



Brown & Brown, Inc. announces sale of certain third-party administrator businesses and enters into long-term strategic relationship with Davies Group Ltd.

October 31, 2023

DAYTONA BEACH, Fla., Oct. 31, 2023 (GLOBE NEWSWIRE) -- J. Scott Penny, chief acquisitions officer of Brown & Brown, Inc. (NYSE:BRO), today announced an agreement with Davies Group Ltd. ("Davies") that includes the sale of four third-party administrator ("TPA") businesses and a long-term strategic commercial relationship. The transaction is expected to close in December of 2023, subject to certain closing conditions.

The four claims and services businesses to be acquired by Davies include American Claims Management (ACM) (a TPA), Preferred Governmental Claims Services (PGCS) (a claims management business specializing in Florida governmental and municipality agencies), USIS (a leading supplier of managed care services and TPA for workers' compensation and liability claims) and ICA (a premier independent property adjusting firm) (collectively, the "TPA Operations"). All 600 teammates in the TPA Operations will be transitioning to the Davies team as part of this transaction and will continue to serve their valuable customers and carrier partners as they do today as part of Brown & Brown. Further, Brown & Brown is establishing a long-term commercial relationship with Davies to leverage their claims services capabilities to enhance Brown & Brown's core brokerage and programs operations.

Chris Walker, president of the National Programs segment, stated, "Brown & Brown has had a working relationship with the Davies organization for many years. As they began to look at expanding their presence in the United States, there was a natural opportunity to engage our team. Through our discussions, we determined that we had an opportunity to enhance both of our organizations through a strategic transaction. Davies is best positioned to invest the necessary resources to grow these TPA businesses, from technology enhancement to training and development opportunities for teammates."

"We are thrilled to sign this deal with Brown & Brown and are excited about the 600 incredibly talented colleagues that will be joining the Davies Group," said Dan Saulter, group CEO of Davies. "This transaction enables us to invest and grow ACM, PGCS, USIS and ICA while building a strategic relationship with Brown & Brown to support their business with claims and more comprehensive solutions as they continue to grow their business."

The acquired businesses represent approximately \$100 million of annual revenue and the transaction will generate purchase proceeds in the range from \$185 million to \$205 million.

About Brown & Brown

Brown & Brown, Inc. (NYSE: BRO) is a leading insurance brokerage firm, delivering risk management solutions to individuals and businesses since 1939. With 16,000+ teammates in 500+ locations worldwide, we are committed to providing innovative strategies to help protect what our customers value most. For more information or to find an office near you, please visit bbinsurance.com.

About Davies

Davies delivers specialist professional services and technology solutions across the risk and insurance value chain, including excellence in claims, underwriting, distribution, regulation and risk, customer experience, human capital, digital transformation and change management. Their global team of more than 8,000 professionals operates across ten countries, serving more than 1,500 insurance, financial services, public sector, and other highly regulated customers. In the last five years, Davies has executed a strategy of adding new capabilities, investing in technology and transformation, and expanding into new geographic markets. More information about the Davies Group is available at www.davies-group.com.

This press release may contain certain statements relating to future results which are forward-looking statements, including those associated with this acquisition. These statements are not historical facts but instead represent only Brown & Brown's current belief regarding future events, many of which, by their nature, are inherently uncertain and outside of Brown & Brown's control. It is possible that Brown & Brown's actual results and financial condition may differ, possibly materially, from the anticipated results and financial condition indicated in these forward-looking statements. Further information concerning Brown & Brown and its business, including factors that potentially could materially affect Brown & Brown's financial results and condition, as well as its other achievements, is contained in Brown & Brown's filings with the Securities and Exchange Commission. Such factors include those factors relevant to Brown & Brown's consummation and integration of the announced acquisition, including any matters analyzed in the due diligence process, and material adverse changes in the business and financial condition of the seller, the buyer, or both, and their respective customers. All forward-looking statements made herein are made only as of the date of this release, and Brown & Brown does not undertake any obligation to publicly update or correct any forward-looking statements to reflect events or circumstances that subsequently occur or of which Brown & Brown hereafter becomes aware.

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