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U.S. Insurance M&A

The U.S. insurance mergers and acquisitions (M&A) market in 2024 was marked not by blockbuster deals, but by a steady stream of smaller transactions that continued the long-running trend of consolidation among independent agencies and brokerages.

We have concluded that, while total deal volume declined slightly, private equity-backed buyers and strategic acquirers remained active, building scale and expanding geographic reach through bolt-on acquisitions. We believe this environment continues to offer compelling opportunities — not only for investors seeking stable cash flows and recurring revenues, but also for independent agency owners considering their next chapter.

For sellers, the current market rewards well-run brokerages with strong client relationships, commercial-line focus, and operational discipline. Our experience in the sector enables us to navigate market nuances, uncover off-market deals, and assess the operational quality of firms with precision. Now is the time to act decisively in a sector where timing, structure, and execution make all the difference.

Deal Volume Declines, But Strategic Buying Continues

In 2024, the insurance sector witnessed a 10% decrease in M&A activity, with 750 announced transactions compared to 833 in 2023. The majority of transactions involved small to mid-sized independent agencies being acquired by larger brokerages or private equity platform companies. These deals, often valued in the \$5 million to \$50 million range, provide acquirers with access to new markets, specialized verticals, and experienced producers.

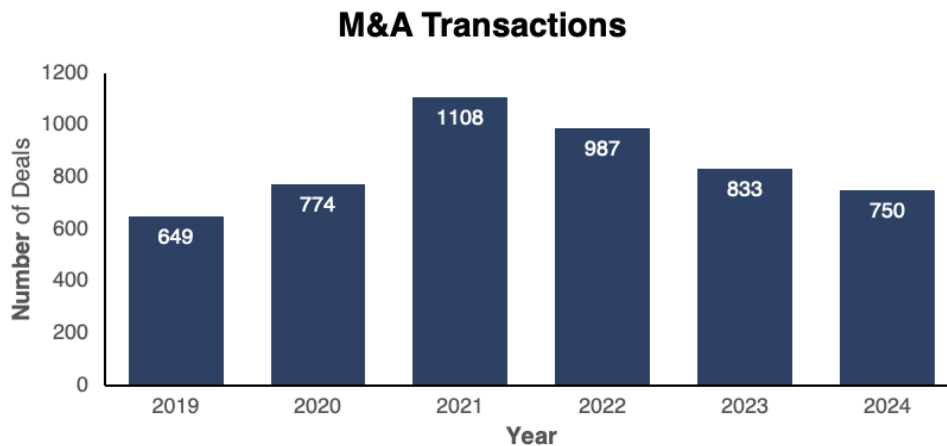
A 2024 M&A report¹ notes that the number of unique buyers decreased by 20% from the previous year, suggesting a concentration of acquisition activity among fewer, larger players.

Notable examples from 2024 include:

- Integrity Marketing Group continued its rapid expansion, acquiring over 50 independent agencies since 2020 (PitchBook, 2025) across life and health sectors.
- Acrisure, one of the most aggressive consolidators in recent years, completed more than 60 bolt-on deals since 2020 (PitchBook, 2025), adding to its U.S. footprint in niche commercial lines.
- Hub International expanded its regional presence through a series of local agency purchases in Florida, Texas, and the Midwest.

¹ OPTIS Partners – “Year End 2024 M&A Report”

Annual U.S. Insurance M&A Transactions (2019–2024)



Source: PitchBook

Why there is Small Agency Consolidation

Several market dynamics are fuelling the ongoing consolidation of smaller agencies:

- **Succession Planning:** Many agency principals are nearing retirement age without a clear succession path. Selling to a larger firm offers financial security and operational continuity.
- **Rising Compliance Costs:** Increasing regulatory complexity and cybersecurity requirements are difficult for smaller shops to manage independently.
- **Carrier Access and Market Clout:** Smaller agencies often struggle to maintain access to preferred carriers. Joining a larger platform provides scale, better commissions, and broader product access.²

These factors make acquisition an attractive path for both sides of the table.

² Insurance Journal – “Why Traditional Independent Agents, Carriers Need to Partner and Align Now More Than Ever”



Private Equity's Dominant Role

Private equity-backed platforms remain the dominant buyers in the small-agency space. Firms such as Patriot Growth Insurance Services, Choice Financial, and Risk Strategies Company continued to execute multi-deal roll-up strategies in 2024. These buyers are leveraging centralised service models and technology infrastructure to integrate local agencies while maintaining their client relationships and brand equity.

In the same 2024 M&A report, it highlights that private equity-backed, or hybrid buyers, accounted for 72% of all acquisitions, underscoring the significant role of larger firms in acquiring smaller agencies. Most PE sponsors now own multiple platforms, and competition for quality acquisition targets remains intense.

Regional Hubs and Specialization

While many acquisitions are regional in nature, the trend toward specialization is accelerating. Buyers are increasingly targeting agencies with expertise in sectors like construction, benefits administration, trucking, or agribusiness. These niche-focused firms offer differentiated value and cross-selling opportunities within larger brokerage networks.

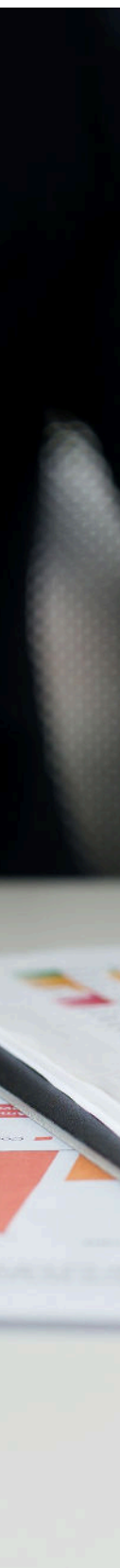
At the same time, regional hubs are consolidating faster. For example:

- The Southeast and Southwest saw a surge in activity, driven by population growth and the high density of independent agencies.
- The Midwest remains a hotbed for life and health agency consolidation.
- Coastal states like California and Florida are seeing complex deals involving specialty risk and high-net-worth personal lines.

Outlook for 2025

Looking ahead, insurance M&A activity is expected to remain robust in 2025, with a continued focus on small-agency consolidation. Key drivers include:

- Stabilizing interest rates, which should improve financing.
- Ongoing demographic turnover, as agency owners look to exit and retire.
- Operational leverage for buyers, as platforms aim to improve margins through scale and back-office efficiency.
- Digital Transformation, as firms seek acquisitions to enhance technological capabilities and customer experience.
- Private Equity Activity, as investors continue to aggressively pursue insurance assets due to their resilience and cash flow profile.



While macroeconomic uncertainty could dampen activity, the long-term trajectory of the insurance distribution market remains clear: scale, specialization, and digital transformation are pushing more independent firms to join larger networks.

Whether you're exploring succession planning, seeking growth capital, or simply evaluating your options, FOCUS Investment Banking can help you understand your agency's value, position it effectively with the right buyers, and guide you through a smooth, confidential transaction. With deep experience in the insurance sector and a hands-on approach, we're uniquely positioned to support both sellers and buyers in navigating this dynamic and highly active M&A landscape.

In the next article in this series, we'll explore how agency owners can best prepare for a successful sale — from financial readiness to operational positioning.

ABOUT FOCUS INVESTMENT BANKING

FOCUS Investment Banking has an excellent reputation for its tailored approach to mergers and acquisitions, debt advisory and equity raising, specialising in the middle-market across a wide range of industries. With a team of 100+ professionals in our offices in the U.S. and Europe, we are uniquely positioned to provide clients with strategic advantages in today's dynamic global market.