



- Worldwide, total fees and commissions earned from insurance broking activity in 2021 were worth around USD 137.6 billion

- buoyed by underlying growth in premium rates and a further shift to digital and advice-led distribution, this equated to an annual growth rate of over 12%

- close to a half of the world's top 300 broking groups are headquartered in the US and over 80% of them are privately-owned

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According to the latest rankings and analyses updated by Insuramore (see www.insuramore.com/rankings/brokers), the value of the worldwide market for insurance broking in terms of fees and commissions earned was around USD 137.6 billion in 2021, up from around USD 122.3 billion in 2020, equivalent to a growth rate of almost 12.5% without adjusting for inflation and about 8% as an inflation-adjusted measure.

In 2021, this market is estimated to have broken down between around USD 62 billion due to commercial P&C (non-life) retail broking, USD 13.2 billion to private P&C (non-life) retail broking, USD 46.4 billion to employee benefits plus life and health insurance retail broking, USD 5.5 billion to reinsurance broking and USD 10.5 billion to wholesale broking. (Noting that these data points omit tied agency and MGA / MGU activity among other elements, please see the following two pages for precise definitions of these segments.) Each of the segments registered a double-digit growth rate during the year; indeed, without adjusting for inflation, the top 20 broking groups together achieved an even higher aggregate growth rate of 14.6% albeit this was driven in part by M&A activity.

Several factors brought about the notable increase in the world's insurance broking market in 2021. Growth in underlying premium rates was an important driver for both commercial P&C retail broking and wholesale broking while a further shift to digital and advice-led distribution had the most impact for retail broking of both private P&C insurance and life and health insurance. In fact, intermediaries with advanced digital capabilities have benefited significantly from this trend.

In terms of the value of its total broking revenues worldwide, Marsh McLennan ranked first among broking groups in 2021 and it was followed in descending order by Aon, WTW, Gallagher and HUB. Meanwhile, the leaders in each of the five broking segments were as follows:

- commercial P&C insurance retail broking – Marsh McLennan;
- private P&C insurance retail broking – Alliant (thanks largely to its acquisition of Confie in 2021);
- employee benefits activity plus retail broking of life and health cover – WTW;
- reinsurance broking – Aon;
- wholesale insurance broking – Amwins.

Overall, the top 20 groups are believed to have controlled 50.6% of total global broking fees and commissions in 2021 and the top 300 groups for 79.3%. Among the top 300 groups, the vast majority (at 242, or 80.7%) are privately-owned involving one or a combination of family ownership, employee ownership or private equity. Furthermore, the US is the headquarters for 141 (47%) of the top 300; following the US by this measure are France, the UK, Canada and Germany, the home countries for a respective 32, 31, 16 and 15 of the largest 300 groups, with the rest of the world accounting for the remaining 65 in the analysis.

Looking ahead, it will be apposite to see whether a continuing stream of M&A activity causes the worldwide market to consolidate in 2022 or if the dynamic growth of some smaller and medium-sized competitors causes the share of the top 20 groups to hold at just over a half of global broking revenues.

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Notes to editors:

Insuramore is a provider of marketing services and related consultancy with a primary focus on the insurance sector. Its positioning stems not only from the broad range of services (see www.insuramore.com/services) that it offers and its worldwide coverage but also from its deep understanding of all types of insurance spanning life, health and P&C (non-life) insurance, whether bought by individual consumers, commercial enterprises, the public sector or not-for-profit entities, plus related services such as assistance and warranties. Insuramore's insurance provider rankings (see www.insuramore.com/rankings) provide original and unrivalled insights into carrier (underwriter), broker, MGA / MGU / cover-holder and marketplace groups around the world. The full list of insurance types about which Insuramore can provide data, research and consulting services at an international level can be seen at the www.insuramore.com/insurance-types page.

Definition of insurance broking revenues

Insurance broking revenues are defined as fees and commissions earned from any kind of insurance (or reinsurance) wherein the intermediary (brokerage / independent agency) acts in an advisory capacity for its customers and places risks with all or a broad range of carriers / underwriters in the relevant market either directly (on a retail basis) or indirectly via other intermediaries (on a wholesale basis). Fees earned from alternative risk transfer (ART) activity such as the placement of risks with a captive carrier / underwriter, risk retention group (RRG) or insurance pool, or into an insurance-related security, are also classified here as insurance broking revenues, as are fees intrinsically related to core broking activity such as those earned from safety / risk / crisis management consulting, claims advocacy / claims management, premium finance, employee benefits / health / pensions / wellness consulting, associated data / actuarial analytics etc.

Fees and commissions earned from activity wherein the intermediary acts as a tied agent for a single (non-captive) carrier / underwriter or places risks with a limited panel of (non-captive) carriers / underwriters are NOT classified here as insurance broking.

Fees and commissions earned from underwriting activity by managing general agents (MGAs), managing general underwriters (MGUs), cover-holders with binding authority (i.e. where risks are not retained) are also NOT classified here as insurance broking revenues.

Likewise, revenues earned from ancillary services that are not intrinsically related to insurance broking (as defined above) are also NOT classified here as insurance broking. Various, and depending on the breadth of activities of the intermediary, these ancillary services may include general human resources (HR) and compensation consulting / communication / administration, workforce absence management consulting, general management consulting, capital advisory services for insurance-related investments, other professional services (e.g. audit, compliance, deal advisory, tax etc.), financial advisory services for individual customers concerning investments / pensions / retirement savings / wealth management, estate planning, online price comparisons for insurance / other services (i.e. aggregation), and premium finance (where not intrinsically related to the intermediary's core broking activity).

Captive brokers that focus mainly on arranging insurance for their parent organizations (and their suppliers) are excluded from the analysis; these are present in a few specific countries such as Germany and Japan.

Definition of commercial P&C insurance retail broking revenues

Broking revenues (as defined above) derived from property and casualty (non-life) insurance acquired directly (i.e. on a retail basis) by business enterprises (including the self-employed), the public sector and not-for-profit entities comprising commercial auto (motor), liability (e.g. D&O, professional) and property insurance plus other commercial lines cover including (but not limited to) business interruption, commercial cyber, group accident (but not health), legal protection, MAT (marine, aviation and transport), surety, trade credit and workers' compensation insurance.

Definition of private P&C insurance retail broking revenues

Broking revenues (as defined above) derived from property and casualty (non-life) insurance acquired directly (i.e. on a retail basis) by private individuals (but NOT by the self-employed for their own business activity) comprising auto (motor) and home insurance plus other personal lines cover including (but not limited to) boat / yacht, extended service contract / warranty, legal protection, personal accident (but not health), pet, private cyber / liability, travel and unemployment insurance.

Definition of employee benefits activity plus life and health insurance retail broking revenues

Broking revenues (as defined above) derived from independent arrangement of and advice / consulting in relation to employee and executive benefits programs (comprising both core and voluntary group benefits and including employee retirement / pension schemes), plus broking (as defined on the following two pages) of protection-related life and / or health insurance (including dental and vision cover plus creditor / loan-related policies) acquired directly (i.e. on a retail basis) by any kind of customer either on a group or individual basis.

Definition of reinsurance broking revenues

Broking revenues (as defined above) derived from reinsurance (including retrocession).

Definition of wholesale broking revenues

Broking revenues (as defined above) derived from any kind of insurance (or employee benefit) wherein the broker acts as an intermediary between carriers / underwriters and retail brokers / independent agencies.