

Health and Wealth Insurance Distribution Fall 2025



Mergers & Acquisitions
Capital Raising
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CONSOLIDATION TRENDS IN HEALTH, AND WEALTH BROKERAGES

Valued at over \$30 billion, the health and wealth brokerage sector is undergoing a transformation—powered by aging demographics, financial complexity, and investor demand for recurring, high-margin revenue. This ecosystem of over 30,000 fragmented agencies represents one of the largest untapped consolidation opportunities in the insurance value chain.

Rising consumer demand for integrated retirement planning—spanning Medicare, annuities, life insurance, and advisory services—is accelerating the shift toward scaled, tech-enabled platforms. Strategic acquirers and private equity-backed roll-ups are racing to assemble multi-line distribution platforms that combine Medicare enrollment, lifetime commission trails, and wealth management capabilities.

\$30 Billion
Market Size¹

M&A activity in the health and wealth brokerage sector is accelerating at a rapid pace, with over 287 acquisitions by just three consolidators—Integrity, AmeriLife, and Simplicity—since 2020 and more than 1,000 total transactions in the past five years. Valuations have climbed sharply, with EBITDA multiples peaking at 11.3x in 2024, and even higher for scaled platforms with strong carrier relationships and operational infrastructure. The sector's appeal lies in its recurring revenue, low capital intensity, and built-in inflation hedge, making it an ideal target for private equity roll-ups seeking predictable cash flow and margin expansion.

DEAL ACTIVITY BY YEAR²

(Units in actuals)



¹Yahoo Finance, Colonnade Estimates

³YTD June 2025

²CapIQ, Colonnade Estimates

INSURANCE ECOSYSTEM



Insurance Carriers	▪ Design coverage plans, set premiums, and underwrite insurance risk ▪ Enroll members, process claims, pay providers, and support customers ▪ Carriers market their products through agency networks such as IMOs, MGAs, and GAs	  
Insurance Marketing Organizations ("IMO")	▪ IMOs are the largest type of agency networks who typically write more than \$500k of premium with a given carrier ▪ Partner directly with multiple carriers to offer a diverse product mix ▪ Support agents with training, leads, marketing, compliance, and operations ▪ Leverage broad distribution network to achieve industry leading pricing	   
Managing General Agents ("MGA")	▪ MGAs have large agency networks and typically generate less premium than IMOs ▪ Partner with IMOs and carriers to expand product mix and can share in underwriting ▪ Provide growing support: training, leads, marketing, compliance, and operations ▪ Ability to leverage large agency network for above average pricing	  
General Agents ("GA")	▪ The majority of brokerages are independent health and wealth agencies that distribute products as part of IMOs and MGAs agency networks ▪ Health and wealth agencies support a small group of agents ▪ Focus on frontline sales and agent support rather than carrier relationships	  

MARKET SEGMENTATION

Direct to Consumer Agencies and Call Centers

A growing segment of the health insurance distribution landscape is made up of agencies that specialize in direct-to-consumer Medicare Advantage sales through a hybrid model of call center operations and in-person agents. These firms deploy licensed agents to assist customers remotely via inbound and outbound calls, while some also maintain retail offices or field teams for face-to-face consultations. This model enables scalable outreach during enrollment periods, particularly among seniors who prefer guided decision-making. As the sector matures, AI-enabled tools—from lead scoring to natural language processing—are increasingly being integrated into these call center environments to boost conversion rates, compliance, and customer experience.



Spring Venture Group (SVG)

SVG is a technology-enabled call center platform focused on Medicare Supplement and Medicare Advantage plans. The firm combines licensed agent outreach with AI-powered consumer engagement to drive efficient, high-volume enrollment.

Association Member Benefits Advisors (AMBA)

AMBA partners with affinity groups to offer Medicare plans directly to their members. Their licensed agents operate through call centers, providing personalized plan guidance and enrollment services across all 50 states.

SBHIS Insurance Services

SBHIS uses a hybrid distribution model with both centralized call center agents and retail office locations. The firm emphasizes multilingual support and community outreach, particularly in underserved markets.

Wellabe

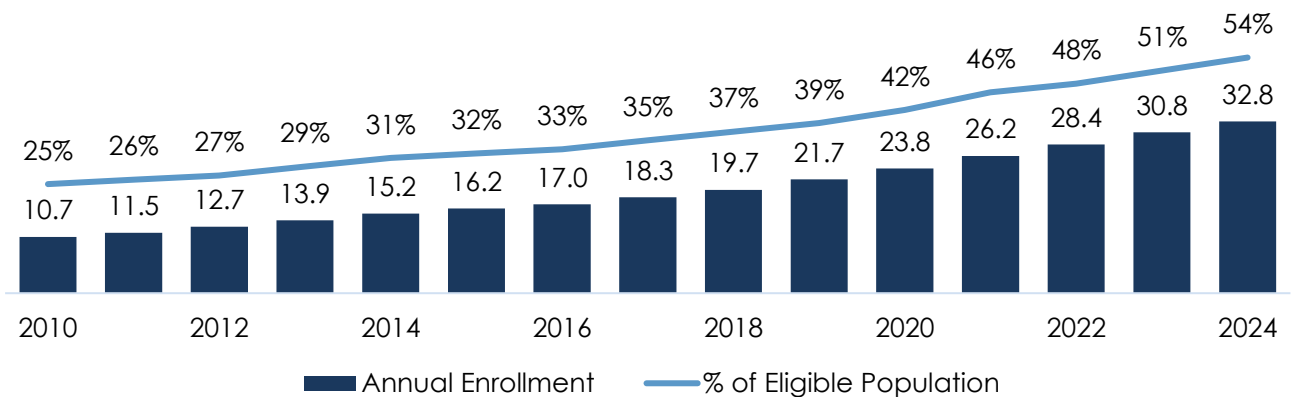
Formerly Medico, Wellabe offers Medicare Supplement and related health insurance products primarily through independent agents. While it supports clients by phone, it does not operate large-scale call centers as a core distribution strategy.

MARKET SEGMENTATION

Medicare Advantage and Supplement

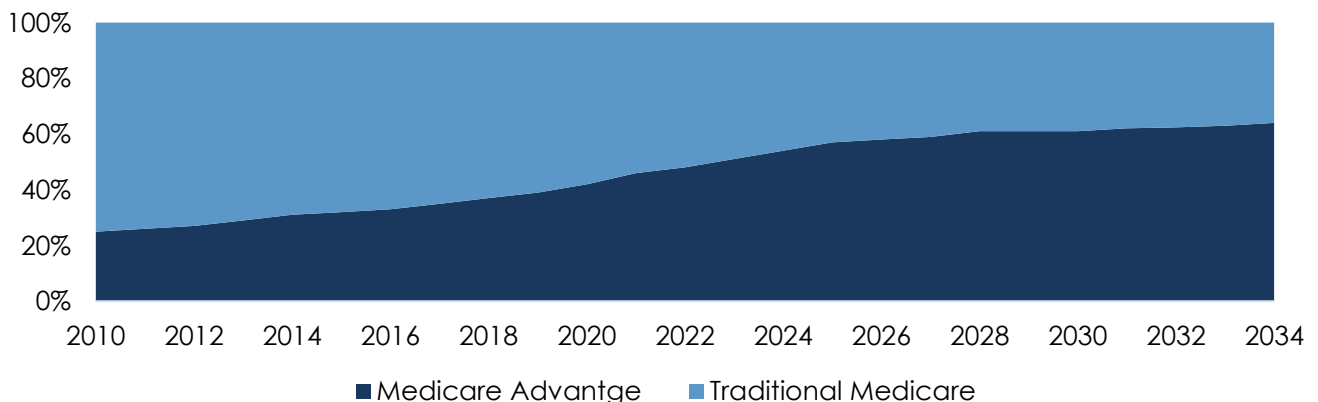
Health agencies focused on the Medicare market represent a rapidly growing and distinct segment within the broader insurance brokerage landscape. Firms such as Spring Venture Group, AMBA, SBHIS, and Wellabe specialize in direct-to-consumer sales of Medicare Advantage, Medicare Supplement, and ancillary products. Unlike traditional health insurance brokers that target employers, these agencies concentrate on the aging U.S. population, where over 11,000 individuals become Medicare-eligible each day.

ENROLLMENT AND PENETRATION¹



As of 2024, more than half (54%) of eligible Medicare beneficiaries are enrolled in Medicare Advantage plans, totaling approximately 32.8 million people. This shift underscores the increasing demand for advisory services in navigating plan complexity and coverage options.

MEDICARE MARKET¹



Traditional Medicare versus Medicare Advantage

Structure and Administration

- Traditional Medicare is administered directly by the federal government.
- Medicare Advantage (also known as Medicare Part C) is offered by private insurance companies approved by Medicare.

Coverage

- Traditional Medicare includes:
 - Part A (hospital insurance)
 - Part B (medical insurance)
 - You must purchase Part D (prescription drug coverage) separately, and many people add a Medigap (supplemental) plan for out-of-pocket cost protection.
- Medicare Advantage bundles:
 - Part A, Part B, and usually Part D into one plan.
 - Often includes extra benefits like dental, vision, hearing, and wellness programs.

Costs

- Traditional Medicare has:
 - Standardized premiums, deductibles, and coinsurance.
 - No cap on annual out-of-pocket spending (unless you buy Medigap).
- Medicare Advantage may offer:
 - Lower premiums and out-of-pocket caps.
 - Copays and coinsurance vary by plan and can be more predictable.

Provider Access

- Traditional Medicare:
 - Patients can see any doctor or hospital in the U.S. that accepts Medicare.
- Medicare Advantage:
 - Uses a network of providers (HMO or PPO).
 - Care is typically more managed—you may need referrals or pre-authorizations.

Flexibility vs. Management

- Traditional Medicare offers more flexibility in provider choice and fewer restrictions.
- Medicare Advantage offers all-in-one convenience, sometimes with extra perks, but with more management controls.

MARKET SEGMENTATION

Agent Commissions

Agents are compensated primarily through commissions regulated by the Centers for Medicare & Medicaid Services (CMS). For 2025:

First-Year



\$611 - \$688

Renewals



\$306 - \$344

Medicare Advantage commission levels vary throughout the range dependent on the state the beneficiary is in

Renewal commissions are paid annually as long as the policy remains active, creating a recurring revenue model for both agents and agencies.

The insurance carrier (e.g., Humana, Aetna, UnitedHealthcare) pays the commission to the agency, which then compensates the agent. CMS sets the maximum allowable commission, and most carriers pay at or near the cap to remain competitive.



Distribution

The Medicare-focused model relies heavily on digital lead generation, national call centers, and licensed agent networks to engage consumers directly. Sales are typically completed virtually, enabling scalability across geographies. These agencies generate recurring, trailing commissions, resulting in highly attractive cash flow profiles and strong customer lifetime value. Compliance infrastructure and CRM automation underpin their ability to manage retention and cross-sell additional coverage.

While some multiline brokerages (e.g., BKS Partners) maintain both group and Medicare capabilities, most Medicare-focused agencies are built specifically for volume through tech-driven enrollment. Their strategic positioning aligns with long-term demographic trends and investor appetite for scalable, high-margin platforms in the individual health segment.

MARKET SEGMENTATION

Hybrid Wealth Managers

Wealth brokerages that focus on annuities and life insurance represent a niche segment within financial services, serving retirement-focused and high-net-worth clients. Firms like AMS Group, Crump, Franklin Madison Group, Creative One, WealthVest, IAMS, M&O Marketing, Jetter, and 3 Mark act as intermediaries between insurance carriers and independent advisors. Their primary value lies in providing access to products, underwriting support, sales enablement, and back-office infrastructure.

Unlike full-service wealth management firms, these organizations focus on distributing fixed, indexed, and variable annuities, along with permanent life insurance, typically in partnership with independent agents, RIAs, or banks. Their revenue is largely commission-based, driven by product placement volume and carrier relationships.

Many have invested in digital quoting tools, marketing platforms, advisor training, compliance, and lead generation systems to boost advisor productivity. With a growing emphasis on income guarantees, tax-efficient growth, and estate planning, these brokerages are well positioned to meet the needs of an aging population.

Amid rising interest rates and heightened demand for guaranteed income, annuity and life insurance-centric brokerages are becoming key players in the retirement planning landscape

Registered Investment Advisors

RIAs offer a differentiated model within wealth management, grounded in fiduciary duty and client-centric planning. Their value goes far beyond investment selection—providing holistic, personalized financial guidance.

Insurance marketing organizations have become consolidators in the RIA space as it allows them to offer a holistic approach to retirement planning and another channel for product distribution



Comprehensive Planning



Investment Management



Wealth Transfer and Estate Planning



Tax Planning and Asset Allocation



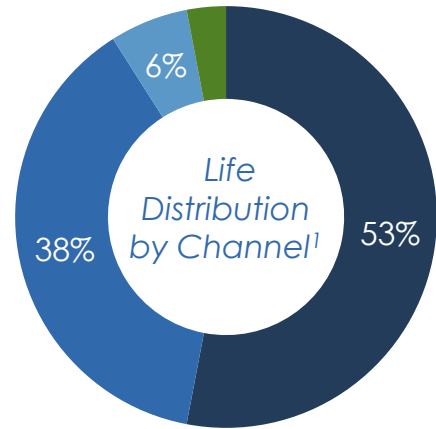
Personalized Client Service

MARKET SEGMENTATION

Life Insurance and Annuities

The U.S. life insurance industry has undergone a structural shift toward independent distribution, with independent agents and brokers now responsible for over half of all new life insurance premium. This evolution reflects rising consumer demand for objective, personalized financial advice and the growing complexity of product offerings. To support this shift, independent agencies have scaled aggressively, often through consolidation, offering expansive product platforms, integrated technology, and robust compliance support. Insurers are tapping into the RIA channel to embed life insurance within holistic, fee-based planning, driving multi-channel distribution strategies.

The annuity market has followed a similar trajectory as independent agents and agencies are the main distribution channel. Total U.S. annuity written premium reached a record \$522 billion in 2024

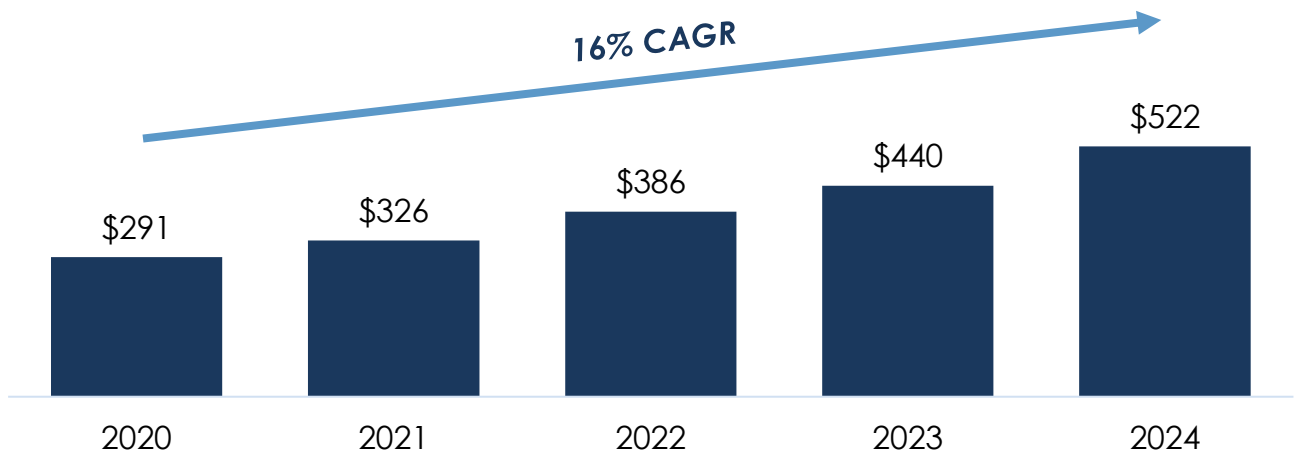


■ Independent ■ Captive ■ DTC ■ Other

Independent channels, led by insurance agents and broker-dealers, now account for approximately 41% of annuity sales. Independent agents alone drove 74% of fixed and indexed annuity volume in 2023.¹ The RIA channel is increasingly viewed as the next major growth engine, with insurers ranking it as the top opportunity for annuity sales expansion.

DIRECT WRITTEN ANNUITY PREMIUM²

(\$ in billions)



¹LIMRA

²NAIC

MARKET SEGMENTATION

Vertically Integrated Platforms

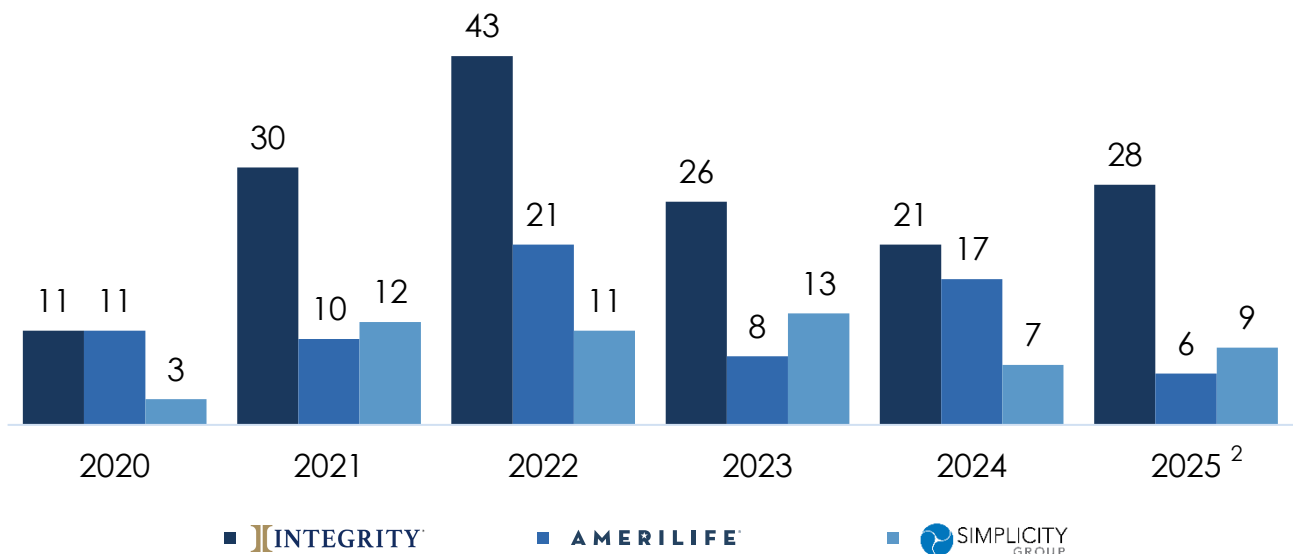
Vertically integrated platforms like Integrity Marketing Group, AmeriLife, and Simplicity Group have become dominant aggregators in the insurance and wealth distribution space. By combining distribution, marketing, and technology under one umbrella, these firms capture more value across the supply chain.

Vertically integrated IMO's gain strategic control over distribution, improving sales execution, reducing leakage, and enhancing agent retention. Their scale drives better carrier economics through preferred access and proprietary product development. Technology investments in CRM and compliance systems improve efficiency and expand margins. Broad product diversification across life, annuities, Medicare Advantage, and supplemental health mitigates risk and enables adaptability to market or regulatory shifts, supporting resilient, scalable growth. Together, these attributes support resilient cash flows and durable competitive advantage.

Integrity, AmeriLife, and Simplicity have each pursued aggressive M&A strategies. Since 2020, the three firms have completed 287 publicly announced acquisitions of IMO's, field agencies, and advisory groups, integrating them into centralized systems to drive scale and operational efficiency.¹

DEAL ACTIVITY AMONGST LARGEST CONSOLIDATORS¹

(Units in actuals)



¹Colonnade Research, publicly announced transactions

²YTD October 2025

KEY TRENDS

The pace of M&A across health and wealth brokerages continues to accelerate, driven by a confluence of structural, financial, and demographic forces. Below are the key trends fueling this consolidation wave:

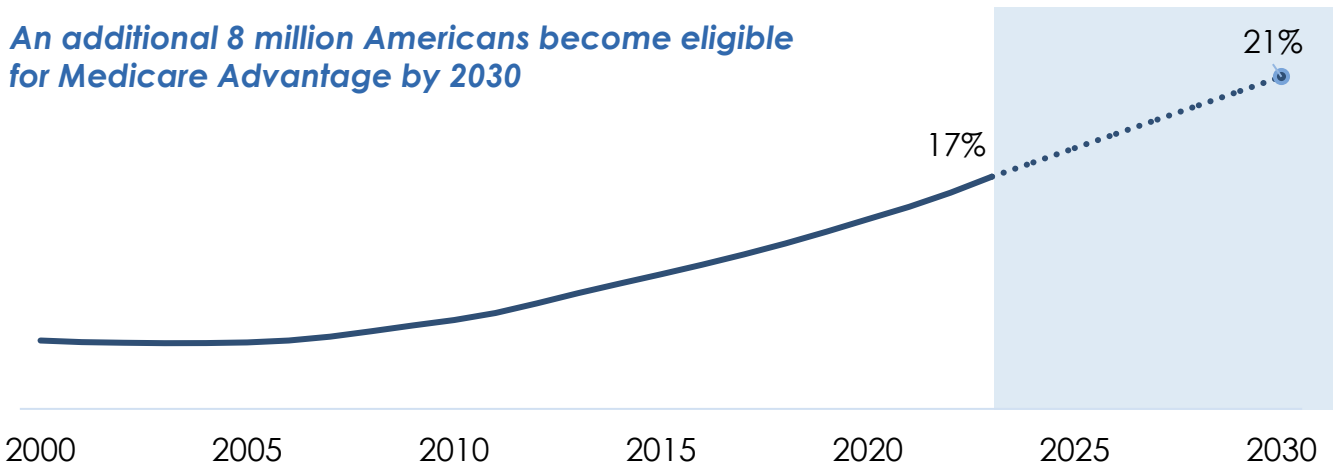
- 1 Population over Age 65 is Growing
- 2 Highly Fragmented Market
- 3 Business Model Strengths
- 4 Younger Consumers Prefer Financial Advisors That Offer Integrated, Cross-disciplinary Solutions
- 5 Aging Producer Base Creates Succession Opportunities

1 POPULATION OVER AGE 65 IS GROWING

The aging U.S. population and widening retirement preparedness gap are driving unprecedented demand for insurance and investment solutions. As individuals seek coverage for income, longevity, and long-term care needs, brokerages specializing in Medicare, annuities, and life insurance are seeing robust growth across both traditional and digital distribution channels.

PERCENTAGE OF TOTAL POPULATION OVER 65 (USA)¹

An additional 8 million Americans become eligible for Medicare Advantage by 2030



2 HIGHLY FRAGMENTED MARKET

The health and wealth landscape remains highly fragmented, with roughly 30,000 firms that are realistic acquisition targets in the near to medium term. The vast majority of these agencies generate less than \$5 million in annual revenue, creating a long tail of small, founder-led firms with limited scale. McKinsey research suggest that nearly one-third of agency principals expect to undergo ownership transition within five years, driven by aging ownership demographics, lack of internal successors, and rising operational complexity.

Insurance distribution remains a relationship-driven, localized business, particularly in Medicare, life insurance, and annuities, where client trust is closely tied to individual agents. This dynamic makes organic market share expansion difficult for national firms, positioning M&A as the primary growth strategy. To preserve agency relationships, buyers have increasingly emphasized “integration-light” models that preserve the entrepreneurial autonomy of acquired agencies while centralizing back-office, compliance, and technology infrastructure to drive margin expansion.

¹World Development Indicators

3 BUSINESS MODEL STRENGTHS

Health and wealth brokerages benefit from highly attractive financial profiles defined by recurring revenue, low capital intensity, and strong synergies through consolidation. These characteristics support profitability and make the sector a prime target for private equity-backed roll-up strategies.

Recurring Revenue

In the health segment, Medicare Advantage plans generate lifetime renewal commissions, providing durable cash flows once policies are in force. Moreover, commissions are regulated by CMS, creating pricing uniformity and reducing margin compression risk across competitors. Having a good mix of first-year and renewal production increases target attractiveness for investors

In the wealth segment, life and annuity products offer a compelling combination of large upfront commissions and long-duration renewal trails. Annuity-focused brokerages often earn 20 to 90 basis points annually on in-force assets, generating reliable, asset-based revenue that compounds as books grow. These income streams can last for years, sometimes decades, post-sale, providing exceptional visibility into future earnings.

Low Capital Intensity

Operating margins are robust, typically exceeding 20%, due to lean cost structures, low fixed overhead, and technology-enabled sales models. Brokerages leverage centralized infrastructure, such as licensing, compliance, CRM systems, and marketing platforms, to support large networks of agents and advisors across geographies.

Synergistic Opportunities

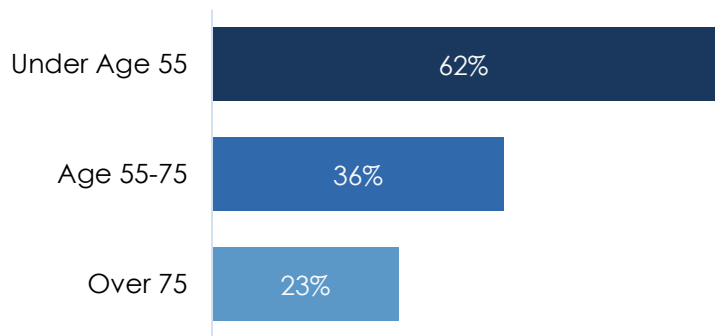
Synergistic opportunities in health and wealth brokerage roll-ups include centralized technology platforms, shared back-office operations, and unified marketing strategies that reduce costs and improve efficiency. Consolidators can negotiate better carrier terms, streamline compliance, and enhance advisor support by integrating functions across acquired firms. These synergies drive margin expansion and create a more scalable, competitive platform.

4 YOUNGER CONSUMERS PREFER FINANCIAL ADVISORS THAT OFFER INTEGRATED, CROSS-DISCIPLINARY SOLUTIONS

Shifts in consumer expectations are redefining the brokerage value proposition. No longer satisfied with siloed advice, today's clients—particularly younger generations—are demanding integrated, cross-disciplinary solutions that address their total financial picture. This includes not only life and health insurance, but also investment planning, retirement income strategies, and tax optimization.

According to a 2023 McKinsey survey of nearly 7,000 individuals, 62% of consumers under age 55 prefer working with advisors who can address multiple financial needs holistically. This contrasts sharply with just 36% of consumers aged 55 to 75, and 23% of those over 75, underscoring a generational pivot toward comprehensive advisory models.

COHORT PREFERENCE FOR INTEGRATED, CROSS-DISCIPLINARY SOLUTIONS¹



This evolution is reshaping how brokerages position themselves in the market. Firms that historically operated in discrete channels—such as Medicare sales or annuity distribution—are increasingly pursuing multi-line capabilities to capture more wallet share and meet evolving client expectations. Integrated platforms that can offer bundled planning, insurance, and investment advice stand to benefit most.

Moreover, digital-first behaviors are amplifying these expectations. Consumers now expect seamless, tech-enabled engagement across product lines, making data integration, CRM infrastructure, and omni-channel service models essential. Brokerages that can unify fragmented experiences into a single advisory journey are emerging as preferred partners, driving demand for consolidation and investment in scalable platforms.

¹2023 McKinsey Survey

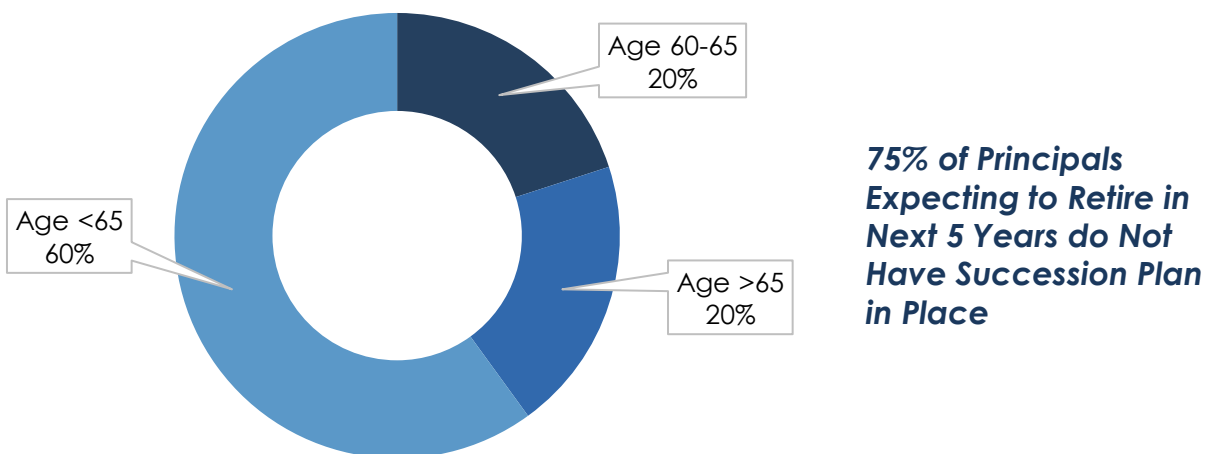
5 AGING PRODUCER BASE CREATES SUCCESSION OPPORTUNITIES

The insurance industry is undergoing a profound demographic shift, marked by an aging leadership cohort and a lack of clear succession pathways. According to the 2023 Agency Growth Study by Liberty Mutual, 40% of agency principals are over age 60, and 20% are over 65, signaling an imminent wave of retirements.¹ Despite this, only 25% of those expecting to retire within the next five years have a formal succession plan in place, creating a significant transition gap across the industry.

This dynamic presents a compelling acquisition opportunity, particularly for firms with established in-force books and recurring commission streams. These agencies often possess stable, high-margin revenue but lack the operational or strategic resources to scale or transition independently. Acquirers can unlock value by injecting infrastructure, technology, and growth capital while providing founders with liquidity and legacy continuity.

Further highlighting the scope of this shift, the 2022 Future One Agency Universe Study found that 17% of principals are already over age 66, and 40% anticipate an ownership change within five years.² These statistics underscore not only the aging producer base but also the urgency for M&A-driven succession solutions, making this one of the most actionable consolidation drivers in the market today.

AGENCY PRINCIPAL AGE¹



¹Liberty Mutual

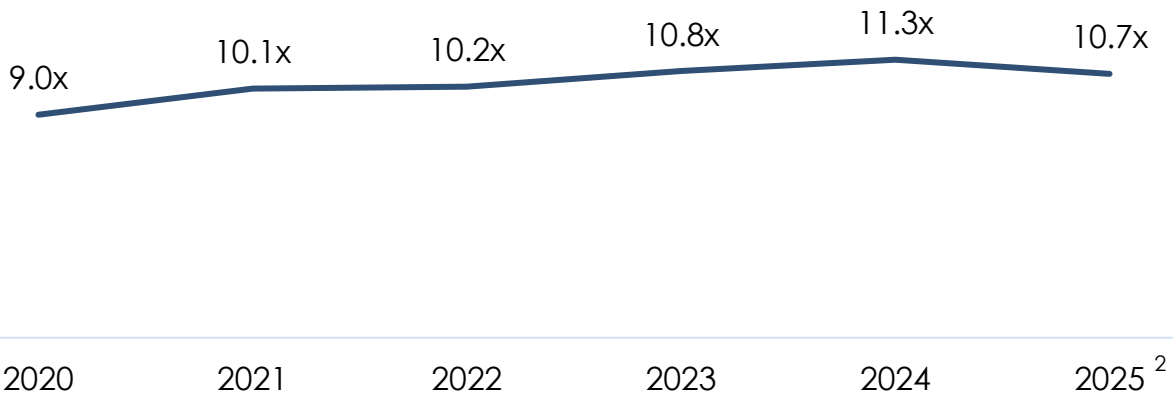
²Future One Agency Universe

M&A IN THE HEALTH AND WEALTH INDUSTRY

Health and wealth brokerages are typically valued on adjusted EBITDA, with average multiples rising by more than two turns from 2020 to 2024. Valuations peaked at 11.3x adjusted EBITDA in 2024. Broader market valuations declined at the start of 2025 due to heightened economic uncertainty tied to new tariff measures. However, we expect a recovery over the coming year as trade tensions ease and interest rates trend lower.

Larger platforms continue to command higher multiples, often in the high teens, due to preferred carrier relationships, scalable operations, and strong agent support. These attributes underpin both organic and inorganic growth opportunities, making platform companies attractive vehicles for roll-up strategies.

HEALTH, LIFE, AND ANNUITY EBITDA MULTIPLES¹



Organic Growth: Healthcare inflation has been a major driver of change. Per capita health spending reached \$15,200 in 2024, up 33% from 2019.³ Rising cost in medical claims have eroded underwriting margins, driving average health insurance loss ratios from 83% in 2019 to 89% in 2024.⁴ In turn, premiums for Medicare Advantage part B plans rose by 37%. Despite higher costs, enrollment hit record levels in 2024 and is expected to continue to grow.

Brokerages commission-based revenue model benefits from premium growth, providing a built-in inflation hedge. At the same time, consumer demand is moving toward more comprehensive retirement and financial planning, creating strong momentum for integrated health and wealth platforms.

¹CapIQ, Colonnade Research

²YTD June 2025

³CMS

⁴NAIC

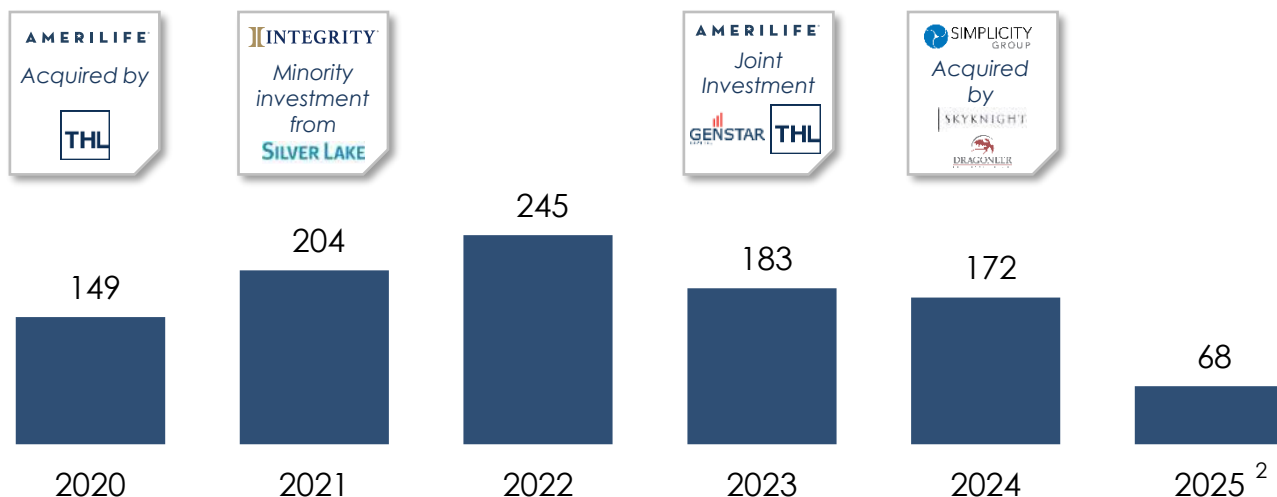
M&A IN THE HEALTH AND WEALTH INDUSTRY (CONT.)

Inorganic Growth: Consolidators benefit from multiple arbitrage, using scale to acquire smaller agencies at lower valuations and capture operational synergies. The persistent valuation gap between platform companies and independent agencies supports accretive tuck-in opportunities. Acquired firms often experience accelerated growth in their first-year post-integration, driven by improved leads, marketing support, cross-sell potential, improved carrier contracts, and enhanced back-office infrastructure.

Case Study:			Nearly \$50mm of Arbitrage	
IMO (Buyer)		GA (Target)		IMO (Consolidated)
\$100mm EBITDA	+	\$10mm EBITDA	=	\$110mm EBITDA
16.0x Multiple		11.3x Multiple		16.0x Multiple
\$1.6B EV		\$113mm EV		\$1.8B EV

Deal Activity: M&A activity in the health and wealth space remained stable in 2024, despite elevated interest rates and a more constrained capital environment. Integrity, AmeriLife, and Simplicity continued to lead industry consolidation, collectively responsible for 287 transactions, or roughly 30% of total deal activity since 2020. In 2024, they accounted for 26% of all M&A activity, down nearly 5% from 2022. With scale largely achieved, these platforms are increasingly focused on integration and margin expansion, while a new wave of acquirers is emerging, replicating the proven roll-up strategies of the market's largest players.

INSURANCE BROKERAGE DEAL ACTIVITY¹


¹CapIQ, Colonnade Research

²YTD June 2025

INTEGRITY MARKETING GROUP



Founded in 2006, Integrity Marketing Group began its transformation in 2016 with a majority investment from HGGC. With HGGC's backing, Integrity pursued an aggressive growth strategy, investing heavily in infrastructure, technology, and talent. In December 2021, Silver Lake invested \$1.2 billion for a minority stake to accelerate Integrity's growth, focused on tech enablement and digital scalability.

Integrity supports a network of over 420,000 agents and serves more than 10 million customers annually. The company has delivered 100%+ year-over-year growth for five consecutive years, with 2021 sales projected to exceed \$7 billion.

Since 2016, the company has completed more than 200 acquisitions, assembling a vertically integrated platform spanning insurance, wealth management, and tech-enabled services. Integrity differentiates itself by offering equity participation to acquired leadership teams and maintaining an employee ownership model—distributing over \$175 million since 2019, to align incentives and retain entrepreneurial energy across the platform.

Acquisition Strategy and Focus Areas: Integrity's acquisitions span the full continuum of retirement and protection services, from Medicare and final expense to annuities, life insurance, and RIA support. The company's model blends technology, distribution scale, and shared services infrastructure to deliver comprehensive, advisor-first solutions.

- **Medicare-Focused Agencies**
 - **Ritter Insurance Marketing** (2022): A premier Medicare-focused IMO, enhancing Integrity's national footprint in Medicare Supplement and Medicare Advantage.
 - **Medicare Advantage Specialists** (2019): Expanded Integrity's southern regional presence with expertise in senior health products.
- **Life and Annuity Distributors**
 - **Scott Riddle Insurance Agency** (2018): A market leader in final expense products, bolstering Integrity's reach among underserved populations.
 - **The Quantum Group** (2025): A strategic acquisition in indexed annuities and life insurance, further integrating retirement income solutions into Integrity's offerings.
- **Tech-Enabled Call Centers**
 - **Unified Health** (2021): A data- and analytics-driven call center platform, delivering scalable telesales and enrollment services for Medicare beneficiaries.

AMERILIFE

AMERILIFE®

Founded in 1971, AmeriLife entered a transformative phase in March 2020 when Thomas H. Lee Partners (THL) acquired a majority stake in the company for an estimated \$1.0 billion. Backed by THL, AmeriLife modernized its technology and operations and launched an aggressive growth strategy focused on consolidating Medicare, insurance, and wealth management distribution.

In January 2023, THL sold a stake to Genstar Capital in a transaction valuing AmeriLife at approximately \$3.0 billion. Genstar's investment aims to accelerate platform development and expand service offerings, supported by its expertise in financial services, healthcare, and software.

AmeriLife supports a network of over 300,000 licensed agents and serves more than 5 million pre-retirees and retirees nationwide. The firm has evolved into a vertically integrated retirement solutions platform serving agents, advisors, and consumers across the health and wealth spectrum.

Acquisition Strategy and Focus Areas: AmeriLife's M&A strategy centers on creating a holistic retirement ecosystem, acquiring firms across Medicare, annuities, life insurance, and registered investment advisory (RIA) services. As of 2025, AmeriLife has completed over 70 acquisitions, systematically building scale and vertical integration.

- **Medicare and Call Center Operations**
 - **Senior Health Insurance Direct** (2025): A national Medicare brokerage expanding AmeriLife's reach in plan distribution.
 - **Senior Healthcare Direct** (2020): A DTC platform branded under "Medicare Bob," enabling high-volume telesales and digital enrollment.
- **Life Insurance and Annuities**
 - **Crump Life Insurance Services** (2025): One of the largest U.S. life insurance distributors, strengthening AmeriLife's position in high-value product placement.
 - **TruChoice Financial** (2023): Carve out of Allianz annuity distribution arm, enhancing AmeriLife's presence in annuity and wealth-focused channels.
- **Wealth Management**
 - **Brookstone Capital Management** (2024): A fast-growing RIA platform, adding investment advisory services to the firm's expanding wealth vertical.
 - **USA Financial** (2024): A full-service wealth management firm encompassing three RIAs, a registered broker-dealer, and a national FMO, enhancing AmeriLife's integrated wealth distribution platform.

SIMPLICITY GROUP



In 2016, Simplicity Group received a majority investment from Lee Equity Partners. Simplicity then expanded beyond its roots in life and annuity distribution to become a multi-line financial services platform spanning insurance marketing organizations (IMOs), registered investment advisors (RIAs), and insurtech. The firm's growth reflects a vision to modernize financial distribution while preserving the independence of advisor relationships.

In August 2024, SkyKnight Capital and Dragoneer Investment Group agreed to acquire a majority stake in Simplicity, with plans to further accelerate the company's expansion and platform development.

Simplicity operates across all 50 states and supports a growing national network of insurance and advisory professionals. The company has completed over 50 acquisitions in the last five years, making it one of the most active consolidators in the insurance and wealth management sectors. Simplicity's model emphasizes cultural alignment, post-acquisition autonomy, and brand continuity, enabling acquired firms to scale while maintaining their identity and client relationships.

Acquisition Strategy and Focus Areas: Simplicity's acquisition philosophy reflects its commitment to building a comprehensive distribution network across the financial services value chain. It targets firms that enhance its advisory capabilities, digital infrastructure, and cross-product distribution footprint.

- **Insurance Marketing Organizations**
 - **Insurance Designers of America** (2023): A top-tier IMO delivering life, annuity, and long-term care solutions to independent producers nationwide.
 - **Breakthrough Insurance Group** (2023): Strengthens Simplicity's insurance distribution reach in both core and emerging markets.
- **Wealth Management and RIAs**
 - **Sawtooth Solutions** (2021): Offers technology-enabled wealth management platforms, empowering financial advisors with customizable portfolio management tools.
- **Insurtech**
 - **Plum Life** (2024): A digital-first life insurance platform designed to streamline the advisor and client experience, underscoring Simplicity's push toward tech-enabled distribution.

CONCLUSION

The health and wealth insurance distribution landscape is undergoing a transformative period, fueled by demographic tailwinds, increasing financial complexity, and evolving consumer preferences. The convergence of healthcare and retirement planning needs among aging populations is driving demand for integrated advisory solutions that bridge Medicare, life insurance, annuities, and wealth management. Aging population driving Medicare and retirement solutions demand, a highly fragmented agency landscape, evolving consumer expectations for integrated financial solutions, a wave of ownership succession needs, and fundamentally attractive business models pave the way for a robust outlook for the industry.

Vertically integrated platforms like Integrity, AmeriLife, and Simplicity have reshaped the M&A landscape, executing hundreds of acquisitions to gain distribution control, unlock synergies, and deliver holistic retirement planning capabilities. These firms exemplify the shift toward centralized infrastructure and tech-enabled engagement, positioning themselves as long-term leaders in an increasingly competitive ecosystem.

The health and wealth segment is a core component of the modern insurance and retirement services economy. The path forward favors firms that can unify fragmented distribution models into scalable, tech-enabled platforms. Success will increasingly depend on the ability to deliver cross-disciplinary health and financial planning, adapt to generational shifts in consumer behavior, and capitalize on synergies across product lines. In this environment, M&A is not merely a growth lever, it is the strategic imperative shaping the future of health and wealth distribution.



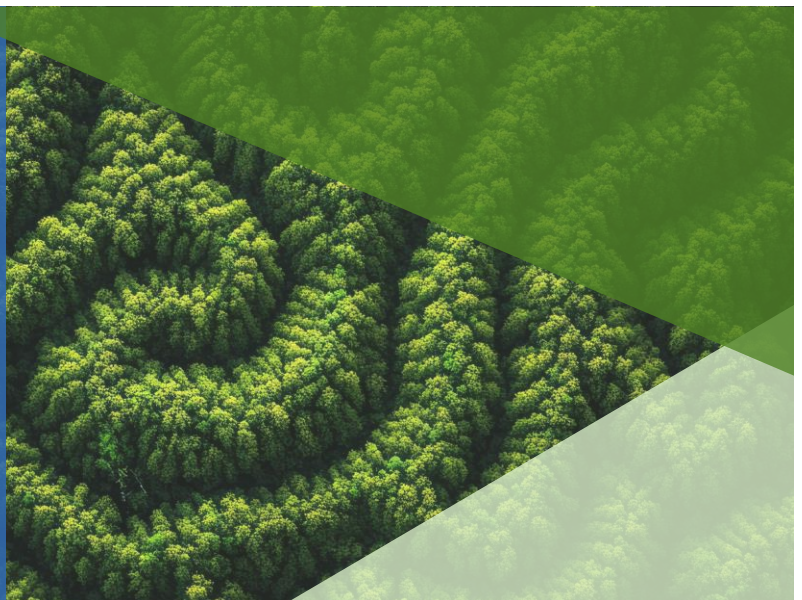
\$30 Billion
Market Size



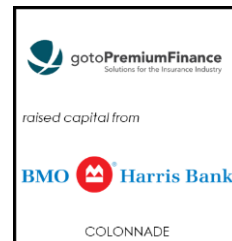
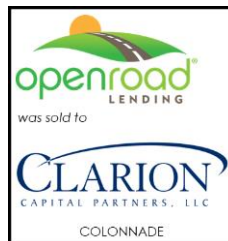
30,000+
Independent
Agencies



1,000+
Acquisitions
since 2020



COLONNADE HAS EXTENSIVE TRANSACTION EXPERIENCE



For more information on M&A in the Health and Wealth industry, please contact:



Gina
Cocking
Managing Director
312.425.8145
gcocking@coladv.com



Jeff
Guylay
Managing Director
847.452.8315
jguylay@coladv.com



Derek
Spies
Senior Vice President
312.544.8541
dspies@coladv.com



Austin
Cambas
Analyst
312.584.4252
acambas@coladv.com



Matt
Magee
Sr. Account Executive
312.870.6204
mmagee@coladv.com



Colonnade Advisors LLC • 600 Cleveland Street • Suite 272
Clearwater, FL • 33755
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Sources: FRED, McKinsey, Yahoo Finance, S&P Global, CapIQ, Marsh Berry, Alvarez & Marsal, Price Waterhouse Cooper, KFF, Sica Fletcher, Fidelity, National Association of Insurance Commissioners, LIMRA, Liberty Mutual, Future One Agency Universe, World Development Indicators, CMS

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