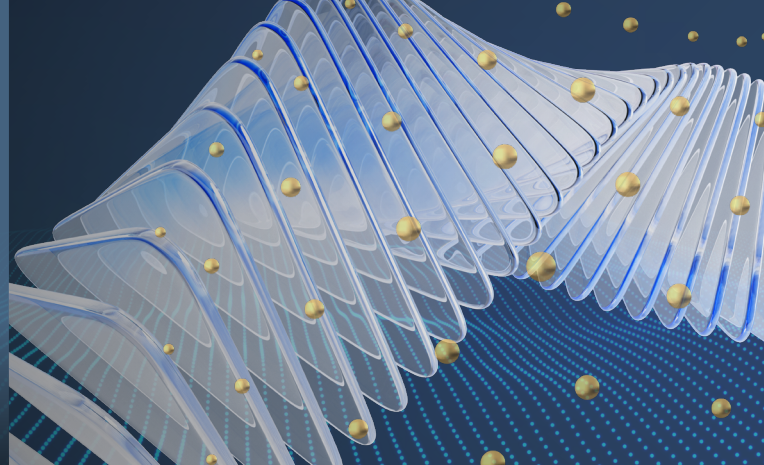


## Insurance Brokerage M&A in Focus: Value Creation Opportunities and 2026 Market Outlook



The US insurance brokerage sector continues to experience significant M&A activity fueled by private equity-backed consolidators driving record valuations and increasing deal complexity. While acquisitions deliver immediate benefits like market expansion and service breadth, brokerages that systematize value creation using levers such as talent retention, revenue synergies, operational efficiency, and technology integration, consistently outperform peers in achieving their investment thesis. This article examines how insurance brokerages can maximize acquisition returns and explores the strategic options reshaping the 2026 market landscape.

### Recent M&A Themes

The US insurance brokerage M&A market has seen a shift in recent years with a decline in transaction volume but an increase in deal complexity and valuation multiples.



**Softening transaction volume:** M&A activity peaked in 2021 with a record 987 transactions. Since then, volume has steadily declined. Between 2022 and 2024, annual deal activity fell by approximately 13–15% from the 2021 high.<sup>1</sup>



**Shift toward specialization and niche expertise:** Brokerages with differentiated capabilities such as specialty lines, digital distribution, or industry-specific expertise are commanding premium valuations and receiving disproportionate buyer interest.



**Continued strength of private investment:** Private capital-backed buyers represented roughly 70% of all US insurance brokerage transactions in 2024. The remaining 30% came from independent firms, public brokerages, carriers, and banks.<sup>2</sup>



**Record-high valuation multiples:** Valuations reached new highs in 2024, with EBITDA multiples exceeding 11x. Despite higher capital costs, many buyers remained aggressive with some willing to acquire brokerages at an initial loss.<sup>3</sup>



**Programmatic acquisition strategies:** The top ten buyers accounted for 43% of total deal activity in 2024, with nine of the ten backed by private capital. This reflects a continued concentration of buying power and a programmatic approach to acquisitions.<sup>4</sup>



**Extended deal timelines:** Average deal durations increased from 6–12 months to 9–18 months, driven by more complex equity structures and financing arrangements. Longer integration timelines can also delay realization of the investment thesis.

<sup>1</sup> "Industry Transactions", Marshberry

<sup>2</sup> "Viewpoint: Navigating Strategic Capital Options for Insurance Brokerages", Insurance Journal

<sup>3</sup> "Insurance Broker M&A Valuation Gap: Why Strategic Fit Beats EBITDA Multiples", Marshberry

<sup>4</sup> "Racing Toward the Record Books", Leader's Edge

As 2025 unfolds, the US insurance brokerage M&A landscape reflects a clear shift from high-volume, smaller transactions to fewer but larger strategic acquisitions. Aggregate deal value surged, underscored by transactions such as Kelso & Company's \$9.8 billion sale of Risk Strategies to Brown & Brown<sup>5</sup> and Gallagher's \$5.6 billion acquisition of AssuredPartners from GTCR.<sup>6</sup> These deals signal a more mature, disciplined market environment focused on long-term value creation rather than rapid expansion.

## Value Creation Opportunities

Insurance brokerages should focus on five key initiatives to maximize the value of their acquisition.

- 1 Retain talent and preserve client relationship:** Front-line brokers of the acquired brokerage may experience apprehension post-close, feeling that their relative value creation has diminished. Resistance to change can manifest during vesting. The parent should provide tailored incentives to high-producing and emerging brokers, such as performance-based bonuses, marketing budgets, career development opportunities, or equity stakes, to drive desired behaviors to realize business potential. Talent retention is key to client continuity and preserves industry expertise. The goal is to keep them engaged and committed to the company's long-term success.
- 2 Leverage cross-selling and upselling opportunities:** Acquisition brings new client portfolios, presenting valuable revenue generation opportunities. With the right training and tools in-place, brokers can analyze customer data to identify clients who may benefit from new products or services and develop targeted marketing campaigns to promote relevant offerings to specific customer segments. Brokers can also offer bundled services and tailor more comprehensive offerings that increase customer loyalty and revenue per client.
- 3 Centralize shared functions to reduce operating costs:** Deal terms on the holding period dictate the duration an acquirer must wait before making changes to the acquired brokerage. Once they have expired, the acquirer should centralize certain functions to reduce operational costs. Support functions like finance and accounting, human resources, IT, procurement, legal and compliance, and real estate can be absorbed at the corporate-level to free-up capital for revenue-generating functions or growth initiatives. A federated or hybrid operating model can also achieve a balance between uniformity and flexibility.
- 4 Consolidate vendors and strategic partnerships:** Each acquisition brings its own set of third-party relationships. Brokers can combine their vendor contracts and leverage increased scale to negotiate better terms, volume discounts, or service levels. Greater bargaining power with service providers or technology platforms can reduce operating costs. Additionally, brokers can consolidate and deepen relationships with underwriters, reinsurers, or Insurtech. This approach can open doors to new market opportunities, co-branded offerings, and better access to innovative technologies to help differentiate themselves in the market.
- 5 Standardize the technology architecture:** Programmatic acquirers migrate core financial and accounting systems once the deal closes. In most cases, the acquired entity continues to use their existing customer relationship management system, e-Signature platform, business intelligence tool, and various homegrown applications. Over time, this creates an ecosystem of non-standard applications that requires significant financial and operational investment and increases risk exposure. Application standardization can alleviate these challenges and shape a unified technology environment to accelerate digital transformation at-scale.

## Market Outlook

2026 is positioned to be a dynamic period for the insurance brokerage industry as investors or management mull options for growth.



**Private equity sale:** Selling to private equity is an attractive option for brokerages seeking capital injection to accelerate growth. Funding also provides opportunities to expand services and enhance technologies to better serve customers. In 2023, Truist sold a minority stake in Truist Insurance Holdings (now CRC Group) to Stone Point Capital for \$1.95B. An investor group led by Stone Point and Clayton, Dubilier & Rice purchased the remaining stake the following year at an enterprise value of \$15.5B.<sup>7</sup> Privately-owned and corporate-owned brokerages can position their assets as a platform investment for private equity firms and capitalize on recent market multiples.

<sup>5</sup> "Kelso & Company Completes \$9.83 Billion Sale of Accession Risk Management Group to Brown & Brown, Inc.", Businesswire

<sup>6</sup> "GTCR Announces Sale of AssuredPartners to Arthur J. Gallagher & Co. for \$13.45 Billion", GTCR

<sup>7</sup> "Truist Sells TIH to SPC and CD&R", Truist



**Continued programmatic M&A:** With 2025 on pace for 750 to 800 deals, M&A continues to be a primary growth lever for brokers. This is especially true for private capital-backed buyers, such as BroadStreet Partners or Inszone Insurance Services, who accounted for 16% of all market transactions in 2024 and appear undeterred by higher premiums and interest rates.<sup>8</sup> Consolidation will continue in 2026 with brokerages competing for mid-sized targets in international markets, unrepresented geographies, specialty lines, or high-growth sectors to gain market share.



**Testing IPO:** Private equity or corporate backed insurance brokerages may soon seek IPO. This enhances the company's visibility and reputation and provides access to wider pools of capital to fuel organic growth and pursue larger deals. It also provides programmatic acquirers with an exit pathway to realize returns and begin its next series of investments. For example, Texas-based insurance broker TWFG, backed by reinsurer RenaissanceRe, completed its IPO in July 2024, and surpassed its \$176M target by \$11M.<sup>9</sup> This could attract other US brokerages to begin IPO readiness activities in 2026.



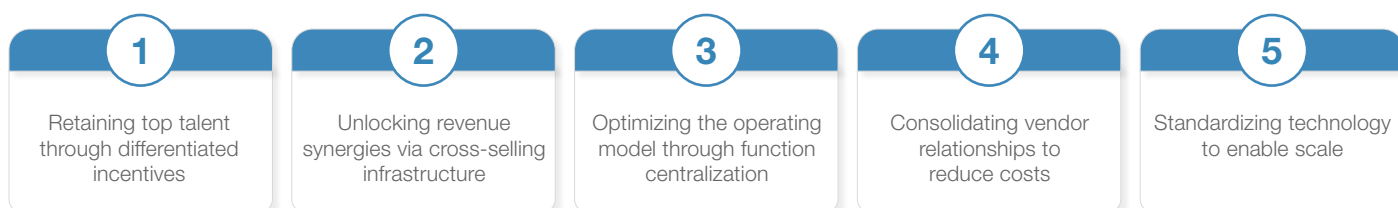
**Insurance-wealth convergence as a strategic imperative:** The most consequential trend for 2026 is the convergence of insurance distribution with wealth management and retirement planning. Consumers increasingly demand integrated financial solutions that combine property and casualty, benefits, life insurance, retirement income planning, and investment management through a single relationship. This shift represents both a competitive threat and an opportunity for brokers positioned to capitalize on it. HUB International exemplifies this opportunity: by acquiring Trusted Capital Group in 2021 and systematically integrating retirement and private wealth (RPW) capabilities, HUB has grown RPW assets under management to \$178B, creating a new revenue stream with higher margins and deeper client relationships.<sup>10</sup>



**Partnerships with Insurtech to unlock competitive advantage:** As consolidation intensifies, scale alone is insufficient for differentiation. Large brokers must partner with Insurtech platforms to enhance operations and client outcomes across three areas: operational efficiency (automating underwriting and compliance), enhanced decision-making (AI-powered client analytics and cross-sell identification), and superior customer experience (digital interfaces and faster turnaround). Partnerships with Zywave enable brokers to automate benefits administration and reduce administrative time, while Vertafore's sales enablement platform drives attachment rate improvements through AI-powered proposals and cross-sell recommendations. Brokers that embed Insurtech capabilities will achieve a competitive advantage over peers relying on manual processes, while also improving margins and client retention in 2026.

## Conclusion

The US insurance brokerage sector has experienced unprecedented M&A activity and valuation expansion, driven by private equity capital and disciplined strategic acquirers competing for consolidated platforms. However, deal completion is only the beginning. The brokers that outperform are those that systematically execute on five value creation levers:



Investors should begin preparing for 2026 positioning now. For PE-backed platforms approaching the end of their investment horizon, the path forward is clear: partial sale to new financial sponsors (realizing a portion of gains while re-leveraging growth), IPO readiness (establishing public market credentials and access to permanent capital), or competitive differentiation through strategic partnerships and Insurtech integration. The window to position for these outcomes is narrow. Brokers that delay value creation execution risk missing the optimal exit window when market multiples and investor appetite remain elevated.

<sup>8</sup> "Industry Transactions", Marshberry

<sup>9</sup> "Insurance Broker TWFG's Shares Rise Nearly 30% in Market Debut", Insurance Journal

<sup>10</sup> "Hub International Expands RPW Capabilities with Acquisition of TCG", HUB

## About A&M

Alvarez and Marsal's Financial Service Industry Group brings operating, and management expertise combined with top-tier consulting and specialized industry experience to meet evolving market dynamics. We provide transaction and performance improvement advisory services for insurance companies and private equity firms investing in the industry. Core services in the insurance industry include:

### Integrated diligence

A&M conducts holistic business assessments across financial, operational, technology, human capital, tax, and commercial axioms. Our buy side diligence seeks to verify target value and promote investor confidence on the sell-side.

### Integrations

A&M designs effective integration plans for programmatic acquirers to enhance operational performance and integration velocity. We create Day-1 and 100-Day plans for value capture, define transition services, and provide execution services to manage transitions.

### Value creation

A&M empowers clients to maximize post-deal performance through go-to-market motions and operational improvements to capture synergies. We target initiatives that position clients to achieve a stronger market presence and sustain financial health.

### Portfolio optimization

A&M assesses client's product and service mix to identify high-growth, high-margin opportunities, focusing investments that yield the highest impact. We advise on divesting or restructuring non-core assets to sharpen focus on areas with the highest value potential.

### Cost rationalization

A&M develops a fact base of expenses and capital costs. We prioritize opportunities considering impact, complexity, and interdependencies, developing an implementation roadmap with actions and milestones.

### Separations and IPOs

A&M designs operating frameworks, conducts expense analyses, and implements tools to organize the transition of the separated entity. We guide companies through IPO to ensure business readiness and regulatory compliance, allowing clients to focus on maximizing shareholder value.

## Key Contacts:



**Tamseel Butt**  
Managing Director

[tbutt@alvarezandmarsal.com](mailto:tbutt@alvarezandmarsal.com)



**David Carey**  
Director

[dcarey@alvarezandmarsal.com](mailto:dcarey@alvarezandmarsal.com)

## ABOUT ALVAREZ & MARSAL

Founded in 1983, Alvarez & Marsal is a leading global professional services firm. Renowned for its leadership, action and results, Alvarez & Marsal provides advisory, business performance improvement and turnaround management services, delivering practical solutions to address clients' unique challenges. With a world-wide network of experienced operators, world-class consultants, former regulators and industry authorities, Alvarez & Marsal helps corporates, boards, private equity firms, law firms and government agencies drive transformation, mitigate risk and unlock value at every stage of growth.

Follow A&M on:



© Copyright 2025 Alvarez & Marsal Holdings, LLC.  
All Rights Reserved. 477018\_55632\_WDC66A/dec 25

To learn more, visit [AlvarezandMarsal.com](https://www.alvarezandmarsal.com).