FOR THE RECORD
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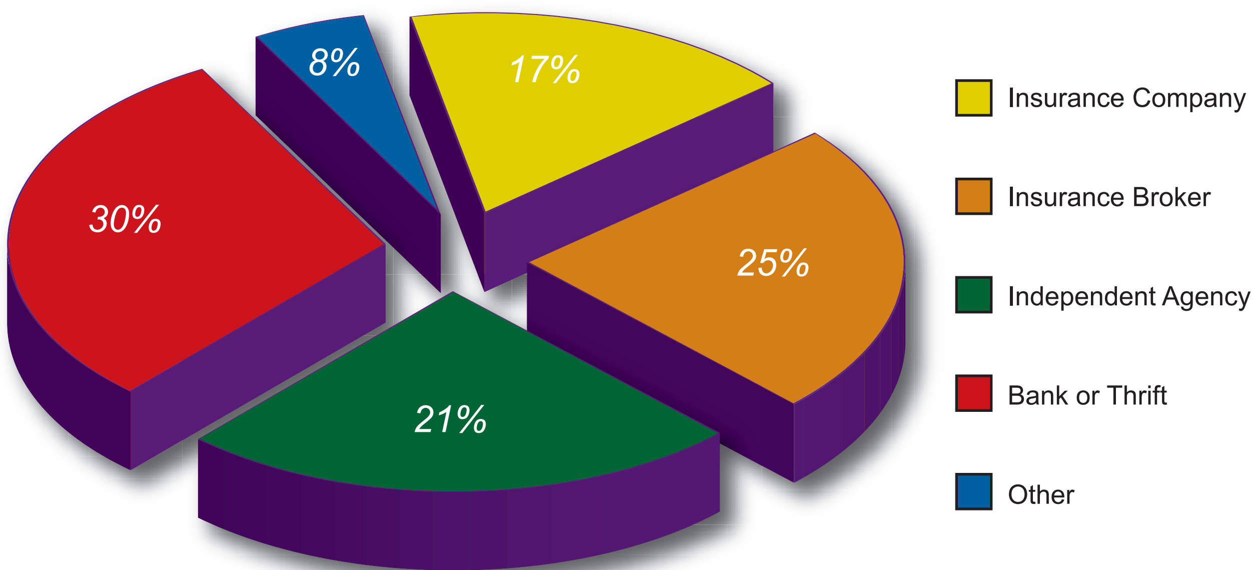
U.S. Brokerage Acquirers

Since 1999, banks have led the way in the overall number of publicly announced agency/broker acquisitions. Over the last couple of years, however, public brokers are once again outpacing banks in deal activity.

Leading banks continue to buy because insurance has served as a profitable stand-alone investment, expands the bank's trusted advisor position and enhances non-interest income ratios. While we are seeing fewer banks buying into insurance, the leading banks are becoming more aggressive on deals. Public brokers seek acquisition activity as a vehicle to satisfy wall-street growth and earnings hurdles as organic growth initiatives are not enough. Companies are trying to solidify their distribution base and agencies are more opportunistic in buying roll-in operations. Private equity interest is also gaining momentum, spurring increased demand and aggressive pricing.

Acquisition Segments --- 1999 - 2006



Source: SNL Financial; Charlottesville, VA

While deal activity experienced some peaks and valleys over the last couple years, this was primarily a sell side issue. Many that needed to sell already have. Many of the best "foundation agency" targets that were enticed to sell have already been picked clean. Additionally, sell side interest is picking up again as most independent agencies continue to fail with respect to reinvestment capital, young talent and value enhancement. Selling often remains the only exit strategy for those not willing to reinvest and aggressively focus on organic growth.

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