

# Insurancetimes

August 2010

**TOP  
50  
BROKERS**



# PEAK PERFORMERS

THIS YEAR'S LEAGUE TABLE LAID BARE





## *Long live diversity*

**P**erhaps this year's Top 50 will be remembered as the moment when the Big Three finally became the Big Two. Recent acquisitions by Aon and Marsh have propelled the two multinationals into a league of their own. Meanwhile, Jardine Lloyd Thompson is snapping hard at third-placed Willis's heels.

This year's table also shows the consolidators continuing to creep up the rankings. HSBC's absorption by Marsh has enabled both Bluefin and top 10 newcomer Oval to creep up the table a notch.

Based on this year's findings, it's been a good year for Lloyd's brokers and not such a great time for commercial lines specialists. Somewhere in between, personal lines brokers have continued to defy predictions of their demise – broking traditionalists will be particularly heartened by the Top 50 entry of high-street chain A-Plan.

From Aon to A-Plan, this year's Top 50 is a reminder of how diverse the UK broking sector remains.

**David Blackman, deputy editor, *Insurance Times***



## *Comparing notes*

**E**verybody loves league tables. Investment bankers and private equity executives are happy to leave our offices with the most recent Top 50 in their briefcase. It makes them instant experts, giving them a high-level view of every significant player and an insight into industry trends.

We are assured of the supplement's popularity in the industry too – it provides a 'mine is bigger than yours' pecking order. Smaller brokers tell us it is their ambition to break into the Top 50 because it will give them a higher profile.

Over the past five years, we've witnessed 14 new entrants. So what lessons can be learned from them? Two-thirds have a significant acquisition in their history; some have achieved strong organic growth; they do not operate in one particular sector.

What these newcomers have in common is that they do what they do well. Broking remains a people-based business and the people continue to matter.

**Olly Laughton-Scott, managing director, IMAS**

OUR OBSERVATION last year that a more stable exchange rate would have big benefits for the London market has shown through in this year's table. While it is not the only factor that has allowed the London market brokers to achieve excellent growth results, it has certainly not hindered them either.

During 2009 and the first half of 2010, there's been a return to business that's more or less normal. Stock markets have recovered – albeit tentatively and nervously at times – and there are varying opinions on whether or not we are out of recession, but there is a general consensus that the worst is over.

Interest rates have remained low throughout the period under review, which has had a notable impact on profits, although our focus has been on EBITDA excluding interest.

London market brokers have enjoyed a second excellent year of growth, though much of this has been down to acquisition. Nevertheless, there have been some excellent individual performances where the structure of the business has allowed the drive for growth to flow through to the bottom line. While London brokers achieve high levels of growth and income per employee, the employees are expensive and in most cases income growth seems to be more for the benefit of employees than driving up shareholder value.

Recession and recovery have had a varied impact on the Top 50 brokers. UK regional commercial lines brokers have suffered most. As their clients have struggled in the recession and insurance rates remained soft, they have had to invest much of their time and resources into preventing incomes from sliding backwards. Plenty have failed in this task and many others just marked time. Achieving growth has called for something extra from commercial brokers over the past 12 months.

#### Merger restraint

The subdued merger and acquisition climate of 2009 has continued into this year as a result of the tighter financial markets. So far 2010 has seen some recovery in transaction activity. Some of this has been opportunistic – Marsh's acquisition of HSBC Insurance Brokers and Fortis' of Kwik-Fit. Other moves have been more strategic, such as Cooper Gay's purchase of Swett & Crawford.

The personal lines sector has weathered the tough times well and the slow rise in motor rates this year will continue to help.

Seven of the top 10 positions for best EBITDA margins have been taken up by personal lines brokers, which – given the modest income growth during the period – must indicate good cost



# High points of a low year

While many brokers still bear the scars of the recession, there are some positives to draw from the year. IMAS's **Olly Laughton-Scott** looks behind the winners and losers from the league table

## The personal lines sector has weathered the tough times well and the slow rise in motor rates this year will continue to help

control by the managers of these companies.

While technology and its potential to open up niche areas continues to develop, it is still slow to break out of the mass personal lines market. The commercial lines sector has remained resistant – though it is not clear whether this is because the approach has not been right or that there is genuine customer resistance to the concept. There are examples of progress but, more often than not, there is a lot of talk and little action.

Logic suggests the application of technology is the only way for both the customer and the insurance market to conduct genuine small ticket commercial business economically – though clearly logic can be defied. Perhaps the demise of Coverzones, the specialist commercial lines SME aggregator site, has highlighted the risks involved.

### TOP PERFORMERS

|      | First       | Second           | Third      |
|------|-------------|------------------|------------|
| 2010 | RK Harrison | Abbey Protection | Cooper Gay |
| 2009 | Kwik-Fit    | Windsor          | JLT        |
| 2008 | Aon         | Swinton          | Windsor    |
| 2007 | BGL         | RK Harrison      | Towergate  |
| 2006 | Jelf        | Towergate*       | AA*        |

\* Equal second

## WINNERS AND LOSERS

### KEY CRITERIA

- We have kept our key criteria as consistent as possible with previous years but need to recognise the new entrants.

### GROWTH

- This is a critical factor. Yet because the ranking reflects overall increases in shareholder value, we focus on organic and sustainable acquisition-led growth.

### MARGIN

- Sustainable margin is key – recovery to acceptable profit following a poor year, while commendable, is unlikely to win an award.

### 2010 WINNERS

#### RK Harrison

On the podium twice in the past five years, this year it has achieved good growth, respectable margins and good margin per employee. Such consistent performance over the years and real achievement this year make it a winner.

#### Abbey Protection

Growth of almost 19%, the best EBITDA margin in the Top 50 and a top-three EBITDA per employee make this an excellent all round performance from this company. The parent company is quoted and has seen its share price move from 58p at the start of 2009 to more than 80p, an increase of 40% when the FTSE 100 index increased by only 18% over the equivalent period.

#### Cooper Gay

While slightly behind other London brokers in terms of growth, Cooper Gay achieved 21% and, more important, maintained a 19% EBITDA margin – just outside the top 10 performances.

### BEST OF THE REST

#### Berry Palmer & Lyle (BPL)

The company is a new entry into the top 50 this year on the back of significant growth in income and profits in a specialist sector, international political risk and trade credit insurance. High rankings in a number of charts suggest it fits all of our criteria as a winner – but is this performance sustainable?

#### A-Plan

A company long destined for the Top 50, A-Plan has until now kept its performance under wraps. The 2009 accounts show this is a growing

business with a good margin, which generated significant shareholder value for its originators when ownership changed and is expected to continue doing so for current principal owner Barclays Private Equity. It is notable for being the second highest-margin broker operating on the high street – a reflection of considerable management expertise in cost control.

#### Windsor

On the podium the past two years, Windsor just missed out this time. A consistent performer in the margin and employee stakes, it stumbled at the growth hurdle.

#### Adrian Flux

This personal lines broker has kept many of its talents hidden but achieved 35% growth in a sector that overall only achieved 7.4%. If we had seen evidence that this excellent performance had been achieved with good profitability, it could have reached the podium.

#### Henderson

A newcomer from the north, this broker has achieved 22.5% growth on the back of acquisition and organic development. With an increasing footprint and strong management, we believe this growth will flow through to the bottom line and make it a podium contender in years to come.

#### Howden (Hyperion Insurance Group)

Consistently knocking on the Top 50 door, in 2009/10 Hyperion's broking arm has delivered excellent growth of just under 34% and most of this has flowed through to the EBITDA. However, overall margin is still below a podium finish rate, at 13.3%.

#### Arthur J Gallagher

As expected from a London broker, Gallagher displayed good growth and high productivity by staff – it came second in the top income per employee league. The company is let down somewhat by its EBITDA margin of 12.3%, but this is a material improvement on last year.

#### Cobra

AIM-listed and growing, this broker and network provider achieved spectacular annualised growth of 57%. But because this has yet to flow through to the profit line in terms of margin, it has not made it onto the podium this year. **IT**

**Olly Laughton-Scott is managing partner of IMAS**

# Number crunching

Although several predictions from last year's Top 50 were realised, the market is still surrounded by uncertainty. IMAS's **James Simpson** weighs up the implications of this year's performance rankings



FOR THE SECOND year running we have seen consolidation in the market alongside high-ranking new entrants. Acquisitions have led the way on consolidation, the most high profile of which has been Marsh acquiring HSBC. The entry point for the Top 50 has also risen this year, finally breaching the £15m mark.

### Aggregate income

Consolidation has meant the aggregate income of the Top 50 has continued to climb (see table 1). For five years, between 2003 and 2007, the aggregate income was stuck around the £4.5bn mark. This year it has increased 12% to £6.1bn. Growth has principally come from

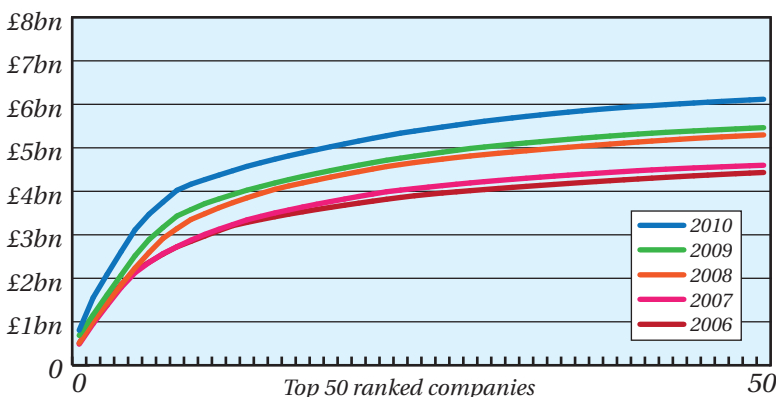
the London and international brokers through a mixture of acquisition and organic development. Whether this will continue is not certain but if insurance rates start to improve we are sure it will.

We're always interested in what sits within the data and have in the

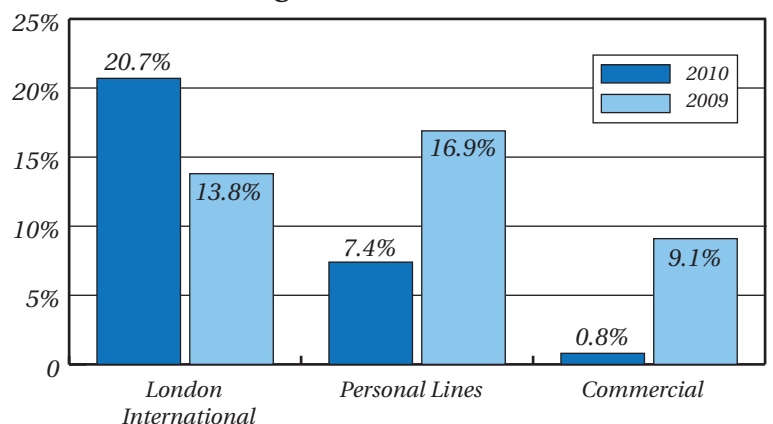
past looked at the individual steps in the consolidation. This year we have focused on a different hidden fact: that of the unconsolidated insurer-owned businesses, primarily of Fortis and Groupama.

Fortis now controls or owns £189m of brokerage income through RIAS, Fortis Insurance Solutions and

**Table 1: Top 50 aggregate income**



**Table 2: Sector growth rate 2009/10**



the newly acquired Kwik-Fit. Groupama controls a sizeable brokerage empire through Carole Nash, the Lark Group, Bollington and the CQ Group, giving it about £68m of brokerage income.

With AXA, MMA and Zurich also owning, respectively, Bluefin, Swinton and Endsleigh, there are now five major insurer-owned broking groups in the upper half of the top 50 – or six if you classify Saga as an insurer.

Putting these hidden groups together would further consolidate the Top 50: Fortis would be number nine ahead of Bluefin, while Groupama would be 20th, allowing another four firms to gain or regain Top 50 status.

**Newcomers**

Making forecasts can be hazardous, but our prediction last year that outsiders would make an appearance was correct.

We would like to welcome A-Plan into the Top 50. With a change of ownership, it is now filing full accounts and, in 28th position, is the highest new joiner. Other newcomers are Price Forbes at 33rd, following its buyout from Marsh, Henderson Insurance Brokers at 44th and Berry Palmer & Lyle (BPL) at 49th.

The significant slowdown in UK regional merger and acquisition activity in 2009 and the first half of 2010, together with the raising of hurdles for available finance, has meant that other potential newcomers have found it hard to maintain their momentum.

The heady values of 2007 are well and truly in the past, and it takes time for businesses owners to recognise that the value map has changed. We expect the latter part of 2010 and 2011 to bring a revival in transactions,

albeit at more manageable values and modest volumes.

Good values can still be realised for businesses with strategic value, as IMAS has proved with the sale of Fish Administration and Crowe Livestock.

Three companies – Oamps, Broker Direct and Kerry London – have been squeezed out of the Top 50 by the newcomers, despite consolidation. First City Partnership has also disappeared following its acquisition by Arthur J Gallagher in March.

**Growth**

Looking at aggregate growth by sector (see table 2) highlights that 2009 and 2010 have been the years of the London international broker – with growth up from 13.8% last year to 20.7% this year, driven by both acquisition and organic development.

As Olly Laughton-Scott notes in his article (page 14), more stable exchange rates have assisted these brokers in managing their business. But it has been the economic turmoil that has created plenty of opportunities for London international brokers to push their expertise and services. Most have taken full advantage of this.

UK commercial brokers as a group have suffered in the economic downturn which, along with weak

insurance rates, pushed their growth rate down to 0.8% from 9.1% last year.

The fact that only one of the fastest growing companies this year is a personal lines broker, compared with three last year, demonstrates that sector's growth has also slowed markedly, down to 7.4% from 16.9% last year.

**Individual growth chart**

In a tough economic climate and with weak UK insurance rates, achieving good growth has been a commendable achievement. The fastest-growing companies this year (see table 3) are a mixture of those driven by acquisition and those that have achieved organic growth.

Marsh leads the field with its acquisition of HSBC, followed by Cobra, which has grown its network and underwriting business following its AIM flotation. Third is specialist international Lloyd's broker BPL, which has achieved almost 48% growth by providing risk transfer solutions for clients with credit risks and foreign direct investments in emerging markets. Clearly, economic upheaval is good for some businesses.

Adrian Flux, Group Direct and Hyperion have all achieved 30%-plus increases, with RK Harrison close behind. All of them have been in or around the best growth rate table for the past few years.

**EBITDA margin**

We have focused on EBITDA (see table 4) as it provides a closer measurement of the trading performance of a business without any distortion due to acquisition strategy or funding.

A good number of companies have margins in the high 20s and low to mid 30s but top of the pile is

Abbey Protection with Towergate in second place, slightly down on last year but still at 39%.

Newcomer A-Plan is third, confirming expectations that the business was a high-quality, high-margin company. It is an even more remarkable achievement considering A-Plan is a high-street personal lines business. The personal lines brokers that follow it in the margin table, RIAS and Fortis, are both centralised businesses.

Eight out of the top 15 brokers by margin are personal lines brokers, so despite the tough competition of a market characterised by price comparison websites, there is good money being made in the sector.

**Employees**

Employees form the engine room of the industry. Measuring their cost and income generation is like giving your car an MOT that takes into account both its road worthiness and its emission levels.

As in the past, the highest income per employee (see table 5) – an operation's "road worthiness" – is achieved by London international brokers. But this is a slightly skewed view as many of the Top 50 brokers do not have or have not provided enough detail to allow us to analyse the whole table.

One company is clearly out in front this year – BPL, with almost £350,000 per employee. The next closest is Gallagher with £195,000 per employee. Gallagher has achieved the best improvement in income per employee, up 50% on last year, beating BPL's 38.2% rise.

The 'emission level' test is whether the business is profitable at employee level. When using EBITDA to evaluate this test, we see that the top 10 list is much more varied by business type than the income list. London international brokers only occupy three of the top 10 places, yet one of them is way out in front again – BPL.

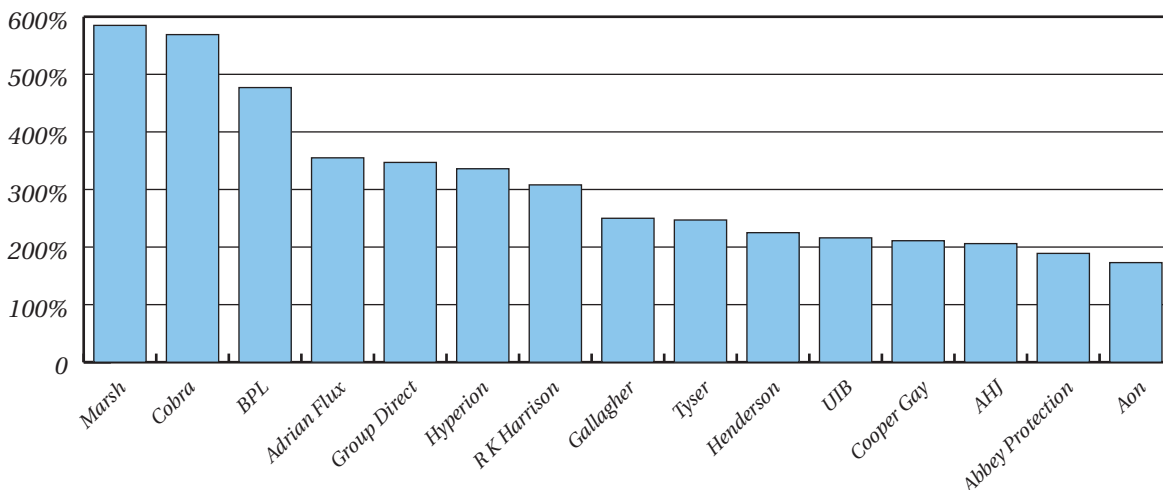
But it is the personal lines sector that occupies the highest number of positions, with five out of the top 10 places headed by Abbey Protection and followed by Budget Group, RIAS, Fortis and Carole Nash.

A-Plan does not feature in either table – but that's not surprising given its good ranking by margin. Its average cost per employee is among the lowest – hence the good margin but relatively high numbers of staff.

Honourable mention should also go to Towergate and CCV, both of which feature in the top 10 by EBITDA per employee (see table 6) – achieving £36,600 and £36,000 per

**The heady values of 2007 are well and truly in the past, and it takes time for business owners to recognise that the value map has changed**

**Table 3: Fastest growing companies**



employee respectively. Clearly, these business models are still generating the cash – though with its debt mountain, Towergate needs to: it has £144,900 of non-current borrowings per employee.

There's a wide range of cost per employee across the top 50 – across those that provided sufficient data – from £22,000 per employee at the low end of the personal lines brokers up to £188,000 at the high-end London brokers.

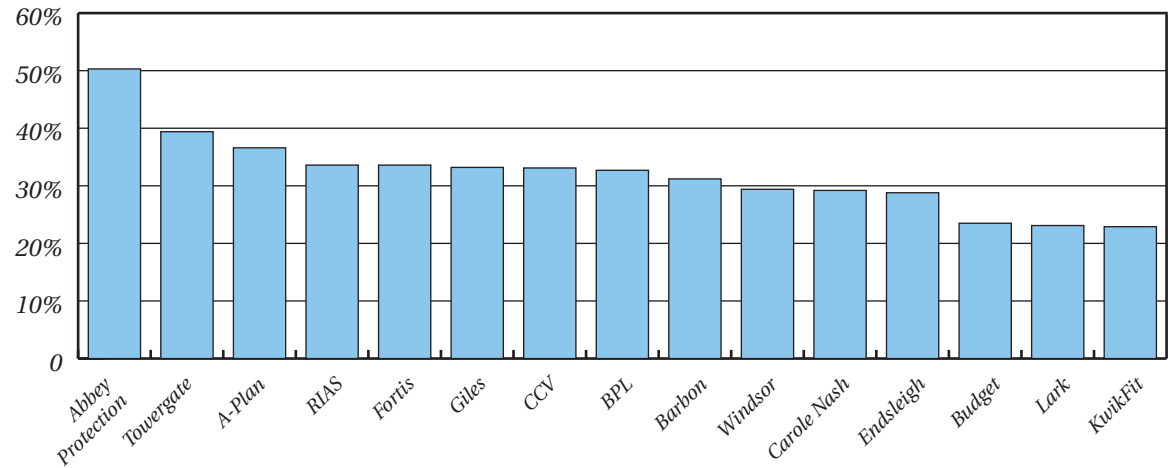
**Outlook**

We still believe there will be a continuing evolution of the UK broker space, which will incorporate further consolidation and merger and acquisition. Last year, we thought a regional consolidator would be acquired. In the event, it was Jelf that came closest, with a significant new investor coming on board in the first quarter of 2010.

So what's in store for 2011? There is still a third of 2010 and the first quarter of 2011 to go, and plenty of opportunity for a big acquisition. Will another insurer make a move into distribution following Fortis, Groupama and AXA?

The next question is: where will the new entrants come from? The

**Table 4: Top EBITDA margins in 2010**



use of technology and its impact on the broking space has been widely discussed, but the analysis above shows that where it has gained the most perceived penetration – in personal lines – brokers are still growing and generating good profits. So can the same happen with UK regional commercial brokers? Will technology gain a foothold and really take off and still provide the brokers who get it right with continued growth prospects?

With debt finance in relatively short supply, making a material

move through acquisition from outside the Top 50 into the table is less likely to happen. However, someone could secure a special line of credit that allowed them to make a significant number of acquisitions while competing with other active acquirers, such as CCV.

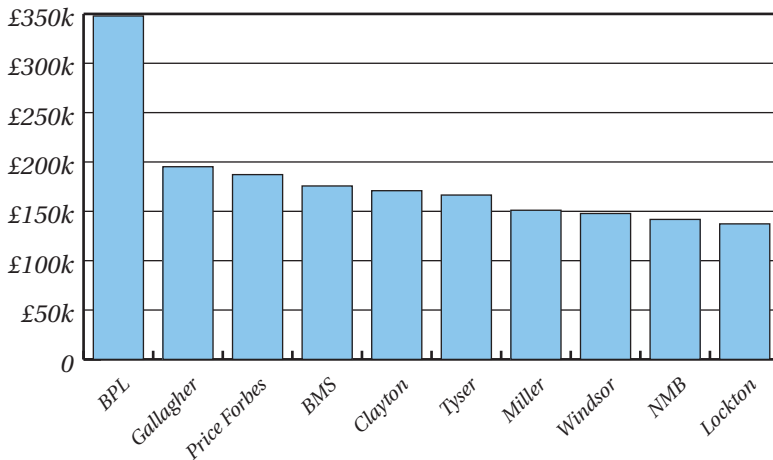
Overall, the future is surprisingly uncertain. Various factors are pulling in several different directions and this affects each sector differently.

UK commercial brokers are highly aligned to the economy and will

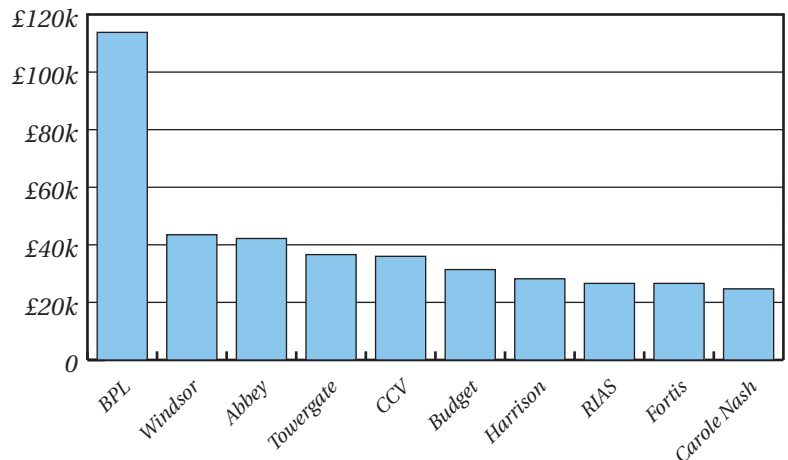
therefore be eagerly anticipating the economic recovery. London international brokers will be hoping that world trade picks up, the dollar exchange rate remains stable and insurance rates improve. And personal lines brokers will be looking at rising rates on the back of claims and rising reported fraud cases.

The impact of all these elements is uncertain and much depends on how a business plans for them and then responds when the actual performance doesn't match up to budget. **IT**

**Table 5: Highest income per employee**



**Table 6: Highest profit per employee**





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# The figures beh

So how do the best in broking account for their performance? Here's an insight into the numbers behind

| 2010 ranking | 2009 ranking | Company name                                   | Current year | Brokerage | Brokerage change | Costs   | Investment income net | EBITDA    | EBITDA growth | EBITDA % | Net current assets |
|--------------|--------------|--|--------------|-----------|------------------|---------|-----------------------|-----------|---------------|----------|--------------------|
| 1            | 1            | Aon <sup>1</sup>                               | Dec '09      | £805.63m  | 17.3%            | n/a     | n/a                   | n/a       | n/a           | n/a      | n/a                |
| 2            | 2            | Marsh <sup>1,5</sup>                           | Dec '09      | £749.6m   | 58.5%            | £550.8m | £59.7m                | £139.1m   | 33.37%        | 18.6%    | n/a                |
| 3            | 3            | Willis <sup>1</sup>                            | Dec '09      | £536.9m   | 16.4%            | n/a     | £30m                  | n/a       | n/a           | n/a      | n/a                |
| 4            | 5            | JLT Group                                      | Dec '09      | £519.9m   | 15.9%            | £418.7m | £6.4m                 | £94.8m    | 3.75%         | 18.2%    | £79m               |
| 5            | 4            | Saga/AA <sup>4</sup>                           | Jan '10      | £504m     | 12.0%            | n/a     | n/a                   | n/a       | n/a           | n/a      | n/a                |
| 6            | 6            | Towergate Partnership <sup>2,4</sup>           | Dec '09      | £357.5m   | -3.9%            | £219m   | £2.3m                 | £140.8m   | -9.92%        | 39.4%    | n/a                |
| 7            | 7            | Swinton Group <sup>5</sup>                     | Dec '08      | £278.9m   | 0.0%             | £-      | £-                    | £-        | n/a           | n/a      | £60.6m             |
| 8            | 8            | BGL Group <sup>4</sup>                         | Dec '09      | £271.1m   | 3.7%             | £203.7m | -£3.7m                | £63.7m    | 17.60%        | 23.5%    | £98.3m             |
| 9            | 10           | Bluefin <sup>4</sup>                           | Dec '09      | £140m     | 0.0%             | n/a     | n/a                   | n/a       | n/a           | n/a      | n/a                |
| 10           | 11           | Oval <sup>2,4</sup>                            | May '09      | £107m     | 2.3%             | n/a     | n/a                   | £22.5m    | 52.72%        | 21.0%    | n/a                |
| 11           | 12           | Lockton <sup>4</sup>                           | Apr '09      | £102.5m   | 1.5%             | £92.3m  | -£1.3m                | £8.9m     | 222.83%       | 8.7%     | -£94,000           |
| 12           | 14           | Cooper Gay & Co                                | Dec '09      | £100.5m   | 21.1%            | £83.6m  | £14.3m                | £16.8m    | 11.81%        | 16.8%    | £22.3m             |
| 13           | 13           | Heath Lambert                                  | Dec '08      | £99.3m    | 0.0%             | £85.7m  | £3m                   | £17.2m    | 0.00%         | 17.3%    | £20m               |
| 14           | 15           | Kwik-Fit <sup>4</sup>                          | Dec '09      | £84.3m    | 2.0%             | £65m    | -£5.6m                | £19.3m    | -7.11%        | 22.9%    | £32.2m             |
| 15           | 16           | RIAS (Fortis)                                  | Dec '09      | £80.6m    | 3.9%             | £55.8m  | -£105,000             | £27.1m    | 9.20%         | 33.6%    | £16.7m             |
| 16           | 18           | Capita Insurance Services <sup>4</sup>         | Dec '09      | £77.4m    | 13.6%            | £66m    | £-                    | £8.3m     | 23.86%        | 10.8%    | £17.8m             |
| 17           | 17           | Giles Insurance Brokers <sup>2,4</sup>         | May '10      | £71.3m    | -1.2%            | £47.6m  | £-                    | £23.7m    | -0.84%        | 33.2%    | £100,000           |
| 18           | 23           | Arthur J Gallagher (UK)                        | Dec '08      | £71m      | 25.0%            | £82m    | £2.4m                 | £8.7m     | 76.17%        | 12.3%    | £25.5m             |
| 19           | 20           | Miller Insurance                               | Apr '09      | £67.7m    | 7.7%             | £62.7m  | £1.9m                 | £6.5m     | 74.95%        | 9.6%     | £32.2m             |
| 20           | 22           | Jelf Group                                     | Sep '09      | £65.4m    | 12.1%            | £75.2m  | -£1.6m                | -£4.1m    | -141.82%      | -6.2%    | -£4.9m             |
| 21           | 19           | Endsleigh Insurance Services                   | Dec '09      | £65m      | -0.8%            | £49.9m  | -£1.3m                | £18.7m    | 238.25%       | 28.8%    | £20.2m             |
| 22           | 25           | Hyperion Insurance Group (Howden) <sup>5</sup> | Sep '09      | £62.3m    | 33.6%            | £57.9m  | -£637,000             | £8.3m     | 31.25%        | 13.3%    | £22.7m             |
| 23           | 21           | CCV <sup>2,4</sup>                             | Dec '09      | £59.7m    | -2.2%            | £40.1m  | £167,000              | £19.7m    | -10.26%       | 33.1%    | -£6.6m             |
| 24           | 26           | RK Harrison                                    | Jun '09      | £59.1m    | 30.8%            | £45.3m  | -£901,000             | £13m      | 7.44%         | 21.9%    | £14.1m             |
| 25           | 24           | Hastings Insurance Services                    | Jun '09      | £47.8m    | -0.3%            | £50.4m  | £273,000              | -£927,000 | -94.31%       | -1.9%    | £20.8m             |

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# mind the firms

this year's league table contenders, in order of brokerage

| Bank and investments | Creditors | Shareholders' funds | EBITDA to goodwill % | Highest director salary | Total directors' emoluments | Number of employees | Employee cost | Directors' emolument change | Average employee cost | Average employee cost change | Headcount change | Turnover per employee |
|----------------------|-----------|---------------------|----------------------|-------------------------|-----------------------------|---------------------|---------------|-----------------------------|-----------------------|------------------------------|------------------|-----------------------|
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £511.4m              | £670.8m   | £239.4m             | 240.1%               | £1.6m                   | £5.4m                       | 5,665               | £370.5m       | 6.1%                        | £65,000               | 7.0%                         | 5.2%             | £91,800               |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | 424.6%               | n/a                     | n/a                         | 3,845               | £153.7m       | n/a                         | £40,000               | -4.7%                        | 16.6%            | £93,000               |
| £433,000             | £142.2m   | £97.5m              | n/a                  | £264,000                | £817,000                    | 3,863               | £86.8m        | 0.0%                        | £22,000               | 0.0%                         | 0.0%             | £72,200               |
| £66.9m               | £256.1m   | £163.6m             | 29.5%                | £657,000                | £2.1m                       | 2,027               | £67.7m        | -15.7%                      | £33,000               | 4.1%                         | -3.3%            | £133,800              |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | 628.6%               | n/a                     | n/a                         | 1,246               | n/a           | n/a                         | n/a                   | n/a                          | 0.0%             | £85,900               |
| £3.1m                | £41.3m    | £389,000            | n/a                  | £258,000                | £409,000                    | 747                 | £67.5m        | 123.5%                      | £90,000               | 17.8%                        | -11.6%           | £137,300              |
| £89.7m               | £104.1m   | £10.9m              | 148.3%               | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £67m                 | £217.4m   | n/a                 | n/a                  | £576,000                | £1.98m                      | 1,488               | £64.4m        | 0.0%                        | £43,000               | 0.0%                         | 0.0%             | £66,700               |
| £31.9m               | £27.8m    | £45m                | n/a                  | n/a                     | £135,000                    | 993                 | £26m          | 0.0%                        | £26,000               | 0.0%                         | 0.0%             | £84,900               |
| £13.1m               | £35.5m    | £20.2m              | n/a                  | £350,000                | £1m                         | 1,018               | £25.5m        | 1.2%                        | £25,000               | -1.2%                        | -3.1%            | £79,200               |
| £13.6m               | £20.7m    | £29.2m              | 2.5%                 | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £26.5m               | £47.8m    | -£10.3m             | 931.6%               | n/a                     | n/a                         | 1,049               | £34.4m        | n/a                         | £33,000               | 0.0%                         | 0.0%             | £68,000               |
| £59m                 | £157.2m   | £22.7m              | 63.8%                | £687,000                | £1.3m                       | 364                 | £40.8m        | -18.4%                      | £112,000              | 24.8%                        | -16.7%           | £195,200              |
| £97.1m               | £505m     | £20.2m              | n/a                  | £702,000                | £1.3m                       | 448                 | £45.4m        | -17.7%                      | £101,000              | 3.8%                         | -0.9%            | £151,100              |
| £18.7m               | £35.8m    | £66m                | n/a                  | £353,000                | £1.3m                       | 1,123               | £45.7m        | 33.5%                       | £41,000               | 6.4%                         | 18.7%            | £58,300               |
| £43.6m               | £67.2m    | £11.1m              | 108.7%               | £1.5m                   | £2.7m                       | 1,040               | £27.6m        | 0.8%                        | £27,000               | 3.1%                         | -11.9%           | £62,500               |
| £57.5m               | £166.7m   | £37.8m              | 371.8%               | £534,000                | £1.7m                       | 448                 | £34.8m        | 6.5%                        | £78,000               | 9.2%                         | 17.0%            | £139,100              |
| £16.5m               | £94.1m    | £12.5m              | 302.3%               | £315,000                | £677,000                    | 549                 | n/a           | 14.9%                       | n/a                   | n/a                          | -29.2%           | £108,700              |
| £78.1m               | £7.1m     | £21.9m              | 188.5%               | £904,000                | £2.5m                       | 460                 | £34.1m        | 4.9%                        | £74,000               | 13.7%                        | 20.1%            | £128,600              |
| £15.4m               | £65.4m    | £16.2m              | n/a                  | £783,000                | £898,000                    | 726                 | £20.8m        | -82.3%                      | £29,000               | 32.5%                        | -30.5%           | £65,900               |

Whether it's a dental practice or a leisure centre, or just about any business in between, we can provide the cover. QBE is a specialist in business insurance and a major player in all our key markets. By combining this with our entrepreneurial spirit and innovative approach we find solutions where other insurers can't – or won't. Find out more at [www.QBEurope.com](http://www.QBEurope.com) or email [enquiries@uk.qbe.com](mailto:enquiries@uk.qbe.com)



INSURING BUSINESS

| 2010 ranking | 2009 ranking | Company name                          | Current year | Brokerage | Brokerage change | Costs  | Investment income net | EBITDA  | EBITDA growth | EBITDA % | Net current assets |
|--------------|--------------|---------------------------------------|--------------|-----------|------------------|--------|-----------------------|---------|---------------|----------|--------------------|
| 26           | 29           | BMS Associates                        | Dec '09      | £46.9m    | 10.1%            | £47.7m | £233,000              | £89,000 | -94.19%       | 0.2%     | £6m                |
| 27           | 28           | THB Group                             | Oct '09      | £46.2m    | 5.5%             | £44.7m | £(967)                | £4.6m   | -4.66%        | 10.0%    | £4.1m              |
| 28           | n/a          | A-Plan                                | Feb '09      | £45.4m    | 7.9%             | £29.2m | £522,000              | £16.6m  | 9.09%         | 36.6%    | £8.8m              |
| 29           | 30           | Group Direct                          | Dec '09      | £44.7m    | 34.7%            | £37.6m | £-410,000             | £6.7m   | -11.13%       | 14.9%    | £23.6m             |
| 30           | 27           | Barbon Insurance                      | Dec '09      | £43.3m    | -2.2%            | £34.5m | £86,000               | £13.5m  | 59.29%        | 31.2%    | £1.4m              |
| 31           | 31           | RFIB Group                            | Jun '09      | £38.3m    | 16.3%            | £35.4m | £219,000              | £4.4m   | -20.53%       | 11.6%    | £4.6m              |
| 32           | 35           | Adrian Flux <sup>4</sup>              | Sep '09      | £37.3m    | 35.5%            | n/a    | n/a                   | n/a     | n/a           | n/a      | n/a                |
| 33           | n/a          | Price Forbes                          | Dec '09      | £35.7m    | 2.8%             | £33.2m | £-113,000             | £2.4m   | 99.59%        | 6.8%     | £7.5m              |
| 34           | 37           | Tyser & Co                            | Dec '09      | £33.5m    | 24.7%            | £29.9m | £867,000              | £3.9m   | 13.04%        | 11.5%    | £6.7m              |
| 35           | 36           | United Insurance Brokers <sup>4</sup> | Dec '09      | £33.3m    | 21.6%            | £29.1m | £-265,000             | £4.5m   | 12.70%        | 13.6%    | £12.4m             |
| 36           | 33           | Besso Holdings                        | Dec '08      | £31.2m    | 3.9%             | £29.3m | £663,000              | £2.5m   | 144.89%       | 8.1%     | £9m                |
| 37           | 32           | Towers Watson Reinsurance             | Dec '08      | £30.3m    | -2.8%            | £28.1m | £1.8m                 | £2.4m   | -36.22%       | 8.0%     | £17.9m             |
| 38           | 34           | Windsor                               | Sep '09      | £28.7m    | 3.7%             | £20.6m | £-3m                  | £8.4m   | 20.93%        | 29.4%    | £4.2m              |
| 39           | 40           | Newman Martin and Buchan              | May '09      | £25.5m    | 10.9%            | £22.9m | £191,000              | £3.3m   | -374.37%      | 12.7%    | £9m                |
| 40           | 38           | Carole Nash <sup>4</sup>              | Dec '09      | £24.2m    | -2.9%            | £18.1m | £14,000               | £7.1m   | -19.04%       | 29.2%    | £2.6m              |
| 41           | 41           | Cobra Insurance                       | Mar '09      | £22.5m    | 56.9%            | £21.5m | £-947,000             | £2.6m   | 266.19%       | 11.8%    | £1.2m              |
| 42           | 42           | Lark Group <sup>4</sup>               | Mar '10      | £20.7m    | 4.0%             | £16.7m | £-72,000              | £4.8m   | 24.54%        | 23.1%    | £2.2m              |
| 43           | 45           | Abbey Protection                      | Dec '09      | £19.4m    | 18.9%            | £14.7m | £-                    | £9.7m   | 46.07%        | 50.3%    | £-3m               |
| 44           | n/a          | Henderson <sup>4</sup>                | Apr '10      | £19m      | 22.5%            | n/a    | n/a                   | £1.9m   | -11.68%       | 9.9%     | n/a                |
| 45           | 46           | AHJ Holdings <sup>4</sup>             | Dec '09      | £19m      | 20.6%            | £17.1m | £28                   | £2m     | -3.94%        | 10.7%    | £7m                |
| 46           | n/a          | Oxygen Group                          | Dec '09      | £18.2m    | 7.2%             | £18.2m | £-322,000             | £68,000 | -97.73%       | 0.4%     | £769,000           |
| 47           | 48           | CJ Coleman                            | Dec '09      | £16.8m    | 12.8%            | n/a    | n/a                   | n/a     | n/a           | n/a      | n/a                |
| 48           | 44           | Fortis Insurance Solutions            | Dec '08      | £16.6m    | 0.0%             | £13.8m | £-758,000             | £3.3m   | 0.00%         | 19.7%    | £916,000           |
| 49           | n/a          | Berry Palmer & Lyle                   | Mar '09      | £16.3m    | 47.7%            | £11.2m | £351,000              | £5.3m   | 109.48%       | 32.7%    | £8m                |
| 50           | 47           | Bollington                            | Dec '09      | £15m      | 0.2%             | £12.2m | £107,000              | £2.9m   | 157.08%       | 19.2%    | £-2.8m             |



From referee's whistles to hospital trolleys, we can insure them.



## NOTES

<sup>1</sup> Figures extracted from US SEC Form 10K for UK business

<sup>2</sup> Annualised figures to reflect material acquisitions in current financial year

<sup>3</sup> Figures extracted from group consolidated accounts

<sup>4</sup> Management provided information

<sup>5</sup> Estimate based on prior year and acquisitions

| Bank and investments | Creditors | Shareholders' funds | EBITDA to goodwill % | Highest director salary | Total directors' emoluments | Number of employees | Employee cost | Directors' emolument change | Average employee cost | Average employee cost change | Headcount change | Turnover per employee |
|----------------------|-----------|---------------------|----------------------|-------------------------|-----------------------------|---------------------|---------------|-----------------------------|-----------------------|------------------------------|------------------|-----------------------|
| £42.1m               | £374.9m   | £4.2m               | 1512.4%              | £990,000                | £4.6m                       | 267                 | £29.7m        | 10.1%                       | £111,000              | 6.9%                         | -9.8%            | £175,700              |
| £40.4m               | £52.5m    | £24.6m              | 835.4%               | £301,000                | £1.1m                       | 463                 | £31.1m        | -35.8%                      | £67,000               | 14.7%                        | 2.9%             | £99,900               |
| £18.6m               | £16.5m    | £13.8m              | n/a                  | £318,000                | £628,000                    | 693                 | £18.9m        | 2196.2%                     | £27,000               | 7.4%                         | 1.0%             | £65,500               |
| £21.5m               | £19.6m    | £42.5m              | 230.5%               | £263,000                | £798,000                    | 565                 | £15.2m        | 48.1%                       | £27,000               | -13.5%                       | 14.4%            | £79,100               |
| £23.2m               | £44.1m    | £34m                | 288.7%               | £234,000                | £1.1m                       | 648                 | £20.4m        | -37.7%                      | £31,000               | 4.4%                         | -0.2%            | £66,800               |
| £46.3m               | £254.5m   | £24.2m              | 442.1%               | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | 539                 | n/a           | n/a                         | n/a                   | n/a                          | 13.0%            | £69,200               |
| £5.7m                | £9.2m     | £2.1m               | 297.0%               | £518,000                | £1.3m                       | 191                 | £21.1m        | n/a                         | £110,000              | -14.1%                       | 10.4%            | £187,200              |
| £29.2m               | £40m      | £13.9m              | 176.9%               | £184,000                | £798,000                    | 201                 | £18.6m        | 54.1%                       | £93,000               | 3.9%                         | 6.9%             | £166,500              |
| £3.8m                | £7.4m     | £10.4m              | n/a                  | £243,000                | £1.5m                       | 302                 | £19.4m        | -7.5%                       | £64,000               | 4.1%                         | 10.2%            | £110,300              |
| £49.8m               | £166.8m   | £9.7m               | 197.9%               | £360,000                | £1.5m                       | 262                 | £18.6m        | -12.5%                      | £71,000               | 1.1%                         | -7.1%            | £119,000              |
| £38.8m               | £237.8m   | £17.8m              | n/a                  | £540,000                | £1.6m                       | 177                 | £18.9m        | -15.2%                      | £107,000              | 1.6%                         | -4.8%            | £170,900              |
| £28.5m               | £33m      | £14m                | 394.0%               | £387,000                | £2.7m                       | 194                 | £14.5m        | 1.6%                        | £75,000               | 1.4%                         | 1.0%             | £147,800              |
| £9.9m                | £8.4m     | £8.7m               | n/a                  | £201,000                | £542,000                    | 180                 | £14.5m        | -78.5%                      | £81,000               | -28.8%                       | 8.4%             | £141,800              |
| £2.8m                | £4.1m     | £4.5m               | 1.2%                 | £311,000                | £816,000                    | 287                 | £7.9m         | -12.4%                      | £28,000               | -2.1%                        | -5.0%            | £84,400               |
| £12m                 | £32.9m    | £11.6m              | 952.0%               | £256,000                | £786,000                    | 271                 | £13.1m        | 81.1%                       | £49,000               | 14.5%                        | 26.6%            | £82,900               |
| £129m                | £26.3m    | £7m                 | 111.9%               | £253,000                | £1.4m                       | 261                 | £11.5m        | 3.3%                        | £44,000               | -6.5%                        | -0.8%            | £79,300               |
| £5.7m                | £23.8m    | £9.5m               | 53.0%                | £181,000                | £969,000                    | 231                 | £10.1m        | 13.3%                       | £44,000               | 3.4%                         | 12.1%            | £83,900               |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £14.7m               | £50.1m    | £14.9m              | 290.5%               | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £1.4m                | £8.5m     | £1.7m               | 2542.6%              | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| n/a                  | n/a       | n/a                 | n/a                  | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |
| £1.6m                | £18.9m    | £2m                 | 7.7%                 | £236,000                | £585,000                    | 287                 | £6.8m         | 0.0%                        | £24,000               | 0.0%                         | 0.0%             | £57,800               |
| £20.2m               | £15.1m    | £7.4m               | 16.1%                | £703,000                | £4.2m                       | 47                  | £8.8m         | 4.6%                        | £188,000              | 35.3%                        | 6.8%             | £347,900              |
| £118,000             | £3.4m     | £1.9m               | 121.8%               | n/a                     | n/a                         | n/a                 | n/a           | n/a                         | n/a                   | n/a                          | n/a              | n/a                   |

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