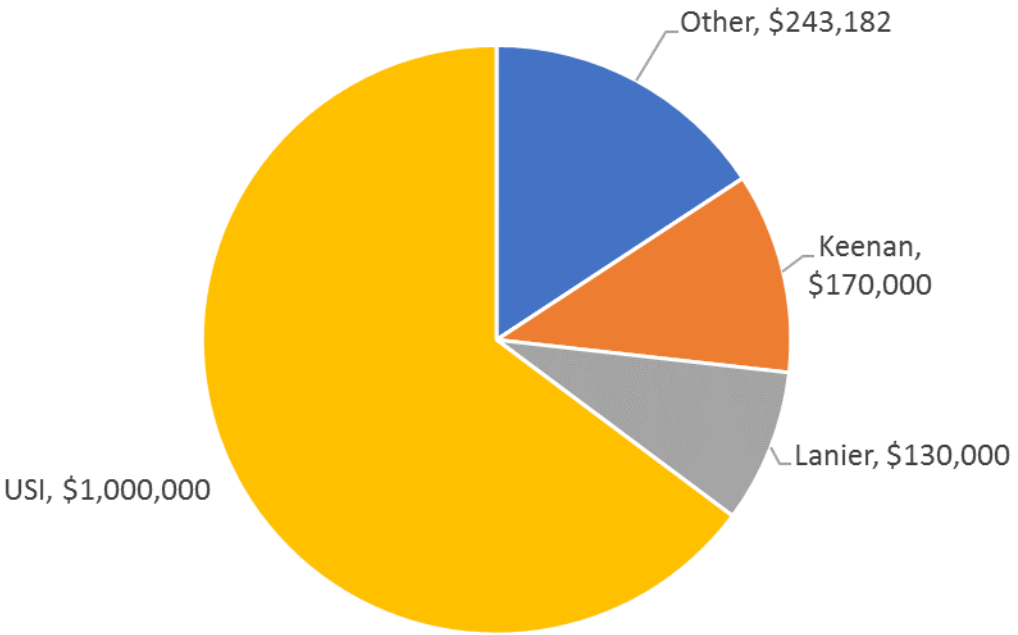


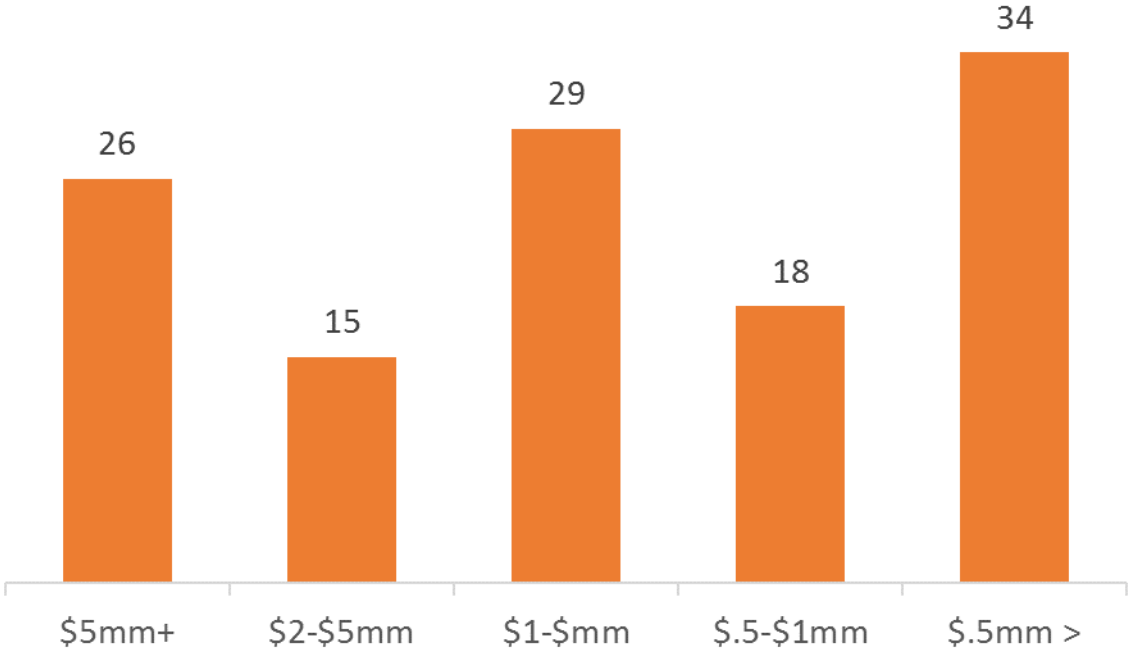
Agent and broker M&A kept up its robust pace in Q1 2017 with 125 Agent/Broker deals taking place. About \$1.6 billion of revenue was acquired, however three transactions accounting for the bulk of that revenue: USI in its sale to KKR (\$1b), Keenan in its sale to Assured (\$170mm) and Lanier Smith in its sale to Marsh (\$120mm).

Q1 17 Agency Revenue Acquired

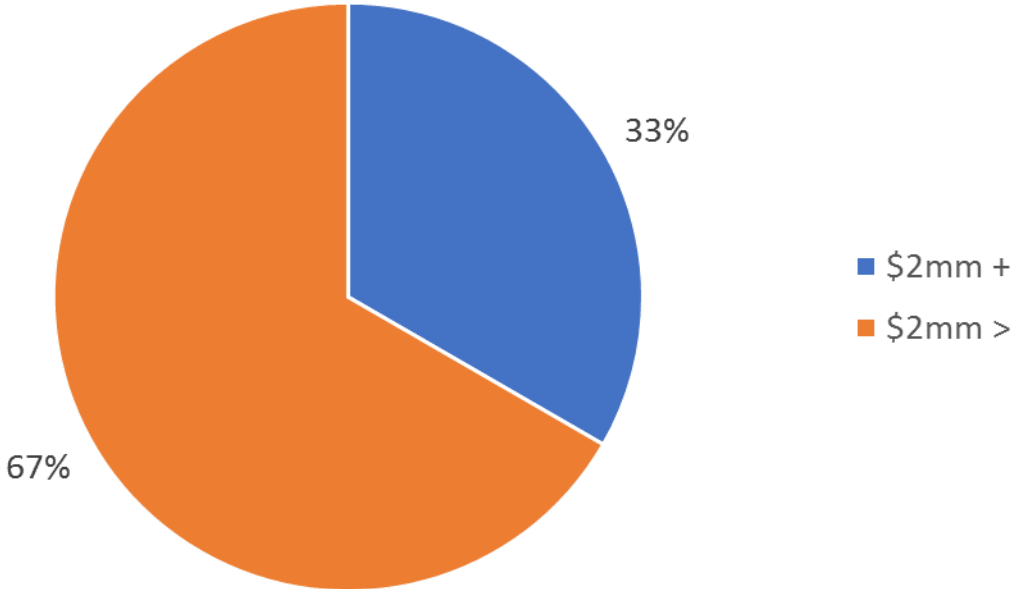
\$1.5 billion total (\$ in millions)



Excluding the 3 larger transactions about \$243mm of revenue was acquired in the remaining 122 transactions. There was a noticeable shift in the size of agencies being acquired vs the previous year. In 2016 about half of all agencies acquired had revenue of \$5mm or greater. For Q1 17 only 23% of the agencies acquired had revenue greater than \$5 million.



In 2016 we commented on the lack of smaller deals taking place despite that market segment being 10x larger than the \$5mm+ market segment. We speculated smaller deals were just not reported and under \$1mm revenue deals were just not exciting enough professional corp. dev. pros. We also commented that these deals can generate material returns given the lower entry multiple as well as the considerable synergies when these shops are folded into larger ones.



Perhaps corp. dev. pros were listening, given about 67% of agencies acquired in Q1 had revenue less than \$2mm and 23% with revenue less than \$1mm!

In Q12017 Sica | Fletcher advised on over 20 transactions, including the following

SICA | FLETCHER, LLC
Is pleased to announce its role as
exclusive financial and strategic
advisor to:

Peter C. Foy & Associates
ADVISORS • BROKERS • CONSULTANTS

In its sale to

B H M S
investments

SICA | FLETCHER
Opportunities Abound

SICA | FLETCHER, LLC
Is pleased to announce its role as
exclusive financial and strategic
advisor to:

Ryan
Insurance & Financial

In its sale to:

BALDWIN
RISK PARTNERS

SICA | FLETCHER
Opportunities Abound

SICA | FLETCHER, LLC
Is pleased to announce its role as
exclusive financial and strategic
advisor to:

USIS
tia TIDEWATER
INSURANCE
ASSOCIATES, INC.

In its sale to

ACRISURE

SICA | FLETCHER
Opportunities Abound

SICA | FLETCHER, LLC
Is pleased to announce its role as
exclusive financial and strategic
advisor to

DIVERSIFIED
INSURANCE SERVICE

In its sale to:

USI

SICA | FLETCHER
Opportunities Abound

SICA | FLETCHER, LLC
Is pleased to announce its role as
exclusive financial and strategic
advisor to:

**SAPERS &
WALLACK**

In its sale to

WIL GROUP

SICA | FLETCHER
Opportunities Abound

SICA | FLETCHER, LLC
Is pleased to announce its role as
strategic advisor to:

WORLD INSURANCE ASSOCIATES LLC
WE BRING THE WORLD TO YOU

In World's acquisition of
A Berne Corp.

ABC

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Is pleased to announce its role as
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advisor to:

AMERICAN TRUCK
Insurance Exchange, LLC

In its sale to:

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Is pleased to announce its role as
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EPIC
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Consultants

In EPIC's acquisition of:

THE Capacity
GROUP

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