



Arthur J. Gallagher & Co.



*Expanding your reach by  
merging with Gallagher*

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.

# Founded on teamwork, built by winners.

For more than eight decades we have been defined by an entrepreneurial spirit and a team approach to serving clients. Today this supportive culture energizes our people at every level and keeps us focused on both professional and business growth throughout our company.

**Almost 400 high-performing insurance agencies and brokers have joined the Gallagher “family” since 1986.**

Arthur J. Gallagher & Co. is one of the world’s largest insurance brokerage and risk management services firms. Equally significant to prospective Gallagher partners, our balance sheet is very strong. We have substantial funds to pursue mergers with top-producing firms and to make capital investments in the leading-edge technology they need.

At Gallagher, everything we do is about encouraging and supporting excellent producers to become even more successful. We work constantly to enhance our outstanding reputation among clients and insurers alike. And we are poised for an increasing emphasis on mergers and acquisitions to complement our strong, steady organic growth.



**“WE LOOK FOR SUCCESSFUL MERGER PARTNERS WITH SIMILAR CULTURES WHO WANT TO REMAIN ACTIVE IN THEIR BUSINESSES, BUT SEEK THE GREATER RESOURCES AND CAREER PATHS AVAILABLE THROUGH A LARGER ORGANIZATION. WE OFFER A TEAM-ORIENTED CULTURE, A COMMITMENT TO PROFESSIONAL DEVELOPMENT AND A HOST OF CROSS-SELLING OPPORTUNITIES. MUCH OF GALLAGHER’S GROWTH HAS COME THROUGH MERGERS, AND MANY OF OUR FORMER MERGER PARTNERS NOW HOLD LEADERSHIP ROLES IN OUR ORGANIZATION.”**

*– Pat Gallagher, CEO*

GALLAGHER WAS NAMED ONE OF THE WORLD'S MOST ETHICAL COMPANIES FOR 2015.<sup>1</sup>



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**“TO TAKE OUR BUSINESS TO THE NEXT LEVEL, WE KNEW WE EITHER HAD TO SIGNIFICANTLY REINVEST IN OUR ORGANIZATION OR PARTNER WITH SOMEONE WHO COULD PROVIDE EXCELLENT TOOLS FOR PROFITABLE GROWTH. GALLAGHER STOOD OUT AS THE BEST POSSIBLE MERGER OPPORTUNITY. THE COMPANY’S PROFESSIONALISM AND INTEGRITY MADE THE TRANSITION GO SMOOTHLY. THE LIAISONS FOLLOWED THROUGH EXACTLY AS PROMISED.”**

**– DON TARANTINO  
S.P. TARANTINO INSURANCE BROKERAGE, INC.  
SAN FRANCISCO, CA**

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**The Gallagher culture fosters teamwork, entrepreneurialism and success.**

Founded in 1927, Gallagher remained a relatively small, family-run insurance agency until the 1960s, when the company began its significant, decades-long growth. Gallagher continues to be guided by our founder’s values of personal integrity, innovative thinking, deep commitment to clients, openness, empathy and respect for employees. We live by these principles and seek entrepreneurial merger partners who embrace the Gallagher culture.



# The compelling advantages of merging with Gallagher.

Gallagher offers an unbeatable value proposition to agencies considering a merger. It's based on our commitment to give clients access to the best available talent to help them reduce their cost of risk. As you consider the benefits of becoming part of the Gallagher family, remember that your talent, intellectual capital, dedication to teamwork and strong performance will be highly valued up front and handsomely rewarded in the years ahead.

# Our pricing model rewards past performance and future potential.

**We are aggressively pursuing high-quality producers across the country. In general:**

- We seek firms that, using our resources, can achieve 25 percent or more in pretax profits.
- Our offers, which are based on the pretax profits of a prospective partner's company, are highly competitive.
- The majority of our transactions are based on a three-year earnout.
- Our terms are flexible, typically including a combination of cash and Gallagher stock, which has paid an industry-high dividend. At about 4 percent, the Gallagher dividend is almost two times as high as the S&P 500s and has grown by an average annual rate of 16 percent over the past 25 years.

# Gallagher opens career paths for merger partners and their employees.

The strong performance of merger partners continues to fuel Gallagher's growth. As a result, many merger partners move up steadily into our executive ranks, and their employees gain access to a full range of education and training programs—all aimed at career advancement and maximum earning potential.

**Consider that:**

- Many of our employees have spent most or all of their careers with Gallagher, a credit to our company and the people who work here.
- Today several former merger partners are regional managers helping to lead our rapid growth.
- Under the Gallagher banner, merger partners gain a competitive edge in recruiting and training top candidates.
- Our team approach to professional development enables less experienced employees to learn from their more seasoned counterparts.
- Each year thousands of employees participate in classroom and online training programs.
- In support of our partners' recruiting efforts, we have offered a unique, industry-leading intern program for more than 40 years. Embracing the concept of learning by doing, the program now accepts more than 200 college students each summer.

# A core focus on our existing and future clients.

## Our operations are guided by core principles that foster client satisfaction.

Supporting our clients and their business objectives—and ultimately, the risk management solutions we architect for each of them—are the pillars of our business:

- Absolute integrity from trusted advisors
- Flawless execution of client stewardship
- Commitment to innovation in tailored solutions
- Expert knowledge of the insurance marketplace

These pillars are at the core of Arthur J. Gallagher & Co.'s operations, and guide every one of our associates. They're the reason we are one of the most respected and ethical companies in our industry. When it comes to service we go beyond the standard for each of our clients.

## Gallagher recognized as one of America's Best Employers by Forbes magazine.<sup>2</sup>

Gallagher has been recognized by Forbes magazine as one of America's Best Employers in 2015. This is the inaugural year for America's Best Employers.

The magazine considered 1,100 U.S.-based employers with more than 2,500 domestic employees. America's Best Employers were selected across 25 industry sectors, including insurance. Results were based on an independent survey of 20,000 employees at large companies which focused on 6 categories.



# When you're part of Gallagher, your business grows.

Gallagher wants its branch offices to focus on the client-interfacing, revenue-generating activities they do best. We therefore give our producers constant access to a breadth of internal experts, innovative technologies and other resources. Here are just a few of the many ways we support our people.

- Our niche strategy and network of specialists can provide a marketplace advantage by helping you put the strongest team of professionals in front of your existing and prospective customers.
- The Gallagher name helps you recruit, train and develop professionals who will take your business to the next level.
- Through Gallagher's powerful technology infrastructure, employees can instantly access practice area info, marketing data, sales and advertising support and numerous other capabilities.
- Gallagher Insight, our proprietary, online portal, allows clients 24/7 access to their own password-protected information, including policy information, service calendars, claims experience and more.

*Ready to explore a merger with Gallagher?*

Your reasons for contemplating a merger may be complex. You may be seeking greater liquidity and asset diversification, name recognition, market clout, improved career paths for you and your employees, the latest technology and more. Whatever your impetus to merge, Gallagher is the one major insurance brokerage you should consider. Reduce your risk. Contact us today.

**When you're ready to leverage the success of your life's work, please contact:**

**Bill Bohstedt**

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### **Arthur J. Gallagher & Co. at a glance**

Arthur J. Gallagher & Co. has been designing solutions to meet our clients' unique needs for more than 85 years. We pioneered many of the innovations in risk management used by businesses in all industries today. We believe that the best environment for learning and growing is one that remembers the past and invents the future.

- Founded in 1927 by Arthur J. Gallagher and still run by the founding family.
- A global corporation with a strong heritage and culture, Gallagher is a company with 20,000+ employees.
- Divisions specializing in retail insurance brokerage operations, benefits and HR consulting, wholesale distribution, and third-party administration and claims processing.
- More than 650 offices in 30 countries and revenues of \$3.6 billion as of 2014.
- Offering client-service capabilities in more than 140 countries around the world through a global network of correspondent brokers and consultants.



<sup>1</sup>Arthur J. Gallagher & Co. named one of the world's Most Ethical Companies for 2015. Ethisphere Institute, March 2015

<sup>2</sup>Used with permission, © 2015 Forbes Media LLC