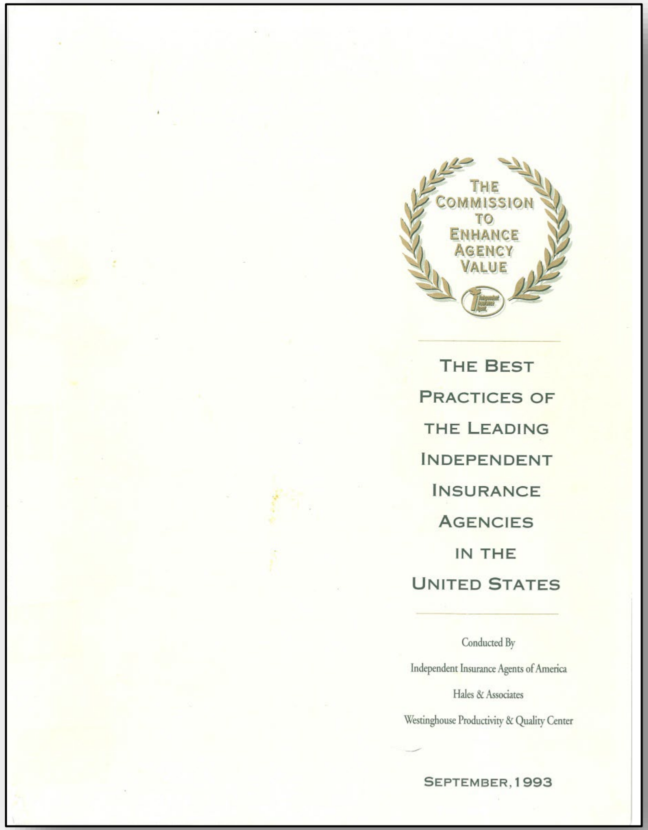
State of the Industry

Webb Milward

November 2025

The Best Practices Study

Since 1993, Reagan Consulting and the Big I have partnered to produce the Best Practices Study, a comprehensive examination of the top-performing agencies nationwide.



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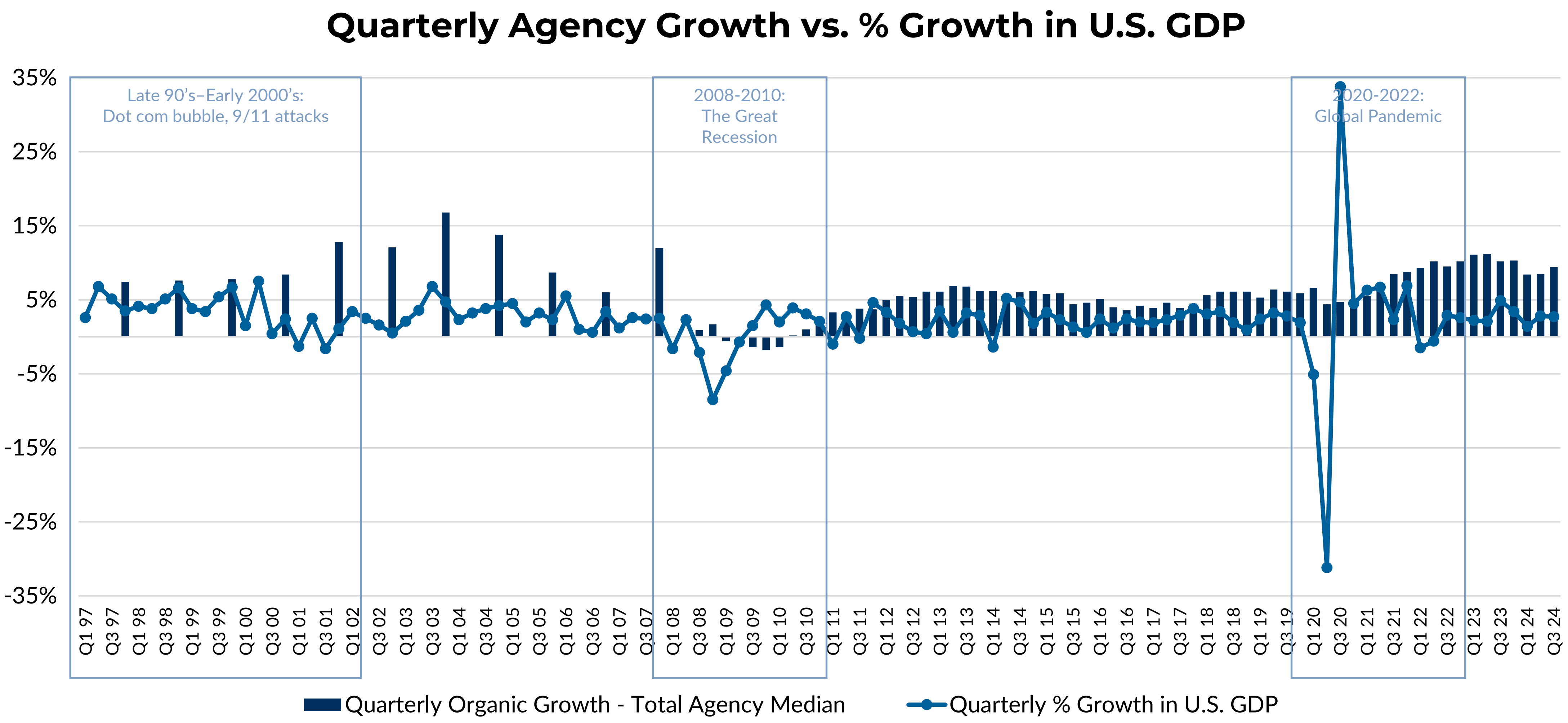
State of the Industry

Amidst intense consolidation, continued technological advancements and changing economic conditions ...

Our industry is strong

and the privately-held broker remains valuable

Monitoring the Economy



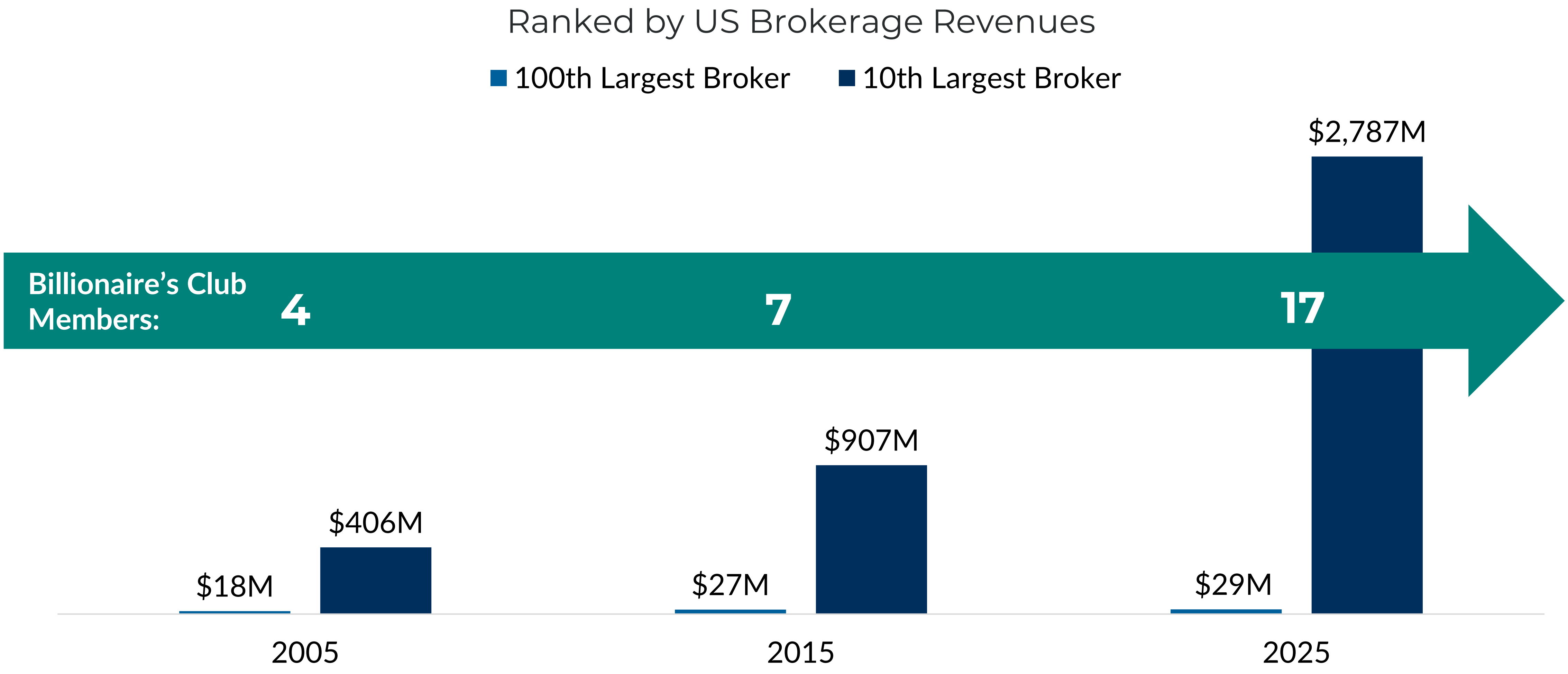
Sources: Reagan Consulting Growth & Profitability Study, Bureau of Economic Analysis,
Note: Prior to 2008, Best Practices Study for Agencies between $5M and $10M in revenue

Key Industry Trends

OBSERVATION:

The big are getting bigger

Impact of Consolidation



Source: Business Insurance

Blockbuster deals

- Three mega deals announced in 2024. One deal in 2025.
- Buyers are acquiring buyers. More likely to come…
- Continued investment from institutional investors
- Possible IPOs in the year ahead

Potential 2030 Picture

If current consolidation trends and growth trajectories continue, the *Business Insurance* Top 100 list in 5 years could feature …

~25

$1B Firms

40+

Firms >$500M

An Industry where the 10th largest firm is

Over 35x

the size of the 50th largest firm

Source: Business Insurance

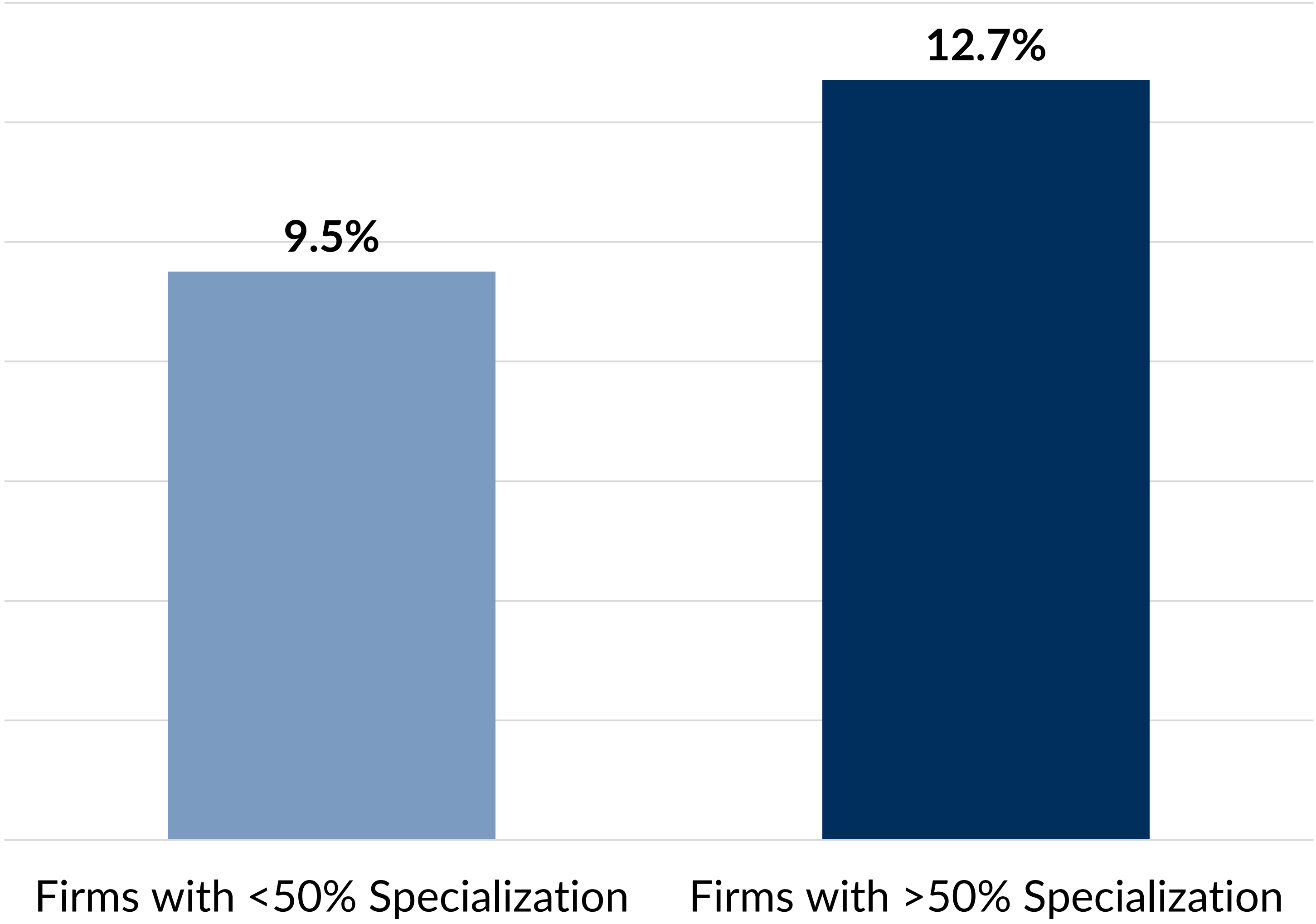
OBSERVATION:

The best firms have adapted to better compete with scale

Punching Above your Weight

Specialization	Team Selling	Collective Power
Engage Technology	Leverage Best Practices	Relationships

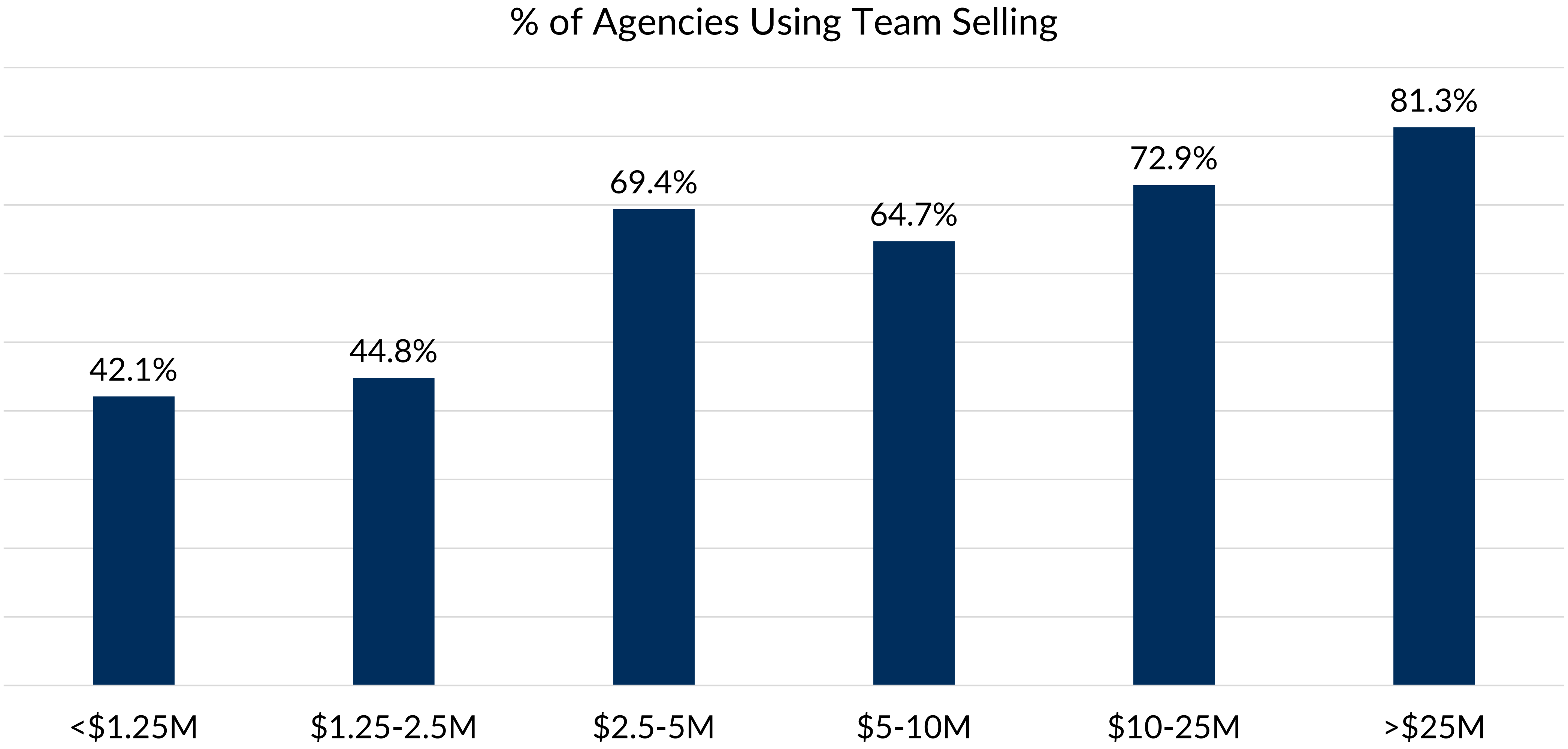
Organic Growth for Highly Specialized Firms



Specialized firms generated 33.7% higher organic growth vs. its peers

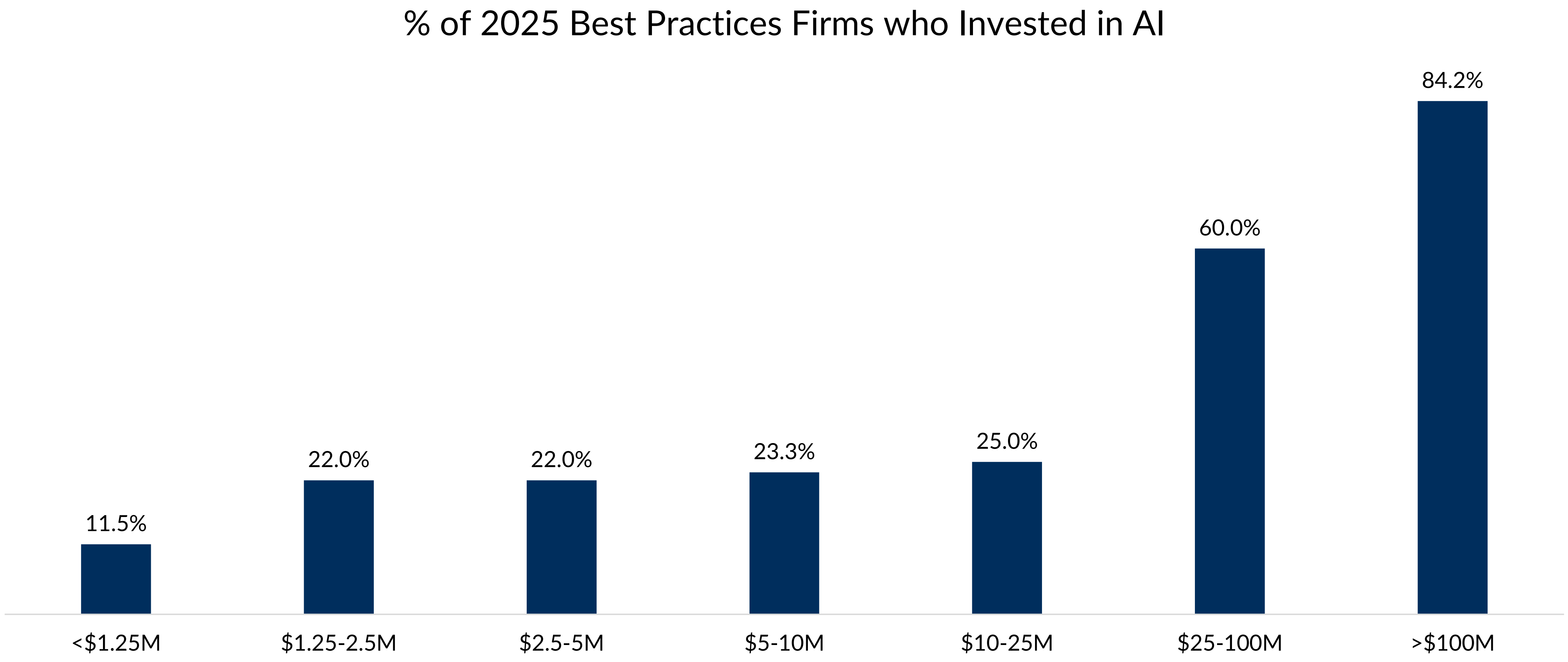
Source: Reagan's 2024 Best Practices Study for Agencies with Revenues over $25M; Median Organic Growth

Team Selling in the *Best Practices Study*



Source: 2024 Best Practices Study

Technology Usage Among Brokers



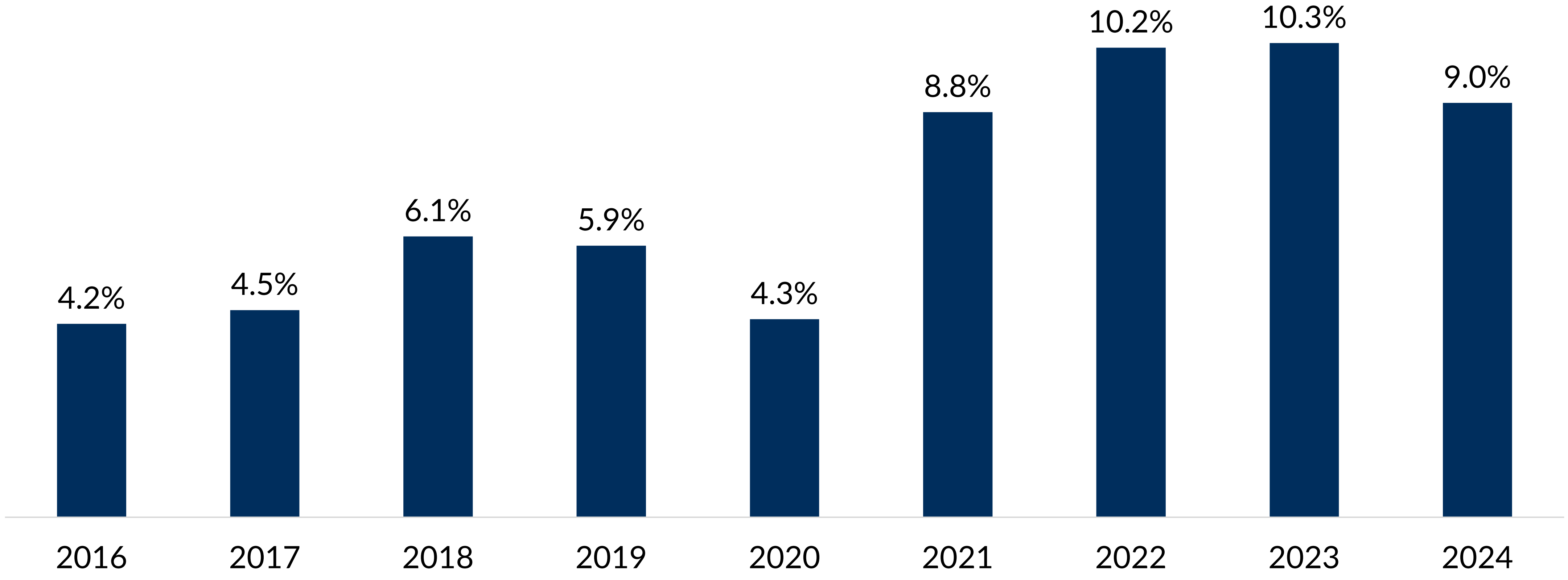
Source: 2025 Best Practices Study.

OBSERVATION:

A changing market will emphasize the importance of a true sales culture

Annual Organic Growth Rates, 2016-2024

Q4 Median Agency Organic Growth



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Source: Reagan's Organic Growth & Profitability Survey

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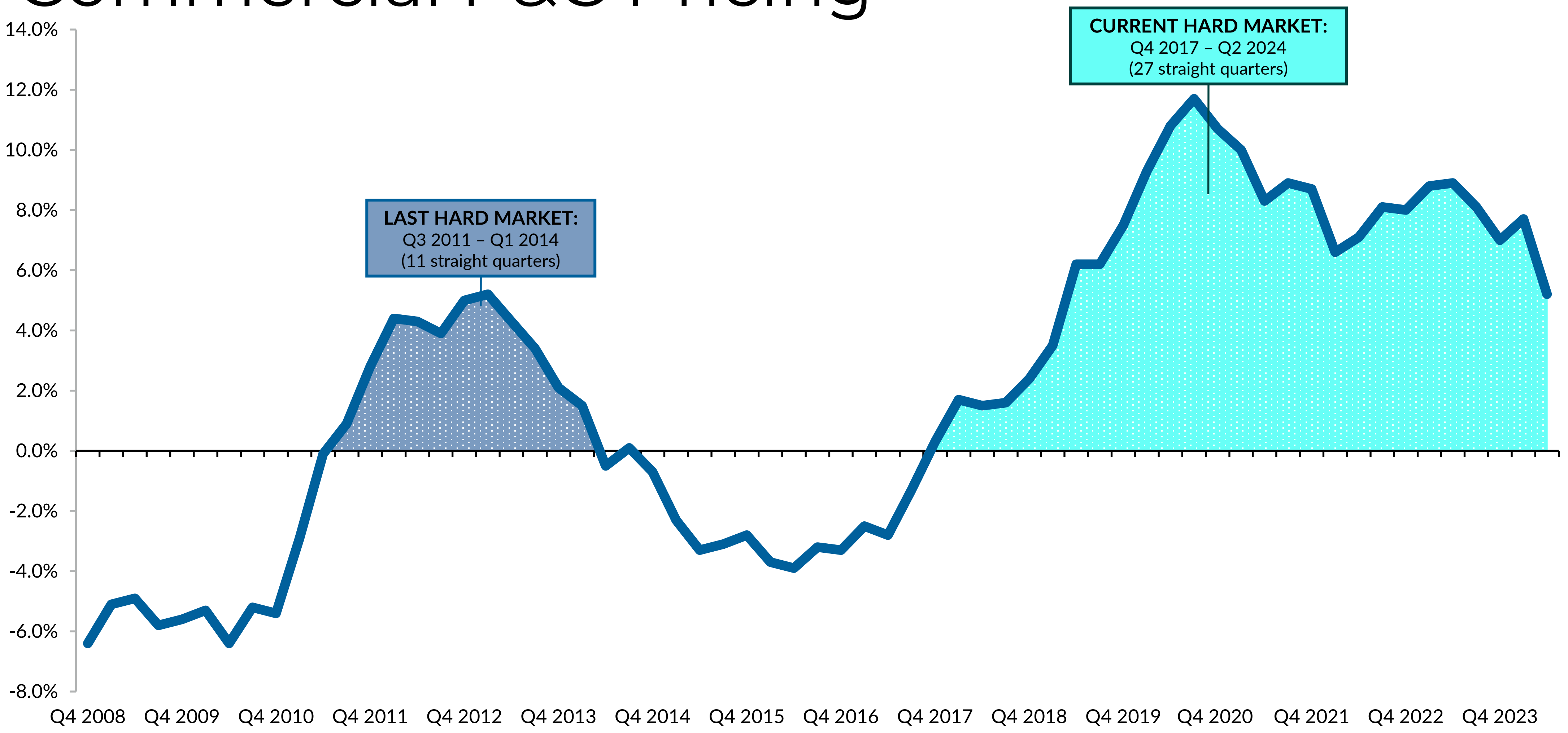
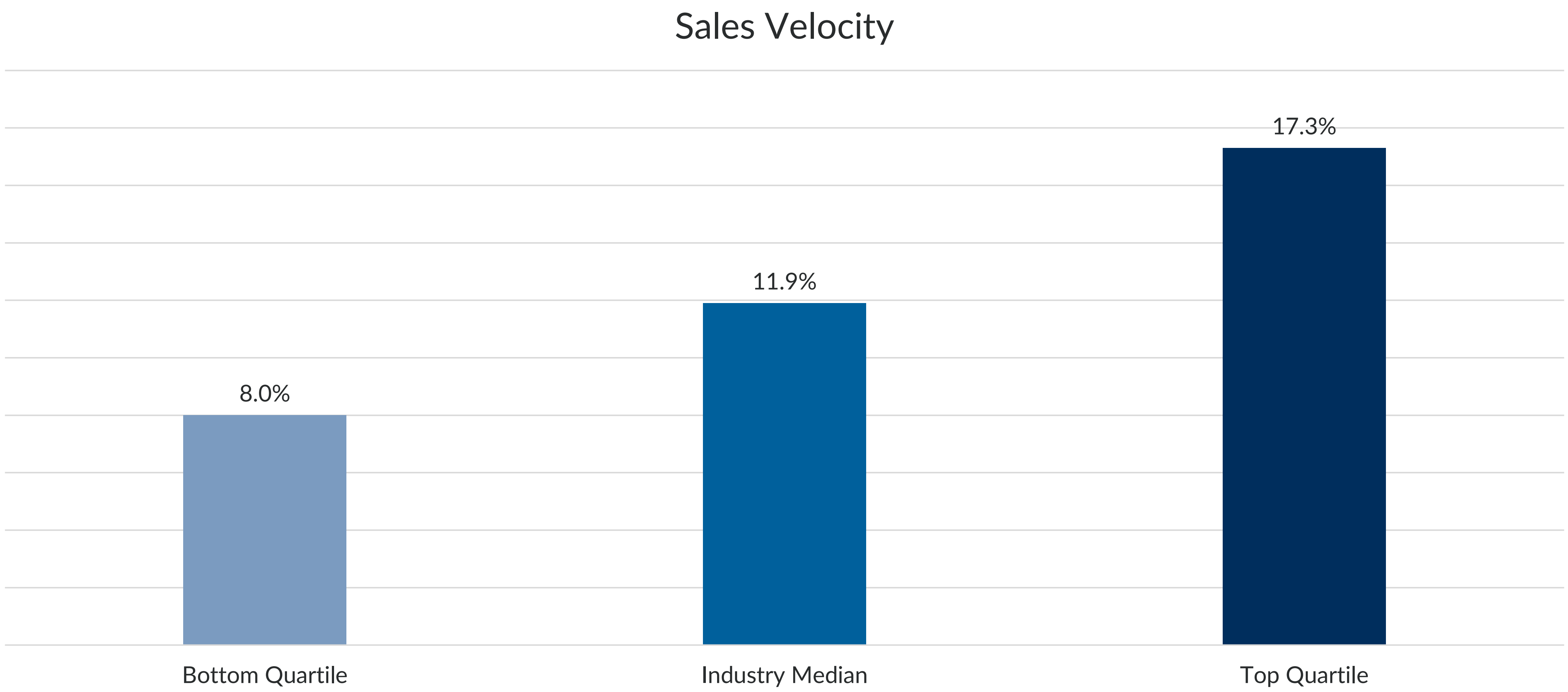
Commercial P&C Pricing



Source: CIAB P/C Market Survey

A Hyper Focus on Sales Velocity



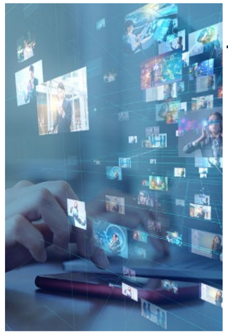
Source: Reagan GPS Survey, Q1 2025 results

OBSERVATION:

Elevated Emphasis on Producer Recruiting and Producer Retention


Aon sues Allian
for “Unlawful
Raid” of 26
employees in
Alliant Blocked
from Soliciting
Marsh Agency
Clients in
untsville, AL
Gallagher sues
Alliant for
Stealing 8
Employees in
Chicago
Marsh sues
Howden for
poaching 100
employees in
South Florida
Willis sued by
Marsh for
raiding Aviation
Division
USI sues
Lockton for
poaching
employees in
Atlanta

The Producer Value Proposition



Platform Brand / Resources

Compensation

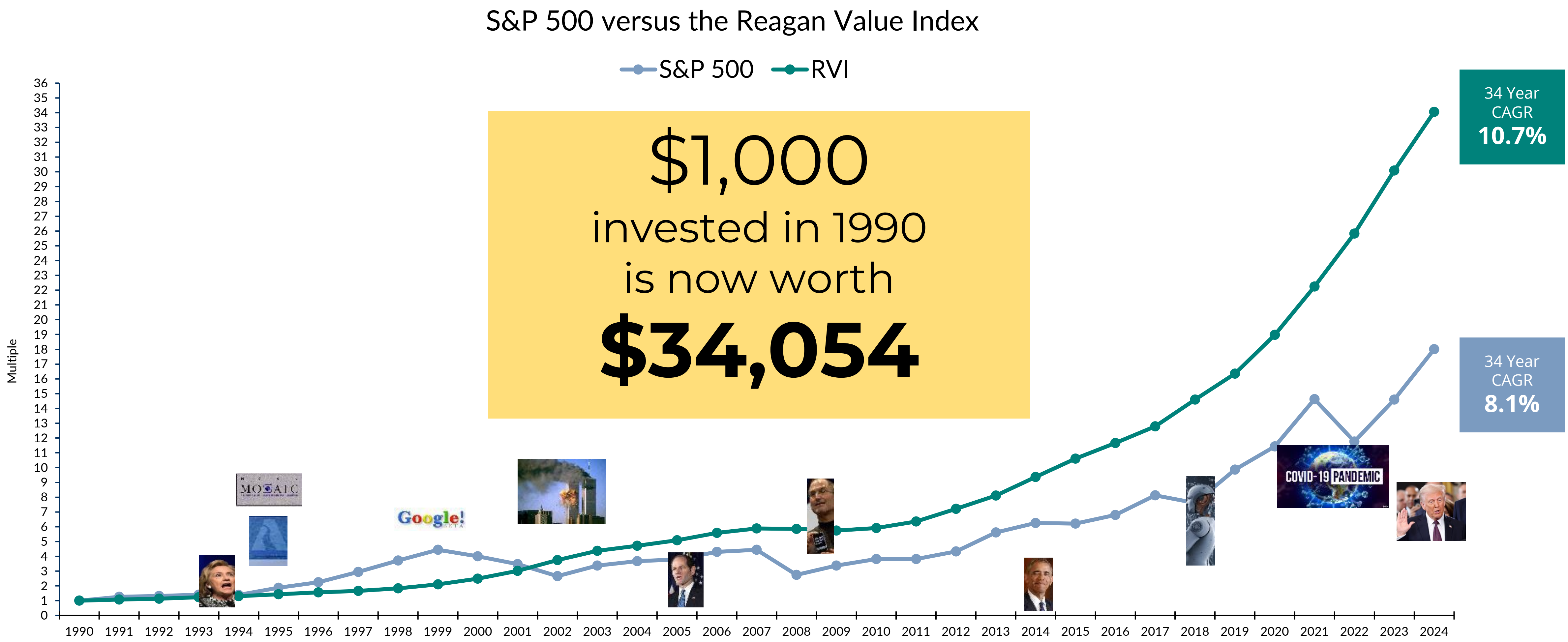
Freedom from Bureaucratic Stupidity

Wealth Creation

OBSERVATION:

The returns associated with owning and operating a privately-held broker are incredible

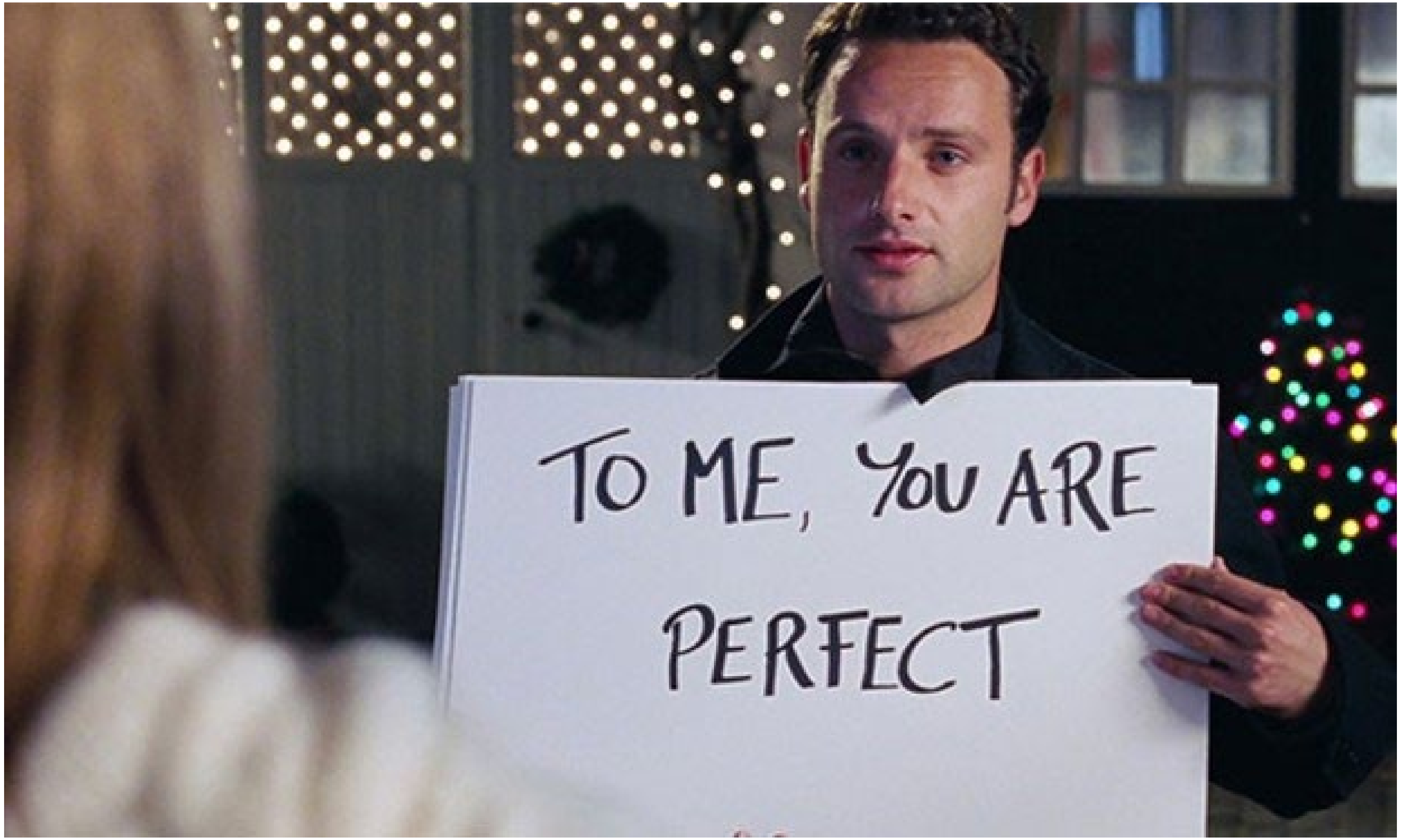
Agency Returns



Private Broker Focus Areas

“Value Builders”

#1 - Recruiting is a Core Competency



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NUPP – Net Unvalidated Producer Payroll

Are you hiring enough producers to achieve your growth goals?

NUPP

(as a percentage of total revenue)

Source: 2024 Best Practices Study

Evolution of your Talent Strategy and Structure

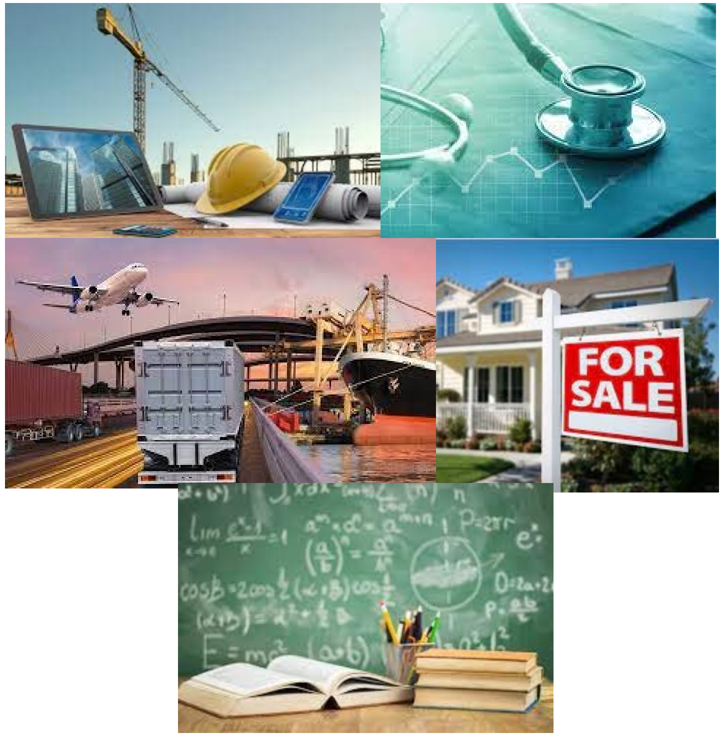
Key Considerations:

- Internal Recruiter(s) & Determine Best Methods/Sources
- Establish Annual Hiring Goals (and Budget)
- Elevate HR to strategic role in the C-Suite
- Never Stop Articulating your Differentiation
- Clearly and Consistently Message a Pathway to Prosperity

#2 – Growth Strategy – Accelerate Specialization

Ways a Broker can Specialize

Industry



Line of Business

Product or Program

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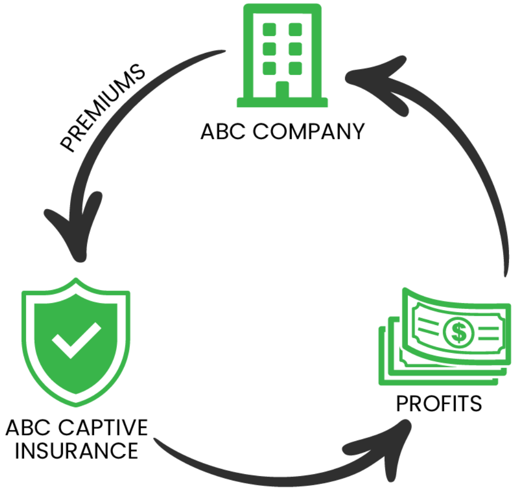

Evolution from Generalist to Specialist

Key Considerations:

- Be Intentional from Day One
- Pursue Natural Advantages
- Be willing to spend money in support of building an industry-leading practice group

#3 – Inorganic Growth Strategies

Evolution of Inorganic Growth Strategies

Key Considerations:

- Hiring Experienced Producers
- Geographic Expansion and Acquisition
- Pursuing MGA's and Product development

#4 - Robust Investment Strategy

Evolution of Investment Strategy

Key Considerations:

- Aggressively invest in Key Areas
- Recruiting, Specialization, Client-Facing Resources
- Technology investment and incubation
- Building out your C-suite…

#5 – Organizational Development

Evolution of Organizational Structure

Key Considerations:

- Roles and Responsibilities are increasingly specialized to leverage leaders' towering strengths
- Avoid "Too Many Hats" - Strategic hires to enable dedicated leaders to work **ON** the business

#6 - Steadily Expanding Ownership Group

Evolution of Ownership Model

Key Considerations:

- Consistently and proactively expanding ownership group to enhance alignment around wealth creation and to ensure multi-generation perpetuation
- Create an opportunity for all *current* value creators to participate in ownership

Building Maximum Value

Result:
Growth is rapid,
exponential,
and disruptive!

Thank You