TOP 50 UK BROKERS

timestwo

AN **INSURANCE TIMES** PUBLICATION | AUGUST 2007 | £25

In association with:

IMAS

QBE

Ripe for picking

Who are the next brokers to be the chosen ones?

Contents

timestwo

introduction

AndrewHolt

There is no doubt that this year's Insurance Times top 50 broker listings will look dramatically different in 12 months time. The much touted consolidation within the industry is beginning, finally, to take hold. Many companies have already disappeared after being swallowed up by the storm of mergers and consolidation.

This is only the beginning. Next year all the talk is likely to be about the most consolidation ever in general insurance broking. The question is whether in some cases the consolidation process may be at some cost, with some companies stretching themselves too far to keep up with the pace. Only time will tell. But this is unlikely to impact on the deep pocket of insurers looking to buy brokers.

It is interesting that the total revenue for the top 50 has seen the first real growth since 2002. But international brokers in the top 10 have in aggregate lost ground against the rest of the top 50. Much of this is down to the weakness of the dollar, which has helped the mid ranked UK players to gain a larger share of the top 50 income. The top three are unchanged, but have seen a fall in brokerage.

Although the biggest drivers in the top 50 have been thorough acquisition, Group Direct, BGL and RK Harrison have bucked this trend with excellent organic growth. In terms of absolute income growth, it is unsurprisingly Towergate that come out top of the pack. Although income growth is not all the story, profitability generates value.

And the future is a concern for brokers. In a survey

by Insurecom, only 14% of the 100 leading brokers expressed optimism for the immediate future. And over half (57%) believe that the small broker no longer represents a viable business model.

Not surprisingly, over half (59%) are living in fear of a takeover from major consolidating brokers. That fear is justified, but it is a fear they will have to live with.

timestwo

EDITORIAL
Editor: Tom Broughton
News & Special Projects Editor: Michael Faulkner
Associate Editor: Andrew Holt
Reporter: Emma Jones
Reporter: Tom Flack
Reporter: Nathan Skinner
Feature writer: Anita Anandarajah
Chief sub editor: Terence Verbeek
Art editor: Clayton Crabtree
Sub editor: Scott Skinner

Publishing director: Jon McGowan
Managing director: Tim Whitehouse

ADVERTISING
Head of sales: Tom Sinclair
Account manager – display: Daniel Tena-Mullor
Account manager – Nicola Pinkney
Account executive – display: Dean Harris
Account executive – display: Yash Puwar
Account manager – recruitment & classified: Steve Turner
Sales executive –recruitment: Analisa De Clifford

PRODUCTION
Group production manager: Tricia McBride
Senior production controller: Gareth Kime
Senior digital workflow controller: Arlene Gocul

CIRCULATION
Head of marketing: Stuart Kelly
Circulation manager: Sally Downing
Publishing director: Jon McGowan
Telephone: 020 7618 3456
Editorial fax: 020 7618 3499
Production fax: 020 7618 3482
Advertising fax: 020 7618 3400
ISDN: 020 7248 3996

SUBSCRIPTIONS
Insurance Times, c/o WDIS Ltd, Units 12-13, Cranleigh Gardens Industrial Estate, Southall UB1 2DB
Tel: 020 8606 7506 Fax: 020 8606 7301

Subscription rates: UK/Ireland – £310 (€485), one year; £527 (€820), two years. Europe and overseas – £685 (€1,070, $1,310), one year, £1,160 (€1,819, $2,225), two years.
Printed by: Headley Brothers, Ashford, Kent TN24 8HH

Times Two is published by Newsquest Specialist Media Ltd, 30 Cannon Street, London EC4M 6YJ. ISSN 1466-8149

www.insurancetimes.co.uk

Insurer shows the way

Oliver Laughton-Scott says only time will tell if AXA's move into distribution is misguided

It finally happened. An insurer has made a bold move buying into broker distribution with a series of significant acquisitions. Talks about the consolidators getting together have been ongoing for a number of years. The logic was simple, merge operations and reduce the competition for buying businesses. Every chief executive agreed it was a good idea and every chief executive wanted to be the chief executive of the combined operation. Deadlock.

We are fond of saying "there is nothing like cash" when advising our clients. And so it turned out when AXA appeared. Why AXA and will it work?

AXA has had a long-term involvement with Layton Blackham and a strong commercial relationship with Stuart Alexander. However, a decisive factor is culture. In France the separation of distribution from manufacturing is not the established business model. Consequently there is a presumption that the two can cohabit together.

Will it work? In the short-term, yes. The key individuals are incentivised for a number of years which will maintain the momentum. However, the hard work of actually combining the businesses into a coherent whole will only be tackled after the entrepreneurs are gone and this is when things will get difficult.

The real winners of this shareholder value award should be 3i. There is a long history of manufacturers over-paying to get into distribution and by all accounts 3i did an excellent job in extracting value. It will be some five years before we know if AXA pulled off a strategic coup or, as we suspect, has seriously overpaid in pursuit of a misguided strategy. Only time will tell.

The above is not to imply that insurers have no role in distribution. On the contrary, we see them as being increasingly important in the S part of the SME market.

Clients that by their size don't justify a personal relationship with the broker will increasingly move to internet/technology based methods of distribution. Commission disclosure, should it happen, is likely to assist insurers in building market share at the small end.

However, we believe that the M part of the SME market will continue to be dominated by brokers who know and understand their clients' businesses. **IT**

It will be some five years before we know if AXA pulled off a strategic coup or has seriously overpaid


Oliver Laughton-Scott

Key indicators

We have looked at the following as our key indicators:

Growth
Clearly a key factor. However, we are 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 both 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.

The best

1st place BGL

BGL has produce an excellent result of increasing income by 38% and posting a dramatic rise in profitability to achieve a margin of 25%, excellent for a personal lines business which has built its brand from nothing.

The management has shown a refreshing willingness to sell parts of their book as well as make acquisitions. You can tell the quality of a company's acquisition strategy by what is sold. When Jack Welch took over GE he sold around 40% of the turnover, being low margin businesses with weak competitive positions, before embarking on what became an acquisition trial of epic proportions. BGL has a clear view of the market and what it should be focusing on.

2nd place RK Harrison

With a weak rating environment and the dollar plumbing ever lower levels most Lloyd's brokers have struggled to maintain their top line and a number have experienced significant drops in reported earnings. The pain of 2006 is likely to be greater in 2007 as hedging programmes fall away and there is no escape from the $2 exchange rate. Amid the gloom RK Harrison's increase in revenue of 28% and profits by 69% is a tremendous result. While it has not been making acquisitions in the conventional sense of buying companies, its ability to attract teams remains a key driver to its growth.

3rd Place Towergate

Last year when awarding Towergate equal second place we stated "Consequently we expect the growth rate to tail off but one cannot accuse Peter Cullum of lack of ambition". With an increase in revenue of 41% Towergate has actually grown faster not slower in 2006. Consequently Peter has forced himself on to the winners' podium yet again.

This is not to say that there are no issues facing the business. Given Towergate achieves some of the highest commission rates in the industry, commission disclosure, should it come, will need to be managed carefully. Acquisitions have become increasingly expensive and we have seen the other consolidators learn the techniques so successfully deployed by Towergate over the years.

We remain sceptical of Towergate's stated aim of acting as a consolidator in the IFA space as this market has very different dynamics and effective consolidators already exist.

Having been proved wrong last year about Towergate's growth Peter may yet continue his inexorable march onwards. The bigger the beast, the larger the prey it can hunt.

Best of the rest

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

AA

Although revenues are only up 8%, profits have been transformed, increasing 350% to achieve a margin of around 30%. Not 'arf bad in a highly competitive market.

Venture Preference

It is a bold move by AXA to have created a vehicle within a year that contains three consolidators. The three had discussed the idea of merging themselves, but AXA produced the magic ingredient – cash and lots of it. The challenge for AXA is to convert the investment into success. The real winner should be 3i which extracted maximum value for its investment in Smart & Cook.

Oval

Continued strong growth but more importantly it has dramatically increased its margins to around 20%, profits having jumped by over 200%.

RIAS

Continued highly creditable results. Turnover up 39%, margins improved. Time will tell if breakaway operation Castlecover will start to hurt it, no evidence of this yet. However, the over 50s is a huge and growing market so there may be room for them both.

Giles

Turnover up 130% and producing a high operating margin at the same time means that Giles was unlucky not to make it on to the winners' podium. Whil Chris Giles has had to dilute his holding to achieve this, he has wisely put shares into his staff's hands. This should contribute significantly to the group's long-term growth.

Jelf

Last year's winner still growing strongly. Has built up a stock market following which will allow it to continue to build its business with significant acquisitions in the future.

Broker Network

With income of over £12m and profits of £2.4m it is becoming a force to be reckoned with.

Consolidation tighte

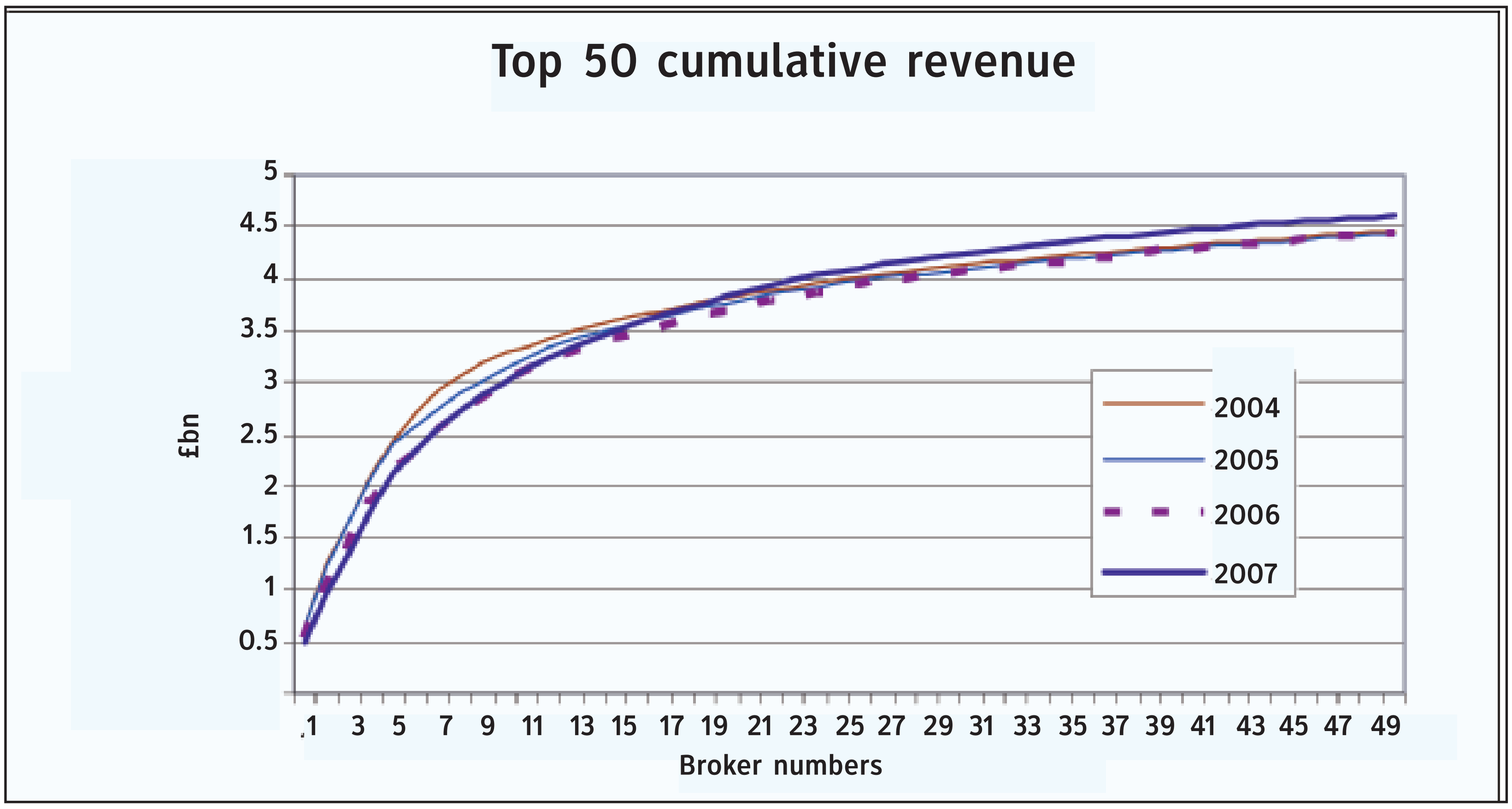
Revenue growth is still strong as consolidation impacts the lower third of the Top 50, but the top tier are losing ground. James Simpson reports

This year finally achieves what has been talked about for the past five years – consolidation of the general insurance market. The IMAS consolidation graph (The cumulative share of revenue) has finally gone positive, starting in the middle order of the Top 50.

Acquisitions over the past year have been numerous, across a large range of sizes and plenty more are going to happen in 2007.

But it is not all merger and acquisition led, organic growth has played its part, especially in the personal lines sector where growth remains at the same level as last year, 17%, with a limited number of acquisitions.

Growth rates in the commercial sector have slowed from last year's almost 40% to this year's 33% – still high, but just not so high. London and the international brokers continue to see stagnation, primarily due to the weakness of the US dollar and soft international rates. And there is little sign of any prospect that these conditions will change.



Market consolidation

Total revenue for the Top 50 has seen the first real growth since we started charting the income in 2002 and we really see the consolidation impact from 17th place onwards.

The international brokers in the Top 10 have in aggregate lost ground against the rest of the Top 50 and much of this is down to the weakness of the US dollar – JLT estimated that it cost it £11.6m in revenue. This drop in revenue assists the middle order UK players to gain a larger share of the Top 50 income, possibly overstating the extent of the real consolidation.

There is one notable absentee this year – Primary – which has stated that it is now primarily an MGA and that its broking businesses process predominantly internal business.

The recognised consolidators have however continued apace as well as being joined by insurers, AXA and Groupama.

Both insurers have spent considerable funds in securing their chosen parts of the distribution market. AXA has focused on SME commercial, while Groupama has gone for motor – motorcycles to commercial motor. We wait to see who comes out of the pack next to defend/secure their distribution.

Amlin has peeked out with its modest acquisition of AUA, although this is more wholesale/ underwriting than mainstream distribution.

The merger of the AA and Saga will create a significant business, but as we have traditionally not included Saga as a broker in our table (along with the banks we view it as a distributor of a non-brokered product) the consolidation effect of this is not apparent in our analysis.

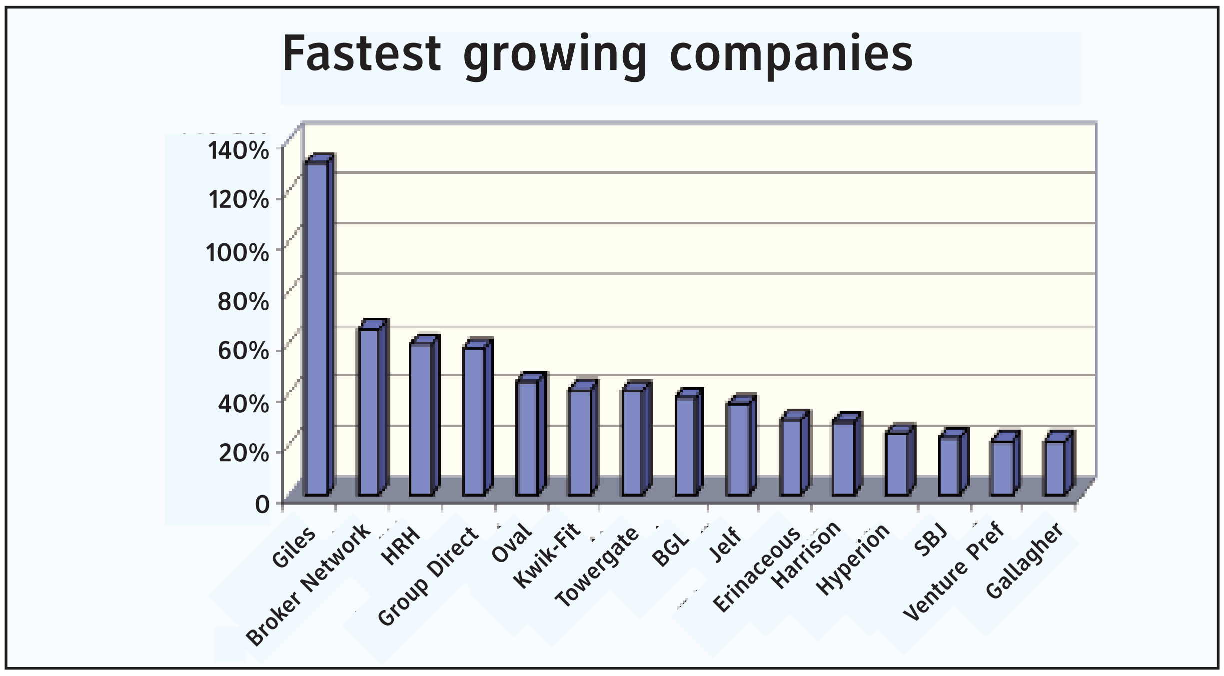
Lockton's purchase of the Alexander Forbes business has also caused some de-consolidation as the financial services business is no longer part of the continuing entity that we have analysed for the table.

Growth rates

As noted above the highest growth rates have been almost entirely driven by acquisition. There are however some exceptions notably Group Direct, BGL and RK Harrison. These businesses have achieved excellent organic growth (along with some acquisitions) to rank them in the 2007 Top 15 fastest growing companies. Given BGL's size, a 38% growth factor is a volume of business that many of the other companies would have readily welcomed.

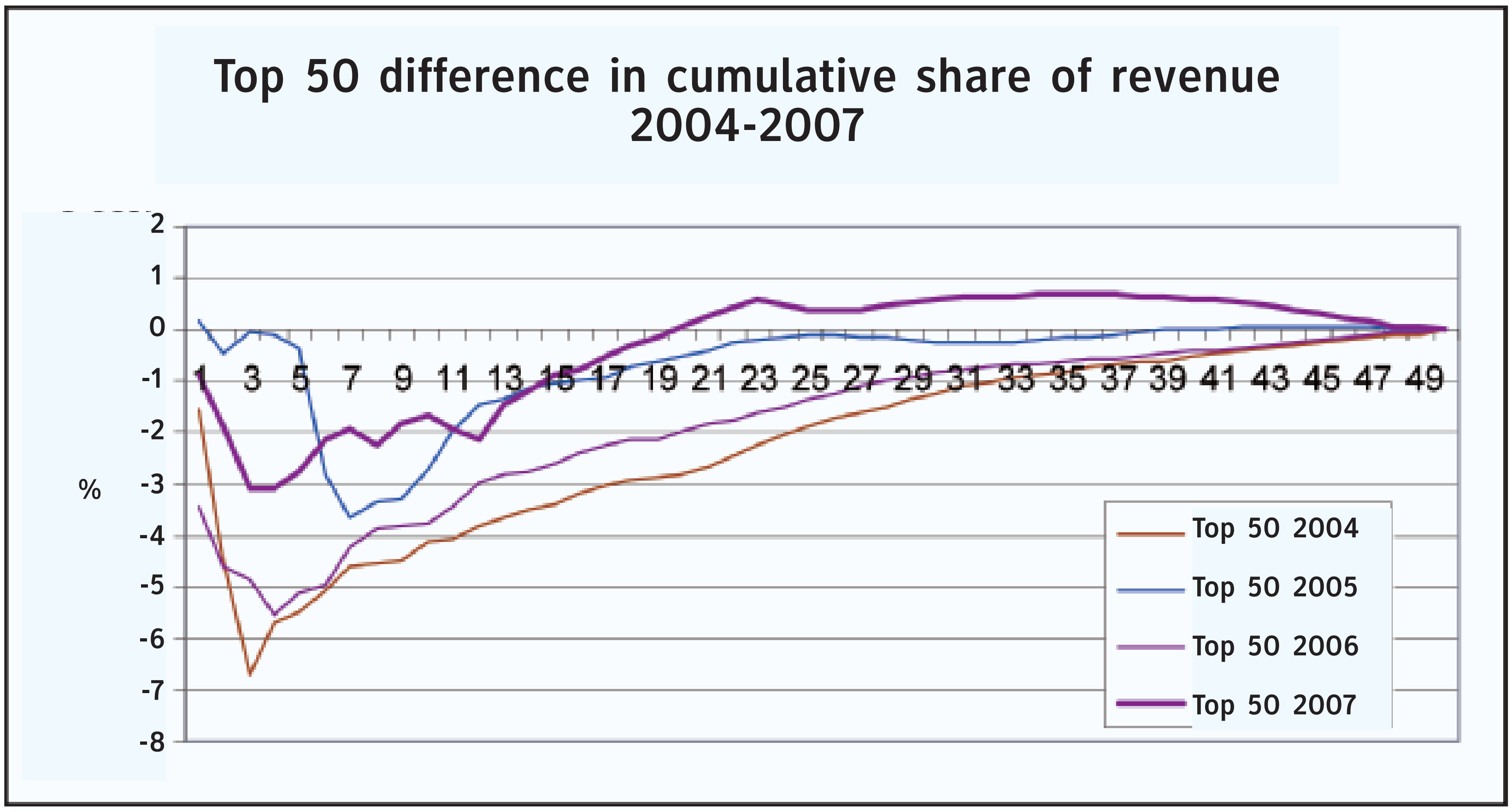
Group Direct has landed itself in

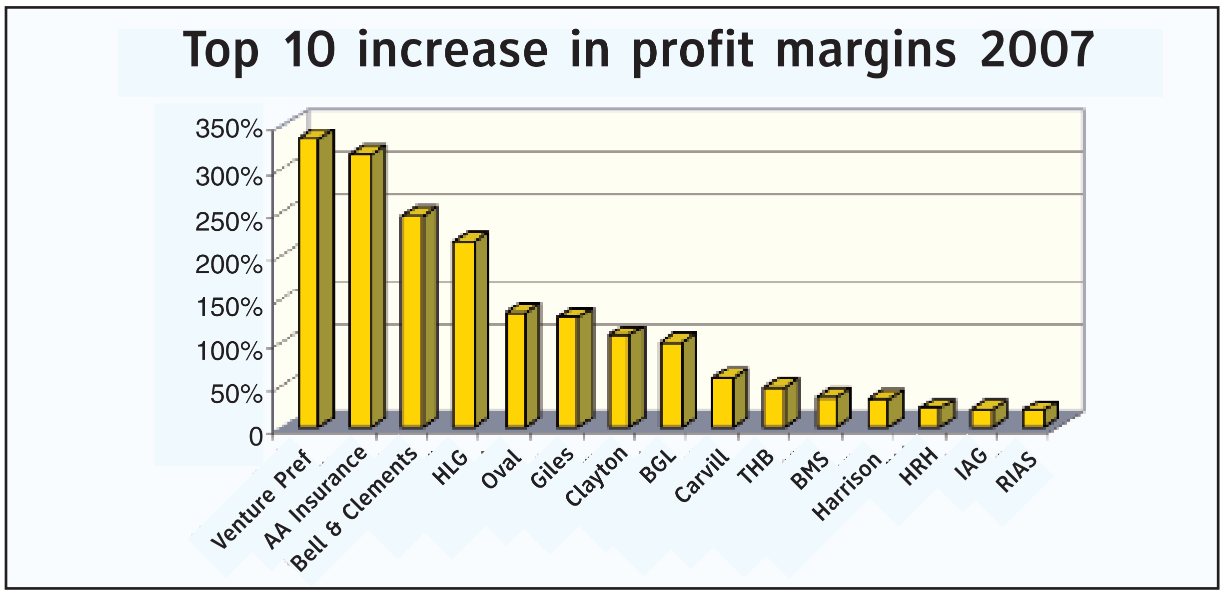
The international brokers in the Top 10 have in aggregate lost ground to the rest of the Top 50



ns its grip


James Simpson





the Top 50 for the first time after achieving excellent growth in its chosen motor sectors, demonstrating the benefits of focus over generalism.

Kwik-Fit has grown very well through a mixture of organic and acquisition, it achieved almost 20% organic growth and has recently added the same again through its acquisition of Express Insurance

The top fastest growing acquisitor is Giles with a 133.3% growth factor on an annualised income basis, followed by the Broker Network, albeit both from a smaller income base than most other consolidators.

In terms of absolute income growth it is of course Towergate that comes out at the top of the pack with an increase of over £68m in income. Next is Oval with £21m having just completed the acquisition of Williamson Moore on the south coast.

But, as we know, income growth is not the be all and end all of success – profitability is what really generates the value.

Profit margins

We analyse profit margins from two angles, first is the margin itself and those that have made significant improvements, the other is through income per employee as staff costs are by far the largest factor in driving the cost base of a broking business.

There have been some startling improvements in profits margins over the past year with six companies improving theirs by over 100% and only one of those is after a prior year restructure of the business, HL Group.

The two largest improvers are contrasting businesses, the AXA consolidator Venture Preference and the AA Insurance Services. The Venture Preference figures benefit from the consolidation of the three major entities that make it up and the emergence of the benefits of their prior acquisitions.

The AA's margin improvement is generated from a reasonable increase in income flowing straight thorough to the bottom line as costs were kept tightly under control.

Other consolidators also appear in the Top 10 margin improvers, Oval and Giles, showing that being an acquirer is not all about top line.

Increases in income per employee shows a slightly different picture and we may expect to see these

There have been some startling improvements in profits margins over the past year with six companies improving theirs by over 100%

companies in the margin improvers next year.

Leading the pack is Jelf, closely followed by Group Direct. Jelf's figures benefit from having full year figures for its 2005 acquisitions as well as its 2006 being highly productive businesses.

Group Direct's increase underpins its use of systems and focus to run a higher volume business during a period of rapid sales growth.

It is highly commendable that the next best improvers are substantial businesses, Budget and the AA, both personal lines and both who have improved rewards from insurers and utilised systems to keep headcount under control.

It is also interesting to note that five London market brokers make an appearance in this Top 10 ➔

➔ improvers. RK Harrison has a unique model with highly motivated teams focused on achieving profits and thus keeping their costs under very tight control.

AHJ has shown that growth can be achieved in London without having to acquire, working at what you are good at will produce results.

Coleman Group, Gallagher and THB have all achieved improvements in income per employee which have made a real difference to their profits, although not enough to get into the top improvers.

Goodwill

There has been a lot of talk about how goodwill is going to be treated from 2008 onwards; much of this has been focused on the UK commercial sector and the medium sized brokers that acquired businesses over the last five or 10 years.

Yet if you look at the Top 50 table you will see that a number of the brokers at the top end have a similar if not more difficult question to answer if the commentary is accurate.

JLT and Benfield, both UK listed companies have goodwill in their balance sheets equivalent to almost 100% of their shareholders funds. BGL, a very impressive financial performer, has goodwill of 163% of its shareholders funds. Lockton has 600% and Towergate tops the lot with almost 1,500%.

I am not even sure I want to contemplate what the new holding company accounts for Saga and the AA will look like after their merger given the values being talked about, and then there is Venture Preference and IAG.

Obviously simply saying that goodwill in the balance sheet is a "bad thing" is far too basic – there is no alternative to having goodwill if one is going to acquire businesses in this sector as so much of the value of the business is intangible.

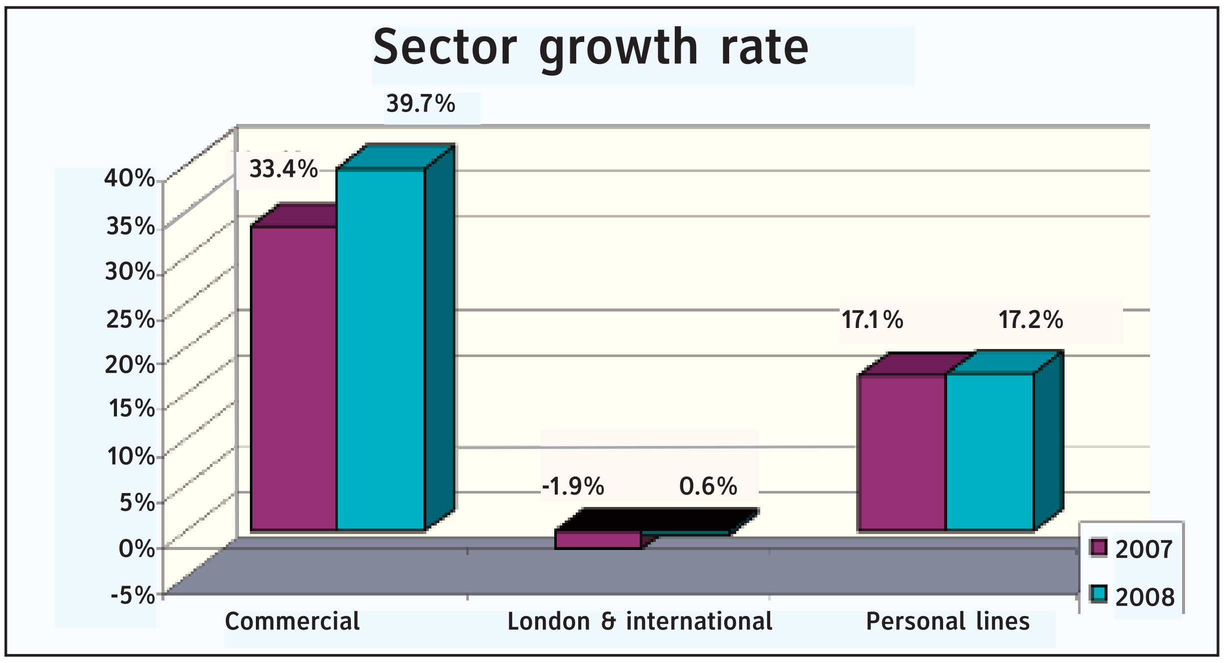
What has to be looked at is the financial performance and stability of the business in relation to its commitments. If the goodwill is not in the FSA -regulated entity then the failure of that company does not necessarily adversely impact the sound operation of the regulated trading entity.

This does not address how a single company broker that has goodwill in its balance sheet, having acquired a book of business, goes about dealing with its issue. But it seems anti-competitive to push them into the hands of the consolidators.

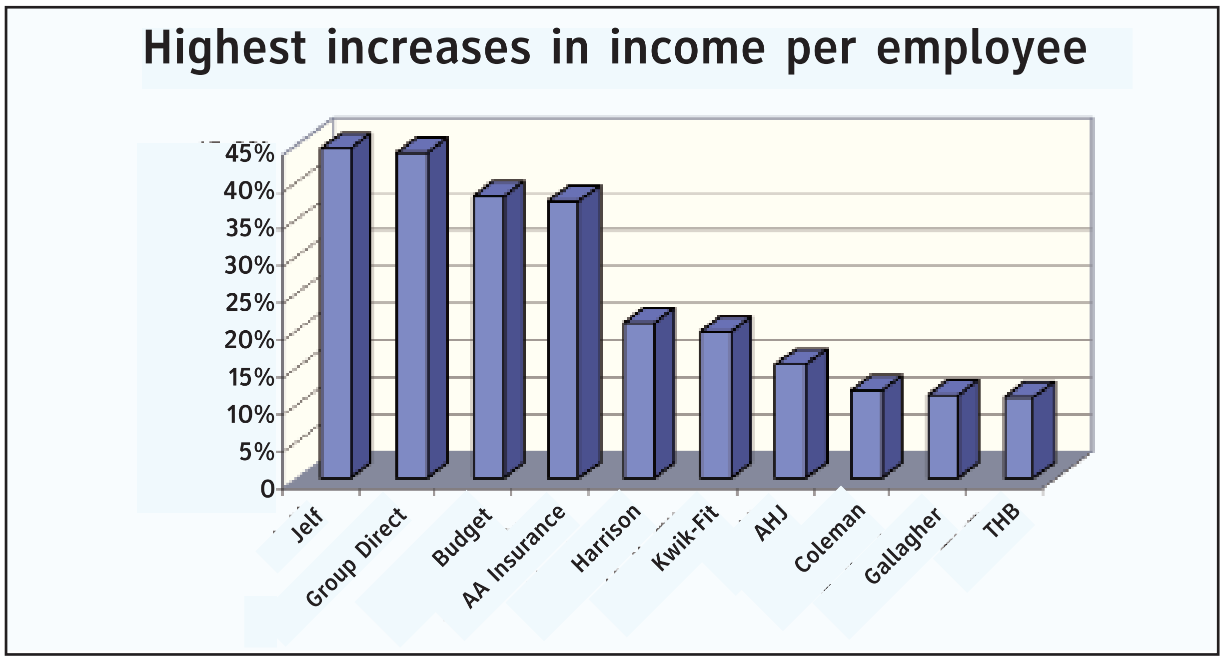
Creating a new subsidiary and transferring the business down into that company is one way but will require FSA authorisation for the new company.

A fairer way perhaps is to listen to what the plans are of the company to reduce its goodwill through amortisation, so long as these are realistic then that should deal with the issue and not drive choice and independence out of the UK market. **IT**

➔ James Simpson is a principal at IMAS Corporate Advisors



Simply saying that goodwill in the balance sheet is a 'bad thing' is far too basic – there is no alternative to having goodwill if one is going to acquire businesses in this sector as so much of the value of the business is intangible



A Scot brings indepen

Chris Giles heads an acquisitive Scottish broker that is having a considerable impact on the English market. He explains his strategy

Not since William Wallace, has a Scot made such impressive inroads into England. Chris Giles, the group chief officer of Giles Insurance Brokers (GIB), has made his mark in England after making acquisitions up and down the country and even planting a presence in Wales.

GIB jumped 23 places from the Insurance Times top 50 last year, to 25 this year, as a result of an aggressive acquisition strategy. In the past 10 months the company has made 10 acquisitions including Ink Underwriting, which added an instant £25m to its Gross Written Premium (GWP).

Chris Giles is proud to note that he remains Scotland's biggest independent regional broker, where 35% of its business derives. The rest comes from his broker bases in England. GIB is headquartered in Glasgow but operates through a national network of 17 branches. Giles has Derek Gardner, managing director at GIB, to thank for assessing the right acquisition targets. But he also commends colleagues Mark Quinn and Howard Pearson, another managing director for contributing to GIB's business plans.

"We want to be represented in all areas of the UK," Giles says in a determined tone, which one would expect from an entrepreneur whose company controls some £200m GWP.

GIB was involved in a capital raising exercise where it secured £100m from backers Gresham. The private equity firm has agreed to make £100m available for the group, over three times the pre-agreed amount of £30m.

Giles says: "We think this will give us much greater opportunities for acquisitions. With that money we hope to make 10 acquisitions over the next year or two. We want to go to the stock market with a premium income of between £250m and £300m, it will take us two years to get there," Giles says.

He adds: "We will want to go to the main market, not AIM, because we believe the benefits are greater there. It is unlikely that we will make a £50m or £60m acquisition. Our model is all about integration.

"We expect companies to take on our systems and our brandings. Although this might make it more difficult to make acquisitions, it is the right way to move forward."

Giles adds that he will not reduce his one third shareholding in the company, although his investor partners may opt to review their position at a later date.

But it has been the reality of the market which has forced GIB to focus on acquisitions in England and Wales after being snubbed by brokers in Scotland.

"We are trying to make acquisitions in Scotland, but nobody will sell," admits Giles.

This contrasts to England where he said there was a healthy pipeline of acquisitions. For example, the takeover of commercial fleet and courier broker Kerwin Smith in April, brought GIB's premium income to £135m and add weight to the broker's presence in the North.

Acquisition strategy

Giles has a clear message to express about his acquisition strategy, and it comes down simply to independence. "Given our commitment to remain independent we believe that brokers will want to align themselves with an independent broker," Giles says.

"Our strategy is to continue to build our regional network and to take a leading role in the consolidation of the fragmented commercial insurance market.

"We expect companies to take on our systems and our brandings, and although this might make it more difficult to make acquisitions, it is the right way to move forward."

And what about the much talked about AXA purchases? "Smart & Cook has gone to AXA and that will create space for us," says Giles.

This independence focus has spread across the country. It has seen GIB open a Manchester base in September last year, and bridge the gap into Yorkshire in November by acquiring two Yorkshire brokers – Richmond Insurance Brokers and Calvert Glover – both based in Bradford. And a new office was opened in Cardiff in March.

The Wales office alone aims to generate £1m GWP in the first year, and is the hub of the company's motor trade business for south west England and South Wales.

For a man with such Scottish connection Giles was in fact born in England and brought

ndence for brokers

to Andrew Holt

'We expect companies to take on our systems and our brandings, and although this might make it more difficult to make acquisitions, it is the right way to move forward'
Chris Giles

up in Scotland. He began his insurance career in Liverpool with a leading broker. Describing himself as a risk taker, he says: "I'm a risk preferring person."

And he adds: "I love insurance. I love the way the value chain works. I love chasing business as well as winning business. The politics is fascinating."

GIB is a newly-accredited member of Lloyd's and Giles says it will be seeking to expand its presence in the London market.

This summer GIB continued its consolidation drive with the acquisition of Ink Underwriting. The purchase of the Essex-based underwriting agency added approximately £25m GWP to the company's business.

Ink specialises in liability insurance for the printing sector. It is also diversifying into new industry sectors such as general liability insurance for the construction industry.

The acquisition came two months after the purchase of Wigan-based fleet and courier broker Kerwin Smith.

The acquisition of an underwriting agency was always on the cards. "We said we would purchase an underwriting agency and it's easier to buy an agency rather than set one up."

There is no doubt that with his impressive purchasing track record, Giles has further acquisition surprises on the cards for the future. IT

Supporting the broker

Broker Network chief executive Grant Ellis has steered the company to a record profit and a growing list of members. But now he's on the acquisition trail. Andrew Holt reports

Broker Network has come along way. It continues to grow its membership and the changing nature of the market with ongoing consolidation puts it in a strong position to exploit the vagaries of the broking market. Slade Edwards has been its latest broker member joining, bringing the total number of firms recruited to the network to 169. The aim is for there to be 250 by next summer.

Grant Ellis, Broker Network chief executive, says: We expect to have 250 members by the middle of 2008 and continue to recruit around 60 new members a year. We believe that there is a real growth in appetite from brokers wanting to join networks."

With expectations of performance are always more realistic in a soft market and consolidation within the broker market continuing, the network has experienced an increased interest in the number of firms wishing to join the group.

"People are worried about the gap between the commissions being negotiated by the consolidators and what they can earn on their own," he says.

'People are worried about the gap between the commissions being negotiated by the consolidators and what they can earn on their own'

"This is having a knock-on effect on the number of firms wanting to join a network. We can also help with things such as compliance, IT and HR. So while we are still looking to make acquisitions, and are in discussions with a few companies on this, we are focusing heavily on the network."

In the six months ended 31 October 2006, Broker Network Holdings reported a 71% growth in profit before tax to £1.94m from £1.13m a year earlier.

Operating profit grew by 108% to £2.4m from £0.98m in the previous year. The retail arm reported a 166% increase in turnover to £6m. It has risen 11 places to enter the *Insurance Times* Top 50 broker list at 48, based on an increase in brokerage of 65.2%.

This is based on one of the biggest moves made by the Broker Network when it acquired Towry Law Insurance Brokers last June, proving that Broker Network can punch above its weight.

The acquisition, for £12.5m, was made in conjunction with a consortium of Towry Law's management team, led by managing director Martin Wright, who takes a 25% share of the business. Towry Law controls more than £50m of premiums, an indication of how big the deal was.

'Our takeover of Towry Law made some people take notice'
Grant Ellis

Boosted brokerage

"Our takeover of Towry Law made some people take notice, but it was a good deal for us and them. It has really boosted out brokerage and we are looking at doing some similar deals in the future on this scale," says Ellis.

Until then, Broker Network's acquisitions had been mostly of brokers under £10m premium income. "It demonstrates the rapidly growing strength of the group," says Ellis.

Membership of Broker Network brings substantial additional benefits, even to a firm of its [Towry Law] size."

Towry Law has since been rebranded as TL Risk Solutions.

Ellis predicts that this deal has boosted the Broker Network so much that when a full year's business figures are filed that include TL Risk Solutions, it could put the network in the top 10 of the *Insurance Times* broker list.

"It really boosts our position significantly. But as I say, it is not the last big acquisition we will make."

Ellis added that the acquisition had made the company a top 10 medical insurance broker and future acquisitions in the sector were possible. "We are interested in acquiring a healthcare broker and there are a few potential acquisitions out there," said

‘have nots’

Ellis. “It is a small community, but it is a market which needs shaking up.”

The Broker Network launched its own graduate training scheme after Ellis criticised the industry for being “too slow on its feet” to address the skills crisis. The scheme, Career Start, offers places to undergraduates who wish to take a year out of their course.

Ellis says he had launched the scheme because he had grown tired of waiting for the industry to act. He said despite the CII being committed to attract young professionals to the industry, it would be “some time” before brokers would see the benefits.

“The industry is moving on this, but I was finding it hard to recruit graduates. Waiting for others to act is not good enough,” he says.

Monthly retainers

The scheme offers four students, taking a year out of their four-year business course, the opportunity to experience working life in all divisions of Broker Network's headquarters. The undergraduates then are offered monthly retainers when they return to university to tempt them back to work for Broker Network once they have graduated.

But while the network continues to grow in both members and through acquisitions what does he make of some development in the market, for example the AXA takeover of three strong commercial brokers: Layton Blackham, Stuart Alexander and Smart & Cook? Isn’t this major threat to the broker community?

“No. Not at all,” he says dismissively. “It is just another development in the evolution of broking. Those brokers who move with the times are the ones who will benefit and survive. The only concern I have with this deal is how will the companies keep going when the present chief executives retire? They have been the driving forces behind each business.”

But what about the broker being owned by an insurer? Isn’t there a potential conflict of interest with the broker placing business with its parent insurer company? He again bats this away. “The market is far too competitive for brokers to be giving business to chosen insurers whether they are owned by them or not.”

This is an interesting perspective given that Broker Network could exploit the situation by being more critical, given the riches of insurers is arguably helping to create an even bigger divide between the broking ‘haves’ and ‘have nots’.

But Ellis says: “We support those who are ‘have nots’. We exist for them and help them become ‘have’ brokers. If they join us they will benefit from being part of our network.”

It seems by the number of brokers joining the Broker Network many are listening to Ellis’s message. **IT**


Does your business need a new direction?
Swinton is interested in discussing the purchase of part or whole businesses and will structure a deal that allows you to move in the direction you prefer.
Speak with us in confidence on 0800 298 2750 or email us at future@swinton.co.uk

All the right moves

Backed by a solid staff, which continues to strengthen all of BGL's divisions, Peter Winslow's company is still on the rise. Andrew Holt reports

Peter Winslow has ensured that the juggernaut that is the Budget Group of Companies, the UK's largest privately owned personal lines broker, which has changed its name to the BGL, keeps trampling competition in its wake.

It is indeed a long time since Winslow proposed to his board the option of changing the company from an underwriter to an intermediary but with the prospect of no profit for two years. They went for it, and it has been uphill ever since.

So what is Winslow's secret of success? He unequivocally identifies one fact that has continually driven BGL's business forward. "We have a s**t hot team," he says. "We have the right people in place and we do not interfere with their work. We treat people as they should want to be treated. It is basic, but it works so effectively."

> 'We have the right people in place and we do not interfere with their work'
> Peter Winslow

Partly because of this, BGL earlier this year was identified by *The Sunday Times* as one of 10 companies to watch, alongside the annual league table of the UK's 100 private companies with the fastest growing profits over a three-year period.

Winslow says: "It is a magnificent achievement for the Budget Group to have been highlighted as one of the fastest growing private companies to watch. On our current rate of progress we are well on the way to entering the full league table next year."

The company has six trading divisions: Budget & Dial, Junction, comparethemarket.com, Bennetts, Fusion and ACM ULR, all of whom have played their part.

Winslow says: "Each of the group's six trading divisions has contributed to this success, sustaining our rate of growth both in profit and size." ➔

➔ And the name change? "This represents the evolving nature of the business today, and the breadth of our offering to both consumers and business partners."

Winslow says growth has exceeded expectations, but it is Junction, its affinity arm, that has been the company's biggest expansion area.

"The speed to market, flexibility and portability of Junction's models have seen the number of policies under management double in the past year and Junction will deliver £500m GWP within the next three years," he says. This is significant because Junction is expected to supply at least 50% of BGL's GWP by 2010.

Its personal lines and commercial vehicle arm, Budget & Dial, has surpassed the expectation to more than double the number of policies written in the financial year to June from 376,000 to 800,000.

It is also on target to exceed the expectation to have two million car, home, motorcycle and commercial vehicle policies under management, and a further 40% increase in GWP this financial year.

This comes as Budget & Dial (B&D) ramps up its push into the home market after a successful pilot commercial SME cover last year.

"B&D has doubled in size and reinvented e-commerce business," says Winslow.

It also follows the sale of Budget Retail to Swinton in August for an undisclosed sum, when 92 Budget offices transferred to Swinton. "This was the best thing for both sides."

Comparethemarket.com has faced a revamp and relaunch which has resulted in £20m advertising push in connection with a Channel 4 drama. "This is completely new and exciting for us. We want to be a leading provider in this market."

It will face a tough task as the aggregator market is highly competitive.

Bennetts, the motorcycle broker, has grown an impressive 80% growth since its acquisition by Budget in October 2001.

"We are well on target to secure over 30% share of the market," says Winslow.

Fusion Outsourcing Services, the South African call centre service for both Dial Direct and the Budget motor insurance brand, has over tripled the size of the call centre to 800 seats. Half are to be filled by staff trained by local agency, Calling The Cape.

As a result, BGL claims that personal lines sales are up 4% on the UK and in commercial vehicle successful sales were 11% higher than its UK equivalent.

> 'I fully predict we will continue to grow successfully because we have so many good people... The future looks very bright.'

Although it may be more expensive to run a call centre in Cape Town than in India, Budget says the results prove themselves.

"This is very different from the outsourcing model that gets so much bad press," says Winslow. No jobs have been lost in the UK and Calling the Cape supplies almost half of the new workforce which it trains at no cost to the intermediary, focusing on the unemployed.

For the year ended June 2006, Budget's pre-tax profits were £22.2m, up 85% on the previous year. The group currently employs 2,255 people, and has created more than a thousand jobs in the past three years.

For this period, GWP rose 25% on the previous year to £376m, while policies under the group's management increased by 35% to 1.4 million.

In our latest top 50 list BGL's brokerage increased by 38% to move it up four places to an impressive eighth. In November, BGL set an ambitious target to grow its premium income organically to £1.25bn by the end of 2010.

Winslow says: "I fully predict we will continue to grow successfully because we have so many good people and a good set of working practices, which I believe bring out the best in all our staff. The future looks very bright." **IT**

Who can you trust?

Trust us to benefit your business by adding value to your portfolio, differentiating you from the competition and providing additional income streams.

Trust us to give your clients all the expert legal advice they need to avoid expensive litigation. Our 24 hour advice line is staffed by an extensive team of employment solicitors and barristers - Abbey Legal is the largest supplier of professionally qualified employment lawyers in the market.

Trust us to provide your clients with comprehensive commercial insurance solutions, specialist schemes for trade sectors and affinity clients, as well as facilities for property owners and the construction industry.

Trust us to be professional, efficient at all times and nice people to deal with.

Contact us now for details of our legal insurance protection, advice, information and risk management solutions.

TELEPHONE: 0870 600 1480 • **EMAIL:** sales@abbeylegal.com • **WEB:** **www.abbeylegal.com**

ABBEY LEGAL PROTECTION

Abbey Legal Protection is a trading division of Abbey Protection Group Limited which is authorised and regulated by the Financial Services Authority in respect of insurance mediation activities only.

ALPCA001

Brokerage slips for the big three

As the big firms lose income the many smaller broking groups in the Top 50 are reporting strong growth and embarking on another year of fierce dealmaking. Caroline Jordan reports

There are some clear winners in this year's top 50 UK insurance brokers and they are not necessarily the usual suspects. The top three are unchanged as of 2006 – with Aon, Marsh and Willis occupying the first three slots.

It's a case of the nationals dominating here, but what stands out is that all three have seen a considerable reduction in brokerage.

In particular, Marsh has seen a fall of 5.2%. The impact of transparency and the legacy of Spitzer has been painful both in terms of job losses and the reduction in earnings.

So, it has been goodbye contingent commissions. And, it is notable while both Marsh and Aon have been bullish in their support for a clear fee structure and not taking payments from insurers, that this has enforced belt tightening.

In January, Aon appointed Peter Harmer as chief executive of Aon in the UK, succeeding the hugely respected Dennis Mahoney.

Harmer was chief executive in Australia for seven years. Mahoney will continue to serve as chairman.

"Customers must have transparency and it is notable that some brokers still offer poor visibility," Harmer comments.

In a market where acquisition is the name of the game for so many firms, Harmer says his focus is on organic growth – and on profitable niches. He says he would not rule out acquisitions and points out that in January, Aon bought classic car specialist Footman James.

"It's a firm that is traditional in its service but also innovative. There are more classic car owners and it is a way we'll create value, he says."

But, he adds that the long established Aon Private Clients, its high net worth specialist division, is a star performer, growing around 25% year on year and its affinity group business is also showing strong figures.

And, along with many of the super provincials, brokers such as Aon will be looking no doubt to push corporate risk management consultancy.

There is no getting away from it, but Towergate has been an amazing success story. It has moved up two places and is a past master at acquiring highly profitable niche businesses along with hammering out lucrative deals from insurers.


Grant Ellis, Broker Network

Strongest team

Peter Cullum is still out there doing the deals and he has built one of the strongest teams in the market. Last year, he lured Amanda Blanc from Groupama, and Norwich Union's Ken Wallace joined as a non-executive director.

The problem for Towergate now is that other acquisitors, insurers and venture-capital backed brokers, are chasing the same targets.

There are only so many good independents left out there and Towergate is not the only one with a fat chequebook.

It is understood Towergate is looking to grow its presence in the London market and uses the services of super fixer Terry Wellard on an ad hoc basis. It also has Cullum Capital Ventures led by Tim Johnson which targets smaller regional business. This offers a number of options for brokers looking to sell, including ones where only a percentage of the business will be purchased. This releases cash for the principal, but also means a more gentle handover process.

Towergate is aiming to offer a multi-strategy solution when it comes to acquisitions, but others are also steaming in to the deals. The fact Towergate is so big now,


Ken Wallace, Towergate

may also count against it. A smaller broker may say it is able to offer more flexible terms or indeed convince the principal that it can offer a better home to existing staff. It may all be touchy feely, but Towergate is certainly not swimming alone.

Although it is near the bottom of the table at No 48, Broker Network shows a stunning brokerage return of 65.2%. It clearly has a winning formula when it comes to acquiring businesses, not least because it allows its purchases to retain their own brand and backs them in their local communities.

Chief executive Grant Ellis remains an approachable and popular figure in the broker market and smaller firms have benefited in particular from network membership – so it clearly can make sense to sell out to a business they trust.

And, the people at Giles are obviously doing something right too. It has moved up from number 48 to 25 and produced an outstanding brokerage growth figure of 130.4%. Managing director Howard Pearson joined when Giles bought Miller's retail operation.

He comments: "I have found that when a broker is considering a sale it will want to talk to Giles. This is an exciting business. All the senior people work incredibly hard and are unpretentious. It's a cliché, but you can feel the buzz here and there are so many opportunities.

"One broker Steve Smith of Kerwin Smith, which was recently acquired, is now running our northern region for example. The leadership is highly visible, and they are talking to a lot of businesses right now. I'm absolutely sure there is going to be further growth. We're still in the foothills, not the mountains."

Just outside the top 10 at No 11 is IAG, the

'I'm absolutely sure there is going to be further growth. We're still in the foothills, not the mountains'

Steve Smith, Kerwin Smith (a Giles purchase) holding company of, among others, Equity and Hastings Direct. UK group chief executive Neil Utley says: "Our acquisition strategy remains aggressive; in fact we've made 17 regional broker acquisitions during the past 12 months alone.

"Equity now has almost 80 branches across its UK network and we're well-placed to achieve 100 before the end of 2008. The group is at the legal stage of half a dozen more acquisitions and the funding is in place for larger purchases that fit our criteria."

Best to come

And it has been a splendid year for Oval, now in the top 20 at number 16, up from 21 last year. Chief executive Philip Hodson describes the past year as "steady" however and says the best is yet to come.

"There are another 12 [acqusitions] in the pipeline and we could see as many as 15 or 16 by the end of the year. We're about to press the accelerator."

Hodson says business is going well in part because of its first rate relationship with backer Caledonia, which holds 34% of the business. "It's comfortable that it has a minority stake and we work well with it. We're a company that gives our people plenty of rope so they can play an active part in running the business. This works with brokers and even though we've been approached, we're not looking to sell."

Meanwhile, this has been the year that insurer AXA has made its mark, seeking to win a share of distribution through its cracking trio of acquisitions in Smart & Cook, Stuart Alexander and Layton Blackham. The AXA owned Venture Preference holding company has leapt up the table to No 14 from 27.

And, now Groupama wants to be in on the act. There have been strong rumours, first revealed in *Insurance Times*, that the insurer is set to buy high net worth broker Lark. Meanwhile, it has recently bought two well regarded firms, Carole Nash which is in at No 33 and attractive regional Bollington.

Groupama corporate services director Paul Picknett comments: "We have appealed to the brokers we've bought because we make it clear from the start they remain independent. We position them as sister companies but they are not going to be absorbed into Groupama."

But, is this going to make Lark sign on the dotted line? Picknett is tight-lipped on this point but emphasises there are "plenty of tempting businesses out there we're interested in".

Meanwhile, the trade press is packed with acquisition stories. And, as with so many of the top businesses here, this has fuelled much of the growth.

Yet, outside of this top 50, many smaller deals can become tedious. In many cases it is

Janet Connor, RIAS

just another so-so broker reaching retirement age and cashing in by selling his book of business to a slightly less humdrum firm.

But, although it has only moved up two places to No 17, RIAS is an interesting case in point. It is in excellent shape, but has not been out buying rivals – it has grown purely organically. The Bournemouth broker is owned by insurer Fortis.

Managing director Janet Connor says: "I'm delighted we are in the top 20. There are a lot more brokers targeting the over 50s so we focus on service and recommendations. Our research shows that 88% of our customers would advocate us."

She adds good service means telling call centre staff they have no limit on the time they can speak to customers and although household cover for oldies is viewed as a good bet, travel cover in this sector is stickier.

Indeed, it is an area where consumer groups have knocked the industry for age discriminatory practices. But, Connor says her firm is able to offer insurance for those aged up to 99 and even its pet cover has no upper age limit.

Making the most of the ageing population is one matter – seeing the fresh shoots of embryonic brokers is another. Indeed, Eric Galbraith, chief executive of Biba, has expressed concern that too few new broker firms are setting up, perhaps held back by regulatory and financing pressures, even if these are perceived rather than real.

In this top 50, as has been a growing trend over the past few years, success is predominantly coming about as a result of consolidation. Or as in the case of the nationals through their sheer size.

But, will some younger brokers say enough is enough and have the courage to start new businesses? It may be years before they make it into the top 50, but the current state of the market could be the tipping point. **IT**

Listings 1-10

Summaries of backgrounds and capabilities of the Top UK brokers

The Top 50 brokers

1 Aon

8 Devonshire Square, London, EC2M 4PL
Tel: 020 7623 5500 Website: www.aon.co.uk

Peter Harmer: chief executive

FEE AND COMMISSION BROKERAGE (2006): £485.1m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 36
NUMBER OF UK EMPLOYEES: 4,000

CHIEF OFFICER: PETER HARMER, CHIEF EXECUTIVE

YEAR ESTABLISHED:
Aon was formed in 2001 following the merger of Aon's businesses in the UK. Aon's parent company, Aon Corporation, was founded in 1982.

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

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

Pat Ryan, former chairman of Aon Corporation, expanded the business into insurance broking and services through strategic acquisitions, such as Hudig-Langeveldt (a provider of insurance protection for cargo ships 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 now a leader in risk consulting, insurance and reinsurance brokerage, human resources and management consulting, and outsourcing in the UK and the world.

MAJOR SHAREHOLDERS
Aon (UK) is a wholly owned subsidiary of Aon Corporation.

MAIN LINES OF BUSINESS
Risk Consulting; Insurance and Reinsurance Broking; Actuarial, Pensions and HR 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 the insurance industry for over 28 years, spanning underwriting, reinsurance broking and retail insurance broking.

Twenty years of his career has been spent with the Aon Group. 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.

2 Marsh

Tower Place, London EC3R 5BU
Tel: 020 7357 1000 Website: www.marsh.co.uk

FEE AND COMMISSION BROKERAGE (2006): £471.6m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 25
NUMBER OF UK EMPLOYEES: 4,100

CHIEF OFFICER: MARTIN SOUTH, CHIEF EXECUTIVE

HISTORY
Marsh Inc is the risk and insurance services unit of Marsh & McLennan Companies (MMC), a global professional services firm with around 55,000 employees and annual revenues of approximately $12bn (£6.4bn). MMC operating units are also engaged in consulting through leading risk company

CHIEF OFFICER BIOGRAPHY
Martin South took up the position of chief executive of Marsh in February 2007.

Born in Africa in 1965, he was raised and educated in the United Kingdom. He joined the Minet Group in 1983, moving in 1985 to Marsh & McLennan Companies' UK broking unit, CT Bowring (later to become Marsh).

He left Marsh in 1996 as a senior vice president in its wholesale broking unit to join Zurich Re before becoming chief executive of Zurich's London operations in 2000.

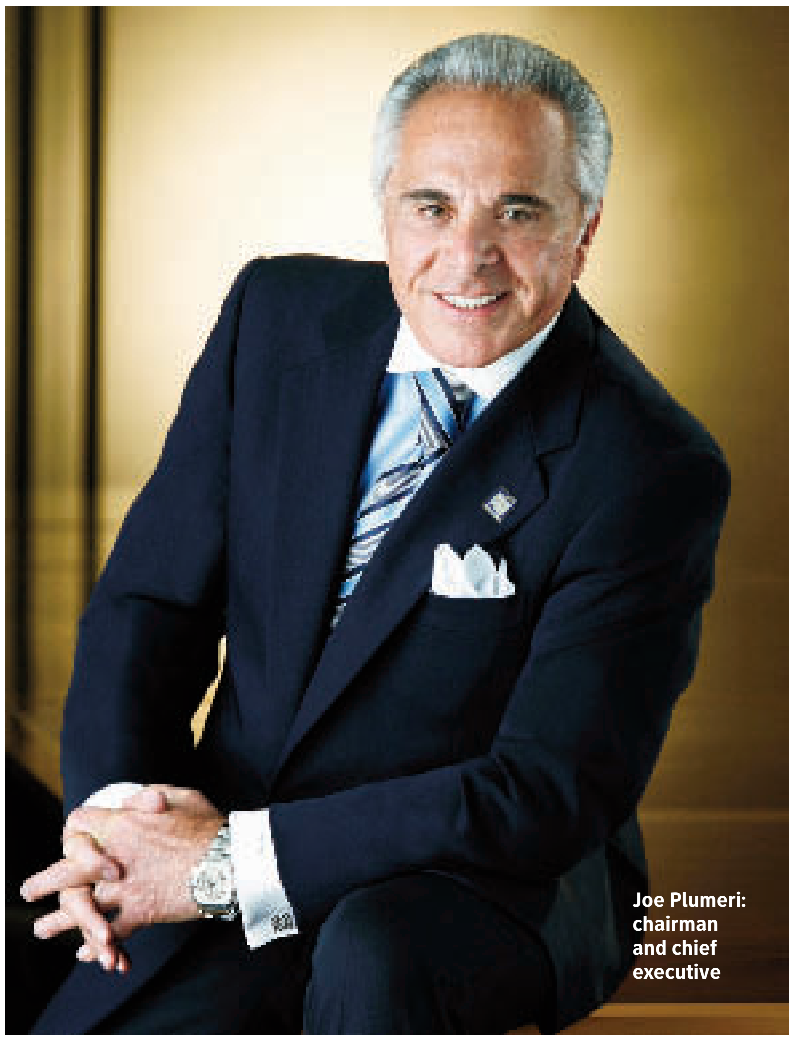
Between 2004 and 2006 he was chief executive of international businesses at Zurich Financial Services and a member of the group management board, responsible for all of Zurich's operations outside North America and Europe.

His responsibilities included developing the strategy and vision for these businesses, with a particular focus on China and longer-term value creation.


Martin South: chief executive

3 Willis

10 Trinity Square, London EC3P 3AX
Tel: 020 7488 8111 Website: www.willis.com


Joe Plumeri: chairman and chief executive

FEE AND COMMISSION BROKERAGE (2006): £421m
PRE-TAX PROFIT: N/A

NUMBER OF UK BRANCHES: 30
NUMBER OF UK EMPLOYEES: 3,800

CHIEF OFFICER: JOE PLUMERI, CHAIRMAN AND CHIEF EXECUTIVE

YEAR ESTABLISHED: 1828

HISTORY
Willis traces its roots back to 1828 when Henry Willis set up a business in London to provide insurance services to the marine sector. Since then, the company has grown into one of the world's largest brokers, with 16,000 associates in over 100 countries.

In 1990 Willis Faber merged with Corroon & Black to form Willis Corroon and thereby establish a major presence in the key US market. In 1999 the group became Willis and in the following year welcomed Joe Plumeri as chairman and chief executive.

Willis followed a successful initial public offering (IPO) in 2001 with a return to public ownership with a listing on the New York Stock Exchange.

MAJOR SHAREHOLDERS
Franklin Resources, FMR Corp and Southeastern Asset Management

MAIN LINES OF BUSINESS
Willis Group Holdings is a global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world.

Willis has specialist expertise in the employee benefits, energy, financial institutions, construction, aerospace and marine sectors.

CHIEF OFFICER BIOGRAPHY
Since assuming the role of chairman and chief executive of Willis Group Holdings in 2000, Joe Plumeri has instigated a number of initiatives that have revitalised and refocused the efforts of this 178-year-old pioneer in commercial insurance broking.

Plumeri created a growth strategy that increased revenues and margins and reduced debt and bureaucracy, unifying the company's 16,000 employees operating in over 300 offices. Plumeri took the company public in 2001. During that year, Willis was recognised as the third best performing IPO listed on the New York Stock Exchange. Employee stock ownership has grown to over 75% from just 3% in 1998.

In addition to driving advancements at the company, Plumeri has been outspoken about the need for industry change in several critical areas including: the elimination of contingent commissions; policy issuance; transparency with clients; the full disclosure of compensation; claims payment; and, the need for greater investments in technology.

Prior to joining Willis, Joe enjoyed a 32-year career at Citigroup and its predecessor companies.

4 Jardine Lloyd Thompson Group

6 Crutched Friars, London EC3N 2PH
Tel: 020 7528 4444 Website: www.jltgroup.com

FEE AND COMMISSION BROKERAGE (2006): £408.8m
PRE-TAX PROFIT: £76.5m

NUMBER OF UK BRANCHES: 22
NUMBER OF UK EMPLOYEES: 2,661

CHIEF OFFICER: DOMINIC BURKE, GROUP CHIEF EXECUTIVE

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. Quoted on the London Stock Exchange, JLT is the largest European headquartered company providing these services and operates out of more than 100 offices in over 30 countries, employing more than 5,000 staff.

Jardine Lloyd Thompson Group was formed in February 1997 by the merger of Jardine Insurance Brokers (JIB) and Lloyd Thompson Group.

MAIN LINES OF BUSINESS

Retail: JLT has eight offices in the UK and two in Ireland and these businesses operate in two distinct areas:
• General corporate and industry focus, providing a comprehensive service to wide variety of mid-sized companies.
• Specialist schemes and affinity business offering services across diverse markets, ranging from local government and social housing to the leisure and veterinary care industries.

Specialist: A world class group of specialist teams, serving the particular needs of clients in selected industries. JLT's specialist business has product expertise and industry sector knowledge in construction, power and energy, financial risk, marine, life sciences, telecoms and global and international major accounts.

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

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

Insurance management: With offices in Bermuda, Guernsey, Malta and Singapore this business area provides captive management services to many leading US and European corporations and insurance and reinsurance companies.

Employee benefits:
Employs 1,000 professional staff in 10 offices in the UK and Ireland and operates in four divisions:

Administration solutions: Third party pensions and benefit administration

Benefit solutions: Actuarial, investment, pension, benefit and reward consulting services, group risk, healthcare and flexible benefits services.


Dominic Burke: group chief executive

Premier pensions services: A range of self invested personal pension (SIPP) and small self-administered schemes (SSAS) services provided to independent financial advisers, accountants and lawyers.

Financial institutions services: Outsourcing solutions for a range of pension products on behalf of life companies.

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, become a part of JLT. He was chief executive of UK and Ireland insurance broking and the group's employee benefits business until December 2005.

A member of the group executive committee, he was appointed a director and chief operating officer of JLT on 1 January 2005. On 1 December 2005, he became group chief executive.

5 Benfield

55 Bishopgate London EC2N 3BD
Tel: 020 7578 7000 Website: www.benfieldgroup.com


Grahame Chilton: chief executive

FEE AND COMMISSION BROKERAGE (2006): £341m
PRE-TAX PROFIT: £53m

NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: 864

CHIEF OFFICER: GRAHAME CHILTON, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1973

HISTORY

Benfield, Lovick and Rees & Company was registered as a Lloyd's broker in July 1973. Fifteen years later, a management buy-out by the late Matthew Harding, John Coldman and Grahame Chilton led to the formation of the Benfield Group.

In 1995, the Benfield Group acquired Lloyd's reinsurance broker Ellinger Heath Western, a specialist in North American and UK non-marine treaty reinsurance, creating Benfield Ellinger.

Benfield Ellinger merged with Greig Fester two years later to form Benfield Greig Group.

In 2001 Benfield Greig merged with EW Blanch to form leading independent reinsurance intermediary, the Benfield Group.

The group created a single brand identity represented by the name Benfield and listed on the London Stock Exchange in 2003.

Benfield launched its insurance broking business, Benfield Corporate Risk in 2005.

MAJOR SHAREHOLDERS

The principal institutional shareholder is Fidelity owning approximately 10.5%. Over 27% of shares are held by directors and employees.

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, trade credit and financial risks, aerospace

Insurance: marine, energy, power, mining, property, casualty, aviation, space, 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 Benfield group in 1982 from CT Bowring, then a Marsh subsidiary.

Since his appointment, Benfield has expanded significantly through a combination of organic growth and strategic transactions.

These include the acquisitions of Greig Fester Group, Bates Turner Intermediaries and EW Blanch Holdings.

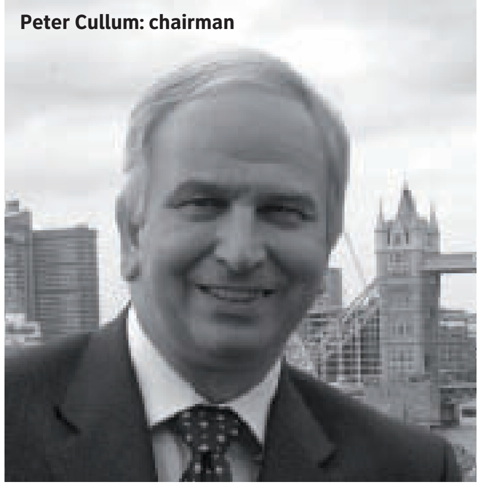
During this time revenue has increased from £50m to over £350m today.

During his years as a broker Chilton has traded in non-marine, marine and aviation reinsurance and direct retrocession business.

Under Chilton's leadership, Benfield has received over 25 industry awards and has established a reputation as the world's leading independent reinsurance and risk intermediary.

6 The Towergate Partnership

Towergate House, 2 County Gate,
Stacey Street, Maidstone, Kent ME14 1ST
Tel: 01622 754 754
Website: www.towergate.co.uk


Peter Cullum: chairman

FEE AND COMMISSION BROKERAGE (2006): £235m
PRE-TAX PROFIT (2006): £85.6m

NUMBER OF UK BRANCHES: 100
NUMBER OF UK EMPLOYEES: 3,500

CHIEF OFFICER: PETER CULLUM, CHAIRMAN

HISTORY
Towergate Partnership was formed in October 2005 through the merging of Towergate Underwriting and Folgate Partnership.

Towergate is Europe's largest independently owned insurance intermediary. It provides over 200 specialist insurance products, the widest in the insurance market and employs more than 3,500 people across 100 UK offices.

The group controls in excess of £1.5bn of gross written premium on an annualised basis and has acquired 132 specialist insurance businesses.

In November 2006 Towergate completed a £580m re-financing to provide extra funds for acquisitions. HBOS and Lloyds TSB were selected to orchestrate the programme, and lead a consortium of other banks and equity firms, boosting Towergate's fund by some £250m.

MAJOR SHAREHOLDERS
Peter Cullum, Andy Homer, Kenneth Maciver, Paul Dyer, Anthony Proverbs

MAIN LINES OF BUSINESS
Retail broking and underwriting (virtual insurers) for commercial and personal lines.
Specialist niche broking schemes: affinity schemes, medical professions, military, motor, park homes, photography, professional indemnity, Towergate London market, travel, truck and road haulage
Underwriting sectors: agriculture, aviation, binder management, care homes, cherished cars, commercial property, commercial, underwriting, entertainment, fusion – commercial (SME), household, liability and construction, licensed trades, marine, marine cargo, motor, personal accident, professional indemnity, sports and leisure, transportations, travel

CHIEF OFFICER BIOGRAPHY
Cullum began his insurance career in 1969 with the 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.

He won the Ernst & Young UK Entrepreneur of the Year award in 2005 and is the current holder of the M&A Deal Maker of the Year.

7 AUTOMOBILE ASSOCIATION

Fanum House, Basing View,
Basingstoke RG21 4AE
Tel: 0870 544 8866
Website: www.theaa.com


Kevin Sinclair: managing director

FEE AND COMMISSION BROKERAGE (2006): £204.8m
PRE-TAX PROFIT (2006): £69.7m

CHIEF OFFICER: KEVIN SINCLAIR, MANAGING DIRECTOR

YEAR ESTABLISHED: 1967

MAJOR SHAREHOLDERS: CVC, Permira, Charterhouse

MAIN LINES OF BUSINESS
Motor, home, travel, business, life, commercial vehicle, pet, classic car, motor cycle, caravan, holiday home, golf

CHIEF OFFICER BIOGRAPHY
Kevin Sinclair took the helm of AA Insurance in April 2005 having spent more than 25 years with AXA and its predecessor, Guardian Royal Exchange (GRE).

He started with GRE as a trainee in investment portfolio management, later moving into corporate finance.

During the 1980s, GRE was growing rapidly and Sinclair was given responsibility for the mergers and acquisitions team with a wide international remit.

In 1993 Sinclair became head of group strategy during which time GRE acquired the RAC insurance portfolio. He joined the Guardian Direct team as the director with responsibility for Hitchin call centre site, the RAC relationship and underwriting.

Sinclair's next move was to head AXA's non-motor personal lines. Less than a year later motor was added to this remit. Two years on and he was appointed personal lines intermediary distribution head. It was as underwriting and marketing director he left AXA to join AA insurance.

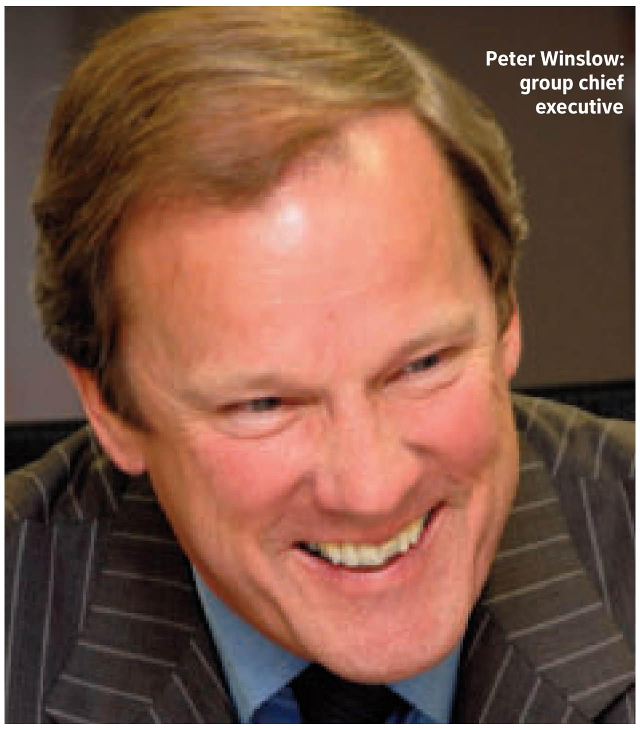
During his time managing AXA's intermediaries, Kevin Sinclair became familiar with the AA: "Our relationship as a member of the AA's panel was very positive for both organisations. And the AA was a brand that I very much admired."

Joining the AA was perfect timing. "I'm now running a small and focused team within a privately-owned company – and that allows for longer-term and faster planning than within a plc," he says. "The AA has enormous potential to develop – as a 'travel' brand there are great opportunities to grow our motor proposition and travel insurance. The AA also has a great online presence – yet we are only at the start of what we can do."

His key priorities are to grow the core motor business, grow the travel book and expand into other travel related insurance. The home insurance business is also likely to see growth.

8 BGL GROUP (formerly Budget Group)

Pegasus House, Bakewell Road, Orton Southgate, Peterborough PE23 6YS
Tel: 01733 374 444 Website: www.budgetinsurance.com


Peter Winslow: group chief executive

FEE AND COMMISSION BROKERAGE (2006): £158.4 m
PRE-TAX PROFIT (2006): £39.7 m

NUMBER OF UK BRANCHES: 4
NUMBER OF UK EMPLOYEES: 2,112

CHIEF OFFICER: PETER WINSLOW, GROUP CHIEF EXECUTIVE

YEAR ESTABLISHED: 1992

HISTORY
The BGL Group was founded in 1992 as an underwriter. Since a strategic change in 1997 to intermediary status, the group has grown to become one of the UK's largest personal lines insurance intermediaries. .

BGL Group now arranges and administers insurance for two million customers, has contact centre operations (Fusion) in Peterborough, Coventry, Sunderland, Peterlee in the UK, and Cape Town, South Africa.

The group currently employs 2,112 people with its head office in Peterborough.

A major contributor to the group's success was the launch in 2002 of Junction, its affinity arm, which provides insurance outsourcing services for major UK brands including Post Office, Marks & Spencer Money and Yes Insurance.

The group's other five divisions Bennetts, Budget & Dial, comparethemarket.com, ACM ULR and Fusion have also contributed significantly to BGL's success

CHIEF OFFICER BIOGRAPHY
Peter Winslow began his career in the book publishing industry. As a chartered accountant, he built up and sold a private niche publishing concern to Harper Collins, which he joined in 1989 as finance director.

He was chief executive at Harper Collins from 1990 to 1994.

In 1995, Winslow joined the Budget Group as deputy managing director, becaming group chief executive in 1997.

It was also in 1997 that Winslow orchestrated the strategic change in direction from underwriter to intermediary.

Since then, he has presided over several high profile acquisitions and shaped the direction and extraordinary growth of the group.

For the past two years, the group has achieved 40% year-on-year growth and is expected to deliver record profits for this financial year.

Delivering a choice

...of minibus insurance

Minibus Assist

For charities and schools. Breakdown recovery is automatically included with personal accident cover for drivers too.

Minibus

Targeted at the private hire market with breakdown recovery available as an option on comprehensive policies.

Whatever the choice Equity Red Star minibus policies include £5m third party property damage cover.

Speak to your Equity Red Star Sales Manager or call our Minibus Team on:

0845 600 3893

Delivering quality insurance for brokers and customers

Administered by Equity Red Star Services Limited an appointed representative of Equity Syndicate Management Limited which is authorised and regulated by the Financial Services Authority.
Registered office: Library House, New Road, Brentwood, Essex, CM14 4GD.

equity
REDSTAR

9 Swinton Group

6 Great Marlborough Street, Manchester
Tel: 0161 236 1222 Website: www.swinton.co.uk

Patrick Smith: chief executive

FEE AND COMMISSION BROKERAGE (2006): £150.7m
PRE-TAX PROFIT (2006): £37.4m

NUMBER OF UK BRANCHES: 450
NUMBER OF UK EMPLOYEES: 3,283

YEAR ESTABLISHED: 1957

CHIEF OFFICER: PATRICK SMITH, CHIEF EXECUTIVE

HISTORY:
Swinton was founded in 1957 by Ken Scowcroft. It was bought in 1992 by Sun Alliance and then sold to its current owners, MMA, in 2001. It expanded strongly in the 1970s and 1980s, but a difficult period in the 1990s. Following expansion over the past few years, it now has 450 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's business division provides commercial insurance specialising in the SME sector.

CHIEF OFFICER BIOGRAPHY:
Patrick Smith worked for Norwich Union for 28 years. He launched Norwich Union Healthcare and NU Direct.

10 HSBC Insurance Brokers

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


Philip Gregory: chief executive

FEE AND COMMISSION BROKERAGE (2006): £134.6m
PRE-TAX PROFIT (2006): £10.8m

NUMBER OF UK BRANCHES: 23
NUMBER OF UK EMPLOYEES: 1,500

CHIEF OFFICER: PHILIP GREGORY, CHIEF EXECUTIVE

HISTORY Established in1808, HSBC Insurance Brokers is one of the largest international insurance broking, risk management and employee benefits organisations in the world and the only major broker to form part of a global banking group.

As a member of the HSBC Group, it is able to evaluate insurance in a broader business sense, with immediate access to specialist advice and services in areas such as trade finance, cash and investment management, treasury and foreign exchange, processing services, and financial controls and disciplines. It shares an international network with offices throughout Europe, the Asia-Pacific Region, the Americas, the Middle East and Africa.

It is a founder member of the Assurex Global network.

MAIN LINES OF BUSINESS
Wholesale programmes – served through specie, cargo, US property and casualty, intermediary marketing, and accident and health practices.

CHIEF OFFICER BIOGRAPHY
Appointed this May, Philip Gregory joined from Marsh, where he had been chief operating officer for Europe, Middle East and Africa since 2001.

Prior to this he was joint chief executive of Tullett and Tokyo. He holds an MA in Economics from Cambridge University.

Profiles 11-20

11 Insurance Australia Group UK


Neil Utley, group chief executive

Library House
New Road
Brentwood
Essex CM14 4GD
Tel: 01277 200100
Fax: 01277 206283
www.equitygroup.co.uk
www.hastingsdirect.com

FEE AND COMMISSION BROKERAGE (2006): £117m
PRE-TAX PROFIT (2006): £13.3m

NUMBER OF UK BRANCHES: N/A
NUMBER OF UK EMPLOYEES: 3,000

CHIEF OFFICER: NEIL UTLEY, GROUP CHIEF EXECUTIVE

HISTORY
Insurance Australia Group (IAG), the leading general insurance group in Australia and New Zealand, acquired Hastings and Equity in September and December 2006 respectively. IAG is listed on the Australian Stock Exchange with a market capitalisation of around A$9bn and receives annual gross written premium of more than A$6.4bn.

MAIN LINES OF BUSINESS
Equity Insurance Group comprises two specialist divisions:
• Equity Red Star that has been providing insurance to business and personal lines customers for the past 60 years. As well as being a major personal lines insurer, it is also a significant provider of cover for fleet and commercial vehicles in the UK
• Equity Insurance Brokers operates through affinity partners, the internet, call centres and a network of almost 80 high street branches throughout 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 (which it acquired in 2003). Hastings, established 10 years ago, was ranked fifth largest personal lines broker by *Insurance Times* in 2006. Equity Insurance Brokers is the seventh largest personal lines broker.

Equity Red Star is the largest personal lines syndicate at Lloyd's and is the UK's 5th largest motor insurer and insures nearly one-third of the UK's motorcycles

CHIEF OFFICER BIOGRAPHY
Neil Utley was appointed group chief executive of Insurance Australia Group's UK operations in April 2007, assuming overall management of Equity Insurance Group and Hastings Direct.

He has hands-on experience of all aspects of the insurance 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's first ever Achiever of the Year by his industry peers..

12 Lockton

Lockton House
6 Bevis Marks
London
EC3A 7AF

FEE AND COMMISSION BROKERAGE (2006): £107.7m

NUMBER OF UK BRANCHES: 15
NUMBER OF UK EMPLOYEES: 1,000

CHIEF OFFICER: MIKE HAMMOND, EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE

YEAR ESTABLISHED: 1966

HISTORY
Founded by Jack Lockton in Kansas City, Missouri, Lockton employs over 3,800 people and delivers services worldwide to businesses of all sizes, as well as individual clients.

In November 2006, Lockton acquired Alexander Forbes International Risk Services, the international risk and insurance business of South African broker Alexander Forbes, to create Lockton International (the Alexander Forbes Financial Services businesses in the UK remained part of the Alexander Forbes group).

Lockton's international insurance business (including Lockton Companies International) provides insurance and reinsurance broking, risk and insurance programme management and consulting, alternative risk finance, claims management and insurance products and services.

In March 2007, Lockton International opened an office in Bermuda.

MAIN LINES OF BUSINESS
Risk and insurance programme management and consulting, insurance and reinsurance broking, alternative risk finance consulting and facilities, and claims management.

CHIEF OFFICER BIOGRAPHY
Mike Hammond began his insurance career with Sedgwick UK in October 1980.

He took on a number of major roles and at the time of his resignation in March 2003, was responsible for over $750m of revenues and over 3,000 people.

In April 2004, he joined the group executive committee of Jardine Lloyd Thompson and took on the role of chief executive of the largest business unit, JLT Risk Solutions in August the same year. Resigning from Jardine Lloyd Thompson in December 2005 he joined Alexander Forbes International Risk Services (AFIRS) in June 2006 and led the discussions on the sale of this business to Lockton Companies.

The transaction concluded in November 2006 with Hammond becoming executive chairman of Lockton Companies International.

13 Heath Lambert Group


Adrian Colosso, chief executive

133 Houndsditch,
London EC3A 7AH
Tel: 020 7560 3573
Fax: 020 7560 3540
Website: www.heathlambert.com

FEE AND COMMISSION BROKERAGE (2006): £106.9m
PRE-TAX PROFIT (2006): £11.9m

NUMBER OF UK BRANCHES: 23
NUMBER OF UK EMPLOYEES: over 1,600
CHIEF OFFICER: ADRIAN COLOSSO, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1999

HISTORY
Heath Lambert Group was established through the merger of Heath Group and Lambert Fenchurch Group. However its origins date back to Lambert Brothers (est. 1841) and The Heath Company (est. 1877).

MAJOR SHAREHOLDERS
Heath Lambert is owned by HLG Holdings

MAIN LINES OF BUSINESS
Key areas of operations include aerospace, employee benefits, financial and professional risks, Heath Lambert National, claims, personal lines, real estate and risk management. Its major accounts group division incorporates specialist captive management, credit and surety, mergers and acquisitions, claims management and risk management for larger corporate clients.
Heath Lambert's project risks group (PRG) division comprises specialist construction, project risk/PFI, transportation and political risks teams. It advises contractors and lenders on many of the world's largest dams, tunnels, bridges, harbour projects and transport infrastructure projects.

CHIEF OFFICER BIOGRAPHY
Adrian Colosso began his insurance career with EW Payne in 1974 on the treaty claims side. From there he joined a small multi-line Lloyd's broker, Bryant and Shaw, which became Derek Bryant. Here he developed the North American account with a particular emphasis on fine arts and specie. After eight years he moved to Republic Hogg Robinson, in New York, handling retail art and jewellers block business and all lines for museum, galleries, auction houses, private collectors, jewellery, manufacturers, wholesale and retail operations

Returning to the UK, he formed Crowley Colosso, which became a Lloyd's broker in 1989.

When he joined Lowdnes Lambert by acquisition in December 1992, his specialities had expanded into the entertainment and traditional property/casualty sectors.

Since joining the Group he has been responsible for a variety of innovative insurance programme designs, including the creation of the Facilities Group.

14 Venture Preference

5 Old Broad Street
London
EC2N 1AD
Tel: 020 7645 1600
Fax: 020 7726 4965

FEE AND COMMISSION
BROKERAGE (2006): £81.5m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 37
NUMBER OF UK EMPLOYEES: 1,200
CHIEF OFFICERS: STUART REID, CHIEF EXECUTIVE

YEAR ESTABLISHED: 2007

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

MAIN SHAREHOLDERS
AXA UK

MAIN LINES OF BUSINESS
Commercial

CHIEF OFFICER BIOGRAPHY
Stuart Reid began his career as an account executive with Bishop Skinner in 1986 before moving to a similar position with Mansons Insurance Brokers three years later. In 1993, he established Stuart Alexander with Alex Shead. Reid grew the broker to £16m turnover and a staff of 170 people. After a leveraged buyout in 2005, he became Stuart Alexander's managing director and was its chief executive officer when it was bought by insurance giant AXA UK. Today he is the chief executive of Venture Preference.

15 SBJ Group


George Boden, chief executive

100 Whitechapel
London E1 1JG
Tel: 020 7816 2000
Website: www.sbj.co.ukj

FEE AND COMMISSION
BROKERAGE (2006): £78.1m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 12
NUMBER OF UK EMPLOYEES: 700
CHIEF OFFICER: George Boden

YEAR ESTABLISHED: 1977

HISTORY
SBJ became a listed company in 1985. Chief executive George Boden and colleagues launched a management buy-out in December 1998.

In 1999, non-core businesses were disposed of through sale, and in 2001 management and staff bought out their venture capital shareholders, Graphite Capital Management.

In 2007, Capital Z Financial Services Partners acquired 51% of SBJ. Further sustained growth will be sought as consolidation takes place in each of the group's market of insurance booking, administration and employee benefit consulting.

Turnover is split 66% corporate and 34% international market.

MAIN SHAREHOLDERS
Capital Z Financial Services Partners holds 51% through a Bermudan special purpose vehicle. Management, staff and former staff members hold the remaining 49%.

MAIN LINES OF BUSINESS
Automotive, global casualty, international property, marine, MediCare, Nelson Steavenson, North America, North American Specie, personal indemnity, speciality.

SUBSIDIARY COMPANIES
SBJ Benefit Consultants, SBJ UK Ltd, SBJ Ltd, Helix UK.

16 Oval

8-10 South Parade
Wakefield
West Yorkshire WF1 1LR
Tel: 01924 371991
Fax: 01924 290 102
Email:info@the ovalgroup.com
Website:www.theovalgroup.com

BROKERAGE (2006): £68.5m
PRE-TAX PROFIT (2006): £13.4m

NUMBER OF UK BRANCHES: 25
NUMBER OF UK EMPLOYEES: 937
CHIEF OFFICER: Phillip Hodson

YEAR ESTABLISHED: 2003

HISTORY
Since it was formed, Oval has acquired 19 companies, seven of which were acquired between June 2006 to June 2007. These are Wilkinson Rodgers, Service Miller, Torribles, Futurity, IVML, Cuthbert Service & Jackson and Williamson Moore.

In July 2007 Oval acquired Warrington-based Creamer Group plc, marking Oval's expansion into the North West.

Oval is backed by Caledonia Investments plc.

MAIN LINES OF BUSINESS
Corporate general insurance and integrated risk management advice for plcs, large corporate organisations, owner-managed businesses, small and medium-sized enterprises and private individuals.

CHIEF OFFICER BIOGRAPHY
Philip Hodson was appointed chief executive of Oval Ltd in October 2003.

Before this he was chairman of RP Hodson Group, which he joined in 1977 having formerly worked for Anglo American in South Africa.

He has guided Oval to its current level by overseeing a strategic acquisition policy.He is a member of the MCC main committee.


Philip Hodson, chief executive

17 RIAS

RIAS House
Deansleigh Road
Bournemouth
Dorset BH7 7DU
Tel: 01202 254 855
Fax: 01202 254 272
Email: customerservices@rias.co.uk
Website: www.rias.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £68.5m
PRE-TAX PROFIT (2006): £14.6m

NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: over 1,200
CHIEF OFFICER: JANET CONNOR, MANAGING DIRECTOR

YEAR ESTABLISHED: 1992

HISTORY
RIAS is a specialist over 50s insurer. By focusing on this fast moving market, the company is able provide customers with both competitive prices and a tailored service. It handles more than 1 million policies from its offices in Bournemouth and Belfast.

RIAS is part of The Fortis Group, which ranks among the twenty largest financial institutions in Europe, with total assets of over £700bn.

MAJOR SHAREHOLDERS
Fully owned by the Fortis Group

MAIN LINES OF BUSINESS
Home, motor, travel, pet, and caravan insurance

CHIEF OFFICER BIOGRAPHY
Janet Connor has extensive experience in sales, marketing and general management in both the financial services and retail sectors. She joined Abbey in 1990 where she held a number of director-level positions including director in charge of the Abbey Wrap Platform and marketing director of the Retail Bank

She has an in-depth understanding of business-to-consumer sales and marketing, customer relationship management, cross-selling and brand development.

Connor joined RIAS as managing director in early 2006, and is focused on leading the company through the next stage in its development.

18 Miller Insurance Services


Graham Clarke, chief executive

Dawson House
5 Jewry Street
London
EC3N 2PJ
Tel: 020 7488 2345
Fax: 020 7410 2757
Website: www.miller-insurance.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £64.4 m
PRE-TAX PROFIT (2006): £5.4 m

NUMBER OF UK BRANCHES: 1
NUMBER OF UK EMPLOYEES: 450
CHIEF OFFICER: GRAHAM CLARKE, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1902

HISTORY
Miller Insurance Services is the largest privately owned insurance and reinsurance broker in the UK.

Wholly owned by Miller Insurance Investments, it enjoys stability of ownership through a unique employee trust, established in 1983. The trust underpins the company's independence and can veto any proposed sale. This ensures continuity of service.

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

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

MAJOR SHAREHOLDERS
An employee trust has an interest in the shares of the company.

MAIN LINES OF BUSINESS
A range of insurance and reinsurance services for the following areas: commercial contingency, 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, science and technology

GROUP OF COMPANIES
Miller Insurance Services
Miller Insurance Services (Labuan)
Miller Insurance Services (Hong Kong)
Miller Japan
Miller Bermuda

CHIEF OFFICER BIOGRAPHY
As chief executive, Clarke determines the company's present and future strategy and is responsible for its performance.

Under the FSA regime, he performs the controlled function of apportionment and oversight.

He is a director of Miller Insurance Investments and a director of The Council of Insurance Agents and Brokers (CIAB), Washington D.C.

19 Endsleigh

Shurdington Road
Cheltenham Spa
Gloucestershire
GL51 4UE
Tel: 01242 866 866
Fax: 01242 866 955
Website: www.endsleigh.co.uk

FEE AND COMMISSION BROKERAGE (2006): £60.1m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 122
NUMBER OF UK EMPLOYEES: over 1,000
CHIEF OFFICER: MIKE ALCOCK, MANAGING DIRECTOR

YEAR 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 Union of Women Teachers, the Association of University Teachers and the Association of Optometrists.

In April 2002, the executive directors, led by managing director Mike Alcock, undertook a management buyout, 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 SHAREHOLDERS
In January 2007 Zurich purchased the remaining shareholding in Endsleigh and are now 100% owners.

MAIN LINES OF BUSINESS
Household, travel, motor and pet.
Endsleigh Business Insurance Services – commercial business, sporting insurance for the not-for-profit organisation.
Endsleigh Financial Tailoring – independent financial service via telephone and internet.

SPECIAL SCHEMES
Professional, semi-professional and amateur sports insurance

20 Cooper Gay & Co

52 Leadenhall Street
London
EC3A 2EB
Tel: 020 7480 7322
Fax: 020 7481 4695
Website: www.coopergay.com

FEE AND COMMISSION BROKERAGE (2006): £58.7 m
PRE-TAX PROFIT (2006): £3.1 m

NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: over 200
CHIEF OFFICER: TOBY ESSER, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1965

HISTORY
Cooper Gay has traded successfully in the insurance and reinsurance broking industry since its founding in 1965. Headquartered in London, it has offices in more than 20 countries, with significant subsidiaries located in New York, Singapore, Hong Kong, Mexico, Columbia and Germany.

MAJOR SHAREHOLDERS
It is a private independent company owned by the working directors.

MAIN LINES OF BUSINESS
Cooper Gay has expertise in all classes of 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 global insurance and reinsurance His career started in 1984 when he joined Cooper Gay & Co, the Lloyd's broker, which is now principal trading subsidiary of the Cooper Gay Group.

Transferred to New York in 1988, he was instrumental in setting up Cooper Gay Steele, a licensed reinsurance intermediary, which handles more classes of reinsurance, particularly specialising in large industrial property risks.

Returning to London in 1992, Esser was closely involved in the rapid growth of the non-marine division of the Lloyd's broker and the strategic development of further overseas subsidiaries, including offices in Singapore, Canada and Mexico.

Appointed managing director in 1997, Esser has increasingly focused on the development of the core reinsurance arm of the group's operations and the continued strategic expansion of the group's overseas subsidiaries. 2001 saw the establishment of offices 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.


Toby Esser, group chief executive

Profiles 21-50

21 Kwik-Fit Insurance Services


Martin Oliver, managing director

1 Masterton Way
Tannochside Business Park
Uddingston
Glasgow
G71 5PU
Tel: 01698 804 014
Fax: 01698 804 099
Website: www. kwik-fitinsurance.com

FEE AND COMMISSION BROKERAGE (2006): £58.3m
PRE-TAX PROFIT (2006): £7.7m

NUMBER OF UK BRANCHES: 750
NUMBER OF UK EMPLOYEES: 723
CHIEF OFFICER: MARTIN OLIVER, MANAGING DIRECTOR

YEAR ESTABLISHED: 1995

HISTORY

Kwik-Fit Financial Services Ltd (KFFS) was established as an insurance intermediary to provide a range of financial service products to Kwik-Fit's tyre and exhaust customers. It is now the largest Scottish-based insurance intermediary both in terms of income and headcount.

Fuelled by a competitive pricing strategy, improved targeting of customers and increased rates of cross selling during 2005-6, KFFS continues to demonstrate impressive growth in profitability, increasing employees and the number of policies sold.

The company was included in The Sunday Times 100 Best Companies to Work For in 2003, '04, '05 and '06, and was voted Best for Work and Family for its commitment to creating an optimum work/life balance for its employees. KFFS also won a number of accolades, including the 'Personal Lines Broker of the Year', at the 2006 British Insurance Awards.

MAIN LINES OF BUSINESS

Motor, household, pet, travel, motorcycle and commercial vehicle, personal accident and breakdown cover.

CHIEF OFFICER BIOGRAPHY

Martin Oliver began his insurance career with Britannia Life in 1991 as finance manager.

In 1995 he joined the newly established start up operation of Kwik-Fit Insurance as finance director. Appointed business development director in 1999, he repositioned the broking operation as an affinity proposition concentrating on the cross sell opportunities to Kwik-Fits' tyre and exhaust customers through pro-active telemarketing.

Promoted to managing director in 2002, he has focused on improving the levels of staff satisfaction, which has had a direct impact on customer loyalty and profitability. The improvements in customer loyalty have in turn led to an increase in cross sell of other insurance products, notably home and breakdown.

22 BMS Associates

One America Square,
London EC3N 2LS
Tel: 020 7480 7288
Website: www.bmsgroup.co.uk

FEE AND COMMISSION BROKERAGE (2006): £55m
PRE-TAX PROFIT (2006): £6.1m

NUMBER OF UK BRANCHES: 1
NUMBER OF UK EMPLOYEES: 320
CHIEF OFFICER: JOHN SPENCER, GROUP CHIEF EXECUTIVE

YEAR ESTABLISHED: 1980

HISTORY

The first company in the BMS Group, Ballantyne McKean & Sullivan Ltd (BMS) was founded as a specialist North American treaty reinsurance broker. The Group has grown both organically and by acquisition and now comprises a number of London-based member companies and four international offices, providing a wide range of specialist products and solutions.

MAIN LINES OF BUSINESS

Insurance and reinsurance broking, delegated authority administration, underwriting agency services, legacy claims management

CHIEF OFFICER BIOGRAPHY

John Spencer joined BMS in 1989 as managing director of BMS Special Risk Services Ltd. He left to become head of American Operations at Lloyd's of London, returning to BMS as chief executive in 1997.

23 Arthur J Gallagher (UK)

9 Alie Street,
London E1 8DE
Tel: 020 7204 6000
Fax: 020 7204 6001
Website: www.ajg.co.uk

FEE AND COMMISSION BROKERAGE (2006): £54.2m
PRE-TAX PROFIT (2006): (£3.08m)

NUMBER OF UK EMPLOYEES: 398
CHIEF OFFICER: DAVID ROSS, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1974

HISTORY

Arthur J Gallagher (UK) is part of Arthur J. Gallagher & Co, headquartered in Chicago. The company employs over 400 UK-based staff and includes the operating division, Gallagher Global Risks, and the wholly-owned subsidiary company, Gallagher Re.

Gallagher Global Risks 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.

Gallagher Re is a specialist reinsurance intermediary and advisory firm dedicated to redefining the value and role of reinsurance intermediation. Clients include insurance and reinsurance companies as well as similar entities such as captives and protected cell companies.

MAIN LINES OF BUSINESS

Gallagher Global Risks – accident and health, aviation, binders and facilities, energy, construction and engineering, financial institutions, fine art and specie, marine, political, credit and project risks, professional indemnity, property and casualty packages, workers' compensation, worldwide casualty and worldwide property.

Gallagher Re – property, casualty, life, accident and health, treaty, programme and facultative reinsurance services.

CHIEF OFFICER BIOGRAPHY

David Ross joined Arthur J Gallagher (UK) in 1990 in its North American division and became a director of the division in 1993. In 1997, he took over the role of managing director of the Specialty Lines Division and, in 2004, was promoted to chief executive of the newly-formed Global Risks Division. He was named chief officer of Arthur J Gallagher (UK) in 2005.

Ross also serves as director of three Arthur J Gallagher (UK) Ltd subsidiaries: Connor Hale Kerslake, Risk Management Partners and Arthur J. Gallagher Asia.

24 RK Carvill & Co

St Helen's 1 Undershaft
London EC3A 8JT
Tel: 020 7929 2800
Fax: 020 7929 1604
Website: www.carvill.com

FEE AND COMMISSION BROKERAGE (2006): £37.3m
PRE-TAX PROFIT (2006): £1.2m

NUMBER OF UK BRANCHES: 1
NUMBER OF UK EMPLOYEES: 130
CHIEF OFFICER: DAVID THOMAS

YEAR ESTABLISHED: 1977

MAJOR SHAREHOLDERS
Private company

HISTORY
For over 30 years, Carvill has been a leader in the specialty market, representing some of the most influential insurers, specialist underwriting groups and reinsurers in the world.

MAIN LINES OF BUSINESS
As a reinsurance intermediary, Carvill focuses on providing service while negotiating dynamic specialty reinsurance products with major risk capital, and seeks to protect clients from exposures that require more than just an "off-the-shelf" transactional approach.

The main business areas are: Captives, property and casualty business, professional liability, retrocession, new products and financial solutions

CHIEF OFFICER BIOGRAPHY
Thomas joined Carvill in 1980. He has run various operating divisions at Carvill, with particular emphasis on specialty 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 R. K. Carvill & Co in November 2004 and subsequently appointed chief executive officer in April 2005. He was also appointed joint chief executive officer of Carvill Group.

25 Giles Insurance Brokers

Spectrum Building
55 Blythswood Street
Glasgow G2 7AT
Tel: 0141 285 3300
Website: www.the broker.com

FEE AND COMMISSION BROKERAGE (2006): £35.5m
PRE-TAX PROFIT (2006): £13m

NUMBER OF UK BRANCHES: 28
NUMBER OF UK EMPLOYEES: Over 500
CHIEF OFFICER: CHRIS GILES

YEAR ESTABLISHED: 1967

HISTORY
The company was formed in 1967 by Chris Giles' father and has built a reputation for offering an informed and professional service to industrial, commercial and personal clients throughout the UK.

Chris Giles and brother Nick acquired the business in 1995, transforming it from a community business into Scotland's largest independent commercial insurance broker.

The group has pursued a focused expansion strategy both through organic growth and an ambitious acquisition programme, completing 10 acquisitions in the past 12 months.

Giles completed the management buyout of the company in 2006. Following the MBO, the company completed three rapid deals in the latter half of 2006, acquiring Bradford-based brokers Calvert Glover and Richmond Insurance Brokers and the retail business of Miller Insurance Services (UK) in Beckenham.

MAIN LINES OF BUSINESS
Recent acquisitions of brokers Kerwin Smith, PDT, Mill Hall and charity insurance specialists MCIS Holdings have seen Giles add to its portfolio of specialisms. The group has also recently acquired underwriting agency INK.

Specialising in the provision of liability and printers insurances, it has developed a unique range of exclusive 'in house' schemes with both Lloyd's and other leading insurers.

The acquisition of Miller Insurance Services (UK) has made Giles one of the country's leading specialists in life sciences insurance. Giles also has sector specialisms in the provision of commercial insurance cover for recruitment, leisure, construction, PI and the motor trade.

CHIEF EXECUTIVE 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 he was appointed chief executive.

26 THB Group

Murray House
Murray Road
Orpington
Kent
BR5 3QY
Tel: 01689 827 044
Fax 01689 883 511
Website: www.thbgroup.com

FEE AND COMMISSION BROKERAGE (2006): £34.1m
PRE-TAX PROFIT (2006): £3.3m

NUMBER OF UK BRANCHES: 4
NUMBER OF UK EMPLOYEES: 290
CHIEF OFFICER: VIC THOMPSON, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1968

HISTORY
THB Group was initially a UK/US wholesale broker, then attained Lloyd's broker status in 1977 and in 2002 secured its flotation on the London Stock Exchange AIM (Alternative Investment Market).

Through its Lloyd's broking operation and through its regional businesses, THB offers insurance broking and risk management services, focusing on meeting the demands from UK and international clients for special and high risk cover.

Since 2000, THB has expanded organically and through acquisition, including enhancing its offering to professionals and financial institutions through the purchase of FiSure, establishing its global risks division and expanding its London Market operation. Following the disposal of its provincial retail operations in 2006, the Group is in a strong position to expand in its chosen specialist areas.

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

MAIN LINES OF BUSINESS
The business has two main operating areas: the Lloyd's broker and the provincial wholesale operations. Key markets include: motor sport and other leisure-related sectors, contingency, war risks, US wind catastrophe and financial/professional risks.

CHIEF OFFICER BIOGRAPHY
Forty years after he founded the business, chief executive Vic Thompson remains an active force at the helm of THB Group.

A qualified chartered insurance practitioner (ACII), Thompson had been in the insurance industry in a variety of roles before forming Thompson Heath & Bond, which became a Lloyd's broker in 1977. He led the business through its flotation and continues to drive its programme of acquisitions and organic growth.

27 Hyperion Ins Group (Howden)

Bevis Marks House
Bevis Marks
London EC3A 7JB
Tel: 020 7623 3806
Fax: 020 7623 3807
Website: www.hyperiongrp.com

FEE AND COMMISSION
BROKERAGE (2006): £33.4m
PRE-TAX PROFIT (2006): £5.3m

NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: 370
CHIEF OFFICER: DAVID HOWDEN, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1994

HISTORY
Hyperion was founded on a vision of introducing liability-based insurance products into new territories. The group was reformed nine years ago to create a broking and an underwriting arm, to enter new markets either as a wholesale or retail broker, or as an underwriter.

The group opened its first international operation in Spain in 1999 and launched its newest addition to its overseas offices with the opening of VK Howden in Argentina in 2007.

Hyperion recently completed a £5.5m rights issue to fund the group's growth plans.

MAJOR SHAREHOLDERS
BP Marsh & Partners, DP Howden, RJ Elias, MN Pangborn

MAIN LINES OF BUSINESS
Professional liability, directors & officers liability, crime, fraud, cyber-liability, medical malpractice, catastrophic property risks.

CHIEF EXECUTIVE BIOGRAPHY
David Howden has worked in the insurance industry for over 25 years.

As chief executive, Howden focuses on leading the group's M&A activities, as well as being responsible for the direction and implementation of group strategy.

Howden was recently 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
Fax: 01234 408 676
email: enquiry@rkharrison.com
Website: www.rkharrison.com

FEE AND COMMISSION
BROKERAGE (2006): £32.4m
PRE-TAX PROFIT (2006): £6.2m

NUMBER OF UK EMPLOYEES: 300
CHIEF OFFICER: PAUL BRIDGWATER, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1882

HISTORY
RK Harrison was founded in 1882 as a Lloyd's Names agency and traded as a respected UK retail broker. In 1999 the company completed a management buy-out, establishing the first of a growing number of wholesale divisions.

Recent developments have included an expansion of the energy division through a new marine energy team, specialising in offshore exploration and production risks.

RK Harrison has also expanded its Bermuda operations, moving to larger premises to accommodate staff growth.

MAJOR SHAREHOLDERS
Directors, staff and employee trust.

MAIN LINES OF BUSINESS
Casualty, construction, energy, political risks & credit, private clients & fine art (buildings & contents, fine art & jewellery and farms & estates), property, reinsurance, schemes, terrorism, UK commercial.

SUBSIDIARY COMPANIES
CLA Insurance Services, Penrose Forbes, Purdey, Quadriad, RK Harrison Holdings, RK Harrison Insurance Brokers, RK Harrison Reinsurance Brokers, Steed Insurance Services.

29 Besso Holdings

8-11 Crescent
London EC3N 2LY
Tel: 020 7480 1000
Fax: 020 7480 1280
email: colin.bird@besso.co.uk
Website: www.besso.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £ 30.2m
PRE-TAX PROFIT (2006): £ 0.68m

NUMBER OF UK EMPLOYEES: 300
CHIEF OFFICER: COLIN BIRD, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1980

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.

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 although profits were impacted by excep-


Colin Bird chief executive:

tional items and write-offs in 2005. Today approximately 65% of the group's business is done from North America.

MAIN LINES OF BUSINESS
Besso initially specialised in selling insurance for North American property, casualty and all forms of professional indemnity, but now also provides international non-marine, aviation, marine insurance, UK wholesale and retail and reinsurance.

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

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 newly-formed 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.

30 Erinaceous Insurance Services

Erinaceous Group
Phoenix House
11 Wellesley Road
Croydon CR20 2NW
Tel: 0870 703 9898
email: info@erinaceous.com
Website: erinaceous.com

BROKERAGE (2006): £ 29m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 8
NUMBER OF UK EMPLOYEES: 558
CHIEF OFFICER: NEIL BELLIS, CHIEF EXECUTIVE OF ERINACEOUS GROUP

YEAR ESTABLISHED: Rebranded as Erinaceous Insurance Services in December 2006

MAIN LINES OF BUSINESS
Residential and commercial property insurance

MAJOR SHAREHOLDERS
Part of Erinaceous Group

CHIEF OFFICER BIOGRAPHY
Neil Bellis has a law degree and was called to the Bar in 1976. From 1981he was a director and shareholder in a number of private companies. Bellis started working with founder Lucy Cummings in 1990 and from 1993 worked alongside her in establishing a property management business which led in 1999 to the formation of the group.

31 HRH

110 Fenchurch Street
London EC3M 5JT
Tel: 020 7488 4696
Fax: 020 7480 5895
Website: www.hrh.com

FEE AND COMMISSION BROKERAGE (2006): £27.2m
PRE-TAX PROFIT (2006): £4.7m

NUMBER OF UK BRANCHES: 3
NUMBER OF UK EMPLOYEES: 195
CHIEF OFFICER: STEVE HEARN

YEAR ESTABLISHED: 1991 (date first established in the UK, HRH itself was established in the US in 1982)

HISTORY
HRH acquired Glencairn Group in January 2007, which includes the Lloyd's broker, Glencairn. In addition to Glencairn the London HRH group consists of NIB (UK), being a wholesale property and casualty broker, and HRH Re, a treaty reinsurance broker.

MAIN LINES OF BUSINESS
Property, casualty, treaty, political and credit risk, professional risks, marine cargo, contingency, accident and health.

MAJOR SHAREHOLDERS
Hilb Rogal & Hobbs

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 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.

32 Carole Nash Insurance Consultants


Pierre Lefèvre, chairman

Trafalgar House
110 Manchester Road
Altrincham
Cheshire WA14 1NU
Tel: 0161 927 2424
Fax: 0161 927 2404
email: bikes@carolenash.com
Website: www.carolenash.com

FEE AND COMMISSION BROKERAGE (2006): £ 26.3m
PRE-TAX PROFIT (2006): £ 3.1m

NUMBER OF UK BRANCHES: 4

NUMBER OF UK EMPLOYEES: 350
CHIEF OFFICER: PIERRE LEFÈVRE, CHAIRMAN

YEAR 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 with around one in four bikers on its book.

Private motor now accounts for over 10% of its book. With total annual revenues exceeding £70m and a policyholder base of nearly 250,000, the business was sold in December 1996 to Groupama UK for an undisclosed sum.

MAJOR SHAREHOLDERS
Groupama UK

MAIN LINES OF BUSINESS
Modern, classic, vintage and off road motorcycle insurance is the company's core business. Carole Nash has a personal lines portfolio encompassing car, classic car, van, household and travel insurance. It has also diversified into commercial lines with a particular focus on motor trade policies.

CHIEF OFFICER BIOGRAPHY
Pierre Lefèvre graduated with degrees in mechanical engineering and business administration before beginning his career at Unilever.

He was chairman and chief executive of AXA UK from 1994 until 1997 when he was appointed chairman of the executive board of AXA Netherlands BV.

Lefèvre joined Groupama Insurances in March 2002 as chairman and chief executive. He assumed the chair of Carole Nash when the company was acquired by Groupama UK in December 2006.

33 Jelf Group

Fromeforde House
Church Road
Yate, Bristol BS37 5JB
Tel: 0845 602 1858
Fax: 01454 272 728
email: office@jelfgroup.com
Website: www.jelfgroup.com

FEE AND COMMISSION BROKERAGE (2006): £25.1m
PRE-TAX PROFIT (2006): £2.1m

NUMBER OF UK BRANCHES: 22
NUMBER OF UK EMPLOYEES: 500
CHIEF OFFICER: ALEX ALWAY, GROUP CHIEF EXECUTIVE

YEAR ESTABLISHED: 1989

MAJOR SHAREHOLDERS
Christopher Jelf, Unicorn Asset Management, Michael James King, Aviva, Allianz, G Chandler, Alexander Alway.

MAIN LINES OF BUSINESS
General insurance, healthcare, employee benefits, commercial finance and private clients

HISTORY
Christopher Jelf formed the 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. Developing a strong employee benefits offering, in 2005, the group added a commercial finance arm.

The group has a client base in excess of 17,500 corporate clients and over 15,000 individual clients. It employs over 500 people across 21 locations. The Jelf Group saw a successful flotation on the Alternative Investment Market (AIM) in October 2004.

CHIEF OFFICER BIOGRAPHY
Alex Alway is a commercial accountant with over 18 years of experience working within the retail financial services sector. He worked for BP as a business accountant for four years.

He was with AXA Sun-Life for 10 years in a number of roles including finance, change management, IT strategy and commercial director IFA. Alway joined Jelf Group in 2001.

34 RFIB Group

Staple Hall
Stone House Court
87-90 Houndsditch
London EC3A 7NP
Tel: 020 7621 1263
Fax: 020 7623 6175
Website: www.rfib.co.uk

FEE AND COMMISSION BROKERAGE (2006): £24.7m

PRE-TAX PROFIT (2006): £3.1m
NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: 300
CHIEF OFFICER: PATRICK HOLCROFT, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1980

MAJOR SHAREHOLDERS
Employees and employee share ownership Trust 65%; FPE 35%.

MAIN LINES OF BUSINESS
Marine and energy; non-marine reinsurance; North America wholesale.

SUBSIDIARY COMPANIES
RFIB Marine, RFIB non marine, RFIB North America, RFIB (UK), Sanshin TOEI RFIB, London & Overseas Reinsurance Intermediaries, Bridle Insurance Brokers.

HISTORY
RFIB is a specialist international insurance and reinsurance broker. About 90% of its activity is wholesale or reinsurance, and the remaining 10% retail. Its clients consist of a range of international companies, insurance and reinsurance groups, as well as a number of Lloyd's syndicates.
RFIB also acts as wholesale broker and consultant to direct and reinsurance brokers worldwide.

In April 2007 RFIB announced the restructure of its capital base through a management buy-out from retired shareholders and the introduction of FF&P Private Equity as a minority independent investor, together with greater employee equity participation.

35 Denis M Clayton

Landmark House
69 Leadenhall Street
London EC3A 2AD
Tel: 020 7480 6410
Fax: 020 7360 9665
Website: www.claytons.co.uk

FEE AND COMMISSION BROKERAGE (2006): £23.7m
PRE-TAX PROFIT (2006): £2.1m

NUMBER OF UK BRANCHES: 1

NUMBER OF UK EMPLOYEES: 184
CHIEF OFFICER: GORDON MARSH

YEAR ESTABLISHED: 1972

HISTORY
Denis M Clayton & Co was founded in 1972 by Denis Clayton and John Goldsmith. The company was acquired in 2002, by Towers Perrin, one of the world's largest global professional services firms.

Clayton is part of the reinsurance business at Towers Perrin which provides insurance and reinsurance intermediary and consulting services. The business ranks fifth in the world among global reinsurance intermediaries, and places approximately $4bn of premium into the market place.

MAJOR SHAREHOLDERS
Towers Perrin Forster & Crosby

MAIN LINES OF BUSINESS
North American and Canadian treaty and excess of loss reinsurance, London market treaty and excess of loss reinsurance, US and Canadian insurance contracts and marine reinsurance.

36 Tysers

12-20 Camomile Street
London EC3A 7PJ
Tel: 020 7623 6262
Fax: 020 7621 9042
email: postmaster@tyser.co.uk

FEE AND COMMISSION BROKERAGE (2006): £22.4m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK EMPLOYEES: 220
CHIEF OFFICER: CHRIS ELLIOT, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1820

HISTORY
Tysers 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 as well as a number of specialist disciplines.

Having traded as a partnership for much of its history, Tysers became incorporated in August 2001 and has over 160 staff based at its head office in the City and 38 in Basildon, Essex.

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

SUBSIDIARY COMPANIES
Tyser Risk Management (Bangladesh)

CHIEF OFFICER BIOGRAPHY
Chris Elliot has spent all his working career at Tysers, 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 assumed responsibility for the development of Tysers on becoming chief executive in January 2007.

37 PWS Holdings

52-56 Minories
London EC3N 1JJ
Tel: 020 7480 6622
Fax: 020 7480 0520
email: pws@pwsint.co.uk
Website: www.pwsint.co.uk

FEE AND COMMISSION BROKERAGE (2006): £21.5 m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK BRANCHES: 3

NUMBER OF UK EMPLOYEES: 155
CHIEF OFFICER: STEPHEN CARD, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1964

HISTORY
PWS is an independent specialist reinsurance broker. It was founded in 1964 and floated on the London Stock Exchange in 1984.

In 2000, a public to private management buy-out was successfully completed, assuring PWS' long-term independence.

Initially operating solely from its office in London, the company has developed an extensive international client base and now operates from 15 offices around the world.

MAJOR SHAREHOLDERS
Privately owned

MAIN LINES OF BUSINESS
Construction & engineering, marine, professional risk, accident & health, facilities and programmes, treaty

38 FirstCity Partnership

13-15 Folgate Street
London E1 6BX
Tel: 020 7247 6595
Fax: 020 7410 48180
email: contact@FirstCity.com
Website: www.firstcity.com

FEE AND COMMISSION BROKERAGE (2006): £21m
PRE-TAX PROFIT (2006): (£0.7m)

NUMBER OF UK EMPLOYEES: 200
CHIEF OFFICER: TIM WATKINS, DEPUTY CHAIRMAN

YEAR ESTABLISHED: 1993

HISTORY
FirstCity Partnership is an independent London market broker. It is wholly owned by its management and staff via an employee trust that was established in 1996, enabling employees to share in the success of the business.

In recent years the company has focused on and seen expansion in the services it provides to its clients in the financial services and professional sectors. These include the addition of experienced market practitioners in areas such as crime, liability, political risks and reinsurance.

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.

39 Windsor

2 America Square
London EC3N 2LU
Tel: 020 7133 1200
Fax: 020 7133 1500
email: info@windsor.co.uk
Website: www.windsor.co.uk

FEE AND COMMISSION BROKERAGE (2006): £21m
PRE-TAX PROFIT (2006): £5.3m

NUMBER OF UK BRANCHES: 6

NUMBER OF UK EMPLOYEES: 175
CHIEF OFFICER: DAVID LOW, EXECUTIVE CHAIRMAN

HISTORY
Windsor is a long established Lloyd's broker that began placing commercial and marine insurance in the early part of the last century.

This year the management bought the company through a takeover of its stock exchange listed parent, Windsor. The insurance broking business is now transacted by Windsor Partners, a wholly owned subsidiary of Windsor.

The company continues to expand by encouraging start up projects with small highly specialised teams, by organic growth, and now with a large number of staff participating in the buy-out, it has an even greater reason to give its clients the best service possible.

MAJOR SHAREHOLDERS
David Low, John Bennett, Simon Lakey, Neil Pearce, John Hanrahan, Hutton Collins.

MAIN LINES OF BUSINESS
Professional indemnity, liability, pharmaceutical, marine, aviation, commercial, equine, sport, international and renewable energy.

SUBSIDIARY COMPANIES
Windsor Partners – served by Windsor Partners LLP

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 from the industry, he acquired a 14% share of the public quoted Windsor, joining the main board and becoming chairman and chief executive in 1997. Windsor plc was sold to its management and staff in March 2007.

He remains chairman of both Windsor and Windsor Partners.

40 Capita/BDML

BDML Connect Limited
The Connect Centre
Kingston Crescent
North End
Portsmouth
PO2 8QL
Tel: 0870 606 1389
Website: enquiries@bdml.co.uk

FEE AND COMMISSION BROKERAGE (2006): £19.9m
PRE-TAX PROFIT (2006): (£1.8m)

NUMBER OF UK EMPLOYEES: 495
CHIEF OFFICER: MARK TOWNSEND, CHIEF OPERATING OFFICER

YEAR ESTABLISHED: 1993

HISTORY
BDML Connect was originally 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 buyout 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. BDML Connect provides quotations and administrative services for motor insurance cases where Norwich Union Direct, the RAC or NU partners are uncompetitive or unable to quote.

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 ten 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 January 2004.

41 United Insurance Brokers

69 Mansell Street
London E1 8AN
Tel: 020 7488 0551
Fax: 020 7480 5182
e-mail : enquiries@uib.co.uk

FEE AND COMMISSION BROKERAGE (2006): £19.9m
PRE-TAX PROFIT (2006): £1.2m

NUMBER OF UK EMPLOYEES: 160
CHIEF OFFICER: BASSEM KABBAN

YEAR 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 1960's 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 an existing Lloyd's broker.

The company has grown with the support of its clients from the original management buy-out team to the size it is today with 160 staff in London and 120 within its overseas offices.

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

CHIEF OFFICER BIOGRAPHY
One of the founders of UIB, Bassem Kabban became managing director of UIB in January 1998 and applies his wealth of experience on the intricacies of insurance broking, multi-faceted knowledge of the insurance business and negotiating skills for the benefit of clients.

He maintains in-depth expertise in marine cargo, aviation, energy, liability and property insurances, including claims negotiation.

He has also lectured on aspects of marine insurance, particularly on oil movements, to audiences in many countries. He was born in Dhahran and raised in Lebanon.

42 Lark Group

Ibex House
42-47 Minories
London EC3N 1DY
email: mailbox@larkinsurance.co.uk
Website: larkinsurance.co.uk

FEE AND COMMISSION BROKERAGE (2006): £17.3m
PRE-TAX PROFIT (2006): N/A

NUMBER OF UK EMPLOYEES: 240
CHIEF OFFICERS: GRAHAM LARK, CHAIRMAN and STEPHEN LARK, MANAGING DIRECTOR

YEAR ESTABLISHED: 1948

HISTORY
The Lark business was founded in 1948 and initially placed a variety of small risks, produced by a network of provincial brokers into the London Market.

The company has changed away from agency business to the extent that today it deals almost exclusively with direct clients.

In 1970, Lark developed a relationship with Sedgwick Group. Sedwick become a corporate partner and in return initially transferred a small portfolio of private clients to the group and then increasing numbers of private clients and small commercial cases.

This culminated in the transfer of Sedgwick's high net worth private clients to Lark in 1987, to form the basis of today's portfolio in that area. The Sedgwick era ended in 2000 when they were acquired by Marsh. Lark has since been 100% owned its directors.

In January 2002, Lark acquired the broking business of Investec Bank in order to achieve greater critical mass, a presence in Central London and strengthen its management team.

The group has grown rapidly over the last few years and the focus continues to be on the development of its existing lines of business in London and the South East through a combination of organic growth and selective acquisitions.

Today the Group comprises LIBG trading as Lark Insurance Broking Group, which deals with general insurance for private and corporate clients and Lark Life & Pensions, which handles employee benefits and financial planning.

MAJOR SHAREHOLDERS
The group is owned by its directors.

MAIN LINES OF BUSINESS
Commercial lines, personal lines and financial services

CHIEF OFFICER BIOGRAPHY
Graham Lark is a chartered accountant who trained with Price Waterhouse in London before joining Lark 22 years ago. He spent time in a number of roles in the business during this time, and is now chairman, responsible for group strategy and business development.

Stephen Lark has 18 years' experience with the company and became a director in 1993. He is now managing director.

43 Newman Martin & Buchan

NMB House
17 Bevis Marks
London EC3A 7LN
Tel: 020 7648 8800
Fax: 020 7648 8890
email: reception@nmbinsurance.com
Website: www.nmbinsurance.com

FEE AND COMMISSION BROKERAGE (2006): £16.2 m
PRE-TAX PROFIT (2006): £ 0.25 m

NUMBER OF UK EMPLOYEES: 140
CHIEF OFFICER: GORDON NEWMAN, CHAIRMAN

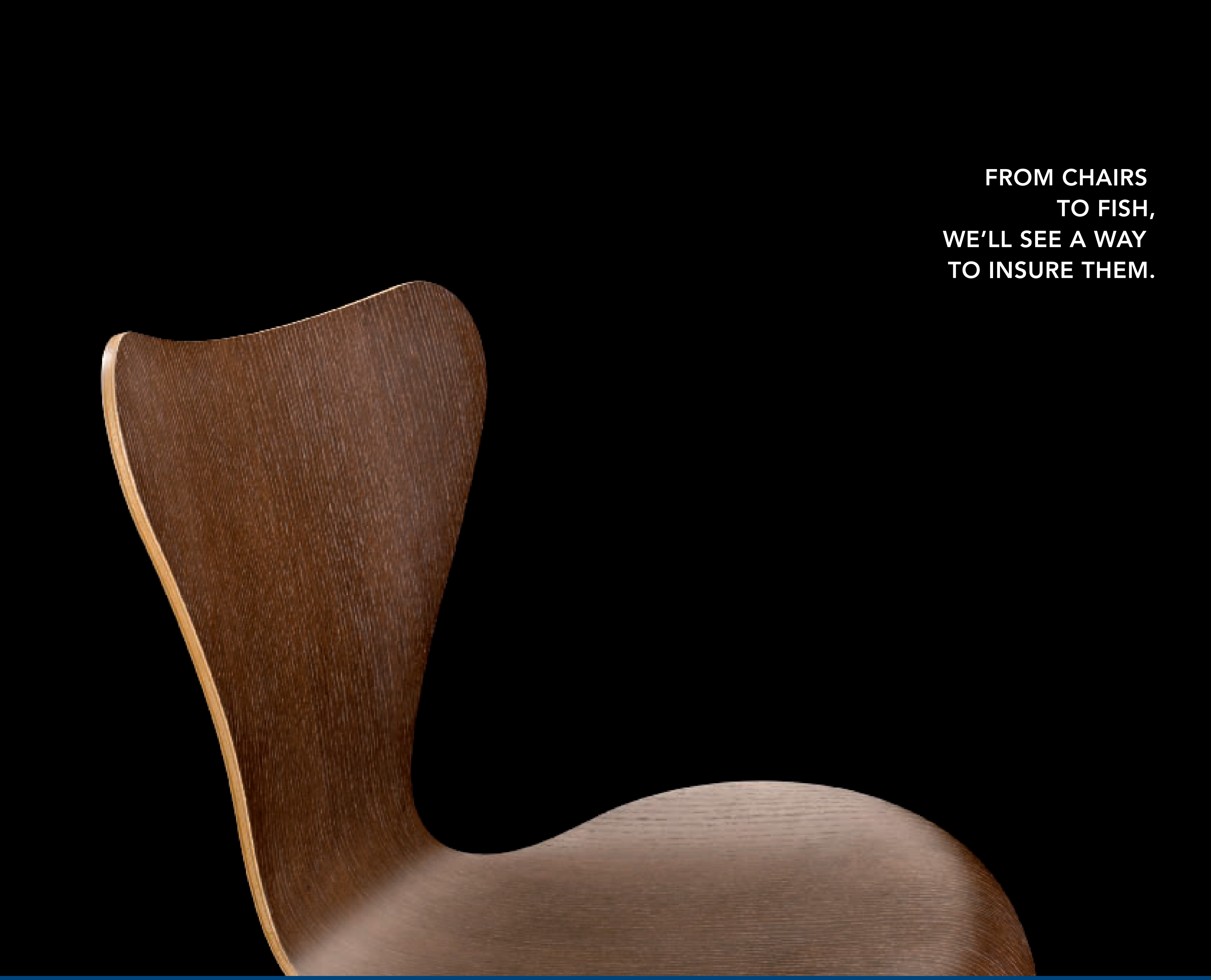
YEAR ESTABLISHED: 1987

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. The company generates more than 70% of its earnings overseas and in 1992 was presented with the Queen's Award for Export Achievement.

MAJOR SHAREHOLDERS
100% owned by directors and staff

MAIN LINES OF BUSINESS
Energy, marine, reinsurance, specialty, property and casualty

CHIEF OFFICER BIOGRAPHY
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, he was a founding director of Willis Faber's oil and gas division. From 1982 to 1987 he was managing director of Seascope Insurance Holdings. Newman has been chairman of NMB since its formation in 1987.


FROM CHAIRS
TO FISH,
WE'LL SEE A WAY
TO INSURE THEM.

The Broker's Partner

Agricultural & Rural
Tel: 01423 524 185
Email: aiua@towergate.co.uk
www.towergate.co.uk/aiua

Aviation
Tel: 0870 990 6052
Email: aviation@towergate.co.uk
www.towergate.co.uk/aviation

Care Homes
Tel: 0208 336 0099
Email: carehomes@towergate.co.uk
www.towergate.co.uk/carehomes

Cherished Cars
Tel: 0870 990 6090
Email: cherishedcar@towergate.co.uk
www.towergate.co.uk/cherishedcar

Commercial Packages / Licensed Trades
Tel: 0870 901 2595
Email: tcu@towergate.co.uk
www.towergate.co.uk/tcu

D&O Liability - Residential Block Management Companies
Tel: 0208 920 1234
Email: wayne.morris@towergate.co.uk
www.towergaterisksolutions.co.uk

Entertainment / Media / Leisure / Event
Tel: 0870 909 2575
Email: entertainment@towergate.co.uk
www.towergate.co.uk/entertainment

Golf / Sports / Leisure / Social Clubs
Tel: 01708 777 750
Email: sportsleisure@towergate.co.uk
www.towergate.co.uk/sportsleisure

Haulage / Freight / Removers & Storers
Tel: 01708 777 860
Email: transitcargo@towergate.co.uk
www.towergateunderwriting.co.uk

Holiday Homes
Tel: 01708 777 720
Email: household@towergate.co.uk
www.towergateholidayhomes.co.uk

- Easy access to market leading products
- Backed by leading UK insurers
- Online quote & buy for brokers*
- Direct access to underwriters
- Attractive Commission

insurance solutions for intermediaries

Household / Non-Standard / Let Property
Tel: 01708 777 429
Email: household@towergate.co.uk
www.towergate.co.uk/household

Liability and Construction
Tel: 0845 072 0224
Email: liabilityconstruction@towergate.co.uk
www.towergate.co.uk/liabilityconstruction

Marine Trades
Tel: 01590 671 560
Email: marine@towergate.co.uk
www.towergate.co.uk/marine

Marine - Pleasurecraft
Tel: 01452 314 059
Email: marine@towergate.co.uk
www.towergate.co.uk/marine

Minibus
Tel: 0870 909 6918
Email: help@nofussminibus.com
www.nofussminibus.com

Personal Accident
Tel: 01423 524 185
Email: tupat@towergate.co.uk
www.towergate.co.uk/patravel

Professional Indemnity
Tel: 0870 410 0952
Email: tpilondon@towergate.co.uk
www.towergate.co.uk/financialrisks

Property Owners
Tel: 0870 366 9561
Email: pop@towergate.co.uk
www.towergateunderwriting.co.uk

Transportation
Tel: 0870 909 6918
Email: telford@towergate.co.uk
www.thetruckinsurer.com

Travel
Tel: 0870 906 3144
Email: travel@towergate.co.uk
www.towergate.co.uk/travel

Telephone Towergate Underwriting's Broker Support Unit for full details of our product range:

0870 9010395

brokersupportunit@towergate.co.uk www.towergateunderwriting.co.uk

* Available on selected products

towergate underwriting

Towergate Underwriting is a trading name of Towergate Underwriting Group Limited
Registered Office: Towergate House, 2 County Gate, Staceys Street, Maidstone, Kent ME14 1ST
Registered in England No 4043759, Authorised and regulated by the Financial Services Authority

44 CJ Coleman

Portsoken House
155 Minories
London
EC3N 1BT
Tel: 020 7488 2211
Fax: 020 7488 4436
Website: www.cj-coleman.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £15.2m
PRE-TAX PROFIT (2006): £ 3.1m

NUMBER OF UK BRANCHES: N/A
NUMBER OF UK EMPLOYEES: N/A
CHIEF OFFICER: DAVID MERRY, CHIEF EXECUTIVE

YEAR 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 and recently opened a branch office in Sweden.

MAIN LINES OF BUSINESS
Professional indemnity, directors' and officers' liability, medical malpractice, financial institutions, programmes, liquidated damages, claims, property

45 AHJ Holdings

No. 2 Minster Court
Mincing Lane
London
EC3R 7BB
Tel: 020 7398 2600
Fax: 020 7623 8940
Website: www.ajhltd.co.uk
email: ahj.general@ahj-ltd.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £14.1m
PRE-TAX PROFIT (2006): £3.1m

NUMBER OF UK EMPLOYEES: 80
CHIEF OFFICER: HUGH PRICE, CHAIRMAN AND CHIEF EXECUTIVE

YEAR ESTABLISHED: 1973

HISTORY
The company has recently changed its name from AHJ Investments to AHJ Holdings. During the course of 2007 AHJ has raised funds, in conjunction with Dresdner Kleinwort Bank, from the capital markets. These funds will provide finance for a new reinsurance vehicle based in Bermuda to underwrite retrocession business.

MAJOR SHAREHOLDERS
Directors, employees, retired and former employees – 93%, Other – 7%

MAIN LINES OF BUSINESS
London and international marine reinsurance; London, international and US non-marine reinsurance; US and Canadian wholesale business including line slips and binders

CHIEF OFFICER BIOGRAPHY
Hugh Price is chairman and chief executive of both AHJ Holdings and Alwen Hough Johnson. He has worked in the insurance broking industry for over 40 years and has been with AHJ since the mid 1970s. He is also a director of the Griffin Insurance Brokers Mutual.

46 Group Direct

MMT Centre
Severn Bridge
Aust
Bristol BS35 4BL
Website: www.groupdirect.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £12.9m
PRE-TAX PROFIT (2006): (£0.7m)

NUMBER OF UK BRANCHES: 4

NUMBER OF UK EMPLOYEES: 444
CHIEF OFFICER: Arron Banks

YEAR ESTABLISHED: 2001

HISTORY
From its beginnings barely four years ago as an insurance broker Group Direct has experienced rapid growth with over 400 staff in six offices, including New Zealand and Australia. 2006 turnover will exceed £100m.

The group was founded in 2001 by two entrepreneurs: chief executive Arron Banks, a long time insurance professional with a pedigree of building highly successful businesses; and current group managing director, John Gannon, an Australian and UK qualified insurance litigation lawyer.

Group Direct's business encompasses broking, underwriting, legal services, e-commerce facilities, debt management solutions and offshore banking.

MAJOR SHAREHOLDERS
Arron Banks, John Gannon, Paul Chase-Gardener

MAIN LINES OF BUSINESS
Personal lines, commercial and motor

CHIEF OFFICER BIOGRAPHY
Arron Banks is the chief executive of Group Direct, a direct insurance group incorporating Commercial Vehicle Direct, One Business Insurance Solutions, Motor & Home Direct Insurance Services, Taxi Direct, eBike Insurance, as well as other non-insurance products including Panacea Finance, a premium finance company.

He has been involved in insurance since 1987, predominantly at director level, with Lloyds, Haven (NU) and Motorcycle Direct, which he co-founded.

47 Devitt Insurance Services

North House
St Edwards Way
Romford
Essex
RM1 3PP
Tel: 01708 385 959
Fax: 0845 300 4872
email: marketing@devittinsurance.com
Website: www.devittinsurance.com

FEE AND COMMISSION
BROKERAGE (2006): £12.9m
PRE-TAX PROFIT (2006): £ 3.6m

NUMBER OF UK BRANCHES: 2
NUMBER OF UK EMPLOYEES: 269
CHIEF OFFICER: WILLIAM HUGHES, MANAGING DIRECTOR

YEAR ESTABLISHED: 1936

HISTORY
In 1936, the Devitt name was established as a leading motorcycle insurance broker. From being a family run business, Devitt has had a number of owners, including SBJ and Churchill, finally becoming part of the RBS Group in 2003.

MAIN LINES OF BUSINESS
Devitt specialises in personal lines and niche SME and is one of the largest providers of motorcycle and caravan insurance in the UK.

While the Devitt brand continues to be associated with motorcycle insurance, the businesses largest growth area is in its provision of partnership solutions for corporate clients such as Screentrade, The Caravan Club, BMW, Toyota, VW and Unilever.

CHIEF OFFICER BIOGRAPHY
William Hughes assumed the position of managing director of Devitt in 2007. Hughes joined Devitt in 1996 as sales manager. Within two years he became operationally responsible for the sales and customer service departments and joined the Devitt board of directors in 2002.

Since becoming managing director, Hughes has focused on diversification of products and distribution channels as well as maintaining its position as a leading motorcycle insurance provider.

48 Broker Network

Mowbray House, Mowbray Square
Harrogate, North Yorkshire
HG1 5AU
Tel: 01423 877 800
email: enquiries@brokernetwork.co.uk

Grant Ellis, chief executive

Website: www.brokernetwork.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £12.5m
PRE-TAX PROFIT (2006): £2.4m

NUMBER OF UK BRANCHES: 24
NUMBER OF UK EMPLOYEES: 413
CHIEF OFFICER: GRANT ELLIS
CHIEF EXECUTIVE
YEAR ESTABLISHED: 1994

AUTOWINDSHIELDS WINS TWO MAJOR INSURANCE CONTRACTS

AutoWindshields, one of the UK's fastest growing independent windscreen repair and replacement companies, has won two major insurance contracts.

The Preston-based firm, which operates through a 60-strong nationwide van fleet, has been appointed sole recommended supplier by Gibraltar-based motor insurance companies **Zenith Insurance plc** and **Link Insurance Company Limited** until December 2008.

It was awarded the contracts, worth £750,000, after achieving a consistently high response rate in a trial period for Link Insurance Company Limited last year.

Zenith Insurance plc and Link Insurance Company Limited both provide policies solely through brokers, and support owners of private cars, motorcycles, vans, taxis and the car fleet market.

Richard Perry, Head of Damage & Supplier Management for GHL Insurance Services UK Ltd, an appointed UK service provider for Zenith and Link, said:

" We were impressed by AutoWindshields' excellent price package and the friendly efficient service of its fitters. The benefits of being able to rely on a highly motivated directly employed workforce fitted our profile perfectly and we are confident that the relationship will enhance the level of service that policyholders receive."

Barry Donaldson, a Director of AutoWindshields, said:

" These two major contracts by sister companies are testament to our industry leading response times and our excellent standards of service. For the convenience of our customers, we guarantee a unique next-day windscreen repair and replacement service provided at their own home or workplace by our highly trained mobile fitters."

Barry Donaldson, a director of AutoWindshields (left) and Richard Perry, Head of Damage & Supplier Management for GHL Insurance Services UK Ltd, celebrate the appointment of AutoWindscreens as sole recommended supplier of windscreen repair and replacement services to Zenith and Link.

Looking for a more personal windshield repair and replacement service?

YOU'VE CRACKED IT!

Call us on 0800 0684 825 and ask for Neil or Barry

Glass for cars™
AutoWindshields UK Limited
AutoWindshields
www.glassforcars.com

AW/10103/08/07

HISTORY
The Broker Network is the UK's largest network of independent commercial insurance brokers with a membership of over 170 brokers.

It negotiates centrally with insurers or wholesale intermediaries using the full combined weight of the members. Members can place business via these facilities.

The business currently has some 4,000 corporate clients and over 18,000 private clients. The company places over £50m GWP into the general insurance and healthcare markets.

MAJOR SHAREHOLDERS
Directors of Broker Network, including Grant Ellis, JPMorgan Asset Management, Ennismore Fund Management, Marlborough Fund Managers, Brewin Dolphin Securities, BlackRock Investment Management (UK).

CHIEF OFFICER BIOGRAPHY
Grant Ellis is chief executive of Broker Network Holdings. A broker since 1976, and FPC qualified, though no longer a practicing IFA, he is a non-executive director of the Ellis Bates group of companies.

49 Bell & Clements

55 King William Street
London
EC4R 9AD
Tel: 020 7283 6222
Fax: 020 7283 8222
email: email@bellandclements.co.uk

FEE AND COMMISSION
BROKERAGE (2006): £12.2m
PRE-TAX PROFIT (2006): £0.8m

NUMBER OF UK EMPLOYEES: 120
CHIEF OFFICER: PETER BARRETT, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1983

HISTORY
Munich Reinsurance Company acquired the Bell & Clements Group in May 2007.

Bell & Clements (BCL) operates primarily as an underwriting manager in the US and the UK. It writes and manages a growing and profitable book of primary insurance business via an exclusive network of selected agents and handles approximately $300m of business.

MAIN LINES OF BUSINESS
BCL specialises in providing US managing general agents (MGAs) with a comprehensive service for surplus lines business. It arranges binding authorities for US MGAs and manages the relationship between the MGAs and the insurers.

BCL also provides, through its Bell & Clements underwriting managers division, a capability to quote and bind a wide variety of risks under our own in-house binding authorities.

This division is supported by an experienced team of brokers who can place risks by individual negotiation with insurers. Its experienced brokers can place most types of risks, including facultative and treaty reinsurance.

CHIEF OFFICER BIOGRAPHY
Peter Barrett joined Bell & Clements in 1986 having previously been an underwriter for a Lloyd's syndicate. Prior to that he worked in both Chicago and London for Lloyd's broker Stewart Wrightson. Barrett is a past member of the National Association of Professional Surplus Lines Offices Education Committee.

50 Rattner Mackenzie

Walsingham House
35 Seething Lane
London EC3N 4AH.
Tel: 020 7480 5511
Fax: 020 7481 3616
Website: www.rmluk.com
email: : info@rmluk.com

FEE AND COMMISSION
BROKERAGE (2006): £11.3m
PRE-TAX PROFIT (2006): £2.4m

NUMBER OF UK EMPLOYEES: 1,500

CHIEF OFFICER: STEVEN AHERN, CHIEF EXECUTIVE

YEAR ESTABLISHED: 1988

HISTORY
Formed in October 1988, Rattner Mackenzie has achieved over 18 years of progressive growth and diversification.

In 1999 Rattner Mackenzie was purchased by HCC Insurance Holdings (HCC). HCC is an international insurance holding company and a leading specialty insurance group established in 1974.

MAIN LINES OF BUSINESS
Aviation, property and casualty; captive set-up and management; commercial transportation; contingency; kidnap and ransom; legal expenses; life, accident and health, terrorism; malicious product tampering; trade credit and political risk

CHIEF OFFICER BIOGRAPHY
Appointed chief executive in 2006, Steven Ahern began his insurance career in 1978 in Dublin. He has over 26 years' experience in the industry including 22 years' underwriting insurance and reinsurance of accident and health, property, casualty and financial lines business. In November 2002 he was also appointed as a director of Rattner Mackenzie (Bermuda).

The fear of change

Andrew Holt reports on the true state of the broker market, after an in-depth study reveals brokers' hopes and fears

As intermediaries, insurance brokers occupy a particularly vulnerable place in the food chain, exposed to changes in climate from both insurers and customers, not to mention competition from rival brokers.

Never has this vulnerability been more keenly felt than at the present. Brokers find themselves in a market experiencing a phase of genuine evolution: a period of rapid and fundamental change.

With this in mind, Insurecom set out to examine the changing climate of the insurance industry and its implications for brokers.

It invited 100 leaders from the largest broker firms across the UK to share their hopes and fears for the industry over the next five years.

Not surprisingly brokers have a lot on their minds. Namely, consolidation, costs and communication.

Adapting to changing market pressures seems to be uppermost in their concerns. Well over half of senior managers characterised the immediate future for the industry as a case of 'adapt or die'.

Continuing market consolidation is causing fear and expectation in equal measure. Growth through mergers and acquisitions remains a key business opportunity.

Yet, at the same time, being undercut, or even snapped up by ever-bigger fish poses a significant threat to the vast majority of large brokers.

Turbulent times

These turbulent times are reflected in the concerns currently exercising the minds of business leaders in large brokers.

The majority (57%) of brokers interviewed by Insurecom characterised the prospects for their industry over the next five years as a stark case of "adapt or die". A worryingly small number – just 14% – expressed optimism over the outlook for the immediate future.

Among the market developments forcing the need to adapt is the continuing consolidation of brokers, a trend which is clearly on brokers' minds: over half (57%) believe that the small broker no longer represents a viable business model.

Merger and acquisition (M&A) activity is creating expectation and fear in equal measure among major brokers. Given their unique position in the food chain, it is clear that brokers do not have a black and white view of M&A activity in the industry. Consolidation is seen simultaneously as a key growth opportunity and a critical threat to their businesses.

More than three quarters (76%) of senior managers identified growth through M&A as a key business opportunity for the coming five years – with as many as a quarter (25%) seeing consolidation as a significant opportunity.

Yet consolidation loomed equally large among the same respondents when asked about the critical threats facing their businesses.

Over half (59%) are living in fear of takeover from major consolidating brokers, while an overwhelming 90% expressed concerns over competition from larger, more acquisitive rivals.

When brokers are not scanning the market for prey or predators, where do they see the operational growth opportunities over the next five years?

The answer lies in a combination of improved communications, reduced costs and product and service innovation.

Brokers were almost unanimous in identifying improved business communications with insurers (98%) and enhanced electronic business channels for customers, insurers and other brokers (96%) as key growth opportunities. Over 40% of brokers saw each of these as a significant business opportunity for the coming five years.

Crucially, business leaders believe that improving ebusiness communication channels for customers would make their businesses up to one fifth more productive (20%) – a potential productivity gain worth a staggering £1.56bn each year to an industry worth £7.8bn annually.

Improving communication channels with the industry – for instance via access to trading portals such as Imarket – would result in an additional 20% productivity uplift, according to brokers.

Enhancing and extending product and service offerings to customers is another key priority for large insurance brokers.

The overwhelming majority of brokers identified developing the provision of advisory services (88%), improved product innovation (84%) and establishing or enhancing underwriting services (84%) as key business opportunities for the next five years.

Of course, product innovation and diversification alone will not fuel business growth, unless brokers are able to successfully market their new and improved offerings.

With this in mind, brokers almost unanimously identified the need to improve cross-selling of products and services, with 96% signalling this as a growth opportunity, and nearly two thirds (65%) citing cross-selling as a significant growth opportunity.

The eternal battle to strip out costs, a constant and critical challenge for all businesses, also looms large on brokers' agendas. Nearly all respondents (94%) cited cost reduction through improved back-office technology as a key growth opportunity.

With the exception of the consolidation conundrum, brokers would seem to have a clear view of where the market opportunities lie for their firms. So what is getting in the way of exploiting these to achieve their growth objectives?

The greatest barrier to growth is the legacy of the last major wind of change to blow through the insurance industry – the burden of FSA compliance.

Since the new regime for general insurance came into force on 14 January 2005, brokers have largely come to terms with the rigours of regulation by the FSA and the compliance processes and procedures that this has imposed.

However, brokers are still struggling with the impact this has on their business resources.

Brokers identified meeting FSA compliance requirements as the greatest barrier to achieving business growth, with three

'Over half (59%) are living in fear of takeover from major consolidating brokers' quarters (75%) of major brokers citing compliance as a major obstacle to growth efforts.

Significantly, a look at brokers' main bugbears when it comes to FSA compliance sheds further light on this frustration: nearly three quarters (71%) bemoan the large volumes of documentation to be produced in order to demonstrate compliance, while over half (57%) expressed frustration that valuable business resource is being taken up by FSA reporting procedures.

Consequently, major brokers believe that their firms could enhance productivity by close to a tenth (8%) on average with more efficient compliance procedures equivalent to over £0.5bn in additional output across the industry.

A shockingly high proportion of brokers – some two thirds (65%) – identified complacency in the industry as a whole as a critical barrier to business growth, the third greatest barrier facing broker firms.

However, a closer look also reveals a range of internal failings among brokers. According to respondents, firms' own inefficiencies are also holding back efforts to achieve growth objectives.

Significant numbers of business leaders identified cumbersome reporting features (69%), inefficient working practices and workflow processes (65%), a lack of business performance visibility (63%) and a lack of uniform procedures across their company (55%) as significant factors holding back business growth.

The impact of this on business growth is clear: close to two thirds (61%) of respondents bemoaned a lack of ability to exploit new business opportunities in niche markets – this in an industry which lists product innovation and diversification among its key growth opportunities.

Technology has a clear role to play in driving efficiencies, improving ineffective working practices, and ultimately enabling brokers to focus resources on achieving growth: more than half (55%) of major brokers listed poorly adapted and ageing broker software applications among the barriers to growth faced by their firms.

While eyeing opportunities for expansion and struggling to overcome growth hurdles, major brokers are also keenly aware of the threats to their business inherent in the market environment in which they operate.

But apart from consolidation, what exactly is it that brokers are being forced to adapt to? What are the trends and developments driving market evolution?

An overwhelming majority of business leaders in major brokerages – some four fifths (79%) – identified changing business models, and the need to adapt to these, as a critical threat to their businesses, representing the greatest threat after consolidation.

Among the trends worrying large brokers in this respect are the presence of direct insurer products, a threat signalled by nearly three quarters (72%) of brokers, and the commoditisation of commercial insurance lines (61%) – trends which threaten the intermediary business model itself.

Customer loyalty

These developments are all the more disconcerting in a market devoid of customer loyalty – an eternal problem for the insurance industry, and one cited as a threat by over two thirds (69%) of brokers.

Equally worrying in a market which demands new business models is brokers' apparent inability to commercialise new product lines.

Perhaps unsurprisingly, regulation raised its troublesome head once more when brokers were asked about the threats facing their business, with three quarters (75%) of major brokers listing the cost of FSA compliance among their key concerns.

The inefficiencies revealed are also adding to brokers' worries, with close to three quarters (71%) citing inefficient working practices and workflow processes as a threat to their business.

A brokers' software application represents a major investment. The technology deployed plays a critical role in the efficient day-to-day running of all aspects of a broker's operations, and has a fundamental impact on the company's ability to adapt in line with market needs.

There is a clear role for technology to play in helping major brokers minimise the threats and realise the opportunities facing their businesses: the majority of brokers questioned pointed to the damaging impact outdated applications are having on their efforts to achieve growth.

Business leaders in major brokers estimate that improved automation could enhance their firms' productivity by close to a tenth (8%) – equivalent to over £0.5bn additional output for the industry as a whole every year.

In addition, better-adapted software would strip away close to one fifth (17%) of back-office costs.

Yet this research reveals that the technology currently in use in the industry simply isn't delivering these benefits, or supporting brokers' requirements as they strive to keep pace with market evolution.

Software benefits

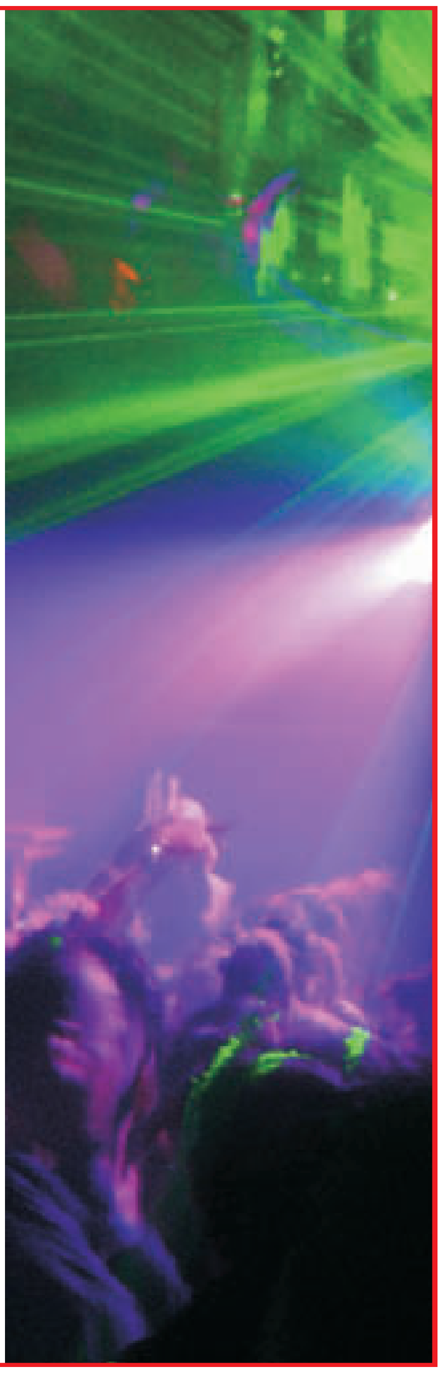
Less than a quarter – just 22% – of managers are entirely satisfied with the overall benefits their software application provides. Fewer still (16%) expressed total satisfaction with the value for money their application represents.

When analysed directly against the opportunities and threats brokers said their businesses are facing, current technology fell just as short. The research found that:

- Less than one fifth of major brokers (18%) are entirely satisfied with their current software application's ability to easily integrate with other systems, for example following a merger or acquisition
- Just 14% expressed total satisfaction with their application's ability to evolve with their business needs by providing feature innovations and software updates
- Only a tenth are 'very satisfied' with their system's ability to support product innovation and enable the deployment of new schemes
- Just 12% are entirely happy with the ability to drive cost efficiencies and contribute to back-office cost reduction
- Only 14% believe their broker software application fully streamlines FSA compliance tasks
- A mere quarter (25%) expressed total satisfaction with the ability to deliver end-to-end workflow automation and reduce the burden of documentation
- Less than a fifth (18%) of brokers believe their system delivers reporting features that are fully adapted to the needs of their business.

In this light, it seems unsurprising that an overwhelming three quarters (74%) of brokers are calling for a radical technological shift from software providers towards full end-to-end process automation.

In much the same way as brokers themselves, the technology at their disposal needs to evolve if it is to support brokers' needs in the twenty first century. **IT**



Top 50 UK brokers

Listings of the UK's top 50 brokers as compiled by IMAS Corporate Advisors

2007	2006	Company Name	Current year	Brokerage (£000)	Brokerage change	Costs (£000)	Investment income net (£0
1	(1)	Aon (1)	Dec 06	£485,128	-4.3%	£-	£-
2	(2)	Marsh (1)	Dec 06	£471,641	-5.2%	£-	£-
3	(3)	Willis (1)	Dec 06	£421,026	-2.9%	£-	£-
4	(4)	JLT Group (3)	Dec 06	£408,845	3.4%	£363,624	£15,646
5	(5)	Benfield Group	Dec 06	£340,985	8.4%	£298,686	£10,701
6	(8)	The Towergate Partnership	Dec 06	£235,000	41%	£159,400	£10,000
7	(7)	Automobile Association	Dec 06	£204,847	8.6%	£146,388	£11,222
8	(12)	Budget Group	Dec 06	£158,452	38.4%	£117,953	£(787)
9	(9)	Swinton Group (4)	Dec 06	£150,700	19.9%	£-	£-
10	(11)	HSBC Insurance Brokers (4)	Dec 06	£134,568	8.9%	£-	£-
11	(25)	IAG (4)	Dec 06	£116,978	9.4%	£104,225	£1,320
12	(6*)	Lockton (4)	Mar-06	£107,717	-1.9%	£-	£-
13	(10)	Heath Lambert Group	Dec 06	£106,900	-13.6%	£100,000	£5,000
14	(27)	Venture Preference (4)	Dec 06	£81,498	21.4%	£-	£-
15	(15)	SBJ Group (4)	Dec 06	£78,100	22.5%	£-	£-
16	(21)	Oval (4)	May-07	£68,504	44.7%	£-	£-
17	(19)	RIAS (3)	Dec 06	£68,454	16.2%	£-	£-
18	(14)	Miller	Apr 06	£64,385	-3.4%	£61,677	£2,413
19	(16)	Endsleigh Insurance Services	Dec 05	£60,120	0	£-	£-
20	(18)	Cooper Gay & Co (4)	Dec 06	£58,710	-1.8%	£58,377	£2,666
21	(24)	Kwik-Fit Insurance Services (2)	Dec 06	£58,319	41.3%	£48,341	£(2,239)
22	(20)	BMS Associates	Dec 06	£55,033	0.9%	£56,405	£3,352
23	(23)	Arthur J Gallagher (UK)	Dec 05	£54,188	21.4%	£59,468	£2,200
24	(22)	RK Carvill & Co	Dec 05	£37,318	-18%	£39,704	£1,146
25	(48)	Giles Insurance Brokers (2)	Aug-06	£35,500	130.4%	£-	£-
26	(26)	THB Group	Apr 06	£34,140	5.5%	£31,351	£478
27	(28)	Hyperion Ins Group (Howden)	Sep 06	£33,400	24.2%	£28,172	£(10)
28	(31)	RK Harrison Holdings	Jun 06	£32,439	28.8%	£24,963	£979
29	(29)	Besso Holdings	Dec 05	£30,166	13.2%	£30,339	£855
30	(34)	Erinaceous Insurance Services (3)	Dec 06	£29,000	29.5%	£-	£-
31	(45)	HRH (2)	Dec 06	£27,169	59.4%	£-	£-
32	(30)	Carole Nash (4)	Oct 06	£26,336	4.1%	£-	£-
33	(43)	Jelf	Sep 06	£25,095	35.7%	£23,005	£21
34	(32)	RFIB Group (4)	Mar 06	£24,675	5.5%	£22,938	£1,325
35	(39)	Denis M Clayton	Dec 05	£23,730	14.4%	£23,099	£1,430
36	(37)	Tyser & Co (4)	Dec 06	£22,383	2.8%	£-	£-
37	(38)	PWS Holdings	Sep 06	£21,521	0	£-	£-
38	(35)	Firstcity Partnership	May 06	£21,046	-5.1%	£21,845	£64
39	(42)	Windsor	Sep 06	£20,797	8.2%	£17,049	£1,380
40	(40)	Capita/BDML (6)	Dec 05	£19,938	54.3%	£21,645	£(86)
41	(44)	United Insurance Brokers (4)	Dec 06	£19,867	10.2%	£-	£-
42	(49)	Lark Group (2)	Mar-07	£17,340	16.9%	£-	£-
43	(47)	Newman Martin & Buchan	May-06	£16,176	-0.3%	£17,098	£1,172
44	(51)	CJ Coleman	Dec 05	£15,205	8.9%	£16,151	£890
45	(54)	AHJ Investments	Dec 06	£14,056	16.6%	£12,252	£1,286
46	(68)	Group Direct	Dec 05	£12,885	57.7%	£11,692	£(584)
47	(36)	Devitts	Dec 05	£12,883	-41.8%	£10,201	£896
48	(59)	Broker Network	Apr 06	£12,535	65.2%	£10,447	£317
49	(56)	Bell & Clements	Jun 06	£12,224	3.3%	£12,296	£894
50	(57)	Rattner Mackenzie	Dec 05	£11,272	-3.4%	£10,382	£2,156

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

(5) An aggregation of all UK companies owned by the overseas parent

(6) Extended accounting period adjusted to 12 months

t 000)	Profit before tax (£000)	Profit change	Net current assets (£000)	Investments & bank (£000)	Creditors (£000)	Shareholders funds (£000)	Highest paid director (£000)	Total directors emoluments (£000)	Employee numbers	Employee cost (£000)	Shareholder funds change
	£-	n/a	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£-	n/a	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£-	n/a	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£76,547	22.6%	£57,526	£366,595	£583,508	£161,270	£1,358	£4,716	5,318	£294,599	5.9%
	£52,968	-1.6%	£34,122	£272,293	£316,092	£158,725	£931	£7,687	1,940	£203,725	-20.7%
	£85,600	53.7%	£64,333	£159,147	£255,995	£27,049	£-	£-	-	£-	-78.2%
	£69,681	351.5%	£256,166	£8,988	£101,487	£175,621	£291	£306	1,796	£51,619	37.7%
	£39,712	174.3%	£18,351	£39,408	£105,599	£20,628	£285	£1,443	2,112	£47,953	-46.7%
	£37,400	32.5%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£10,765	-47.8%	£-	£-	£-	£-	£-	£-	1,500	£-	n/a
	£13,293	32%	£23,659	£31,335	£94,686	£59,216	£303	£1,593	2,081	£48,558	158.4%
	£-	-100%	£-	£-	£-	£-	£-	£-	-	£-	-100%
	£11,900	172.8%	£29,700	£111,600	£450,300	£43,100	£-	£-	-	£-	30.6%
	£15,608	426.1%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£-	-100%	£-	£-	£-	£-	£-	£-	848	£-	n/a
	£13,360	236.5%	£-	£-	£-	£-	£-	£-	740	£-	n/a
	£14,637	39%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£5,454	-22.2%	£30,449	£81,410	£376,882	£21,396	£920	£1,850	483	£43,405	2.1%
	£-	-10%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£3,096	-645%	£14,874	£62,888	£249,319	£6,686	£246	£635	498	£39,833	-56.6%
	£7,738	58.2%	£13,300	£29,977	£23,130	£17,251	£-	£-	876	£21,750	41.3%
	£6,108	35.%	£9,124	£57,189	£304,508	£10,573	£561	£2,455	353	£35,910	41.3%
	£(3,080) -	47.9%	£10,487	£72,544	£263,107	£16,245	£1,456	£3,663	376	£38,309	-14.1%
	£(1,242)	-142.7%	£3,300	£55,059	£361,817	£2,329	£324	£445	180	£25,743	-24.3%
	£13,000	1814.6%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£3,287	49.%	£2,229	£33,729	£41,051	£18,539	£233	£1,063	398	£20,418	-1.6%
	£5,309	31.7%	£7,672	£25,852	£88,771	£4,959	£408	£1,071	285	£17,131	21.6%
	£6,223	69.6%	£9,680	£33,107	£95,542	£14,415	£699	£1,474	266	£17,380	-12.8%
	£683	-63.%	£(1,265)	£51,582	£210,555	£8,453	£300	£1,845	283	£18,868	11.6%
	£-	-100%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£4,666	94.1%	£-	£-	£-	£-	£-	£-	192	£-	n/a
	£3,050	9.6%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£2,111	18.8%	£368	£5,226	£17,697	£16,327	£316	£878	323	£13,540	268.4%
	£3,058	-20.5%	£6,905	£35,581	£303,234	£7,907	£264	£2,061	246	£16,166	-15.4%
	£2,061	136.%	£12,778	£28,283	£226,071	£13,406	£393	£2,701	183	£17,963	10.2%
	£-	-100%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£-	-100%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£(735)	-118.8%	£5,761	£15,570	£21,963	£1,842	£244	£1,646	182	£11,489	-61.7%
	£5,256	3.8%	£2,626	£30,012	£35,547	£15,906	£548	£1,316	179	£11,723	29.2%
	£(1,793)	-232.3%	£4,351	£1,056	£12,319	£2,492	£272	£576	346	£7,461	-41%
	£1,200	19.8%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£-	-100%	£-	£-	£-	£-	£-	£-	-	£-	n/a
	£250	-38.1%	£5,556	£10,181	£9,069	£4,287	£416	£1,644	105	£11,201	-16.8%
	£3,058	264.1%	£10,362	£28,992	£70,153	£6,373	£262	£607	146	£12,344	-14.8%
	£3,090	376.9%	£6,664	£17,376	£58,701	£14,795	£416	£930	83	£7,887	123.6%
	£659	-35.7%	£(661)	£647	£16,157	£468	£223	£849	195	£5,842	120.7%
	£3,578	-15.9%	£8,587	£12,019	£25,795	£8,733	£173	£537	-	£-	-5.3%
	£2,405	82.9%	£2,007	£11,456	£22,848	£6,396	£126	£423	229	£5,843	33.1%
	£822	255.5%	£657	£15,717	£58,697	£3,091	£306	£1,891	131	£9,116	21.2%
	£2,394	-8.6%	£9,082	£25,531	£224,174	£7,201	£464	£1,494	65	£5,704	-15.1%

QBE

Prosper from the process

Organisations that shift to a process-driven structure can expect to find the Holy Grail of a customer-based industry, says Terry Richardson

> Changing from an organisational focus to a process focus is not just a superficial change; it's a root and branch rethink of how the organisation should work.

In business, the quest for maximised profit and lasting success is as demanding and fraught with obstacles and perils as any quest undertaken in medieval fables by knights seeking the Holy Grail.

To win that Holy Grail today you need to run your organisation so that all your resources are focused around delivering your strategy and meeting the needs of your current customers, and are perfectly placed for meeting their future needs, too.

The Holy Grail isn't won by blindly applying one of the many management fads that surface from time to time in business schools and industry conferences.

Instead, it involves following a strategy that is down-to-earth, intensely practical and intimately wedded to the very reason for your organisation's existence.

Above all, what you need to do is to orientate your entire organisation both culturally and operationally around the business processes that lie at its heart.

In business, a process can be defined as a series of steps that produces a specified deliverable to meet a targeted customer need.

This definition is precise: the steps of activity must actually meet customer needs successfully.

A series of steps that doesn't meet customer needs can't properly be regarded as a process, or at least not an effective one. All organisations must, by definition, have at least one process if they are going to be in business at all. If they don't, they won't have any customers.

Whatever the precise nature of the process or processes an organisation carries out, the very fact process is actually defined in terms of delivering a benefit to customers leaves no doubt that process is not only at the heart of the organisation but is the heart of the organisation. The organisation is, in fact, the sum of its processes.

All business processes must contribute to delivering products and services to customers both now and in the future. Any business strategy must impact on that delivery either by satisfying existing customers more, satisfying more customers or by doing either with fewer resources.

A business's processes essentially mean two things to it as an organisation. Firstly, they are the method by which it delivers to its customers whatever they require from it. Secondly, a business's processes are, almost by definition, the consumers of that business's resources.

Process is a crucial key to both implementing and developing strategy in any useful sense at all.

Not that you would believe this when you consider just how much – or how little – effort and attention most organisation's senior executives devote to understanding and managing their processes.

Indeed, in practice, an alarmingly high proportion of boards and senior managers ignore processes pretty well completely.

Why don't boards see that managing processes properly is the key to achieving the Holy Grail of running a business today? Why do they overlook the overwhelming strategic importance of process?

There appear to be two main reasons. The first is that organisations often adopt the short-sighted approach that processes are nothing more important than the consequence of their strategic thinking.

The truth of the matter is that the board must keep the organisation's processes firmly in its sight – and mind – at all times. After all, unless a strategic decision made at board level is indeed being implemented properly and successfully embodied in the organisation's operations, the decision is really just hot air.

The second reason has to do with the way most organisations are structured. The problem here is that organisations are typically structured by function. Such a function-based structure is not friendly to the task of managing process properly, or even to being fully aware of what all the organisations's processes actually are.

This basic structural problem is often such a major obstacle to successful board-level process management that even if the board wanted to manage process it would find it very difficult to do so.

For such organisations, the Holy Grail is not so much hard to find as shattered into numerous scattered fragments.

Today, the strategic concept of customer focus is more and more being used as a convenient thumbnail summary of the imperative to focus an organisation around the customer's needs.

Many organisations have attempted to become more 'customer-centric' by, for example, implementing CRM (Customer Relationship Management) systems.

But the CRM system, like any other IT system, cannot deliver this by itself; it can only ever be an enabler. This is why so many CRM implementations can fail. If organisations rely on the technology to make them more customer-centric without a clear focus on the processes it needs to support, the implementation is likely to join the majority of system implementations that do not live up to expectations.

For all these reasons, shifting to a process-driven structure, while requiring some radical changes, is the map that leads to the Holy Grail of a customer-focused approach to business, with everyone working to deliver the strategy and fulfil the organisation's potential.

Changing from an organisational focus to a process focus is not just a superficial change; it's a root and branch rethink of how the organisation should work. Delivering the Holy Grail of having all your resources focused on strategic delivery and on delivering effectively and efficiently to customers is the goal. The quest to find the Holy Grail will be the single most important business journey that you will ever make – and the most profitable. **IT**