

# BUSINESS INSURANCE<sup>®</sup>

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CRAN

## SPECIAL REPORT

## WORLD'S 10 LARGEST INSURANCE BROKERS

Ranked by 2016 brokerage revenue

2017 rank	2016 rank	Company/address	Phone/website	Officers	2016 brokerage revenue	% increase (decrease)	Employees	Offices	PERCENTAGE OF REVENUE*							
									Commercial	Wholesale	Reinsurance	Personal lines	Employee benefits	Services	Investments	Other
1	1	Marsh & McLennan Cos. Inc. 1166 Avenue of the Americas New York, NY 10036	212-345-5000 www.mmc.com	Daniel S. Glaser, president/CEO	\$13,229,000,000	2.5%	60,000	669	45.2%	0%	8.6%	0%	32.7%	13.5%	0.2%	(0.3%)
2	2	Aon P.L.C. 122 Leadenhall St. London EC3V 4AN, England	44-207-623-5500 www.aon.com	Gregory C. Case, president/CEO	\$11,605,000,000	(0.5%)	69,000	540	42.3%	0%	11.8%	0%	23.7%	22.0%	0.2%	0%
3	3	Willis Towers Watson P.L.C. 51 Lime St. London EC3M 7DQ, England	44-203-124-6000 www.willistowerswatson.com	John Haley, CEO; Roger Millay, CFO	\$7,778,000,000	(4.3%)	41,500	500	26.3%	4.4%	10.0%	0.8%	49.6%	7.5%	0%	1.4%
4	4	Arthur J. Gallagher & Co. 2850 W. Golf Road Rolling Meadows, IL 60008	630-773-3800 www.ajg.com	J. Patrick Gallagher Jr., chairman/ president/CEO	\$4,186,100,000	4.9%	24,790	600	32.7%	9.9%	0%	3.4%	16.0%	12.8%	25.2%	0%
5	6	BB&T Insurance Holdings Inc. 389 Interpace Parkway Fourth Floor Parsippany, NJ 07054	862-286-3500 www.insurance.bbt.com	John Howard, chairman/CEO	\$1,809,175,000	7.9%	7,004	109	29.2%	48.5%	0.1%	7.9%	10.3%	0%	0.4%	3.6%
6	7	Brown & Brown Inc. 220 S. Ridgewood Ave. Daytona Beach, FL 32114	386-252-9601 www.bbinsurance.com	J. Powell Brown, president/CEO	\$1,762,787,105	6.4%	8,297	237	56.5%	11.8%	0%	6.9%	15.7%	8.8%	0.1%	0.1%
7	8	Hub International Ltd. 300 N. LaSalle St., 17th Floor Chicago, IL 60654	877-402-6601 www.hubinternational.com	Martin P. Hughes, chairman/CEO	\$1,648,795,000	12.1%	8,730	399	56.0%	4.5%	0%	15.6%	23.1%	0.7%	0.1%	0%
8	5	Jardine Lloyd Thompson Group P.L.C. The St. Botolph Building 138 Houndsditch London EC3A 7AW, England	44-207-528-4444 www.jlt.com	Geoffrey Howe, chairman; Dominic Burke, group chief executive	\$1,550,390,790 <sup>1</sup>	(8.7%)	5,460	115	38.4%	7.7%	19.9%	1.7%	23.8%	7.9%	0.5%	0%
9	9	Lockton Cos. L.L.C. <sup>2</sup> 444 W. 47th St., Suite 900 Kansas City, MO 64112	816-960-9000 www.lockton.com	Ron Lockton, president/ CEO; David M. Lockton, executive chairman	\$1,425,251,000	7.3%	6,500	89	62.5%	3.6%	2.5%	1.1%	29.7%	0%	0.6%	0%
10	11	USI Insurance Services L.L.C. 200 Summit Lake Drive Valhalla, NY 10595	914-749-8500 www.usi.com	Michael J. Sicard, chairman/ president/CEO	\$1,030,124,263	0.2%	4,353	140	47.7%	0%	0%	7.1%	43.4%	0%	0.1%	1.7%

\*Percentage of revenue may not add up to 100% due to rounding; <sup>1</sup>British pound = \$1.2337; <sup>2</sup>Fiscal year ends April 30  
Source: BI Survey

## 9 Lockton Cos. L.L.C.

2016 brokerage revenue: **\$1.43 billion**

Percent increase (decrease): **7.3%**

**L**ockton Cos. L.L.C.'s position as the largest privately held broker allows it to take the long view without worrying about short-term results, its executive chairman says.

Brokerages that are either publicly held or owned by private equity firms as investments are by definition "very interested in near-term financial returns," said David M. Lockton, executive chairman of the Kansas City, Missouri-based brokerage. "The Lockton family is interested in the next quarter of a century, not the next quarter."

"The reality is that they have a business model which is different and effective for them," said John Wicher, principal of John Wicher & Associates in San Francisco.

"They historically have not required the same sort of earnings that other brokers require, and they've been prepared to invest in people," Mr. Wicher said. And because they have not grown through acquisitions, the company has not required access to the capital markets, he added.

Lockton reported \$1.43 billion in 2016 brokerage revenue, up 7.3% from a year earlier, and retained its No. 9 position in



**David M. Lockton**

*Business Insurance's* 2017 ranking of the world's largest commercial insurance brokers. Gross revenue increased 7.2%, to \$1.43 billion.

During the past year, the broker was "able to expand geographically and vertically through some of our areas of expertise," said Mr. Lockton. The company opened in eight new U.S. locations — Sacramento, California; Miami, Tampa and Naples, Florida; Portland, Oregon; Greenville, South Carolina; Seattle; and Detroit — and internationally in Aguascalientes, Mexico, and Casablanca, Morocco.

It has also been increasing its presence in manufacturing, food processing and distribution, design and construction, health care and real estate.

"More clients are looking for in-depth knowledge of their

industries. That's been something we've been successful in delivering," Mr. Lockton said.

"The property/casualty market is obviously soft, and we're planning for it to be that way for the balance of the year. And although it's challenging, we've managed to continue to grow and be resilient," said Glenn Spencer, president and CEO of Lockton's global operations.

One promising area of growth is in the cyber arena, said Mr. Lockton. "There's a higher level of advice that (clients are) looking for on risk analysis, exposure, quantifying the risk — and more and more companies are buying insurance," he said.

Mr. Lockton said the brokerage has a client retention rate of about 96%. "That's an important measurement of our success for us," he said.

Company executives are also proud that in December, Lockton was named the highest-performing insurance broker in Costa Mesa, California-based J.D. Power & Associates' 2016 customer satisfaction survey of the large commercial sector.

Lockton has seen some major changes in its top echelon of executives within the past year. Mr. Spencer assumed his current position with John L. Lumelleau's retirement, effective May 1.

Filling Mr. Spencer's former spot as U.S. president and CEO, also effective May 1, is Kansas City, Missouri-based Peter Clune, who was previously executive vice president of operations.

In addition, Alistair Rivers will begin in August as London-based global head of transportation, while Miami-based Hiram Marrero was named executive vice president of operations. Both had previously been executives with Willis Towers Watson P.L.C.

"We hired about 1,000 Associates globally last year, so we're inviting in people all the time," said Mr. Spencer.

"Our biggest challenge is not as much finding business as it is finding great people," Mr. Lockton said.

Lockton did not make any major acquisitions this past year. "We're open to acquisitions, but it will never be our predominant source of growth," Mr. Lockton said.

If a potential acquisition allows Lockton to enter a new specialty, or if "there's a good culture match, we'll entertain that," he said.

**Judy Greenwald**

*Editor's note: Ron Lockton became President & CEO on July 18, 2017.*



[lockton.com](http://lockton.com)