



# Decision

Proposed acquisition of The Assured Partners Capital Inc. and its subsidiaries by Arthur J. Gallagher & Co (C-073)

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Jersey Competition Regulatory Authority  
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## 1. Summary

1.1 Arthur J. Gallagher & Co is proposing to acquire 100% of the issued and outstanding shares of common stock of the Target Business, The Assured Partners Capital Inc. and its subsidiaries, from its Seller, The AssuredPartners Group LP (the **Proposed Transaction**).

1.2 The Proposed Transaction was notified to the Jersey Competition Regulatory Authority (the **Authority**) for approval pursuant to Article 21 of the Competition (Jersey) Law 2005 (the **Law**). The Authority has determined the Proposed Transaction will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

## 2. The Application

2.1 The application was notified to the Authority on 3 February 2025. The application, submitted on a joint basis by the Purchaser and the Seller (together, the **Parties**), has been progressed in accordance with the Authority's guideline on mergers and acquisitions.<sup>1</sup>

2.2 On 4 February 2025 a Notice of Application was published on the Authority's website, which initiated a 10-day public consultation. The application was also notified in the Jersey Gazette and publicised on the Authority's LinkedIn page. The consultation closed on 18 February 2025 with no comments or submissions received.

2.3 The Proposed Transaction has also been notified to the United States Department of Justice under the Hart-Scott-Rodino Antitrust Improvements Act of 1976; and the Competition and Consumer Protection Commission of Ireland.

## 3. The Parties

### The Purchaser

3.1 The Purchaser, Arthur J. Gallagher & Co, is a global insurance brokerage, risk management and consultancy firm. It is incorporated in USA (Delaware) with number 780509 and listed on the New York Stock Exchange (NYSE reference: AJG).

3.2 The Purchaser is active in more than 150 countries, including the United Kingdom and Jersey. In Jersey the Purchaser is active through its ownership of the Rossborough Group, a company providing general insurance brokerage services, with Jersey registration number 1944. The Purchaser had a turnover of approximately [REDACTED] in 2024 from clients in Jersey, and a worldwide turnover for the calendar year ended on 31 December 2023 of USD 9.9 billion.

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<sup>1</sup> [Guideline 8: Mergers and Acquisitions](#)

## The Seller

3.3 The Seller, The AssuredPartners Group LP, wholly owns the Target Business and its subsidiaries. It is incorporated in the USA (Delaware) with number 7283524.

3.4 The Seller is a middle market insurance brokerage firm headquartered in Orlando, Florida, and one of the leading insurance brokers in the USA. The Seller controls approximately [REDACTED] assets across its business. It is active across property and casualty lines, commercial lines as well as employee benefits, personal lines and services across the UK, the USA and Ireland.

## The Target Business

3.5 The Target Business is The AssuredPartners Capital Inc. and its subsidiaries. It provides business brokering financial insurance, being involved in commercial property and casualty insurance, commercial lines, employee benefits, personal lines services. It operates in 37 states across the USA, as well as in Belgium, Ireland, Guernsey, the UK and Jersey. Its worldwide turnover for the financial year ended 31 December 2023 was approximately [REDACTED].

3.6 In Jersey the Target Business generated approximately [REDACTED] turnover in 2023 and 2024. This turnover relates to [REDACTED]. The Target Business does not offer any other insurance services in Jersey and has no employees or physical presence in Jersey.

3.7 Following the Proposed Transaction, the Target Business will be solely owned and controlled by the Purchaser.

## Reasons for the Proposed Transaction

3.8 The Purchaser's goal is to support future growth through business synergies. Specifically, the Proposed Transaction will help expand the Purchaser's retail middle-market presence, help increase opportunities, increase the Purchaser's presence across niche practices and add scale to its wider business. Both Parties are expected to benefit through the joining of their deep industry connections, data and analytics capabilities and access to standardised business practices.

3.9 The Parties further note that the Jersey business of the Target Business is incremental to the overall merger.

## 4. Requirement for Authority approval

4.1 Under Article 2(1)(b) of the Law, a merger or acquisition (referred to in this paper as a 'merger') occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. On completion of the Proposed Transaction, the Target

Business will be owned and controlled by the Purchaser. The Proposed Transaction, therefore, constitutes a merger as defined by the Law.

4.2 According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the Authority. In particular, in relation to this transaction, Article 2(a) of the Competition (Mergers and Acquisitions) (Jersey) Order 2010 (the Order) provides that if the merger or acquisition would create an undertaking with a share of 25% or more of the supply or purchase of goods or services of any description supplied to or purchased from persons in Jersey, or enhance such a share held by an undertaking, then the merger must be notified to the Authority for approval under Article 20(1) of the 2005 Law.

4.3 The Purchaser and the Target Business are active in the commercial insurance market (providing services to businesses). Following the Proposed Transaction, the merged entity will control greater than 25% of the market for commercial insurance. On this basis, and with reference to Article 2(a) of the Order, the Proposed Transaction is a horizontal merger and so requires the approval of the Authority prior to its execution.

## 5. Market definition

### Approach

5.1 Under Article 22(4) of the Law, the Authority must determine if the merger would substantially lessen competition in Jersey or in any part of Jersey. As an initial step, the Authority will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed.

5.2 When defining a market, the Authority may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. These previous decisions are not precedents and are not binding, either on the merging parties or on the Authority. Competition conditions may change over time, changing the market definition, and market definition will always depend on the prevailing facts.<sup>2</sup>

### Views of the Parties

5.3 For this assessment the Parties considered previous Decisions of the Authority where the Authority considered the general insurance market and, within that, motor, personal and

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<sup>2</sup> This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Article 60 of the Law requires the Authority to attempt to ensure that so far as possible questions arising in relation to competition are dealt with in a manner that is consistent with the treatment of corresponding questions arising under European Union law in relation to competition within the European Union.

commercial insurance separately.<sup>3</sup> Consistent with this, the Parties consider the relevant economic market to be the commercial insurance market, which is where the Parties overlap. The Parties further note there is no overlap in the motor or personal insurance market between the Purchaser and the Target Business.

5.4 Notwithstanding the above, the Parties' view is that the Authority should consider the impact at the level of the general insurance market because:

- Once an insurance broker obtains a General Insurance Mediation Business (**GIMB**) licence from the Jersey Financial Services Commission (the "**JFSC**"), there is no distinction from a supply-side perspective between different types of general insurance. Once it is licenced, a broker can offer personal and commercial services lines and change between them easily without the need for a new licence. As of 9 January 2025, 105 insurance licences were in issue and active.<sup>4</sup>; and
- In other, larger, jurisdictions, where there might be a greater need for a further distinction when analysing the competitive effects of a transaction, the wider market can sustain brokers who specialise in private or commercial insurance only, or who even broker only specific insurance or more specialist types of insurance. However, in Jersey, the size of the market is such that a broker looking to physically operate from Jersey (which the Parties estimate covers the vast majority of the market) needs to offer as broad a range of general insurance products as possible to generate sufficient revenues to cover staffing, property and regulatory costs (which are also higher than in the vast majority of the UK).<sup>5</sup>

5.5 The Parties' view is that the geographic market for both the general market and the commercial market is a whole Island market in line with previous Authority Decisions.

### Authority consideration

5.6 The relevant product market is defined primarily by reference to the likely response of consumers and competitors.<sup>6</sup> It will comprise products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the product's characteristics,

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<sup>3</sup> See Case C-040 - Islands Insurance, Hepburns insurance - [Islands Insurance Hepburns Decision \(jcra.je\)](#)

<sup>4</sup> The licence does not require there to be a physical presence in Jersey and there is a mix of locally based providers and those outside Jersey (i.e. UK based brokers). See: [Regulated entities — Jersey Financial Services Commission](#)

<sup>5</sup> The Parties note the Purchaser Group and the other main third-party brokers in Jersey (Hepburns/Islands, Channel Insurance Brokers, Ross Gower and Cherry Godfrey) provide motor, personal and commercial insurance, rather than the market being comprised of multiple specific brokers for each type of insurance.

<sup>6</sup> [Guideline 7 – Market Definition](#)

prices and intended use. An undertaking cannot have a significant impact on the prevailing conditions of a market if customers can easily switch to other service providers.

5.7 The Authority notes the established broad distinction between different types of insurance in its previous Decision and in considerations by other competition authorities of mergers and acquisitions in the insurance sector. A key factor taken into consideration informing these assessments is the lack of substitutability for the consumer between these different types of insured risk.

5.8 In line with this reasoning and consistent with its previous Decisions, the Authority has considered the impact of the merger in the general insurance market in Jersey, and within this category, commercial business insurance in Jersey.

## 6. Effect on Competition

### Approach

6.1 After defining the relevant market, the Authority considers the respective market shares of the competitors in that market, both before and after the proposed transaction. These shares can be used as an indication of the overall level of market concentration which will be brought about as a result of the merger.

6.2 The analysis will consider whether the merger creates or enhances the ability or incentive to exercise market power, either unilaterally or in co-ordination with competitors, and whether other market forces (such as the entry of new competitors or countervailing power of customers) will eliminate this risk. The assessment will also consider any pro-competitive effects or efficiencies that may result from the merger.

6.3 For horizontal mergers, such as this one, the Authority will consider two potential types of anti-competitive effects – unilateral effects (i.e. the ability of the merged entity to raise prices unilaterally) and coordinated effects (i.e. the ability of the merged entity to raise prices with either the implicit or explicit co-operation of other competitors).

6.4 The Authority will also have regard to the guidelines produced by the European Commission, the Competition and Markets Authority in the UK, as well as those of other competition authorities.

### Views of the Parties

6.5 The Parties submit the effects on competition in Jersey are minimal given the Target Business' share of supply in the commercial market is less than [0-5%] and hence the incremental increase

in market share is insignificant. Further, when considered for the general insurance market, the combined market share is under [20-30%].

## Authority Consideration

### Market shares

6.6 Market shares and concentration levels provide useful first indications of the market structure and of the competitive importance of both the merging parties and their competitors. Information submitted by the Parties identifies a number of competitors in this market. The estimates for the current market shares for the broad general insurance market and the commercial insurance market are set out in Table 1 and have been estimated on the basis of premiums.<sup>7</sup>

Table 1: Estimated market shares

Market	Purchaser	Target Business	Combined	Further information
General insurance	[20-30%]	[0-5%]	[20-30%]	The five largest competitors (with a Jersey presence) have been identified as: - Hepburns/Islands - Channel Insurance Brokers - Jersey Mutual - Ross Gower - Cherry Godfrey There are also UK based online direct insurers such as Aviva, Churchill, LV and Admiral who hold a Licence from the JFSC and offer services in Jersey.
Commercial insurance	[30-40%]	[0-5%]	[30-40%]	The main competitors will be the same as those above for the general market.

6.7 For general insurance the Parties' estimates show that after the Proposed Transaction the estimated level of market share increases from [20-30%] to [20-30%]. This is under 25%, the concentration presumed not to lead to a significant lessening of competition under European Guidelines.

6.8 With respect to commercial insurance, the estimates show that after the Proposed Transaction the estimated level of market share increases from [30-40%] to just under [30-40%] - an increase of under [0-5%].

### Unilateral effects

<sup>7</sup> The Parties first calculated an average premium per client by risk type. Total numbers of clients for each risk type were determined using a mix of data, including publicly available information (e.g. numbers of tax paying employers – Statistics Jersey and Government of Jersey data). The average premium was multiplied by the estimated client base to suggest the total insurance market size. The market shares were then derived using this information and the total market size; and this supplemented management estimates.

6.9 A number of factors may influence whether significant unilateral effects are likely to result from a merger. First, where the merging parties have large market shares, the larger the addition of market share, the more likely it is that the merger will lead to a significant increase in market power. In this case, the increase in market share in both market is less than [0-5%], which is minimal and therefore would not be expected to lead to an increase in market power.

6.10 Further, customers will continue to have a wide number of alternative providers and there will remain major players in both markets who will continue to provide competition. This is further highlighted by the 105 insurance Licences issued by the JFSC (with holders able to offer insurance in both the general and commercial market), demonstrating the wide number of market participants.

#### Co-ordinated effects

6.11 With respect to co-ordinated effects, the Authority notes that the merger may change the nature of competition in such a way that firms that previously were not co-ordinating their behaviour are now significantly more likely to co-ordinate and raise prices or otherwise harm competition.

6.12 No factors which suggest this may occur are present in relation to this Proposed Transaction. For example, post transaction there will still be a significant number of competitors, of different sizes, across the insurance markets considered.

## 7. Decision

7.1 On this basis, the Authority concludes that the Proposed Transaction will not substantially lessen competition in Jersey or any part of Jersey; and is therefore approved under Article 22(1) of the Law.

**27 February 2025**

**By Order of the Jersey Competition Regulatory Authority**