



Springtree Group

Serving the Agent & Broker Community

There are more than 400,000 insurance agencies in the U.S., the vast majority of which have annual revenues of less than \$5 million. On average, an insurance agency in the U.S. generates approximately \$1 million in revenue per year. These small to mid-sized agencies are built from the ground up by their owners, who encounter unique management and financial challenges when they wish to structure the purchase or sale of the business.

Springtree Group offers a full spectrum of M&A and financing services created specifically to assist insurance agencies reporting less than \$5 million of annual revenues. Agencies of this size often do not hire the services of advisors when they sell, and face disproportionately enormous losses in potential revenue as a result.

Advisor-led transactions close at significantly higher multiples (or ratios of value to items listed on your agency's financial statements) than those conducted without. In the most recent reports, sellers of agencies valued at \$1 million and below who did work with skilled advisors sold for 55% higher prices than sellers of comparative agencies who failed to do so.

For agency owners planning to retire within the next five to ten years, this additional revenue would contribute significantly to supporting their retirement goals. We position insurance agencies to yield competitive, fully funded offers through a proprietary, four-step process:

1. Deal Origination to Confidently Match Buyers & Sellers
2. Qualification & Negotiation
3. Deal Structure & Financing Development
4. Due Diligence & Closing Processes

No other company offers comprehensive acquisition process management, combined with a complete suite of lending and financing tools specifically tailored for small to mid-size insurance agencies and brokerages.

Business Transfer Management

In order to protect their business from tremendous losses, 90% of agency owners sell their agencies without ever listing them publicly. Employees, customers, carriers, and competitors are therefore unaware that a sale will happen until the transaction has closed.

Springtree Group

Springtree Group works directly with buyers to find suitable acquisition opportunities and offers a full range of services to facilitate a successful business transfer. Using our hands-on approach combined with our extensive network of industry experts, including sell-side business intermediaries, legal and accounting experts, and our long-standing financing relationships, we manage the process from start to finish.



Our Process

Deal Origination – Developing acquisition opportunities is a multi-level, joint endeavor with the buyer. We have a powerful marketing group that works the entire US market for STG to find candidates that are ready to sell. We also engage with more than 5000 sell-side business intermediaries; research our in-house database of known sellers; employ social media and technology tools; investigate industry-specific assets; work with DOIs, banking and funding sources; and communicate directly with potential sellers to identify viable targets for our client buyers. The two largest sources for potential sellers is our National marketing team and our financing division. The finance division opportunities include “broken” or excess deals that other buyers either failed to complete or decided not to pursue.

Qualification & Negotiation – From introductory calls to financial valuation analysis, deal structure management, Deal Point development, and LOI documentation, we provide comprehensive support to qualify and match acquisition opportunities and buyers. Additionally, we handle price negotiations, addressing issues such as down payments, earnouts, seller notes, asset transfers and key employee retention.

Financing Development – STG will manage all of the financial variables surrounding cash flow, debt loads, credit history, process timing, add-backs, and other considerations to customize a financing deal that will be acceptable to one of our ten funding platforms. We work with our lending and underwriting partners to develop the financials for both the seller's firm and the buying firm.

Due Diligence & Closing – In the final stages of an acquisition deal, STG facilitates operational and financial due diligence and legal review, bringing in technical experts whenever they are needed. We also make our network of attorneys, accountants, CPAs, and IT professionals available. For each, we provide checkpoints, document templates, communication plans, and activity targets by which they will complete their work.

Springtree Group is the leading national firm facilitating transfers of business between insurance agencies and discreet buyers. Let us bring the strength of our complete M&A and lending solutions to support your next acquisition project anywhere in the country.



**To structure a successful business transfer,
call **Springtree Group** at 972.395.8811
or visit www.springtreegroup.com**



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