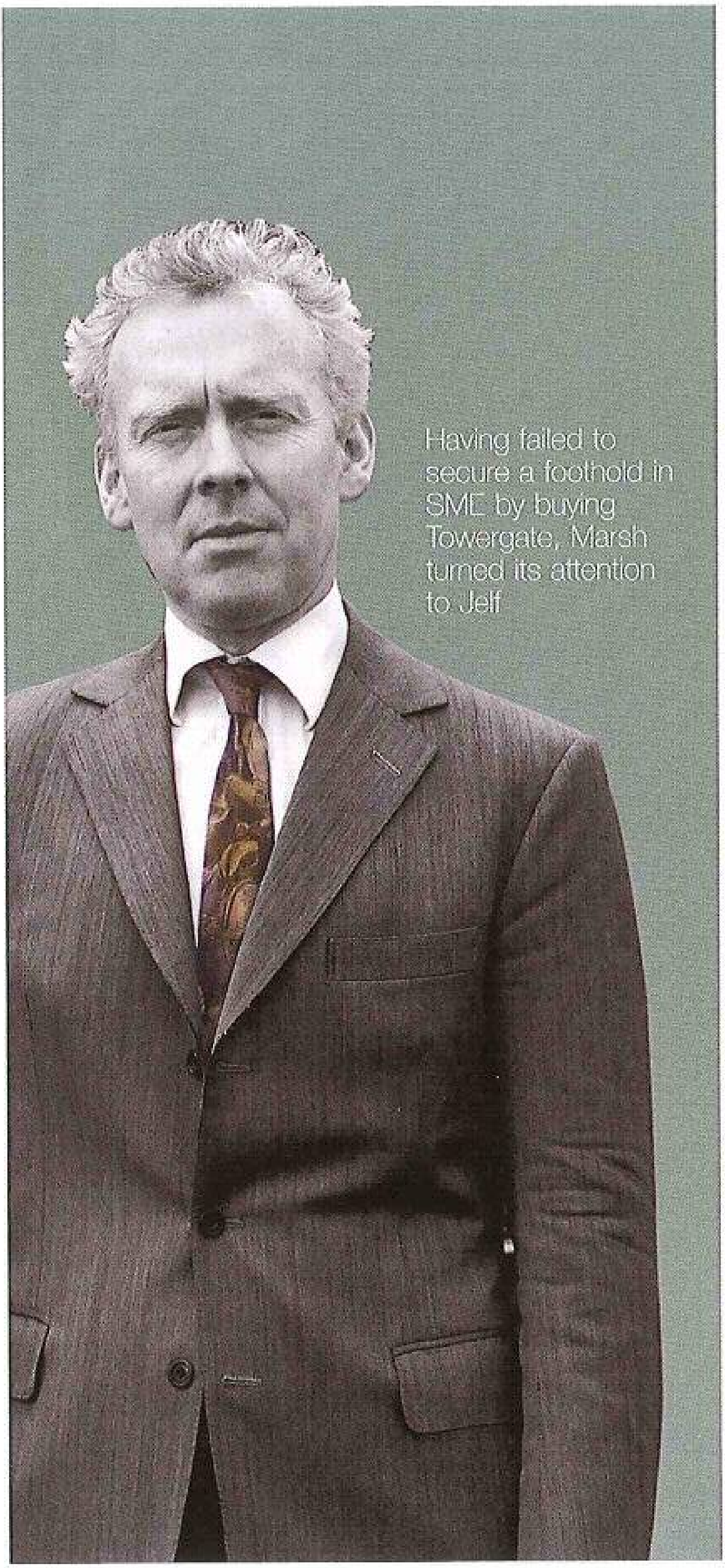
But the real story behind JLT's rise to the top is organic growth. It has consistently beaten its rivals on this measure in recent years. This good run stumbled in the first half of 2015, when it reported organic growth of just 2%. But the company insists it will be able to match 2014's 6% in the full year.

JLT has proven adept at poaching teams of brokers from rivals. But this has got the broker into hot water recently, with Willis suing JLT for damages after it poached Willis's 22-strong specie team.

BROKERAGE



KEY: Sectors Personal London International Commercial New entry Ranking up on 2014 no change down on 2014



#2

Marsh

2014: **2nd**

UK & Ireland chief executive: **Mark Weil**

Brokerage: £782.6m

Management

Mark Weil (left) is UK and Ireland chief executive. An engineer by trade, Weil was head of financial services Europe, Middle East and Africa at consultants Oliver Wyman when it was bought by Marsh's parent group, Marsh & McLennan Companies, 10 years ago. A risk expert, Weil was offered the top job at Marsh in 2012.

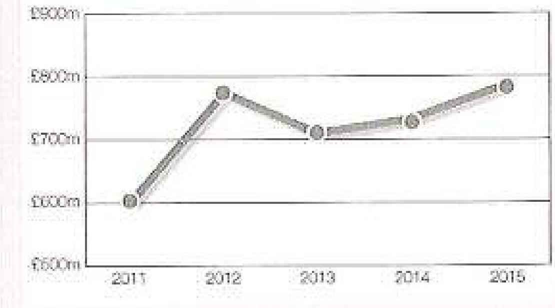
Weil was the face of Marsh's widely publicised cyber insurance partnership with the government. In March it emerged that Marsh had been working with the government on a campaign to make the UK and the London market the global leading force in cyber insurance and risk management. On claims, Weil spearheaded the launch of the Marsh Principles, designed to improve clients' understanding of why claims are rejected and make it tougher for insurers to duck out of paying claims. ACE is the first insurer to sign up to the Principles.

Key people in Weil's team include Joe Grogan, who leads the division serving mid-size and large corporates across the UK and Ireland, and Julie Page, who heads commercial and consumer practice.

Strategy

Marsh is strong in the corporate sector, but weaker in SME. Having failed in its bid to buy Towergate, Marsh is now looking to take over 18th placed broker Jelf. Marsh bought smaller broker SME Insurance Services this year.

BROKERAGE



#3

Aon

2014: **1st**

Chief executive: **Dominic Christian**

Brokerage: £692.9m

Management

Dominic Christian (right) leads Aon UK Ltd's board and governance as the chief executive, as well as being executive chairman of reinsurance broker Aon Benfield. The bulk of the day-to-day operations of the business around the country is run by Jim Herbert, chief executive of Aon Risk Solutions UK.

David Ledger runs the UK arm of Aon Benfield, and Karl Hennessy heads up the London-based Global Broking Centre.

Strategy

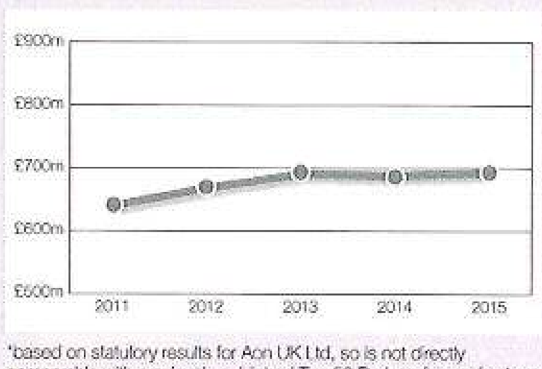
Aon remains one of the dominant brokers for UK corporate and London market business. It continues to be the market leader in providing data and analytics through its Global Risk Insight Platform. Like Marsh, however, Aon is relatively weak in the UK's SME sector. To try and rectify this, Aon has created a new SME division headed by managing director Keith Harris.

Along with Marsh, Aon was also one of the contenders to buy Towergate, but a bid was not forthcoming.

As a group, the cash-generative broker has been returning capital to shareholders. In November last year, Aon authorised $5bn (£3.2bn) of additional share buybacks. Aon remains a widely recognised global brand, largely thanks to its shirt sponsorship deal with Manchester United between 2012 and 2014.

The company gave a boost to London as a financial centre after deciding in 2012 to headquarter itself in the UK capital.

BROKERAGE



*based on statutory results for Aon UK Ltd, so is not directly comparable with previously published Top 50 Brokers figures for Aon

KEY: Sectors Personal London International Commercial ★ New entry **Ranking** up on 2014 no change down on 2014

#4

Willis

2014: **4th**

UK Chief executive: **Nicolas Aubert**

Brokerage: £646.6m

Management

Change is afoot at the top of the Willis group after the \$18bn (£11.6bn) merger with Towers Watson.

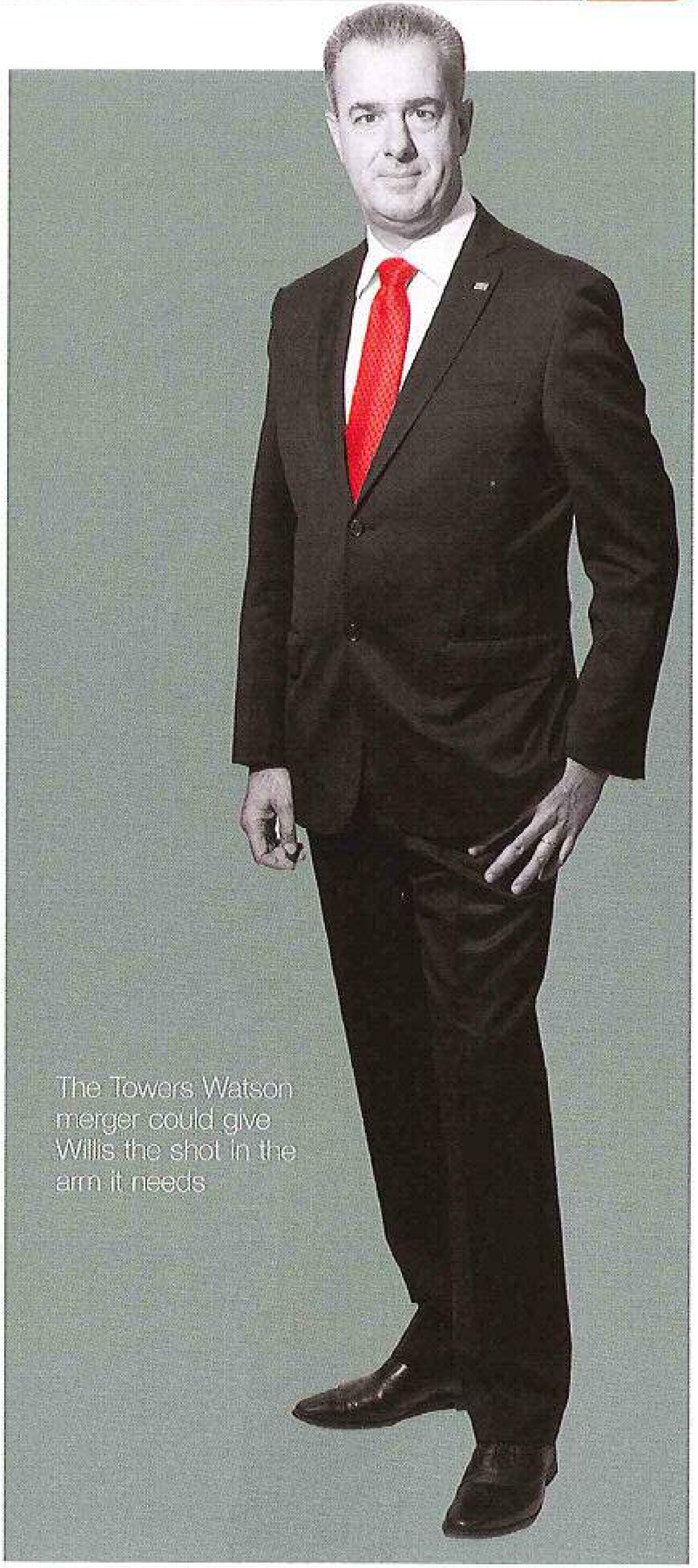
Towers Watson chief executive John Haley will run the combined group with current Willis chief executive Dominic Casserley as deputy chief executive. Willis's UK operation, Willis GB, is headed by former AIG UK chief executive Nicolas Aubert (right). Willis GB combined the broker's UK retail business with its London specialty division.

Strategy

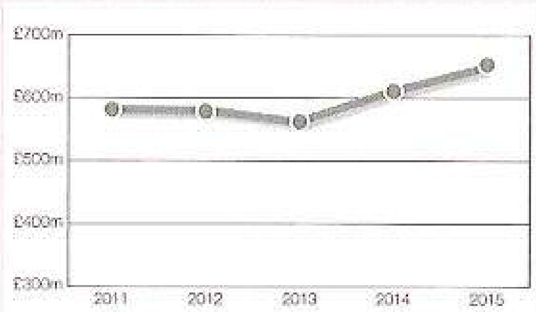
Willis occupies an awkward middle ground between big-hitters such as Aon, Marsh and Willis, and smaller, more dynamic companies such as Arthur J Gallagher. The group has underperformed its rivals and has been in a near constant state of cost-cutting in recent years.

The Towers Watson merger could give Willis the shot in the arm it needs – the combination of insurance broking and consultancy has proven powerful at rivals Aon and Marsh and McLennan Companies. But many observers have criticised the deal, and the jury is out on whether Willis will achieve the cross-selling benefits it wants.

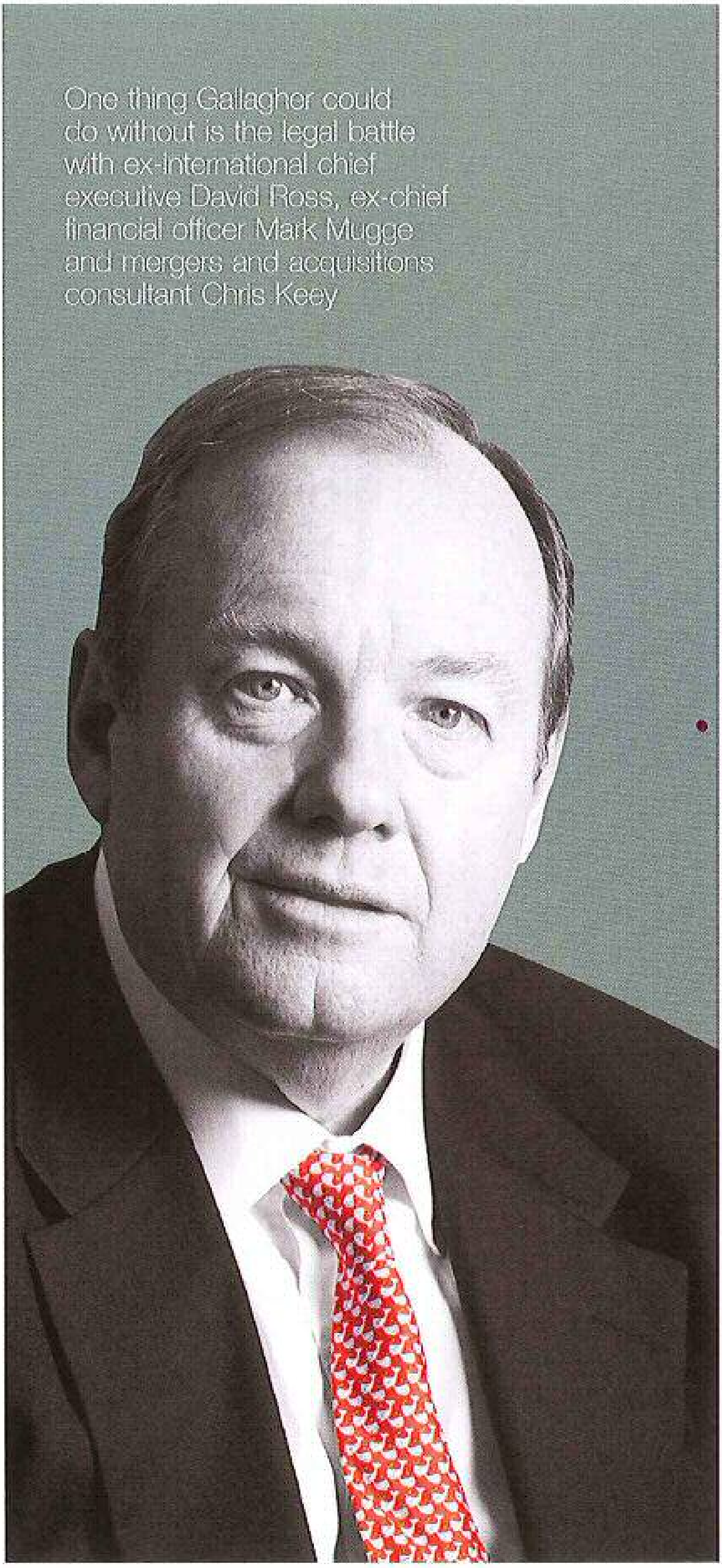
Willis has also struggled in the UK retail broking market, where organic revenues have been falling. The combination of UK retail and London market speciality under a strong leader such as Aubert could help turn this around, as could its acquisition of 85% of London market wholesaler Miller (see #16).



BROKERAGE



KEY: **Sectors** Personal London International Commercial New entry **Ranking** up on 2014 no change down on 2014



#5

Arthur J Gallagher International

2014: **5th**

Chief executive: **Grahame Chilton**

Brokerage: £618.4m

Management

Broking veteran Grahame 'Chily' Chilton (left) was appointed chief executive of Arthur J Gallagher International in February, after the shock departure of David Ross to head up Towergate. Chilton leads the London-based international division of the Gallagher group. After the exit of other senior Gallagher figures – Janice Deakin, Sarah Dalgarno, Adrian Brown and Mark Mugge to Towergate – Ex-Bluefin executive chairman Stuart Reid is to join Gallagher as retail boss. Other senior members of Chilton's team include Michael Rea as chief operating officer, chief financial officer Ian Story and Carol Richmond as chief risk officer.

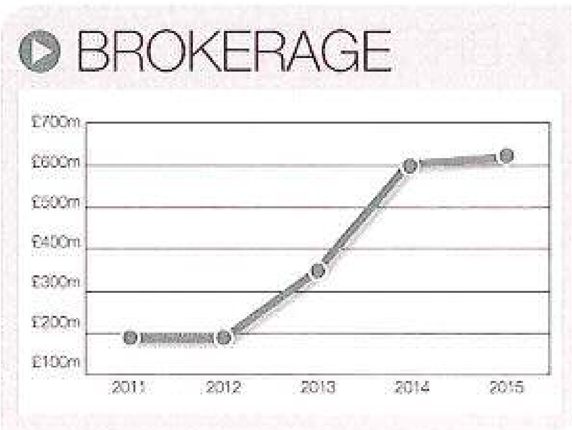
Strategy

A few days into his role, Chilton announced a 90-day "heads-down review" of the whole business. Chilton has much to do, including integrating the businesses Gallagher has bought in the UK while trying to grow the brokerage. That grew by 2.5% in 2014, a big slowdown from 2013's 74% growth, driven by three large acquisitions; Oval, Giles, and Wesfarmers.

The broker may not be targeting any similarly large deals in the near term, but it will concentrate on smaller bolt-on acquisitions.

The global broking group says it is focused on four big goals: organic growth, improved margins, mergers and acquisitions, and maintaining its "unique" culture.

One thing Gallagher could do without is the legal battle with Ross, ex-chief financial officer Mark Mugge and mergers and acquisitions consultant Chris Keey. An initial court hearing is set for February.



#6

BGL Group

2014: 6th
Chief executive: **Matthew Donaldson**

Brokerage: £507.2m

Management

BGL is led by chief executive Matthew Donaldson, (right) who has been at the helm for two years.

His executive team includes Comparethemarket.com managing director Paul Galligan; group director of the brand-led business Kal Atwal, group director of insurance and legal services Peter Thompson and chief financial officer Alasdair Lenman.

Strategy

BGL's ranking was the same as in 2014, despite its brokerage growing by 13.2%. In its strategic report, BGL said that the profit and revenue growth had been caused by growth in the price comparison market and the market share of Comparethemarket, perhaps its best-known brand.

In March the aggregator secured the services of Hollywood star Arnold Schwarzenegger to promote its new cinema ticket deal. BGL's 2014 results were boosted by the acquisition of law firm Minster Law in 2013.

BGL added that its affinity division, Junction, had extended several of its partnership agreements, which in turn helped the group's insurance broking business to boost the number of policies under management to 2.7 million from 2.5 million. Customer numbers across the group grew to 7.5 million from 6.6 million.

In August 2014, BGL secured £270m of new money during a refinancing of its bank loans. The new funds comprise a £190m securitisation facility, which expires in August 2016, and an £80m revolving credit facility, which lasts until December 2016.

Matthew Donaldson, BGL

#7

Towergate

2014: 7th
Chief executive: **David Ross** (from November 2015)

Brokerage: £375.9m

David Ross, Towergate

Management

After struggling to grow the business, chief executive Mark Hodges left in October. In a surprise move, Gallagher International boss David Ross left the broker to take the helm at Towergate, and is due to arrive in November.

Gallagher accused Ross of ruining its acquisition plans, including a potential deal for Towergate, and of poaching top Gallagher executives. The case was settled out of court in August, with Gallagher receiving payments totalling £20m.

Towergate now has some big hitters on board who believe they can once again fire up revenue and profits at the SME broking giant. The new team includes former Aviva broker boss Janice Deakin and ex-Gallagher International finance head Mark Mugge. Former RSA UK and Western Europe boss Adrian Brown will join in September 2015.

Strategy

Under the new owners, led by private equity firm Highbridge Capital Management, Towergate has reduced its debts to a more manageable £380m from £1.05bn. Hodges's big bet was to shift a large chunk of SME business below £5,000 premium into a Manchester-based call centre. It has yet to be seen whether that move will be a success.

Ross and Mugge are likely to oversee a period of much tighter integration. If Ross can show signs that the business is growing, he may be able to tap into more funding from the company's private equity owners.

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

#8

Hyperion

2014: 11th

Chief executive: **David Howden**

Brokerage: £357.1m

Management

Hyperion, led by David Howden (below), comprises broking division Howden and underwriting agency DUAL.

The Howden broking unit has seen a lot of management change since the group acquired Lloyd's broker RK Harrison (RKH) on 30 April 2015.

Hyperion group executive chairman Dominic Collins was put in charge of the combined UK broking operation, called Howden UK Group.

This comprises Howden UK, which currently does not have a chief executive; RKH Specialty, headed by Barnaby Rugge-Price; and RKH Reinsurance, led by Elliot Richardson. Howden UK was run by broking veteran Adrian Colosso until July, when he retired. He has not yet been replaced. Within Howden UK, the UK retail division is jointly run by Stuart Rootham and Chris Evans.

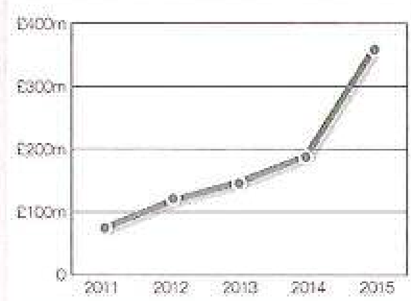
David Howden has taken charge of the combined international broking operations.

DUAL, which now includes RKH's underwriting agency Aqua, continues to be run by Shane Doyle. Aqua is still run by Graham Elliot.

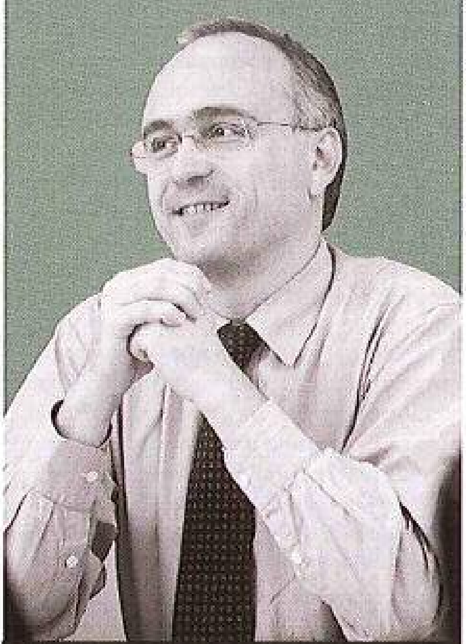
Strategy

As The Top 50 Brokers was going to press, Hyperion was in the throes of completing another UK broking acquisition – Birmingham-based Perkins Slade.

BROKERAGE (£M)



Like many brokers, Swinton has had to become leaner amid tough trading conditions



Gilles Normand, Swinton

The company will also focus on bedding-in the RKH purchase. While UK and international acquisitions have featured prominently in Hyperion's strategy in recent years, David Howden insists that organic growth, rather than buying brokers, is the core to Hyperion's growth plan.

#9

Swinton Group

2014: 8th

Chief executive: **Gilles Normand**

Brokerage: £285.1m

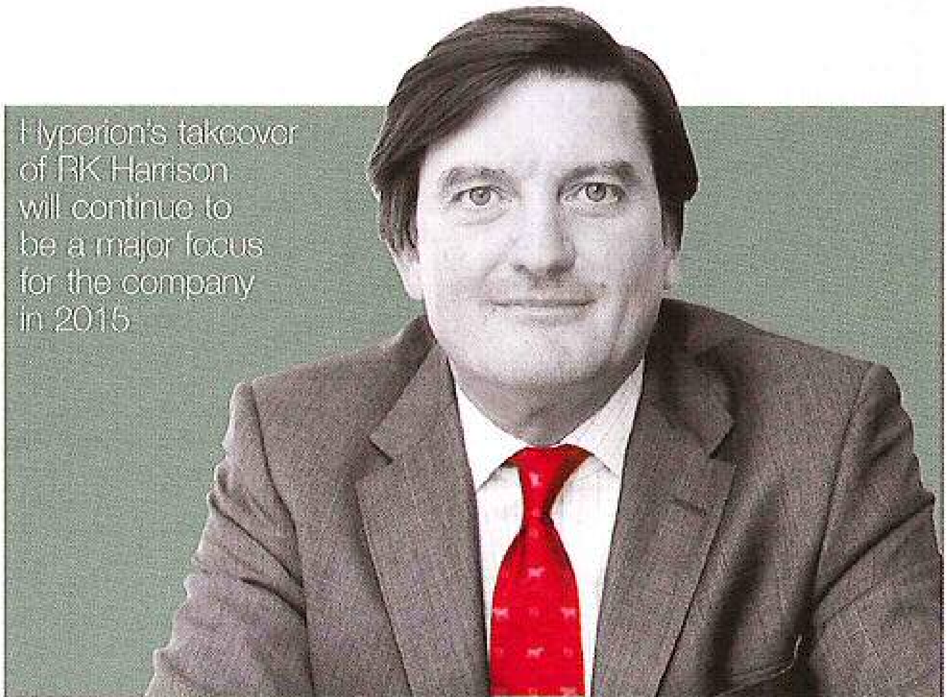
Management

Gilles Normand took the helm of Swinton from Christophe Bardet at the beginning of 2015. Bardet returned to France after three years in charge of Swinton to run Fidelia Assistance, part of Swinton's French parent Covéa Group.

Bardet put the company back on track after a rocky period. He was drafted in as chief executive in 2011 to clear up the mess left by previous management, under which the company had mis-sold add-ons.

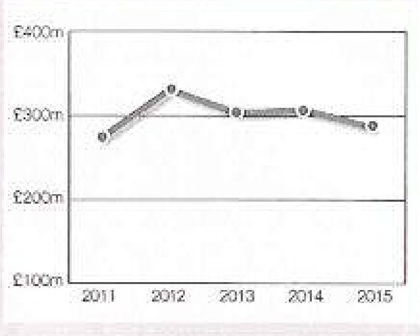
This led to a £7.4m FCA fine in 2013 and fines and bans for former chief executive Peter Halpin, former finance director

Hyperion's takeover of RK Harrison will continue to be a major focus for the company in 2015



David Howden, Hyperion

BROKERAGE (£M)



Anthony Clare and former marketing director Nicholas Bowyer.

There have been other changes at the top. Finance chief Christian Plumer left in March this year and was replaced by chief risk officer Rob Harding. Meanwhile, operations director Kelly Ogley left the company on 30 June.

While not replaced directly, her responsibilities were taken on by new distribution director Richard Beaven, who joined Swinton on 1 August.

Strategy

Like many brokers, Swinton has had to become leaner amid tough trading conditions. It emerged in March that the broker was consulting with its 1,000 support staff about job cuts, although it said fewer than 100 roles were affected.

The company has also made structural changes. In May, it announced plans to serve commercial customers with premium of £2,000 or less from selected personal lines branches.

#10
AA Insurance Services

2014: 10th
Chief executive: **Janet Connor**

Brokerage: £252.8m

Management

Janet Connor (right), former head of insurer RSA's More Than direct brand, joined the AA's insurance broking arm as managing director on 1 August 2014.

The division was previously run by Simon Douglas, who left in October 2014 after seven years with the AA. Before his exit he oversaw pricing and the relationship between the AA and its panel of insurers.

AA Insurance Services' parent, roadside assistance firm AA, is run by executive chairman Bob Mackenzie. He is supported by chief financial officer Martin Clarke.


Janet Connor, AA Insurance services

Strategy

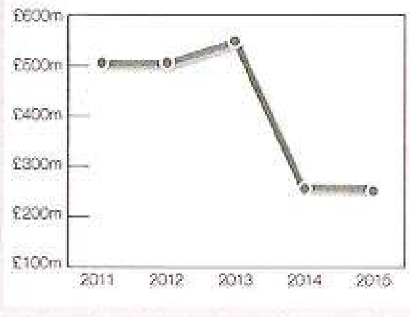
AA Insurance Services is now part of a listed company after the AA's flotation on the London Stock Exchange in June 2014.

The company revealed in March 2015 that it plans to set up an in-house underwriting division to sit on AA Insurance Services' panel. The company is doing this because it believes its proprietary data, such as the number of breakdowns AA members have in a year, will give it a competitive edge in underwriting.

AA Insurance Services has also made changes to its insurer panel. It replaced AXA with Cigna as its travel insurance provider of choice in January 2015.

The AA announced in February that it was making 300 job cuts group-wide, including in its broking divisions.

BROKERAGE (£M)*



*2013, 2012 and 2011 figures are for the combined AA/Saga business. The two companies were split and floated on the stock exchange in 2014

#11 Cooper Gay Swett & Crawford

2014: **10**

Chief executive: **Steve Hearn (from 2 November)**

Brokerage: £248.8m

Management

Long-serving Cooper Gay Swett & Crawford (CGSC) chief executive Toby Esser left the broker suddenly in June 2015 after 14 years in the driving seat and around 30 years at the company overall.

Non-executive chairman and one-time AIG group chief executive Martin Sullivan is running the company in the interim until the arrival of new chief executive Steve Hearn from Willis on 2 November.

Hearn was previously deputy group chief executive of fourth-ranking broker Willis, where he had worked since 2008.

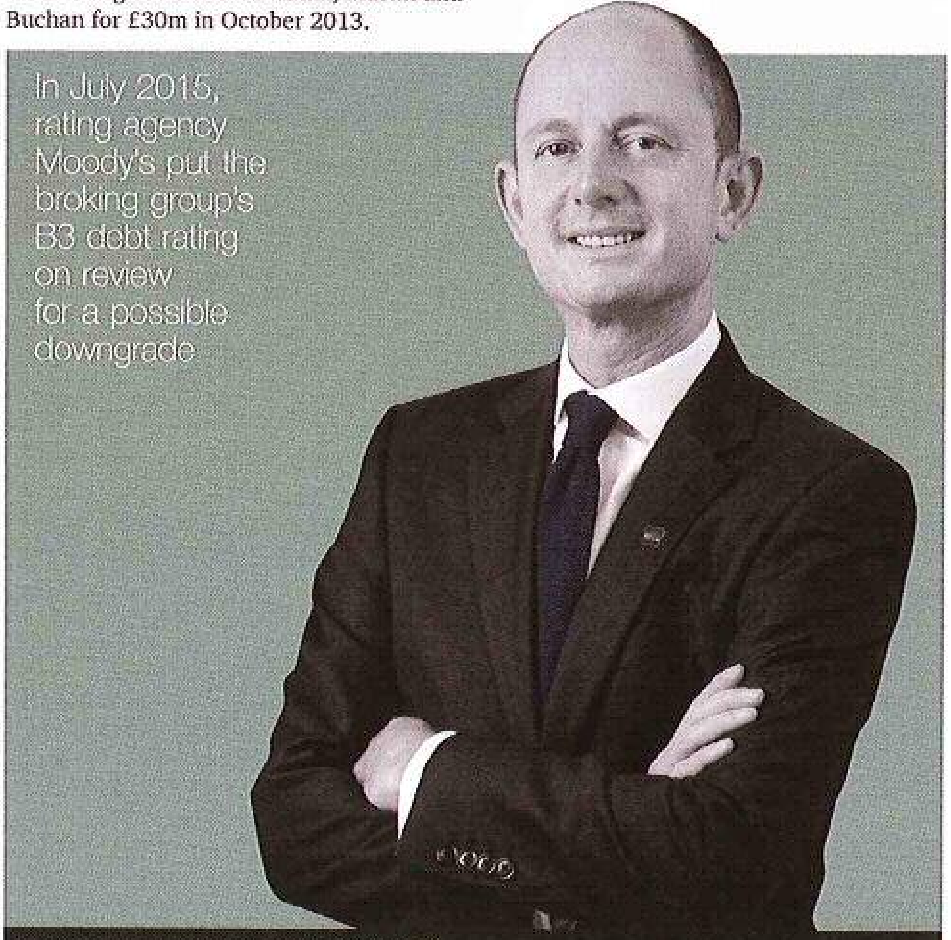
CGSC's London market broking operation, Cooper Gay & Co, is run by Gordon Newman, who joined the firm after CGSC bought his firm Newman, Martin and Buchan for £30m in October 2013.

Strategy

CGSC was formed in 2010 when London market broker Cooper Gay merged with US wholesaler Swett & Crawford. As a wholesale and reinsurance broker, it derives much of its business from overseas.

While the company is growing its revenue – brokerage increased 8% in the year to December 2014 – CGSC slipped one place in the rankings this year.

The company is burdened with debt. In July 2015, rating agency Moody's put the broking group's B3 debt rating on review for a possible downgrade partly because its debt level was more than 10 times earnings before interest, tax, depreciation and amortisation (EBITDA).



Steve Hearn, Cooper Gay Swett & Crawford

#12 Hastings Insurance Services

2014: **14**

Chief executive: **Gary Hoffman**

Brokerage: £204.5m

Management

Former Northern Rock boss Gary Hoffman is a passionate Coventry City fan who once offered to pay the rent on the Ricoh stadium so that his beloved football club could remain on its home turf for three seasons. He is supported by Hastings managing director Michael Lee, who oversees the underwriting and claims divisions. Shareholder Neil Utley remains a director. Utley stands to make a £200m windfall if the firm successfully floats, something that Hoffman has suggested could be on the cards – though he says the company is in no rush.

Strategy

Hastings's mission is to be the lowest-cost provider of quality general insurance. Combined with its rapid growth, this has raised the inevitable question over whether the business model is sustainable. However, Hoffman has insisted that the broker is uniquely set up to take advantage of aggregators. Hastings has invested heavily in pricing, analytics and combating fraud. Management believes this means the right risks are selected despite the abundance of fraudulent applicants using price comparison sites.

Hastings continues to follow a similar model to Admiral. It has a Gibraltar-based carrier called Advantage, which, with the backing of its reinsurers, covers 90% of Hastings's customers.

A proportion of the business is fed into its panel of third-party insurers. Last year, Hoffman told *Insurance Times* that Hastings plans to double its customer base to three million in six years' time – which means they would be selling a product to one in 10 adults in the UK by 2020.

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

#13 Lockton International

2014: **12**
Chairman: **Mike Hammond**

Brokerage: £200.1m

Management

Lockton International is a subsidiary of privately held US-based broker Lockton Companies, which booked a total of $1.24bn in revenues.

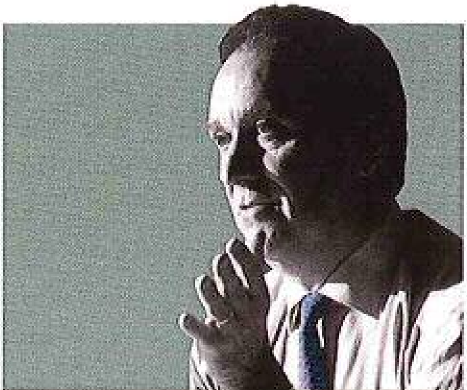
Mike Hammond has chaired the UK-based international business since it was formed in 2006 by the acquisition of Alexander Forbes International Risk Services, where he was deputy chairman.

Strategy

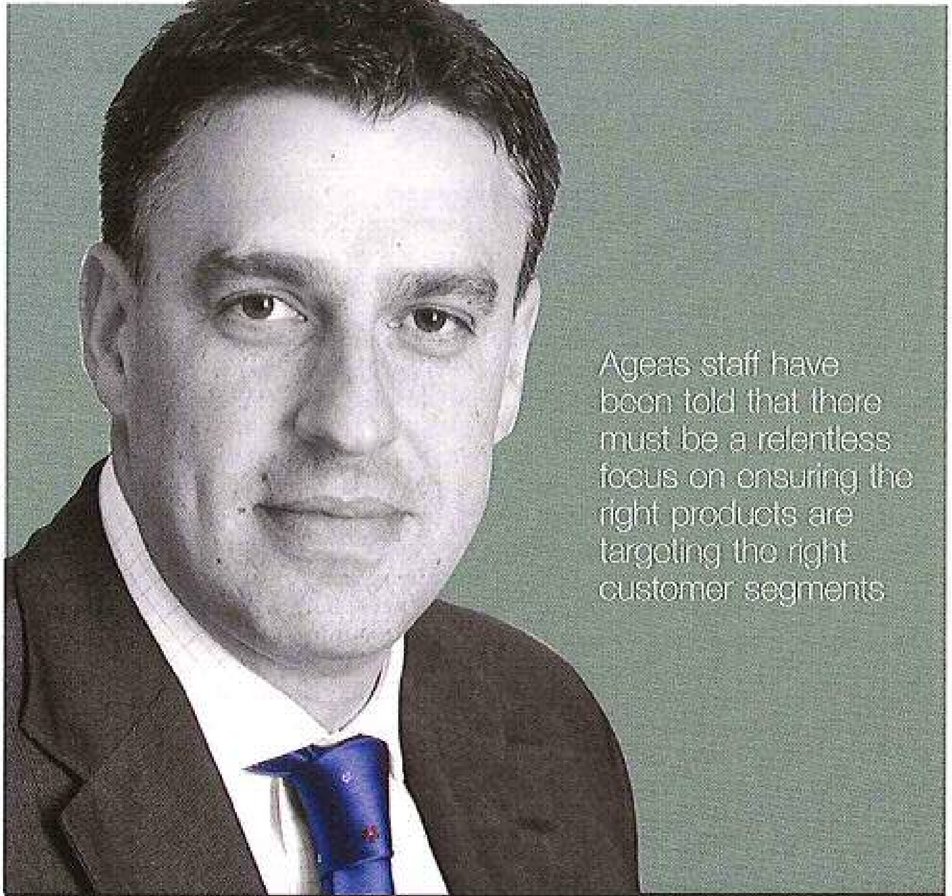
Lockton boosted its UK operations in October 2014 by buying the Glasgow-based general insurance business of Griffiths & Armour. The purchase added to Lockton's professional lines business in Edinburgh and took the broker's Scotland-based staff to 25.

Lockton got a boost in June 2015 when it and capacity provider AXA won a deal to provide insurance cover for property company Regis's freehold property portfolio across the UK. The contract was previously held by rival broker Jelf and insurer Covéa.

The following month, AXA teamed up with Lockton again, this time with Lockton's underwriting agency Mapledown. AXA agreed to provide capacity for construction professional indemnity risks in the UK to Mapledown.



Mike Hammond, Lockton



Ant Middle, Ageas

#14 Ageas Retail

2014: **13**
Chief executive: **Ant Middle**

Brokerage: £164.7m

Management

In March 2015 Ageas Retail announced that Ant Middle would replace Mark Cliff as chief executive. Middle was promoted from managing director at Ageas Retail's partnership business, a position he assumed in January 2014. He reports to Ageas UK chief executive Andy Watson. Before joining Ageas, Middle was UK strategic partnerships director for Aviva. He left AXA UK, where he was commercial director, to join Aviva in June 2010.

Strategy

Ageas Retail has been on a mission to simplify the business and improve its technology. The firm's seven legal entities have been merged into one and investment has flowed into analytics, IT, pricing and data. Staff have been told that there must be a relentless focus on ensuring the right products are targeting the right customer segments.

Income has suffered in tough trading conditions. In March, it emerged the broker had put 200 jobs at risk of redundancy amid plans to close its Belfast call centre, which serves customers for its RIAS and Castle Cover brands.

Ageas Retail said at the time that over the last two years there had been a significant drop in sales from this activity, reflecting both the changing behaviour of consumers, who were becoming less responsive to calls, and declining performance from consumer databases.

KEY: Sectors Personal London International Commercial New entry Ranking up on 2014 no change down on 2014

#15 Bluefin Insurance Group

2014: **15**

Chief executive: **Robert Organ**

Brokerage: £117.3m

Management

Bluefin is one of the brokers that has been caught up in the merry-go-round of management changes in the UK commercial broking world. The AXA-owned broker was dealt a double blow in April 2015 when both executive chairman Stuart Reid and chief executive Mike Bruce resigned.

Reid has left to run Arthur J Gallagher's UK retail broking operation. Bruce, meanwhile, has joined UK broking veterans Peter Cullum, Andy Homer and David Margrett to run the retail division of their fledgling consolidator, Global Risk Partners.

Bluefin opted not to replace Reid and instead now has just one man at the helm – Robert Organ.

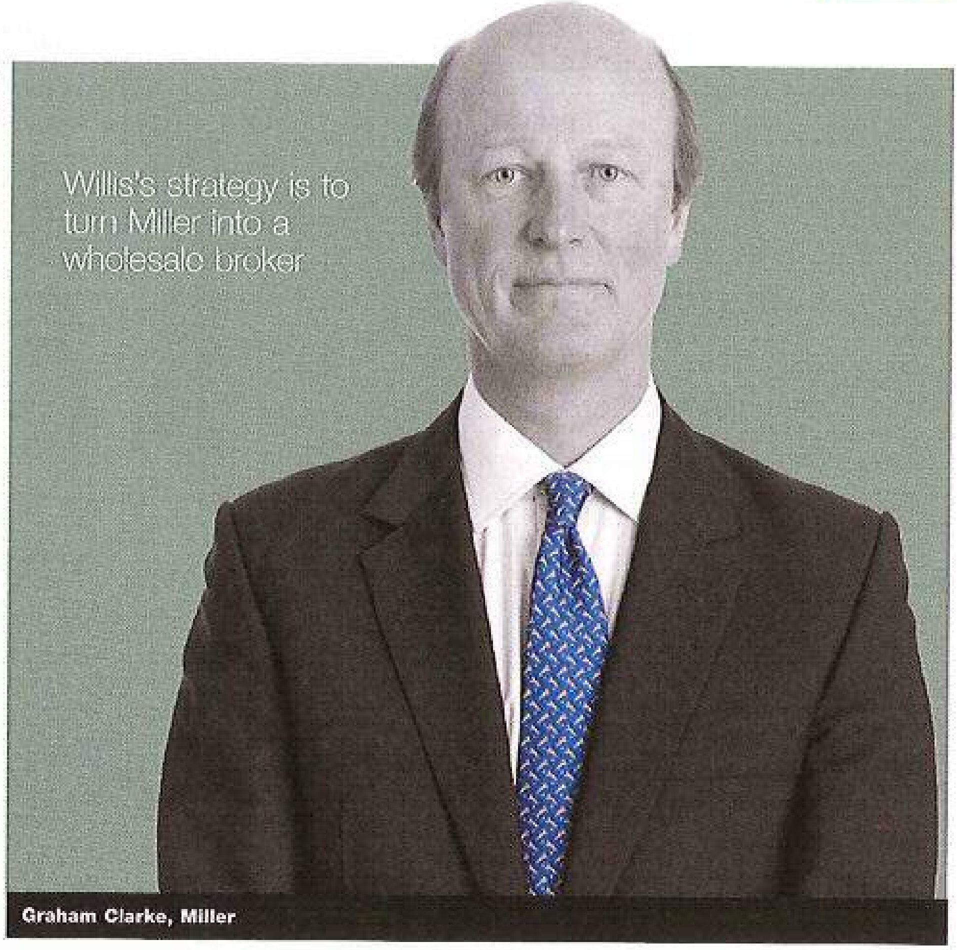
Organ's appointment as chief executive saw him return to Bluefin after a two-year stint as chief financial officer of parent company AXA's UK commercial lines and personal intermediary business.

The top job is not all that has changed at Bluefin. Chief operating officer Tim Philip, who joined Bluefin in 2013 to replace Organ as finance head, departed in June.

Strategy

While Reid and Bruce were big losses for Bluefin, new chief executive Organ insists that the company will continue in the same vein. Organ is familiar with the plans for Bluefin, as he helped write them before he left to join AXA.

Bluefin will continue to develop its new underwriting agency, Bluefin Underwriting, and its network offering, Bluefin Broker Partnership Services. The company will also continue to seek small acquisitions. It bought Cheshire broker Bennett Fozzard in May 2015.



Graham Clarke, Miller

#16 Miller

2014: **17**

Chief executive: **Graham Clarke**

Brokerage: £113.8m

Management

For many years a paragon of stability, Miller has embarked on a less certain future after Willis bought 85% of the company in June.

Miller's longstanding executives remain in place. Graham Clarke (above) will continue as chief executive, a post he has held for 15 years. He is supported by chief financial officer Martin Davison and chief operating officer Greg Collins, who have 30 years at the company between them.

Just before the Willis deal closed, Miller lost three senior managers to PIB, with the departure of head of corporate risks Chris Tabbitt, head of client management Mark Hicks and head of casualty Simon Collings.

Strategy

Under the terms of the Willis takeover, Miller will continue to operate as a separate company. Willis's strategy is to turn Miller into a wholesale broker. The two firms will merge their wholesale and specialty businesses, which will trade under the Miller brand. In turn, Miller will transfer its treaty reinsurance, UK corporate client and financial institutions teams to Willis.

Miller launched a membership and affinity scheme last November with three senior hires and in March recruited a sports and leisure broking team. Shortly after the completion of Miller's acquisition, Willis announced its $18bn merger with management service group Towers Watson.

It is not clear yet how much the larger deal might distract Willis management from the continuing integration of Miller.

KEY: Sectors Personal London International Commercial New entry Ranking up on 2014 no change down on 2014

#17 Brightside

2014: **18**
Chief executive: **Andrew Wallin**

Brokerage: £88.6m

Management

The face of the top management at Brightside looks very different from a year ago, following private equity firm AnaCap's £127m acquisition of the Bristol-based broker. Brightside co-founder and former commercial director Paul Chase-Gardener retired from the company, while Andrew Wallin replaced Paul Williams as chief executive.

Wallin is former managing director of Arthur J Gallagher Direct. He resigned from Gallagher in July 2014 along with Gallagher Insurance Solutions managing director Des O'Connor. O'Connor is now Brightside commercial director. In May 2015 industry big-hitter and former Ageas broking group chief executive Mark Cliff joined Brightside as executive chairman.

Strategy

Wallin leads the day-to-day management of the group, overseeing the broker's new commercial relationships, increasing underwriting capacity, building new products, and acquisitions.

Cliff will work to build Brightside's underwriting capacity and generate growth organically and through acquisition. O'Connor is responsible for delivering growth for the company.

Brightside unveiled a new logo in March to support its plans to build its own portfolio of products. The broking group said the rebrand was a direct result of its plans to build its own suite of products rather than just acting as an umbrella for its other brands.

As the broker forges its new path, it will help that the year-long court battle between Brightside and former sister company Southern Rock has been settled. Brightside is also tipped to buy motor broker Autonet.

Alex Alway, Jelf

#18 Jelf

2013: **19**
Chief executive: **Alex Alway**

Brokerage: £76.0m

Management

Much change could soon be afoot at Jelf if second-ranking broker Marsh is successful in taking it over. It emerged in August that Marsh was in talks to buy Jelf, although at press time no bid had been made.

The AIM-listed group has been run by chief executive Alex Alway since 2001, supported by insurance chief executive Phil Barton since 2010. Company founder Chris Jelf is deputy chairman. Industry stalwart and former Allianz commercial general manager Chris Hanks is a non-executive director.

Strategy

If Marsh buys Jelf, there could be a new number one in next year's top 50. Jelf's £76m brokerage added to Marsh's £782.6m would put it ahead of this year's table-topper JLT.

Even before Marsh's interest was declared, Jelf was considered ripe for takeover by a big broker, and its listed status also makes it prone to bids.

Jelf – along with 15th-ranking broker Bluefin – is one of the few remaining large UK SME brokers. As AXA shows little desire to let Bluefin go, Jelf is an obvious choice for any larger broker seeking to beef up its UK SME operations.

Jelf is also happy playing the role of predator. It bought loss adjuster Hamilton Bond in March 2015 and Hertfordshire based broker Libra Insurance Services in August.

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

#19

A-Plan

2014: **20**
Chief executive: **Carl Shuker**

Brokerage: £67.5m

Management

A-Plan is now backed by HgCapital after previous private equity firm Equistone sold its majority stake.

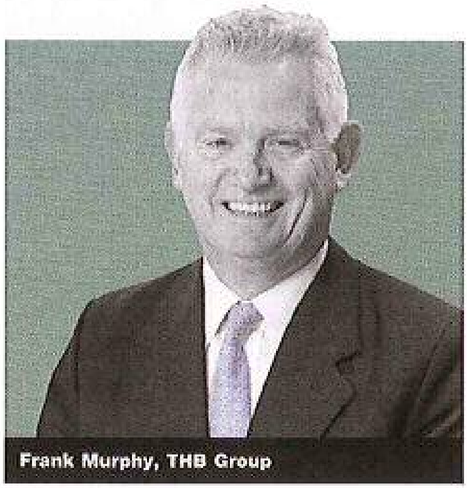
Chief executive Carl Shuker, who in December 2014 won the *Insurance Times* Broker CEO's CEO award, said the broker would work with HgCapital to continue expanding its national footprint and embark on the next phase of delivering its level of service to a larger number of clients.

Strategy

A-Plan sells home, motor and commercial insurance. It has 73 offices across England and employs 970 staff. Brokerage grew by 9.6% at the personal lines broker last year. The growth was fuelled by a 13% increase in new business volumes, with the overall growth rate of policy numbers more than double that seen in 2013. Retention rates also remained high, with nine out of 10 invited policies renewing. It has also opened 17 new branches in the past four years.

A-Plan has a strong focus on growing and developing its specialist lines business further. The broker has also made a step up in the development and training of managers and staff to support its branch roll out plans and wants to continue to improve its proposition for clients and insurers.

Carl Shuker, A-Plan



Frank Murphy, THB Group

#20

Endsleigh Insurance Services

2014: **22**
Managing director: **David Nicholls** (interim)

Brokerage: £66.4m

Management

Zurich customer operations director David Nicholls has been placed in temporary charge of the Zurich-owned broker after Tim Holliday left at the end of August. Holliday had been in the Endsleigh top job since 1 May 2014 and was also acting as Zurich personal lines managing director.

Strategy

Endsleigh's profit grew 33% in 2014 and brokerage was up 13%. The company recently launched a motor insurance policy for international students visiting the UK and will continue to focus on student motor solutions. The company suffered two technical faults in the space of three months in 2015.

#21

THB Group

2014: **21**
Chief executive: **Frank Murphy**

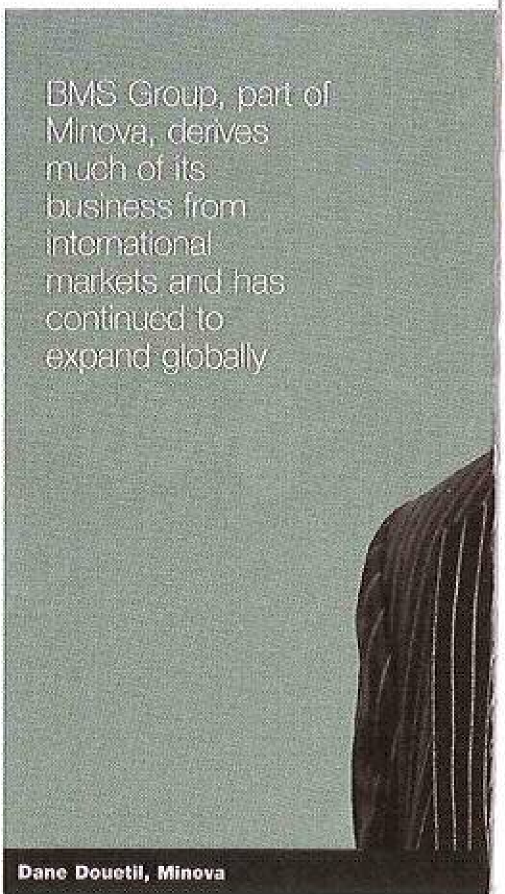
Brokerage: £61.9m

Management

Frank Murphy has been chief executive of THB Group since 2009, when he took over from founder Vic Thompson, and has been president of the international division of AmWINS since the US wholesale broker bought THB in 2012.

Strategy

THB climbed one place in the Top 50 Brokers rankings in 2014. Its brokerage growth of 2% represents a slowdown from the 13% rise seen a year ago. THB has three divisions: Lloyd's broker Thompson Heath & Bond, THB UK and THB International Holdings. It also owns an underwriting agency called Unicorn Underwriting.



BMS Group, part of Minova, derives much of its business from international markets and has continued to expand globally

Dane Douetil, Minova

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

#22 Markerstudy

2014: **n/a**
Chief executive: **Kevin Spencer**

Brokerage: £60.1m

Management

Underwriting and broking group Markerstudy is led by Kevin Spencer, while the commercial head is Martyn Holman. Markerstudy is a new entrant this year, jumping straight into the 22nd spot.

The acquisition of Capita's broking businesses in December 2013 helped Markerstudy's brokerage to leap by 266.4%.

Strategy

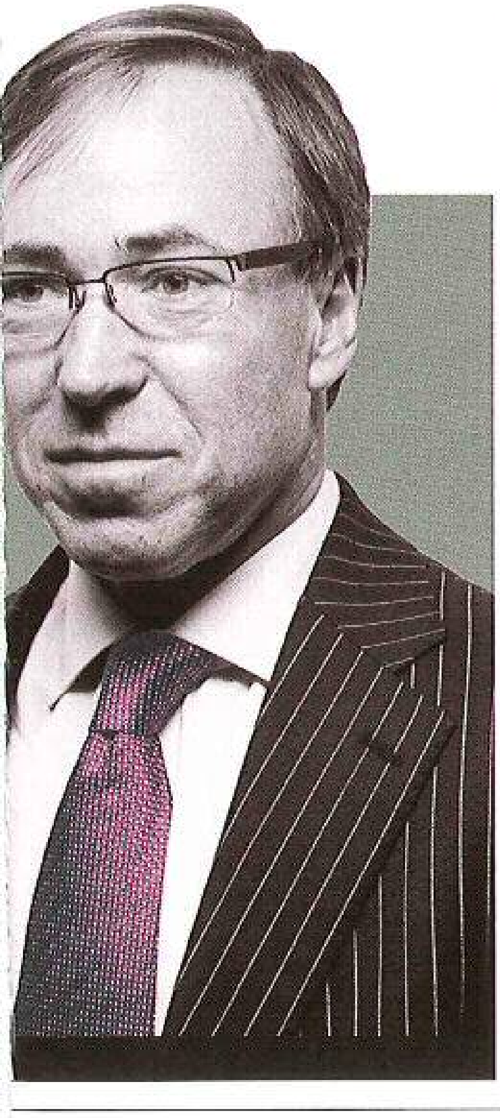
Holman exclusively revealed to *Insurance Times* that the acquired businesses – classic car broker Lancaster Insurance Services, Sureterm, affinity specialist BDML Connect and managing general agency Delta Underwriting – broke even in 2014.

The result has been driven by improved brand marketing, cutting staff, driving more capacity into the divisions and improving the efficiency of software systems and processes.

Markerstudy's retail broking businesses are headed by Russell Bence.

In April Markerstudy formed an affinity division – Ultimate Insurance Solutions (UIS) – combining its recent acquisitions.

Markerstudy plans to grow its retail business by cross-selling to its commercial vehicle base and current client bank of tradesmen and property owners. It also wants to build up its micro SME offering.



#23 BMS Group

2014: **27**
Group chief executive: **Dane Douetil**

Brokerage: £59.8m

Management

Dane Douetil, best known for his stint at the helm of Lloyd's insurer Brit, has been chief executive of Minova Insurance Holdings, formerly BMS Associates, since September 2013.

Minova has two units: broking company BMS Group, headed by Nick Cook, and underwriting agency Pioneer Underwriters, run by Darren Doherty.

Strategy

As a Lloyd's and London market broker, BMS Group derives much of its business from international markets and has continued to expand globally. In February 2015, it launched a hub in Miami to serve the Latin American market in February 2015.

And in June, the broker's Canadian division launched a specialist managing general agency called Lions Gate Underwriting.

#24 Adrian Flux

2014: **24**
Senior partners: **David and Yvonne Flux**

Brokerage: £54m

Management

Set up in 1974 by Adrian Flux, who was unable to obtain motor insurance because of a disability, the broker has maintained its position in the ranking this year. The specialist motor broker is run by Yvonne Flux and son David, who are the firm's senior partners. They are supported by general manager of marketing and underwriting Gerry Bucke and general manager of operations Paul Twite.

Strategy

Adrian Flux has recently started offering household insurance; however, niche private motor remains at the centre of its business. Earlier this year, the company became a member of the Insurance Fraud Bureau. The broker is also looking into insuring driverless vehicles, a growing disrupter in the market.

#25 Price Forbes

2014: **23**
Chief executive: **Michael Donegan**

Brokerage: £53.7m

Management

Chief executive Michael Donegan led the 2006 buyout of Price Forbes from Marsh UK Group. Operations director Andrew Walkling has been with Donegan since 2000. Finance director Alasdair Forman joined from Willis in 2009.

Strategy

Price Forbes has diversified over the past year by hiring an accident and health team from Willis and a 10-strong specie team from RK Harrison. Employing more than 250 staff in London, Bermuda and South Africa, the independent broker stresses its team-based approach, covering sectors including cargo, terrorism, construction, mining, fine art and energy as well as marine insurance and reinsurance.

#26
Integro Insurance Brokers
2014: **n/a**
Chairman: **Toby Humphreys**

Brokerage: £53.6m

Management
This year marks the debut of US-based broking group Integro in the Top 50 Brokers. The group's UK-regulated company, Integro Insurance Brokers, is chaired by Toby Humphreys. At group level, Integro's international operations, including all those in the UK, are run by John Sutton.

Strategy
Integro is a relatively new company, formed in New York in 2005 as an alternative to the mega-brokers. At the time trust in the mega-brokers was at a low ebb following then New York attorney general Eliot Spitzer's high-profile crusade against them.

Integro has made a big splash in its home market in a short time, but until recently was much less well known in the UK. It has broken into the Top 50 after acquiring Howard Global, NPA Insurance and Kite Warren Wilson, as well as strong organic growth, which have combined to almost triple its UK unit's brokerage.

The group as a whole is being taken over by private equity house Odyssey Investment Partners.

#27
First Central
2014: **41**
Chief executive: **Andy James**

Brokerage: £47.8m

Management
Sussex-based motor broker First Central first entered the Top 50 last year in 41st position and has jumped 14 places in this year's ranking. The company was founded in 2008 by Ken Acott, now chairman. The company is run by former Allianz direct motor chief Andy James.

Chris Elliott, Tyser

Strategy
First Central is part of a larger Guernsey-based insurance group, which includes Gibraltar-based insurer Skyfire. First Central's rapid climb up the rankings has been driven by a 136% increase in brokerage in 2014, caused by the company buying the broking business of its Gibraltar-based sister company First Central Services. First Central in the UK has expanded from a team of 62 in one office to 539 across three UK sites.

#28
Tyser & Co
2014: **25**
Chief executive: **Chris Elliott**

Brokerage: £47.6m

Management
Life-long Tysers employee Chris Elliott has been chief executive since 2007. He is supported by 40-year-old London market veteran Gary Andrews as managing director of North America and international specialty; Jonathan Macey as managing director, marine; and Katherine Cross, group finance director.

Strategy
Tysers fell two places in the Top 50 Brokers rankings, despite increasing its brokerage by 9%.

This independent Lloyd's broker is proud that its directors and senior staff produce and place the business themselves, which it says deepens relationships with their clients and underwriters. Outside of marine insurance, Tysers also covers aviation, construction, property and casualty risks.

#29
United Insurance Brokers
2014: **26**
Chief executive: **Bassem Kabban**

Brokerage: £42.2m

Management
UIB Holdings, the group's parent company, is headed by chairman and chief executive Bassem Kabban, supported by Philip Tuite Dalton, chief executive of the group's Lloyd's broker United Insurance Brokers Ltd, and group chief financial officer Keith Anderson.

Strategy
UIB is privately held, with more than 75% of the company owned by the Kabban family. Its goal is to maintain its independence and focus on organic growth. One of the company's strengths is its global reach – it has a physical presence in 17 countries around the world.

UIB brokerage fell by 3.7% in the year to December 2014, which has prompted the broker to fall three places in the rankings.

#30
RFIB Group
2014: **28**
Chief executive: **Jonathan Turnbull**

Brokerage: £41.4m

Management
After two years of flat performance, chief executive Jonathan Turnbull brought in US private equity firm Calera Capital in May to take majority ownership, with management holding significant stakes. Turnbull is supported by finance director Nick Moss and broking director Stephen Hirst. As part of the investment, former Aon UK boss Dennis Mahoney will join as executive chairman.

Strategy
Turnbull said that without Calera's investment the business was scalable, but added: "To realise our strategy, we recognised that it was essential to secure a partner to take RFIB to the next stage."

KEY: **Sectors** Personal London International Commercial New entry **Ranking** up on 2014 no change down on 2014

Jason Stockwood, Simply Business

#31 Autonet Insurance

2014: **30**

Managing director: **Ian Donaldson**

Brokerage: £33.3m

Management

Specialist van broker Autonet Insurance is 78% owned by chairman and co-founder Glynn Keeling. The company is run by fellow founder and managing director Ian Donaldson. He is supported by finance director Craig Bell and compliance director Jenny Devaney.

Strategy

Autonet hit the headlines after being named in the much-publicised Arthur J Gallagher International court battle. The court documents revealed that Gallagher had wanted to buy Autonet, and that Gallagher accused its former chief executive David Ross, former Gallagher International chief financial officer Mark Mugge and adviser Christopher Keey of scuppering the deal. Brightside is now thought to be likely buyer of Autonet.

#32 MCE Insurance

2014: **31**

Chief executive: **Julian Edwards**

Brokerage: £30.7m

Management

Founded in 1975 by Mike Charles Edwards, specialist motorbike insurer MCE was passed onto Mike's son Julian in 2011. The company broke into the rankings last year after a 43% surge in brokerage, but has fallen one place this year.

Strategy

MCE has expanded its offering to other motor products aside from motorbikes. It has begun providing cover for cars, taxis and vans.

Last year it began offering motorcycle policies that allow for unlimited modifications as well as offering cover for car and van drivers with previous driving convictions.

#33 Besso Insurance Group

2014: **34**

Chief executives: **Rob Dowman** and **Russ Nichols**

Brokerage: £29.1m

Management

In July, Rob Dowman, formerly managing director of global casualty, and Russ Nichols, managing director of global property, were appointed joint chief executives of the BP Marsh-backed company. Founding member Howard Green was appointed chairman of Besso Ltd, with Colin Bird, chairman and chief executive, remaining chairman of Besso Group.

Strategy

BP Marsh owns a 38% stake in Besso, worth £10.9m. In March, Besso agreed a £315,000 settlement with the FCA over fines for having weak controls to combat bribery and corruption. In May, the broker said it planned to open an office in Dubai.

#34 Simply Business

2014: **35**

Chief executive: **Jason Stockwood**

Brokerage: £29.1m

Management

The online SME insurance broker is led by Jason Stockwood. Chris Slater is chief operating officer. Continuing in its model of non-traditional insurance broker, Simply Business's recent hires include chief financial officer Neil Edwards, who was previously at MoneyGram, and chief customer officer Fiona McSwein. Deborah Holland is commercial director while David Summers is operations director.

Strategy

Simply Business's brokerage grew by 16% in 2014. The broker insures more than 250,000 UK SMEs and claims to be able to cover more than 1,000 trade types.

Simply Business pitches itself as making insurance buying easy.

#35 Henderson

2014: **38**

Chief executive: **Joe Henderson**

Brokerage: £28.4m

Management

The broker jumped three places as brokerage grew 15.9% to £28.4m, with Joe Henderson continuing as chief executive into the broker's 30th year.

Strategy

Henderson wants to target specialist areas to continue its growth. These include the logistics sector and other well-performing sectors such as manufacturing, engineering, construction, professional services, marine and offshore. The broker also wants to expand staff numbers.

Henderson has experienced difficult moments in 2015. In March the broker settled out of court with Bluefin in a row over the use of confidential information and employment contract breaches. The same month Henderson scrapped plans to open an office in Glasgow.

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

Mark Bower-Dyke, Be Wiser

#36 Be Wiser

2014: **33**

Chief executive: **Mark Bower-Dyke**

Brokerage: £28.2m

Management

Be Wiser is led by the flamboyant and often outspoken chief executive and executive chairman Mark Bower-Dyke. He is joined in the senior management team by finance director Andrew Dunkerley and director of insurer relations Jackie Basham. The broker grew its revenue 9.1% to £28.2m.

Strategy

Bringing up the next generation of insurance professionals is a topic close to Bower-Dyke's heart. In June 2014 the Wiser Academy, owned and operated by Be Wiser, opened its doors to the rest of the industry – offering a range of courses for all levels of insurance professionals.

Traditionally a personal lines broker, Be Wiser wants to place more than £30m in gross written premium (GWP) for its commercial lines business by 2017. The £110m GWP personal lines broker officially started placing insurance in commercial lines in December.

#37 Berry Palmer & Lyle

2014: **40**

Chief executive: **Charles Berry**

Brokerage: £27.2m

Management

Berry Palmer & Lyle (BPL) specialises in emerging markets political risks. The broker has a strong grounding in Asia, with offices in Singapore and Hong Kong, as well as a Paris-based European headquarters. Headed by the eponymous Charles Berry, it has grown its brokerage by 15% in 2015.

Strategy

The broker announced that it was opening an office in Dubai as it looks to expand its global and emerging markets network. It will continue specialising in cover for non-payment and political risks for customers including banks, commodity traders, exporters and manufacturers.

#38 The A&A Group

2014: **29**

Chief executive: **Tony Allen**

Brokerage: £26.8m

Management

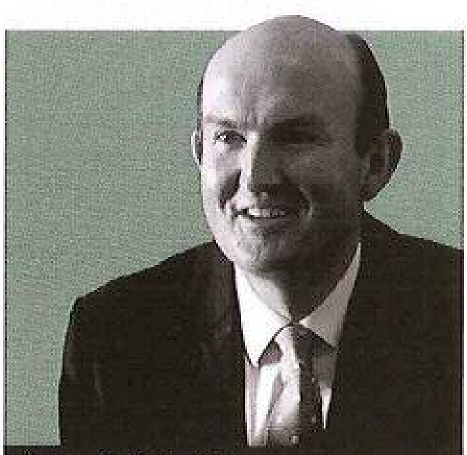
A&A Group chief executive Tony Allen took on the additional role of leading the broker's UK division in August 2014, after the departure of the group's UK chief executive Martin Oliver in May that year.

In July 2015 the group announced a raft of appointments as part of a senior management reshuffle.

The broker appointed Sharon Beckett as deputy chief executive. James Cumming is finance director and Ian Fenner-Evans is compliance and risk director, while Martyn Hurley has also been appointed to the board as managing director of Insure Your Motor, where he was previously head of site for the brand.

Strategy

Allen has said that 2015 and 2016 are especially important trading periods for The A&A Group, which provides non-standard motor and home insurance. The broker says the appointments will help support its "exciting plans and ambitious targets".



Stephen Lark, Lark Group

#39 Lark Group

2014: **37**

Managing director: **Stephen Lark**

Brokerage: £26.1m

Management:

Family business Lark is run by cousins Graham and Stephen Lark. Graham chairs the company while Stephen is managing director. Graham is the grandson of founder Roger Lark, who launched the company as a Lloyd's broker in 1948.

Strategy

Despite growing its brokerage by 6.5% in the year to December 2014 following last year's purchase of Suffolk-based broker Insurance Risk Solutions, Lark has slipped back two places in this year's Top 50 Brokers.

Lark will continue to consider acquisitions, but will be selective. Its main focus is on organic growth, which it believes it can continue to achieve despite tough conditions in both commercial and personal lines.

Lark was owned by French insurer Groupama until 2013 alongside stablemates Carole Nash and Bollington, but completed a management buy-out.

KEY: **Sectors** Personal London International Commercial New entry **Ranking** up on 2014 no change down on 2014

#40 Abbey Protection

2014: **32**
Managing directors: **Colin Davison** and **Richard Candy**

Brokerage: £26.0m

Management

The group's legal expenses insurance broking business, Abbey Legal, is headed by Richard Candy, while the tax fee protection insurance business, Abbey Tax, is run by Colin Davison.

The company was bought in 2014 by US insurance group Markel Corporation, and forms part of the company's UK-based Markel International division, headed by William Stovin.

Strategy

The bulk of the risk generated by Abbey Protection is now underwritten by parent insurer Markel, although some business continues to be written by former main capacity provider Brit and reinsurer Partner Re.

Abbey pairs its insurance provision with consulting and legal services. It bought law firm Lewis Hymanson Small in 2013. It has also recently launched a product providing tax indemnity for UK transactions.

#41 Ryan Direct Group

2014: **39**
Chief executive: **Derek Coles**

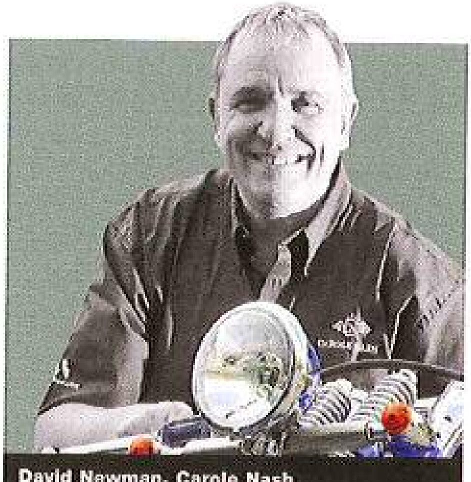
Brokerage £24.4m

Management

Ryan Direct Group (RDG) is led by chief executive Derek Coles. Before Ryan Specialty Group of the US acquired Direct Group in 2012, Coles had led the 2007 management buyout of Direct Group from Barclays Private Equity.

Strategy

The firm offers a range of general and specialist insurance, including property, motor, travel, life and protection, covering personal lines, commercial and non-standard risks. RDG delivers a range of MGA and TPA services to financial institutions, corporate and affinities, concentrating on wholesale and retail distribution and claims/validation services. In June it agreed a three-year deal to handle claims for Barbon Insurance Group.



David Newman, Carole Nash

#42 Carole Nash

2014: **36**
Chief executive: **David Newman**

Brokerage: £23.3m

Management

The company celebrated its 30th birthday this year. Founder Carole Nash, who started the company from her kitchen table, sold the business for £80m to French insurer Groupama in 2006. Since then the company has been run by chief executive David Newman, who retains the family feel Nash gave the operation.

Strategy

The broker recently set up specialist in-house law firm, Carole Nash Legal Services, and an aggregator site called JustMotorcycle. It is also looking to move into the motor aggregator area with JustMotor and this year announced a pre-tax profit despite softening premium levels.

#43 Stackhouse Poland

2014: **50**
Chief executive: **Tim Johnson**

Brokerage: £21.3m

Management

Stackhouse Poland, which specialises in high-net-worth private clients and business insurance, is led by chief executive Tim Johnson. After falling to the edge of the Top 50 last year, the broker has improved its performance, climbing seven places and growing its brokerage by 45%.

Strategy

Stackhouse Poland has been touted as a potential major player in the mergers and acquisitions market. It has private equity backing from Synova Capital after its management buy-out (MBO) in December 2014. It bought Cheam Insurance Brokers in 2015, taking its gross written premium past £100m.

#44 Staysure

2014: **49**
Chief executive: **Ryan Howsam**

Brokerage: £19.5m

Management

Chief executive Ryan Howsam founded specialist over-50s broker Staysure in 2004. The firm offers travel, motor, home, health and life insurance.

Strategy

The firm has continued its record of strong growth, with brokerage rising 31% over last year's level. In June, Staysure launched Talk to Tim, a travel insurance comparison site where customers can tailor policies to their health needs.

In February, the Information Commissioner's Office fined Staysure £175,000 after hackers raided its customer data. The regulator found that the company had failed to update its security systems and broke rules by keeping credit card security numbers.

KEY: Sectors Personal London International Commercial ★ New entry Ranking up on 2014 no change down on 2014

EXPERT VIEW

JAMES READER, CHIEF EXECUTIVE, COVÉA INSURANCE

MERGERS AND ACQUISITIONS – CAN 2+2=5?

Insurance mergers and acquisitions (M&As) can seem like daily news and their relative success or failure is of interest to us all, whether we're directly involved, concerned business partners, or just interested onlookers. While this column is titled *Expert View*, I certainly wouldn't profess to be an expert on the subject of M&As. I do, though, have some experience, having steered a course through one integration in 2012 (Provident and MMA) and now being in the middle of a second (Covéa Insurance and Sterling). Aside from these experiences, there are numerous other examples in our market of M&As from which we can learn that are good, bad and everything in between.

The idea that two entities can be combined to create something greater than the sum of its parts is an old one. Put simply, there are times when 2+2 can equal 5. So in the context of M&As how does this work? Cost savings and rationalisation can appear to be obvious wins; but, while these might deliver improved bottom-line results in the short term, history suggests that delivering long-term benefits through such an approach is much more difficult. This is particularly true if customers and employees feel short-changed, and such a situation can often result in the destruction, rather than creation, of value.

Engaging employees

To achieve real long-term value, every decision made has to have customers and employees at its heart. I doubt anyone reading this would disagree that customers come first, but it's equally important to have engaged employees. It's true that people are paid to do a job, but those who enjoy their work, believe in what they're doing, trust those they work for and with, and are supported in trying new things, actually deliver much better results and service. That's when the customer wins. So, for me, building trust and taking people with you through an M&A process are absolutely vital to create a successful combined business.

Listening is often also a low priority, as during major change the pressure of tight deadlines can mean it's a case of 'he who shouts loudest'. Perhaps listening may mean hearing things you'd prefer not to know. But listening is key to making informed decisions. For example, to ensure the voices of our partner brokers are heard in the integration of Covéa Insurance and Sterling, we have carried out in-depth research to understand what matters most to them. The key message is clear – that our priority should be to ensure that the quality of service the two companies deliver to our brokers and their clients is maintained. The promise of a wider product range and an improved proposition is seen as a positive, but one that would be worth little if it came at the expense of service.

> 'What matters is that the company delivers on its promises and that the people behind the brand consistently deliver great service'

It's clear that retaining the talents and experience of the people in both organisations is vital. Intermediated insurance has always been a people business thriving on strong relationships between insurers and brokers and on experienced and committed people delivering each and every day. And that's where it seems M&A processes often get it wrong; the importance of people comes secondary to cost savings and synergies.

For me, ensuring continued employee engagement is a fundamentally important part of the process if service standards are to be maintained and brokers, customers and other business partners are to be taken with you.

So how important is brand in the M&A process? Going back to the research, brokers told us clearly that it's the substance of the brand – that is to say the service and people behind it, not the packaging – that counts. When a customer buys a policy from a broker, it's the broker they trust to sell them the right product and it's far less important which insurer's name is on the policy. What really matters is that the company can be trusted to deliver on its promises and that the people behind the brand consistently deliver great service. The individuals in the business are the true substance of the brand.

Company culture

If the people in an organisation are critical, then it stands that the culture in which they work must be equally important. In the context of a post-M&A integration, it helps considerably if the two businesses share a similar culture and set of values, so that the gap to bridge is narrower. Coming back to service, this is an area where the cultures of both Covéa Insurance and Sterling have much in common. While our target markets may differ, our two businesses are much more aligned than might first appear.

Post-M&A integrations are challenging for any organisation. Looking at our current process and being realistic, it would be naïve to think that as we bring Covéa Insurance and Sterling together we can and will get everything right. But with two strong businesses, and a willingness to listen to our customers – both brokers and their clients - and to invest in taking our people with us, I believe we can emerge as a business that is bigger, better and stronger. We will do our utmost to prove that sometimes 2+2 can equal 5.

covéa Insurance

#45 Lycetts

2014: **42**
Chief executive: **Angus Keate**

Brokerage: £19.3m

Management
Lycetts was taken over in 2014 by insurer Ecclesiastical, a long-term shareholder in the company. Based in Newcastle, and with 12 UK offices, Lycetts is run by chief executive Angus Keate. Earlier this year, previous chief executive and chairman Edward Nicholl retired. He was replaced as chairman by former Kiln chief executive Edward Creasy.

Strategy
The company has opened five new offices since last year. The broker specialises in rural risks and plans to grow its offering in renewable energy alongside existing markets such as high-net-worth, bloodstock and farm land.

#46 Miles Smith

2014: **48**
Chief executive: **Paul Chainey**

Brokerage: £19.1m

Management
Led by chief executive Paul Chainey, managing director Paul Samways, and chief operations director Penny Kidman, the Brokerbility network member raised its brokerage by 18% over the past year.

Strategy
Miles Smith provides cover for niche markets and high risk industries, commercial motor and the growing market in recycling and waste management. The firm has set up affinity partnerships with a dozen trade bodies including the Environmental Services Association and the Asbestos Removal Contractors Association.

#47 One Call Insurance Services

2014: **43**
Managing director: **Nik Springthorpe**

Brokerage: £18.8m

Management
One call was founded in 1995 by John Radford, also chairman of Mansfield Town Football Club. The company is now run by managing director Nik Springthorpe.

Strategy
One Call Insurance has entered the aggregator website market with One Call Direct, giving customers the opportunity to compare car, home and van insurance from their panel. For existing customers, it is also offering telematics insurance built through a mobile app. A black box installed in the car transmits live analytics to the app and can helps lower premiums.

#48 AHJ Holdings

2014: **44**
Chief executive: **Gary Masters**

Brokerage: £18.6m

Management
Marine specialist Gary Masters has been with AHJ since 1982, and was appointed chief executive in 2011. He is supported by finance director Angela Treen, who joined as an accounting trainee in 1988.

Strategy
The Lloyd's broker's focus is reinsurance, which represents most of its turnover. It also trades in wholesale insurance, providing products in niche areas such as aquaculture to partners in the agency and broker community. It has a broking business in Norway and a Latin American facultative property team.

#49 Crispin Speers

2014: **46**
Managing director: **Crispin Speers**

Brokerage: £18.5m

Management
The Lloyd's broker is led by founder Crispin Speers. It specialises in accident and health business with niche offerings in travel, employee benefits, aviation and equine. Crispin Speers has been a broker since 1965.

Strategy
Crispin Speers has grown its brokerage by 12% and says that it aims to provide tailor-made, innovative and reliable products. It has an in-house managing general agent and wants to continue to focus on niche markets.

#50 Cobra

2014: **47**
Chief executive: **Steve Burrows**

Brokerage: £18.5m

Management
Cobra is led by Steve Burrows, aided by chief financial officer David Stanley and managing director of Cobra Underwriting Agencies Michael Bowler.

Strategy
Cobra's parent company, Alto Insurance Group, announced plans to acquire brokers in 2015 after making its first profit following the management buy-out of Cobra in 2012.

Returning to the acquisition trail is a turning point for Cobra, which pared back its retail broking four years ago. In 2011 it sold its operations in Caterham and Alton to rival broking group Aston Scott.

The broking group completed a £6.9m debt refinancing in April 2015, allowing it to focus on growth.

KEY: Sectors Personal London International Commercial New entry **Ranking** up on 2014 no change down on 2014

Vital statistics

All the financial data from the UK's Top 50 Brokers

2015	2014	Company name	Current year	Brokerage £000s	Brokerage change	Costs £000s	Investment income net £000s	EBITDA £000s	EBITDA growth	EBITDA margin	Net current assets £000s
1	(3)	JLT Group [6]	Dec 14	£816,178	13.5%	£661,913	£4,335	£154,265	2.9%	18.9%	£202,526
2	(2)	Marsh	Dec 14	£782,600	7.1%	£581,048	£1,973	£201,552	-1.2%	25.8%	£785,400
3	(1)	Aon	Dec 14	£692,909	0.6%	£588,832	£10,118	£131,961	8.7%	19.0%	£481,573
4	(4)	Willis [2]	Dec 14	£646,632	6.1%	£549,669	£67,424	£182,367	22.0%	28.2%	£466,191
5	(5)	Arthur J Gallagher International [1,2]	Dec 14	£618,353	2.5%	n/a	n/a	n/a	n/a	n/a	n/a
6	(6)	BGL Group	Jun 14	£507,245	13.2%	£407,736	£(5,971)	£125,812	18.2%	24.8%	£27,432
7	(7)	Towergate	Dec 14	£375,923	-0.3%	£524,643	£805	£95,431	1.2%	25.4%	£(11,210)
8	(11)	Hyperion Insurance Group [2]	May 15	£357,098	87.9%	£270,010	£512	£93,624	104.7%	26.2%	£153,407
9	(8)	Swinton Group [4]	Dec 14	£285,096	-6.5%	£259,381	£(3,605)	£62,971	-2.7%	22.1%	£81,590
10	(9)	AA Insurance Services	Jan 15	£252,800	-2.6%	£146,400	n/a	£109,700	-16.3%	43.4%	£355,100
11	(10)	Cooper Gay Swett & Crawford [4]	Dec 14	£248,825	8.0%	£228,585	£(22,616)	£34,501	36.5%	13.9%	£31,415
12	(14)	Hastings Insurance Services [4]	Dec 14	£204,469	19.2%	£138,933	£49,383	£69,524	34.3%	34.0%	£27,064
13	(12)	Lockton [4]	Apr 15	£200,096	10.8%	£201,252	£549	£22,019	20.1%	11.0%	£28,907
14	(13)	Ageas Retail [4]	Dec 14	£164,662	-7.0%	£142,019	£(2,983)	£27,036	-21.9%	16.4%	£16,303
15	(15)	Bluefin Insurance Group [4]	Dec 14	£117,347	-0.2%	£93,996	£392	£23,743	-5.0%	20.2%	£(77,618)
16	(17)	Miller [4]	Apr 15	£113,751	0.8%	£67,964	£207	£25,555	1.1%	22.5%	£51,784
17	(18)	Brightside	Dec 13	£88,613	0.0%	£76,953	£(481)	£18,715	0.0%	21.1%	£1,811
18	(19)	Jelf [2]	Sep 14	£75,981	-6.0%	£61,779	£(621)	£14,202	19.9%	18.7%	£7,783
19	(20)	A-Plan	Feb 14	£67,450	9.6%	£43,025	£107	£24,425	7.8%	36.2%	£12,635
20	(22)	Endsleigh Insurance Services	Dec 14	£66,413	12.8%	£58,099	£(57)	£14,919	17.3%	22.5%	£39,807
21	(21)	TH8 Group [4]	Dec 14	£61,913	1.9%	£57,558	£(2,128)	£10,170	85.2%	16.4%	£6,382
22	(n/a)	Markerstudy	Dec 14	£60,102	266.4%	£53,989	n/a	£6,113	n/a	10.2%	£9,971
23	(27)	BMS Group [4]	Dec-14	£59,793	0.6%	£56,426	£656	£9,700	120.5%	16.2%	£(4,116)
24	(24)	Adrian Flux [4]	Sep 14	£54,006	4.3%	n/a	n/a	n/a	n/a	n/a	n/a
25	(23)	Price Forbes [4]	Dec 13	£53,677	0.0%	£44,839	£(99)	£10,313	0.0%	19.2%	£14,084

¹ Figures for UK business extracted from US SEC Form 10K
² Annualised figures to reflect material acquisitions in current financial year
³ Annualised figures to reflect material disposals in current financial year
Note: Percentage change based on actual prior-year figures, so may differ from last year's Top 50 where estimates were given by individual companies

⁴ Management-provided information
⁵ Annualised for changed year end
⁶ Excludes non-general insurance business
⁷ This year's brokerage for Aon is based on Aon UK Ltd's statutory accounts, and so is not directly comparable with the management-provided information reported in last year's Top 50 Brokers

...tal debt £000s	Total liabilities £000s	Shareholders' funds £000s	Goodwill to EBITDA	Highest paid director £000s	Total directors' emoluments	Employee numbers
£253,656	£1,178,703	£348,218	215.1%	£3,099	£5,972	5,698
£398,800	£4,181,100	£837,900	62.5%	£2,017	£10,394	n/a
£118,852	£3,233,976	£361,548	19.0%	£2,692	£4,870	3,676
n/a	£3,378,283	£658	65.5%	£1,774	£7,388	3,653
n/a	n/a	n/a	n/a	n/a	n/a	n/a
£150,134	£470,151	£155,002	20.9%	£3,427	£4,004	3,054
£245	£298,370	£825,161	863.0%	£1,500	£2,717	5,195
£498,807	£1,579,220	£53,896	539.2%	£2,376	£5,713	3,225
£240,496	£397,094	£603	49.6%	£1,129	£4,027	4,027
£100	£156,600	£364,900	n/a	£1,000	£3,100	n/a
£260,934	£530,057	£(8,056)	669.2%	£1,237	£2,643	1,486
n/a	£194,131	£41,770	15.1%	£1,005	£3,944	1,669
£5,000	£541,273	£29,850	150.9%	n/a	n/a	1,996
£175,477	£186,607	£32,266	n/a	£356	£12,312	2,504
£87,978	£233,885	£126,413	838.8%	£414	£1,200	1,310
n/a	£606,777	£47,334	n/a	n/a	n/a	469
£21,252	£40,102	£85,629	421.6%	£326	£934	1,030
£17,781	£49,019	£105,258	756.5%	£449	£1,507	1,007
n/a	n/a	£19,812	n/a	n/a	n/a	888
£25,441	£95,914	£2,780	74.3%	£432	£1,047	886
n/a	£109,420	£18,782	275.0%	n/a	n/a	487
£48,136	£48,839	£12,809	51.4%	n/a	£1,075	700
n/a	£251,521	£3,783	n/a	£1,256	£4,491	267
n/a	n/a	n/a	n/a	n/a	n/a	874
£3,520	£14,323	£12,959	n/a	£590	£1,756	252

Employee numbers	Employee cost £000s	Average employee cost £000s	Average employee cost change	Headcount change	Turnover per employee £000s
5,698	n/a	n/a	n/a	14.5%	£143.2
n/a	£349,500	n/a	n/a	n/a	n/a
3,676	£357,531	£97	-2.9%	-1.9%	£188.5
3,653	£361,523	£99	2.0%	-1.1%	£177.0
n/a	n/a	n/a	n/a	n/a	n/a
3,054	£123,594	£40	8.9%	32.5%	£166.1
5,195	£193,220	£37	0.4%	-2.6%	£72.4
3,225	£181,012	£56	1.0%	96.6%	£110.7
4,027	£126,515	£31	3.6%	-5.5%	£2.3
n/a	£74,600	n/a	n/a	n/a	n/a
1,486	£153,047	£103	22.8%	-3.5%	£167.4
1,669	£50,834	£30	-8.9%	10.0%	£122.5
1,996	£143,722	£72	7.9%	10.5%	£100.2
2,504	£70,549	£28	-7.8%	6.9%	£65.8
1,310	£56,683	£43	n/a	2.1%	£89.6
469	£44,590	£95	8.7%	-0.6%	£242.5
1,030	£29,877	£29	0.0%	0.0%	£86.0
1,007	£44,972	£45	21.1%	-7.7%	£75.5
888	£25,970	£29	-7.5%	8.2%	£76.0
886	£28,588	£32	18.0%	-1.1%	£75.0
487	£38,903	£80	-15.0%	14.9%	£127.1
700	£22,812	£33	n/a	n/a	£85.9
267	£38,944	£146	6.6%	-7.0%	£223.9
874	n/a	n/a	n/a	16.2%	£61.8
252	£31,584	£125	0.0%	0.0%	£213.0

DATA SOURCE: IMAS-insight

2015	2014	Company name	Current year	Brokerage £000s	Brokerage change	Costs £000s	Investment income net £000s	EBITDA £000s	EBITDA growth	EBITDA margin	Net current assets £000s
26	(n/a)	Integro Insurance Brokers [2,4]	Dec 14	£53,569	196.8%	£44,268	n/a	£9,301	111.0%	17.4%	n/a
27	(41)	First Central	Dec 14	£47,802	135.8%	£47,097	£203	£1,253	153.2%	2.6%	£1,986
28	(25)	Tyser & Co	Dec 14	£47,584	8.7%	£39,836	£(334)	£9,829	8.2%	20.7%	£2,240
29	(26)	United Insurance Brokers	Dec 14	£42,170	-3.7%	£38,394	£323	£5,161	5.5%	12.2%	£23,205
30	(28)	RFIB Group	Dec 13	£41,417	0.0%	£38,805	n/a	£3,506	0.0%	8.5%	£3,987
31	(30)	Autonet Insurance	Dec 13	£33,337	0.0%	£24,899	£(30)	£8,964	0.0%	26.9%	£1,868
32	(31)	MCE Insurance [4]	May 14	£30,683	0.0%	n/a	n/a	£247	n/a	0.8%	£756
33	(34)	Besso Insurance Group	Dec 13	£29,113	12.8%	£27,818	£(955)	£1,646	n/a	5.7%	£8,552
34	(35)	Simply Business [4]	Dec 14	£29,104	16.0%	£26,189	£(25)	£3,349	64.2%	11.5%	£7,272
35	(38)	Henderson [4]	Apr 15	£28,400	15.9%	£23,500	£100	£4,900	71.9%	17.3%	£97
36	(33)	Be Wiser [4]	May 15	£28,229	9.1%	£26,672	£25	£2,003	-13.4%	7.1%	£856
37	(40)	Berry Palmer & Lyle	Mar 14	£27,154	16.1%	£16,316	£70	£11,282	19.8%	41.5%	£15,112
38	(29)	The A&A Group [3,4]	Dec 14	£26,829	23.7%	£28,366	£51	£(154)	-96.0%	-0.6%	£5,299
39	(37)	Lark Group	Dec 14	£26,110	6.5%	£19,770	£(1,353)	£6,340	4.0%	24.3%	£6,056
40	(32)	Abbey Protection	Dec 13	£26,027	0.0%	£20,123	£212	£6,116	0.0%	23.5%	£4,699
41	(39)	Ryan Direct Group [4]	Dec 14	£24,378	4.1%	£17,837	n/a	£6,541	-3.9%	26.8%	£1,636
42	(36)	Carole Nash [4]	Dec 14	£23,290	-6.1%	£19,386	£45	£4,360	-0.3%	18.7%	£4,816
43	(50)	Stackhouse Poland [2,4]	Dec 14	£21,300	44.9%	n/a	n/a	£7,000	52.2%	32.9%	n/a
44	(49)	Staysure	Dec 13	£19,546	30.9%	£18,820	£45	£810	-58.7%	4.1%	£1,944
45	(42)	Lycetts	Dec 13	£19,341	0.0%	£17,046	£270	£4,436	0.0%	22.9%	£6,662
46	(48)	Miles Smith	May 15	£19,100	18.2%	n/a	n/a	£2,400	132.3%	12.6%	£2,992
47	(43)	One Call Insurance Services	Oct 13	£18,829	0.0%	£17,705	£371	£1,237	0.0%	6.6%	£11,358
48	(44)	AHJ Holdings	Dec 13	£18,608	6.8%	£17,815	£63	£1,334	-35.8%	7.2%	£9,709
49	(46)	Crispin Speers [4]	Mar 15	£18,500	12.8%	n/a	n/a	£3,013	12.6%	16.3%	£8,744
50	(47)	Cobra [4]	Mar 15	£16,460	12.6%	n/a	n/a	n/a	n/a	n/a	n/a

[1] Figures for UK business extracted from US SEC Form 10K
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Note: Percentage change based on actual prior-year figures, so may differ from last year's Top 50 where estimates were given by individual companies

[4] Management-provided information
[5] Annualised for changed year-end
[6] Excludes non-general insurance business
[7] This year's brokerage for Aon is based on Aon UK Ltd's statutory accounts, and so is not directly comparable with the management-provided information reported in last year's Top 50 Brokers

tal debt £000s	Total liabilities £000s	Shareholders' funds £000s	Goodwill to EBITDA	Highest paid director £000s	Total directors' emoluments	Employee numbers	Employee cost £000s	Average employee cost £000s	Average employee cost change	Headcount change	Turnover per employee £000s
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£3,000	£28,916	£2,969	n/a	£179	£875	539	£16,600	£31	7.8%	10.9%	£88.7
n/a	£57,144	£11,208	n/a	£404	£1,660	262	£24,162	£92	23.6%	13.9%	£181.6
n/a	£10,207	£19,414	n/a	£347	£1,455	419	£25,981	£62	-8.3%	8.5%	£100.6
£3,454	£170,175	£20,661	354.5%	£479	£2,673	291	£24,987	£86	0.0%	0.0%	£142.3
£1,957	£14,159	£4,548	n/a	£286	£582	665	£12,101	£18	0.0%	0.0%	£50.1
n/a	£16,440	£2,014	n/a	£120	£240	252	£4,751	£19	-5.3%	9.1%	£121.8
£10,255	£109,607	£6,323	280.8%	£111	£550	188	£14,238	£76	-18.4%	6.8%	£154.9
n/a	£12,021	£9,387	17.9%	£296	£982	283	£11,123	£39	-10.9%	25.2%	£102.8
£5,665	£28,675	£4,920	85.8%	£276	£805	329	£14,448	£44	0.0%	0.0%	£86.3
n/a	£11,979	£1,747	n/a	£152	£1,166	588	£13,662	£23	3.2%	16.4%	£48.0
n/a	£10,477	£14,479	6.9%	£852	£5,564	60	£12,352	£206	8.6%	7.1%	£452.6
n/a	£66,531	£18,699	n/a	£177	£624	365	£11,731	£32	12.8%	-8.3%	£73.5
£11,664	£26,497	£15,253	456.8%	£257	£1,311	298	£14,072	£47	0.0%	0.0%	£87.6
£1,684	£31,204	£15,813	66.7%	£194	£1,095	233	£11,356	£49	0.0%	0.0%	£111.7
n/a	£62,247	£2,996	732.0%	£538	£1,048	459	£11,730	£26	6.8%	-3.4%	£53.1
n/a	£5,116	£5,631	n/a	£327	£735	313	£8,594	£27	-7.8%	2.0%	£74.4
£13,000	n/a	n/a	n/a	n/a	n/a	200	n/a	n/a	n/a	14.3%	£106.5
n/a	£4,576	£1,637	n/a	£148	£318	207	£4,939	£24	16.2%	25.5%	£94.4
n/a	£18,861	£12,054	90.9%	£312	£342	235	£10,967	£47	0.0%	0.0%	£82.3
£1,320	£57,021	£4,884	93.2%	£326	£1,173	185	£11,057	£60	-2.1%	7.6%	£103.2
£81	£34,803	£3,636	14.8%	n/a	£99	252	£4,393	£17	0.0%	0.0%	£74.7
n/a	£67,394	£17,539	262.1%	£403	£1,074	101	£11,893	£118	-0.4%	9.8%	£184.2
n/a	n/a	£9,700	23.5%	n/a	n/a	244	n/a	n/a	n/a	13.5%	£75.8
n/a	n/a	n/a	n/a	n/a	n/a	141	£7,300	£52	0.0%	0.0%	£130.9 1

DATA SOURCE: IMAS-insight

Sound advice

When it comes to selling a business, third-party help and guidance is essential to getting the right deal

Olly Laughton-Scott is founding partner at mergers and acquisitions (M&A) specialist IMAS. He is a qualified accountant with 25 years' experience in M&A across financial services

While IMAS Corporate Finance primarily acts for sellers, a key part of our role is to meet buyers to ascertain what is of greatest interest to them – essentially what they will pay more for than anybody else. Though they typically dislike having to describe it in those terms, that is the reality.

However, one question is always answered with amusement and/or laughter. Do sellers achieve the best deal if they advise themselves?

Forty years ago as a new teenager, I was determined to own a hi-fi system to match my newly acquired status. Having spent six months reading magazines, armed with my 'expertise' and a pocket full of £5 notes I set off to Tottenham Court Road determined to buy a particular combination of units and connecting wires to impress my friends and, hope on hope, members of the opposite sex.

Half an hour after entering an Aladdin's cave I emerged laden with boxes, the contents of which bore no resemblance to what I had intended to buy. I have no idea to this day whether the salesman was giving me the benefit of his experience or just palming me off with surplus stock. I was certainly not going to admit to my own anxieties. I convinced myself that I had applied the judgement of Solomon, even though my research had been of no value.

Looking back, one thing is clear, what seemed a monumental decision at the time was of no lasting consequence. It did, however, demonstrate that my superficial knowledge was no match for the salesman.

So why is it the response of serial acquirers to laugh? Children from a young age complain: 'It's not fair'. The instinctive sense of fairness that we are born with allows us to live closer together than battery hens and, for the most part, coexist peacefully. 'Hard but fair' is acceptable, indeed praiseworthy, conduct in business. Simply 'hard' would not be and evokes images of the Krays.

The acquirers' laughter is an acknowledgement that they seek unfair advantage. A deal is so much more than just the headline price; it includes knowledge of how the buyer behaves, whether the buyer is talking to other parties, does the buyer chip at the last moment, might there be a better buyer out there, earn-out mechanisms, one or two-year, catch-up, cashflows, working capital, capital adequacy, accounting policies, ongoing employment, bonuses, warranties and indemnities, restraints on trade, due diligence, penalty clauses.

Growth targets

Experienced buyers look to isolate sellers, first by entering into a mutually binding confidentiality agreement and then requesting a limited amount of information and tabling a headline-grabbing offer. After a quick discussion a figure is agreed, hands shaken and an exclusivity agreement is signed. The seller believes it is job done and he has given his word but it is the buyer who has achieved their goal.

One serial buyer was known to agree to almost any price, but, once a lengthy exclusivity period had been agreed, to come back with growth targets over the earn-out that were unachievable.

"We will have it done in three months" and "advisers will only get in the way" are classic lines. We were recently involved in a 'three month' deal that took well over 12.

During the four months (invariably extended) the bidder is still free to talk with any other party, and they will have their accountants and lawyers carry out extensive due diligence. Ultimately the buyer can walk away at any time, even after parties, involving staff, to celebrate the deal.

But even after clear warning signs, sellers often plough on regardless, as if feeling a loss of face would undermine them personally. What could be fairer than a mutually binding exclusivity agreement? Well, lots actually.

We have see many such agreements where there is no protection for the vendor in respect of staff or clients. Twelve months from signature sounds fine, but negotiations are often protracted. We have seen the buyer announce after 12 months that it was ending negotiations and that the second in command of the target business would join them shortly.

The male of the species is famous for not wanting to ask for directions, just like in my hi-fi purchase. But taking wrong turnings having spent many years successfully building a business can be a disaster.

Many of our clients are first-class negotiators and using this skill is important in any exit. They understand that being well advised increases their negotiating strength immeasureably and keeps the buyer honest, while ensuring value is not leached away in the months of negotiation that invariably follow the handshake.

'Taking wrong turnings having spent many years successfully building a business can be a disaster'

Olly Laughton-Scott, IMAS