Top50brokers

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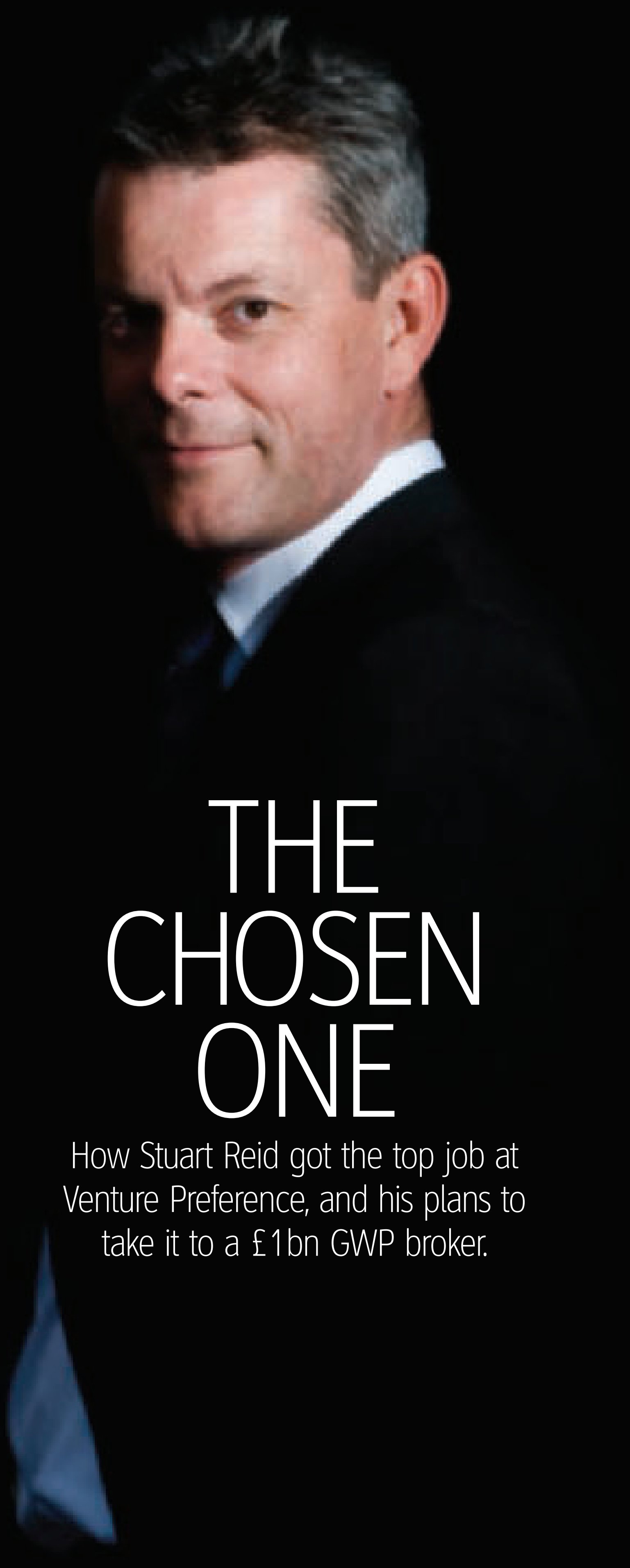

THE CHOSEN ONE

How Stuart Reid got the top job at Venture Preference, and his plans to take it to a £1bn GWP broker.

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Ellen Bennett

The biggest surprise in this year's *Top 50 Brokers* is the number three spot: following the merger of the AA and Saga, the holding group for the two companies, Acromas Holdings, has booted Willis off its long-held number three position on the winner's podium into fourth place. Not only does this give a tantalising hint of changes to come in the market's running order as consolidation beds down, it also neatly demonstrates the rise of the personal lines broker, against all odds and all predictions, and the comparative decline of the London market.

This year's *Top 50 Brokers* examines all these themes in detail, and provides the usual invaluable guide to the UK's leading insurance brokers. It is packed with data and analysis, and like the market itself, is bursting with big personalities.

- Turn straight to page seven for IMAS's Oliver Laughton-Scott's overview of this year's winners and losers, with detailed analysis of the trends from IMAS's James Simpson following on page 10.
- Top 50 brokers beware: there are some young whippersnappers hot on your heels, and set to take their place on the list next year. We met two of the best.
- In his first interview since taking the helm at Venture Preference, Stuart Reid speaks out about his plans to grow the already massive broker to £1bn – and answers some tough questions.
- Taking over from Willis as the UK's third largest broker, the AA and Saga are a force to be reckoned with. We introduce Simon Douglas, the man running insurance at the AA.
- The London market has seen negative growth and continuing softening rates. How can global brokers defend their position at the top of the chart?
- Personal lines brokers are back from the dead: here's how they did it.

We hope you enjoy the new design of the *Top 50 Brokers*, and many thanks to IMAS for supplying the data.

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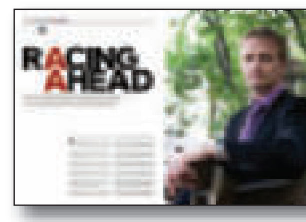

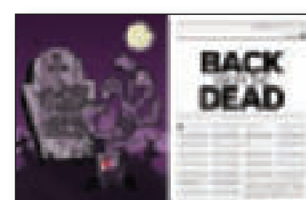

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Outstanding Performances

For consolidators the party seems to be over and new entrants are building sophisticated propositions to weather the storm of recession. Oliver Laughton-Scott of IMAS gives his opinion.

Timing is everything. And times have changed. Last year the land grab was in full swing. Now many of the partygoers have gone home to recover from the binge and it is not clear when they will accept another invitation.

However, it is not all doom and gloom. The disappearance of the lager louts has left the floor open to those with distinct strategies to find appropriate partners. We are now receiving inquiries from outside the industry from businesses that are looking to build sophisticated customer propositions as vanilla financial services become increasingly dominated by the large internet brands and financial supermarkets.

Gloom is also comparative. While we have seen stock market valuation of general insurance business fall, brokers have out-performed the FTSE All Share index. Quoted companies typically have significant dollar exposure and, if this element was stripped out, it is likely that brokers would have performed far more strongly. At the time of writing, in the US Aon is up 10%, Marsh is 7% lower and only Willis is down significantly by some 27%.

Insurance brokers are defensive stocks. Recessions typically see rates harden as capital becomes scarce and we are seeing the insurance industry picking up credit-related losses; this will continue. Increasing moral hazard further supports rate hardening. Brokers hold cash and this is now earning a substantial return.

When awarding Towergate 2nd Equal for shareholder value creation two years ago, we commented on the need to be able to demonstrate an exit strategy. One of the magic ingredients holding the Towergate empire together is the carried interest that many of the past vendors and managers hold in the business. A very small percentage of a gigantic number is still worth having. If the number is far smaller and the timing of realisation far less certain this glue is considerably weakened. Other consolidators face the same issue though the quantum is far smaller. All will be under pressure as insurers try to swing the terms on which they trade with the brokers back more in their favour.

The year ahead remains full of challenges as business confidence may fall further and we will probably fall into a full blown recession. However, the fundamentals for brokers remain strong and quality businesses will continue to add shareholder value.

Criteria We have looked at the following as our key indicators:

Growth
Clearly a key factor. We are however interested in increases in shareholder value; so if a deal costs more to finance (by debt and equity) than it adds in value, then the increased turnover will have actually destroyed value. So we are focused on organic growth and value added transactions, not simply growth in the top line.

Margins
We look at the actual level achieved but equally importantly at what the improvement during the year has been.

Peer Performance
If a sector is putting in excellent results across the board, then this suggests the underlying driver is cyclical in nature; that is, the rating environment. The stock market is skilled at recognising the impact of cycles and tends to discount them accordingly.

Past successes
We are unlikely to pick the same company as the winner two years in a row. What we are looking for is the company that has added significantly to shareholder value in the current year.

1st Aon

The perennial whipping boy of the industry comes good. With none of the pedigree of Marsh or a Big Joe to lead them, Aon has been getting down to the hard graft of making what was a disparate collection of businesses into a money making operation.

Margins of 18% are by no means the highest in the industry, but increasing UK profits from £37.5m to £93.5m is a real achievement, done in part by pursuing margin at the cost of revenue.

As mentioned above, while all other brokers have seen their share price fall over the year, Aon has seen its share price increase significantly.

Smaller brokers no doubt could argue that their relative figures are just as good if not better. However, turning a huge ship around is far harder, hence Aon deserves recognition as adding hugely to shareholder value in the last year. →

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2nd Swinton

A close run between Swinton and BGL (Budget). Budget scooped first place last year so Swinton's sharply increased margins get it into second place.

Defying conventional wisdom has worked well. It has allowed Swinton to acquire with limited competition, so kept down the prices it has been paying. Using advanced telephony technology it has routed inquiries to offices local to the caller to build rapport and used its high street presence to differentiate itself. The personal lines market has undergone huge changes with the advent of the aggregators and without a differentiating feature many distribution propositions are now struggling. Well done to Swinton for thriving.

3rd Windsor

In the Lloyd's market it is was a close race between Windsor and RK Harrison. RK Harrison achieved 2nd place last year so Windsor has it this year with its margin of 28% as compared to Harrison's 22%.

In March 2007 Windsor undertook an management buy-out. The shares are now widely spread among its management so generating a healthy profit is key to paying down the debt which, in part, explains why profits increased some 28% in the year to £6.8m.

A number of Lloyd's brokers have a far higher exposure to US business, and the weakness in the dollar in 2007 had a negative effect on their businesses. If the dollar strengthens significantly then we will see strong performances from some of those who have featured less prominently this year.

The best of the rest

The following have all produced results that any management team would feel proud of. Insurance broking is a mature market and every pound of profit has to be fought for. They are listed in descending size order.

Towergate

This is the fourth year we have done a Top Shareholder Value award and this year is the first time that Towergate has not appeared on the winner's podium. However as ever it warrants a mention in despatches as brokerage still increased a whopping 50% in the year.

Given the change in the general market sentiment, the inability of private equity to leverage transactions with the consequential knock-on effect in valuation and the insurers' desire to tighten trading terms, the price at which Towergate might expect to make an exit now is probably down significantly from the numbers being banded around 12 months ago.

BLG

Another great performance which shows what a focused business model can do.

Oval

While not immune to the pressures that the other consolidators have been subject to, and rather publicly putting the brakes on acquisitions, it has acquired some good businesses in the last 12 months and sharply increased profits.

> The disappearance of the lager louts has left the floor open to those with distinct strategies.

Oliver Laughton-Scott

RIAS

Another strong performance with a 33% increase in profits. This gives margins of 25% which is excellent for a personal lines broker.

Cooper Gay

Almost on the winner's podium. Profits up sharply and in May it purchased Heath Lambert's aviation, wholesale and reinsurance divisions, so growth next year is guaranteed.

Giles

Behind the headline grabbing quotes is a shrewd businessman who persuaded a private equity house to put a big number on the business. The timing of the transaction was immaculate, a few months on and it could have all been a bit more difficult.

RK Harrison

Quality operation showing the bigger boys in EC3 how it should be done. They will no doubt be a strong contender next year and for many years to come. **IT**

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A welcome dose of optimism

This year's top 50 shows an impressive, and long overdue, rise in aggregate brokerage income which IMAS expert James Simpson puts down to effective marketing and hard work as well as acquisitions.

For the first time in five years the aggregate brokerage income of the top 50 has increased – by 14% to £5.26bn. It's been a long time coming, considering the buying activity of the past four years, a period over which the aggregate revenue stayed remarkably stable at around £4.5bn.

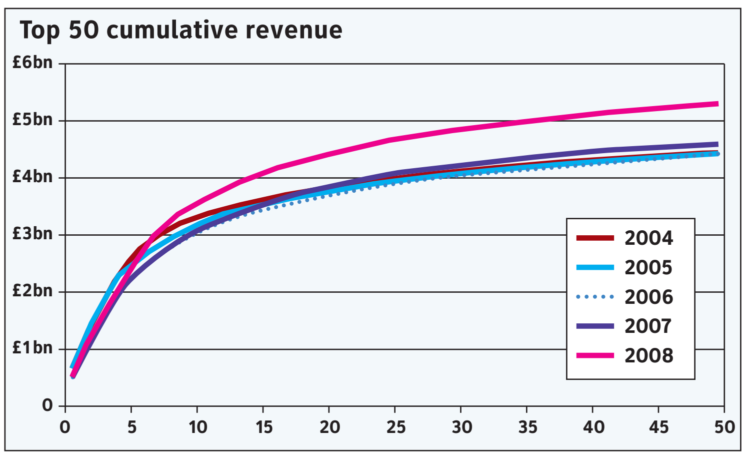
Even more marked is the fact that it is brokers in positions five to 15 that have grown in stature compared to five years ago, while those in the top three or four slots have seen an effective decline in their share of the top 50 revenue, down from 44.6% in the 2004 top 50 to 27.1% this year.

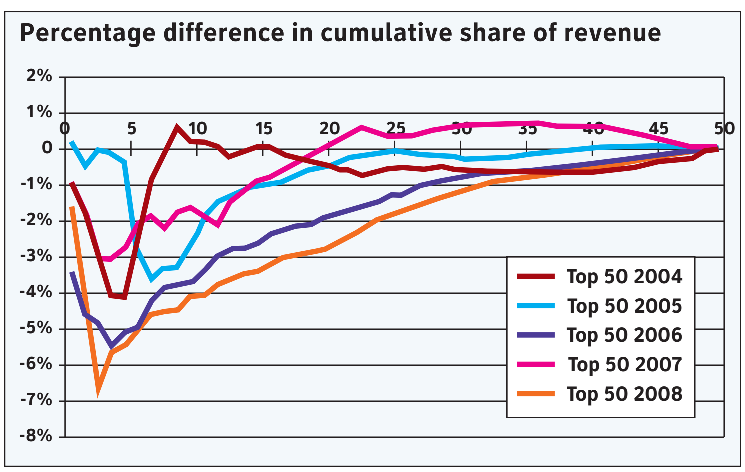
Does this mean that less business is coming to London, not leaving local markets, and/or that more business is going to Bermuda? In aggregate, London brokers now represent 59% of the top 50 revenue, down from 65.7% last year and 77.9% five years ago.

Obviously, softening rates have had their impact on the delay in seeing this aggregate increase, but no one would call 2007 a year anything other than one of continuing soft markets.

Acquisitions during 2007 have, however, been on a scale not seen for a long while. The AA merger with Saga was the largest to impact the sector, followed by Towergate's acquisitions (even with the IT side of Open GI omitted from its figures).

The consolidators have been extremely busy, given a boost by the Chancellor in the latter part of 2007 with the closing down of the attractive capital gains tax regime.





The rankings

Not only have we seen growth but this growth has upset the traditional rankings. Saga/AA is now the third largest broker in the UK, pipping Willis to this position by a short head, £7.4m on an annualised basis, and leapfrogging JLT and Towergate in the process. The latter stays at number six, ousting Benfield. JLT will need to look to its number five position next year if the acquisition trail at Towergate stays alive.

CCV enters the rankings for the first time at 23 and Hero re-enters the rankings at 36 after being absent last year during its reorganisation. Meanwhile, total newcomer Adrian Flux, the specialist motor broker, which has kept its light well hidden, is in at 38.

We are already expecting other newcomers to the table next year, unless they become acquisition targets before they get there; Cobra, having achieved excellent growth was just outside this year's top 50, and looks as if it may be acquired before it makes it in its own right, so it could be left to the likes of Academy and CBG to keep up their growth and acquisitions and be next year's newcomers.

Growth

Looking at growth by sector confirms the acquisition path – the commercial sector continues to lead the way with aggregate revenue up by 63% compared to last year at 40%. Commercial revenues now represent 15.3% of the top 50 revenue compared to 10.4 last year and 7.8% five years ago.

Leading this commercial charge in absolute terms is Towergate at £118m, with Venture Preference and Oval following close behind with growth of £53.5m and £33.2m respectively.

Heading the relative growth table is a surprise entry with Bollington at 117%, a newcomer to the table following its acquisition by Groupama and utilisation of its support for other acquisitions. Following close behind is Giles with growth of 69% and the promise of much more to come, with its major private equity backing from Charterhouse.

In personal lines the AA/Saga merger obviously stands out as the major acquisition but it is the non-corporate acquisition growth that stands out here with BGL and Swinton achieving growth rates of 43% and 37.4% respectively. This is somewhat unexpected as premium rates →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➔ have been soft and the aggregator websites have made life even more price-competitive. So growth at this level means that someone has been losing out – but who? The answer is not obvious.

The London and international sector remains in the doldrums; its growth has been minimal for a number of years and 2007 saw it suffer an overall decline of 1.1%. This is a more complex sector than the others and while there were acquisitions – of PWS by THB and Cooper Gay making a number of discrete buys – overall, the sector has witnessed restructuring and the continued impact of the 2005 catastrophe losses on its profit-related income.

Highlights in the sector are the organic growth seen at a number of medium-sized brokers, RFIB at 17%, Windsor at 15.8%, RK Harrison at 15.5% and Hyperion at 14.7%, and the final emergence of corporate activity with JLT acquiring HWS and Willis acquiring HRH in 2008.

The London sector has also seen a newcomer to its ranks, Kerry London, entering the table at number 42, following its growth of 55.7%.

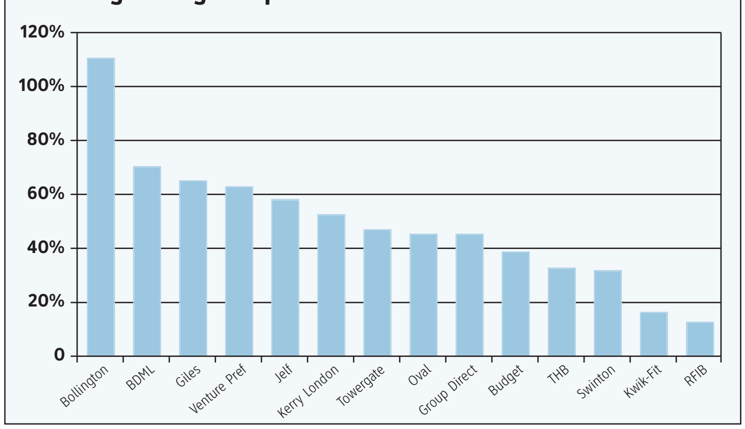
Profitability margin

We all like to see profits but the only truly comparable figure is the profit margin. Saga/AA comes out well ahead of anyone else on this measure at 52%, a stunning number, supported by the whole group's figures announced in July of 32.3% at the EBITDA level. However, Acromas – the AA and Saga's holding company – made a pre-tax loss of £255.7m due to the cost of the merger and continuing financing costs. As such, these broking figures are probably misleading in making a fair comparison to other brokers' margins.

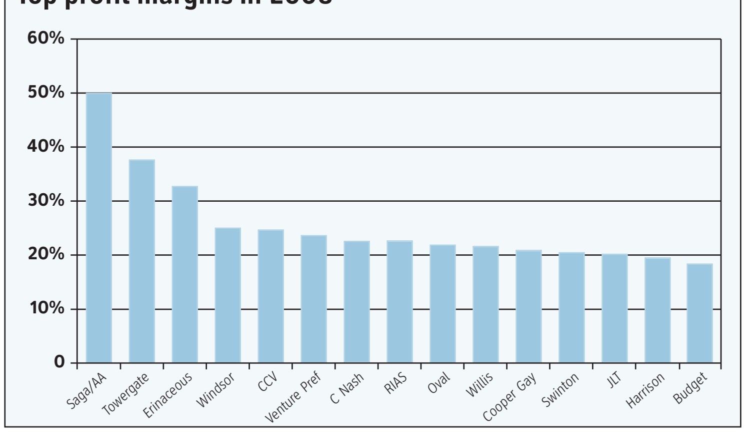
Second in the table is Towergate with a 39.8% EBITA margin, that is before any amortisation of goodwill. This is a clear demonstration of the power of re-engineering businesses and obtaining better rewards from insurers for doing as much work as they will allow them to do.

Third in the table is Erinaceous and it was no wonder that the banks were keen to get this

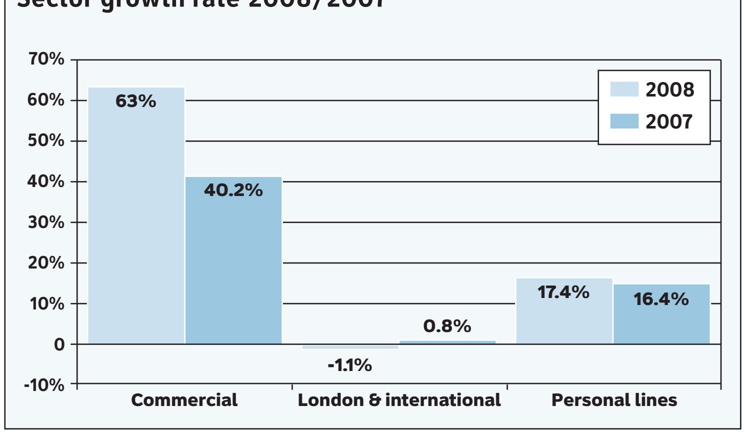
Fastest growing companies



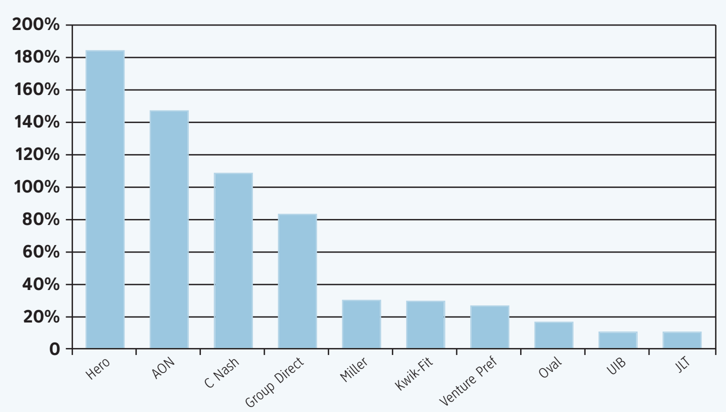
Top profit margins in 2008



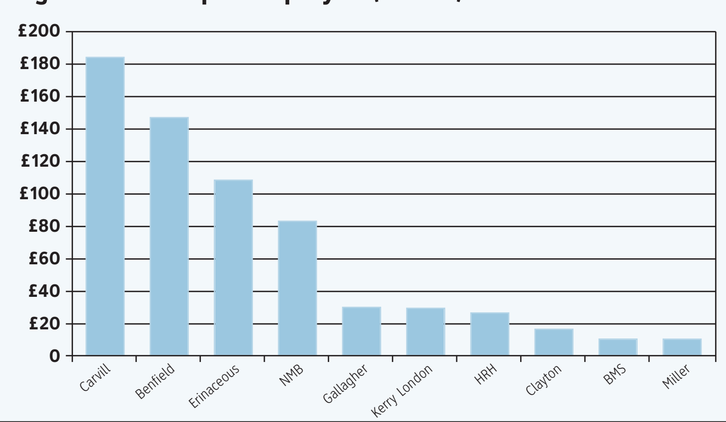
Sector growth rate 2008/2007



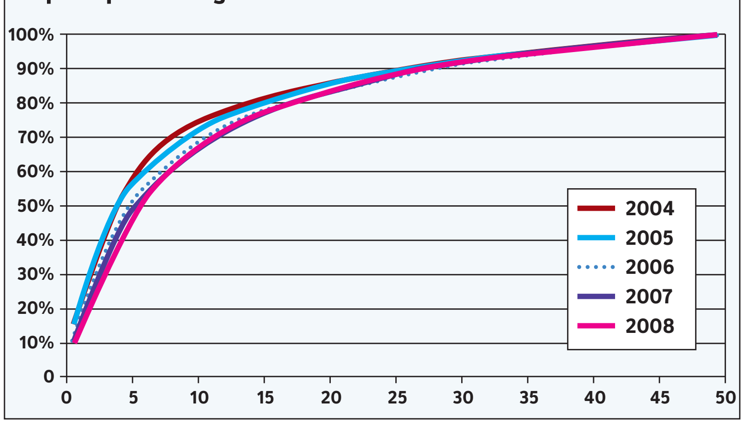
Top improvements in profit margins in 2008



Highest income per employee (£000s)



Top 50 percentage cumulative revenue



business into a new company under their control when the property-based parent got into trouble. With the original parent company in difficulties, however, it is unlikely that business volumes will continue at historic levels and thus margins will fall.

Fourth is Windsor, a consistent good performer in this category and probably the 'truest' margin in the top positions. This is a reflection of the good management of the business and focus on better margin business.

Fifth in the table is CCV with an operating profit margin of 28%, following in the footsteps of Towergate. After this there are a clutch of businesses at the 25% level which has to be setting the benchmark for all other companies to achieve. Willis, Cooper Gay and JLT all score well with margins of 20% and 25% showing that it can be done no matter what your scale.

Improvement

There are also those who have been able to significantly improve their margins in the past year. We have excluded the top two – Heath Lambert and Cooper Gay – as they were both recovering from difficult earlier years so their improvement was well into the hundreds of percent. Topping the table is Hero, the Highway Insurance broking business, which was consolidated into one company and is clearly showing the benefit of this. This improvement should, however, be qualified by the fact that the margin for this year is only 5.9%.

Aon's improvement is a surprise and moves it from a 7.2% to an 18.3% margin – very much approaching the benchmark rate of 25%.

It should be noted that there are only two consolidators in this list achieving around 20% improvements and this could be because the big improvements happen early on with the longer run ones being less dramatic and dependent on management of the integration process.

Employees

While technology has allowed a number of activities to be systemised, this has not been consistently achieved across the broking market.

London and international brokers, not surprisingly, remain dominant at the top of the income per employee table but it is Erinaceous that is an unexpected feature in third place; for how much longer we would not like to predict.

Personal lines and volume-oriented operations should probably have benefited most from systemisation. This, however, is only marginally supported by their presence in the increases in income per employee chart. Group Direct and Budget have made excellent improvements, with Kwik-Fit, Swinton and RIAS close behind.

As with all innovations, significant improvements only come along once in a while – the rest is down to gradual improvement and polishing existing procedures. **IT**

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HUNGRY for GROWTH

The Top 50 Brokers should beware: according to IMAS data, there are a number of smaller outfits seeing rapid growth, and snapping at their heels. Mark Skinsley spoke to two firms tipped for the top.

Academy

What's the secret to a successful business? Investing in your staff. That's the view of Academy Insurance Brokers chairman Dave Bard, who passionately endorses employee reward as key to staff retention and business development. "Our staff retention is consistently high," he says. "I believe this is because we have a strong 'best friend approach' culture which we apply throughout the company whether client, supplier or colleague."

Academy employees even receive a birthday card and a present as a token of goodwill.

"They [our employees] are our most important asset and we enjoy spoiling them," he says.

Bard has witnessed a successful year at the company which now has a presence spanning 13 offices in the South East and South West, with a total of 115 staff. Academy was established in 1995, but some of the team have worked together for a number of years before that.

Managing director Kevin Munn met Bard 23 years ago and has had a close working relationship since. The senior management team is made of five members, with general manager, Doug Walker, heading up the group. They each have at least 10 years' experience at the company.

Academy's story is one of steady growth with three acquisitions in the last year and a capacity to make further acquisitions in the next 12 months. Although the acquisition market has cooled somewhat in the past six months, Academy has not been unduly affected by the credit crunch.

There have been no attempts to seek outside funding and Bard is reluctant to change the structure of the business. "Someone once said to me to never get in a position where someone can take your business away from you," he says. "We have no plans to look for outside funding in the future."

Academy has also experienced strong growth in recent years.

"In the past three years we have grown our income by over 50% and are forecasting 15% organic growth for the next 12 months giving us a brokerage income of £10m. In addition we are on the lookout for suitable acquisitions," he says.

Cobra

Formed in January 2006, Cobra had a strategy to acquire about eight companies per year with a minimum GWP growth of 25%, says Steve Burrows, chief executive of the Cobra Group. But the onset of the credit crunch has led to a scaling back of these plans. Recent acquisition talks fell through. It understood that while there are a number of possible buyers for the business, no formal bid has yet been tabled.

"It's more difficult to raise funding at the moment," he says. "We have two acquisitions to complete in about two months time. Once they're completed we're going to consolidate for a while. While the credit crunch continues and the global economy has its problems, we'll sit out for a bit. That's fair to say of most consolidators."

The two acquisitions will be a financial services company and a commercial broker, he reveals.

"They're not going to be particularly large companies. The one on the general side will have a GWP of £3-4m and the financial services company would be about £500,000 commission."

Cobra currently has 200 employees but there are no plans to expand on that headcount significantly in the next year. Looking forward, Burrows envisages steady growth but not perhaps to the levels that some have become accustomed to in recent times.

"Our turnover will increase by more than 12% across the group without acquisitions," he says. "The two acquisitions will probably add another million pounds of turnover in addition to that."

Burrows highlights the continued strength of Cobra's network, the launch of its new underwriting agency and its successful model for integration. IT

"While the credit crunch continues and the global economy has its problems, we'll sit out for a bit."

Steve Burrows, Cobra

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'THE RIGHT MAN FOR THE JOB'

Stuart Reid is less concerned about gossip over how he beat two rivals to the helm of VPL than he is about making sure it becomes a £1bn GWP company. Ellen Bennett finds that having just bought SBJ UK, he is raring to go.

It began in Amsterdam. The co-chief executives of Venture Preference, a very new type of broker, decided that three's a crowd. Stuart Reid, Paul Meehan and Chris Blackham took a trip abroad to hammer out the next move.

One year later, though the course of events on those days in Holland is disputed, one thing is clear: Stuart Reid was left in sole charge while Meehan and Blackham resigned.

When *Insurance Times* visits Reid's new office in Holborn in central London, there are no signs of blood on the carpet. Indeed, Venture Preference has only been in residence for a couple of days – the receptionist does not even know who Reid is – and its stay is likely to be temporary.

Following the acquisition of SBJ and scores of smaller buys, VPL (Venture Preference Limited) is riding high at number 10 in the top 50 brokers list. Firmly in control, it's time for Reid to tell the world of his ambitions, his plan to take VPL to £1bn GWP – and to lay some ghosts to rest.

Anyone in the insurance market who has not been sojourning on another planet for the past couple of years will be familiar with the story. But to recap: in January last year, insurer AXA started buying up brokers – as a straightforward investment, to protect its distribution channel, or to one day increase its share of the brokers' books, depending on who you ask.

The first two it acquired were Reid's business, Stuart Alexander and Blackham's Layton Blackham. Meehan's Smart & Cook followed a few months later. The three men were set up as co-chief executives. As Reid now admits, it was a shrewd move on AXA's part. "I don't think any one of us would have sold our business without the ability to be the chief executive."

But it couldn't last. Differing accounts of what happened next have done the rounds but this is Reid's story so we shall stick with his: "We decided ourselves that we needed one [chief executive] and we told AXA it had to choose. The three of us went abroad [to Amsterdam] with the chief financial officer and we sat down and tried to work out who would be right, what would be right. We went over there to

> I don't think any one of us would have sold our business without the ability to be chief executive.
>
> Stuart Reid, VPL

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decide who it would be and threw it back to AXA and said you choose and it did and I'm happy to say I was the one."

Was Reid the right man for the job? He says: "If you were a voting man, perhaps Stu wouldn't have been favourite." There have also been mutterings since that Meehan, who is the more senior with experience of running a larger company, would have been the natural choice.

Do these naysayers upset Reid? He says no and insists that he focuses solely on doing the job, but it would take a tough cookie not to be hurt by such speculation – particularly given that Meehan is now back on board at AXA (of which more later).

Reid has had to toughen up in many ways since graduating from the chief executive of a £52m GWP business to being a man in charge of 2,000 people and £700m GWP (and counting). Not only has he had to cope with a changed relationship with the media – "At Stuart Alexander I would push for stories to be written about us, at VPL stories are written about us without my involvement" – but he has had to tour the UK, stamping his authority on a diverse range of businesses, many of which had until last year answered to his former co-chiefs.

Has he made enemies along the way? It is a question that clearly perturbs Reid, a popular character, well known in the market, connected right down to his fingertips and determinedly charming, with a smile and a quip for everyone.

"I hope not," he says, sounding surprised. "I've never meant anyone any harm – it's only insurance after all." General soundings in the market seem to back this up: Reid is liked, with a reputation as something of a party animal. →

→ "Stuart is gregarious – he's a good communicator, a good guy to get on with," says one senior industry figure who has known him for many years. "He's a hard worker too – he started the Stuart Alexander business and grew it from nothing to an extremely successful company."

But Reid has had his share of irritations. The insurer-owned broker model is new to the UK and many observers believe to this day that AXA is set upon turning VPL into a tied agent, or at least taking a majority share of its book.

The rumours to this effect became so virulent at the last Biba conference that Reid was reported to have left in a huff – he simply shakes his head and rolls his eyes when asked about this now but does admit to 'being peeved' at the time. He says that VPL currently places around 10% of its business with AXA.

"I believe that account will grow but it will only grow if they deserve the business, they have to win it, they will not be given it," he says. Talking to Reid, who is affable by nature, energetic, with passionate opinions, some things take on particular emphasis. That he has had to spend so much time denying so many rumours is one.

> [The AXA] account will only grow if they deserve the business – they will have to win it.
>
> Stuart Reid VPL

"I had to keep repeating to people, 'I'm not a tied agent, I'm not a tied agent'," he says. "It's the same as when I have to say, 'I believe I'm the right CEO, I believe I'm the right CEO'."

What else gets his goat? At the time of the interview, it has just been announced that Paul Meehan is set to return to AXA, in a broker-facing role. People keep asking Reid if he minds – which, he protests, is the only part of the whole thing that bothers him.

"Paul is in charge of customer relations and I'm a customer," says Reid. "Paul and I are actually quite good friends – we get on tremendously well so it should be quite fun. Paul always said that one day we would work for the same company and ultimately it seems that we have." Besides this, says Reid, Meehan "owes him a beer".

So that's the ghosts laid to rest. It might rankle with Reid, but a number of voices are generally more interested in talking about personalities and the history of VPL than in this new breed of business, and his plans for it. Unfortunately for him, that's just human nature, but you can understand his frustration: all else to one side, Reid does have an interesting tale to tell.

First up is growth. In Reid's brand new and clinically bare office, alongside a golden Harrods biscuit tin and a pot plant that has yet to flower, is a large map of the UK, still in its bubble wrap, with 64 red and yellow pins stuck in it representing the broker's offices (red is VPL, yellow is what was SBJ). Reid is tremendously proud of the geographic scale that VPL now boasts.

"I don't think there's an insurance broker in the UK →

Reid on...

Consolidation
"We've learnt a lot from some other consolidators out there, whereby forcing your brokers to use certain underwriters or arrogantly changing methods of working in a short space of time has done untold damage – and we have the benefit of their hindsight."

AXA
"We're close to AXA. We know it very well. I would like it to grow its business. I think it has got a lot to offer but it also has a lot to sort out – such as its client services issues, as we all know."

Commission levels
"If we make money for insurers I think we've got a good argument to maintain the commission levels that we're on. It's different for parts of the business."

The market cycle
"There are quite a few insurers that talk a good game but we are not seeing the action. I see a lot about them writing for profit, not writing for premium income. If they aren't making money why don't they put their prices up?"

Commission disclosure
"We are spending a lot of time with Biba trying to come up with a solution. Everyone will read this article and say: "Well, that's because he doesn't want his commissions to come down. But it could undermine the industry – be careful what you wish for."

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Integration for me means making the best of the things you have bought, bringing together the best of breed... treating the customer much more fairly.

Stuart Reid, VPL

➔ that has built quite so fast," he says – several times, in fact.

Now the challenge is integrating the businesses. Integration is a popular buzz word but what does it actually mean? "Integration for me means making the best of the things you have bought, bringing together the best of breed," he says.

"One example is to use our schemes and specialisms that we have in our niche areas throughout the group. If you have a specialism in care home insurance and you're insuring care homes in Scotland through your normal markets you would transfer it into the scheme specialism and treat the customer much more fairly and give him a better policy for his money."

Perhaps luckily for VPL, integration will also mean a new brand, to be shared by the whole business, which still trades under its different names. The new name – "I'm not telling you what it is!" – should be unveiled by the end of the year, although it is already several months late.

As well as the odd Greenfield office, growth essentially means acquisition, which even in these turbulent economic times Reid is bullish about. Over the next three years, he will be "acquiring, a lot smaller businesses but a lot more in number".

Could that mean price wars with fellow consolidators? Apparently not. "I don't see anyone in that space at the moment, I don't see anyone buying the small business with a turnover of £5m, £10m premium and below." In fact, he thinks the other consolidators – the Giles, Jelfs and Ovals of this world – will be more concerned with buying each other than with soaking up smaller brokers.

Reid also plans to expand VPL's network – currently called Layton Blackham Business Solutions – but rules out acquiring another network. This, along with the acquisitions, will assure him of the fabled £1bn GWP he has pledged to reach by 2010.

The most important step on this path to date has been the acquisition of SBJ and, days before this interview, the announcement that SBJ would be integrated under the VPL label and his own leadership.

Reid insists that its integration into VPL was always the long-term goal and it was simply the sheer size and complexity of the business which led to the initial takeover being handled by AXA.

While there have been high-profile departures from VPL – which Reid insists have come as no surprise and no major blow to the business – there have as yet been none from SBJ and a new integrated management structure has been announced.

Will there be departures to come? "Oh goodness me, I don't know," says Reid, insinuating, characteristically, that the question is unreasonable. "There are no guarantees in life but there are no planned redundancies."

Indeed, Reid is liable to wax lyrical about his colleagues and the management team that has been created at VPL. He freely admits that it will sound like an advert but says: "I really have been pleasantly surprised by the quality of the people we have got, the people are some of the industry best."

Can life at VPL be as rosy as Reid suggests? When pressed, he admits that working for a large organisation can have its downsides, too. "Things take longer to finish and that can be very frustrating," he says. "There are things I have to doff my cap to AXA on."

That may be so, but for a senior executive at a major multi-national corporation, Reid seems to have remarkable freedom to speak his mind. **IT**

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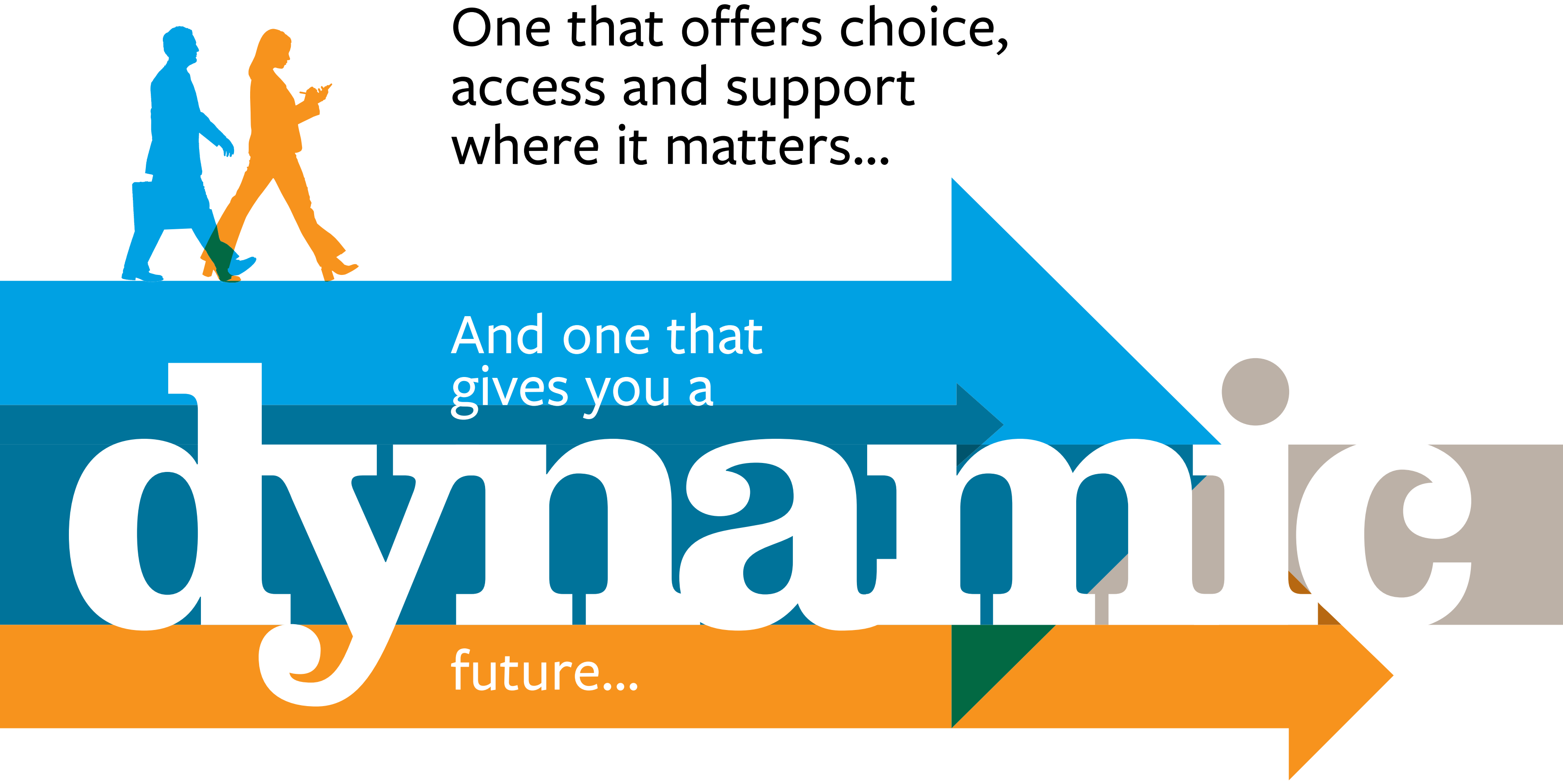

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RACING AHEAD

When the AA and Saga joined forces under Acromas last year, a Goliath was born. Simon Douglas, the AA's director of insurance, tells Ellen Bennett how the two companies work together while keeping their identities distinct.

The AA and Saga are a force to be reckoned with. Traditionally associated with safe drivers and silver-haired holidaymakers, respectively, the two brands – which merged last year – are a formidable and aggressive presence in the broking scene. Knocking super-broker Willis off the number three spot, as they did this year, was no mean feat.

Backed by private equity investors, the two companies were bought by holding group Acromas Holdings last September. Acromas released its first annual report at the end of January showing impressive profits, with a gross turnover of £588.2m and an operating profit of £141m. But other than that little has been said and how these two massive, and very different, companies operate together remains something of a mystery.

"I know, it's dreadful, isn't it?" says the AA's director of insurance Simon Douglas, with a wry grin. "There's so much to say." Douglas joined the AA from Munich Re last year, after a tap on the shoulder from Acromas chief executive Andrew Goodsell. Despite the rather obscure title of product and actuarial director, he is in fact responsible for all of the AA's insurance products as well as its relationships with its panel of 25 underwriters. He told *Insurance Times* how the AA and Saga work together, how they work independently, and their plans for the future.

Douglas is tanned, relaxed and smiling after a holiday in Florida. Clearly enthused by his role, he appears ready to take the AA to the next level.

Asked to explain the rather confusing structure of Acromas Holdings, the AA and Saga, he responds with admirable frankness. "The businesses are being run separately but with strong synergies and learning being applied," he says. So far, so management-speak. However, he adds: "Acromas Group was formed to be the holding company and the two biggest companies in that are Saga and the AA. There's a group with its own board. ➔

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➔ Andrew Goodsell is chief executive, then the AA has its own board, which Andrew Goodsell chairs. Andrew Strong is the chief executive."

It sounds a little complicated but the trick is to think of the AA and Saga as two separate businesses linked only by their parent. This is certainly how Douglas sees it. Quick to laugh, he is keen to point out, in his lively Scottish tones, that while the AA has learned from Saga, it has retained its operational independence. The company recently installed new computer systems that were modelled on Saga's but has so far been careful about cross-selling opportunities.

"We don't as a rule cross-sell with Saga," says Douglas, "though we have introduced the other company to our customers – for example in the private medical insurance arena, we had an exercise where the AA introduced Saga to its members and offered them a Saga product. We saw it as a way of testing whether that was an area we could move into ourselves."

While the AA is cautious about cross-selling to its sister company's clients, it is bullish about cross-selling to its own. Indeed, this is the major plank of its growth plans. The business has just been restructured to operate as a single entity – across insurance products and roadside assistance – rather than as two divisions. This, says Douglas, puts it in a fantastic position where it can mine its 15 million-strong database of roadside customers, and cross-sell in lines that are outside the motor sector.

Douglas admits that while the AA has 15 million roadside customers, it has only 1 million motor insurance customers. Anyone can see that this amounts to missing a trick. "We simply should have a much higher proportion of our [roadside] members with cover," he says. And there are plans afoot to do just that. Douglas coyly cites a "number of initiatives", including a shift from television advertising to direct mail, and he is emphatic about the knowledge the AA has of its drivers, information that could be passed on to make underwriters better informed.

"The other aim is to capitalise on the number of customers we have as a group and the number of touchpoints we have with them," he says. "We can talk to them about other products such as home insurance. Really, it's all about sales through service. If you had just saved someone a packet on their motor insurance, why wouldn't they want to find out if you could do the same on their home insurance?"

As its growth plans show, the AA is in a healthy state. Would it consider cost-cutting in response to the current downturn? "This is a business about growth and with that, I would hope, comes a growth rather than a reduction in numbers," says Douglas.

An important part of his job is to build relationships with the 25 insurers on the AA's panel, companies Douglas is keen to get round to visiting soon. He will be helped in this by the fact that the AA and Saga have no plans to leverage their joint scale in a bid to squeeze better deals out of insurers. Indeed, given the AA's panel structure, this would not be possible

"It's a very different nature [of relationship] when you have a panel," says Douglas. "It's the mechanism of the panel that requires companies to compete, so if one panel member puts its rates up then it loses business to other panel members. You don't really need to micro-manage the panel to get good value. The AA operates very much like a direct insurer." Essentially, the AA develops and owns the products that it offers to its customers and its panel insurers compete to offer the best price.

> We don't, as a rule, cross-sell with Saga though we have introduced it to our customers, for example in the PMI arena
>
> Simon Douglas, the AA

Vital statistics

- AA and Saga were bought in September 2007.
- Profit after tax for Saga in the year ended 31 January was £91.5m pre-acquisition and £34.9m post-acquisition.
- Profit after tax for the AA in the year ended 31 January was £605.8m pre-acquisition and £305.6m post-acquisition.
- Acromas group turnover was £569.7m including the AA's and Saga's underwriting and broking commissions.
- Group turnover relating to underwriting activities was £569.7m.
- Gross profit relating to underwriting activities was £280.3m.
- Number of policies from the group's financial services businesses: 4.8 million.
- In the 2007 Mori Corporate Image Survey, Saga came joint first for favourability with a score of 86%.
- The AA came third in the same survey for value for money.
- Saga and the AA were acquired for a total cost of £6.3bn, funded from £4.8bn of private borrowing.
- Acromas delivered EBITDA of £484.5m.

Despite its size and massive brand power, the AA faces the same tough market as any other motor player. The company has stated that motor rates need to rise by 20% if underwriters are to move back into profitability – but how would such a trusted brand explain to its loyal customers that such large price hikes were necessary? Douglas looks slightly awkward for the first and only time in the interview. "Good question," his PR mutters.

"I'd like to think there was a way you could communicate it to people – we have to just make sure our products are good quality and we offer our customers good value," says Douglas. "Every insurer that changes its rate will take a slightly different approach, that's the advantage of the panel approach we have." He adds that while the market needs to move, it is showing little sign of doing so.

With his busy day job and ambitious plans for growing the AA's insurance presence across more lines of business, Douglas's Florida break must seem like a long time ago. He recalls taking his son on a huge roller-coaster, plunging three times down a 200ft vertical drop.

"A bit like a day at work," he jokes. IT

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A capital conundrum

London is undergoing a period of softening rates, with homegrown and international competition taking its toll on brokers. While key sector players paint a gloomy picture, Tom Flack finds things are far from black and white.

What's happened to the London market? It has been a difficult year for the capital's brokers, outflanked by both domestic and foreign competition, resulting in an 1.1% drop in revenues among the top 50 brokers with a presence in the sector.

A number of players, most notably global brokers, have stood still in terms of growing their business, with the top five seeing their brokerages slip by an average of 2.3% – double the overall decline for the sector.

While softening in the London market continues, attempts to exploit the growth potential of the UK regional markets have proved challenging, thanks to the rise of the consolidators and broker networks. Moves towards web-based and direct trading models in the SME space have eroded London players' ability to leverage their expertise.

> It's a very competitive environment in terms of brokers. It's that simple.
>
> Andrew Agnew, JLT

Meanwhile, mid-tier operators, such as Cooper Gay, THB, Hyperion and RK Harrison have made strides through organic and acquisition-led growth.

The decline in revenues is widely put down to three factors: cut-throat competition in a soft market; adverse exchange rates; and the migration of business into emerging global markets, where it can be serviced locally.

"You have a strong pound, low premiums and the capacity that exists in the world markets is pulling business away from London," says David Howden, chief executive of Hyperion, in which private equity heavyweight 3i took a £50m stake this year.

Rob Woods, chief executive of Aon Global UK's broking teams, agrees. "Competition in the London market for certain classes is extremely fierce," he says.

Pressure on rates has prompted a focus on the top line for some and the bottom line for others, including the global brokers. "It's a very competitive environment →

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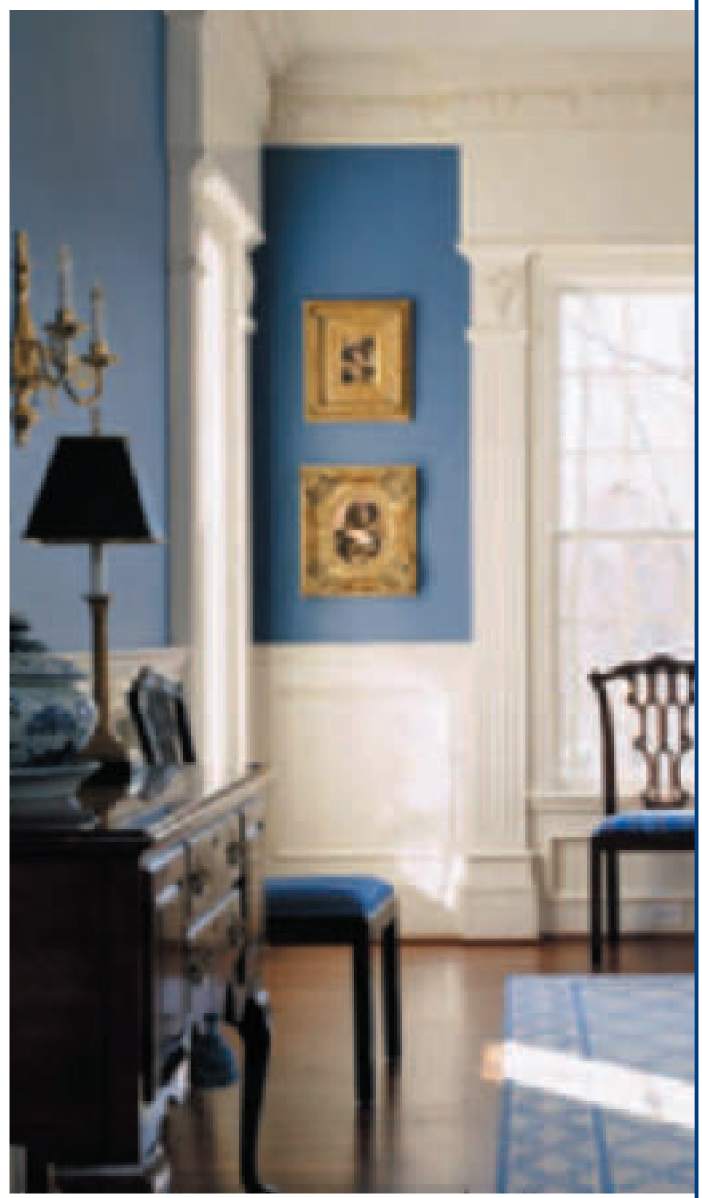

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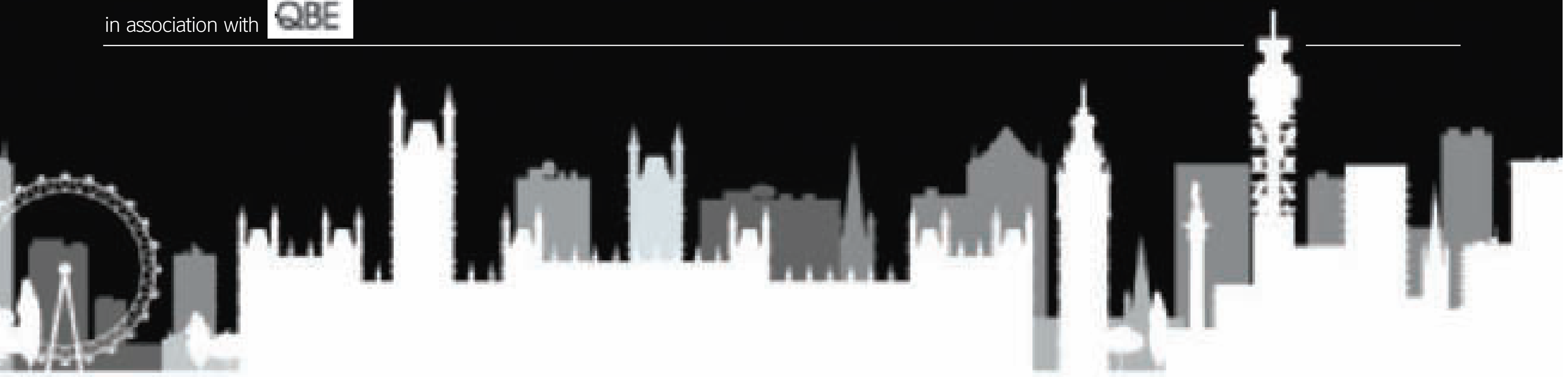

➔ in terms of brokers. It's that simple," says Andrew Agnew, chairman of Jardine Lloyd Thompson (JLT), whose parent recently bought London market rival HWS for £8.75m.

Mark Grice, broker analyst at Mazars, says the impact of foreign exchange is also significant. "Currency is a major revenue driver," he says , pointing out that while London market brokers transact around half their business in dollars, expenses are paid in sterling.

Vic Thompson, THB chief executive, says: "The exchange rate has a much more significant impact than investment earnings." He estimates that currency conversions have taken £5m off the bottom line since the company floated in 2002.

Retaining risk

The problem is compounded by changing buying habits. "Clients are continuing to retain more risk," says Christopher Hood, insurance group senior manager at PricewaterhouseCoopers (PWC).

Tim Leggett, insurance partner at Ernst & Young, adds: "People are become more aware of what brokers charge." He cites the disclosure-driving impact of the Spitzer investigations on transparency. Clients are increasingly trying to do deals with brokers to reduce their fees. This is something of a newer phenomenon."

> Brokers want to make sure they pick up easy risks, but London is a high-cost place.
>
> Tim Leggett, Ernst & Young

JLT's Thompson says premiums are not the only thing falling. "My feeling is softening is happening at around 15% a year. Also, we're seeing a reduction in primary layers. If London had 50% last year this has shrunk in many cases to around 35%."

Despite huge losses in engineering and mining this year, it will take something literally earth-shattering to remedy the situation. Hyperion's Howden says: "Capital has to be serviced. Rates will only rise when capacity comes out of the market. Only a global catastrophe can do that."

The soft market also impacts smaller and wholesale brokers in the London market who rely heavily on commission revenues. "Fees are more applicable to the larger brokers because smaller brokers often don't have the necessary risk management in place to service the client entirely," says Mazar's Grice.

Yet it is the same larger brokers that are adding to pricing pressures. "One mistake the global players have made is being willing to collapse on fees," says the chief executive of one UK top 30 broker.

"Wholesale brokers are exposed," adds a source at a London market broker body. "If rates sink, fees do not go down at the same rate as commissions. But in a hard market, if and when rates go up commissions do not necessarily follow."

"The wholesale book is primarily driven by pricing and available capacity," says Aon's Woods. "The change in [Lloyd's] rules, when balanced against the globalisation of capacity and ease of communications, will make it much more difficult for the 'generalist wholesale' broker to demonstrate what value they are adding to the end client."

> Rates will only rise when capacity comes out of the market. Only a global catastrophe can do that.
>
> David Howden, Hyperion

While commissions offer little stability in terms of existing business, the London market is also losing some of the business it is already used to placing.

"Some business historically placed in the London market can now find other forms such as direct or web-based trading," says Paul Bridgwater, chief executive of RK Harrison, which puts revenue growth of 16% in the past year down to specialisation and poaching and retaining talent.

"London holds on to business that requires talent to broke. That's why business comes here – to access to systems and talent. In the regions it is more about local servicing."

"Big complex risks still find their way to London and Lloyd's," adds Leggett. "There are not many places where you can replicate the type of support services, expertise and access to clients that you get in the London market."

The emergence of rival hubs with lower cost bases, including Bermuda, complicates the picture further. PWC's Hood says that business migrating from London is a question of geography.

"Where there is capacity being provided overseas in places such as Asia or the Middle East, local brokers may be more likely to be involved in placing this business and they may not necessarily be part of London market broking groups."

"Brokers also want to make sure they pick up easy risks but London is a high-cost place for brokers to do business," says Leggett.

If you can't beat them join them, says Thompson whose company THB, having sold its UK provincial network two years ago, grew by over a third with its acquisition of rival PWS earlier this year.

International viability

Thompson continues: "Brokers that are purely London market operations will struggle. Part of the rationale for the acquisition of PWS was it gave us instant international viability. The difficulty is foreign investment is an expensive road to travel and if you want to go global, the brokers you can buy are few.

"On bigger risks placed through the international market, I'd be surprised if London's share hadn't reduced," he adds.

JLT's Agnew believes not all the business that is moving away from London will be doing so on permanent basis. "I think that US domestic market is extremely competitive but if you show them business that is exposed to natural catastrophe, it gets tricky," he says

Commenting on Bermuda, Agnew adds: "It is becoming more and more of a swing market. When capacity becomes tight ➔

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➔ business moves there – when capacity is readily available more business is likely to stay within the domestic markets."

While more international business is remaining exactly that, the view from the UK regional markets which account for around a quarter of London market revenues is equally gloomy. The proliferation of broker networks helps smaller regional brokers maintain their position and enhance their offerings, while direct SME players and consolidators overlap ever further with their London market counterparts.

"There are a lot of Lloyd's brokers that have good products, but don't have distribution," says Howden. Given the perilous position in which many London market players find themselves, what can be done? Focusing on client retention and products and lines that are not as influenced by declining rates, such as political risk, is one option.

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Aon says it has delivered growth by focusing on markets in which it was previously underweight.

Growth is the rationale behind JLT's acquisition of HWS and Cooper Gay's purchase of Heath Lambert's UK wholesale division, FSJ, three months ago.

Ernst & Young's Leggett says: "Brokers will be looking at their costs base. Interest rates are also down, which puts more pressure on [building brokerage]."

The move to cut costs has been led by the global players, with Willis setting an operating margin goal of 29% by 2010 and Marsh and JLT 20% by 2010 and 2011 respectively.

"The four big brokers have tiers of expense, and layers of bureaucracy. They have wasted a lot of money on bad systems," a chief executive of a leading Lloyd's broker says. "But the move to cut expenses indicates they are having difficulty growing the top line."

PWC's Hood says: "Some brokers have been slow to diversify into providing other services to clients outside of broking and to charge them for it." The list includes employee benefits and consulting, and employing new staff such as actuaries, to enhance their service.

But the most recent evidence of this trend, emphasising the convergence of the insurance and capital markets, is the dealing of Insurance Linked Securities – the form of insurance risk distributed to capital market investors – which will inevitably gather pace following Benfield's $50m (£25m) investment in its investment management arm, Juniperus Capital, which launched in June.

> Financial metrics will become unsustainable... and consolidation will be inevitable
>
> Rob Woods, Aon Global

Handing the underwriting pen to brokers has also taken off in the past year. Both JLT and THB have unveiled ring-fenced underwriting business, Thistle and Unicorn, while others including Willis and Cooper Gay are setting up managing general agency agreements with blue-chip insurers.

For those that can neither focus nor diversify, only one outcome is likely, which one senior market source calls the "clearing of the decks", or what Mazar's Grice describes as the decline of the "lifestyle business".

Financial metrics

"Competition is squeezing margins and, coupled with wage escalation due to the war for talent, the financial metrics will become unsustainable... consolidation in the sector will be inevitable," says Woods.

But the next wave will not be limited to the smaller players, with sources maintaining that many of the best candidates remain in play even after AXA's blockbuster buy of SBJ and Willis' purchase of Glencairn in recent months. And it looks like there could be ample buyers in the frame.

"We'll see more activity at the top end," says Leggett. "It's not doom and gloom. Brokers just have to be more imaginative." **IT**

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PERSONAL
LINES
BROKER

BACK FROM THE DEAD

Long dogged by exaggerated predictions of their demise, personal lines brokers are beating the odds and staging something of a comeback. If anything, writes Tom Flack, they have got smarter and richer.

Personal lines brokers will soon be extinct – or so the myth goes.

Given the increasingly commoditised market, steadily eroding the need for traditional broker advice, and the combination of a long period of falling rates and rising levels of consumer churn, the morbid predictions are not so surprising.

Yet the latest numbers emphatically prove that the personal lines broker is alive and kicking. For the year ended 30 June, the combined revenues of the top 50 brokers rose by 17%, up 1% on 2007.

Leading the pack are household names such as BGL (43% growth in 2007), Swinton (37%), and Kwik-Fit (19%), but the figures suggest that smaller players have also found ways to expand.

Ironically, much of the brokers' growth has come from the source long tipped to be their annihilation – aggregators. Instead, there has been a seismic shift in brokers' business models, turning the distribution power of aggregators to their own advantage. For the larger players this means low margins, high volumes, and profits from the sale of ancillary and additional products, namely upselling and cross-selling.

"Five years ago, a broker's business model was to take an insurer's rate, add 20%, and take the proposition to market," says Ian Clark, insurance partner at Deloitte.

This strategy gave companies such as Direct Line an expense advantage, allowing them to undercut and grow their policy count while cross-selling legal expenses cover to over 90% of their client base. At £5 per policy – and with more than two million policies – the implications for the bottom line were considerable.

Brokers took note. Now, instead of uplifting the rate, they will pass it on at nil, increase or even discount it. This allows them to build up a big customer base while creating vast potential for selling other products, such as breakdown cover.

Clark adds: "Big brokers control claims. They get kick-backs from credit hire companies for replacement vehicles, and from law firms and medical reporting organisations for personal injury claims.

"It is very aggressive on-selling and kick-back based on competitive pricing. This creates reasonable value, and potentially high margins."

Bert Main, business development director at Kwik-Fit, which has 1.1 million policies on its books, credits ancillary products for growing the business. "Upselling is a common feature. We've all had to take lower margin in private car and household simply to compete, but this has allowed us to employ tactical pricing."

Though upselling has lucrative implications, some commentators – including Paul Smith, managing director of Heath Lambert's £100m GWP personal lines arm, HLIS – urge caution.

Smith says: "The vast majority of the larger players pursue the add-on strategy, underpinned by up-selling and cross-selling. But we think this is dangerous. It's a short-term strategy. Add-ons are expensive – more expensive than including it in the original policy. What if people stop buying them? There's also the issue of Treating Customers Fairly, and the reliance →

> Upselling is a common feature. We've all had to take less margin in private car and household simply to compete but this has allowed tactical pricing
>
> Bert Main, Kwik-Fit

Illustration by Jonathan Edwards

Illustration by Jonathan Edwards

➔ on getting your name to the top of the [aggregator] screen."

Despite this, over a tenth of HLIS's 13% increase in revenues in 2007 was derived from aggregators, a total figure that could rise to 25% by 2010. Market-wide, this figure stands at over 60%.

"Five years ago, this figure was 15% to 20%," says Matthew Donaldson, group director at BGL. "We're now seeing a 5% increase per year."

With ample room for further upselling, this trend looks likely to continue. Cross-selling, meanwhile, remains at relatively low, though rising, levels.

"The power here is cross-selling motor to home," says a spokesman for the AA, commenting on higher volumes of contents insurance being purchased on the back of last year's floods. Kwik-Fit, meanwhile, is targeting growth of a third in its household account to 80,000 policies by the end of the year.

While motor accounts for the largest chunk of growth in personal lines revenues, household portfolios are growing at a faster rate. Patrick Smith, chief executive of Swinton, says that while motor and home have grown in parallel since 2003, over the past year, half of the company's growth came from motor, and about 30% from home.

Swinton is certainly the odd broker out, in that the hub of its retail strategy is its network of more than 480 branches. While there are benefits of having an infrastructure with such broad and personal access to clients, most observers argue that the value of the high street broker will inevitably reduce as transactions move to the web.

BGL sold its retail branch network to Swinton two years ago, but Smith insists that given the margin pressures aggregators have created, branches and call centre models still offer best profitability – especially on a scale that no one else can touch.

"We have a core of clients who may not buy their insurance on the internet," he says. "That number has not diminished." Half of Swinton's new motor business and up to 80% of household is generated off-line.

By contrast, Kwik-Fit and BGL source between 85% and 90% of their total business from the web.

The top 50 brokers' revenues are growing fast, but market share is growing slowly, and profitability, as Smith suggests, is falling: "Net premiums are growing but there has been a reduction in retail margins, including our own. As for discounts, we don't recoup them."

The solution is to increase the top line. "In the past five years profits have grown. It's a role reversal in recent years. We have the challenge of pursuing volume. There is very little profit coming out of aggregators and anyone who relies on that strategy could run into trouble."

Deloitte's Clark adds: "Aggregators mean that brand is of less importance. But to pull volume, you have to be competitive."

BGL's Donaldson agrees that his operation has a volume-led strategy. "Our profits are not a reflection of the net value we have created. Not that we make a loss, but it's less about margin."

Kwik-Fit's Main says that the company's strategy, underpinned by private equity capital, means that both profit and volume are key drivers.

"Our strategy is to make year-one profit. That might hold us back in volume terms," he says. Still, like BGL, Kwik-Fit has delivered 20% growth from new customers in the past year.

The problem is that few brokers can actually be volume players. Instead, the opportunity is to specialise, filling in the holes in their rival's armoury – a process that Heath Lambert's Smith describes as the reversal of the 80/20 rule.

"Some brokers are happy to go for that 20%," says Smith. "There are opportunities for smaller brokers on aggregators to pursue the niche, to form strategic alliances with volume players to create that extra channel."

These brokers can position themselves to suck up consumers who elude most insurers and brokers' risk profiles following a killer question, such as high flood risk. ➔

Net premiums are growing but there has been a reduction in retail margins including our own. As for discounts, we don't recoup them

Paul Smith, Heath Lambert

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TOKIO MARINE GROUP

➔ Commentators add that there is ample room for growth in segmented lines, such as motorbike and caravan.

Be it by web, by phone or by foot, the increase in rates over the past year has boosted commission revenues for brokers, with motor climbing 6%, buildings 4.3%, and contents 3.3%, according to the AA.

"We have a linear relationship with our insurers," says Donaldson. "As rates increase, so do our revenues." Like many of the larger personal lines players, BGL acquires business from its insurer partners on a net-rated basis, with variable commissions added on, allowing it to benefit from any upswing in the rating environment.

And while the brokers grow, the direct insurers have scaled back.

"NU has gone backwards," says Main, adding that bancassurers have also struggled. "They have talked a good game. But they will have to change their strategy."

Donaldson adds: "Many of the banks are tied into solus deals with insurers that don't have that competitive footprint. Those with a panel do well.

"The direct insurers are looking to maintain profitability, which means shrinking in size. With their limited footprint, they are unable to grow."

Still, some direct insurers – most notably Swiftcover – are growing fast. Direct Line, despite losing volume in its motor book, achieved substantial growth of its household portfolio in 2007.

Heath Lambert's Smith suggests that because fewer mortgages are being bought at the moment, banks and building societies' opportunities for cross-selling are more limited. In 2006, bancassurers controlled around 28% of the household market and direct insurers 17%, according to the ABI.

In the motor market, direct players had around 45% market share in 2006, up from 38% in 2003. With that figure now starting to fall, opportunities for partnerships have been created as insurers look to strip out costs across their businesses. Deloitte's Clark says that insurers are happy to sit behind brokers because they, too, save on marketing spend.

"Insurers will always want to underwrite," says Smith. "They accept between 60% and 70% of their leads. We can take the other 30%. That creates opportunities for schemes that we can manage operationally on their behalf."

The move towards the partnership approach been demonstrated recently when Junction, the affinity arm of BGL, inked a 'lead-off' deal with More Th>n, the direct arm of RSA. Leads that fall outside More Th>n's risk profile are passed on to Junction, and its panel of insurers.

BGL credits Junction – which has more than one million policyholders under the umbrella of brands including the Post Office and Marks & Spencer – with driving the company's growth over the past year.

"We offer insurers distribution capability," says BGL's Donaldson. "They choose their underwriting footprint where they can compete and do well. It's win-win."

> We offer insurers distribution capability. They, in turn, choose their underwriting footprint where they can compete and do well. It's win-win.
>
> Matthew Donaldson, BGL

He adds that consumers respond well to stronger brands, which is contributing to the move away from price.

"It's not as one-dimensional as cross-selling and upselling," he continues. "We estimate that 40% of consumers are choosing their policy based on factors other than price," says Donaldson.

He appears to be right, with the Post Office and M&S ranked second and fourth in terms of absolute growth last year in the motor market. Budget came eighth, according to research by Consumer Intelligence. In terms of relative growth, the Post Office and M&S ranked second and third, and the two brands also featured in the top 10 household insurance lists.

So why aren't all the big brokers piling into the affinity market?

"Some brokers will perform well," says Kwik-Fit's Main. "But you need a huge amount of capital. Margins are so tight at the moment there is no value in us getting involved. And there is no long-term guarantee in those types of deal."

Indeed, when it comes to personal lines, there appear to be few guarantees of any kind. But, as Junction managing director Peter Thompson puts it, big brokers will have a big part to play in the future.

"The direct writer model that was once so ground-breaking is now dead.

"The winners today are those that can provide quotes for a wide range of customers and do so competitively." **IT**

On aggregate – a win for brokers

A year ago aggregators, already controlling over half the personal lines market, were treated as a threat to brokers. The reality, however, is they have created opportunities at both ends of the broking spectrum.

First, they have lowered barriers to entry into the market. This is key for smaller players with limited marketing budgets, while also allowing volume players to grow and cross-sell. The fundamental importance of this was highlighted earlier this year when one site banned brokers from cross-selling products, triggering outrage.

Aggregators provide brokers with a wealth of information on both consumers and competitors. This means schemes with underwriters can be tailored to compete more effectively with direct insurer rivals. Consumers benefit by getting an idea of a good price and then going to a broker to buy the policy, at which point revenue-boosting ancillary products can be bought.

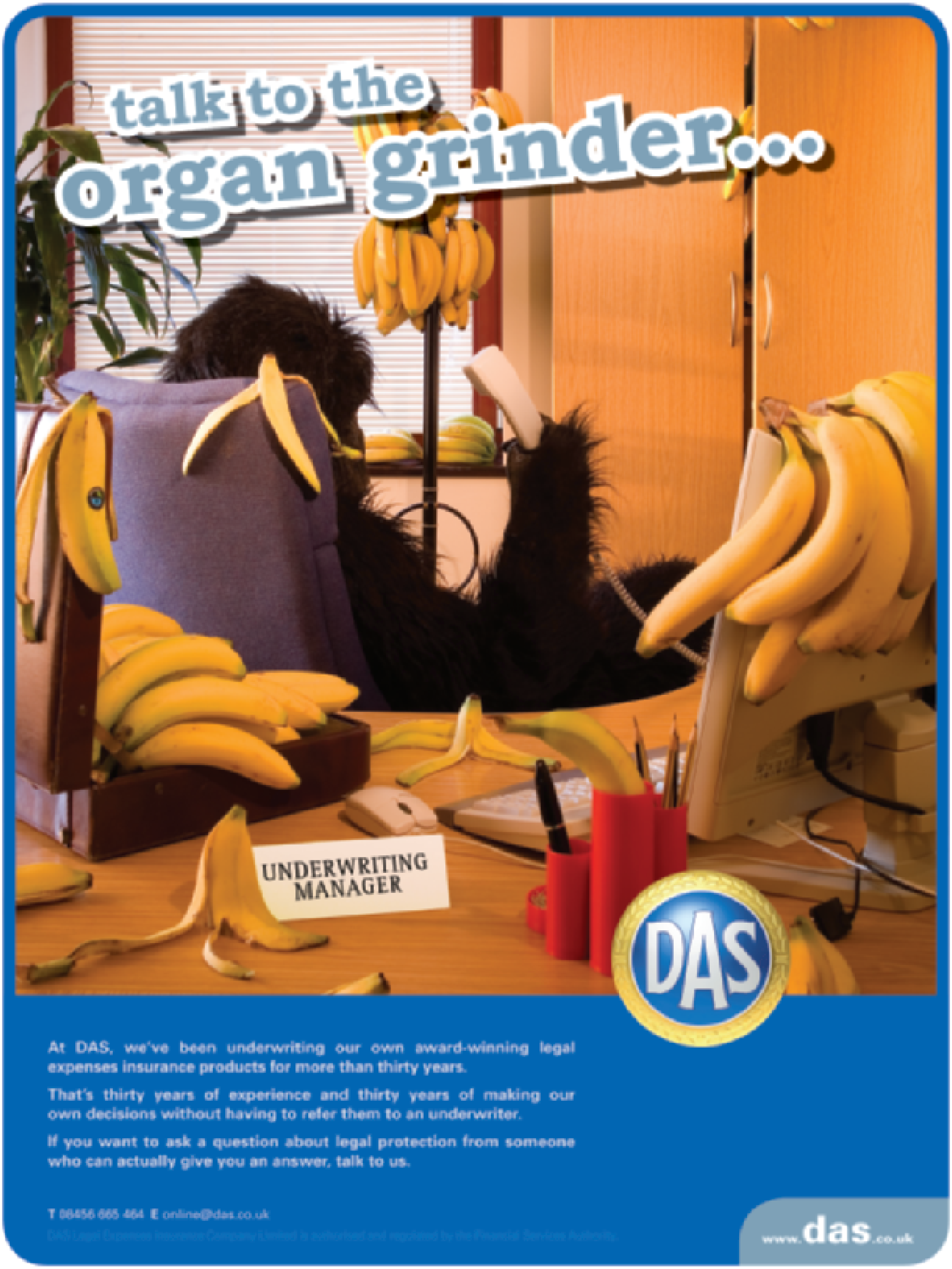
Though other personal lines, including travel and pet, are yet to take off online, brokers and analysts agree that it is merely a matter of time.

Despite the focus on price, there are also signs that consumers are moving away from price-driven purchases and towards the purchase of more complex products online.

The flipside of the coin is that aggregators are driving high rates of churn, with over half of 'aggregator consumers' having switched insurance provider in the past year.

Heath Lambert's Smith says: "I don't think anyone has stabilised their business model. We were all too optimistic about benchmarks for retention.

"If you make it easier for customers to change their policy, you will lose customers. You live by the sword – and die by the sword."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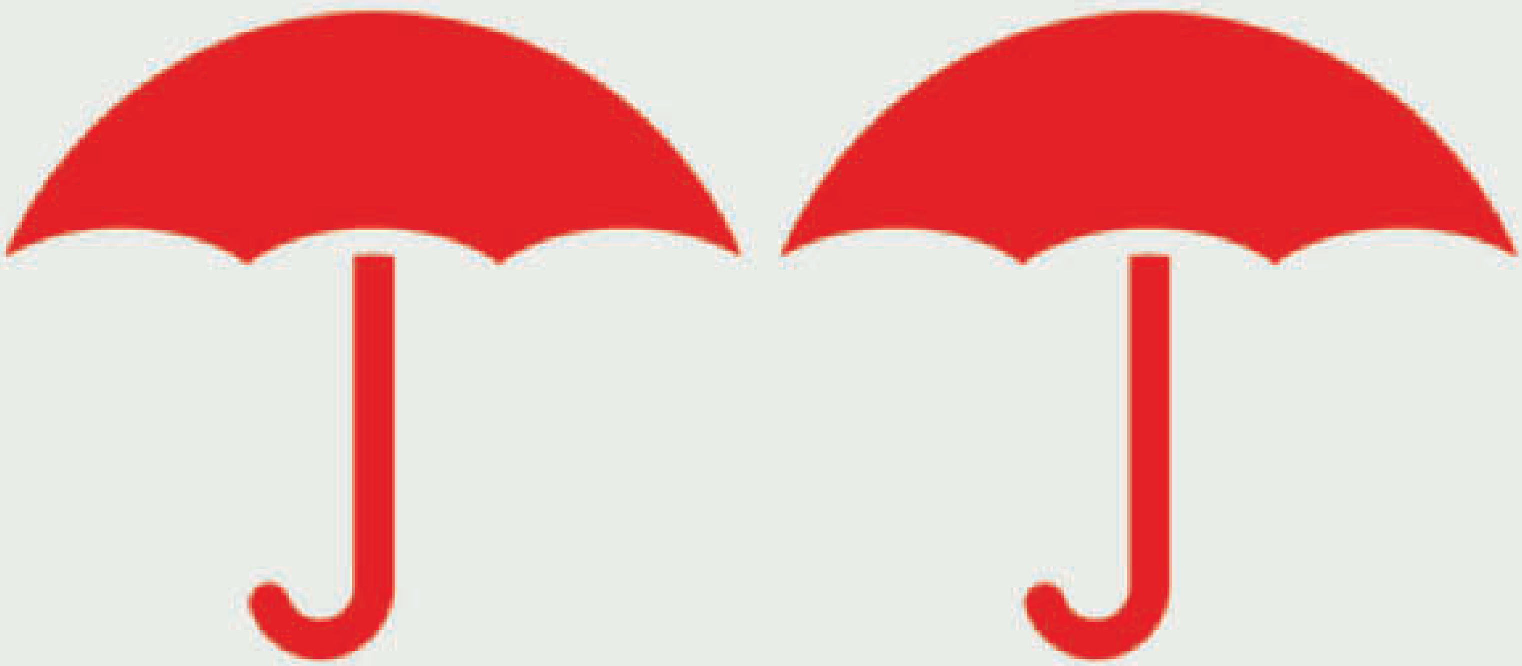

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The top 50

Peter Harmer

#1

Aon

8 Devonshire Square
London EC2M 4PL
Tel | 020 7623 5500
Web | www.aon.com

Last year's ranking: **1**

Brokerage (2007): **£510m**
Pre-tax profit (2007): **£93.5m**

UK branches: **24**
UK employees: **5,135**

Chief officer: **Peter Harmer, chief executive**

Established: **2001 following the merger of Aon's businesses in the UK. Parent firm, Aon Corporation, founded in 1982.**

History
Since first listing on the New York Stock Exchange as Aon Corporation 20 years ago, the company has expanded rapidly via organic growth and acquisitions.

Aon was originally formed in 1982 after the merger of two Chicago-based insurance underwriting groups, Combined International Corporation and Ryan Insurance.

The business expanded into broking and services through strategic acquisitions, such as Hudig-Langeveldt, a cargo ship insurer founded in 1680.

Major UK acquisitions included Nicholson Leslie, Jenner Fenton Slade, Bain Hogg, Alexander & Alexander Services Inc, Alexander Howden Group and Minet Group.

Aon is a world leader in risk consulting, insurance and reinsurance brokerage, human resources and management consulting and outsourcing.

Major shareholders
Aon (UK) is a wholly owned subsidiary of Aon Corporation.

Main lines of business
Risk consulting, insurance and reinsurance broking and human capital and management consulting.

Chief officer biography
Peter Harmer was appointed chief executive of Aon UK in January 2007, after running Aon's Australian operations since 2000. He has worked in insurance for almost 30 years – including 21 at Aon – spanning underwriting, reinsurance broking and retail insurance broking. This has included building businesses, innovating products and services and developing high-performing teams.

In Australia Harmer was managing director of John C Lloyd Reinsurance Brokers from 1992 and drove the merger of John C Lloyd and Alexander Howden in 1996.

In 1998 he was appointed chairman of Aon Re and also served on the board of Aon Re International.

Harmer is also an executive officer of Aon Corporation and sits on the executive committee of Aon Risk Services. In April he was appointed chair of the Market Reform Group. →

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Martin South

#2
Marsh

Tower Place
London EC3R 5BU
Tel | 020 7357 1000
Web | www.marsh.co.uk

Last year's ranking : **2**

Brokerage (2007): **£500.1m**
Pre-tax profit (2007): **n/a**

UK branches: **25**
UK employees: **2,550**
(excluding Guy Carpenter)

Chief officer: **Martin South, chief executive**

Established: **1871**

History
Marsh was set up as an insurance broker and risk management adviser in 1871 by Henry Marsh. In 1903 Donald McLennan established a standard for thorough research in assessing risk after travelling coast-to-coast across the US to inspect the operations of two railroad lines. Burrows, Marsh & McLennan was formed in Chicago, becoming the world's largest insurance agency with annual premiums of £6m.

Today, Marsh is a unit of Marsh & McLennan Companies, a global professional services firm with more than 55,000 employees and annual revenue exceeding £22bn.

Main lines of business
Alternative risk transfer, brand and reputation risk, business continuity management, business interruption, commodity price risk, competition and contractual risk, corporate governance, credit risk, directors' and officers' liability, employee risks, enterprise risk management, environmental risk, fleet risk management, foreign exchange risk, IT risks, mergers and acquisitions, natural catastrophe, operational risk, pandemic diseases, pensions, physical security, PFI, product liability and professional liability.

Chief officer biography
Martin South took up the post of chief executive of Marsh UK in February 2007. He also serves on Marsh's international division executive committee.

#3
Saga/Automobile Association

Fanum House
Basing View
Basingstoke RG21 4AE
Tel | 08705 44 88 66
Website | www.theAA.com

Last year's ranking: **7**

Brokerage (2007): **£421.7m**
Pre-tax profit (2007): **£220.7m**

UK branches (excluding Cardiff and Newcastle call centres): **0**
UK employees: **1,400**

Chief officer: **Simon Douglas, product and actuarial director**

Established: **1967**

History
The AA sold its first car insurance policy in 1907 and from then insurance was recommended rather than sold. But in 1967, AA Insurance Services was launched with a new concept in car insurance offered through a joint venture with a Lloyd's broker.

Cover was sold through the AA's chain of high-street shops: the typical cost of a Standard Plus (fully comprehensive) policy for a Ford Anglia being just £25.

By the mid-1980s, the company was acting much as a direct writer with its own motor and home policies underwritten by the panel and sold through its UK call centres, with online sales soon following. In 1998, the AA's mutual status ended with acquisition by Centrica and in 2005 it changed hands again – this time to the venture capital group CVC/Permira.

Broker Direct Choice and the travel insurance specialist Drakefield were brought in last year, when Acromas Holdings snapped up both the AA and Saga.

Major shareholders
Acromas Holdings: shareholders are its employees and funds advised by Charterhouse Capital Partners, CVC Capital Partners and Permira Advisers.

Main lines of business
General insurance: car, caravan, home, motorcycle, holiday home, life, pet, golf, van and business.

Chief officer biography
Simon Douglas qualified as an actuary in 1990 and spent 19 years at Standard Life in a variety of actuarial and marketing roles.

Douglas became marketing director on the board of Standard Life's healthcare business in 1998 and managing director, marketing, in 2001.

In this role, his responsibilities included product development, pricing, consumer insight and advertising for all of the company's pension, life and protection products in the UK.

Douglas joined Munich Re in 2006 to head its UK and Irish health business and joined the board of the AA in November 2007 as product and actuarial director.

This encompasses management, development and pricing of the AA's breakdown, insurance and driving school products. ➔

Simon Douglas

#4
Willis

The Willis Building
51 Lime Street
London EC3M 7DQ
United Kingdom
Tel | 020 3124 6000
Web | www.willis.com

Last year's ranking: **3**

Brokerage (2007): **£414.3m**
Pre-tax profit (2007): **£99.2m**

UK branches: **28**
UK employees: **4,000**

Chief officer: **Grahame Millwater, president**

Established: **1828**

History
Willis's origins lie in the early 19th century with the founding in London of three firms: Henry Willis & Co, Faber Brothers, and Dumas & Wylie. In 1897, Willis, Faber & Co was formed. When that firm was joined by Dumas & Wylie, in 1928, Willis, Faber & Dumas came into being.

In 1998 the group's shareholders accepted an offer from the leveraged buy-out specialists Kohlberg Kravis Roberts. The group, which had been publicly quoted since 1976, reverted to being a private company. In 1999, its operations came under the Willis Group umbrella. In 2001 Willis Group listed on the NYSE.

Major shareholders
Willis is a wholly owned subsidiary of Willis Group Holdings.

Main lines of business
Willis Group Holdings is a global insurance broker.

Chief officer biography
Grahame Millwater joined Willis in 1985. He was promoted to president in February, having been chief operating officer since November 2006.

Millwater's background is reinsurance. He was chief executive of Willis Re from February 2004 to June 2006 and was also chairman of Willis Re from September 2004 until July 2008.


Grahame Millwater

#5
Jardine Lloyd Thompson Group

6 Crutched Friars
London EC3N 2PH
Tel | 020 7528 4444
Web | www.jltgroup.com

Last year's ranking: **4**

Brokerage (2007): **£391.7m**
Pre-tax profit (2007): **£86.4m**

UK branches: **17**
UK employees: **5,347**

Chief officer: **Dominic Burke, chief executive**

Established: **1997**

History
Jardine Lloyd Thompson (JLT) is a leading risk management adviser and insurance and reinsurance broker. JLT is also a major provider of employee benefit administration services and related consultancy advice

It operates more than 100 offices in 35 countries and employs more than 5,000 people.

Major shareholders
Jardine Matheson Holdings Investments, Silchester International Investors, Sanderson Asset Management and Legal & General Group

Main lines of business
Retail: An international group of retail businesses.

Specialist: a world-class group of specialist teams, serving the particular needs of clients in selected industries.

Wholesale: one of the largest dedicated wholesalers, providing brokers in the US and elsewhere with access to insurance capacity in London, Bermuda and the Continent.

Reinsurance: a reinsurance broker with areas of specialist expertise, a commitment to bring a more analytical approach and a wider variety of risk management solutions.

Employee benefits: employs over 1,000 professional staff in 13 offices in the UK and Ireland.

Consulting: offers a range of advice in the field of pensions, investment and employee benefits to companies, trustees and private individuals.

Outsourcing: manages pension schemes and employee benefit programmes for clients independently or connected to its consulting role. Clients include companies, pension schemes and financial institutions.

Software: develops and implement software solutions to support the management of pension schemes. Clients include small and large pension funds and third-party administrators.


Dominic Burke

Chief officer biography
Dominic Burke joined JLT in 2000 when the Burke Ford Group of companies, of which he was chief executive and co-founder, became part of JLT. He is chairman of the group executive committee and was chief executive of UK and Ireland insurance broking and the group's employee benefits businesses until December 2005.

Burke was appointed a director and chief operating officer of Jardine Lloyd in 2005.

#6
Towergate Partnership

Towergate House
2 County Gate
Stacey Street
Maidstone
Kent ME14 1ST
Tel | 01622 754754
Web | www.towergate.co.uk

Last year's ranking: **6**

Brokerage (2007): **£353.1m**
Pre-tax profit (2007): **£140.5m**

UK branches: **110**
UK employees: **4,600**

Chief officer: **Peter Cullum, executive chairman**

Established: **1997**

History
Towergate Partnerships was formed in 2005 by the merger of Towergate Underwriting and Folgate Partnership. By the end of 2007, it had bought Broker Network and a total of 139 specialist insurance businesses.

Towergate is Europe's largest independently owned insurance intermediary. It provides over 200 specialist products and employs more than 4,600 people across 110 UK offices.

In September 2007 Towergate shareholders acquired Open International.

The Towergate business controls in excess of £2bn of gross-written premium.

Major shareholders
Peter Cullum, Andy Homer, Kenneth Maciver, Paul Dyer and Tony Proverbs

Main lines of business
Retail broking and underwriting (virtual insurers) for commercial and personal lines.

Specialist niche broking schemes: affinity schemes; aviation; care and nursing homes; caravans and park homes; cherished cars; consultants and therapists; education; Federation of Small Businesses; insurance for mortgage brokers; London market; marine; medical professions; military; motor; photography; professional indemnity; Towergate London market; travel; truck; and road haulage

Underwriting sectors: agriculture; aviation;binder management; care homes; cherished cars; commercial underwriting; entertainment; financial risks. Fusion – corporate; SME; household; let property; liability and ; motor; PA and travel; property owners – corporate; property owners – SME; transportations; and travel.

Chief officer biography
Peter Cullum began his insurance career in 1969 with Royal Insurance Group, Commercial Union and ITT London and Edinburgh, where he became marketing director in 1988.

In 1991, he joined Economic Insurance and in December 1993 led a management buy-out that was then sold in 1995 to Hiscox.

Cullum joined Hiscox as group marketing director, leaving in 1997 to create Towergate Underwriting Group.

Peter Cullum

Grahame Chilton

#7
Benfield Group

55 Bishopgate
London EC2N 3BD
Tel | 020 7578 7000
Web | www.benfieldgroup.com

Last year's ranking : **5**

Brokerage (2007): **£325.8m**
Pre-tax profit (2007): **£50.9m**

UK branches: **2**
UK employees: **1,940**

Chief officer: **Grahame Chilton, chief executive**

Established: **1973**

History
In January 1973, Benfield, Lovick and Rees & Company was established, and became registered as a Lloyd's broker six months later. In 1995, it acquired Lloyd's reinsurance broker Ellinger Heath Western.

The new company, Benfield Ellinger, was merged with Greig Fester two years later to form Benfield Greig. In 2001, Benfield Greig merged with EW Blanch to form Benfield Group.

In 2003, the group plumped for a single brand identity and listed on the London Stock Exchange under the ticker symbol BFD.

In September 2005, Benfield Corporate Risk – the insurance broking arm of Benfield – was established.

Major shareholders
Artisan Partners (12.09%) and Deccan Value Advisors (1.13%)

Main lines of business
Reinsurance: property catastrophe reinsurance; casualty reinsurance – motor, general and employers' liability; workers' compensation; professional liability; non-marine retrocession; marine; facultative reinsurance; accident and health; sabotage; terrorism and political risk; and, aerospace.

Insurance : marine, energy; power; mining; property; space; and political risk

Chief officer biography
Grahame Chilton became chief executive of Benfield in 1996. He was part of the management team that led the buy-out of Benfield in 1988 and has been a director since 1986. Chilton joined the group in 1982 from CT Bowring, then a Marsh subsidiary.

Benfield has expanded through a combination of organic growth and strategic transactions. These include the acquisitions of Greig Fester Group, Bates Turner Intermediaries and EW Blanch Holdings.

Under Chilton's leadership, revenue has increased from £50m to more than £300m today. During his years as a broker, Chilton has traded in non-marine, marine and aviation reinsurance and direct retrocession business.

Chilton has also enabled Benfield to receive more than 30 industry awards in the past five years and has established a reputation as the world's leading independent reinsurance and risk intermediary. →

#8
BGL Group

Pegasus House
Bakewell Road
Orton Southgate
Peterborough PE2 6YS
Tel | 01733 374 444
Web | www.bglgroup.co.uk

Last year's ranking: **8**

Brokerage (2007): **£226.5m**
Pre-tax profit (2007): **£46.3m**

UK branches: **4**
UK employees: **2,360**

Chief officer: **Peter Winslow, group chief executive**

Established: **1992**

History
BGL Group was founded as an insurance underwriter in 1992. It changed strategy in 1997 to become an intermediary – a move that has since delivered record annual profits.

BGL Group now arranges and administers insurance for more than 2.3 million customers through its Fusion contact centre operations in Peterborough, Coventry, Sunderland and Peterlee in the UK and Cape Town, South Africa.

It now employs 1,876 people, with its head office in Peterborough.

A major contributor to the group's success was the launch in 2002 of Junction, now the UK's largest personal lines affinity business.

Peter Winslow

Major shareholders
100% Budget Holdings (Guernsey)

Main lines of business
BGL Group specialises in personal lines products under brands such as Bennetts bike insurance, Budget motor and home insurance, carbon neutral motor insurance ibuyeco, price comparison site comparethemarket.com, Dial Direct and Quote Mart.

Affinity business Junction and claims management specialist ACM ULR provide business-to-business services, supported by the group's four UK contact centres, branded Fusion.

Chief officer biography
Peter Winslow qualified as a chartered accountant in 1978 and entered the book publishing industry. He built up and sold a private niche publisher to Harper Collins, which he joined in 1989 as finance director. He went on to become chief executive at Harper Collins from 1990 to 1994. At 40 he decided on a career change, pursuing an interest in high volume, direct-to-the-consumer business.

Winslow joined BGL in 1995 as deputy managing director and became group chief executive in 1997, orchestrating a strategic change in direction as the company moved from operating as an insurance underwriter to broker.

Overseeing a series of high-profile acquisitions and leading the group into new territories such as the affinity and price comparison markets, Winslow and his management team have established the group as a major player in the UK insurance arena.

#9
Swinton Group

Patrick Smith

6 Great Marlborough Street
Manchester M1 5SW
Tel | 0161 236 1222
Web | www.swinton.co.uk

Last year's ranking: **9**

Brokerage (2007): **£208.2m**
Pre-tax profit (2007): **£47.1m**

UK branches: **470**
UK employees: **3,966**

Chief officer: **Patrick Smith, chief executive**

Established: **1957**

History
Swinton was founded in 1957 by Ken Scowcroft.

The company was bought in 1992 by Sun Alliance and then sold to its current owner, MMA, in 2001.

Swinton expanded strongly in the 1970s and 1980s but experienced a difficult period in the 1990s. Following expansion in the past few years, it now has 470 branches.

Major shareholders
MMA, a French mutual insurer

Main lines of business
Swinton provides a full range of personal lines and Swinton Specialist offers cover for imported and high-performance cars while the group also provides cover for motorhomes, caravans, taxis and motor cycles.

Swinton Commercial is the company's business arm and, since its launch four years ago, has become its fastest-growing division. Plans are in place to continue this growth and expand to £150m gross premium income over the next five years.

Chief officer biography
Patrick Smith worked for Norwich Union for 28 years. He launched Norwich Union Healthcare and NU Direct. →

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Stuart Reid

#10

Venture Preference

Weston House
246 High Holborn
London WC1V 7EX
Tel | 020 7645 1600
Web | n/a

Last year's ranking: **14**

Brokerage (2007): **£135m**
Pre-tax profit (2007): **£35m**

UK branches: **64**
UK employees: **1850**

Chief officer: **Stuart Reid, chief executive**

Established: **2007**

History
In January 2007, AXA subsidiary Venture Preference Ltd (VP) acquired brokerages Stuart Alexander and Layton Blackham. In April 2007, VP acquired Smart & Cook.

This was followed by many acquisitions, including Davis Group later that year and SBJ UK in July.

Major shareholders
AXA

Main lines of business
Commercial/corporate with a wide range of specialist schemes.

Chief officer biography
Stuart Reid began his career as an account executive with Bishop Skinner in 1986 and, after a variety of jobs, he established Stuart Alexander with Alex Shead in 1993.

Reid grew the broker to £16m turnover and a staff of 170 people. After a leveraged buy-out in 2005, he became Stuart Alexander's managing director and was its chief executive when it was bought by insurance giant AXA UK. Today he is the chief executive of Venture Preference.

Philip Gregory

#11

HSBC Insurance Brokers

Bishops Court
27-33 Artillery Lane
London E1 7LP
Tel | 020 7991 8888
Web | www.insurancebrokers.hsbc.com

Last year's ranking: **10**

Brokerage (2007): **£134.6m**
Pre-tax profit (2007): **£10.8m**

UK branches: **15**
UK employees: **1,600**

Chief officer: **Philip Gregory, chief executive**

Established: **1808**

History
The company was established in 1808 when Antony Gibbs & Sons opened in Sherborne Lane, just off Lombard Street. Over the past 200 years, the company name has changed a few times through amalgamations with other brokers and underwriters. The association with HSBC began in 1973, when HSBC bought a 20% shareholding in Antony Gibbs & Sons, and the name HSBC Insurance Brokers came into existence in 1999.

Today, HSBC Insurance Brokers is one of the largest international insurance broking, risk management and employee benefits organisations in the world. It is the only major insurance broker that forms part of a global banking and financial services organisation.

Major shareholders
HSBC Group

Main lines of business
Commercial and business insurance, corporate, speciality (education, estates and private clients, professional indemnity, trade credit, surety and political risks, care homes and health trusts), complex risks (aviation, construction, energy, financial institutions, global marine, mergers and acquisitions and management liability, reinsurance, strategic risk consulting) and wholesale.

Chief officer biography
Philip Gregory joined HSBC Insurance Brokers in May 2007 from Marsh, where he had been chief operating officer for Europe, the Middle East and Africa since 2001.

Before working at Marsh, Gregory was joint chief executive of a leading money broker, Tullett and Tokyo, and before that he led the rescue of Municipal Mutual Insurance.

He is an associate chartered accountant.

#12

IAG

Library House
New Road
Brentwood
Essex CM14 4GD
Tel | 01277 200 100
Web | www.iag.com.au/about/brands/europe.shtml
www.equitygroup.co.uk
www.hastingsdirect.com

Last year's ranking: **11**

Brokerage (2007): **£118.8m**
Pre-tax profit (2007): **£8.2m**

UK branches: **91**

UK employees: **2,300**

Chief officer: **Neil Utley, chief executive, IAG UK**

Established: **IAG acquired Hastings and Equity in September and December 2006 respectively**

History
Insurance Australia Group (IAG) is an international general insurance group, with operations in Australia, New Zealand, UK and Asia.

Its businesses underwrite more than $7.5bn of premium per annum. It employs 16,000 people, of which 11,000 are in Australia. It sells insurance under brands including NRMA Insurance, CGU, SGIO and SGIC (Australia); NZI and State (New Zealand); Equity Red Star and Hastings Direct (UK); and NZI and Safety (Thailand).

Main lines of business
Equity Insurance Group comprises two specialist divisions. Equity Red Star provides insurance to business and personal lines customers, as well as cover for fleet and commercial vehicles in the UK.

Equity Insurance Brokers operates through affinity partners, the internet, call centres and more than 90 high-street branches in the UK and Northern Ireland.

Hastings Insurance Services handles in excess of four million inquiries a year through its Hastings Direct and People's Choice brands.

Chief officer biography
Neil Utley was appointed group chief executive of IAG's UK operations in April 2007.

He has experience of all aspects of the industry, including sales, direct marketing, product development and management of the broker retail chain.

Under Utley's leadership, Equity's business has more than doubled in five years across all sectors of underwriting. In December 2006, he was nominated the UK Achiever of the Year by industry peers.

Mike Hammond

#13
Lockton

Lockton International
Lockton House
6 Bevis Marks
London EC3A 7AF
Tel | 020 7933 0000
Web | www.lockton.com

Last year's ranking: **12**

Brokerage (2007): **£108m**
Pre-tax profit (2007): **£(316,000)**

UK branches: **11**
UK employees: **998**

Chief officer: **Mike Hammond, chairman**

Established: **1966**

History
Lockton is the world's largest, privately owned independent insurance broker. With more than 3,800 people, Lockton serves companies of all sizes as well as individual clients. The company was founded by Jack Lockton in Kansas City, Missouri, in 1966. From his modest, home-based agency, Lockton has grown to become the 10th largest broker firm in the world. Lockton teams can be found on four continents and in major cities in the US, UK, Ireland, Latin America, and Asia. Its European broker partnership with EOS RISQ expands Lockton's service to its clients to offices in 34 countries.

Major shareholders
The Lockton family

Main lines of business
Property insurance, casualty, employee benefits, retirement services, executive benefits, professional indemnity, reinsurance, risk control and claims services, environmental and pollution, risk management, risk finance advisory services, political and credit risk, surety, mergers and acquisitions, affinity, cyber liability

Chief officer biography
Mike Hammond is executive chairman of Lockton International.

He joined Lockton in June 2006 and has more than 25 years' experience in insurance and reinsurance broking and risk management for global corporations.

Before Lockton, Hammond worked for Marsh and in April 2000 was appointed chief executive of Marsh UK. In April 2002 he was also given P&L responsibility for Marsh's aviation, energy, financial professions and marine businesses in the UK.

In 2004, Hammond joined Jardine Lloyd Thompson where he served as chief executive of JLT Risk Solutions.

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Phillip Hodson

#14

Oval

8-10 South Parade
Wakefield, West Yorkshire WF1 1LR
Tel | 01924 371 991
Web | www.theovalgroup.com

Last year's ranking: **16**

Brokerage (2007): **£101.7m**
Pre-tax profit (2007): **£24.6m**

UK branches: **30**
UK employees: **1,275**

Chief officer: **Phillip Hodson, chief executive**

Established: **2003**

History
Since it was formed in October 2003, Oval has acquired 29 companies. Eleven of these were acquired between June 2007 and June 2008. These are Creamer Group, Martin and Pethard, Hart Owens, Griffin Commercial Insurance Brokers, United Medical Services (UMS), Ward Mitchell Partnership, Tett Hamilton, cooksheppardpinhey, FMW, Bartholomew & James and Independent Insurance Brokers.

With the acquisition of UMS, a leading corporate private medical insurance adviser, Oval Healthcare, a new division, was formed in November 2007.

In April 2008, the acquisition of Belfast-based Bartholomew & James marked Oval's first move into Northern Ireland.

Major shareholders
Caledonia Investments (39.3%), vendors (33.2%), management/staff (11.7%) and Allianz (9%).

Main lines of business
Corporate general insurance, integrated risk management and healthcare advice for plcs, large corporate organisations, owner-managed businesses, small and medium-sized enterprises and private individuals.

Chief officer biography
Phillip Hodson was appointed chief executive of Oval in September 2003. Before this, Hodson joined RP Hodson Group in 1977 as chairman, before it became Oval's first acquisition in 2003.

Hodson has formerly worked for Anglo American, based in Johannesburg, South Africa, and has guided Oval's strategic acquisition policy.

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#15

Heath Lambert Group

133 Houndsditch
London EC3 7AH
Tel | 020 7560 3000
Web | www.heathlambert.com

Last year's ranking: **13**

Brokerage (2007): **£95.8m**
Pre-tax profit (2007): **£11m**

UK branches: **21**
UK employees: **1,500**

Chief officer: **Adrian Colosso, chief executive**

Established: **1877**

History
The Heath Company was founded in 1877 by Cuthbert Heath. Heath was an innovator and is credited with the market's first burglary policy, insurance against zeppelins in the first world war and earthquake and hurricane insurance.

Heath Group reached a crossroads in 1986, when Richard Fielding and his partners were invited to cancel their initial public offering and do a reverse takeover of Heath.

In 1997, during what was considered to be the softest market conditions in the history of insurance, a leveraged buy-out by the management was agreed.

Lambert Fenchurch, itself a product of an earlier merger between Lowndes Lambert Group and Fenchurch, can trace its origin back over 160 years to the coal factoring business set up by Francis Devereux Lambert, which developed into shipping and insurance broking.

Major shareholders
RBS, Credit Suisse, EOS Partners

Main lines of business
Retail national: UK commercial branch network, real estate, public sector, personal accident, entertainment, marine and cargo, and a claims management unit.

Project risks group: construction, project risk/PFI, transportation, terrorism and political risks.

Retail major financial and professional: risk retention practice, credit and surety, mergers and acquisitions, claims management and risk

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Personal lines provides organisations with personal lines insurance services for them to make available to clients on an "own brand" basis.

Employee benefits offers integrated benefits management, corporate protection programmes, pension advice and administration and occupational healthcare.

The specialisms division comprises: art; jewellery and private client – incorporating Blackwall Green, the UK's largest specialist fine art team; Italian medical malpractice specialises in medical malpractice and medical insurance; treaty solutions develops and delivers bespoke reinsurance products; commercial affinity and small business delivers schemes and facilities for trade associations, membership organisations and small businesses; claims handles complex claims, collecting funds for clients; risk management provides effective risk management strategies.

Chief officer biography
Colosso joined Lowndes Lambert by acquisition when his specialist Lloyd's broker, Crowley Colosso, was bought in 1992.

His background was in speciality areas, such as fine art, as well as international property/casualty. He spent a number of years in New York, handling speciality business for Republic Hogg Robinson, before returning to the UK and forming Crowley Colosso.

On joining the group, Colosso had responsibility for the creation of the art, jewellery and private client division before going on to head up the international division. He was then appointed head of global broking before becoming managing director UK in 2003.

Colosso was appointed group chief executive in 2005.

Janet Connor

#16
RIAS

Deansleigh Road
Bournemouth
Dorset BH7 7DU
Tel | 01202 254 855
Web | www.rias.co.uk

Last year's ranking : **17**

Brokerage (2007): **£77.6m**
Pre-tax profit (2007): **£19.5m**

UK branches: **2**
UK employees: **1,157**

Chief officer: **Janet Connor, managing director**

Established: **1992**

History
RIAS specialises in insurance for the over-50s.

Since its launch in 1992, it has become one of the UK's fastest organically growing insurance brokers. It is now one of the largest providers of general insurance in the UK's over-50s market, with more than 970,000 customers, a track record of over 20% compound growth year-on-year and over 1,100 employees.

RIAS won the personal lines broker of the year award at the 2007 Insurance Times awards.

Established as a top two-home insurance provider for the over-50s, it acts as an intermediary providing tailored products and services including home, motor, travel, caravan and pet insurance. It is part of Fortis, a provider of personal and commercial lines insurance in the UK.

Major shareholder
Fortis UK

Main lines of business
Home, motor, travel, pet and caravan insurance to the over-50s market.

Chief officer biography
Janet Connor joined Abbey in 1990 where she held a number of director-level positions.

She joined RIAS as managing director in early 2006 and has been instrumental in the growth of the organisation moving the company to be the second largest supplier of home insurance to the over-50s. She is focused on continuing to build on this success and leading the company through the next stage in its development

Martin Oliver

#17
Kwik-Fit Insurance Services

1 Masterson Way
Tannochside Business Park
Uddingston
Glasgow G71 5PU
Tel | 01698 804 014
Web | www.kwik-fitinsurance.com

Last year's ranking: **21**

Brokerage (2007): **£69.3m**
Pre-tax profit (2007): **£12.6m**

UK branches: **0**
UK employees: **974**

Chief officer: **Martin Oliver, managing director**

Established: **1995**

History
Kwik-Fit Insurance has grown to become one of the UK's leading motor insurance distributors and the largest Scottish-based insurance intermediary, both in terms of income and headcount.

Its office is based in Glasgow and has almost 1,000 staff handling 10 million calls a year. As well as this telephone presence, Kwik-Fit Insurance now features as a mainstay online for direct traffic, search and aggregator sites.

Main lines of business
Motor remains its main line of business, but it also offers household, pet, travel, motor-cycle, commercial vehicle, breakdown assistance, personal accident and replacement key cover.

Chief officer biography
After four years at Britannia Life, Martin Oliver joined Kwik-Fit Insurance as finance director. He became business development director in 1999. The business model he developed and his ability to grow the firm earned him the post of managing director in 2002. He invested heavily in making Kwik-Fit Insurance a "fantastic place to work", inviting ideas from all staff about improvements that could be made. His efforts were recognised when Kwik-Fit was named in the Sunday Times 100 Best Companies to Work For. →

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#18
Cooper Gay & Co

52 Leadenhall Street
London EC3A 2EB
Tel | 020 7480 7322
Web | www.coopergay.com

Last year's ranking: **20**

Brokerage (2007): **£68.1m**
Pre-tax profit (2007): **£15.8m**

UK branches: **2**
UK employees: **over 200**

Chief officer: **Toby Esser, group chief executive**

Established: **1965**

History
Cooper Gay has traded as an insurance and reinsurance broker since its creation in 1965. Its headquarters are in London and it has offices in more than 20 countries, with subsidiaries in New York, Singapore, Hong Kong, Mexico, Colombia and Germany.

Major shareholders
Private independent company owned by the working directors.

Main lines of business
Insurance and reinsurance ranging from property and casualty, through marine, energy and aviation, to professional, financial and political risks.

Chief officer biography
Toby Esser has 22 years' experience in insurance and reinsurance. His career started in 1984 when he joined Cooper Gay & Co, the Lloyd's broker, which is now the principal trading subsidiary of Cooper Gay Group.

Transferred to New York in 1988, he was instrumental in setting up Cooper Gay Steele, a licensed reinsurance intermediary.

Appointed managing director in 1997, Esser has focused on the development of the core reinsurance arm of the group and the continued strategic expansion of its overseas subsidiaries. In 2001, offices were established in Australia, Ecuador, Colombia and Peru.

On 31 May 2001 Esser assumed the role of group chief executive, following the retirement of Michael Jones as chairman.

Mike Alcock

#19
Endsleigh Insurance Services

Shurdington Road
Cheltenham Spa
Gloucestershire GL51 4UE
Tel | 01242 866 866
Web | www.endsleigh.co.uk

Last year's ranking: **19**

Brokerage (2007): **£66.7m**
Pre-tax profit (2007): **£7.1m**

UK branches **0**
UK employees: **1,143**

Chief officer: **Mike Alcock, managing director**

Established: **1965**

History
Founded by the National Union of Students (NUS), the company expanded into relationships with graduates and people in professional occupations and is now the preferred insurance supplier for a wide range of professional organisations including the National Association of Schoolmasters and the Union of Women Teachers.

In April 2002, the directors, led by managing director Mike Alcock, undertook a management buy-out, forming a long-term strategic alliance with Zurich Financial Services. The relationship between Endsleigh and Zurich resulted in Zurich acquiring 100% shareholding in the company in January 2007.

Major shareholder
Zurich

Main lines of business
General insurance including motor, household, tenants, student possessions, landlords, travel, small to medium enterprise and pet. Endsleigh Business Insurance Services provide commercial business insurance and insurance for not-for-profit organisations.

Endsleigh Financial Independent Tailoring provides independent financial services via the telephone and internet.

Chief officer biography
Mike Alcock entered the insurance industry in 1967, as a trainee with a large national insurer based in Gloucester. In 1973, he joined Endsleigh at its new headquarters in Cheltenham as a claims technician. His career at Endsleigh covered a variety of roles, culminating in him joining the board in 1993 as financial director. In 1995 he was appointed managing director.

Although the vast majority of Endsleigh's customers are no longer students, the company retains very close connections with the student community and the elected president and treasurer of the NUS hold positions on the board.

Graham Clarke

#20
Miller Insurance Services Ltd (note name change)

Dawon House
5 Jewry Street
London EC3N 2PJ
Tel | 020 7488 2345
Web | www.miller-insurance.co.uk

Last year's ranking: **18**

Brokerage (2007): **£62.7m**
Pre-tax profit (2007): **£7.3m**

UK branches: **1**
Number of employees: **461**

Chief officer: **Graham Clarke, chief executive**

Established: **1902**

History
Miller's broking origins can be traced back to 1902. Today, Miller is wholly owned by Miller Insurance Investments Ltd. It enjoys stability of ownership through an employee trust that was established in 1983. The trust underpins the company's independence and can veto any proposed sale. This benefits its clients by ensuring continuity of service.

While Miller's heritage was built on the success of its marine capabilities, today, it focuses on key specialist areas where dedicated teams of professionals deliver client-focused insurance →

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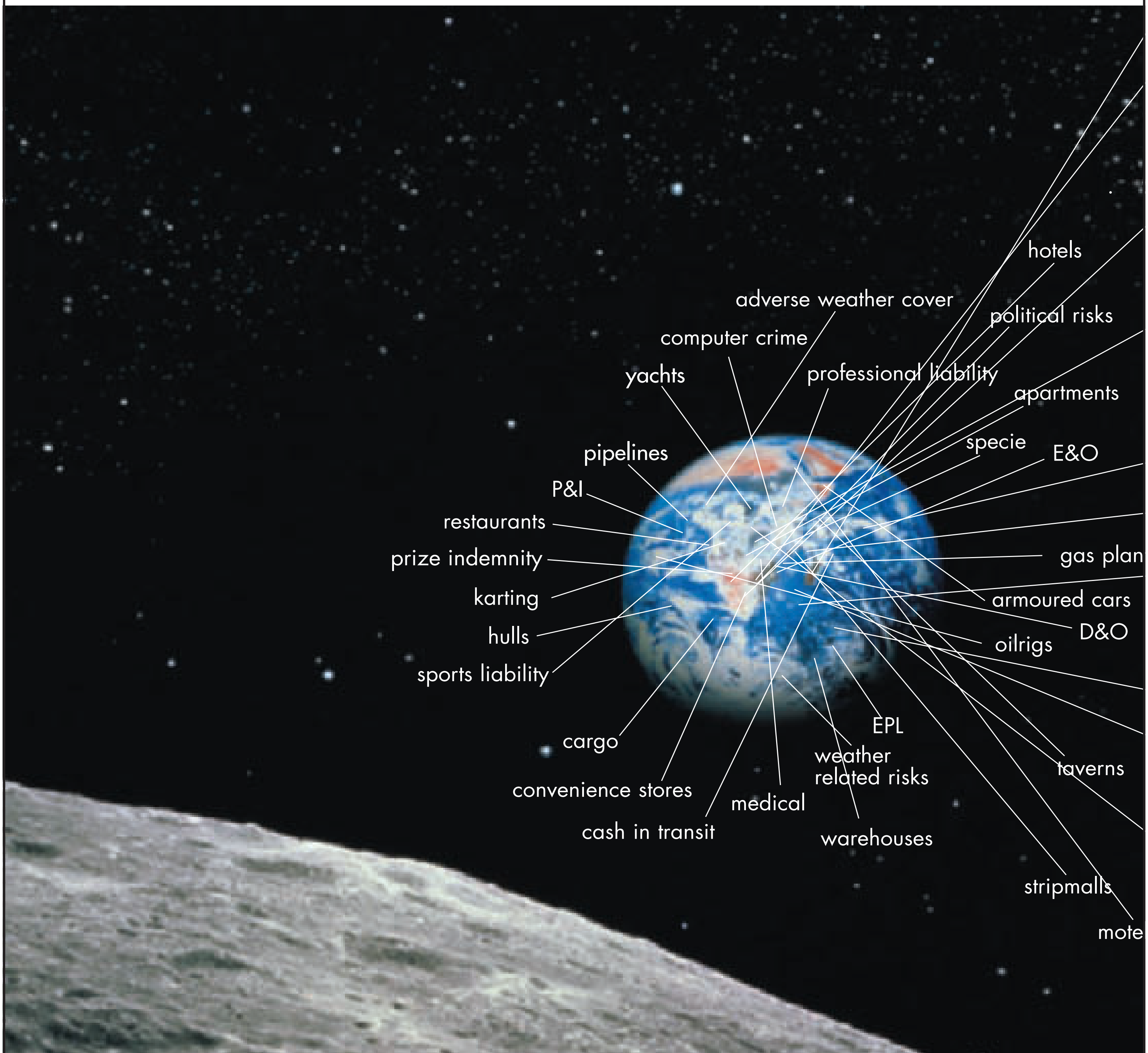

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and reinsurance solutions. Operating internationally and at Lloyd's, Miller has created global ventures in key insurance and reinsurance markets as well as establishing trading relationships with like-minded companies worldwide.

Major shareholder
An employee trust has an interest in the shares of the company.

Main lines of business
Insurance and reinsurance services for the following areas: commercial contingency; consulting services; corporate risks; energy; financial institutions; marine; personal accident and medical; political risk and trade finance; professional and executive liabilities; programmes and facilities; property; construction and liability; reinsurance; and science and technology.

Chief officer biography
Graham Clarke was appointed chief executive in May 2000. He determines the company's present and future strategy and is responsible for its performance. He also performs the FSA controlled function of apportionment and oversight.

He is a director of Miller Insurance Investments Ltd, a director of the Council of Insurance Agents and Brokers and a member of the London Market Brokers' Committee.

#21
Arthur J Gallagher (UK)

9 Alie Street,
London E1 8DE
Tel | 020 7204 6000
Web | www.ajginternational.com

Last year's ranking: **23**

Brokerage (2007): **£60.9m**
Pre-tax profit (2007): **£5.1m**

UK branches: **n/a**
UK employees: **390**

Chief officer: **David Ross, chief executive**

Established: **1974**

History
Arthur J Gallagher (UK) Ltd is part of Arthur J Gallagher & Co, headquartered in Chicago. The company employs over 370 UK-based staff and trades as Gallagher London in the UK and is a leading wholesale and direct insurance intermediary with a comprehensive knowledge of the Lloyd's, UK and international insurance markets. It advises, structures and places a range of risks on behalf of commercial clients.

Main lines of business
Accident and health, aviation, binders and facilities, construction and engineering, energy, financial institutions, fine art and specie, marine, marine P&I, political, credit and project risks, professional indemnity, property and casualty packages, workers' compensation, worldwide casualty and worldwide property.

Chief officer biography
David Ross joined Arthur J Gallagher (UK) Ltd in 1990 in its North American division and became a director of the division in 1993. In 1997, he took over as managing director of the speciality lines division and, in 2004, was promoted to chief executive of the new global risks division. He was named chief executive of Arthur J Gallagher (UK) in 2005.

Ross also serves as director of Connor Hale Kerslake and Risk Management Partners, both based in the UK, and CGM Gallagher Group, based in the Caribbean. He is a corporate vice-president of Arthur J Gallagher & Co.

#22
Giles Insurance Brokers

55 Blythswood Street
Glasgow G2 7AT
Tel | 0141 285 3300
Web | www.gilesinsurance.co.uk

Last year's ranking: **25**

Brokerage (2007): **£60m**
Pre-tax profit (2007): **n/a**

UK branches: **about 40**
UK employees: **about 900**

Chief officer: **Chris Giles, chief executive**

Established: **1967**

History
Giles Insurance Brokers was founded as a small family business in Scotland in 1967 by Chris Giles' father. Chris joined the company in 1988 becoming joint managing director in 1995. From 1996 onwards, the company has invested heavily to improve its infrastructure and in people development.

The group is located in offices across the UK, including the major business centres of Glasgow, Leeds, Manchester, Birmingham, Cardiff and London. In 2005 it added a team placing business directly into Lloyd's.

With dedicated teams involved in specialist areas of business, Giles Insurance Brokers has been appointed to act as insurance broker to several professional bodies, trade associations and membership organisations.

A £500m investment from private equity firm Charterhouse earlier this year will allow the company to escalate its acquisition strategy and build a business with £1 bn of gross written premium.

Major shareholder
Charterhouse

Main lines of business
Commercial and personal lines.

Chief officer biography
Chris Giles joined Giles Insurance Brokers in 1988 as a commercial insurance account executive and was promoted to commercial department manager in 1991. In 1995 he was appointed joint managing director and in 2001 was named chief executive.

Tim Johnson

#23
CCV

Cullum Capital Ventures
26-28 Pembroke Road
Sevenoaks
Kent TN13 1XR
Tel | 01732 466 466
Web | www.ccventures.co.uk

Last year's ranking: **n/a**

Brokerage (2007): **£57.6m**
Pre-tax profit (2007): **£16.1m**

UK branches: **25**
UK employees: **800**

Chief officer: **Tim Johnson, chief executive**

Established: **2006**

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History

Cullum Capital Ventures (CCV) made its first acquisition in June 2006 and has completed a further 30 deals since its formation. The business provides a range of funding options from 100% purchase, through partial stakes and MBOs and MBIs. With blue chip funding of close to £90m provided by HBOS, the business is built on solid foundations. With a stated aim of encouraging entrepreneurial managing directors to continue running their businesses utilising their current brand name and staff.

Major shareholder

Peter Cullum

Main lines of business

Many businesses operate under the CCV umbrella, which means it has many lines – access to more than 200 products.

Chief officer biography

Tim Johnson began his insurance career as a graduate trainee with Royal Insurance, fulfilling a number of roles in the branch network and at head office.

He moved into broking with Aon in 1994, and following periods in the corporate and sports and events areas, became chief executive of Aon's affinity and SME business. He joined Towergate as chief executive in 2003, and was involved in a number of acquisitions which saw the business grow rapidly.

Vic Thompson

#24

THB Group (inc PWS)

107 Leadenhall Street
London EC3N 4AF
Tel | 020 7469 0100
Web | www.thbgroup.com

Last year's ranking: **26**

Brokerage (2007): **£47.2m**
Pre-tax profit (2007): **£2.8m**

UK branches: **5**
UK employees: **400**

Chief officer: **Vic Thompson, group chief executive**

Established: **1968**

History

Now in its 40th year, THB has grown into a significant international group offering underwriting and risk management services in addition to building on its excellent reputation in the London market as the specialist insurance and reinsurance broking partner.

It is one of the largest and most successful Lloyd's broking operations in the speciality market sector, serving clients and markets throughout the UK and internationally.

It acquired the Lloyd's broking interests and certain overseas shareholdings of international reinsurance broker PWS, positioning THB as an important international player with 12 offices and over 500 staff worldwide from Amsterdam to Taiwan. It also launched Unicorn Underwriting, operating independently from the Lloyd's broking teams as a highly specialist underwriting agent. The expansion of its London office enables it to accommodate its growth strategy so that, for the first time in 20 years, all its Lloyd's broking teams are based together including the new PWS broking teams.

Major shareholders

In addition to some 30% held by directors, a substantial number of THB employees (past and present) are shareholders, with the balance held mainly by institutional investors and some private investors.

Main lines of business

THB places over $1bn of gross premium into worldwide insurance and reinsurance markets. Through its Lloyd's broking operation, Thompson Heath & Bond Ltd, wholesale and retail insurance and reinsurance broking divisions arrange cover for risks relating to businesses, professionals and individuals in the UK, US and around the world.

Specialist areas include: commercial and motor fleet; commercial and residential catastrophe; construction and engineering; extended warranty; facilities; industrial; liability; life accident and health; marine; motorsport and professional sporting risks; personal accident; professional and financial risks; property and energy; surety; treaty and war risks.

THB Risk Management delivers fleet risk management services and, through its sister company, Cardinus. The group's new operation, Unicorn Underwriting, is a managing general agent providing underwriting expertise.

Chief officer biography

Having formed Thompson Heath & Bond Ltd in 1968 which then became a Lloyd's broker in 1977, Vic Thompson has continued to drive the organisation forward through major initiatives including leading the business through its flotation on the Alternative Investment Market in 2002 and successfully securing the acquisition in 2008 of the business of PWS to position THB as a significant global player.

Hugo Crawley

#25

BMS Associates

One America Square
London EC3N 2LS
Tel | 020 7480 7288
Web | www.bmsgroup.co.uk

Last year's ranking: **22**

Brokerage (2007): **£45.3m**
Pre-tax profit (2007): **£3.2m**

UK branches: **1**
UK employees: **314**

Chief officer: **Hugo Crawley, group chairman**

Established: **1980**

History

BMS Group offers advice and transactional services to clients with exposures across a range of distinct risk classes.

The first company in BMS Group, Ballantyne McKean & Sullivan, was founded in 1980 as a specialist North American treaty reinsurance broker. Since then the group has grown both organically and by acquisition and now provides a wide range of specialist products.

Major shareholders
Private company

Main lines of business
All forms of non-marine reinsurance worldwide; London market reinsurance; commercial and major risks insurance; US primary casualty and lead umbrella; binding authorities, programs and market facilities; marine insurance and reinsurance worldwide; alternative risk transfer; creditor insurance for the banking and finance industry; insurance for ship and aircraft financiers.

Chief officer biography
As the group chairman, Hugo Crawley is responsible for developing the group strategy and overall commercial objectives, particularly within North America. This includes representing BMS to clients, markets, regulators, shareholders and other stakeholders. With over 28 years' experience in the North American non-marine treaty business, Crawley is well placed to drive the continued growth of the reinsurance division.

#26
Jelf

Fromeforde House
Church Road
Yate
Bristol BS37 5JB
Tel | 0845 602 1858
Web | www.jelfgroup.com

Last year's ranking: **33**

Brokerage (2007): **£40.6m**
Pre-tax profit (2007): **£2.6m**

UK branches: **43**
UK employees: **1,100**

Chief officer: **Alex Alway, group chief executive**

Established: **1989**

History
Christopher Jelf formed Jelf Group in 1989 with a vision for providing quality support and client service to businesses and individuals. Initially providing advice on insurance and financial services, the group entered the healthcare market in 1997 and has since developed a strong employee benefits offering. In 2005, the group added a commercial finance arm. Jelf Group successfully floated on the Alternative Investment Market in October 2004.

Major shareholders
3i Quoted Private Equity, Allianz SE, Christopher Jelf, Artemis Investment Management, Michael King

Main lines of business
General insurance, healthcare, employee benefits, commercial finance and private clients.

Chief officer biography
Alex Alway is a commercial accountant with over 20 years' experience of the retail financial services sector. He worked for BP as a business accountant for four years. He was with AXA Sunlife for 10 years in a number of roles including finance, change management, IT strategy and commercial director, IFA. Alway joined Jelf Group in 2001.

David Howden

#27
Hyperion Insurance Group (Howden)

Bevis Marks House
24 Bevis Marks
London EC3A 7JB
Tel | 020 7398 4888
Web | www.hyperiongrp.com

Last year's ranking: **27**

Brokerage (2007): **£38.3m**
Pre-tax profit (2007): **£4.4m**

UK branches: **3**
UK employees: **322**

Chief officer: **David Howden, chief executive**

Established: **1994**

History
It originally specialised in liability products. Now Hyperion offers, through its underwriting and broking arms, a broad range of specialist products to its customers worldwide. The group opened its first international operation in Spain in 1998 and this year opened its 50th office in Dubai.

Last year, the group was awarded a Queen's Award for Enterprise in International Trade and in February 2008, Hyperion was ranked for the second year running in the 2008 Sunday Times Buyout Track 100, which recognises Britain's top 100 private equity-backed companies with the fastest growing profits. It was one of only four financial services companies to retain a ranking in the league table.

In April 2008, 3i acquired a 27% share in Hyperion.

Major shareholders
3i Group plc, BP Marsh and Partners plc, Murofo Investments SL, David Howden

Main lines of business
Professional indemnity, director's and officers' liability, general liability, product liability, product guarantee and product recall, cyber liability, management liability, commercial crime, medical malpractice, clinical trials, trade credit and political risk, financial institutions, and international property.

Chief officer biography
David Howden has worked in the insurance industry for over 25 years, beginning his career in 1981as a broker in Alexander Howden. The following year he joined a small, fast growing independent broker, Nelson Hurst & Marsh, before leaving in 1988 to form his first company, Howden Howells & Pangborn, a subsidiary of Regis Low. In 1991, Regis Low was sold to SBJ, where Howden spent the next three years as managing director of the professional risks division. In 1994, he bought out his division with the help of Brian Marsh (his former boss at Nelson Hurst & Marsh), and thus was formed the company that has grown into the Hyperion Insurance Group.

Last year Howden was named the Ernst & Young London region Business 2 Business Entrepreneur of the Year 2007.

#28
RK Harrison Holdings

Woodlands
Manton Lane
Bedford MK41 7LW
Tel | 01234 305 555
Web | www.rkharrison.com

Last year's ranking: **28**

Brokerage (2007): **£37.5m**
Pre-tax profit (2007): **£8.1m**

UK branches **8**
UK employees: **373**

→

Chief officer: **Paul Bridgwater, chief executive**

Established: **1882**

History
RK Harrison is a fully independent, speciality broker operating across a broad base of product lines in the UK retail, international wholesale and reinsurance arenas.

The broker specialises in bespoke insurance solutions for businesses, brokers, associations and private individuals, both in the UK and internationally. Recent developments have included the expansion of its energy division and establishment of a construction division, plus the acquisition of IRC (Europe), a trade credit insurance broker.

Major shareholders
Directors, staff and an employee trust.

Main lines of business
Casualty, construction, energy, political risks anf credit, private clients and fine art (buildings and contents, fine arts and jewellery and farms and estates), property, reinsurance, schemes, terrorism and UK commercial.

#29
Capita/BDML

The Connect Centre
Kingston Crescent
North End
Portsmouth PO2 8QL
Tel | 0870 606 1389
Web | www.bdml.co.uk

Last year's ranking: **40**

Brokerage (2007): **£35m**
Pre-tax profit (2007): **£3.9m**

UK branches: **3**
UK employees: **600**

Chief officer: **Mark Townsend, managing director**

Established: **1993**

History
BDML Connect was formed in 1993. It was initially focused on the administration of free insurance schemes for motor manufacturers and providing quotations for the overflow business of sister company, Touchline Insurance. Following a management buy-out in 1998, the business continued to prosper under the ownership of the BDML Group, a privately owned business managed by the founding directors.

Under the new ownership, major investments were made in information technology, staff training and development. BDML Connect has developed a speciality in delivering behind-the-brand insurance administration services and secured contracts with high profile partners across a broad spectrum of industry sectors. In early 2004 BDML Connect secured a contract to provide insurance administration services to Norwich Union.

In 2005 Capita Insurance Services Group (Capita) acquired 100% of the share capital of BDML Connect from BDML Group.

Major shareholders
Capita Group

Main lines of business
Private car, motorcycle, household, commercial vehicle and pet

Chief officer biography
Mark Townsend has worked in general insurance for the past 10 years in a variety of underwriting, business development and operations management roles for Norwich Union and HSBC prior to joining BDML as operations director in 2004. In this role, Townsend managed BDML's integration into Capita following acquisition in 2005. In his role as managing director, Townsend is now responsible for Capita's insurance distribution business in the personal lines and SME markets.

#30
Besso Holdings

8-11 Crescent
London EC3N 2LY
Tel | 020 7480 1000
Web | www.besso.co.uk

Last year's ranking: **29**

Brokerage (2007): **£31.3m**
Pre-tax profit (2007): **£821,000**

UK branches: **2**
UK employees: **286**

Chief officer: **Colin Bird, chief executive**

Established: **1985**

History
Besso Holdings is the holding company of London broker, Besso, which was founded in 1967 and bought by Colin Bird and his colleagues in 1985. He is now chairman of Besso Ltd.

After the business was built up, it was sold to Jardine Insurance Brokers International, but was bought back in 1995 with financial backing from Wachovia Bank and venture capital firm Marsh Insurance Holdings.

Turnover has grown over the last five years, both organically and via acquisition. Today approximately 60% of the group's business is done from North America.

Major shareholders
Wachovia Bank (40%), BP Marsh & Partners (25%), directors and staff (35%).

Main lines of business
Besso initially specialised in selling insurance for North American property, casualty and all forms of professional indemnity. It now also provides international non-marine, aviation, marine insurance, UK wholesale and retail and reinsurance.

Chief officer biography
Colin Bird began his insurance career in 1966 as a junior clerk in a binding authority department at CE Heath.

He joined Swann & Everett as a junior broker in 1979 and moved to Alexander Howden the following year.

At Alexander Howden he was promoted through various levels of directorship until 1979, when he was appointed chief executive of the new North American division and full director of Howden's broking board.

Bird joined Besso in 1985, where he has been chief executive and chairman. He is now chief executive of Besso Holdings.

#31
Erinaceous Insurance Services – Barbon Insurance Group

4-9 Highview
High Street
Bordon
Hampshire GU35 0AX
Tel | 0870 703 9898
Web | www.barbon.com

Last year's ranking: **30**

Brokerage (2007): **£30.4m**
Pre-tax profit (2007): **£10.8m**

UK branches: **8**
UK employees: **640**

Chief officer: **Leslie Goodman, chief executive of Barbon Insurance Group**

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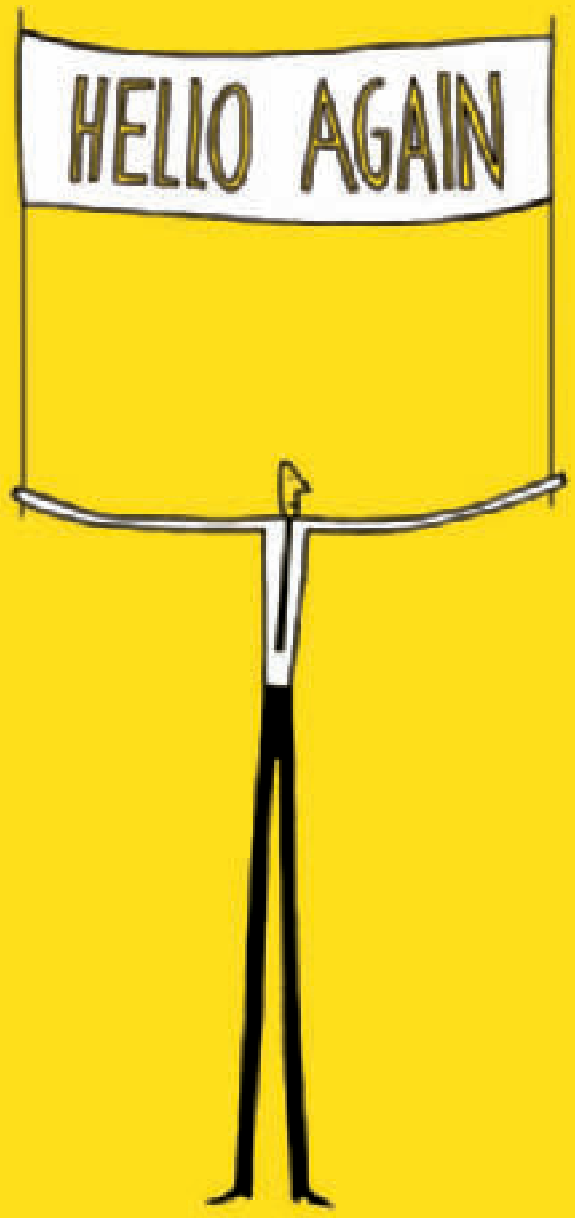

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Established: **Rebranded as Barbon Insurance Group in 2008**

Major shareholders
Part of Caley, a company owned 100% by three major UK banks, HBOS, Loyds TSB and HSBC

Main lines of business
Residential and commercial property insurance

Chief officer biography
Leslie Goodman is a solicitor but has spent most of his career in investment banking and insurance where he was chief executive of Ace Ltd's Lloyd's underwriting business He became executive chairman of Barbon Insurance Group in November 2007.

#32
RFIB Group

Staple Hall
Stone House Court
87-90 Houndsditch
London EC3A 7NP
Tel | 020 7621 1263
Web | www.rfib.co.uk

Last year's ranking: **34**

Brokerage (2007): **£28.9m**
Pre-tax profit (2007): **£3.1m**

UK branches: **2**
UK employees: **300**

Chief officer: **Patrick Holcroft, group chief executive**

Established: **1980**

History
RFIB is over 28 years old. Approximately two thirds of its activity is reinsurance or wholesale business and the remainder retail/direct. Its worldwide client base includes international companies, insurance and reinsurance groups and Lloyd's syndicates. RFIB also acts as a wholesale broker and consultant to direct and reinsurance brokers worldwide.

In July 2007, the group completed a financial restructuring through a management buy-out from retired shareholders and the introduction, as a minority investor, of FF&P Private Equity (FPE), the private equity division of Fleming Family & Partners. FPE is also prepared to make further capital resources available to RFIB in order to fund the expansion of the business.

Major shareholders
Employees and employee share ownership Trust 65%, FPE 35%

Main lines of business
Marine and energy, international non-marine reinsurance; North America wholesale

Chief officer biography
Patrick Holcroft is a graduate of RMA Sandhurst, Nottingham University, and a postgraduate of the Army Staff College.

Following a career in the Army, he joined a UK merchant banking group, Robert Fleming & Co, in 1987 and trained as a UK small companies analyst and investor. In 1990, he was appointed a director of Fleming Investment Management and, in 1992, chief executive of Robert Fleming Insurance Brokers (RFIB), a 60%-owned subsidiary group. Following the acquisition of Robert Fleming by the Chase Manhattan Corporation in 2000, he led a buy-out of RFIB, rebranded and reshaped the group, disposing of its pension and benefit consultancy business in order to concentrate on wholesale and reinsurance broking.

In 2007, he led a further buy-out, this time from retired shareholders and introduced Fleming Private Equity as a minority investor to the RFIB Group, of which he remains chief executive.

#33
RK Carvill & Co

St Helen's
1 Undershaft
London EC3A 8JT
Tel | 020 7929 2800
Web | www.carvill.com

Last year's ranking: **24**

Brokerage (2007): **£28.6m**
Pre-tax profit (2007): **£289,000**

UK branches: **1**
UK employees: **148**

Chief officer: **David Thomas, chief executive**

Established: **1977**

History
For more than 30 years Carvill has been a leader in the speciality market, representing some of the most inluential insurers, specialist underwriting groups and reinsurers in the world.

Major shareholders
Private company

Main lines of business
Captives, property and casualty business, professional liability, retrocession, new products and financial solutions.

Chief officer biography
David Thomas joined Carvill in 1980. He has run various operating divisions at Carvill, with particular emphasis on speciality lines, captives and program business, and been involved in developing new markets and products. He was appointed to the board in September 1989.

Thomas was appointed managing director of RK Carvill & Co in November 2004 and subsequently appointed chief executive in April 2005. He was also appointed joint chief executive of Carvill Group.

#34
HRH

110 Fenchurch Street
London EC3M 5JT
Tel | 0207 488 4696
Web | www.hrh.com

Last year's ranking: **31**

Brokerage (2007): **£28.6m**
Pre-tax profit (2007): **£3.3m**

UK branches: **3**
UK employees: **192**

Chief officer: **Stever Hearn, chief executive**

Established: **1980**

History
HRH acquired Glencairn Group in January 2007, which includes the Lloyd's broker, Glencairn. The London HRH group also includes NIB (UK), a wholesale property and casualty broker, and HRH Re, a treaty reinsurance broker.

Major shareholders
Hilb Rogal & Hobbs

Main lines of business
Property, casualty, treaty, political and credit risk, professional risks, marine cargo, contingency, accident and health.

Chief officer biography
Steve Hearn started his insurance career in the management trainee programme of a UK insurance company. In 1989, he joined the Sedgwick Group in →

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its specialist affinity personal lines operations. He spent 14 years at Sedgwick before joining Marsh. His last job at Marsh was as president and chief executive of Marsh Affinity Europe.

Hearn joined Glencairn in September 2002, as a founder of Glencairn Affinity. He became chief executive of Glencairn Group in August 2003 and in January 2005 became chairman and chief executive. Following the acquisition of Glencairn by HRH, he is now part of the HRH group leadership executive, responsible for all international operations.

Denis Clayton

#35
Denis M Clayton & Co Ltd (Towers Perrin)

Landmark House
69 Leadenhall Street
London EC3A 2DB
Tel | 020 7480 6410
Web | www.towersperrin.com

Last year's ranking: **35**

Brokerage (2007): **£26.2m**
Pre-tax profit (2007): **£1.2m**

UK branches: **1**
UK employees: **200**

Chief officer: **Ross Howard, chief operating officer, Europe**

Established: **1972**

History
Towers Perrin has been a leading London market broker for over 35 years. Founded as Denis M Clayton & Co, the company was acquired by Towers Perrin in 2002, one of the world's largest global professional services firms. In 2008, the firm expanded its reinsurance offering into Europe, with the first location being France.

In addition the team was strengthened with key appointments in Bermuda, catastrophe modelling and a new claims director.

Major shareholders
Wholly owned by Towers Perrin

Main lines of business
The firm is one of the largest producers of US casualty and property treaty into the London marketplace, as well as having a significant presence in the UK reinsurance, US Facilities business and marine insurance and reinsurance. There is also expertise in risk management services.

The Tillinghast business of Towers Perrin, which provides consulting to the insurance industry.

Chief officer biography
Ross Howard has more than 30 years' experience of the reinsurance industry and specialises in North American casualty reinsurance.

In addition to his management responsibilities, Howard remains active in the market and continues to head-up the medical liability book of business, which encompasses both client and broking responsibility.

Howard joined the firm in 1976 and was previously managing director of the North American division.

Paul Cosh

#36
Hero Insurance Services

Highway House
171 Kings Road
Brentwood
Essex CM14 4EJ
Tel | 020 8307 1104
Web | www.hero.co.uk

Last year's ranking: **n/a**

Brokerage (2007): **£25.6m**
Pre-tax profit (2007): **£1.5m**

UK branches: **3**
UK employees: **324**

Chief officer: **Paul Cosh, managing director**

Established: **2004**

History
Hero, part of the Highway Insurance Group, is a leading personal lines distribution business selling policies via tele-sales and the Internet. Since its creation three years ago Hero is now one of the UK's largest personal lines brokers with over 260,000 customers.

Major shareholders
Wholly owned subsidiary of Highway Insurance Group

Main lines of business
Private car, motorcycle, van, home, pet and travel insurance

Chief officer biography
After many years in insurance broking Paul Cosh founded Century Insurance Centres and ran the business until its sale to Budget Insurance Services in 1999. At Budget he was a director, responsible for the retail network and both business and product development. Cosh joined Highway Insurance Group in June 2004 where he has focused on developing and growing Highway's retail division, Hero Insurance Services. He is also a director of Highway Insurance Group plc.

David Newman

#37
Carole Nash

Trafalgar House
110 Manchester Road
Altrincham
Cheshire WA14 1NU
Tel | 0161 927 2459
Web | www.carolenash.com

Last year's ranking: **32**

Brokerage (2007): **£24.9m**
Pre-tax profit (2007): **£6.3m**

UK branches: **2**
UK employees: **325**

Chief officer: **David Newman, managing director**

Established: **1985**

→

History
The company was founded as a vintage motorcycle insurance specialist by Carole Nash after she was made redundant from the closure of Sentry Insurance's Manchester office. It expanded first into classic then modern motorcycles to become the market leader in the UK and Ireland.

Major shareholders
GUK Broking Services (part of Groupama)

Main lines of business
Modern, classic, vintage, custom and off-road motorcycle insurance is the company's core business. It also offers key-care cover and biker-orientated personal accident protection, household and travel insurance. Its personal lines portfolio also includes private car, classic car and van insurance. It operates motorcycle claims management including a full repair garage and a fleet of bikes.

Chief officer biography
David Newman joined Carole Nash as managing director in September 2007. He was previously marketing director at the Co-operative Bank, Smile, the internet bank, and CIS. Before that, he was marketing director of Chase de Vere Investments. Newman's first 10 years in the industry were spent at Britannic Assurance, starting as an insurance agent going through the ranks to be head of channel management. He has an MBA and is a chartered marketer.

#38
Adrian Flux

East Winch Hall
East Winch
Kings Lynn PE32 1HN
Tel | 0800 505 3000
Web | www.adrianflux.co.uk

Last year's ranking: **n/a**

Brokerage (2007): **£24.5m**
Pre-tax profit (2007): **n/a**

UK branches: **2**
UK employees: **420**

Chief officer: **David Flux, senior partner**

Established: **1973**

History
Adrian Flux established the business in King Street in King's Lynn in 1973. Initially offering disabled drivers a complete insurance service, the business grew, fuelled by specialist policies for American, modified and kit car owners. Over the years the product ranges now include Italian exotica, Trabants, motorcycles, Motorhomes, Japanese imports and many more specialist vehicles.

As the company expanded into the motorcycle markets the bike division was formed and branded as Bikesure Insurance Services.

In 2005 the company bought niche insurance provider, HIC, in Bishops Stortford. The business moved to its current premises at East Winch Hall, outside King's Lynn. In 2007 Trinity Lane was formed, a new personal lines insurance company trading from Malta under an EU licence, which distributes its products exclusively through the intermediary channel.

Major shareholders
Private company

Main lines of business
Specialist: kit cars; modified cars; 4x4s; imports; American cars; hot hatches; performance cars; driving instructors; classic cars; motorhomes; caravans; commercial vehicles; car club schemes; performance bikes; trikes; quads; scooters; Harley Davidsons; custom bikes; travel; pets; motor trade; personal accident and breakdown cover; helmets and leather cover.

The acquisition of HIC added to the portfolio of specialisms, including: VW campers; VW Golfs and GTIs; VW Beetles; classic and modern Minis; and military vehicles.

Chief officer biography
David Flux, 39, is senior partner of Adrian Flux Insurance Services, and has been with the company for 23 years. Flux became a senior partner in 1999, succeeding his late father Adrian Flux.

David Flux is one of the founders of the Association of Insurance Intermediaries and Brokers, now Biba.

#39
Windsor

America Square
London EC3N 2LU
Tel | 020 7133 1200
Web | www.windsor.co.uk

Last year's ranking: **39**

Brokerage (2007): **£24.1m**
Pre-tax profit (2007): **£6.8m**

UK branches: **6**
UK employees: **187**

Chief officer: **David Low, executive chairman**

Established: **1933**

History
Windsor Partners is the principal operating subsidiary of the Windsor group, an insurance and reinsurance broking business which can trace its origins back to 1933. In the last decade the Windsor group has achieved, both organically and through acquisition, an enviable track record of growth in both income and profitability.

In 2007 Windsor plc, the parent company of the Windsor group, was bought by its management and staff, with the help of external finance providers via a new holding company, Windsor Ltd. Windsor Partners Ltd is an independent Lloyd's broker.

Major shareholders
David Low, John Bennett, Simon Lakey, Neil Pearce, John Hanrahan, Hutton Collins, Andrew Erritt, Chris Wright, Dennis Thomas.

Main lines of business
Professional indemnity, liability, pharmaceutical, marine, aviation, commercial, equine, sport, international and renewable energy.

Chief officer biography
David Low has more than 45 years' experience in the insurance market. He built Regis Low, a Lloyd's broker, into an operation with a turnover of £35m, which he sold in 1991.

After a sabbatical, Low took a 14% share of the publicly quoted Windsor, joining the main board and becoming chairman and chief executive in 1997. Low remains chairman of both Windsor and Windsor Partners.

#40
Tyser & Co

12 Camomile Street
London EC3A 7PJ
Tel | 020 7397 4888
Web | www.tyseruk.co.uk

Last year's ranking: **36**

Brokerage (2007): **£23.9m**
Pre-tax profit (2007): **£2.3m**

UK branches: **1**

➔

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UK employees: **195**

Chief officer: **Chris Elliot, chief executive**

Established: **1820**

History
Tyser is the oldest name in the London insurance market. Firmly rooted in the marine industry in which it has its origins, today the company provides the full range of general wholesale and retail insurance services, and a number of specialist disciplines. Tyser was incorporated in August 2001.

Major shareholders
Roger Marsh, Christopher Spratt, Michael Cairns, Keith Cooper, Chris Elliot, Gordon Graham, John Ramsay and David Randle.

Main lines of business
All classes

Chief officer biography
Chris Elliot has spent all his working career at Tyser, joining in 1982. He has worked on the direct and reinsurance sides in the marine business and is involved in all aspects of that business. He became a partner in 1994 and chief executive in 2007.

#41

Group Direct – Brightside Group

MMT Centre
Severn Bridge
Aust
Bristol BS35 4BL
Tel | 01454 635 860
Web | www.brightsidegroup.co.uk

Last year's ranking: **46**

Brokerage (2007): **£23.5m**
Pre-tax profit (2007): **£3.4m**

UK branches: **6**
UK employees: **520**

Chief officer: **Arron Banks, insurance director**

Established: **2001**

History
BrightSide Group was formerly Group Direct following a reverse takeover in June 2008. Group Direct was formed in January 2001.Commercial Vehicle Direct Insurance Services was founded by Arron Banks and John Gannon as a broker to specialise in commercial vehicle insurance. In late 2001, Panacea Finance was incorporated, to provide premium financing services.

Group Direct was incorporated in October 2001, to act as the holding company for Commercial Vehicle Direct Insurance Services and Panacea Finance. Since then, Group Direct has grown through a combination of organic growth and the acquisition of policy books from the AA and GMM Insurance.

Panacea Finance provides premium financing services to customers of the broking subsidiaries of Group Direct.

Major shareholders
Arron Banks, John Gannon and Paul Chase-Gardener

Main lines of business
Brightside Group comprises seven trading businesses. Under Group Direct, there are three niche insurance broking businesses: Commercial Vehicle Direct, (van insurance); ONE Business Insurance (commercial business insurance); and Motor and Home/Taxi Direct (private car, household, taxi and minibus insurance).

Panacea Finance provides finance solutions to insurance customers. Quota Marketing delivers real-time quotes to its insurance businesses. Injury QED sources medical reports for personal injury claims and Debt Help provides debt rehabilitation services.

Chief officer biography
Arron Banks co-founded Commercial Vehicle Direct Insurance Company (the original business that later formed the core of Group Direct) in early 2001, with John Gannon. Banks is chief executive of Conister Financial Group plc, an AIM-listed financial services institution, based in the Isle of Man. Banks also co-founded Brightside Group in 2005..

#42

Kerry London Group

7 Birchin Lane
London EC3V 9BW
Tel | 0207 623 4957
Web | www.kerrylondon.co.uk

Last year's ranking: **n/a**

Brokerage (2007): **£22.4m**
Pre-tax profit (2007): **£(262,000)**

UK branches: **8**
UK employees: **250**

Chief officer: **Joe Kelliher, chairman**

Established: **1986**

History
Kerry London was established in 1986 by Joe Kelliher to offer a complete specialist insurance service to companies in the construction sector and associated industries.

The group has since broadened to encompass other sectors.

Main lines of business
General broker specialising in construction, commercial property, fleets, schemes, professional indemnity, sport and leisure, tour operators, caravans and mobiles homes and ambulance operators.

Chief officer biography
Joe Kelliher founded Kerry London in 1986 to offer complete insurance to the construction and associated industries. He established Kerry London Financial Services in 1987 to provide financial services to clients of the main company. In 2005 Kelliher was appointed group chairman.

Tim Watkins

#43
Firstcity Partnership

13-15 Folgate Street
London E1 6BX
Tel | 020 7247 6595
Web | www.firstcity.com

Last year's ranking: **38**

Brokerage (2007): **£20.8m**
Pre-tax profit (2007): **£70,000**

UK branches: **1**
UK employees: **177**

Chief officer: **Tim Watkins, deputy chairmam**

Established: **1993**

History
FirstCity Partnership is an independent London market broker, wholly owned by its management and staff via a trust established in 1996.

Major shareholders
Management and employee trust

Main lines of business
Professional indemnity, directors' and officers' liability, fidelity, financial institutions insurance, trade and political risks, international property, casualty, fine art/specie, employment practices liability, construction, warranties and indemnities and reinsurance.

#44
United Insurance Brokers

69 Mansell Street
London E1 8AN
Tel | 020 7488 0551
Web | www.uib.co.uk

Last year's ranking: **41**

Brokerage (2007): **£20.7m**
Pre-tax profit (2007): **£1.6m**

UK branches: **1**
UK employees: **235**

Chief officer: **Bassem Kabban, chief executive**

Established: **1987**

History
United Insurance Brokers (UIB) was founded in 1987 following a management buy-out from Marsh & McLennan.

Its origins go back to the 1960s when the forerunner of UIB became the first insurance broker in the Middle East. Another notable first for UIB is that it became the first broker to be admitted to Lloyd's without having to work under the so called umbrella arrangements – working with a Lloyd's broker.

Main lines of business
Aviation and space, casualty and liability, construction and engineering, energy – onshore and offshore, financial institutions, marine, property, treaty reinsurance, UK commercial and UK professional indemnity.

Chief officer biography
One of the founders of UIB, Bassem Kabban became managing director of UIB in January 1998. He has expertise in marine cargo, aviation, energy, liability and property insurances, including claims negotiation.

#45
Lark Group

Wigham House
Wakering Road
Barking
Essex IG11 8PJ
Tel | 020 8557 2300
Web | www.larkinsurance.co.uk

Last year's ranking: **42**

Brokerage (2007): **£19.6m**
Pre-tax profit (2007): **n/a**

UK branches: **5**
UK employees: **246**

Chief officer: **Graham Lark, chairman**

Established: **1948**

History
Founded in 1948 as a family business, the key objective was to offer outstanding levels of service, along side comprehensive cover. With two members of the Lark family still on the board today, the objective set 60 years ago has remained unchanged.

Main lines of business
Broker providing advice to clients on commercial, personal and employee benefits insurance.

Chief officer biography
Graham Lark is a chartered accountant who trained with Price Waterhouse in London before joining Lark Group 23 years ago. Having spent time in a number of roles in the business during this time, Lark is now chairman.

#46
Newman Martin & Buchan

NMB House
17 Bevis Marks
London EC3A 7LN
Tel | 020 7648 8800
Web | www.nmbinsurance.com

Last year's ranking: **43**

Brokerage (2007): **£18.9m**
Pre-tax profit (2007): **£251,000**

UK employees: **117**

Chief officer: **Gordon Newman, chairman**

Established: **1987**

History
Newman Martin & Buchan is an independent Lloyd's broker, owned by its directors and employees. In October 2003 the company moved to new London offices at NMB House.

Major shareholders
100% owned by directors and staff

Main lines of business
Energy, marine, reinsurance, speciality, property and casualty.

Chief officer biography
Gordon Newman joined the oil and energy division of Bland Welch in 1967 and by the time of the merger with Sedgwick Forbes had become an executive director.

Subsequently Newman has been chairman of NMB since its formation in 1987.

#47
The OutRight Co UK

Prospect House,
Gordon Banks Drive
Trentham Lakes North
Stoke-on-Trent
Staffordshire ST4 4TW
Tel | 01782 793 900
Web | www.outright.co.uk

→

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www.autodirect.co.uk
www.coverdirect.co.uk

Last year's ranking: **47**

Brokerage (2007): **£16.1m**
Pre-tax profit (2007): **£1.8m**

UK branches: **1**
UK employees: **320**

Chief officer: **Geoff Carter, managing director**

Established: **1981**

History
Formed in 1981 as Alliance Insurance Brokers, the company launched its own insurance brand Auto Direct in 1991. 1998 saw a rename to HSBC Select following acquisition by the HSBC Group. A management buyout in 2003 resulted in the company becoming The OutRight Company UK Ltd which was subsequently acquired in September 2005 by Fortis UK.

Major shareholders
Fortis UK

Main lines of business
Personal lines, predominantly motor, home, commercial vehicle and travel. The business is divided into two sections: an Affinity Services component for brands in the financial services; and retail sectors and OutRight's own consumer brands, Auto Direct and Cover Direct.

Chief officer biography
Geoff Carter launched his career in insurance in 1987 when he joined Royal Insurance. He subsequently held various executive roles In Churchill Insurance and the RBS Group, including partnership director and commercial director. He joined OutRight as managing director in October 2007. .

#48
CJ Coleman

Portsoken House
155 Minories
London EC3N 1BT
Tel | 020 7488 2211
Web | www.cj-coleman.co.uk

Last year's ranking: **44**

Brokerage (2007): **£15.5m**
Pre-tax profit (2007): **£2m**

UK branches:n/a
UK employees: **145**

Chief officer: **David Merry, chief executive**

Established: **1973**

History
CJ Coleman acts as a wholesaler for intermediaries, as well as providing risk management solutions for its direct commercial clients. Its range of clients extends from small to medium enterprises to global corporations. CJ Coleman operates extensively in Scandinavia.

Main lines of business
Professional indemnity, directors' and officers' liability, medical malpractice, financial institutions, programmes, liquidated damages, claims and property.

#49
Bollington

Adlington House
Adlington Road
Bollington
Macclesfield
Cheshire SK10 5HQ
Tel | 0845 603 3852
Web | www.bollington.com

Last year's ranking: **n/a**

Brokerage (2007): **£15.2m**
Pre-tax profit (2007): **n/a**

UK branches: **12**
UK employees: **200**

Chief officer: **Paul Moors, chairman**

Established: **1973**

History
Founded as a local broker in the Cheshire village of Bollington in 1973, Bollington has grown into a major national player. Bollington Group (Holdings) Ltd is the holding company of Bollington Insurance Brokers Ltd which serves retail customers.

Bollington Underwriting is also part of the Bollington Group working in the wholesale market.

Major shareholders
Paul Moors, Joe Wall, Stephen Wall, and GUK Broking Services.

Main lines of business
Commercial, care and not for profit, motor trade, Your Business Insurance, personal (motor, household and travel insurance) and wholesale.

Chief officer biography
Paul Moors has a commercial insurance background going back more than 25 years,.

After working for a couple of brokers in the North West, Moors moved to Stoke-on-Trent where he set up Claverley Hyde Corporate Risks in 1992. This then merged with Bollington in 1998, with Moors becoming a director in the enlarged operation.

He became managing director of Bollington in 2000 then chairman in 2003 as part of a management buy-out.

#50
Abbey Protection

Minories House
2-5 Minories
London EC3N 1BJ
Tel | 0870 600 1480
Web | www.abbeyprotectionplc.com

Last year's ranking: **n/a**

Brokerage (2007): **£14.8m**
Pre-tax profit (2007): **n/a**

UK branches: **3**
UK employees: **209**

Chief officer: **Chris Ward, managing director**

Established: **1992**

History
The group was founded in 1992 and has developed a range of legal, professional and reinsurance services. It floated on the Alternative Investment Market in November 2007.

The group distributes its services via a network of over 500 brokers, insurers, accountants, solicitors and affinity groups.

Major shareholders
Chris Ward, Colin Davison, Numis Corporation plc, Elizabeth Grace, Murray Fairclough, Invesco Asset Management Ltd, Rensburg Fund Management Ltd, Richard Candy, F&C Asset Managers plc

Main lines of business
Commercial legal expenses insurance and reinsurance

Chief officer biography
Chris Ward, 47, joined ALP in 1993 as business development director. He became managing director in 1996 and joined the group board in 2002. **IT**

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Top 50 brokers

Detailed breakdown of financial information from the leading brokers, ranked here by brokerage.

2008	2007	Company name	Current year	Brokerage (000s)	Brokerage change	Costs (000s)	Investment income net (000s)	Profit before tax (000s)	Profit change	Net current assets (000s)	Bank & investments (000s)
1	(1)	**Aon**	Dec-07	£510,057	-2.4%	£493,711	£41,497	£93,496	149.5%	£254,645	£759,318
2	(2)	**Marsh (1)**	Dec-07	£500,145	1.1%	n/a	n/a	n/a	n/a	n/a	n/a
3	(7)	**Saga/Automobile Association**	Jan-08	£421,688	5.8%	£224,166	£23,179	£220,702	19.6%	£280,688	£66,581
4	(3)	**Willis**	Dec-07	£414,254	-1.7%	£369,523	£51,456	£99,188	5.6%	£364,661	£442,455
5	(4)	**JLT Group**	Dec-07	£391,714	-4.2%	£322,776	£17,450	£86,388	12.9%	£59,596	£363,652
6	(6)	**The Towergate Partnership (2, 4)**	Dec-07	£353,100	50.3%	£223,400	£10,800	£140,500	64.1%	n/a	n/a
7	(5)	**Benfield Group**	Dec-07	£325,747	-4.5%	£298,686	£13,458	£50,899	-3.9%	£32,615	£341,218
8	(8)	**BGL Group (4)**	Dec-07	£226,541	43%	£182,150	£1,881	£46,273	16.5%	£32,887	£15,862
9	(9)	**Swinton Group (4)**	Dec-07	£208,202	37.4%	£156,664	£(4,469)	£47,069	57.2%	£41,527	£619
10	(14)	**Venture Preference (4)**	Dec-07	£135,000	65.6%	n/a	n/a	£35,000	124.2%	n/a	n/a
11	(10)	**HSBC Insurance Brokers**	Dec-06	£134,568	0%	£130,666	£6,863	£10,765	0%	£43,425	£190,346
12	(11)	**IAG (4)**	Dec-07	£118,800	1.6%	£108,506	£1,646	£8,165	-38.6%	£(12,028)	£22,381
13	(12)	**Lockton (4)**	Apr-07	£108,571	0.8%	£111,192	£2,305	£(316)	n/a	£328	£5,169
14	(16)	**Oval (2, 4)**	May-08	£101,682	48.4%	£77,144	£-	£24,537	83.7%	n/a	n/a
15	(13)	**Heath Lambert Group**	Dec-07	£95,800	-26.3%	£106,700	£4,400	£11,000	243.8%	£27,700	£102,700
16	(17)	**RIAS (Fortis)**	Dec-07	£77,585	13.3%	£59,310	£1,231	£19,506	33.3%	£10,868	£21,595
17	(21)	**Kwik-Fit Insurance Services (4)**	Dec-07	£69,339	18.9%	£55,898	£(1,299)	£12,589	62.7%	n/a	n/a
18	(20)	**Cooper Gay & Co (4)**	Dec-07	£68,100	16%	£51,426	£874	£15,800	410.3%	n/a	n/a
19	(19)	**Endsleigh Insurance Services**	Dec-07	£66,702	6.7%	£60,787	£1,183	£7,098	5.7%	£16,558	£39,421
20	(18)	**Miller**	Apr-07	£62,692	-2.6%	£61,520	£3,421	£7,335	34.5%	£31,951	£81,072
21	(23)	**Arthur J Gallagher (UK)**	Dec-06	£60,925	12.4%	£59,663	£3,800	£5,072	-264.7%	£15,589	£67,049
22	(25)	**Giles Insurance Brokers (2, 4)**	Aug-07	£60,000	69%	n/a	n/a	n/a	n/a	n/a	n/a
23	(–)	**CCV (2, 4)**	Apr-08	£57,600	n/a	£39,700	£1,800	£16,100	n/a	n/a	n/a
24	(26)	**THB Group (Inc PWS) (2)**	Apr-07	£47,241	38.4%	£31,351	£922	£2,752	-16.3%	£4,621	£25,164
25	(22)	**BMS Associates**	Dec-07	£45,347	-17.6%	£45,653	£3,370	£3,153	-48.4%	£9,711	£62,039

Creditors (000s)	Shareholders funds (000s)	Goodwill % of net assets	Highest paid director (000s)	Total directors emoluments (000s)	Employee numbers	Employee cost (000s)	Directors emol change	Average employee cost (000s)	Average employee cost change	Headcount Inc	T/O per employee (inc)
£4,336,856	£63,989	23%	£3,641	£11,736	5,135	£284,741	41.8%	£55	8.4%	-7.7%	5.8%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£490,508	£301,021	0.1%	£777	£974	n/a	£74,201	18.6%	n/a	n/a	n/a	n/a
£2,446,143	£405,016	14.8%	£486	£2,917	3,460	£148,295	-27.8%	£43	36.6%	-3.2%	1.6%
£467,789	£219,300	73%	£1,347	£4,467	5,347	£298,363	-5.3%	£56	0.7%	0.5%	-4.7%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£266,781	£149,796	104%	£931	£7,687	1,940	£203,725	0%	£105	0%	0%	-4.5%
£120,851	£18,021	n/a	£615	£2,291	2,360	£57,675	58.8%	£24	7.6%	11.7%	27.9%
£198,672	£78,013	108.2%	£259	£552	3,369	£70,686	-69.4%	£21	-4.3%	25.2%	9.7%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£505,436	£32,752	49.3%	£913	£3,085	1,570	£84,173	0%	£54	0%	0%	0%
£112,552	£39,606	n/a	£279	£1,860	2,052	£35,768	16.8%	£17	-25.3%	-1.4%	3%
£25,051	£328	n/a	£581	£2,252	998	£70,921	n/a	£71	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	1,200	n/a	n/a	n/a	n/a	42.2%	4.4%
£310,200	£51,900	11%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£48,898	£16,057	n/a	n/a	n/a	1,087	£26,847	n/a	£25	4.1%	4.1%	8.9%
n/a	n/a	n/a	n/a	n/a	933	n/a	n/a	n/a	n/a	6.5%	11.6%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£57,858	£5,918	366.9%	£1,673	£2,607	1,143	£29,131	234.8%	£25	14.9%	-1.5%	8.3%
£371,916	£25,629	n/a	£720	£1,605	461	£43,595	-13.2%	£95	5.2%	-4.6%	2%
£201,048	£19,660	34.6%	£680	£2,375	390	£39,955	-35.2%	£102	0.6%	3.7%	8.4%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
£31,431	£21,589	73.4%	£233	£1,063	398	£20,418	0%	£51	0%	0%	38.4%
£365,508	£8,084	20.1%	£431	£1,869	314	£29,969	-23.9%	£95	-6.2%	-11%	-7.4%

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2008	2007	Company name	Current year	Brokerage (000s)	Brokerage change	Costs (000s)	Investment income net (000s)	Profit before tax (000s)	Profit change	Net current assets (000s)	Bank & investments (000s)
26	(33)	Jelf	Sep-07	£40,556	61.6%	£29,947	£(752)	£2,515	19.1%	£(2,593)	£9,270
27	(27)	Hyperion Ins Group (Howden)	Sep-07	£38,326	14.7%	£34,274	£350	£4,402	-17.1%	£12,110	£32,423
28	(28)	RK Harrison Holdings	Jun 07	£37,464	15.5%	£28,860	£1,534	£8,110	30.3%	£17,593	£41,707
29	(40)	Capita/BDML (4)	Dec-07	£35,000	75.5%	£31,100	£-	£3,900	-317.6%	£1,892	£2,796
30	(29)	Besso Holdings	Dec-06	£31,265	3.6%	£31,793	£1,034	£821	20.2%	£4,766	£54,635
31	(30)	Erinaceous Insurance Services	Dec-06	£30,379	4.8%	£22,594	£3,003	£10,788	-2.1%	£(23,351)	£17,729
32	(34)	RFIB Group	Jun-07	£28,878	17%	£27,534	£1,714	£3,058	0%	£7,685	£33,065
33	(24)	RK Carvill & Co	Dec-06	£28,640	-23.3%	£31,305	£2,954	£289	-123.3%	£1,207	£26,526
34	(31)	HRH (4)	Dec-07	£28,587	5.2%	£26,585	£1,278	£3,280	-29.7%	n/a	n/a
35	(35)	Denis M Clayton	Dec-06	£26,185	10.3%	£27,359	£2,336	£1,162	-43.6%	£13,231	£30,148
36	(–)	Hero (Highway)	Dec-07	£25,558	3.9%	£24,217	£166	£1,507	203.8%	£5,494	£664
37	(32)	Carole Nash (4)	Dec-07	£24,907	-5.4%	£18,821	£175	£6,262	105.3%	£3,202	£2,998
38	(n/a)	Adrian Flux	Sep-07	£24,483	9.5%	n/a	n/a	n/a	n/a	n/a	n/a
39	(39)	Windsor	Sep-07	£24,080	15.8%	£19,164	£1,687	£6,756	28.5%	£3,529	£34,473
40	(36)	Tyser & Co	Dec-07	£23,851	15.3%	£22,564	£967	£2,254	-364.9%	£2,740	£25,939
41	(46)	Group Direct	Dec-07	£23,500	48.4%	£20,100	£-	£3,400	182.2%	n/a	n/a
42	(n/a)	Kerry London	Dec-06	£22,420	55.7%	£22,294	£206	£(262)	-151.4%	£(8,019)	£22,090
43	(38)	Firstcity Partnership	May-07	£20,768	-1.3%	£21,367	£669	£70	n/a	£4,165	£14,591
44	(41)	United Insurance Brokers (4)	Dec-07	£20,678	4.1%	£21,547	£2,437	£1,564	n/a	n/a	n/a
45	(42)	Lark Group (2,4)	Mar-08	£19,600	13%	n/a	n/a	n/a	n/a	n/a	n/a
46	(43)	Newman Martin & Buchan	May-07	£18,853	16.5%	£20,693	£2,092	£251	0.3%	£5,678	£10,181
47	(47)	The Outright Co UK (Fortis)	Dec-07	£16,130	3.5%	£13,712	£(618)	£1,800	n/a	£2,420	£3,255
48	(44)	CJ Coleman	Dec-06	£15,514	2%	£16,962	£3,481	£2,045	n/a	£9,805	£22,890
49	(n/a)	Bollington	Dec-07	£15,168	116.9%	n/a	n/a	n/a	n/a	n/a	n/a
50	(n/a)	Abbey Protection	Dec-07	£14,803	8.7%	n/a	n/a	n/a	n/a	£13,170	£15,940

Notes

(1) Figures extracted from US SEC Form 10K for UK business.
(2) Annualised figures to reflect material acquisitions in current financial year.
(3) Figures extracted from group consolidated accounts.
(4) Management provided information.
n/a Not available

Creditors (000s)	Shareholders funds (000s)	Goodwill % of net assets	Highest paid director (000s)	Total directors emoluments (000s)	Employee numbers	Employee cost (000s)	Directors emol change	Average employee cost (000s)	Average employee cost change	Headcount Inc	T/O per employee (inc)
£32,407	£20,029	246%	£367	£940	598	£21,583	7.1%	£36	-13.9%	85.1%	-12.7%
£105,576	£10,216	62%	£510	£1,385	322	£21,938	29.3%	£68	13.3%	13%	1.6%
£103,917	£20,437	15%	£864	£1,720	285	£20,362	16.7%	£71	9.3%	7.1%	7.8%
£19,535	£2,382	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£197,904	£8,796	85.3%	£389	£1,928	286	£19,774	4.5%	£69	3.7%	1.1%	2.6%
£84,165	£8,763	220.1%	£166	£411	185	£8,980	7.6%	£49	-46.7%	125.6%	-53.6%
£222,697	£10,561	9.2%	£270	£1,626	278	£17,735	-21.1%	£64	-2.9%	13%	3.6%
£326,094	£2,219	n/a	£369	£1,373	148	£20,704	208.5%	£140	-2.2%	-17.8%	-6.7%
n/a	n/a	n/a	n/a	n/a	192	n/a	n/a	n/a	n/a	n/a	5.2%
£208,790	£14,265	n/a	£472	£3,341	180	£17,989	23.7%	£100	1.8%	-1.6%	12.2%
£14,712	£28,493	74.2%	n/a-	£569	324	£6,179	n/a	£19	n/a	n/a	n/a
£3,796	£3,185	n/a	£363	£978	325	£9,035	-84.9%	£28	-52%	-7.7%	2.4%
n/a	n/a	n/a	n/a	n/a	460	n/a	n/a	n/a	n/a	15%	-4.8%
£38,586	£8,713	n/a	n/a	n/a	187	£13,970	n/a	£75	14.1%	4.5%	10.8%
£42,542	£10,516	72.2%	£325	£1,144	195	n/a	-63.1%	n/a	n/a	-6.7%	23.6%
n/a	n/a	n/a	n/a	n/a	410	n/a	n/a	n/a	n/a	0%	48.4%
£49,332	£1,497	524.2%	£229	£1,068	148	£6,101	2.5%	£41	6.9%	3.5%	50.4%
£16,599	£2,866	n/a	£236	£1,290	177	£10,255	-21.6%	£58	-8.2%	-2.7%	1.5%
n/a	£10,053	n/a	n/a	n/a	235	n/a	n/a	n/a	n/a	2.2%	1.9%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£10,712	£4,281	n/a	£510	£1,638	117	n/a	-0.4%	n/a	n/a	11.4%	4.6%
£19,901	£1,798	10.6%	£236	£480	295	£6,195	9.1%	£21	-3.1%	21.9%	-15.1%
£57,049	£6,526	7%	£214	£514	145	£10,413	-15.3%	£72	-15.1%	-0.7%	2.7%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
£20,710	£14,661	7%	£192	£548	196	£7,944	n/a	£41	n/a	n/a	n/a

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"I thought the report was excellent and congratulations on producing it. I particularly liked the carrier-by-carrier analysis..."

"Thought it was an excellent piece of research which enabled me to compare our own experiences with that of other brokers around the country."

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The Brokers' Verdict

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the shareholders of

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a Lloyd's broker
on its sale to
Jardine Lloyd Thompson Group plc
a quoted composite broker

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Advice to
the shareholders of

Cavendish Property Investments Ltd

an equity release specialist
on its sale to
Country Gentlemen's Association
a provider of financial services

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Advice to
the shareholders of

Astaire & Partners Ltd

a stockbroker
on its sale to
Blue Oar Plc
a quoted stockbroker

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Advice to
the shareholders of

Plan Invest Limited

a HNW independent
financial adviser
on its sale to
Yorkshire Investment Group
a wealth manager

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Advice to
the shareholders of

Argyll Insurance (Holdings) Ltd

a commercial broker
on its sale to
Jelf Group plc
an AIM listed corporate
financial services adviser

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Advice to
the shareholders of

Watterson Wealth Management Ltd

a wealth manager
on its sale to
Axa Insurance UK Plc
a composite insurer

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Advice to the shareholders
and management of

PWS Holdings Plc

a Lloyd's Broker
on the sale of the assets
and goodwill to
THB Group plc
a Lloyd's Broker

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December 2007

Advice to
the shareholders of

FMW Risk Services Ltd

a commercial broker
on its sale to
Oval Ltd
a commercial broking group

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Advice to

Marsh UK Group Ltd
on the sale of the assets and
business of

medisure

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a healthcare provider

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on its sale to
The Capita Group Plc
a quoted support
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on its sale to
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